

Northwestern, North Central, & West Central Minnesota Annual Report Overview

2013 Calendar Year

Prepared by

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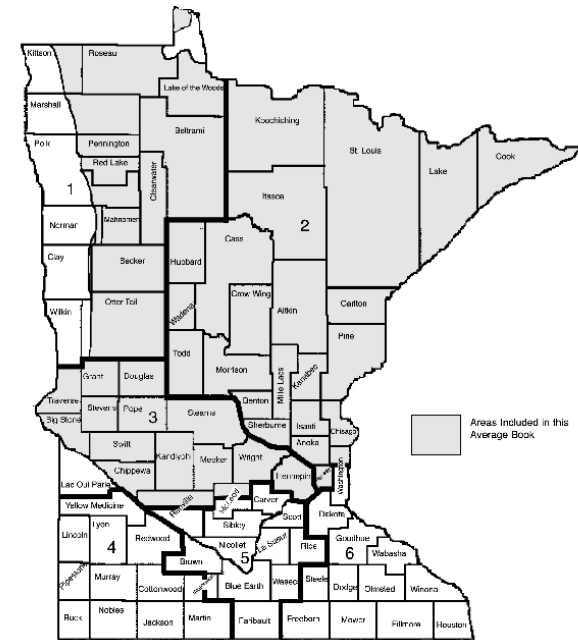


In the Report in 2013...

Cover

- 10-year partnership between **Northland** (*Thief River Falls*) and **Central Lakes Colleges** (*Staples*).
- We have a new partner, **Ridgewater College** (*Willmar*).
- Includes data from **684** farms
- Data compiled by about 21 Farm Business Management Instructors (Page 3)

FARM BUSINESS MANAGEMENT REGIONS



CLC
CENTRAL LAKES
COLLEGE

N
NORTHLAND
COMMUNITY & TECHNICAL COLLEGE

RC
RIDGEWATER
COLLEGE

Report Sections include...

Pg 2

- **Northwestern & North Central, & West Central Area combined (684 farms)**
- **West Central Area only (272 farms)**
- **Northwestern & North Central Area only (412 farms)**
- **Statewide Livestock Data**

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Central Lakes, Northland, & Ridgewater Colleges Page 2 Farm Business Management Education Programs

Northwestern, North Central, West Central data includes...

Page 4-14

- **Average dollars spent**
- **Financial Summaries – sorted by...**
 - **Net Farm Income**
 - **Gross Farm Income**
 - **Type of Farm**
 - **Crop Acres**
- **Operator Information**
- **Household and Personal Expenses**
- **Summary Farm Income Statement**
- **Selected Crop Enterprises**

West Central Area data includes...

Pages 5, 24-32, 34-45 & 75

- **Farm Income Statement**
- **Inventory Changes**
- **Profitability, Liquidity, & Replacement Capacity**
- **Balance Sheets, Market & Cost**
- **Financial Standards Measures & Evaluation Chart**
- **Selected Crop Enterprises**
 - **Corn**
 - **Soybeans**
 - **Corn Silage**
 - **Alfalfa Hay**
- **Enterprise Trend Summary**

Northwestern & North Central Area data includes...

Page 5, 15-23, 34, 46-52 & 76

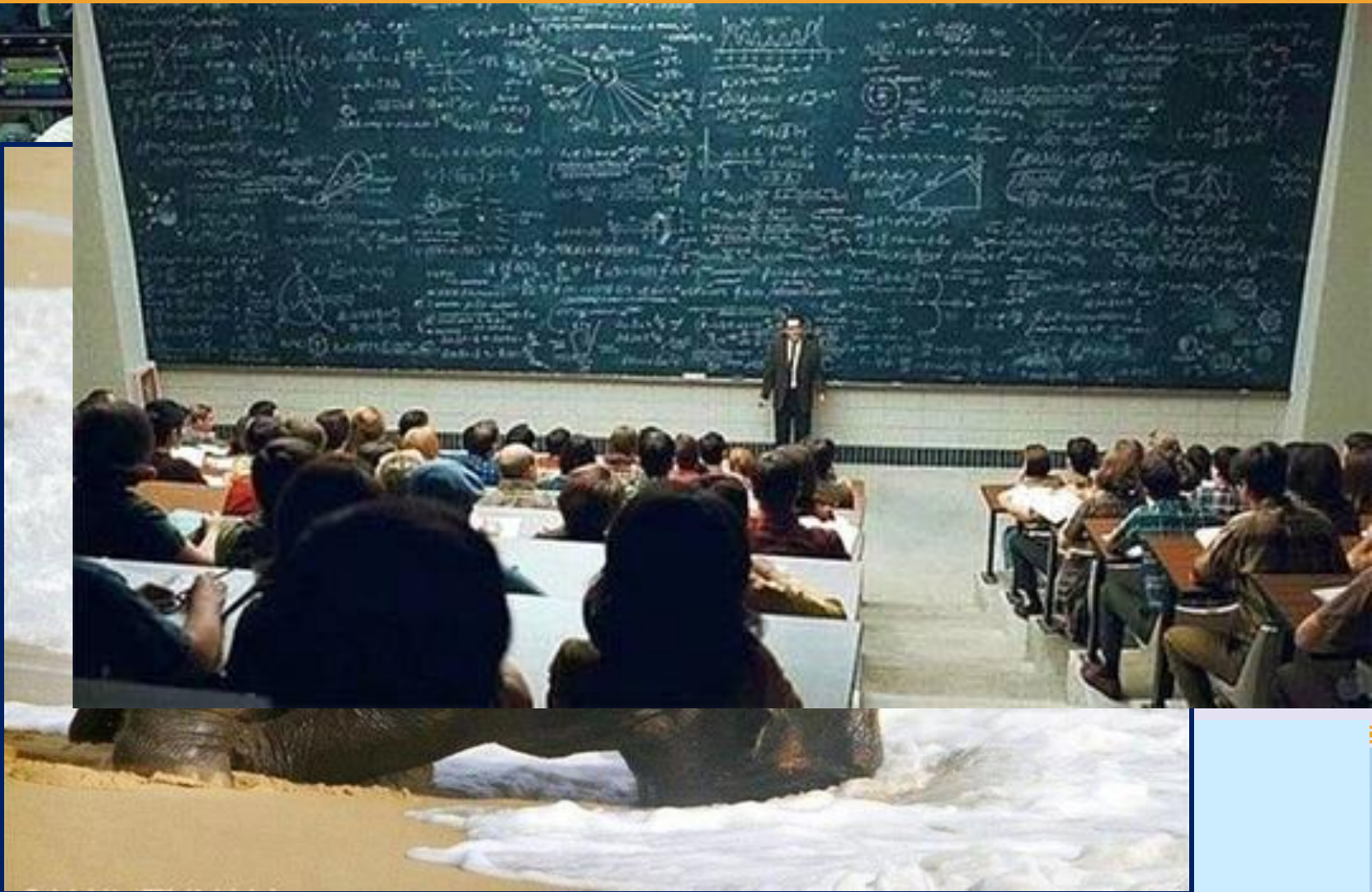
- **Farm Income Statement**
- **Inventory Changes**
- **Profitability, Liquidity, & Replacement Capacity**
- **Balance Sheets, Market & Cost**
- **Financial Standards Measures & Evaluation Chart**
- **Selected Crop Enterprises**
 - **Corn**
 - **Soybeans**
 - **Corn Silage**
 - **Alfalfa Hay**

Statewide data is included in...

Page 5, 53, & 63-74

- **Year at a Glance**
- **Sugar Beet Enterprise**
- **Livestock Enterprises**
 - **Dairy**
 - **Beef**
 - **Hogs**

A few opening thoughts...



A few opening thoughts... of being thankful



Do you know how to tell when it is cold
in the “North Country”?

When you park your car and...



General Observations of 2013

- 1) Crop prices and yields decreased (input costs generally continued to rise)
- 2) Livestock enterprises show reduced profits (due to continued high feed expense)
- 3) Most Financial Standard Factors show a reduced level but remained favorable
- 4) It was a challenging year...

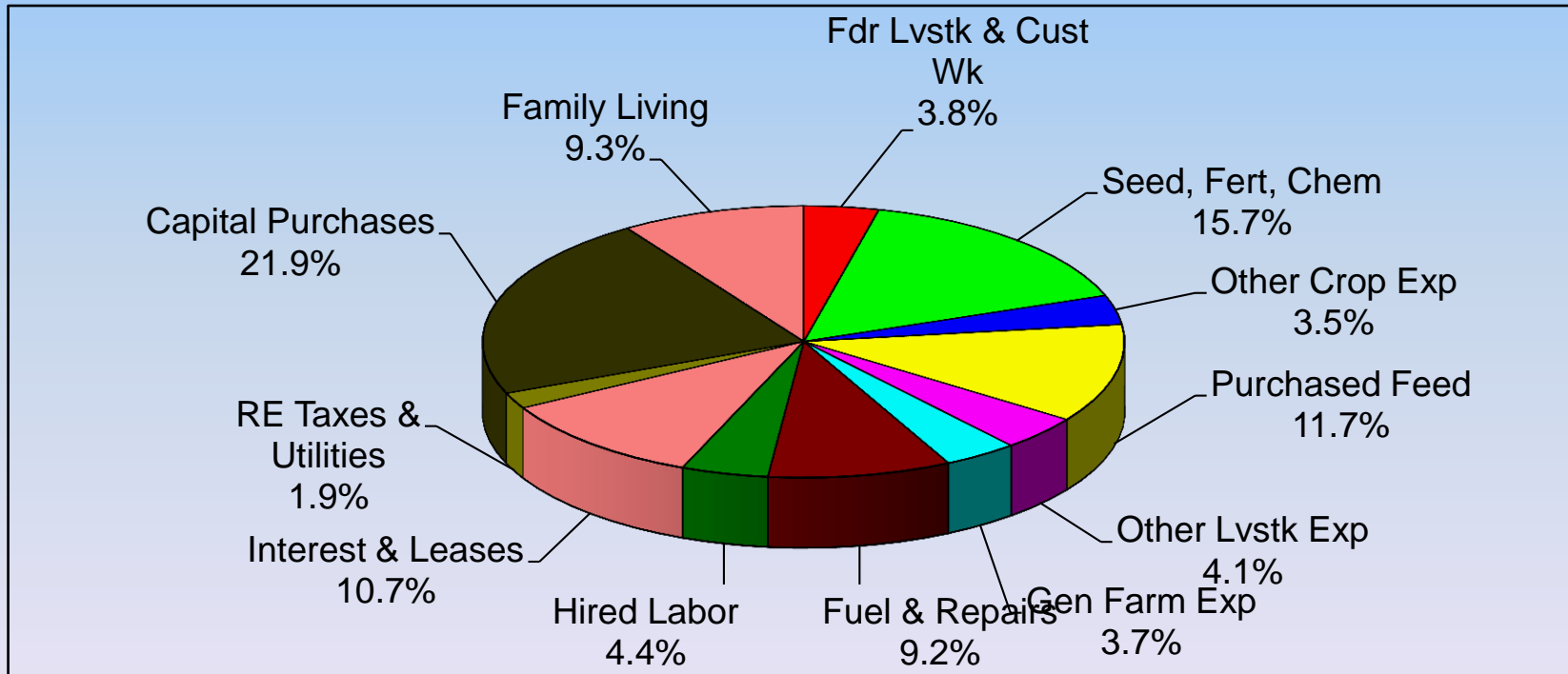
Northwestern, North Central & West Central Area



In 2013, on average...

Pg 4

- ✖ Each farmer spent **\$844,299** to operate the business and provide for family living



684 farms = \$577,500,000 A 30 yr career = \$25,329,000



Differences: Regions & State

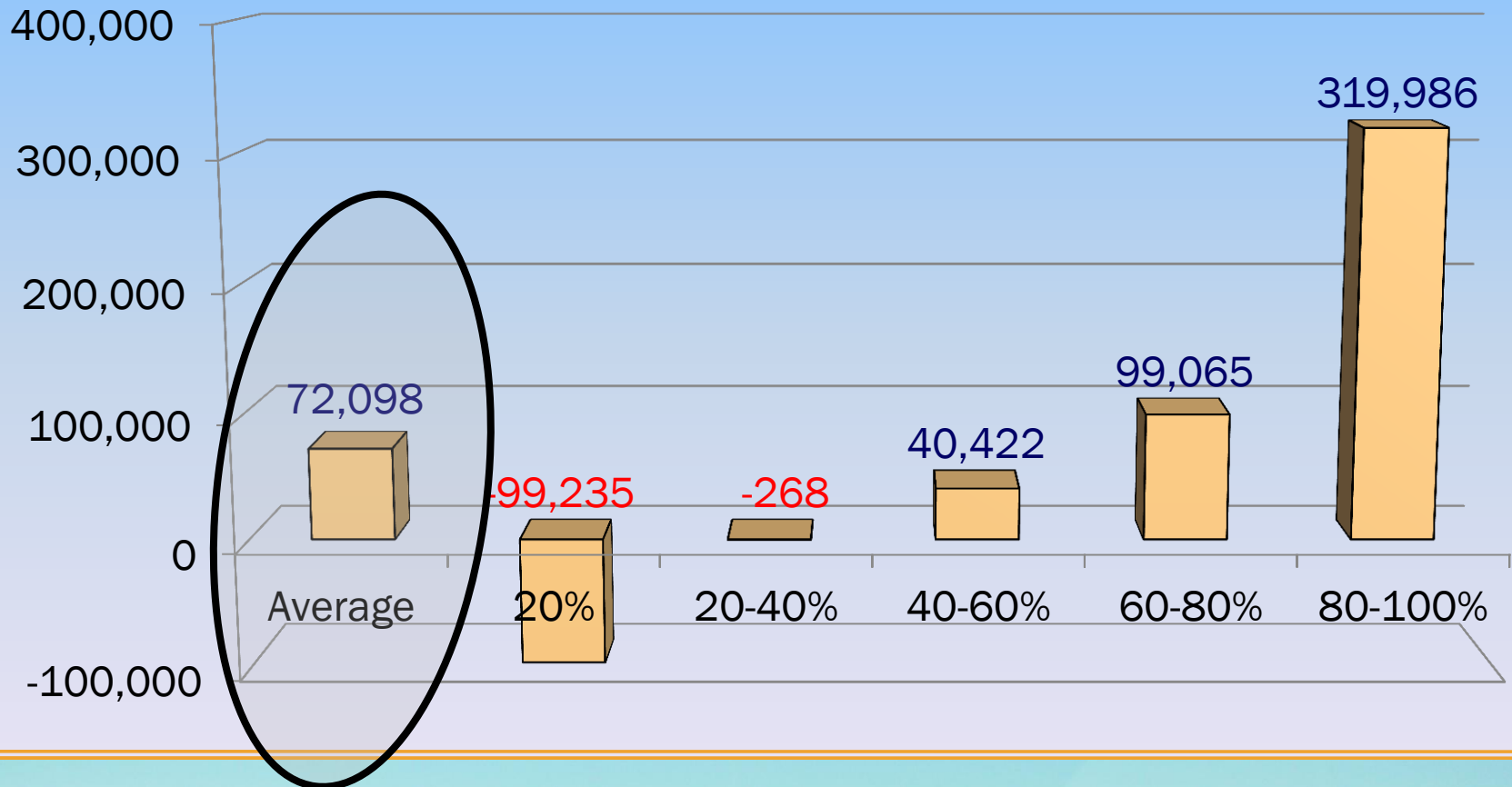
Pg 5

	WC	NWNC
Gross Farm Inc	\$946,942	\$595,950
Cash Oper Exp	\$751,928	\$467,633
Net Farm Inc	\$83,125	\$75,243
Median Net Farm	\$38,349	\$27,886
Change-Net Worth	\$95,844	\$73,490
Working Capital	\$249,788	\$130,026
ROA	3.0%	4.4%
ROE	2.3%	4.5%
Oper Exp Ratio	81.2%	76.2%



Net Farm Income

Range by Profitability group

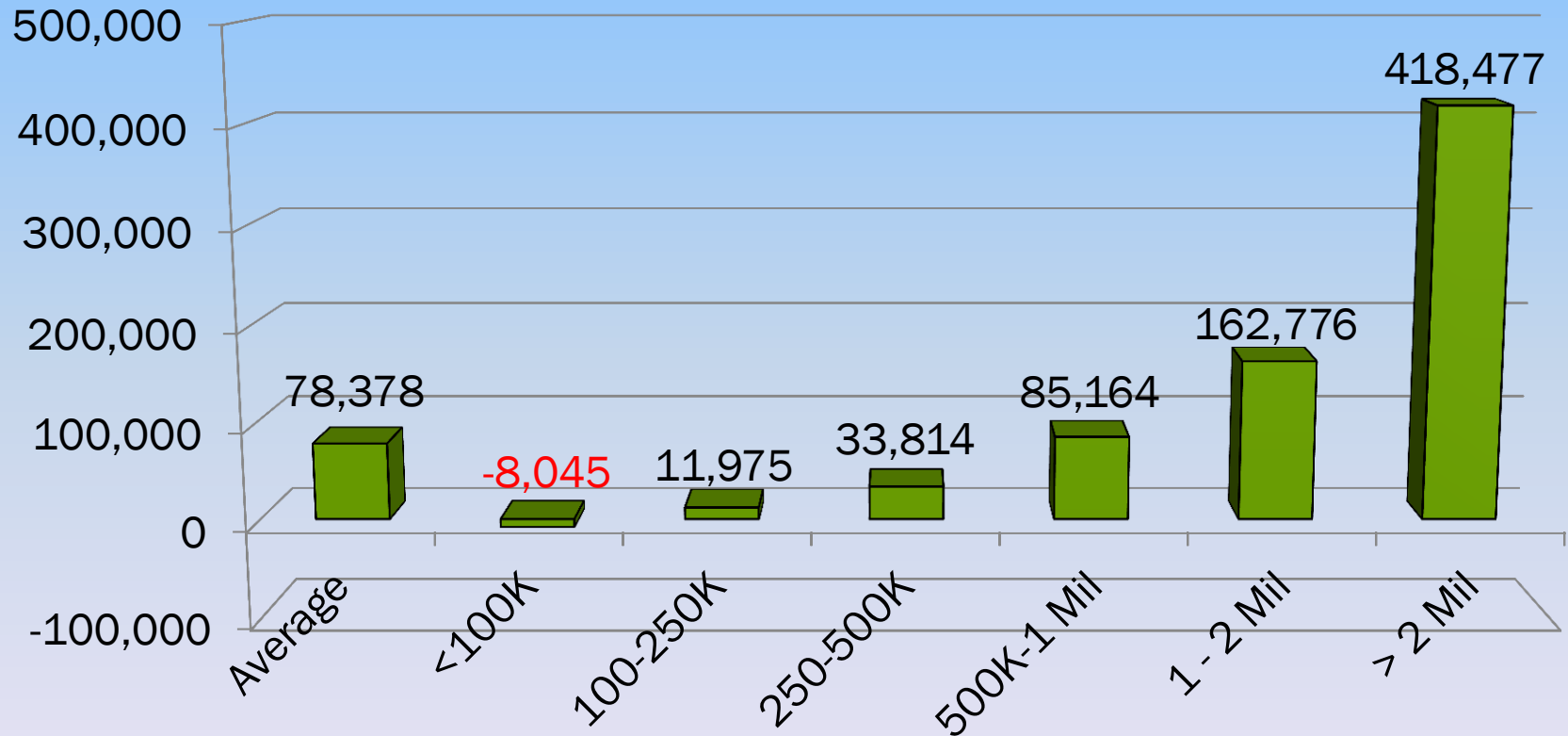


Northwestern, North Central & West Central Area



Net Farm Income

Range by Gross Farm Income



Northwestern, North Central & West Central Area



What farms are included...

Pg 8

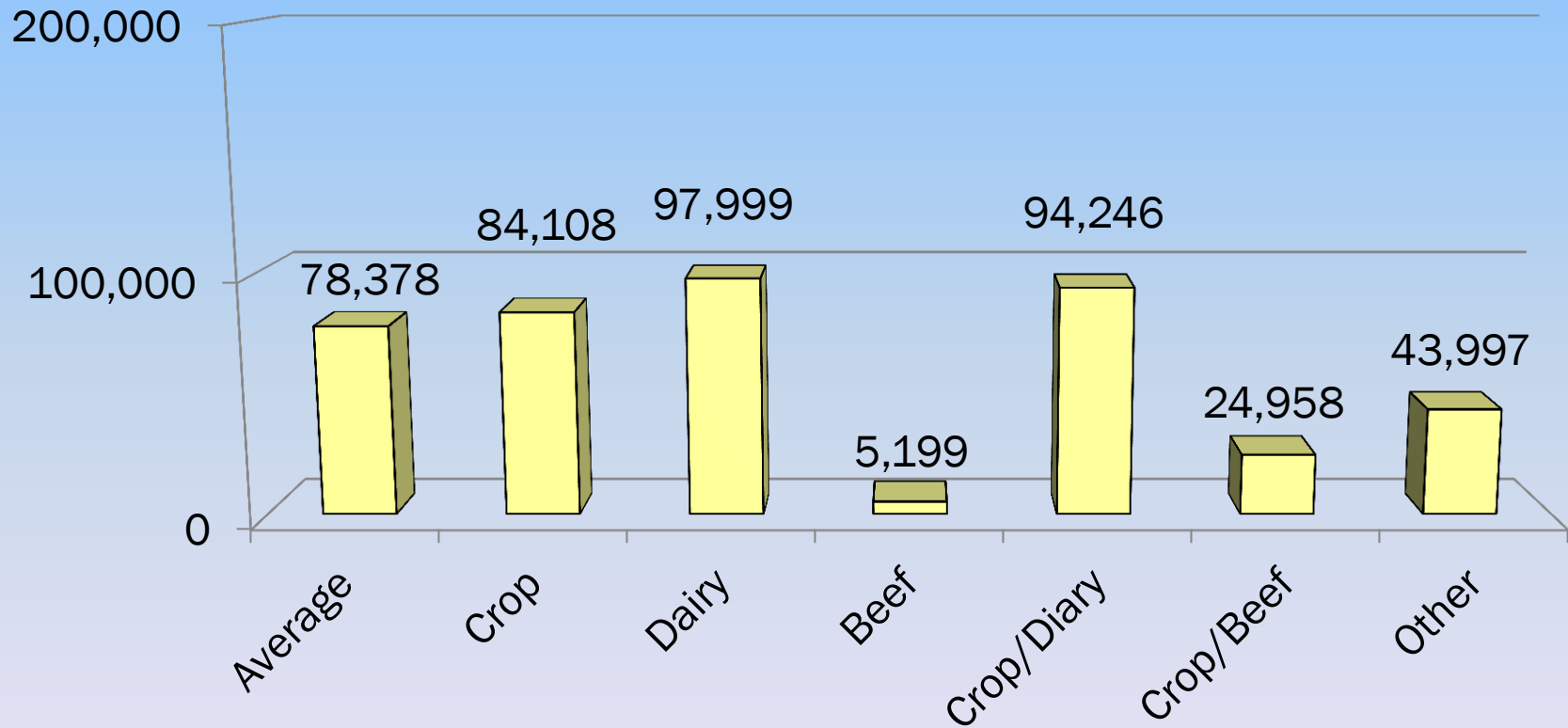
- 684 farms
 - 43% Crop
 - 28% Livestock
 - 11% Livestock/Crop
 - 18% Other/Diversified

Northwestern, North Central & West Central Area



Net Farm Income

Range by Type of Farm



Northwestern, North Central & West Central Area



Net Farm Income by Type of Farm

Pg 8

The net farm income in 2013 was highest for Dairy farmers.

	Farms	Net Farm	Median NF
Dairy	160	\$ 97,999	\$ 42,900
Crop & Dairy	32	\$ 94,246	\$ 62,682
Crop	293	\$ 84,108	\$ 42,976
Other Farms	125	\$ 43,997	\$ 8,152
Crop & Beef	35	\$ 24,958	\$ 7,717
Beef	28	\$ 5,199	\$ (1,277)

Northwestern, North Central & West Central Area



Net Farm Income by Type of Farm

Pg 8

- ✖ The net farm income in 2013 was highest for Dairy farmers, compared to 2012...

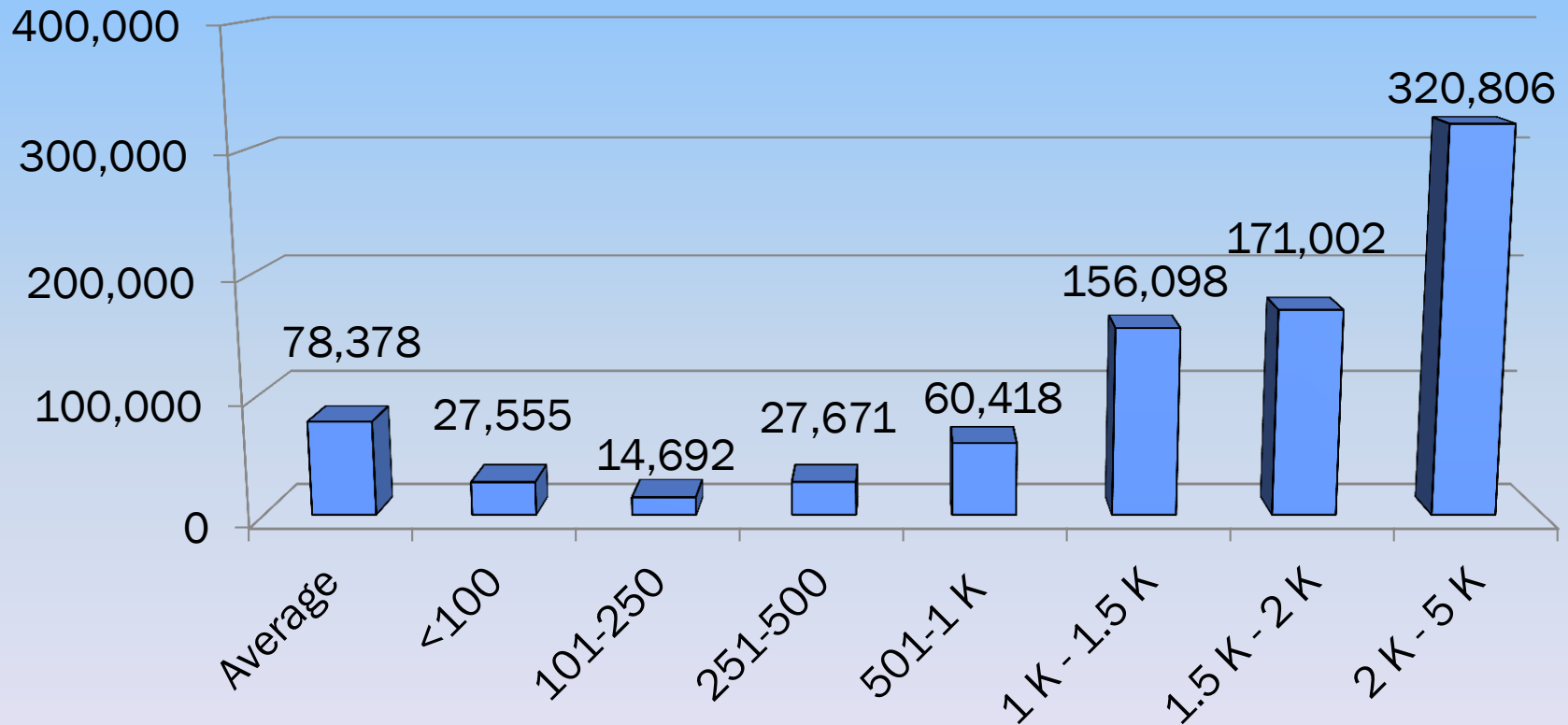
	<u>2012</u>	<u>2013</u>
+ Crop	\$ 307,665	\$ 84,108
+ Beef and Crop	\$ 129,086	\$ 24,958
+ Dairy	\$ 128,759	\$ 97,999*
+ Other Farms	\$ 116,396	\$ 43,997
+ Dairy and Crop	\$ 111,850	\$ 94,249
+ Beef	\$ 20,316	\$ 5,199

Northwestern, North Central & West Central Area



Net Farm Income

Range by Number of Crop Acres



Northwestern, North Central & West Central Area



For the Average & Median **Operator**...

