

Executive Summary Edition

2010

Farm

Analysis

Report of

Moorhead

This is the 35th 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 2010, 76 farms (with an equivalent of 84 full-time operators), located mainly in western Clay and Norman counties, Minnesota, were included in the averages. The average farmer was 45.3 years old with 23.2 years of farming experience. Farms averaged 1861 acres per operator with 343 acres of that owned. Sugarbeets regained the largest gross dollar amount per farm (\$332,507), followed by Soybeans (\$276,707). Corn (\$148,063) moved to 3rd this year, overtaking Wheat (\$127,121). With a 12% increase over last year, the largest single expense was land rent (\$140,397) per farm. Seed was 13% higher this year (\$121,100) and came in 2nd. Fertilizer (\$114,648) and Repairs (\$74,404) were next. Labor expense (\$42,931) was larger than Interest (\$42,024) per farm this year.

Net Farm Profit (\$423,921) surged this year, coming in at over \$177,164 over the five year average. On average, producers generated (\$315,512) above what their financial commitments (accrual farm expenses, family living draws and scheduled principal payments) were for 2010.

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

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Statement of Cash Flows - Total of 76 Farms in Analysis Report

Sugarbeets	\$25,270,532
Soybeans	\$21,029,732
Corn	\$11,252,788
Wheat	\$9,661,196
Other Grains	\$2,418,548
Government Pymts	\$2,800,752
Remaining Farm Income	\$8,063,600

Total Cash Farm Income \$80,497,148

Land Rent	\$10,670,172
Seed	\$9,203,600
Fertilizer	\$8,713,248
Repairs	\$5,654,704
Chemicals	\$4,111,980
Fuel	\$4,098,452
Labor	\$3,262,756
Remaining Farm Expenses	\$17,390,548

Total Farm Expense (\$63,105,460)

Net Nonfarm Income \$1,756,578

Apparent Family Living
Income & SS Tax Paid (\$6,162,764)
(\$1,758,564)

Cash From Operating Activities \$11,228,088

Sale of Machinery	\$1,129,360
Sale of Farm Land	\$364,192
Sale of Other Farm Assets	\$1,092,044
Sale of Nonfarm Assets	\$246,240

Total Sales of Assets \$2,831,836

Purchase of Machinery (\$10,488,912)

Purchase of Farm Land	(\$1,688,796)
Pur of Farm Buildings	(\$1,900,532)
Pur of Other Farm Assets	(\$389,804)
Pur of Nonfarm Assets	(\$3,358,592)

Total Purchase of Assets (\$17,826,636)

Cash From Investing Activities (\$14,994,724)

Money Borrowed	\$55,584,488
Principal Payments	(\$51,663,584)
Gifts & Inheritances	\$87,400

Cash From Financing Activities \$4,008,304

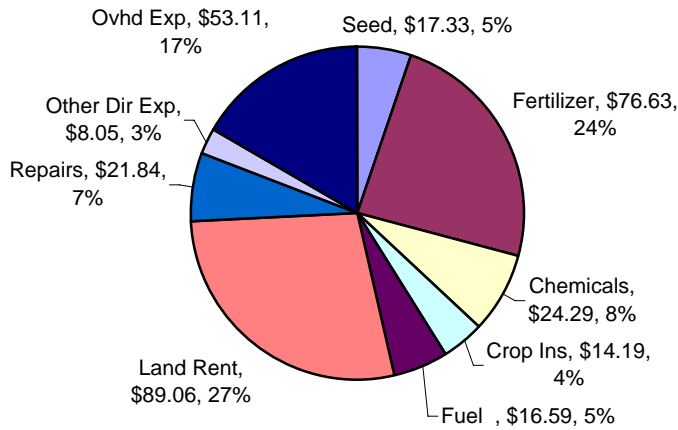
Net change in cash balance: \$242,060

Inventory Change: \$16,364,396

Farm Financial Scorecard

	This Year		5-Year Ave		Strong		Vulnerable	
Liquidity								
Current ratio	2.10	1.72	1.7	1.1				
Working capital	\$455,159	\$281,152						
Working cap to gross revenue	36.6%	29.1%	25%	10%				
Solvency (market)	Note: These solvency ratios include deferred liabilities							
Farm debt/asset ratio	37%	42%	30%	60%				
Farm equity/asset ratio	63%	58%	70%	40%				
Farm debt/equity ratio	59.00	73.00	0.43	1.50				
Profitability (Cost)								
Rate of return on farm assets	18.3%	12.5%	8%	4%				
Rate of return on farm equity	28.1%	17.7%	10%	3%				
Operating profit margin	31.2%	22.1%	25%	15%				
Net farm income	\$423,921	\$246,757						
EBITDA	\$515,731	\$308,431						
Repayment Capacity (Accrual)								
Capital debt repay capacity	\$409,369	\$237,124						
Capital debt repay margin	\$315,512	\$145,199						
Replacement margin	\$291,912	\$129,255						
Term-debt coverage ratio	4.36	2.61	1.50	1.20				
Replacement margin ratio	3.49	2.15	1.40	1.10				
Financial Efficiency								
Asset-turnover rate (market)	58.7%	54.3%	45%	30%				
Operating-expense ratio	58.5%	67.6%	60%	80%				
Depreciation-expense ratio	4.5%	3.9%	5%	15%				
Interest-expense ratio	3.4%	4.6%	5%	10%				
Net farm income ratio	34.1%	24.2%	20%	10%				

