

Executive Summary Edition

2009

Farm

Analysis

Report of

Moorhead

This is the 34th edition of this report published by the Northland College-Moorhead Mn. Farm Business Management Department. The original numbers for this report came from records kept by each farm family enrolled in the farm management education program provided by Northland Community and Technical College, Thief River Falls, Mn.

In 2009, 79 farms, located mainly in western Clay and Norman counties, Minnesota, were included in the averages. The average farmer was 44.7 years old with 22.4 years of farming experience. Farms averaged 1713 acres per operator with 396 acres of that owned. Soybeans provided the largest gross dollar amount per farm (\$234,714), overtaking Sugarbeets (\$198,647). Wheat (\$138,425) ranked 3rd, followed closely by Corn (\$130,870). The largest single expense was land rent per farm (\$125,470). Seed (\$105,080) came in 2nd, almost \$25,000 higher than last year per farm. Fertilizer (\$72,571) and repairs (\$61,902) were next.

Net Farm Profit dropped by over \$211,000 from last year to (\$61,763) for 2009. On average, producers were short (-\$39,642) of meeting their financial commitments (accrual farm expenses, family living draws and scheduled principal payments) for 2009.

Information about our Farm Business Management program and other financial reports can be found at our website: **www.NorthlandFBM-Moorhead.com**

For more information contact:

Rick Morgan & Greg Tullis
Farm Bus. Mgt. Instructors
NCTC-Moorhead Minnesota
(218) 299-5827 or (218) 299-5863
Rick.Morgan@northlandcollege.edu
Greg.Tullis@northlandcollege.edu



Statement of Cash Flows - Total of 79 Farms in Analysis Report

Soybeans	\$19,253,406
Sugarbeets	\$15,693,113
Wheat	\$10,935,575
Corn	\$10,338,730
Other Grains	\$2,987,780 (organic = \$696,938)
Government Pymts	\$1,777,816
Remaining Farm Income	\$6,955,318

Total Cash Farm Income \$67,941,738

Land Rent	\$9,912,130
Seed	\$8,301,320
Fertilizer	\$5,733,109
Repairs	\$4,890,258
Chemicals	\$4,389,635
Fuel	\$3,042,290
Interest	\$3,028,070
Remaining Farm Expenses	\$14,127,728

Total Farm Expense (\$53,424,540)

Net Nonfarm Income \$1,808,468

Apparent Family Living (\$6,057,483)
Income & SS Tax Paid (\$1,540,263)

Cash From Operating Activities \$8,727,920

Sale of Machinery	\$598,978
Sale of Farm Land	\$82,950
Sale of Other Farm Assets	\$831,159
Sale of Nonfarm Assets	\$528,273

Total Sales of Assets \$2,041,360

Purchase of Machinery (\$9,214,718)

Purchase of Farm Land (\$1,401,855)
Pur of Farm Buildings (\$1,464,502)
Pur of Other Farm Assets (\$294,749)
Pur of Nonfarm Assets (\$3,116,155)

Total Purchase of Assets (\$6,277,261)

Cash From Investing Activities (\$4,235,901)

Money Borrowed \$41,016,958
Principal Payments (\$36,628,113)
Gifts & Inheritances \$666,365

Cash From Financing Activities \$5,055,210

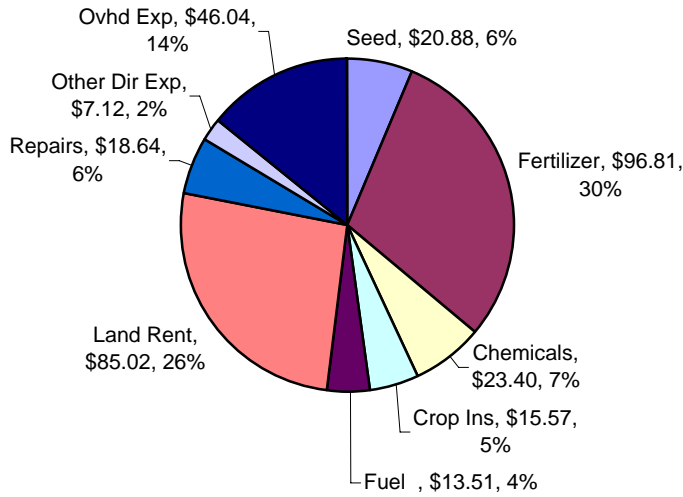
Net change in cash balance: \$159,817

Inventory Change: (\$6,510,232)

Farm Financial Scorecard

	This Year		5-Year Ave		Strong		Vulnerable	
Liquidity								
Current ratio	1.47	1.54	1.7	1.1				
Working capital	\$192,086	\$201,497						
Working cap to gross revenue	23.7%	23.8%	25%	10%				
Solvency (market)	Note: These solvency ratios include deferred liabilities							
Farm debt/asset ratio	44%	45%	30%	60%				
Farm equity/asset ratio	56%	55%	70%	40%				
Farm debt/equity ratio	0.77	0.81	0.43	1.50				
Profitability (Cost)								
Rate of return on farm assets	1.7%	9.2%	8%	4%				
Rate of return on farm equity	-0.5%	11.8%	10%	3%				
Operating profit margin	3.8%	16.6%	25%	15%				
Net farm income	\$61,763	\$169,771						
EBITDA	\$137,271	not available						
Repayment Capacity (Accrual)								
Capital debt repay capacity	\$48,333	not available						
Capital debt repay margin	-\$39,642	\$73,650						
Replacement margin	-\$60,290	not available						
Term-debt coverage ratio	0.55	1.83	1.50	1.20				
Replacement margin ratio	0.44	not available	1.40	1.10				
Financial Efficiency								
Asset-turnover rate (market)	43.3%	51.7%	45%	30%				
Operating-expense ratio	83.1%	72.5%	60%	80%				
Depreciation-expense ratio	5.5%	3.9%	5%	15%				
Interest-expense ratio	4.7%	5.1%	5%	10%				
Net farm income ratio	7.6%	18.8%	20%	10%				