Pg 10

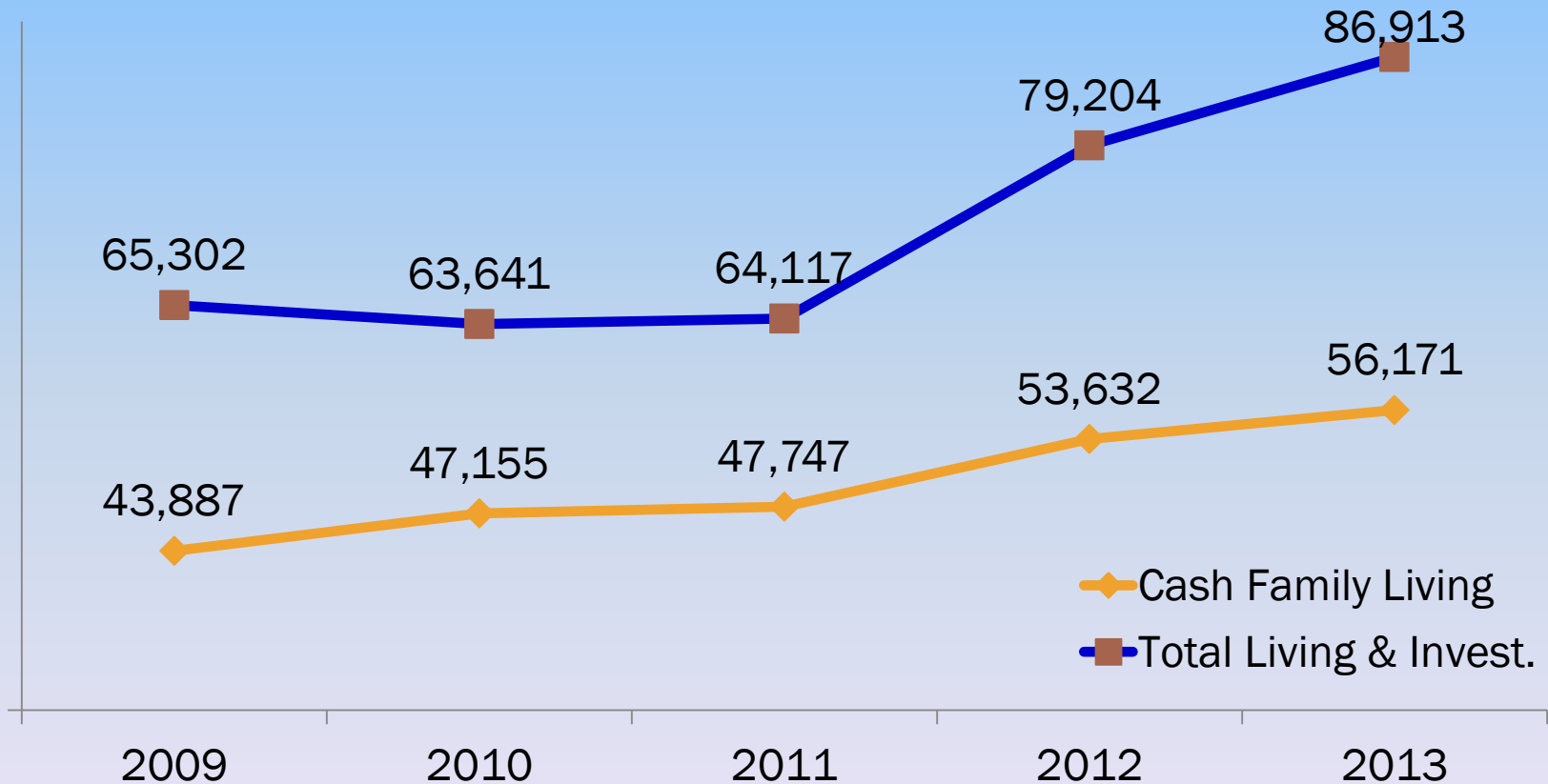
	Average	Median
✗ Age:	46.6	45.8
✗ Years farming:	22.3	21.8
✗ Acres owned:	266.5	222.9
✗ Total crop acres:	621.8	407.2
✗ Market assets:	\$1,904,000+	1,551,000+
✗ Debt was:	\$834,000+	628,000+
✗ Net farm income from operations:	\$65,320	30,409
✗ Non farm income:	\$21,462	22,890

Northwestern, North Central & West Central Area



Family Living / Personal Spending

Pg 11



Northwestern, North Central & West Central Area



Northwestern & North Central Area

Income Statement

Balance Sheet

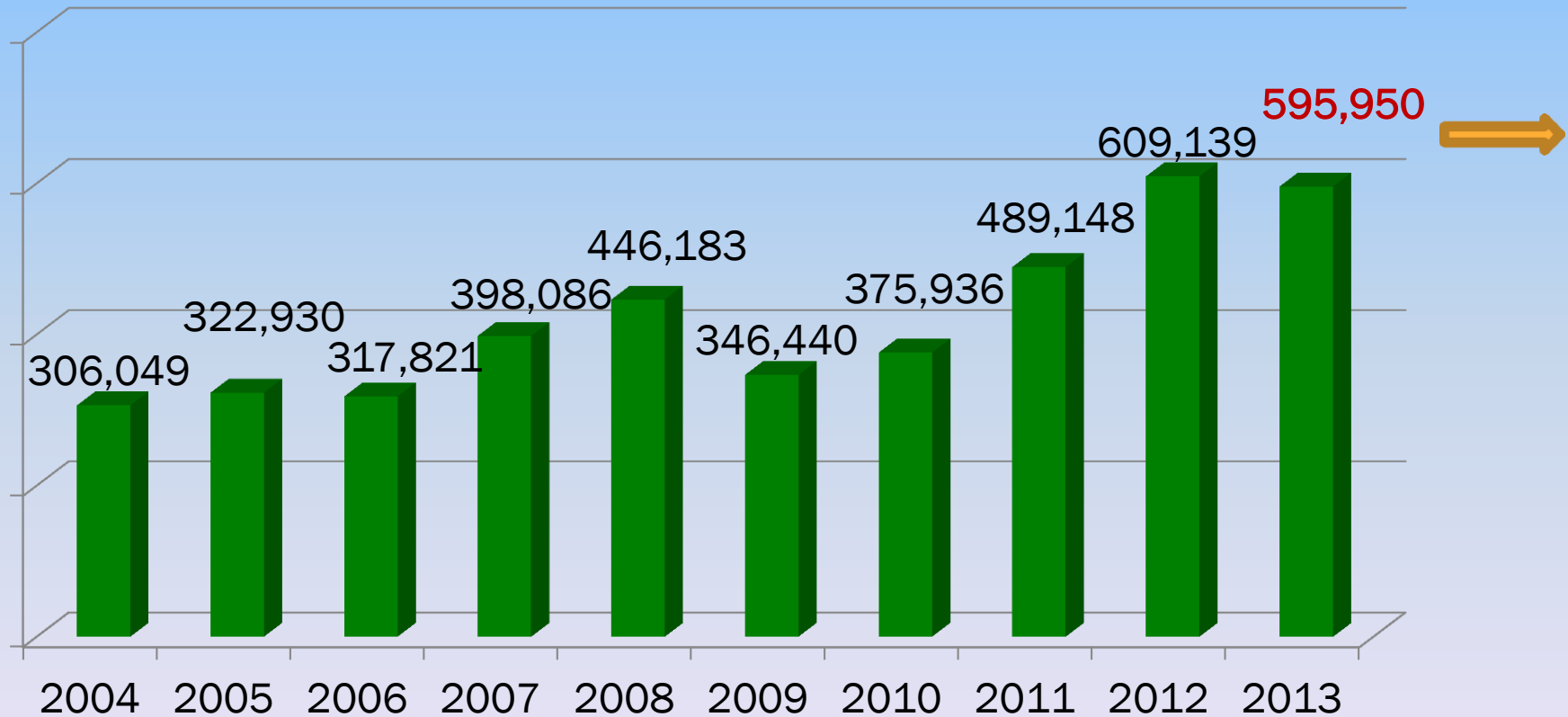
Financial Standards Measures

Crop Enterprises



Cash Farm Income

Pg 16

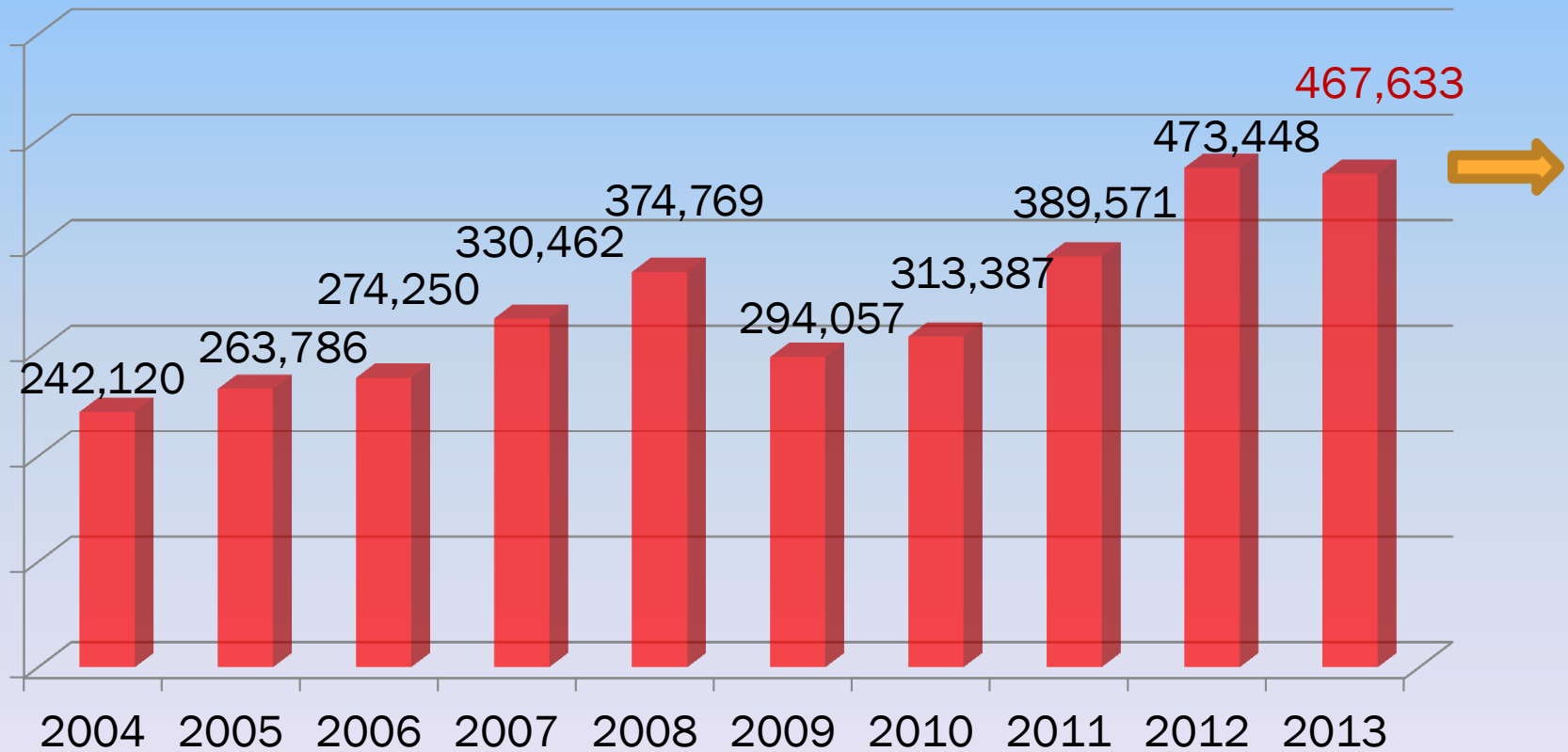


Northwestern & North Central Area



Cash Farm Expenses

Pg 7



Northwestern & North Central Area



What are some expense changes for the average?

	2011	2012	2013
Crop Income	213,887	315,696	248,540
Milk Sales	169,432	161,986	193,097
Seed	29,460	44,543	36,604
Fertilizer	45,507	69,213	52,258
Feed	63,865	72,892	90,627
Fuel & Oil	29,525	33,937	32,338
Repairs	33,772	39,166	38,205
Hired Labor	23,667	26,204	28,898
Land Rent	23,317	33,644	29,550

*Pg 16**Pg 17*

Northwestern & North Central Area



How does Net Farm Income compare?

Pg 16-17

<u>Average of All Farms</u>	2011	2012	2013
Gross Farm Income	489,148	609,139	595,950
Cash Oper Expense	389,571	473,448	467,633
Net Cash Income	99,577	135,691	128,317
<i>Inventory Change</i>			
<i>Depreciation</i>			
Gain/Loss in Cap Sales	1,197	155	-296
Net Farm Income (Profit)	116,872	195,588	75,243

Northwestern & North Central Area



What happened to the inventories?

Pg 17 & 20

Average of All Farms	2011	2012	2013
Prepaid Exp & Supply	9,222	10,646	2,113
Crop and Feed	24,010	80,807	-32,912
Market & Breeding Livestock	6,430	3,121	2,795
Total Inventory Change	45,283	94,606	-16,741

Northwestern & North Central Area



Data for the average & the median farms

As an example, let's think about a group that consists of 100 farms...and use "Net Farm Income" for example
For the average, we total all the numbers in a given data item and divide by the total group of 100

For the Median, we slice out the middle group and divide the data item by the 20 farms in that group...

1-20 21-40 41-60 61-80 81-100



Median Group...

Net Farm income:

Average

Median

	2012	2013	2012	2013
Crop Income	315,696	248,540	144,949	133,363
Milk Sales	161,986	193,097	174,175	67,579
Seed	44,543	36,604	25,262	20,295
Fertilizer	69,213	52,258	33,493	25,505
Feed	72,892	90,627	73,533	33,224
Fuel & Oil	33,937	32,338	24,656	14,156
Repairs	39,166	38,205	28,875	17,774
Hired Labor	26,204	28,898	22,479	8,137
Land Rent	33,644	29,550	17,228	9,903

Pg 16

Pg 17

Northwestern & North Central Area



Net Farm income:**Average****Median** Pg 16-17

	2012	2013	2012	2013
Gross Farm Income	609,139	595,950	421,308	271,560
Cash Oper Expense	473,448	467,633	340,456	96,203
Net Cash Income	135,691	128,317	30,852	55,605
<i>Inventory Change</i>				
<i>Depreciation</i>				
Gain/Loss in Cap Sales	155	-296	176	97
Net Farm Income (Profit)	195,588	75,243	108,042	27,561

Northwestern & North Central Area

Inventories?

Average

Median *Pg 17*

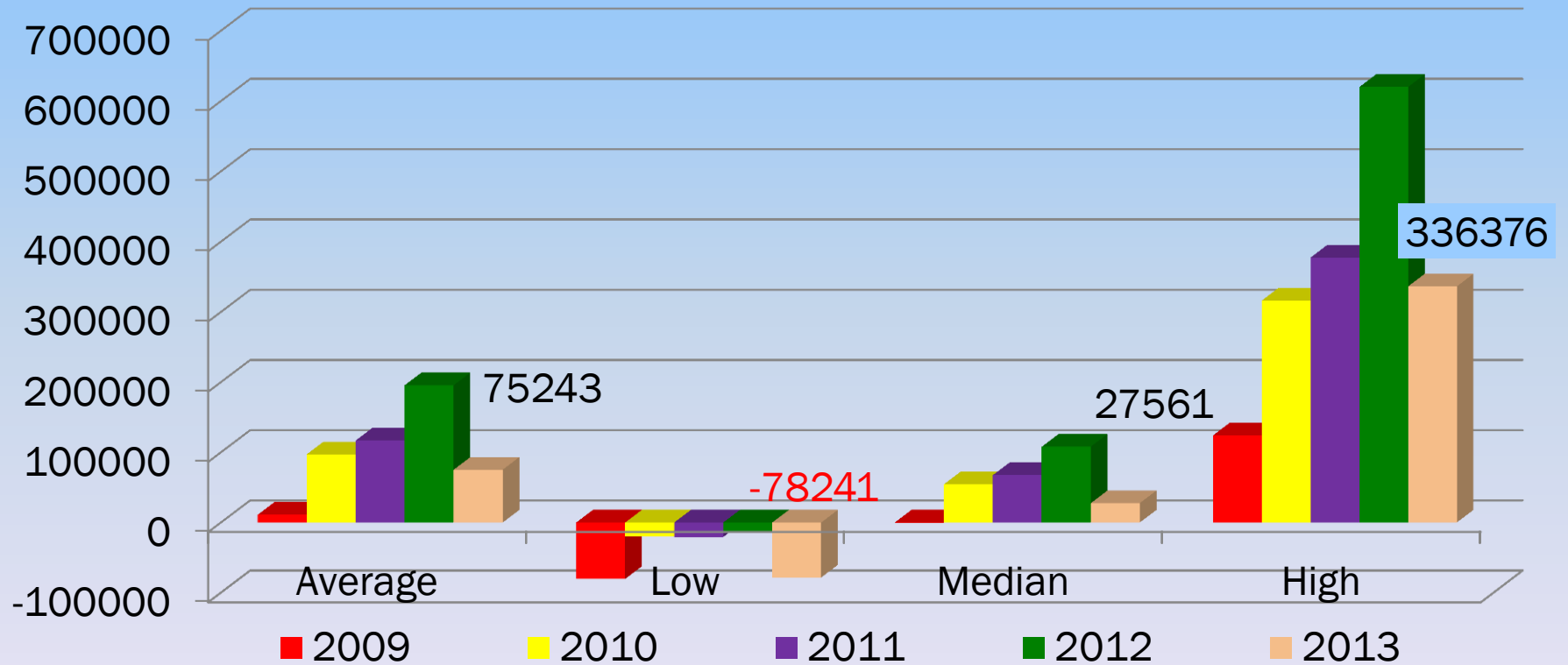
	2012	2013	2012	2013
Prepaid Exp & Supply	10,646	2,113	4,275	661
Crop and Feed	80,807	-32,912	36,778	-26,528
Market & Breeding Livestock	3,121	2,795	6,556	6,502
Total Inventory Change	94,606	-16,741	51,093	-13,482

Northwestern & North Central Area



Net Farm Income

Pg 17



Northwestern & North Central Area

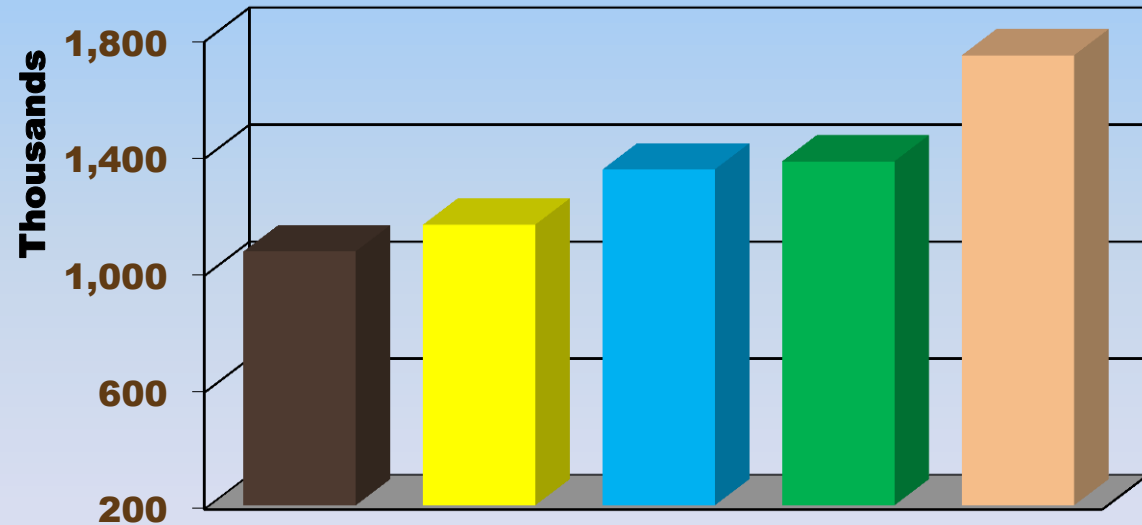


Total Farm Assets (Market value)

Pg 19

✕ Total farm assets were up slightly.

✕ 2009	\$1,069,603
✕ 2010	\$ 1,161,161
✕ 2011	\$ 1,349,766
✕ 2012	\$ 1,377,632
✕ 2012	\$ 1,739,759



Northwestern & North Central Area



Current Assets

Pg 19

	2011	2012	2013
--	------	------	------

Average 298,668 433,205 380,876

High Return 800,293 1,189,718 1,008,380

Northwestern & North Central Area



Total Farm Liabilities

Pg 19

✕ Total farm liabilities increase (excluding deferred)

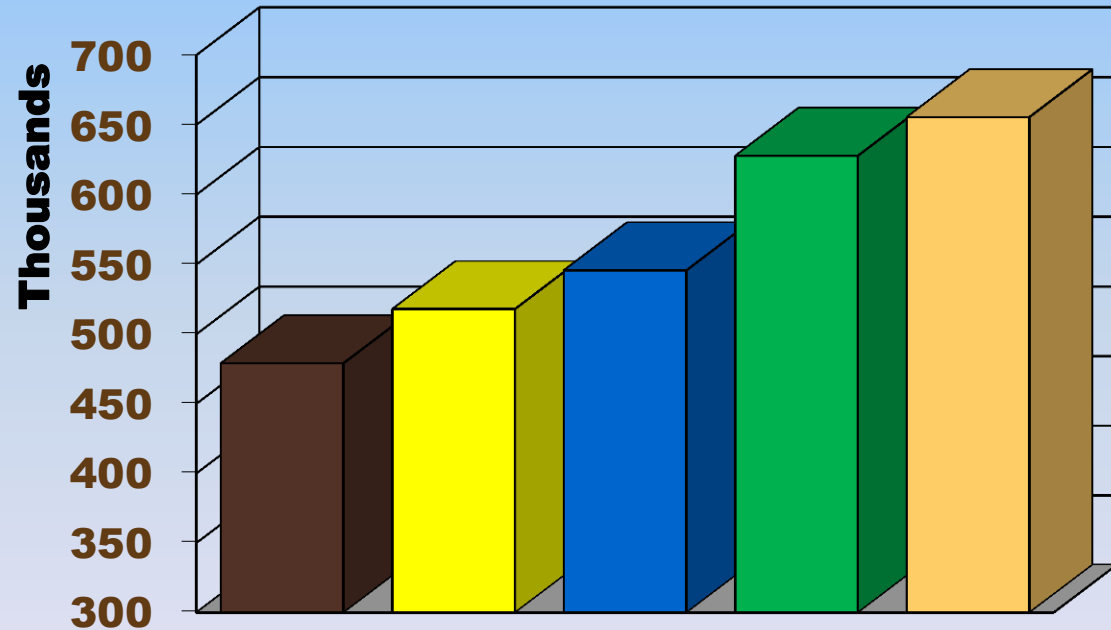
✕ 2009 \$479,098

✕ 2010 \$518,000

✕ 2011 \$545,746

✕ 2012 \$627,809

✕ 2013 \$655,470



Deferred Liabilities = 164,978 Total Farm Liabilities with Def = 820,448

Northwestern & North Central Area

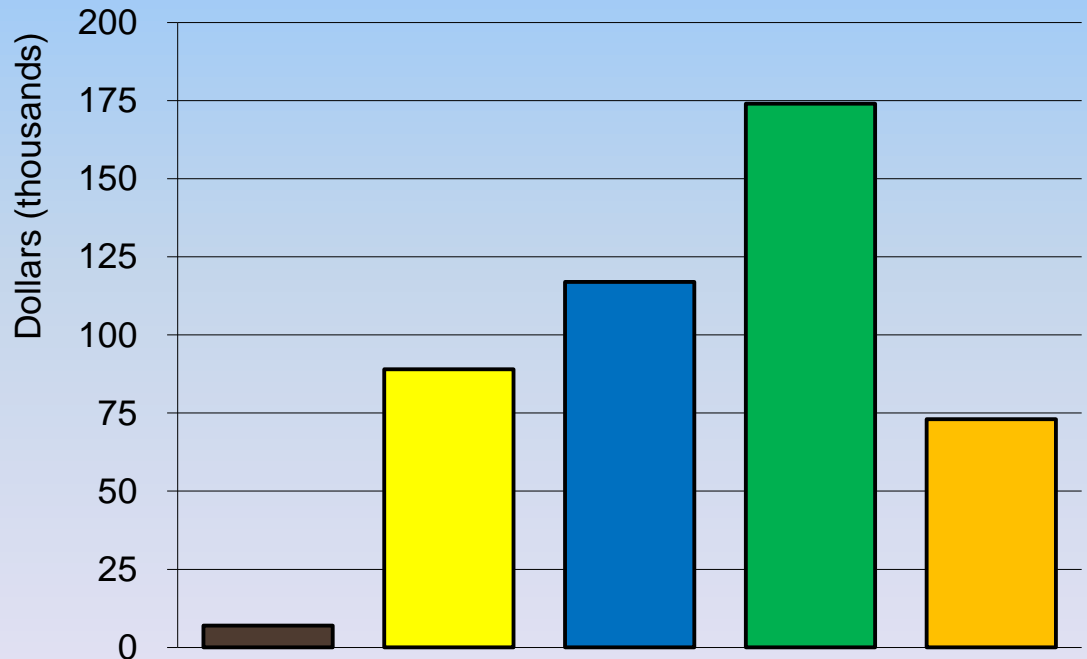


Net Worth Change (Market)

Pg 19

Farms continue to show
gain Net Worth

✕ 2009	\$ 6,744
✕ 2010	\$ 89,151
✕ 2011	\$ 116,594
✕ 2012	\$ 174,381
✕ 2013	\$ 73,490



Northwestern & North Central Area



Balance Sheet – questions to consider

- ✗ What positive aspects can you identify?
 - + Improved working capital,
 - + Increase in equity, proper debt structure
- ✗ Are there concerns or weaknesses that you can identify?
 - + Lack of working capital
- ✗ What steps could you take to improve on the weakness (es), or what plan could you develop to address your concerns?
 - + Refinance, sell non-productive assets