Spring Wheat - Cash Rented (Ave of all Farms)



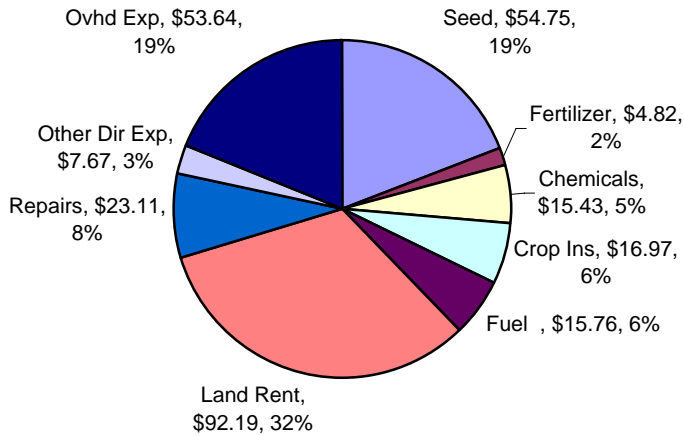
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2006	2007	2008	2009	2010
Yield	55.54	46.19	62.22	67.58	63.33
**Total Costs/Acre	\$229.51	\$245.52	\$324.93	\$326.99	\$321.08
Total Costs/Bu	\$4.13	\$5.32	\$5.22	\$4.84	\$5.07

My Farm		
Yield		
Costs/A.		
Costs/bu.		

**-does not include principal pymts or personal draw

Soybeans - Cash Rented (Ave of all Farms)



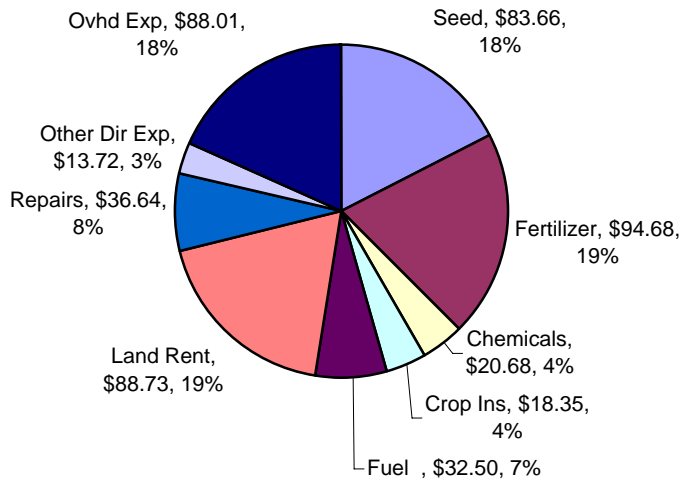
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2006	2007	2008	2009	2010
Yield	40.86	37.10	31.36	31.01	36.81
**Total Costs/Acre	\$213.02	\$214.53	\$270.27	\$272.80	\$284.33
Total Costs/Bu	\$5.21	\$5.78	\$8.62	\$8.80	\$7.72

My Farm		
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Corn - Cash Rented (Ave of all Farms)



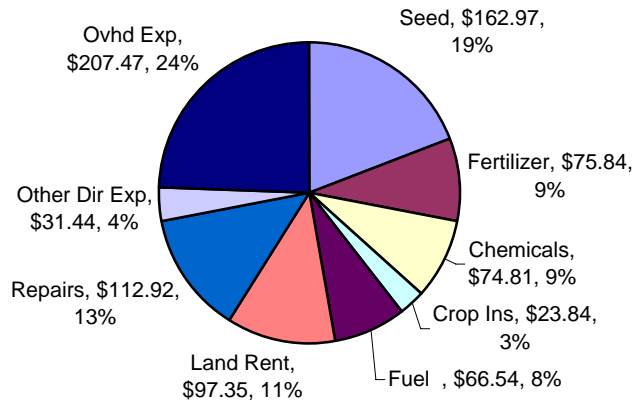
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2006	2007	2008	2009	2010
Yield	135.67	139.23	157.74	133.90	148.09
**Total Costs/Acre	\$367.60	\$364.12	\$487.72	\$503.82	\$476.95
Total Costs/Bu	\$2.71	\$2.62	\$3.09	\$3.76	\$3.22

My Farm		
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		

	2006	2007	2008	2009	2010
Yield	25.04	22.33	21.56	23.53	27.63
**Total Costs/Acre	\$650.24	\$668.76	\$730.38	\$770.85	\$885.77
Total Costs/Ton	\$25.97	\$29.95	\$33.88	\$32.76	\$32.06

My Farm		
Yield		
Costs/A.		
Costs/T.		

**-does not include principal pymts or personal draw