

Executive Summary Edition

2012

Farm

Analysis

Report of

Moorhead

This is the 37th 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 2012, 69 farms (with an equivalent of 74 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 22.5 years of farming experience. Farms averaged 1782 acres per operator with 392 acres of that owned. Soybeans generated the largest gross dollar amount per farm (\$349,979). Sugarbeets (\$286,137) moved down to 2nd barely edging out Corn (\$286,044). Wheat followed at (\$165,569). The largest single expense was fertilizer (\$159,825) per farm, up 18.5% from last year. Land Rent dropped to a close 2nd (\$158,381). Seed (\$142,233), Chemicals (\$81,372) and Repairs (\$72,258) were next.

Net Farm Profit (\$536,416) was 73% higher than the five year average. Much of the profit was due to increase sale prices on the 2011 crop inventory along with slightly higher yields and significantly higher sale prices. On average, producers generated (\$390,403) above what their financial commitments (accrual farm expenses, family living draws and scheduled principal payments) were for 2012. It was double the five year average.

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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NORTHLAND
COMMUNITY & TECHNICAL COLLEGE

Statement of Cash Flows - Total of 69 Farms in Analysis Report

Soybeans	\$24,148,551
Sugarbeets	\$19,743,453
Corn	\$19,737,036
Wheat	\$11,424,261
Other Grains	\$1,341,843
Government Pymts	\$1,922,823
Remaining Farm Income	\$5,544,633

Total Cash Farm Income \$83,862,738

Fertilizer	\$11,027,925
Land Rent	\$10,928,289
Seed	\$9,814,077
Chemicals	\$5,614,668
Repairs	\$4,985,802
Fuel	\$4,219,764
Crop Insurance	\$2,968,863
Remaining Farm Expenses	\$14,151,831

Total Farm Expense (\$63,711,219)

Net Cash from Hedging (\$321,954)

Net Nonfarm Income \$1,618,809

Apparent Family Living
Income & SS Tax Paid (\$6,922,908)
(\$2,294,664)

Cash From Operating Activities \$12,230,802

Sale of Machinery	\$1,643,373
Sale of Farm Land	\$141,864
Sale of Other Farm Assets	\$1,537,389
Sale of Nonfarm Assets	\$455,124

Total Sales of Assets \$3,777,750

Purchase of Machinery (\$12,137,376)

Purchase of Farm Land (\$6,641,664)

Pur of Farm Bldgs/Tiling (\$3,902,640)

Pur of Other Farm Assets (\$418,830)

Pur of Nonfarm Assets (\$2,357,178)

Total Purchase of Assets (\$25,457,688)

Cash From Investing Activities (\$21,679,938)

Money Borrowed \$47,934,921

Principal Payments (\$38,107,182)

Gifts & Inheritances \$66,309

Cash From Financing Activities \$9,894,048

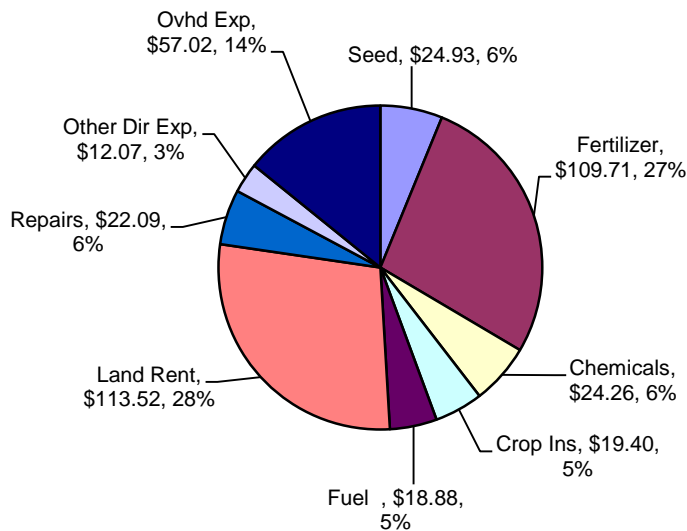
Net change in cash balance: \$444,705

Inventory Change: \$20,639,970

Farm Financial Scorecard

Liquidity	This Year	5-Year Ave	Strong	Vulnerable
	Current ratio	2.32	1.93	1.7
Working capital	\$621,256	\$399,853		
Working cap to gross revenue	41.5%	33.7%	25%	10%
Solvency (market)	Note: These solvency ratios include deferred liabilities			
Farm debt/asset ratio	38%	39%	30%	60%
Farm equity/asset ratio	62%	61%	70%	40%
Farm debt/equity ratio	0.62	0.63	0.43	1.50
Profitability (Cost)				
Rate of return on farm assets	18.4%	12.2%	8%	4%
Rate of return on farm equity	27.5%	17.3%	10%	3%
Operating profit margin	32.2%	21.9%	25%	15%
Net farm income	\$536,416	\$310,321		
EBITDA	\$635,965	\$381,592		
Repayment Capacity (Accrual)				
Capital debt repay capacity	\$498,178	\$287,066		
Capital debt repay margin	\$390,403	\$192,477		
Replacement margin	\$360,026	\$170,502		
Term-debt coverage ratio	4.62	2.95	1.50	1.20
Replacement margin ratio	3.61	2.38	1.40	1.10
Financial Efficiency				
Asset-turnover rate (market)	57.0%	53.1%	45%	30%
Operating-expense ratio	57.5%	66.9%	60%	80%
Depreciation-expense ratio	4.8%	4.8%	5%	15%
Interest-expense ratio	3.0%	3.7%	5%	10%
Net farm income ratio	35.9%	25.2%	20%	10%