*Do you think about how fortunate
we are to live in rural Minnesota?*



*Do you think about how fortunate
we are to live in rural Minnesota?*



CENTRAL LAKES
COLLEGE



NORTHLAND
COMMUNITY & TECHNICAL COLLEGE



RIDGEWATER
COLLEGE



Financial Standards Measures

- *Working Capital*
- *Working Capital as a percent of GFI*

Page 22



Liquidity Measures

Working Capital

Current farm assets minus current farm liabilities

- ◆ Funds available to buy inputs & inventory after the sale of current assets and payment of current liabilities
- ◆ It is a dollar value, not a ratio

Working Capital as % of gross income

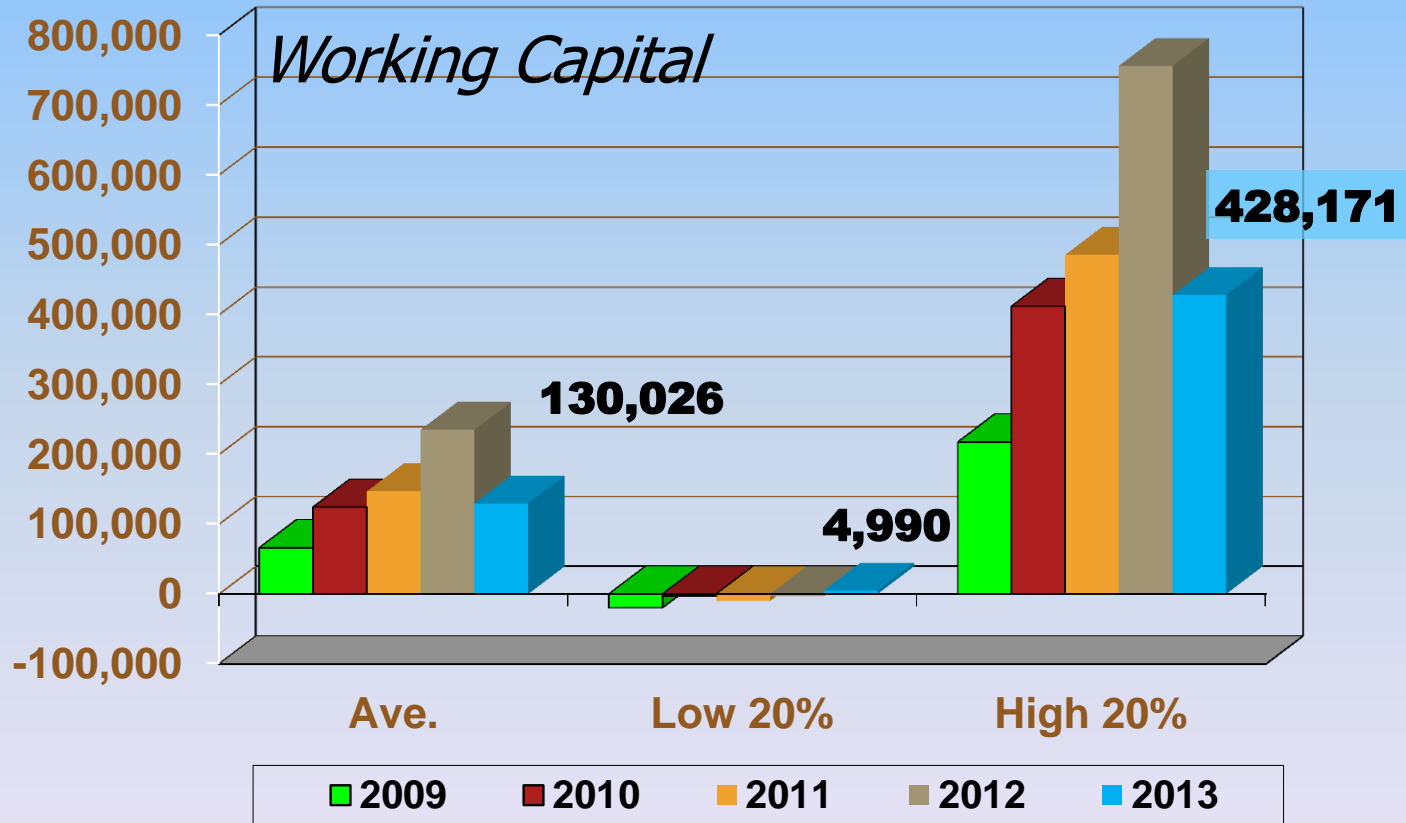
$$\text{Working Capital} / \text{Gross Farm Income}$$

- ◆ Percentage that serves as an indicator of the funds available based on business size.

Northwestern & North Central Area



Liquidity Measures

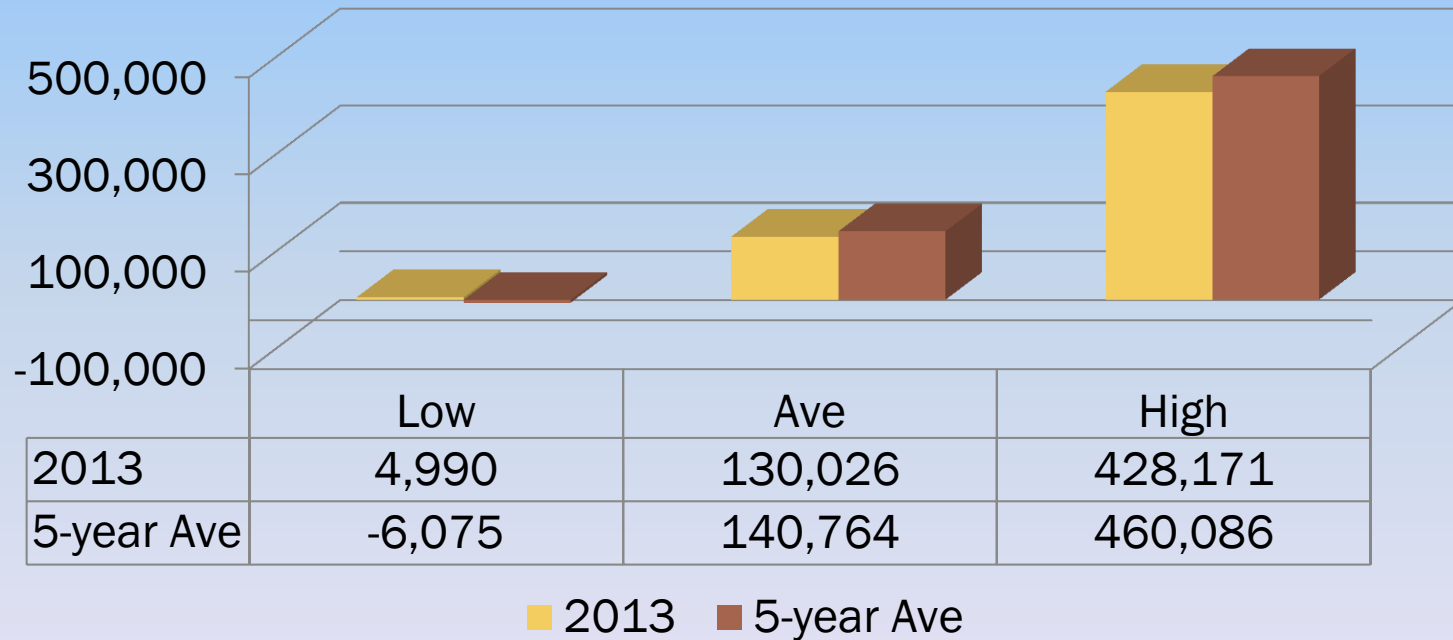


Northwestern & North Central Area



Liquidity Measures

Working Capital

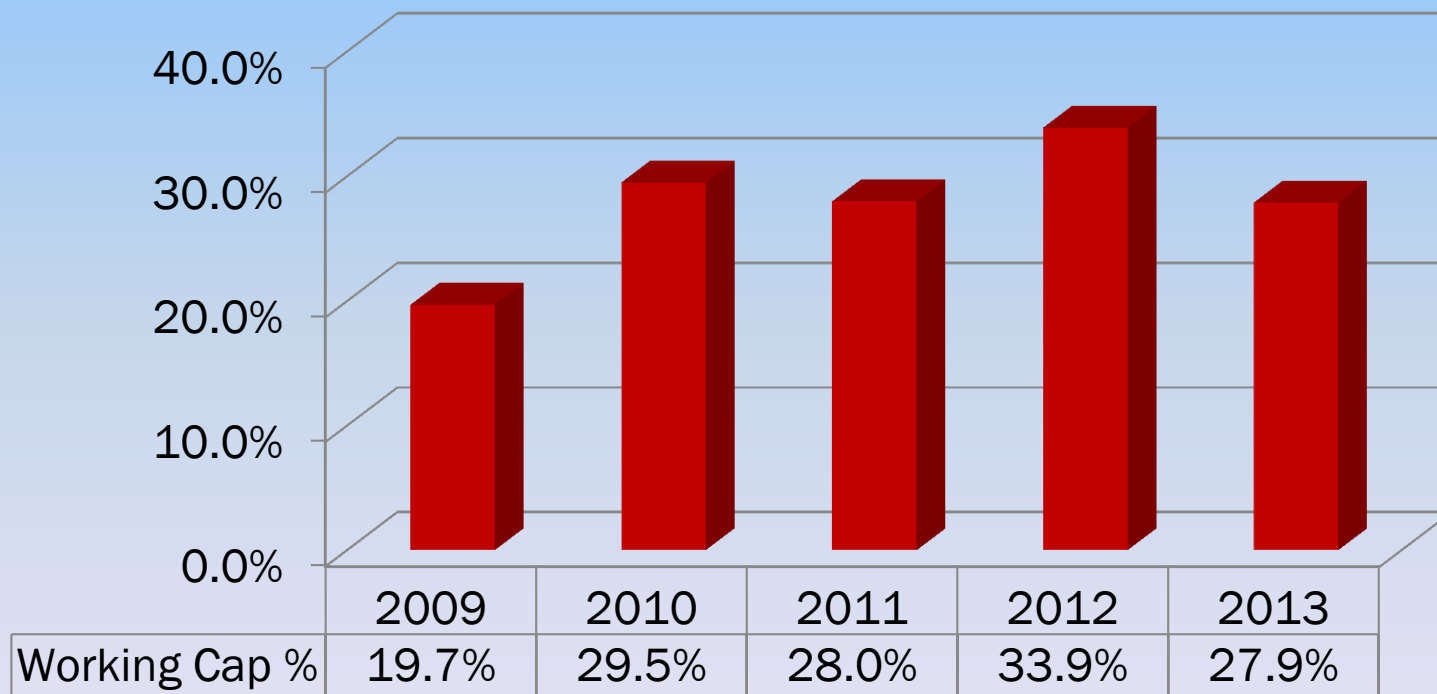


Northwestern & North Central Area



Liquidity Measures

Working Capital as % of Gross Income

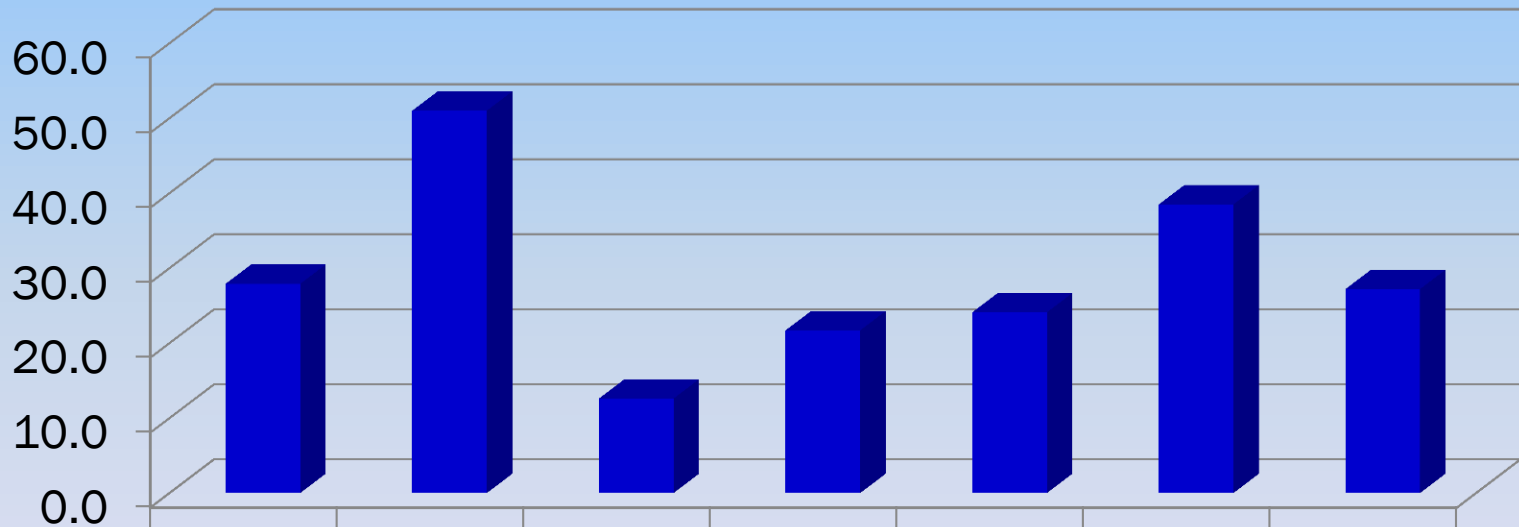


Northwestern & North Central Area



Liquidity Measures

Working Capital % by Type of Farm



	Ave	Crop	Dairy	Beef	Dairy-Crop	Beef-Crop	Other
Working Cap %	27.9	51.0	12.6	21.7	24.1	38.5	27.2

Northwestern & North Central Area



Financial Standards Measures

- *Rate of Return on Assets*
- *Rate of Return on Equity*

Page 22



Profitability

Rate of Return on Assets

Interest rate earned on all money invested in the business...

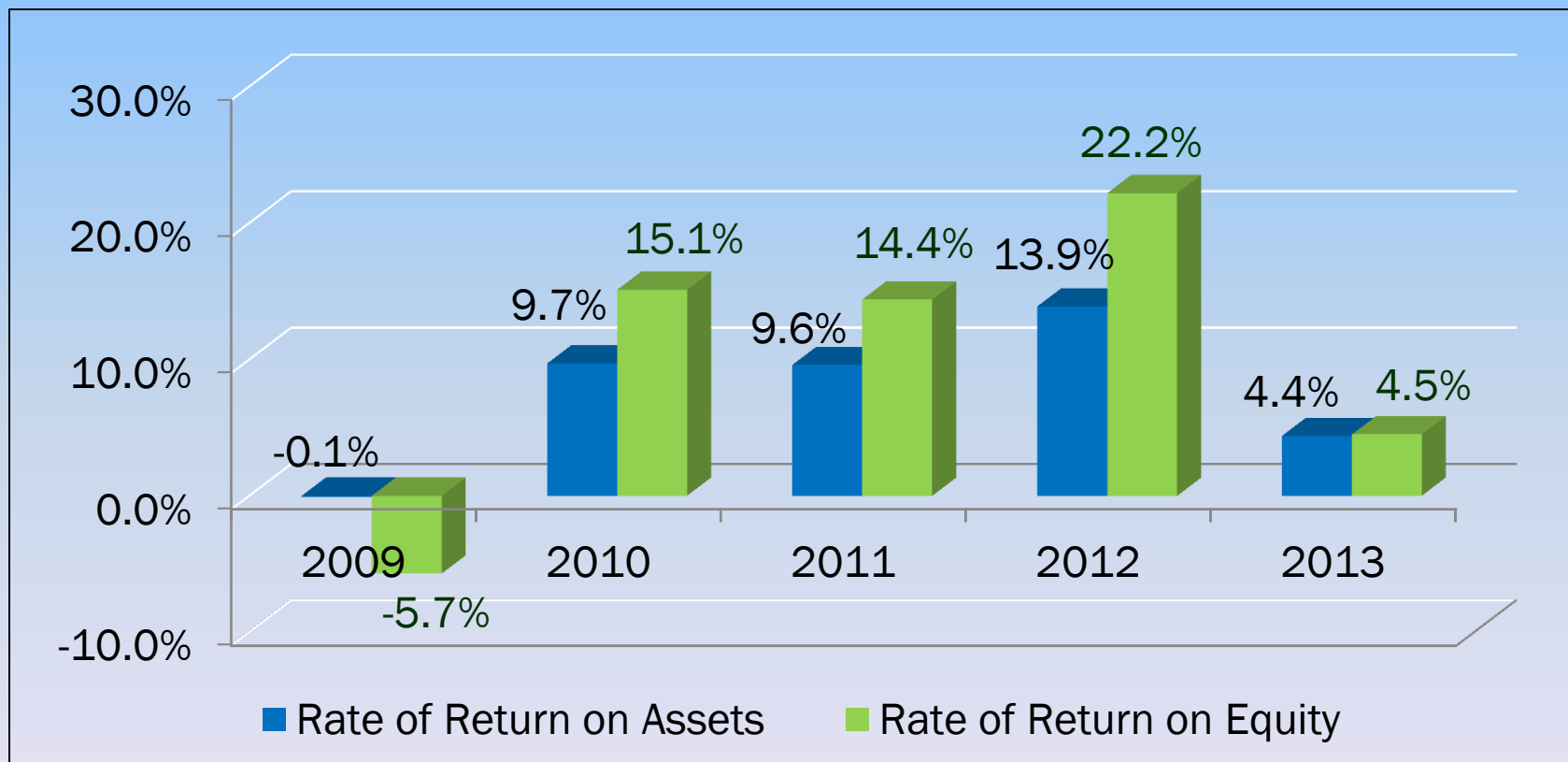
Rate of Return on Equity

Interest rate earned on YOUR money invested in the business...

Northwestern & North Central Area



Profitability



Northwestern & North Central Area



Financial Standards Measures

- 
- *Term Debt Coverage Ratio*
 - *Capital Debt Replacement Margin*

Page 22



Repayment Capacity

Term Debt Coverage Ratio

The Term Debt Coverage Ratio measures the ability of the business to pay all term debt payments.

Northwestern & North Central Area



Repayment Capacity

Term Debt Coverage Ratio

The Term Debt Coverage Ratio measures the ability of the business to pay all term debt payments.

Capital Debt Replacement Margin

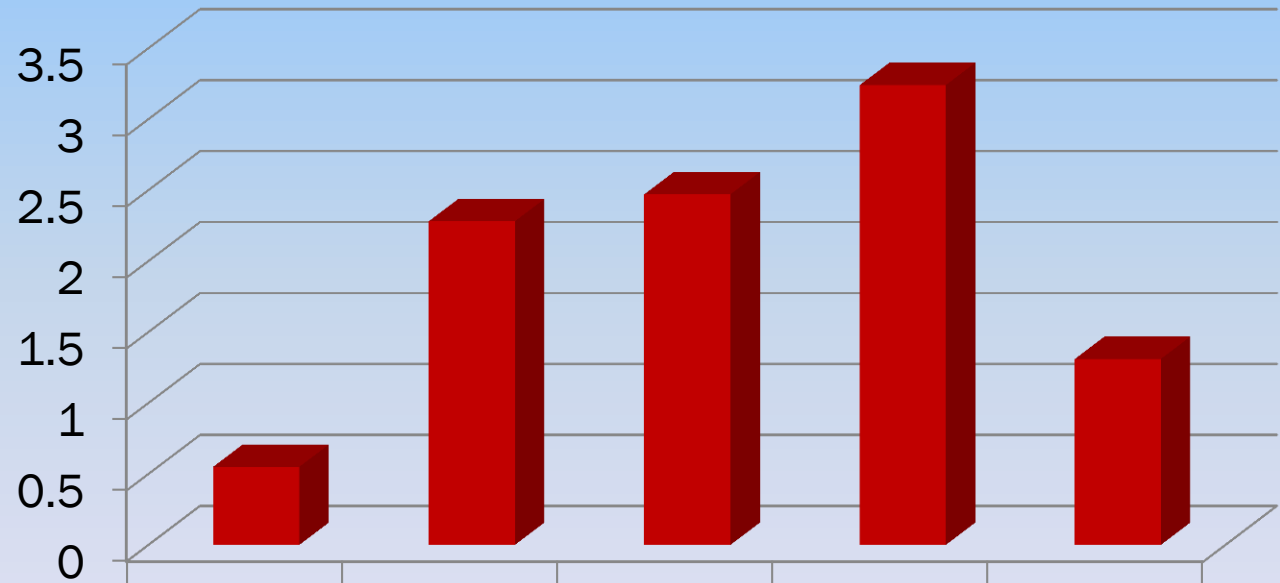
A measure of the dollars available after all operating costs, family spending, taxes, and scheduled debt payments have been made. States actual dollars.

Northwestern & North Central Area



Repayment Capacity

Average Term Debt Coverage Ratio

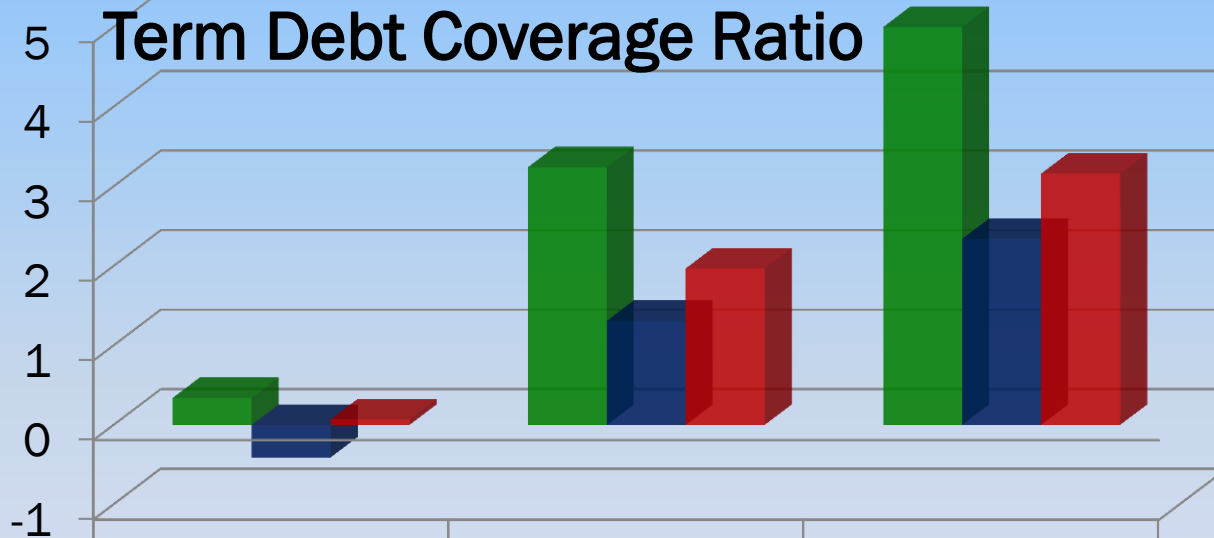


	2009	2010	2011	2012	2013
Term Debt Coverage Ratio	0.55	2.28	2.47	3.24	1.31

Northwestern & North Central Area



Repayment Capacity

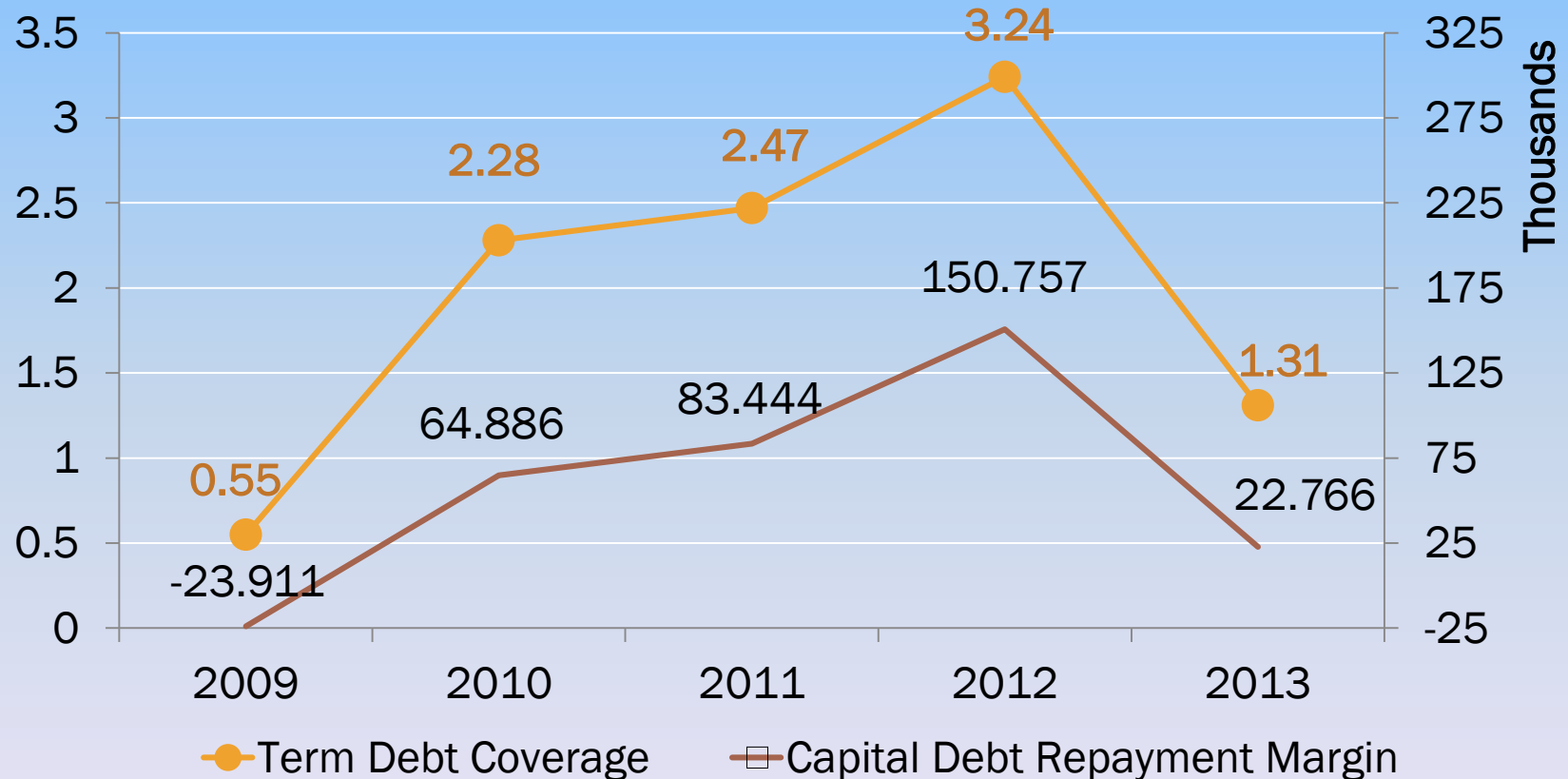


	Low	Ave	High
2012	0.34	3.24	5.00
2013	-0.41	1.31	2.34
5-year Ave	0.07	1.97	3.16

Northwestern & North Central Area



Repayment Capacity

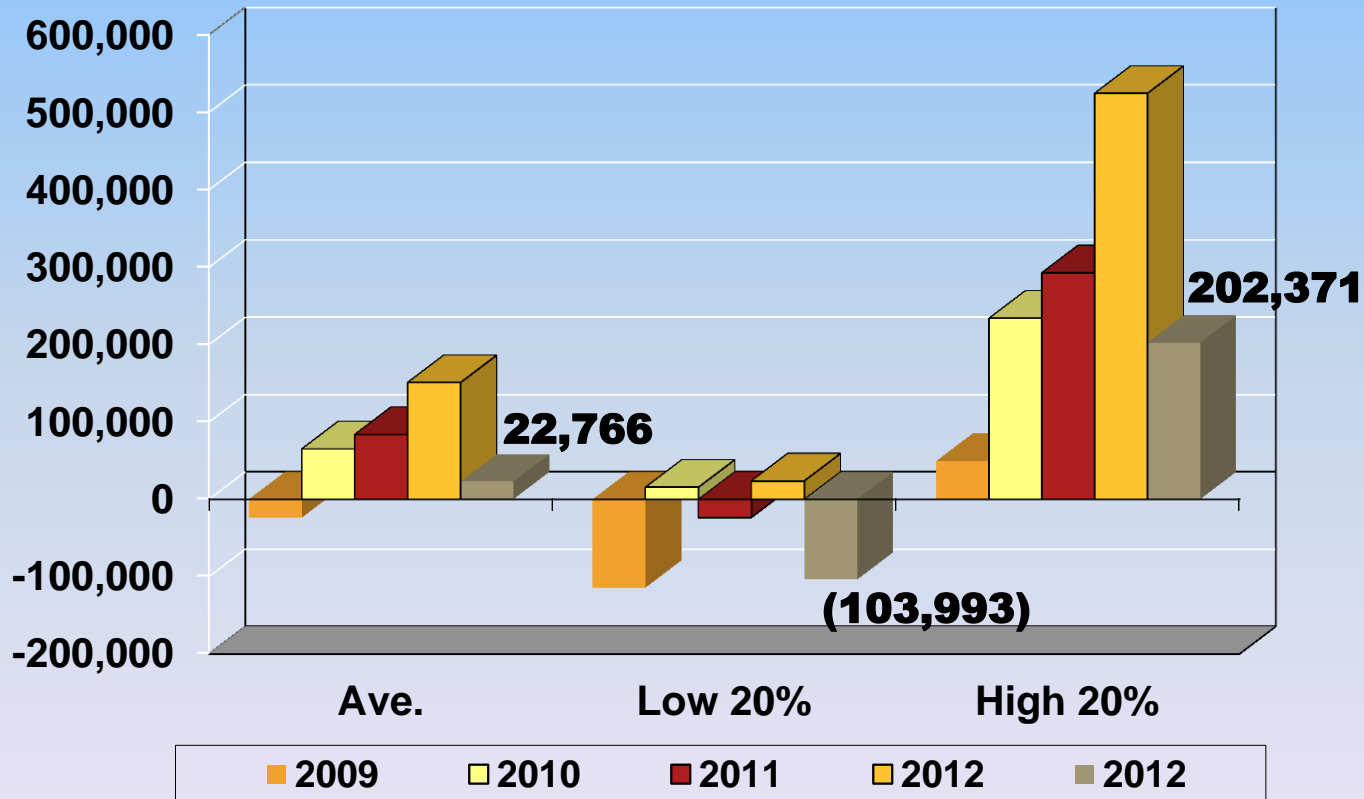


Northwestern & North Central Area



Repayment Capacity

Capital Debt Replacement Margin



Northwestern & North Central Area



Solvency and Repayment Capacity

ROA and Term Debt Coverage

	Ave.	Low 20%	40-60%	High 20%
2013 ROA	4.4%	-6.4%	2.2%	9.6%
2012 ROA	13.9%	-3.3%	10.0%	20.1%
2013 TDC	1.31	-.41	.91	2.34
2012 TDC	3.24	.34	2.34	5.00

