

Financial Standards Measures
Farm Business Management - Moorhead
Northland Community & Technical College
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	79	15	16	16
Liquidity				
Current ratio	1.77	1.18	1.71	1.96
Working capital	325,196	25,196	223,617	828,224
Working capital to gross inc	30.9 %	10.3 %	24.6 %	37.2 %
Solvency (market)				
Farm debt to asset ratio	38 %	48 %	30 %	38 %
Farm equity to asset ratio	62 %	52 %	70 %	62 %
Farm debt to equity ratio	0.61	0.92	0.44	0.61
Profitability (cost)				
Rate of return on farm assets	13.3 %	2.2 %	11.1 %	17.2 %
Rate of return on farm equity	18.9 %	-3.0 %	14.9 %	24.7 %
Operating profit margin	23.9 %	5.5 %	20.3 %	27.7 %
Net farm income	273,310	22,978	202,854	661,145
EBIDTA	272,292	24,579	201,706	650,038
Repayment Capacity				
Capital debt repayment capacity	253,671	3,924	190,549	665,510
Capital debt repayment margin	170,611	-29,461	108,220	516,600
Replacement margin	156,142	-32,714	95,363	485,036
Term debt coverage ratio	2.95	0.08	2.31	4.18
Replacement coverage ratio	2.51	0.07	2.00	3.45
Efficiency				
Asset turnover rate (cost)	55.8 %	39.0 %	54.8 %	62.1 %
Operating expense ratio	66.0 %	76.8 %	69.0 %	63.6 %
Depreciation expense ratio	4.1 %	5.0 %	4.6 %	3.9 %
Interest expense ratio	4.1 %	8.2 %	4.2 %	3.3 %
Net farm income ratio	25.9 %	9.4 %	22.3 %	29.7 %