Spring Wheat - Cash Rented (Ave of all Farms)



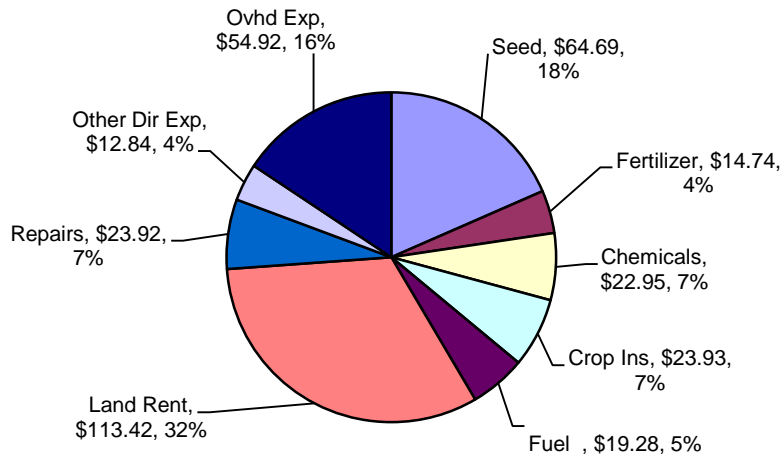
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2008	2009	2010	2011	2012
Yield	62.22	67.58	63.33	37.19	63.79
**Total Costs/Acre	\$324.93	\$326.99	\$321.08	\$374.94	\$401.81
Total Costs/Bu	\$5.22	\$4.84	\$5.07	\$10.08	\$6.30

My Farm		
Yield		
Costs/A.		
Costs/bu.		

**-does not include principal pymts or personal draw

Soybeans - Cash Rented (Ave of all Farms)



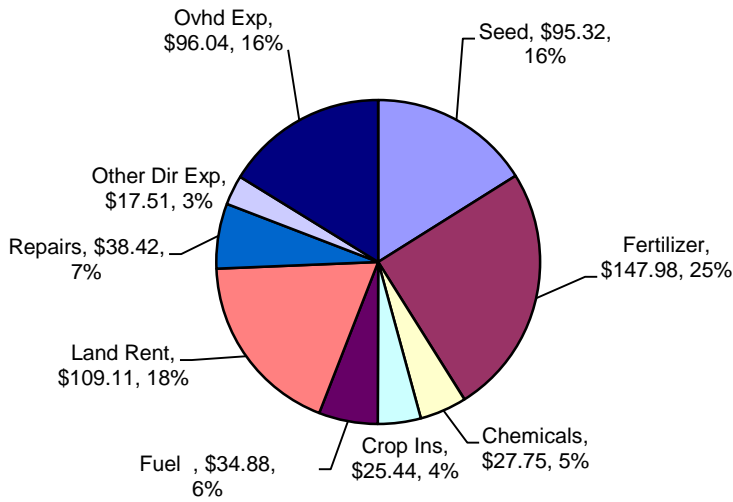
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2008	2009	2010	2011	2012
Yield	31.36	31.01	36.81	30.42	39.28
**Total Costs/Acre	\$270.27	\$272.80	\$284.33	\$319.36	\$350.68
Total Costs/Bu	\$8.62	\$8.80	\$7.72	\$10.50	\$8.93

My Farm		
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Corn - Cash Rented (Ave of all Farms)



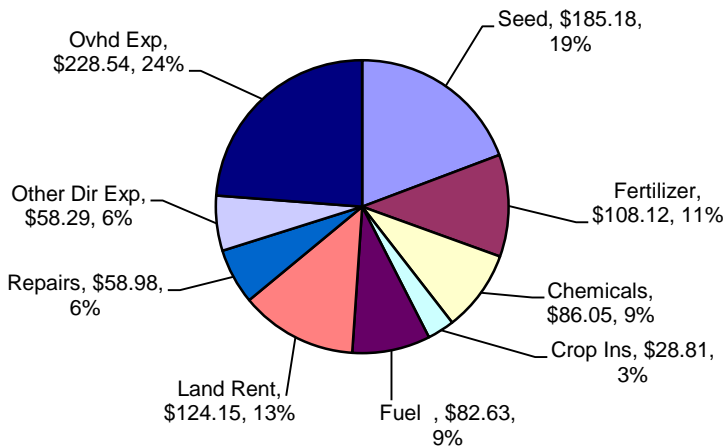
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2008	2009	2010	2011	2012
Yield	157.74	133.90	148.09	112.50	134.29
**Total Costs/Acre	\$487.72	\$503.82	\$476.95	\$544.17	\$592.46
Total Costs/Bu	\$3.09	\$3.76	\$3.22	\$4.84	\$4.41

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		

	2008	2009	2010	2011	2012
Yield	21.56	23.53	27.63	16.24	26.97
**Total Costs/Acre	\$730.38	\$770.85	\$885.77	\$926.80	\$1,063.64
Total Costs/Ton	\$33.88	\$32.76	\$32.06	\$57.07	\$39.44

My Farm		
Yield		
Costs/A.		
Costs/T.		

**-does not include principal pymts or personal draw