Northwestern & North Central Area



Financial Standards Measures



- *Operating Expense Ratio*

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Efficiency Measures

Operating Expense Ratio

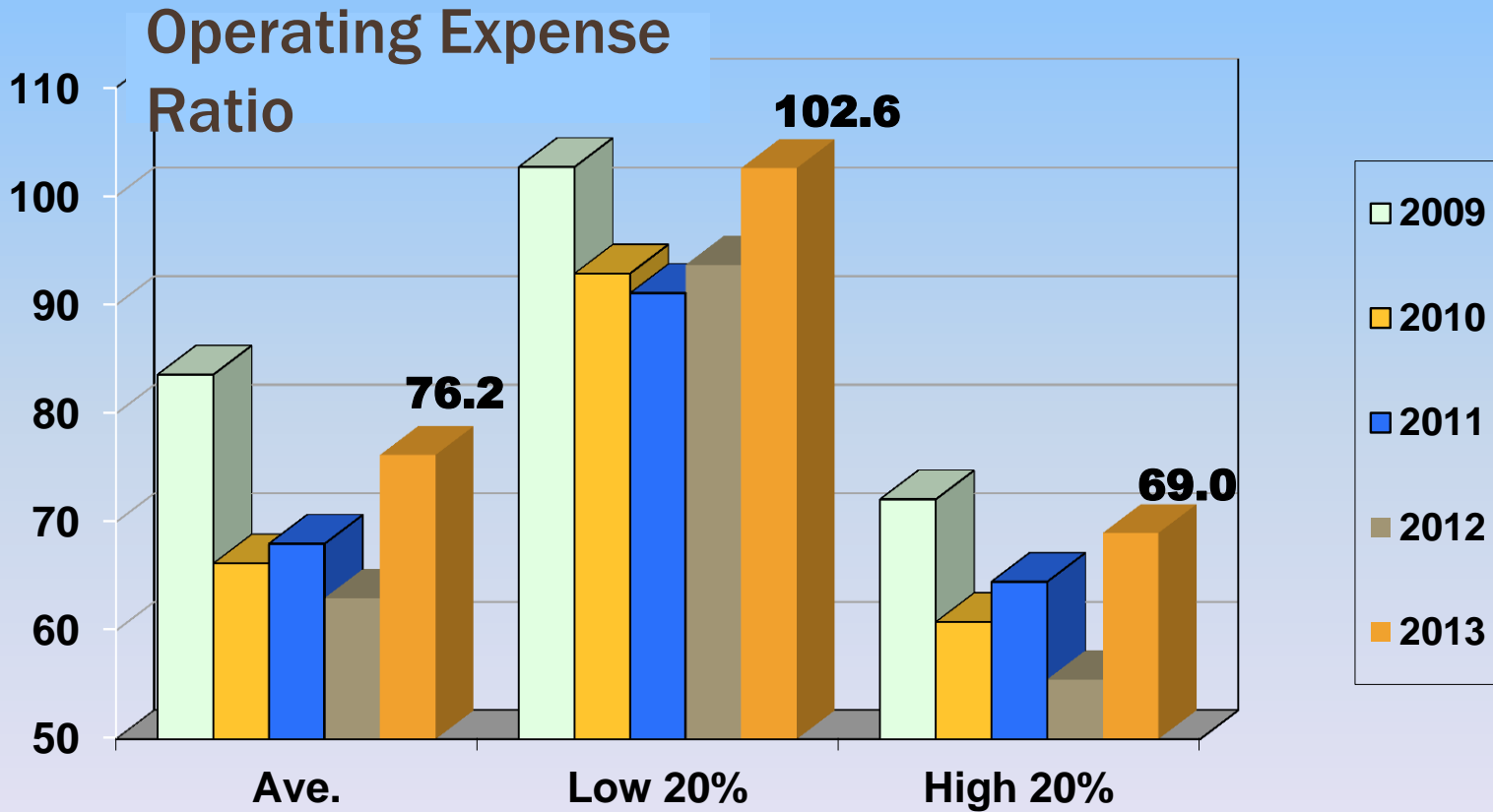
One of four Efficiency Measures found on the list of key Financial Standard Measures. This ratio shows the percent of Gross Farm Income that is used to pay for operating expense, excluding interest.

The other 3 ratios are: interest expense, depreciation expense, and net farm income.

Northwestern & North Central Area



Efficiency Measures

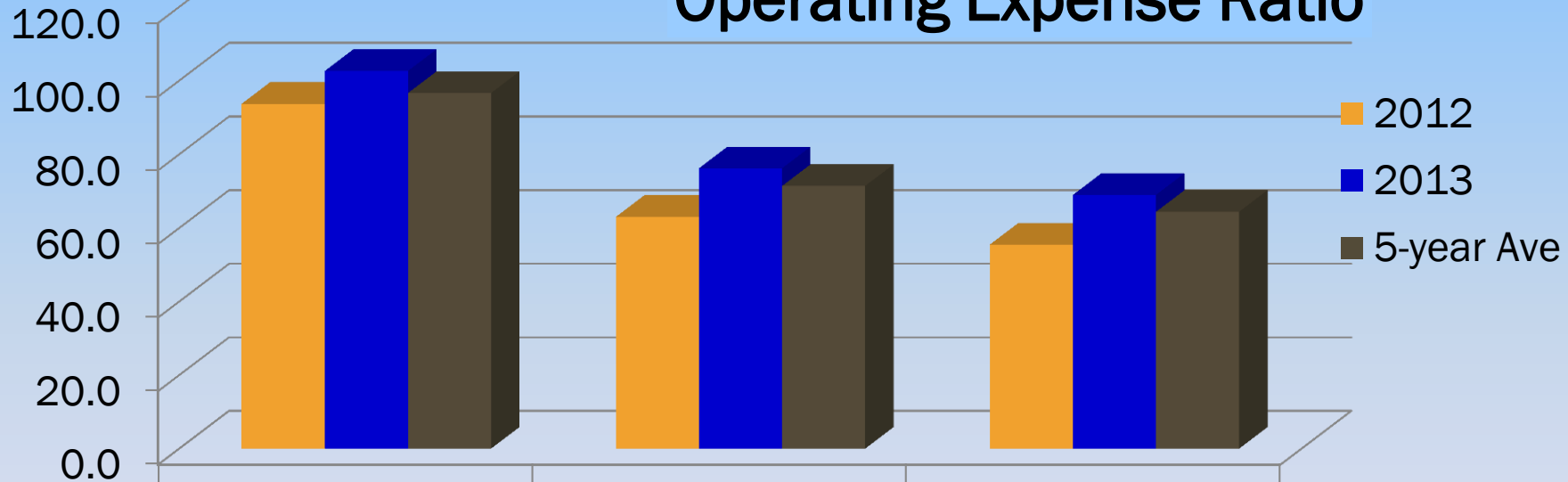


Northwestern & North Central Area



Efficiency Measures

Operating Expense Ratio



	Low	Ave	High
2012	93.7	63.0	55.5
2013	102.6	76.2	69.0
5-year Ave	96.6	71.4	64.4

Northwestern & North Central Area



Efficiency Measures

Net Farm Income Ratio, 2012-2013

	Ave.	Low 20%	40-60%	High 20%
2013 NFI	75,243	-78,241	27,561	366,376
2012 NFI	195,588	-15,328	108,042	620,037
2013 NFI Ratio	13.0%	-21.2%	10.8%	22.3%
2012 NFI Ratio	28.2%	-7.3%	23.1%	36.9%

Northwestern & North Central Area



Financial Standards Measures

Characteristics of Top Producers ...

	Average	High 10%
Number of farms	412	42
<u>Liquidity</u>		
Current ratio	1.90	3.13
Working capital	180,451	977,399
Working capital to gross inc	31.10%	47.30%
<u>Solvency (market)</u>		
Farm debt to asset ratio	41%	31%
Farm equity to asset ratio	59%	69%
Farm debt to equity ratio	0.70	0.44
<u>Profitability (cost)</u>		
Rate of return on farm assets	4.4%	10.2%
Rate of return on farm equity	4.5%	13.2%
Operating profit margin	12.7%	25.6%

Northwestern & North Central Area



Financial Standards Measures

Characteristics of Top Producers ...

Average

High 10%

Repayment Capacity

Capital debt repayment capacity	95,612	514,079
Capital debt repayment margin	22,766	315,476
Replacement margin	12,362	283,456
Term debt coverage ratio	1.31	2.59
Replacement coverage ratio	1.15	2.23

Efficiency

Asset turnover rate (cost)	34.6%	39.8%
Operating expense ratio	76.2%	67.8%
Depreciation expense ratio	6.2%	5.5%
Interest expense ratio	4.6%	2.8%
Net farm income ratio	13.0%	23.9%

Northwestern & North Central Area



Your financial scorecard

MyFarm Financial Scorecard

Year:

Name:

Liquidity

This Year

5-Year Ave

Strong

Vulnerable

Current ratio



Working capital



Working cap to gross revenue

Solvency (market)

Note: These solvency ratios include deferred liabilities

Farm debt/asset ratio



Farm equity/asset ratio



Farm debt/equity ratio



Profitability (Cost)

Rate of return on farm assets



Rate of return on farm equity

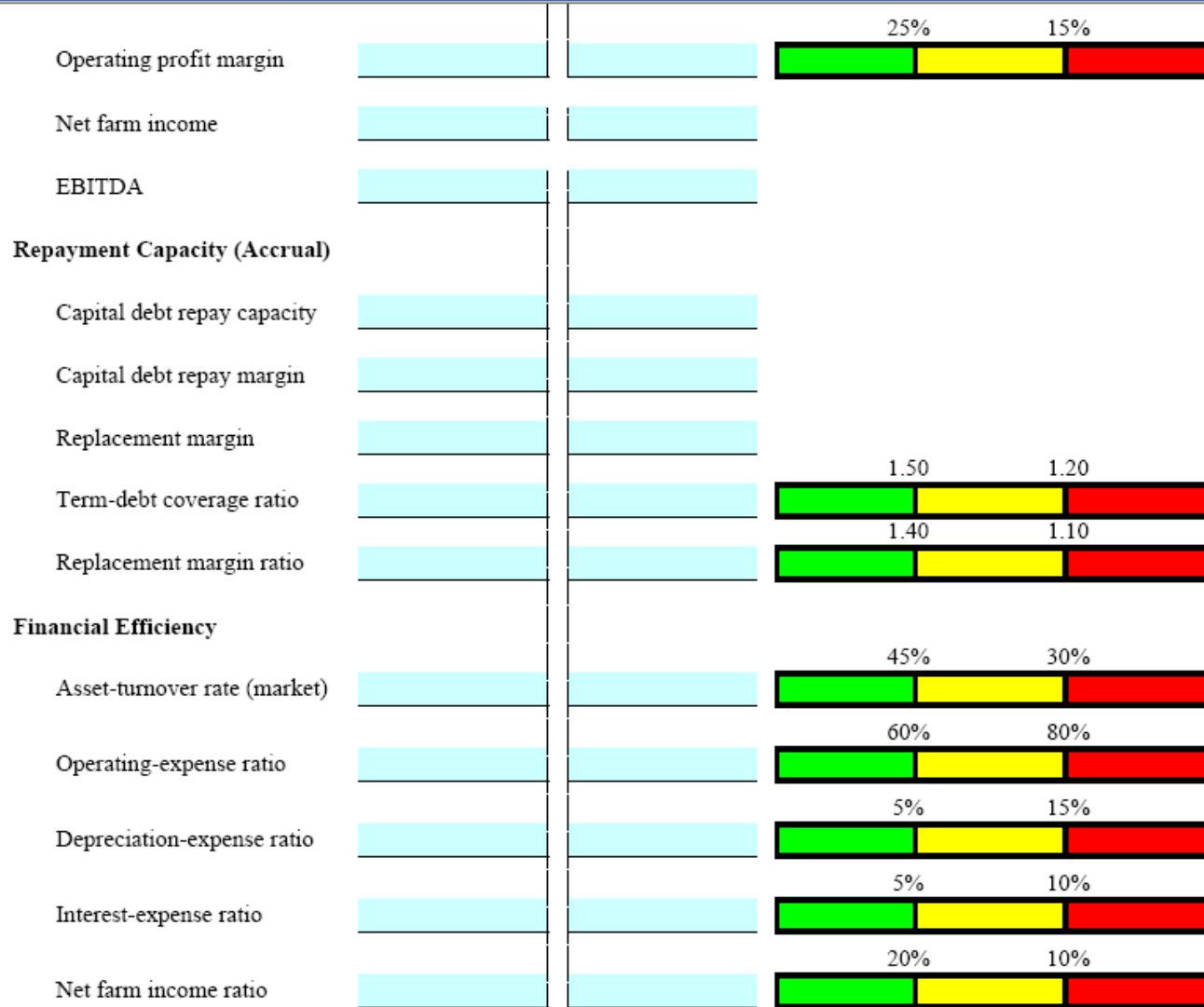


Operating profit margin



Your financial scorecard

obat Standard - [2009 Report-03222010-FINALwCovers.pdf]



As a review of the financials, lets look at a couple of questions...

What was the major reason for the decrease in Net Farm Income based on what you learned today?

Crops and feed inventory

*Of the last 5 years, which year is 2013 **LEAST** comparable to with Net Farm Income and Working Capital?*

2012



A few more questions before we move on...Who am I?



This beautiful heiress from a wealthy family
named the Vlachs of Albania was Agnes Boiagiu
but she became...

A few more questions before we move on...Who am I?



This mischievous schoolboy, considered "stupid, restless, inquisitive, asking too many questions and a slow learner, " is...

A few more questions before we move on...Who am I?



**This student was always partying and laughing
He had a hard time with driving laws. In 1975, he was arrested
for speeding and driving without a license and in 1989, he was
arrested for suspicion of driving drunk, but the charges were
later reduced. This mug shot was taken after he was arrested
in Albuquerque in 1977 for running a stop sign and driving
without a license.**

Northwestern, North Central, & West Central Minnesota Annual Report Overview

2013 Calendar Year

Prepared by

Ron Dvergsten and DelRay Lecy





Crop Enterprise Information



***What a difference a year
makes. Last year at this
time--***



Corn knee high!

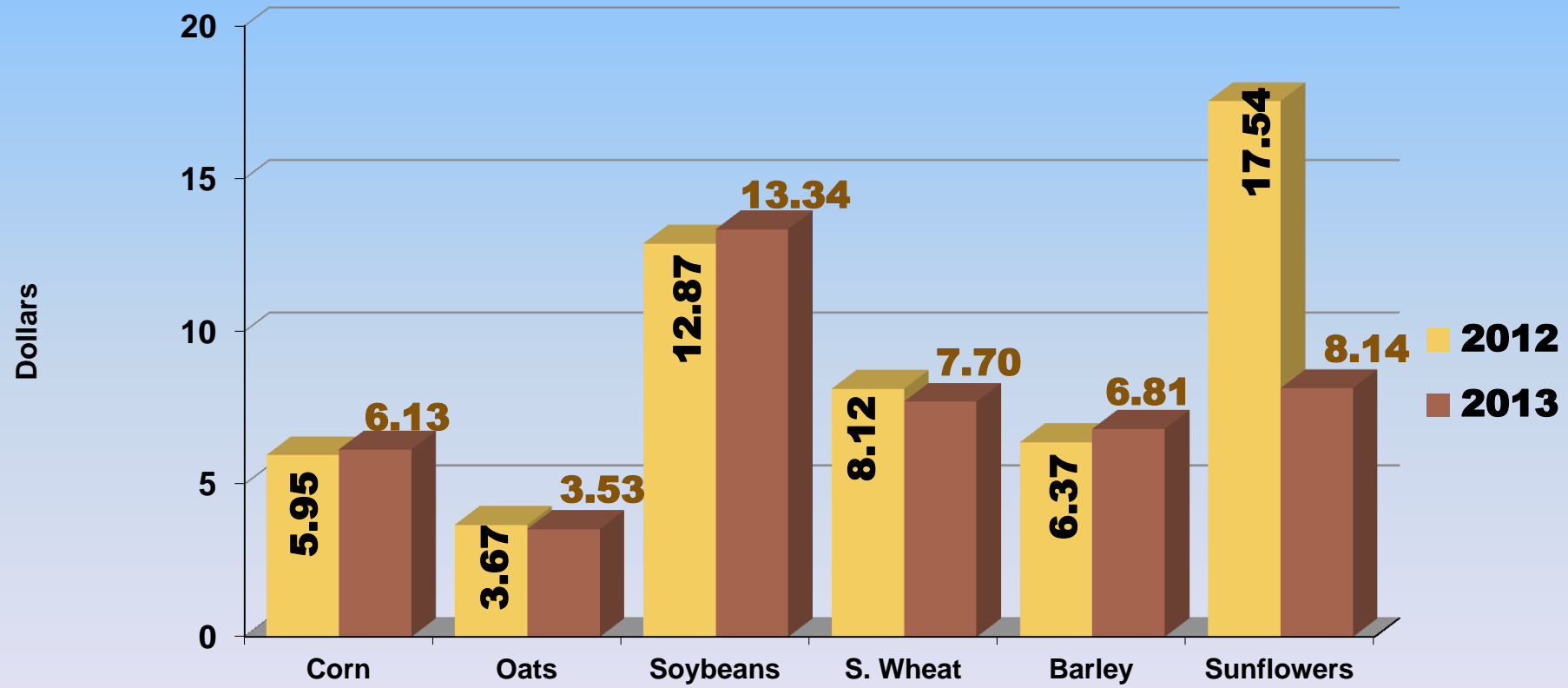


This year----

**Cant' even
catch a
cold!**



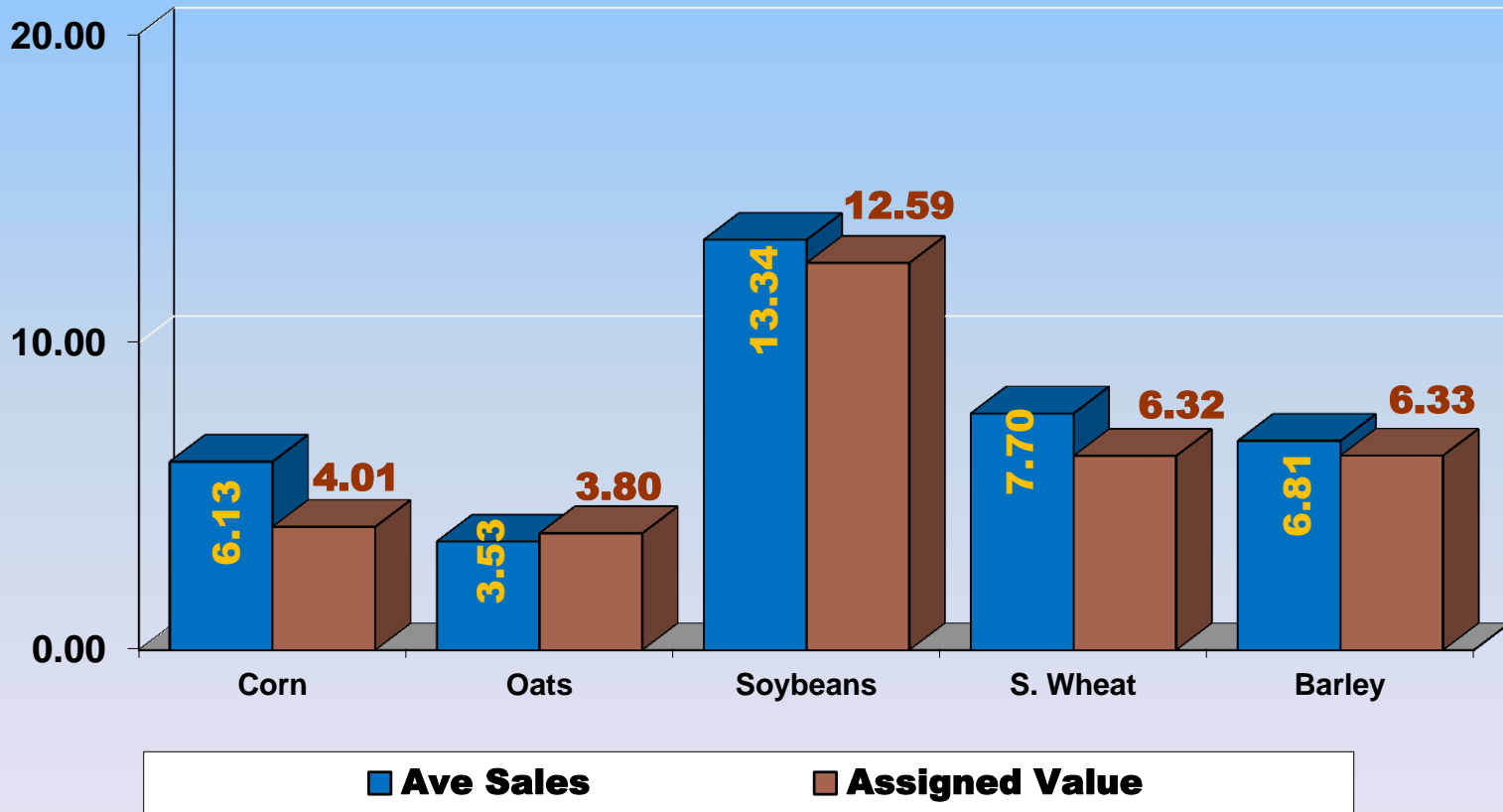
Average Actual Sales Price for Various Crops



Northwestern, North Central & West Central Area



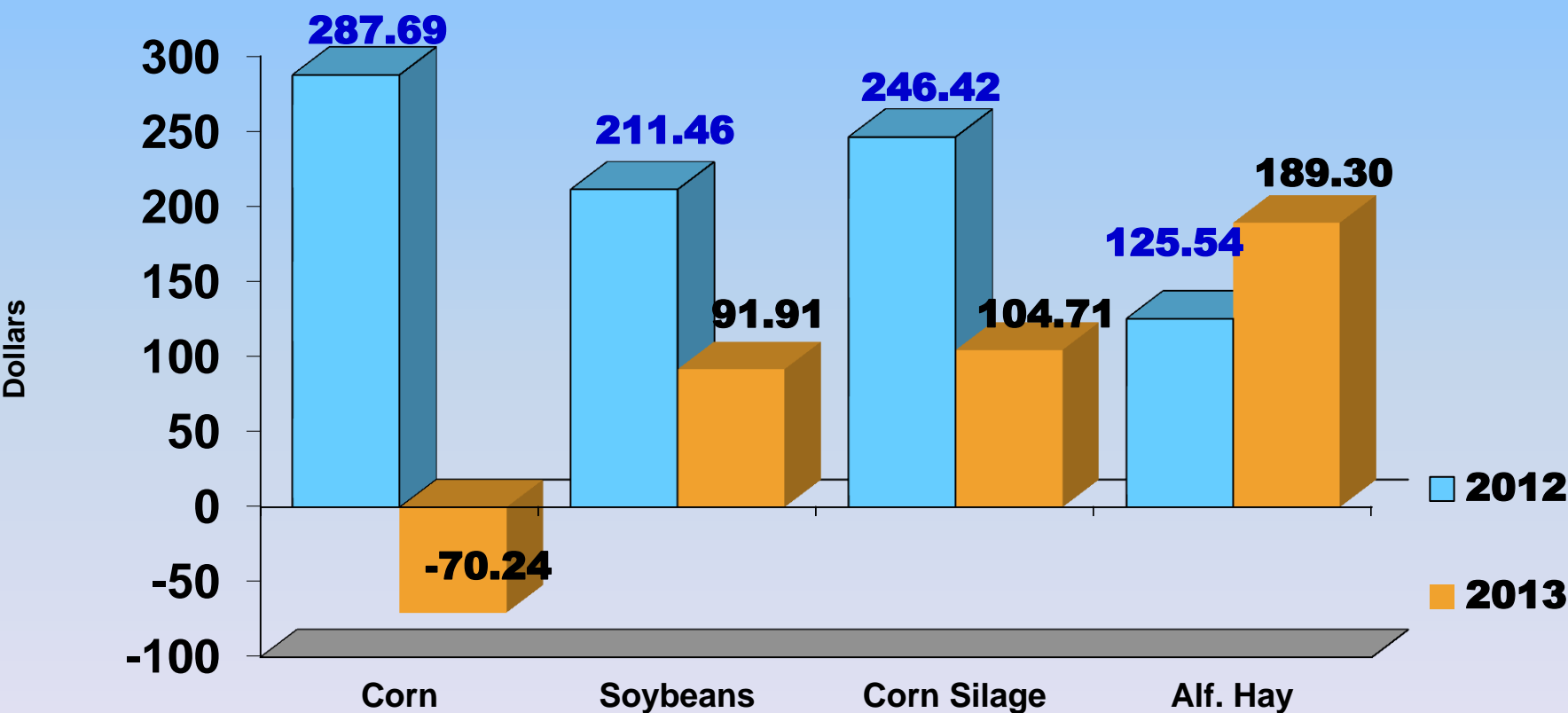
Average Actual Sales Price & Assigned Value for Various Crops