Spring Wheat - Cash Rented (Ave of all Farms)



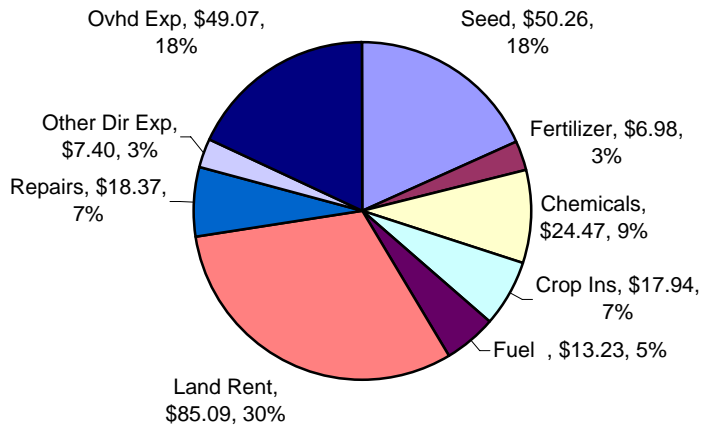
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2005	2006	2007	2008	2009
Yield	43.19	55.54	46.19	62.22	67.58
**Total Costs/Acre	\$218.98	\$229.51	\$245.52	\$324.93	\$326.99
Total Costs/Bu	\$5.07	\$4.13	\$5.32	\$5.22	\$4.84

My Farm		
Yield		
Costs/A.		
Costs/bu.		

**-does not include principal pymts or personal draw

Soybeans - Cash Rented (Ave of all Farms)



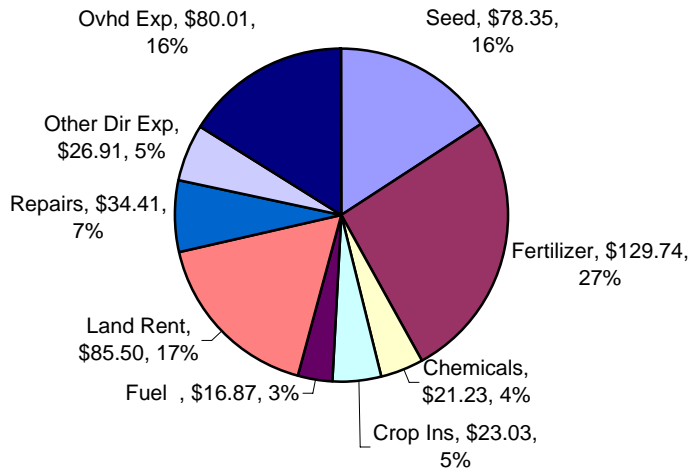
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2005	2006	2007	2008	2009
Yield	40.94	40.86	37.10	31.36	31.01
**Total Costs/Acre	\$198.32	\$213.02	\$214.53	\$270.27	\$272.80
Total Costs/Bu	\$4.84	\$5.21	\$5.78	\$8.62	\$8.80

My Farm		
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Corn - Cash Rented (Ave of all Farms)



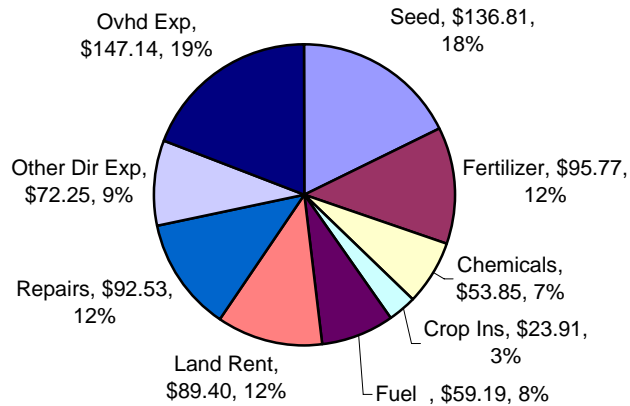
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2005	2006	2007	2008	2009
Yield	148.68	135.67	139.23	157.74	133.90
**Total Costs/Acre	\$307.90	\$367.60	\$364.12	\$487.72	\$503.82
Total Costs/Bu	\$2.07	\$2.71	\$2.62	\$3.09	\$3.76

My Farm	
	\$/A.
Yield	
Costs/A.	
Costs/Bu.	

**-does not include principal pymts or personal draw

Sugarbeets-Cash Rented excluding Joint Venture (Ave of all Farms)



My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2005	2006	2007	2008	2009
Yield	19.76	25.04	22.33	21.56	23.53
**Total Costs/Acre	\$623.77	\$650.24	\$668.76	\$730.38	\$770.85
Total Costs/Ton	\$31.57	\$25.97	\$29.95	\$33.88	\$32.76

My Farm	
	\$/A.
Yield	
Costs/A.	
Costs/T.	

**-does not include principal pymts or personal draw