Northwestern, North Central & West Central Area



Net Return for Various Crops (Cash Rented)

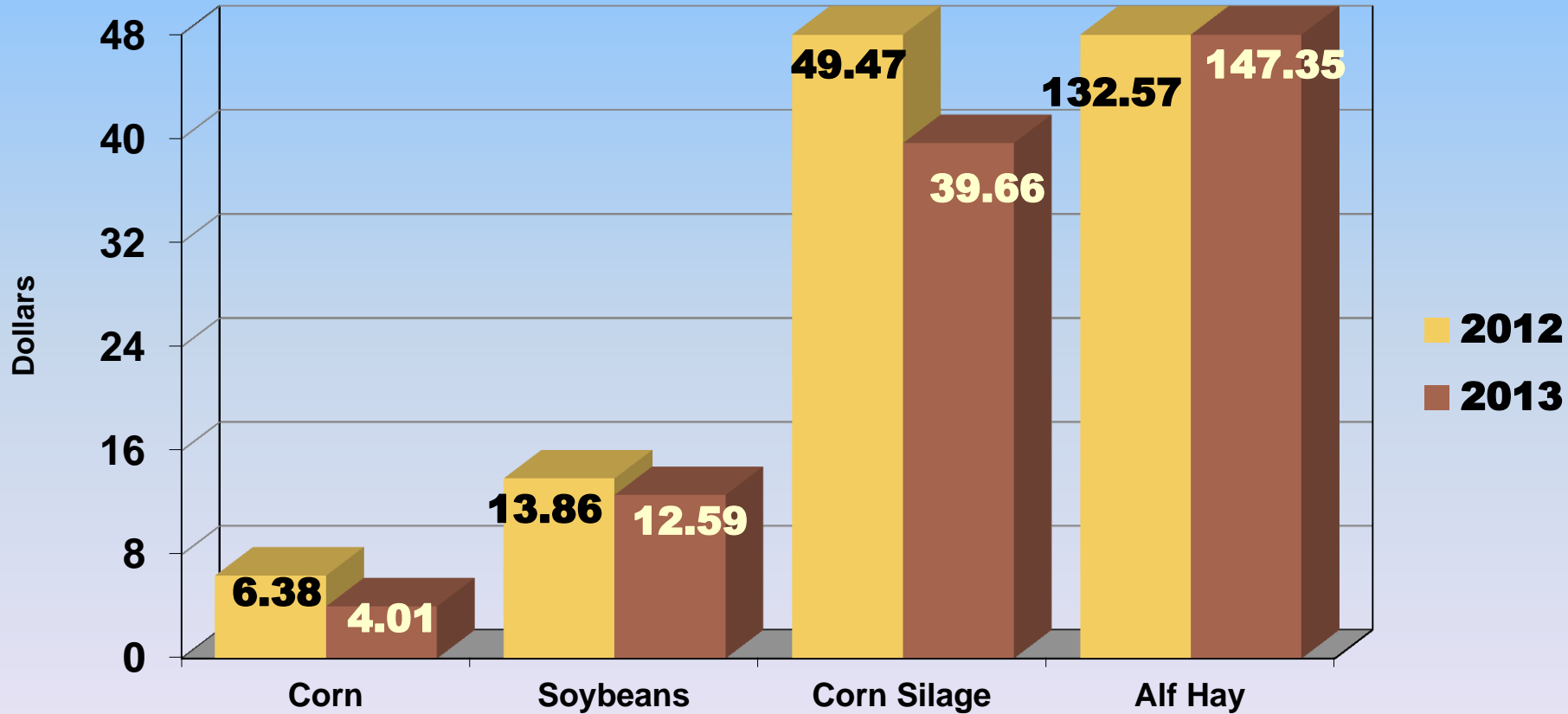


Northwestern & North Central Area



Average Value per Unit...

Crop Enterprise tables (Cash Rent)



Northwestern & North Central Area



Machinery Cost per Acre

Pg 34

Machinery Cost per Acre					
Crop	2009	2010	2011	2012	2013
Alfalfa Hay	\$113.51	\$122.97	\$134.95	\$150.94	\$145.46
Corn	\$109.69	\$118.92	\$142.37	\$154.11	\$152.35
Corn Silage	\$133.60	\$146.13	\$184.16	\$185.94	\$178.58
Soybeans	\$64.06	\$70.06	\$87.20	\$88.40	\$85.28
Spring Wheat	\$62.77	\$73.46	\$84.21	\$94.18	\$87.97

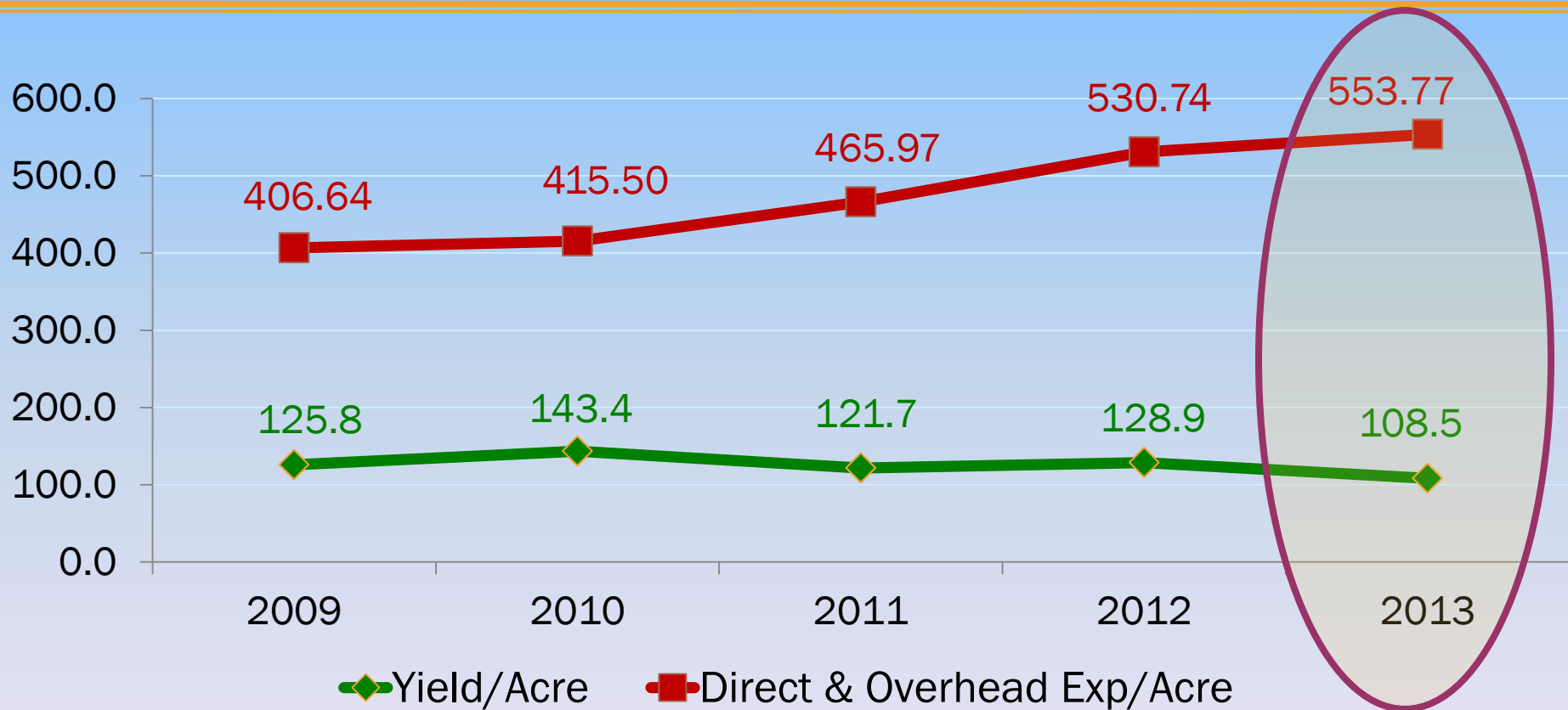
Machinery Cost includes: Fuel & Oil, Custom Hire, Mach. Leases, Interest on Mach. debt, and Mach. Depreciation.

Northwestern & North Central Area



Corn (owned)

Pg 44



*Net Return/Acre = **\$-44.10***

Northwestern & North Central Area

Corn Yields & Net Return per Acre (owned)

<u>Owned Acres</u>	<u>Yield</u>	<u>Net Return</u>
× 2004	83 bu.	-\$37.13
× 2005	118 bu.	-\$ 8.74
× 2006	111 bu.	\$28.92
× 2007	107 bu.	\$99.77
× 2008	123 bu.	\$37.37
× 2009	126 bu.	\$17.84
× 2010	143 bu.	\$249.14
× 2011	122 bu.	\$248.53
× 2012	129 bu.	\$320.53
× 2013	109 bu.	\$-44.10



Northwestern & North Central Area

2-year Corn Data

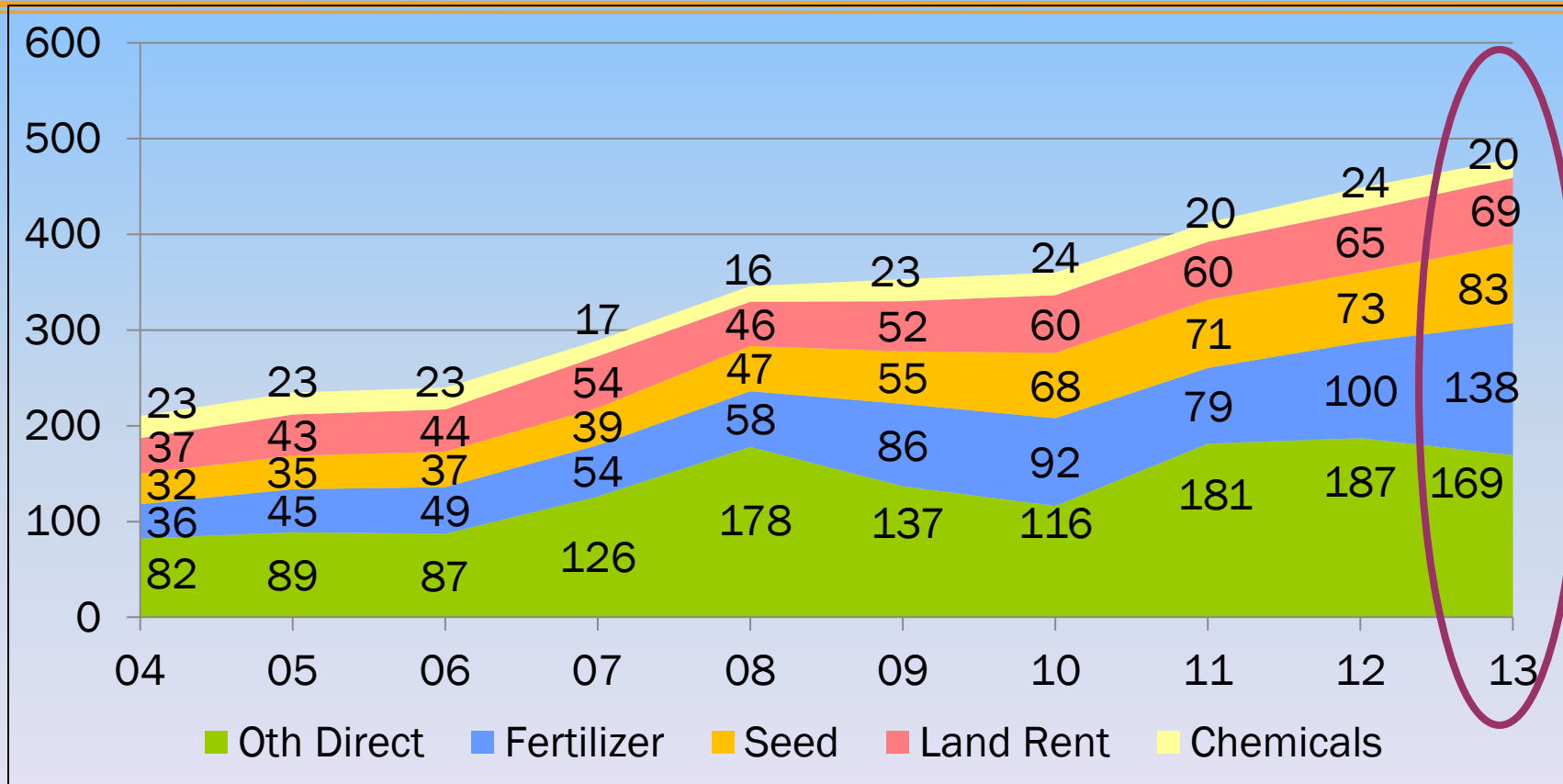
Pg 44-45

	<i>Rented</i>		<i>Owned</i>	
	2012	2013	2012	2013
Yield per Acre	128.5	105.4	128.9	108.5
Value per Unit	\$6.38	\$4.01	\$6.49	\$4.02
Gross Revenue/Acre	832.19	494.27	851.27	509.67
Dir & Ovhd Expense/Acre	544.50	564.51	530.74	553.77
Net Return/Acre	287.69	-70.24	320.53	-44.10
Dir & Ovhd Expense/Unit	\$4.24	\$5.36	\$4.12	\$5.11

Northwestern & North Central Area

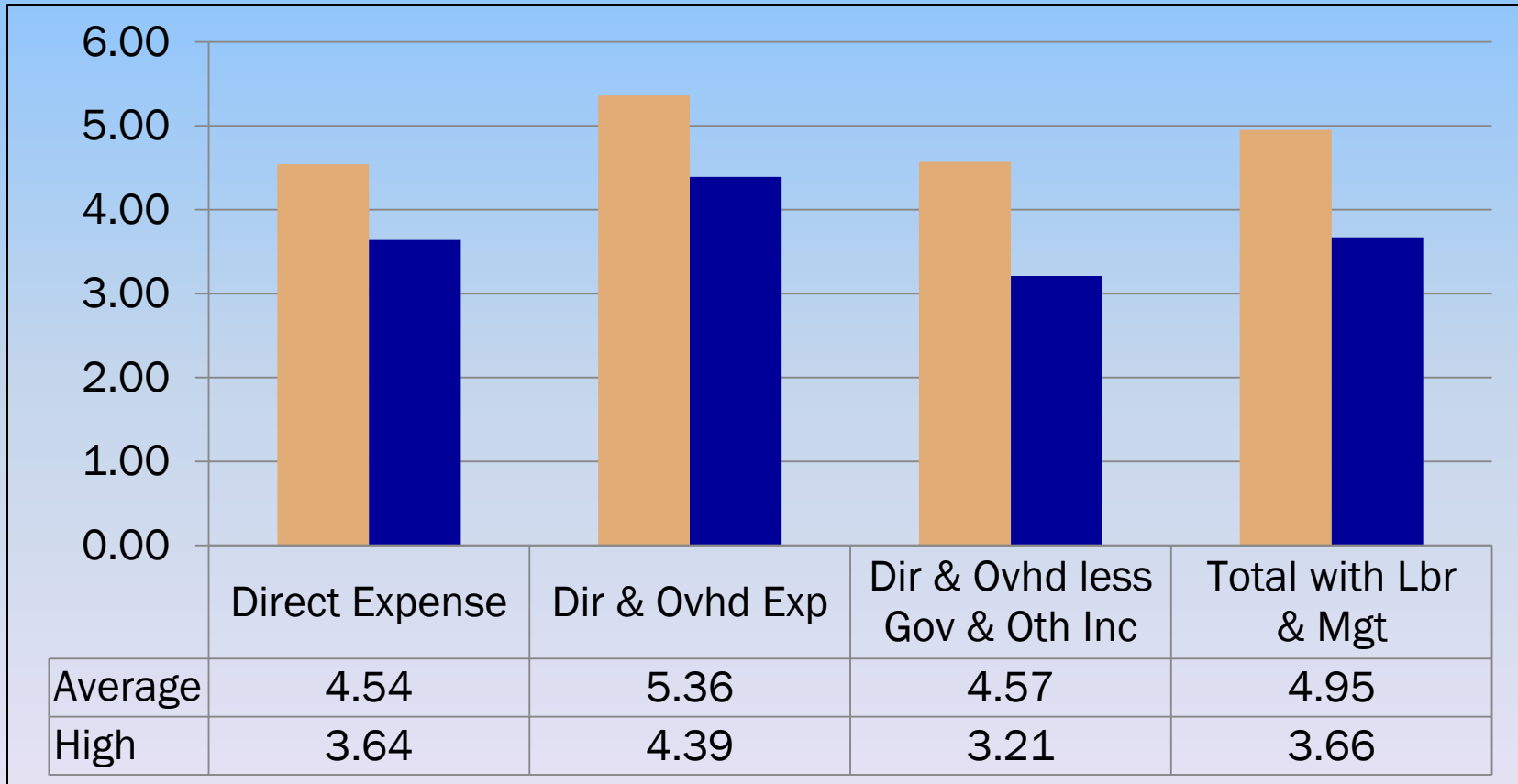
Corn Inputs – the past 10 years

Pg 45



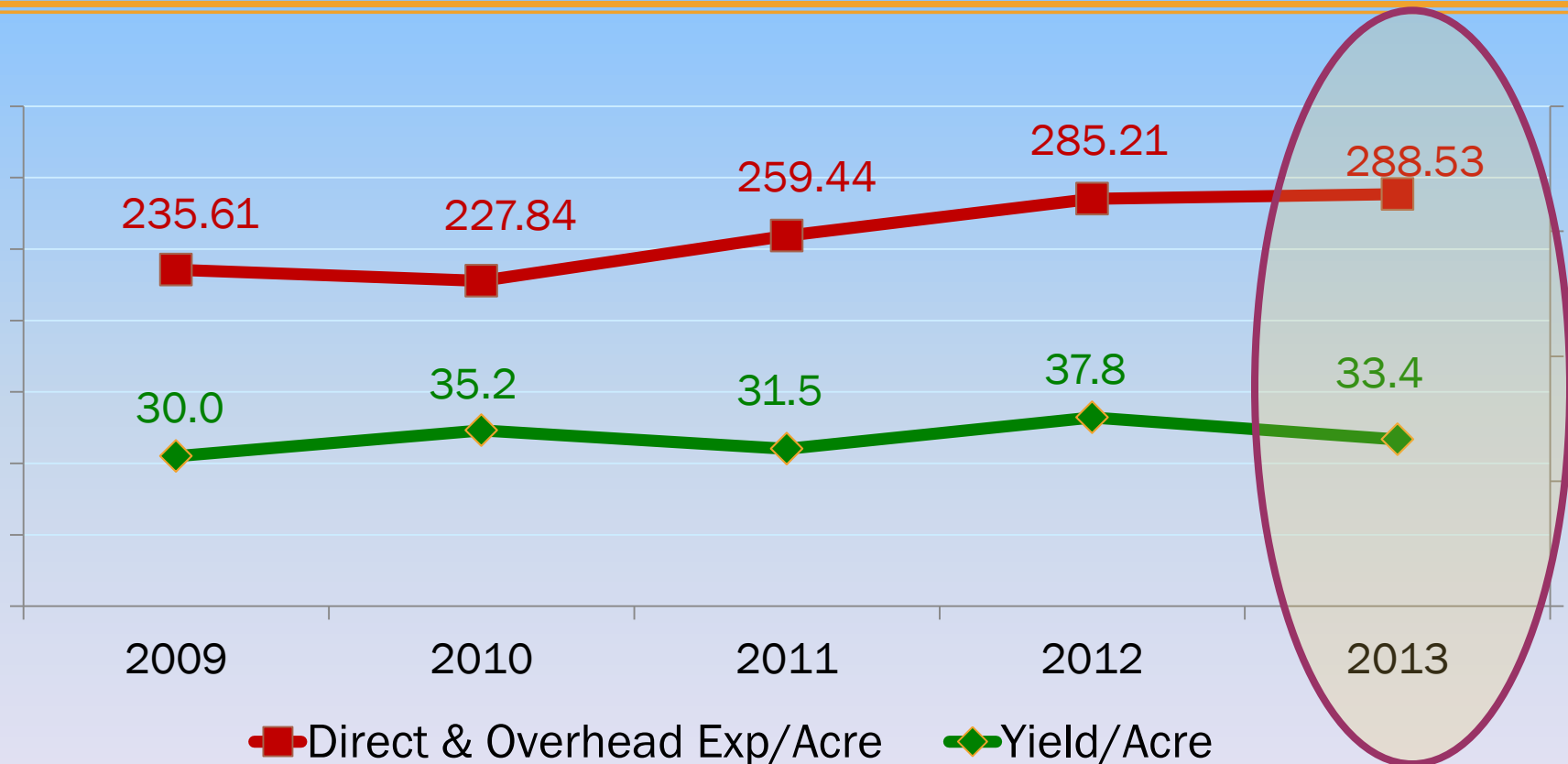
Northwestern & North Central Area

Costs of Production per Bushel for Corn (Cash Rent)



Soybeans (owned)

Pg 46



Net Return/Acre = \$139.81

Northwestern & North Central Area

2-year Soybean Data

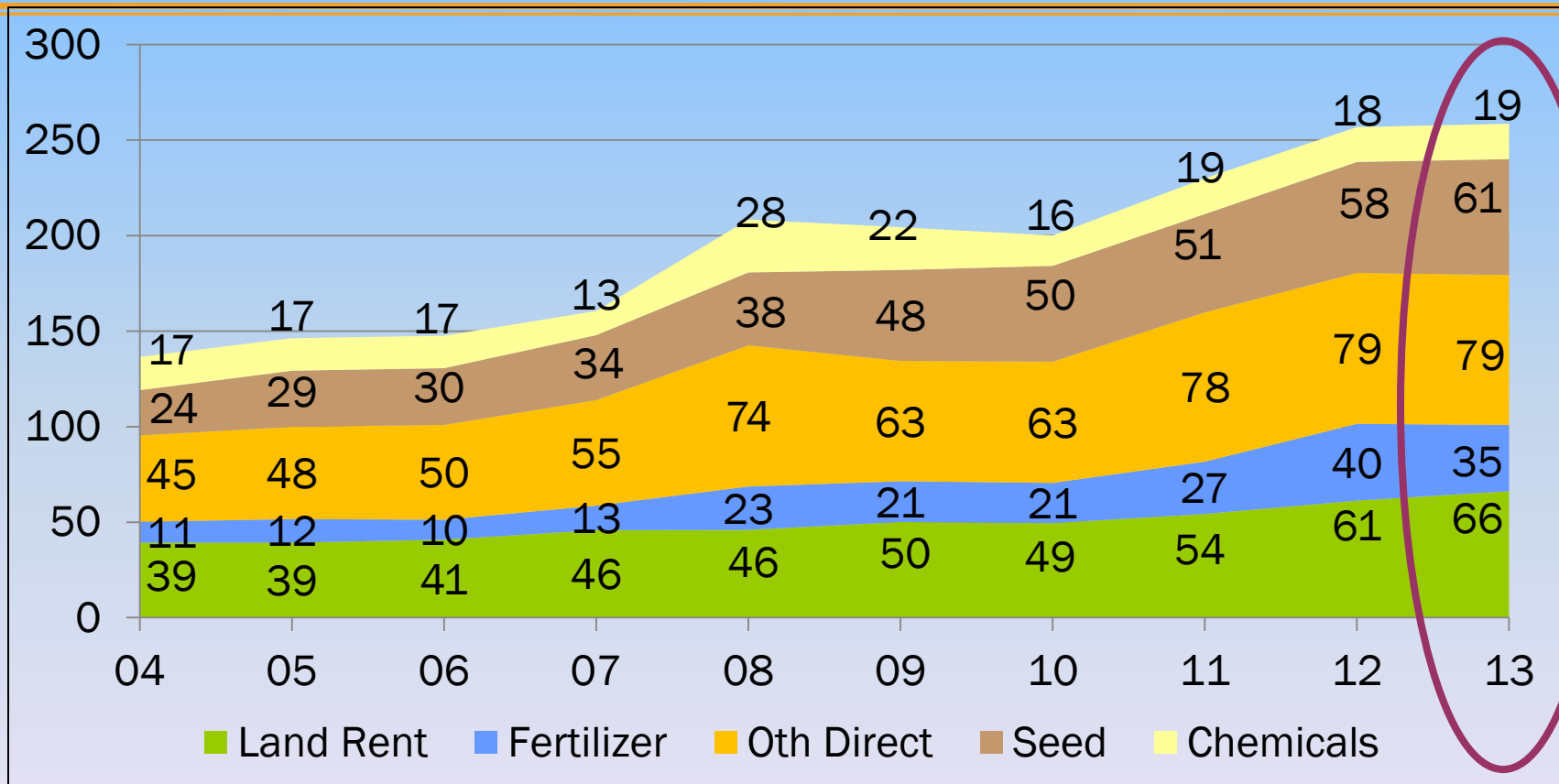
Pg 47

	<i>Rented</i>		<i>Owned</i>	
	2012	2013	2012	2013
Yield per Acre	36.96	30.60	37.8	33.36
Value per Unit	\$13.86	\$12.59	\$13.87	\$12.52
Gross Revenue/Acre	520.96	402.48	528.93	428.34
Dir & Ovhd Expense/Acre	309.50	310.57	285.21	288.53
Net Return/Acre	211.46	91.91	243.72	139.81
Dir & Ovhd Expense/Unit	\$8.37	\$10.15	\$7.55	\$8.65

Northwestern & North Central Area

Soybean Inputs – the past 10 years

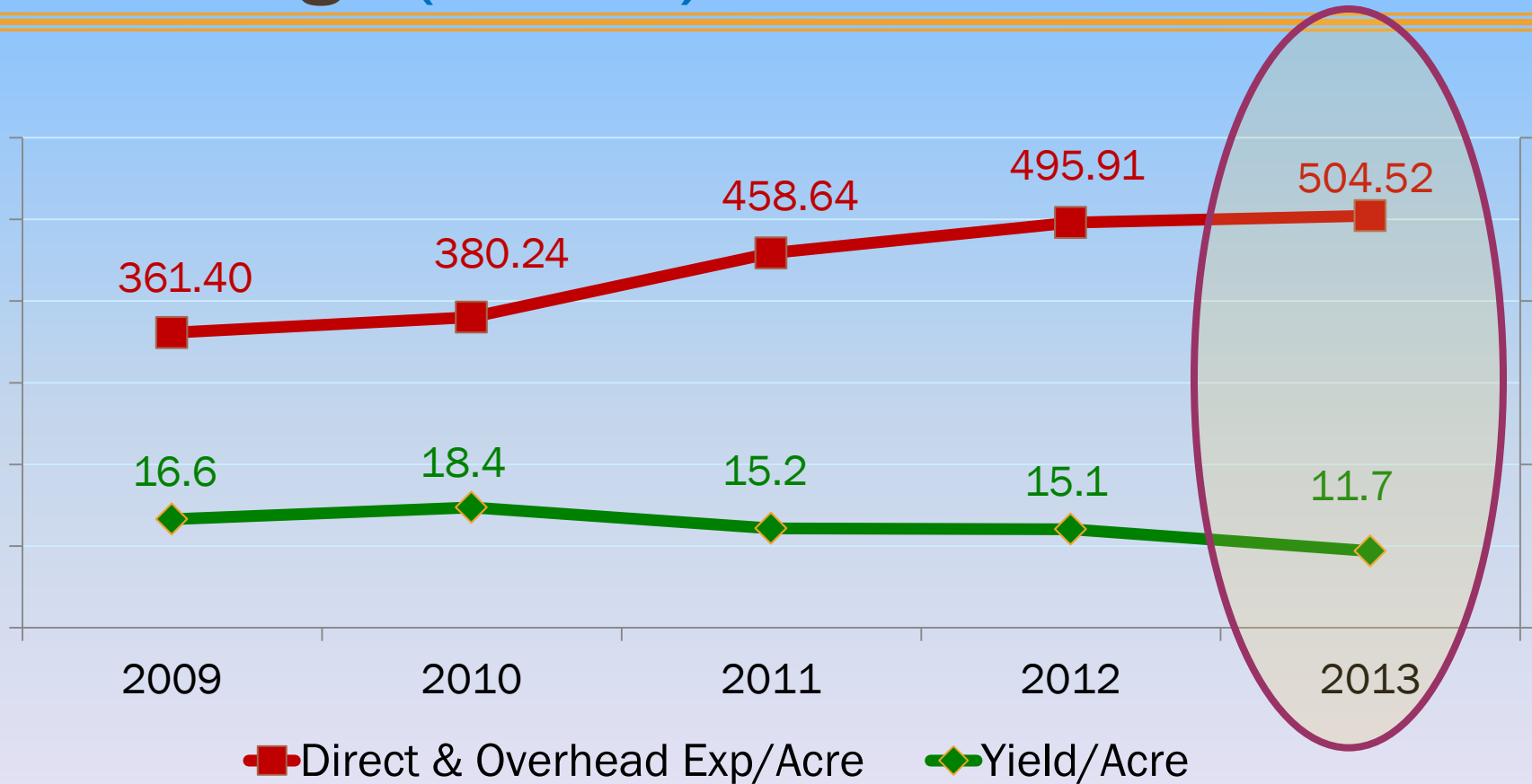
Pg 47



Northwestern & North Central Area

Corn Silage (owned)

Pg 48



Net Return/Acre = \$155.90

Northwestern & North Central Area

2-year Corn Silage Data

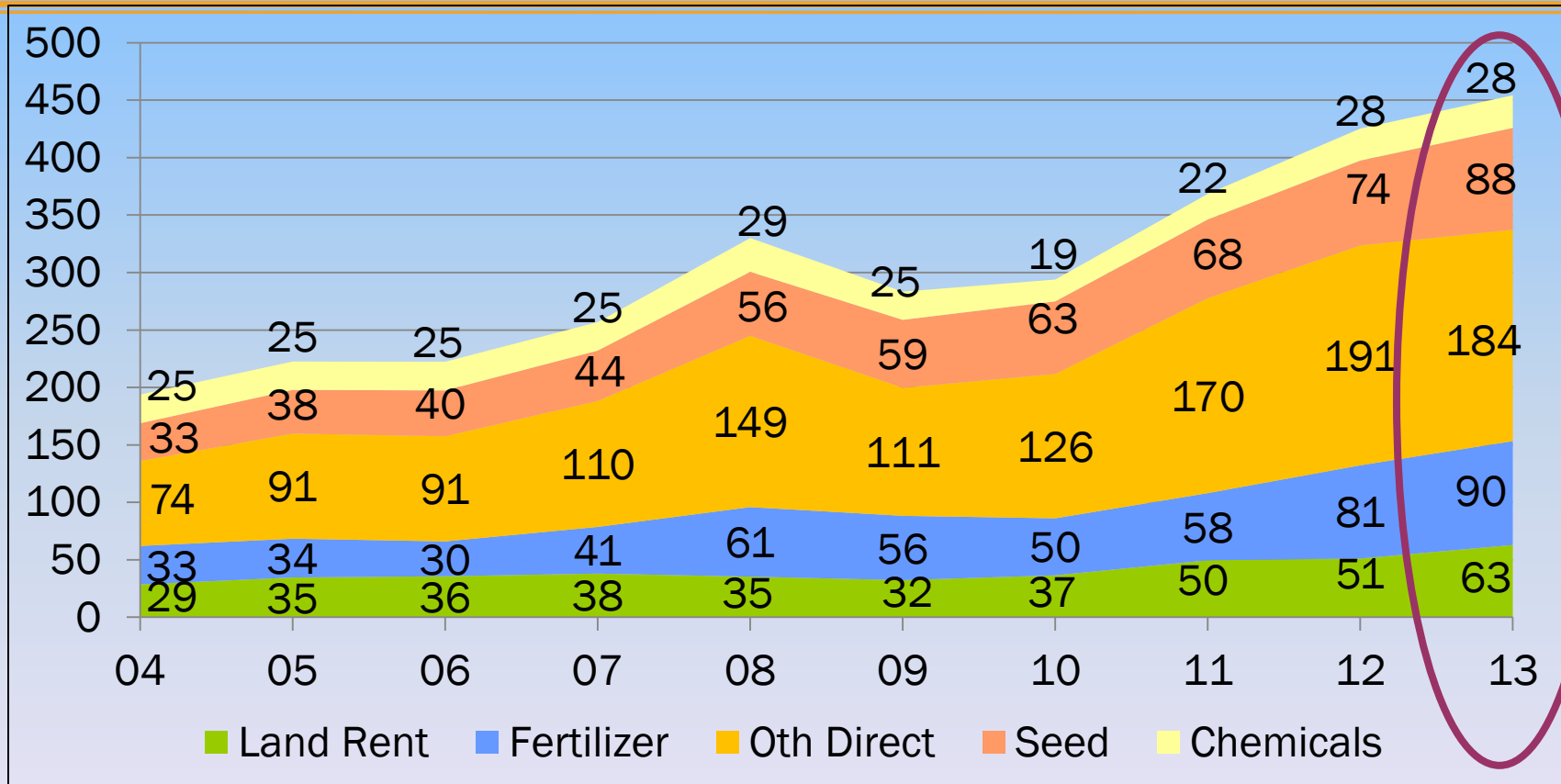
Pg 48-49

	<i>Rented</i>		<i>Owned</i>	
	2012	2013	2012	2013
Yield per Acre	15.2	11.7	15.1	11.7
Value per Unit	\$49.47	\$39.66	\$50.65	\$40.01
Gross Revenue/Acre	771.52	661.38	781.48	660.42
Dir & Ovhd Expense/Acre	525.10	556.67	495.91	504.52
Net Return/Acre	246.42	104.71	285.57	155.90
Dir & Ovhd Expense/Unit	\$34.47	\$47.68	\$32.86	\$43.05

Northwestern & North Central Area

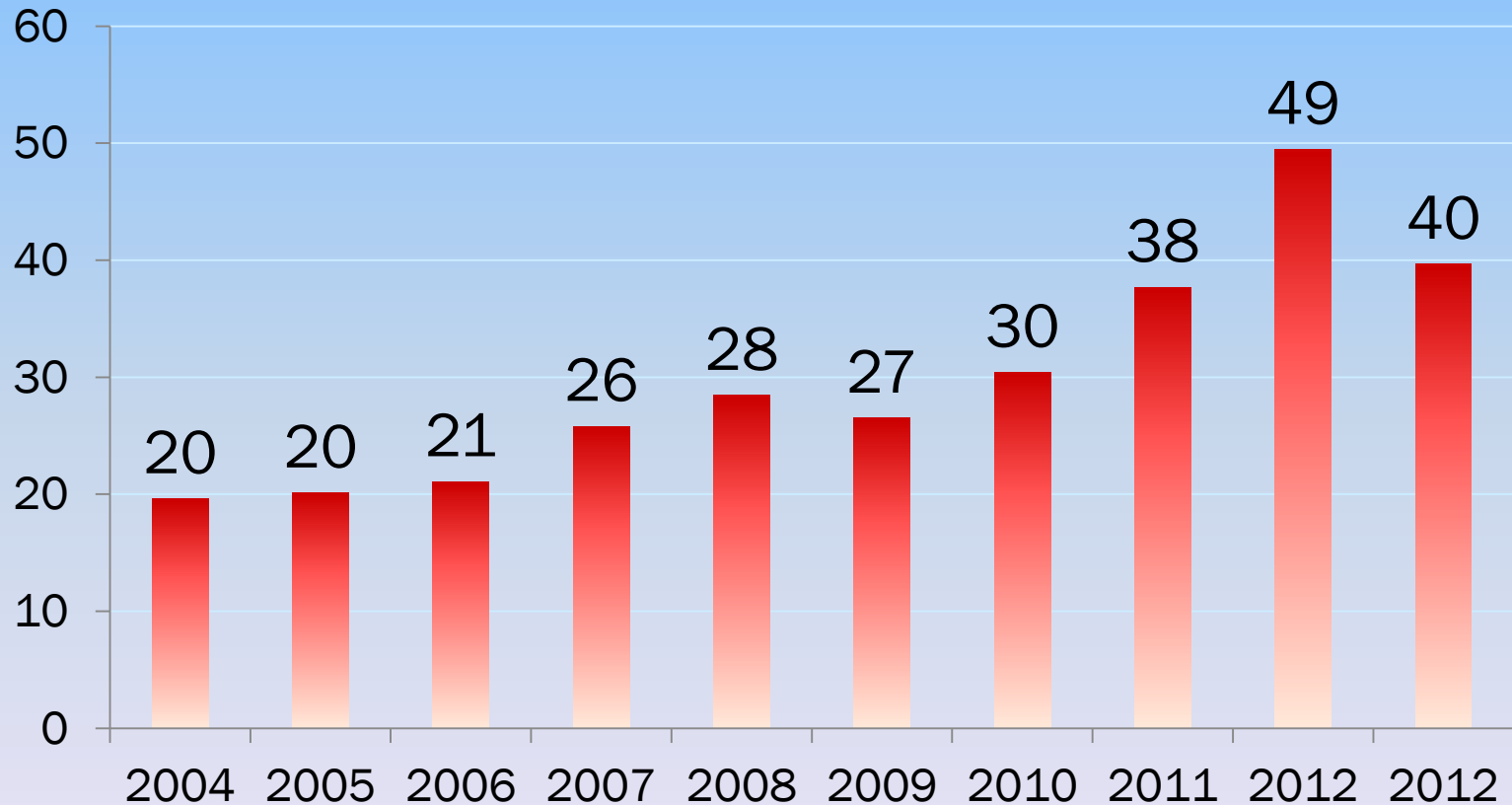
Corn Silage Inputs – the past 10 years

Pg 49



Northwestern & North Central Area

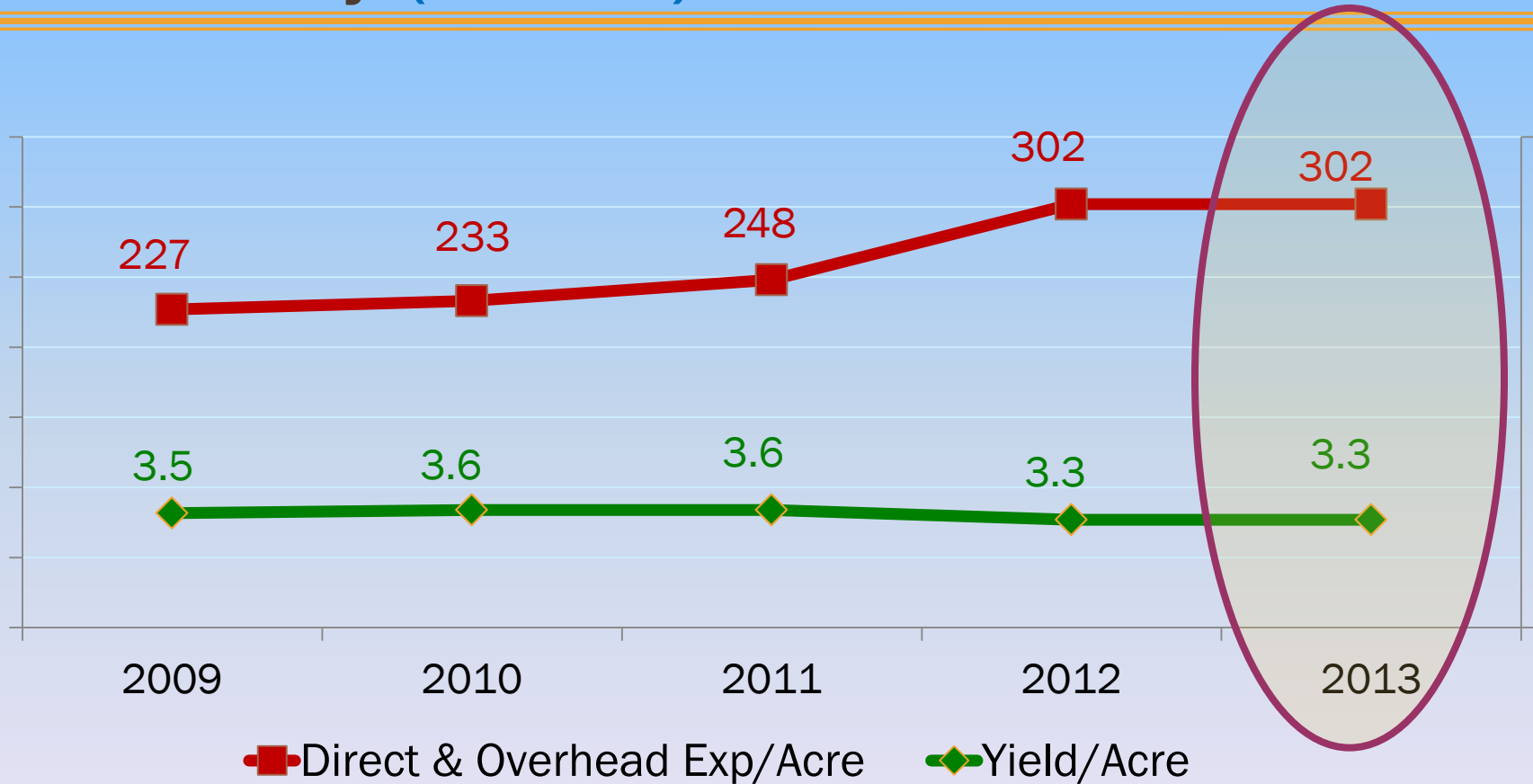
Corn Silage – Assigned value per Ton (*cash rent*)



Northwestern & North Central Area

Alfalfa Hay (owned)

Pg 50



Net Return/Acre = \$218.54



Northwestern & North Central Area

2-year Alfalfa Hay Data

Pg 50-51

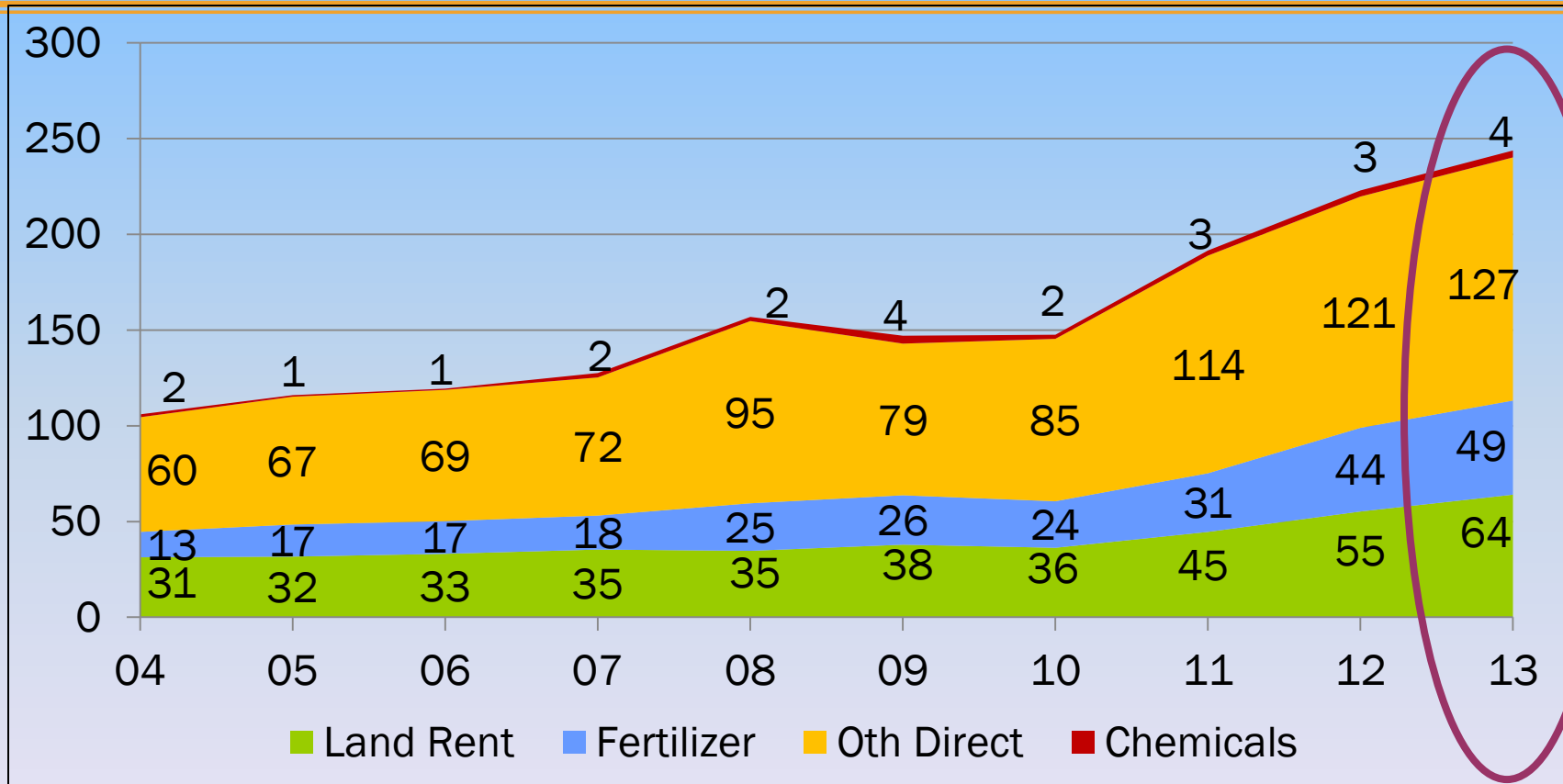
	<i>Rented</i>		<i>Owned</i>	
	2012	2013	2012	2013
Yield per Acre	3.25	3.50	3.29	3.30
Value per Unit	132.57	147.45	131.79	153.38
Gross Revenue/Acre	439.96	524.28	452.51	520.81
Dir & Ovhd Expense/Acre	314.42	334.98	302.02	302.28
Net Return/Acre	125.54	189.30	150.49	218.54
Dir & Ovhd Expense/Unit	96.84	95.83	\$91.87	\$91.64



Northwestern & North Central Area

Alfalfa Hay Inputs – the past 10 years

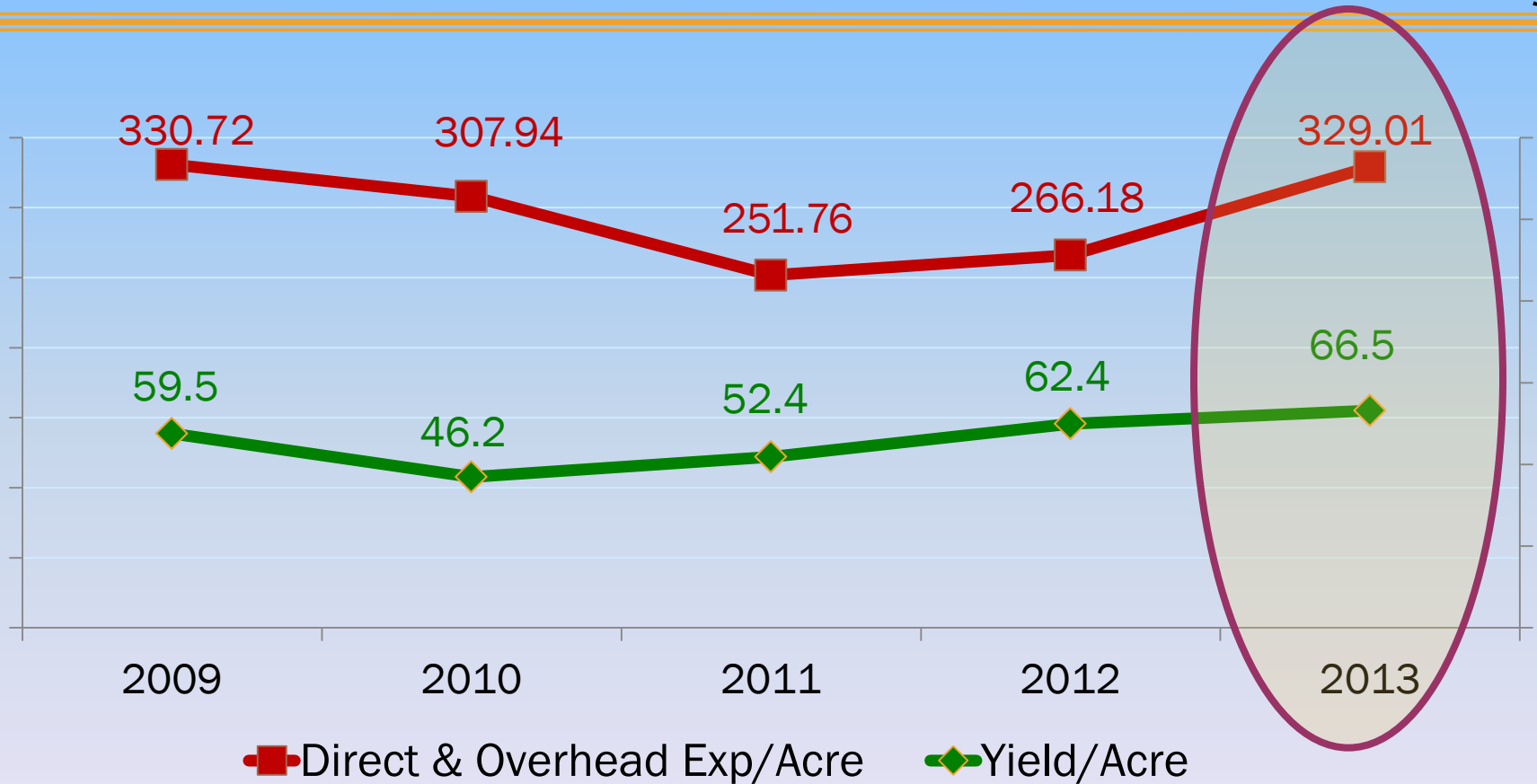
Pg 43



Northwestern & North Central Area

Spring Wheat (owned)

Pg 54



Net Return/Acre = \$95.54

Northwestern, North Central, & West Central Area

2-year Spring Wheat Data

Pg 54-55

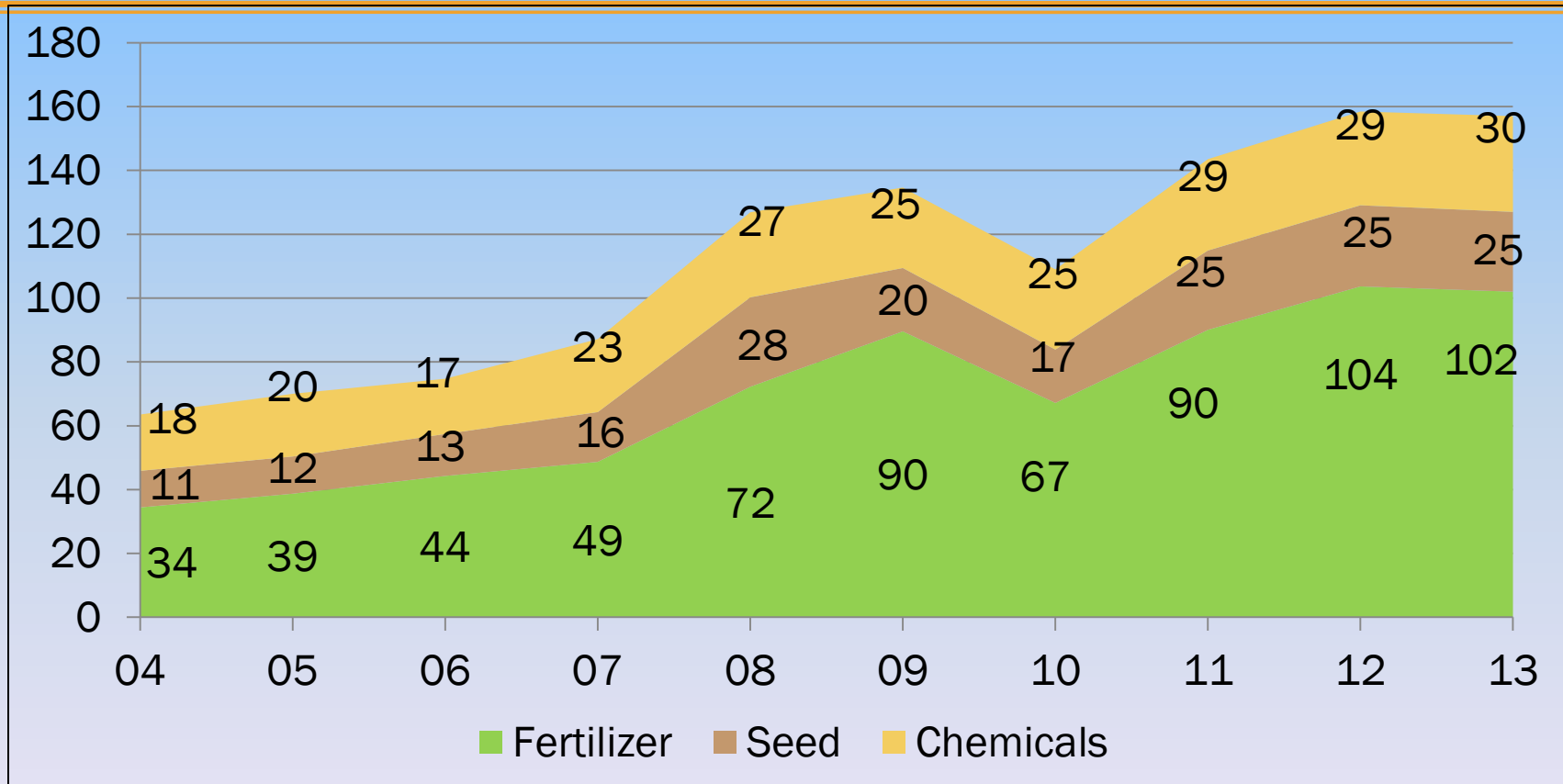
	<i>Rented</i>		<i>Owned</i>	
	2012	2013	2012	2013
Yield per Acre	58.84	65.7	59.48	66.5
Value per Unit	\$8.36	\$6.32	\$8.35	\$6.24
Gross Revenue/Acre	496.62	422.88	504.24	424.55
Dir & Ovhd Expense/Acre	356.54	355.27	330.72	329.01
Net Return/Acre	140.07	67.61	173.52	95.54
Dir & Ovhd Expense/Unit	\$6.06	\$5.41	\$5.56	\$4.95



Northwestern, North Central, & West Central Area

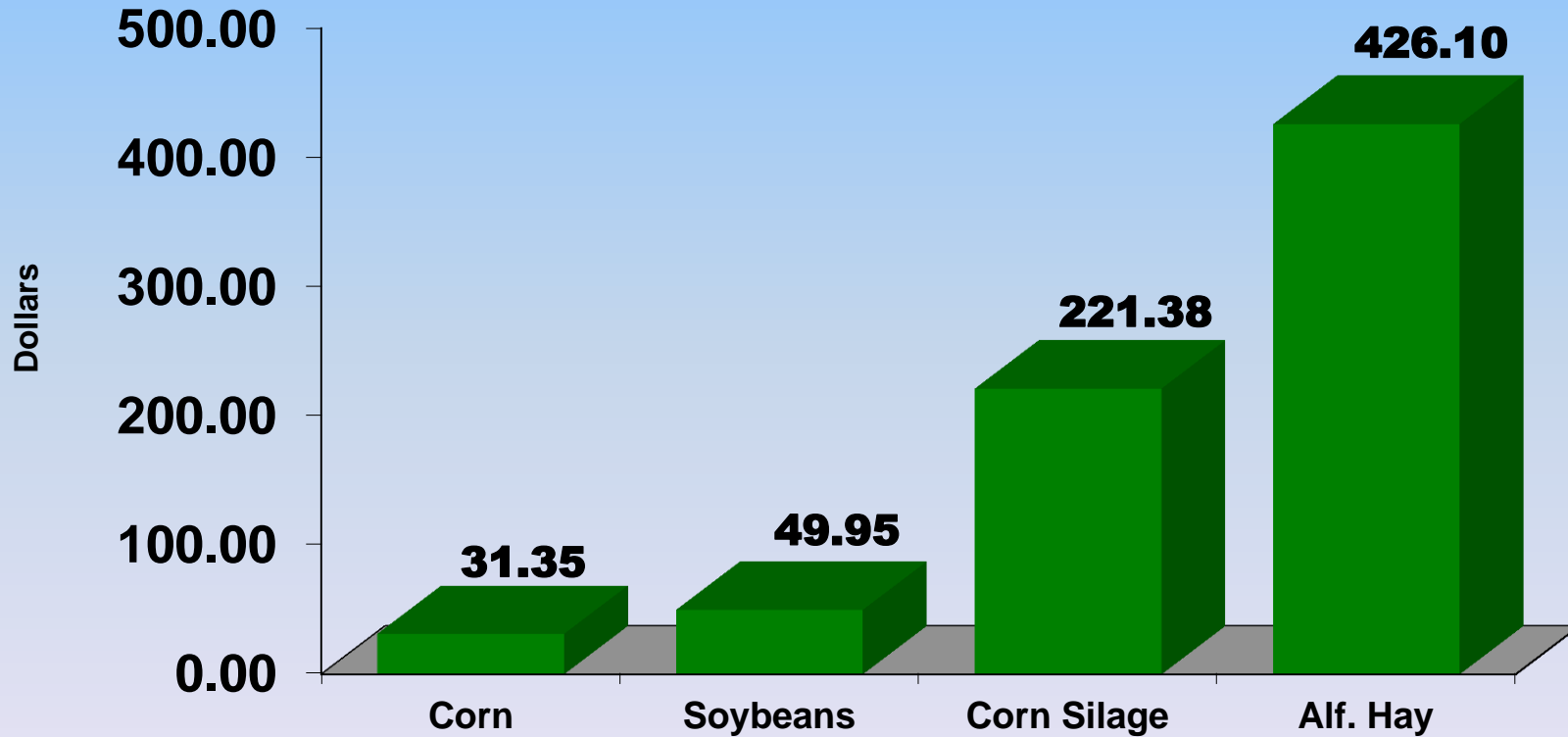
Spring Wheat Inputs – the past 10 years

Pg 55



Northwestern, North Central, & West Central Area

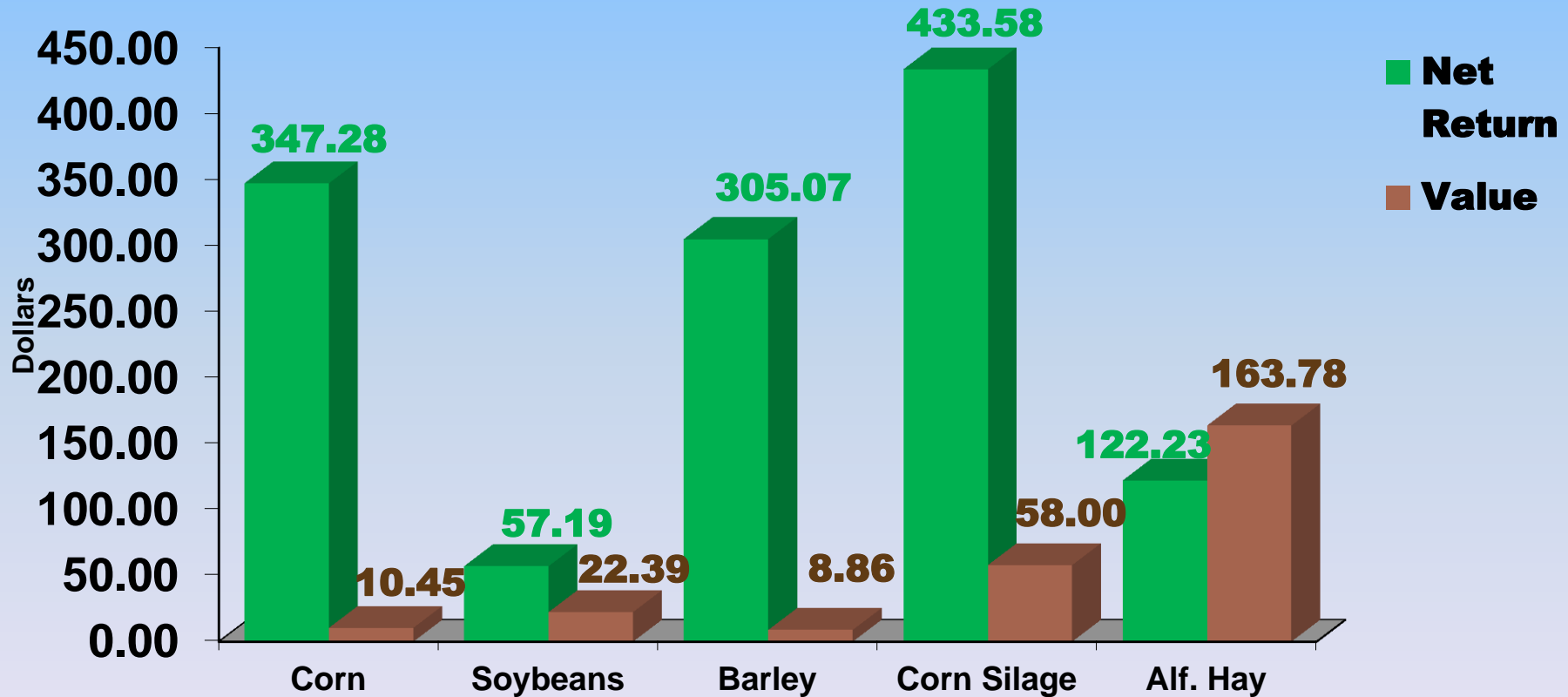
Net Return for Various Crops (Irrigated)



Northwestern, North Central & West Central Area



Net Return for Various Crops & Assigned Value (Organic)



Northwestern, North Central & West Central Area

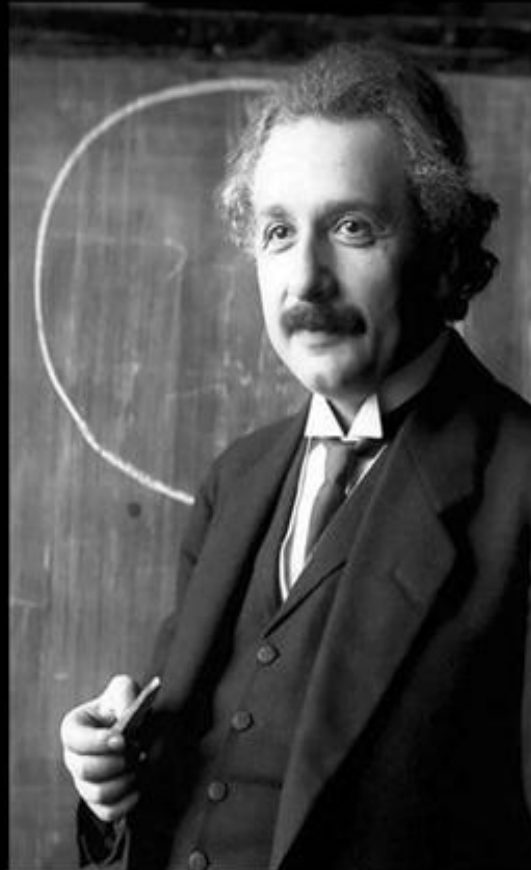


*A few more questions before
we move on...Who am I?*



John Lennon of the Beatles

*A few more questions before
we move on...Who am I?*



Albert Einstein

As you look to next year...

*It is not the **ONE BIG THING** that must
to be done well...to be successful
over the long term...*



*It is doing a **100 LITTLE THINGS** ...
better!*

Intermission



Livestock Enterprise Information

■ Dairy

- By Profitability
- By Herd Size

■ Beef

■ Hogs



Statewide Data

Livestock Enterprise Information

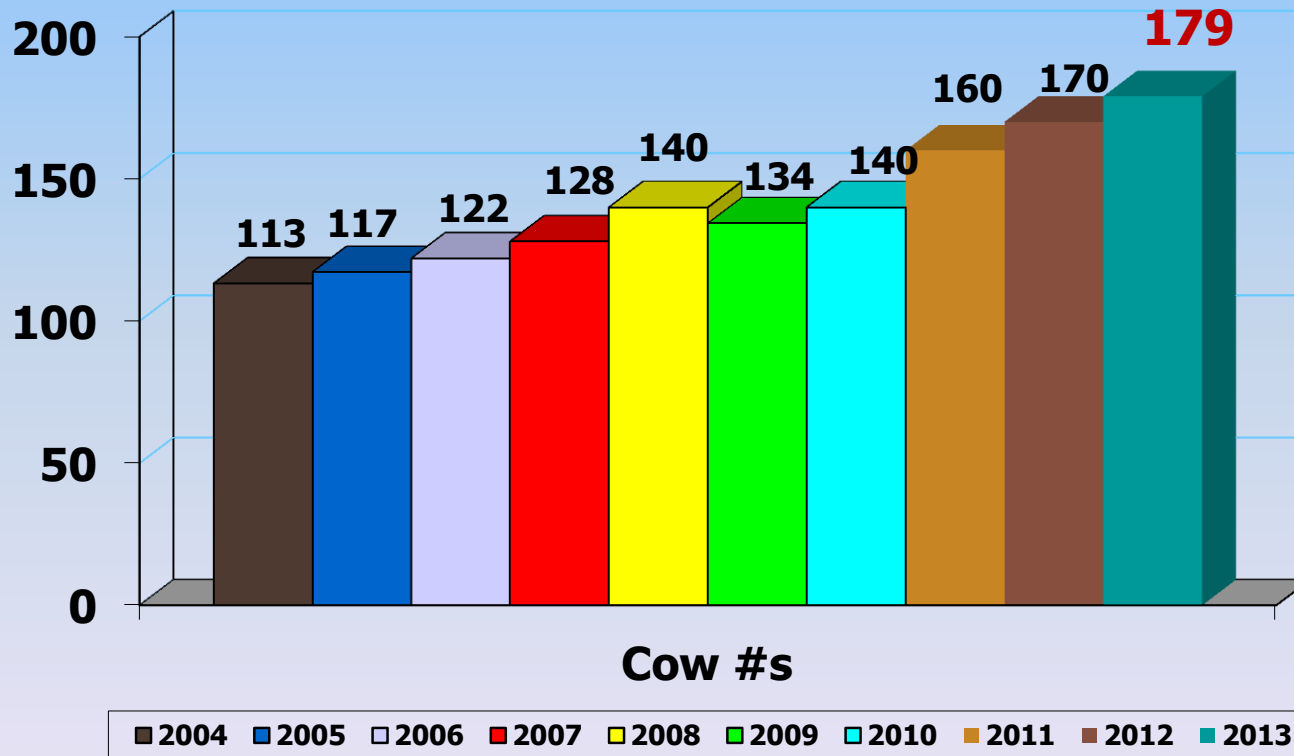
- Dairy data on slides prior to “Dairy by herd size” does not include Organic Production



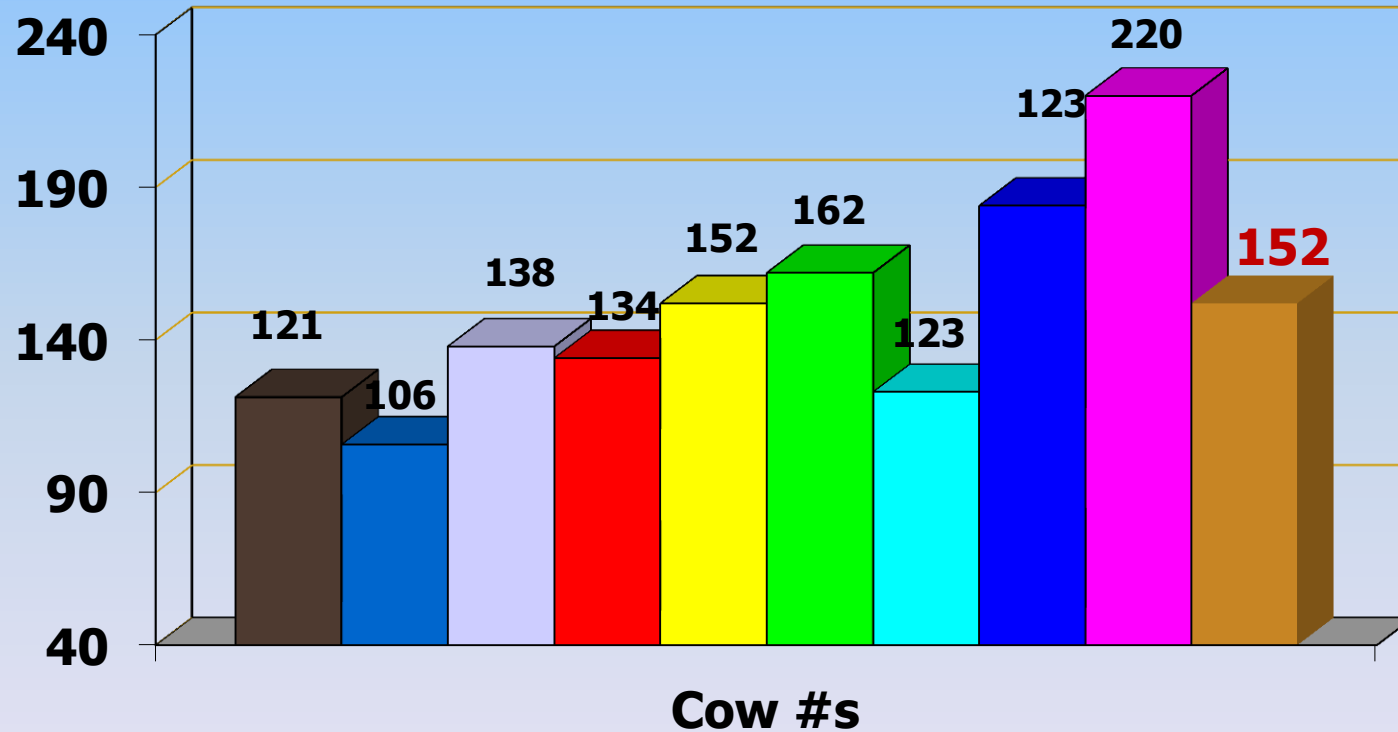
Average Number of Dairy Cows

Pg 64-65

The average number of dairy cows up again in 2013



Number of Dairy Cows – Median income farms



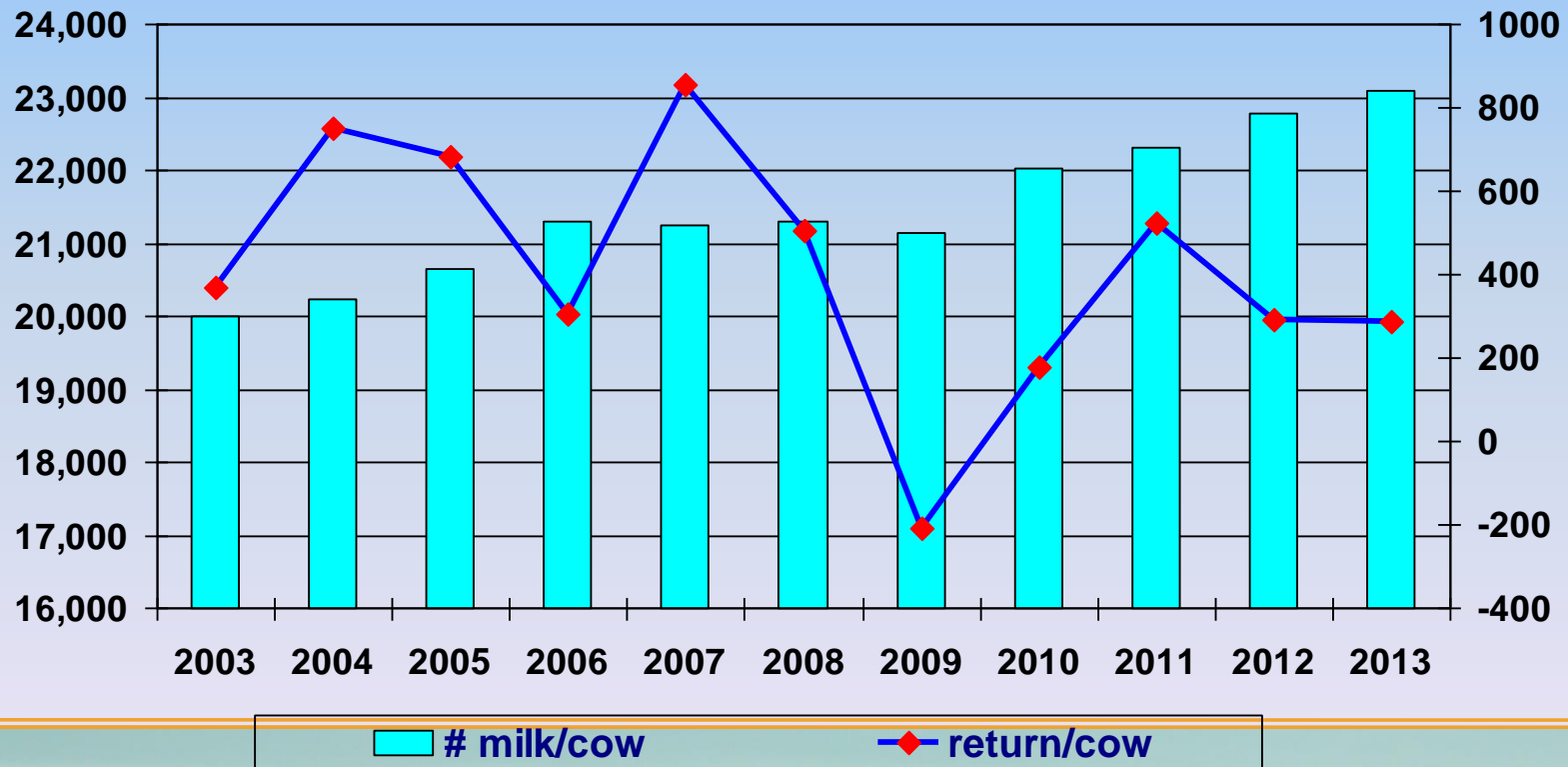
■ 2004 ■ 2005 ■ 2006 ■ 2007 ■ 2008 ■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



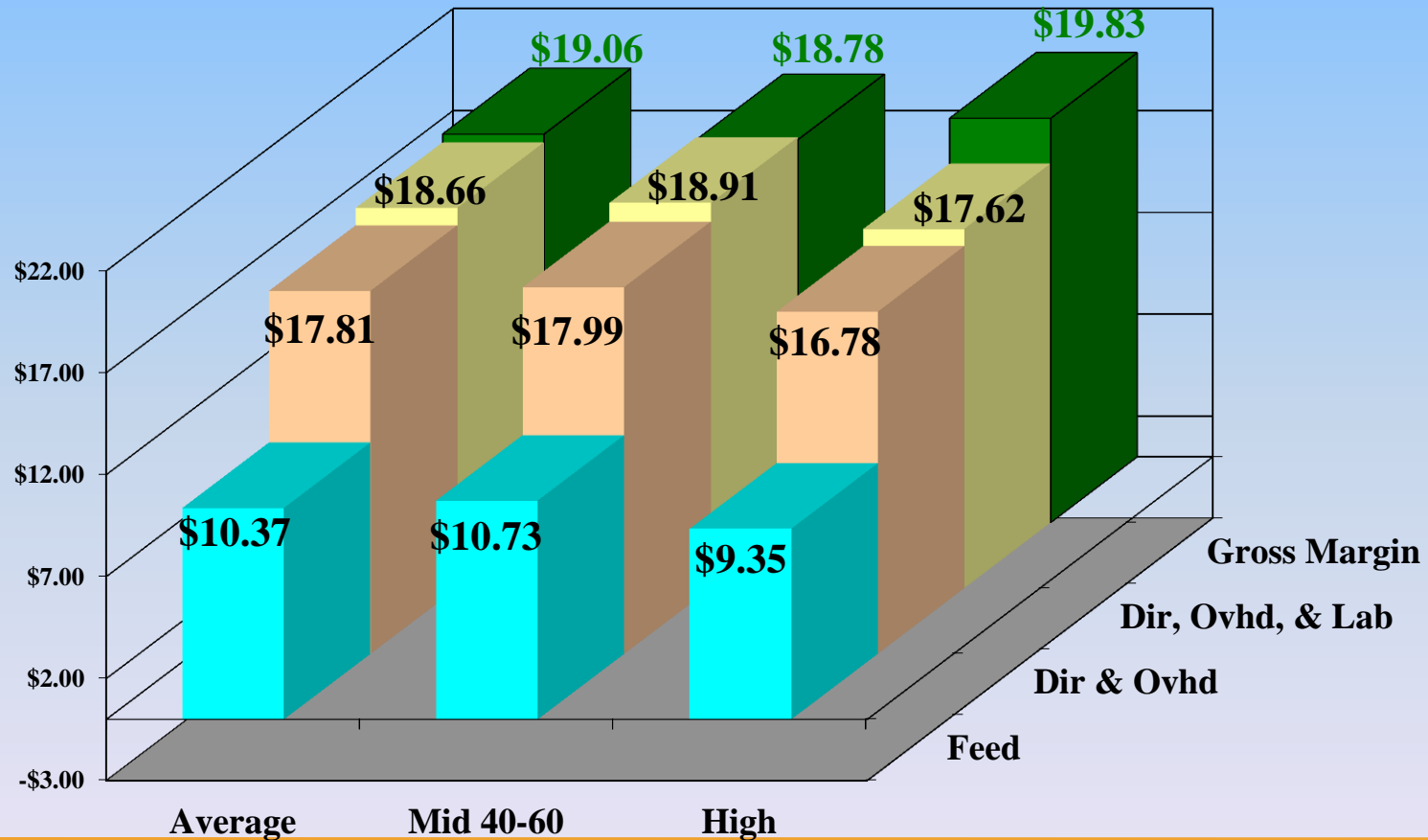
Production & Returns per Cow

Pg 64-65

Milk production up slightly - Returns slightly down again



Dairy Cows – Costs and Gross Margin per CWT



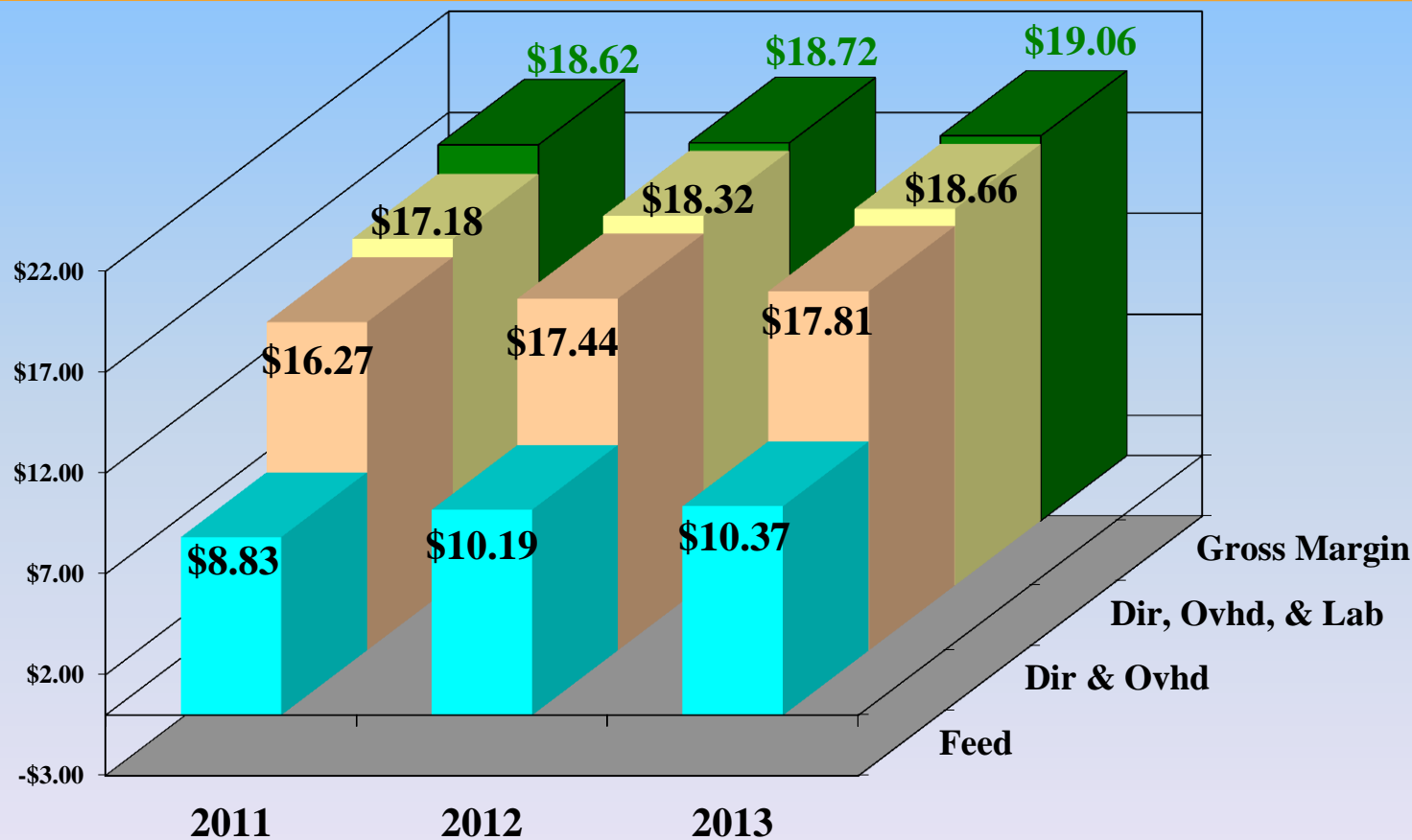
Net Returns: \$.40 -\$.13 \$2.21 (Incl Labor – Hired and Operator)



Dairy Cows – 3-year review

Costs and Gross Margin per CWT

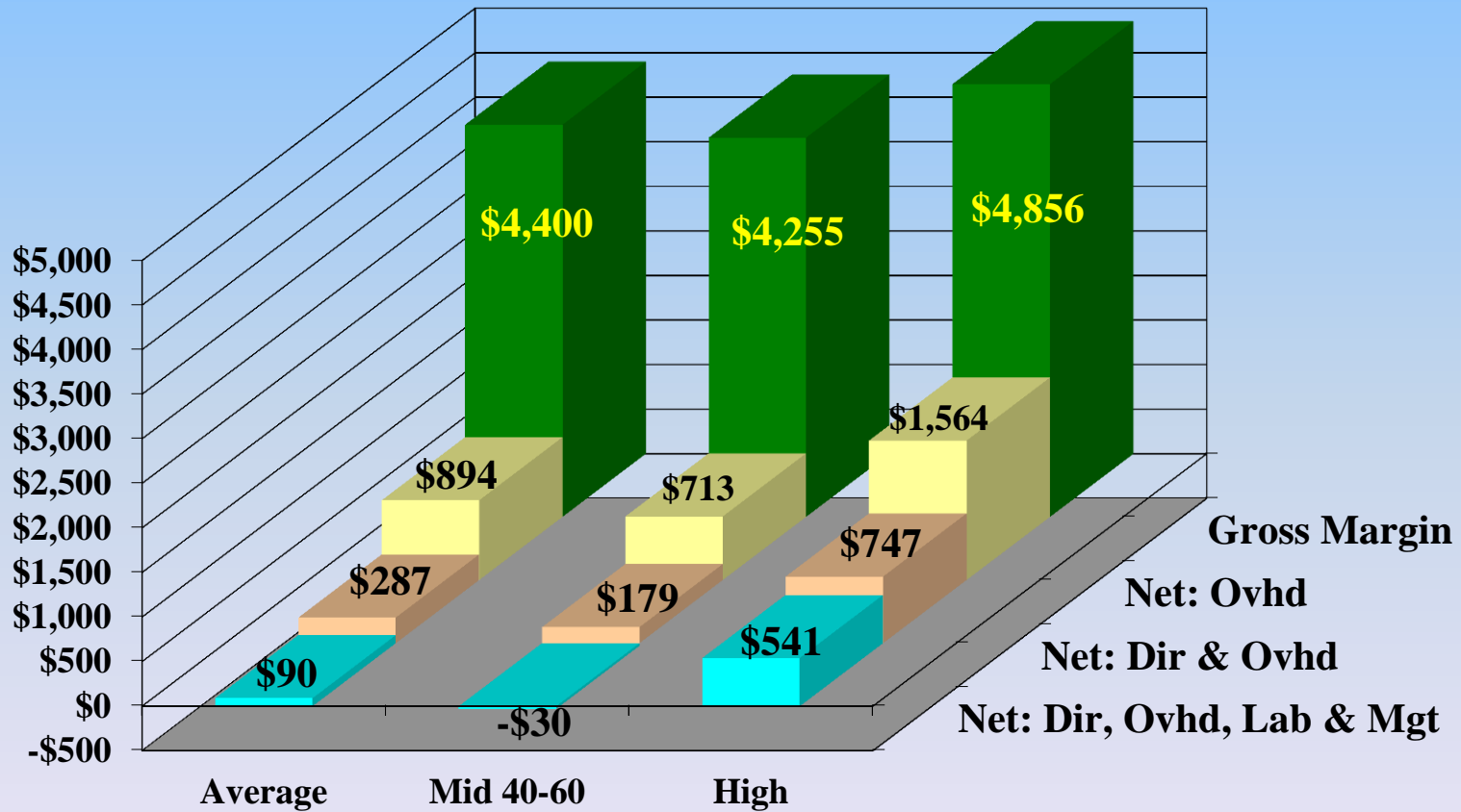
Pg 64



Net Returns: \$1.44 \$0.40 \$0.40 (Incl Labor – Hired and Operator)

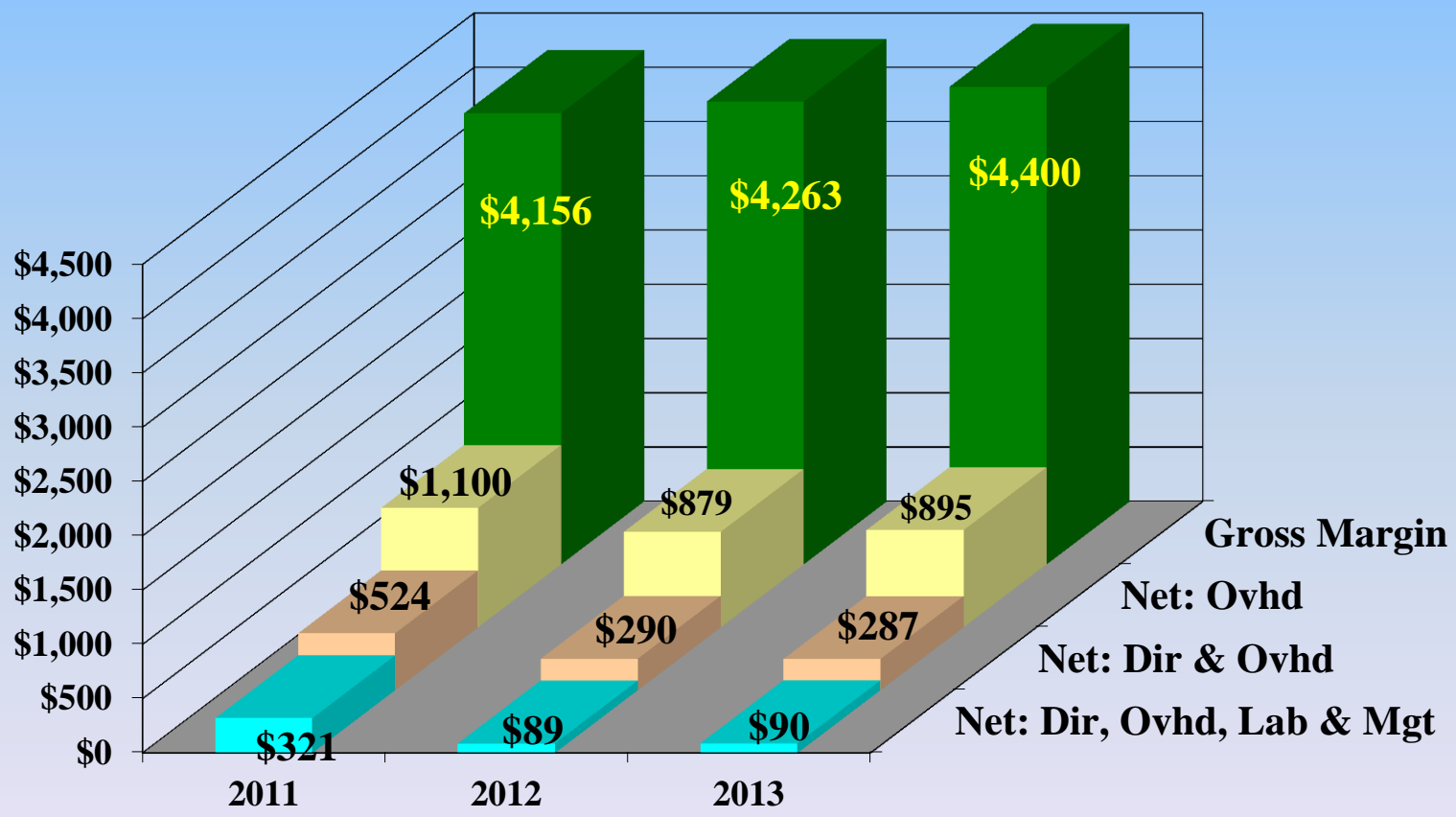


Dairy Cows – Returns per Cow



Dairy Cows – 3-year review

Returns per Cow



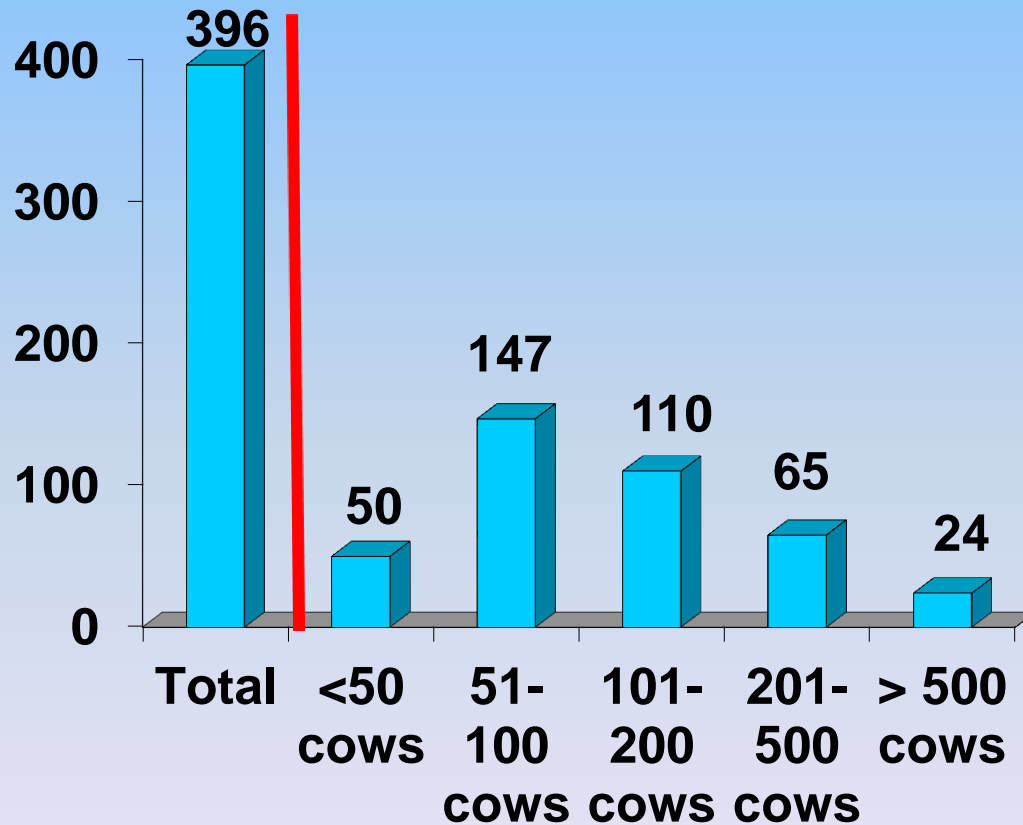
Dairy Cows

Data by Size of Herd *-- All Dairy Herds, including Organic --*



Dairy Cows – Number of Farms in database

MN FBM Dairy Sort

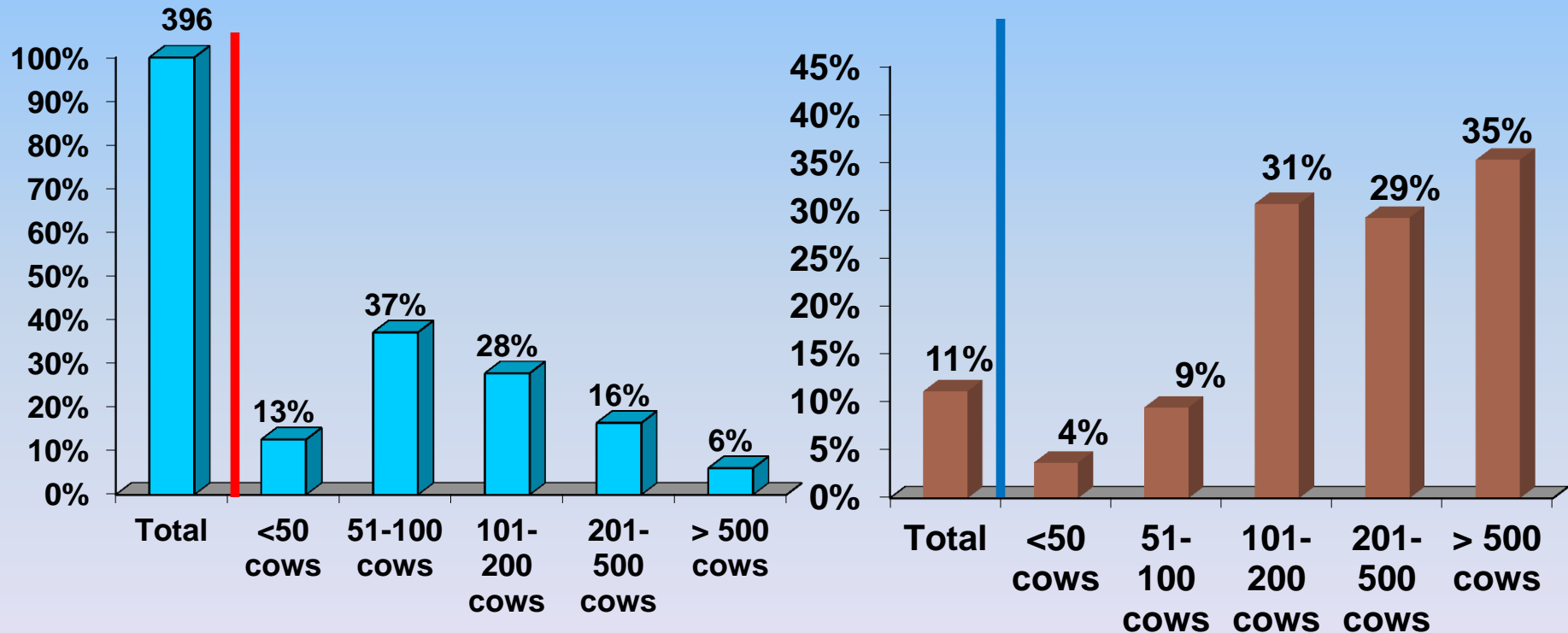


Dairy Cows –

Number of Herds and Percent of MN Farms

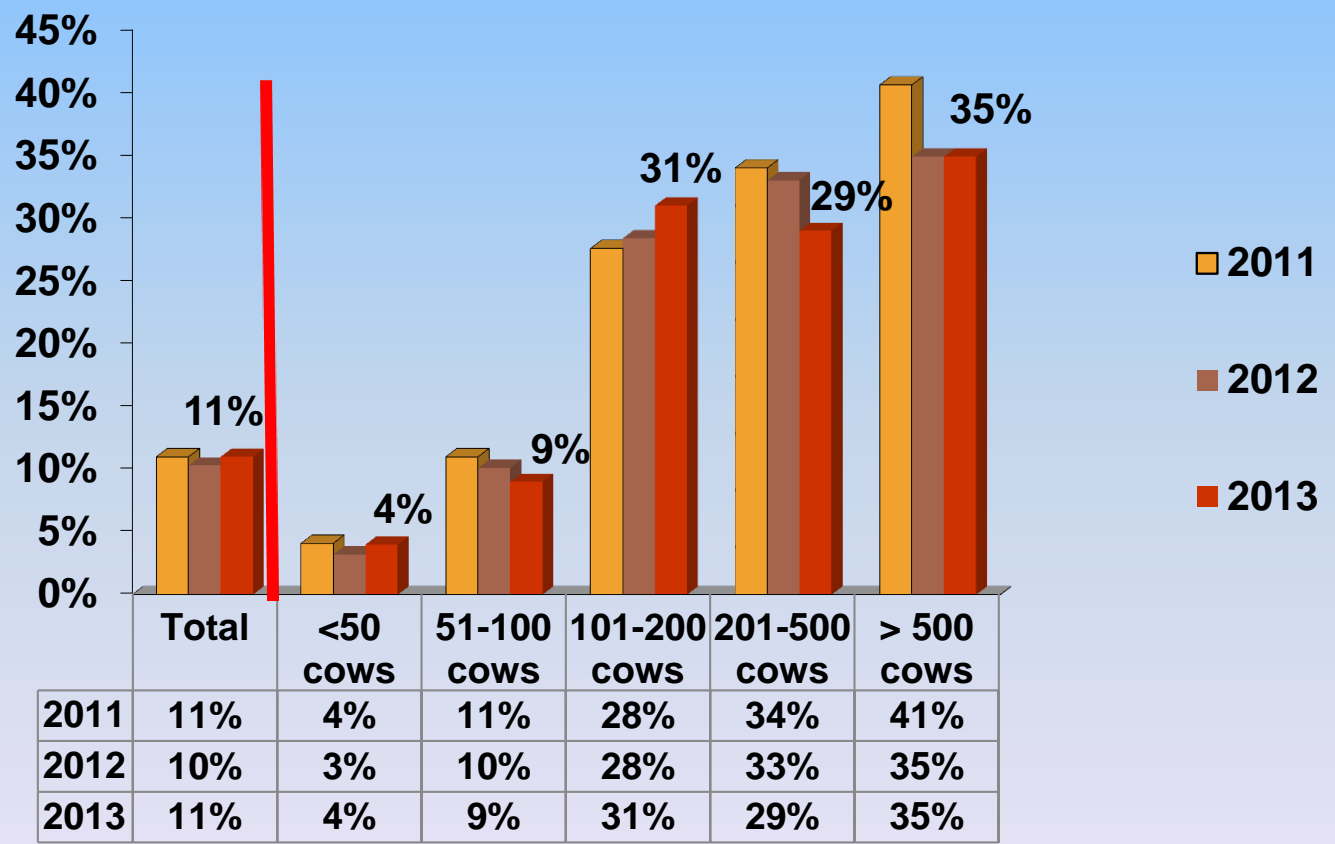
MN FBM Dairy Sort

Some herd data provided by the Minn Department of Ag.



Dairy Cows – Farms as percent of all MN herds

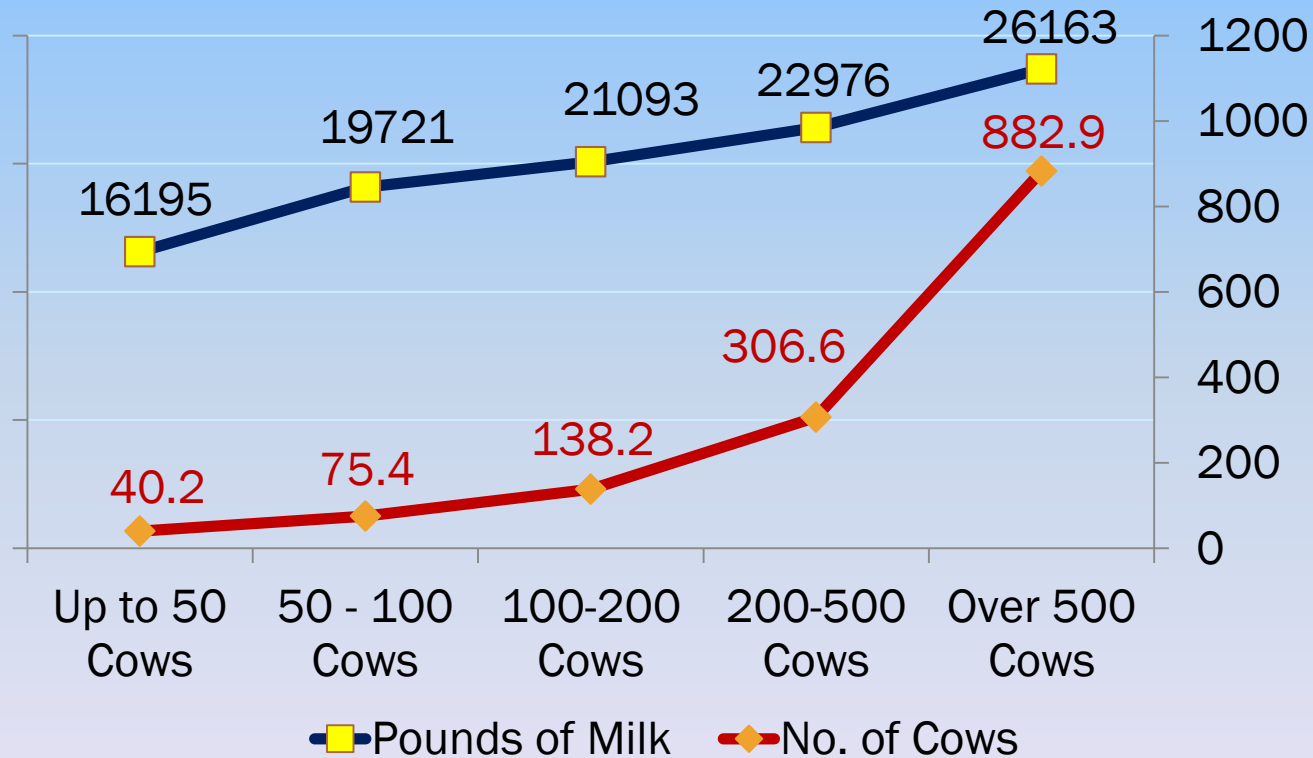
MN FBM Dairy Sort



Minnesota Dairy Sort

Selected Factors - Size and Production

MN FBM Dairy Sort



Minnesota Dairy Sort

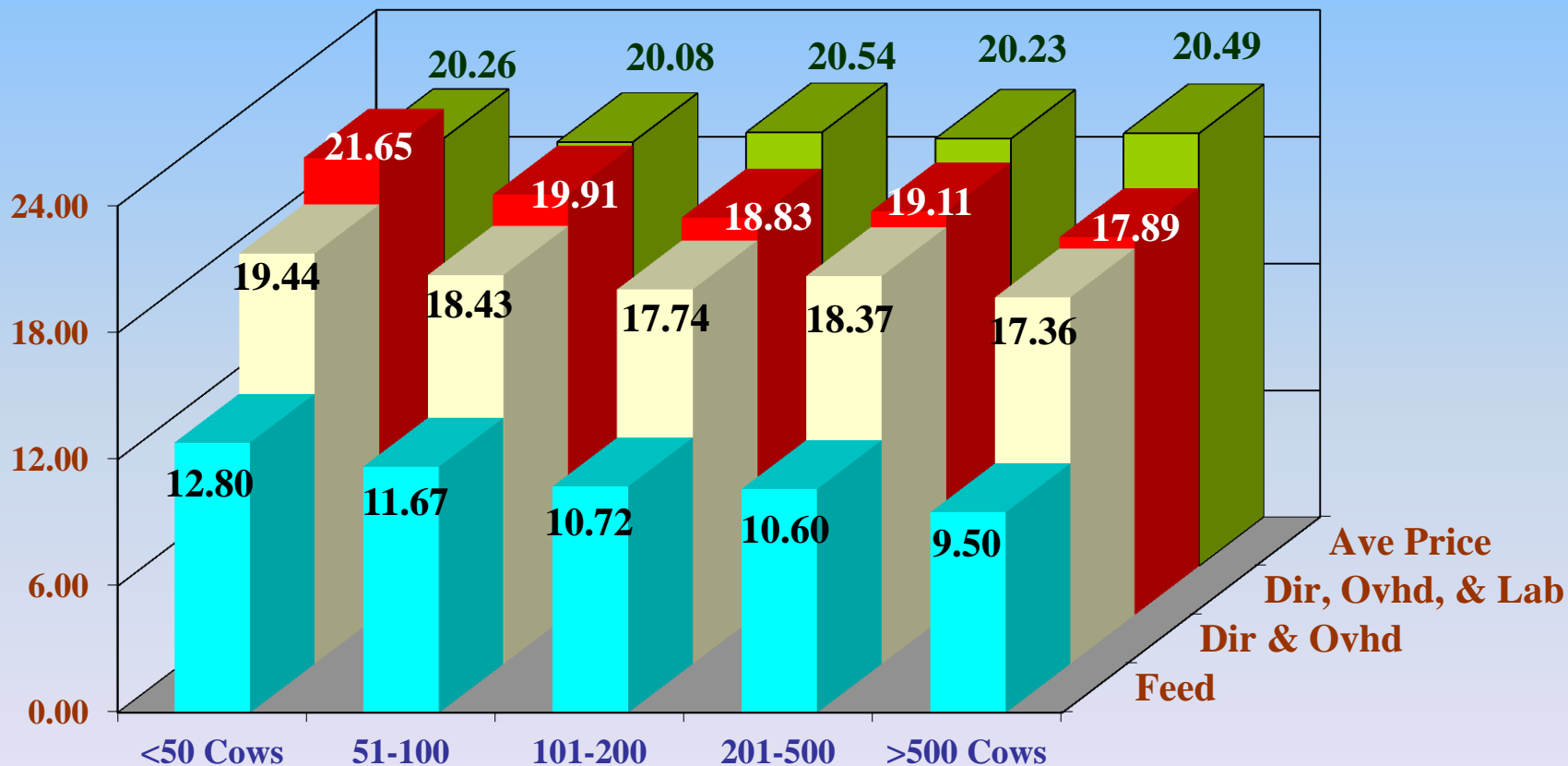
Selected Factors - Cost and Price

CLC
CENTRAL LAKES
COLLEGE

N
NORTHLAND
COMMUNITY & TECHNICAL COLLEGE

RC
RIDGEWATER
COLLEGE

MN FBM Dairy Sort



Ave Price = \$19.85

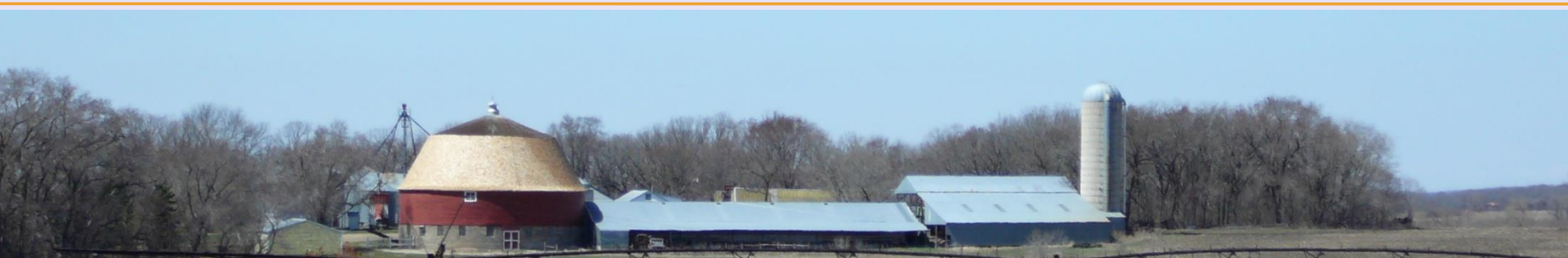
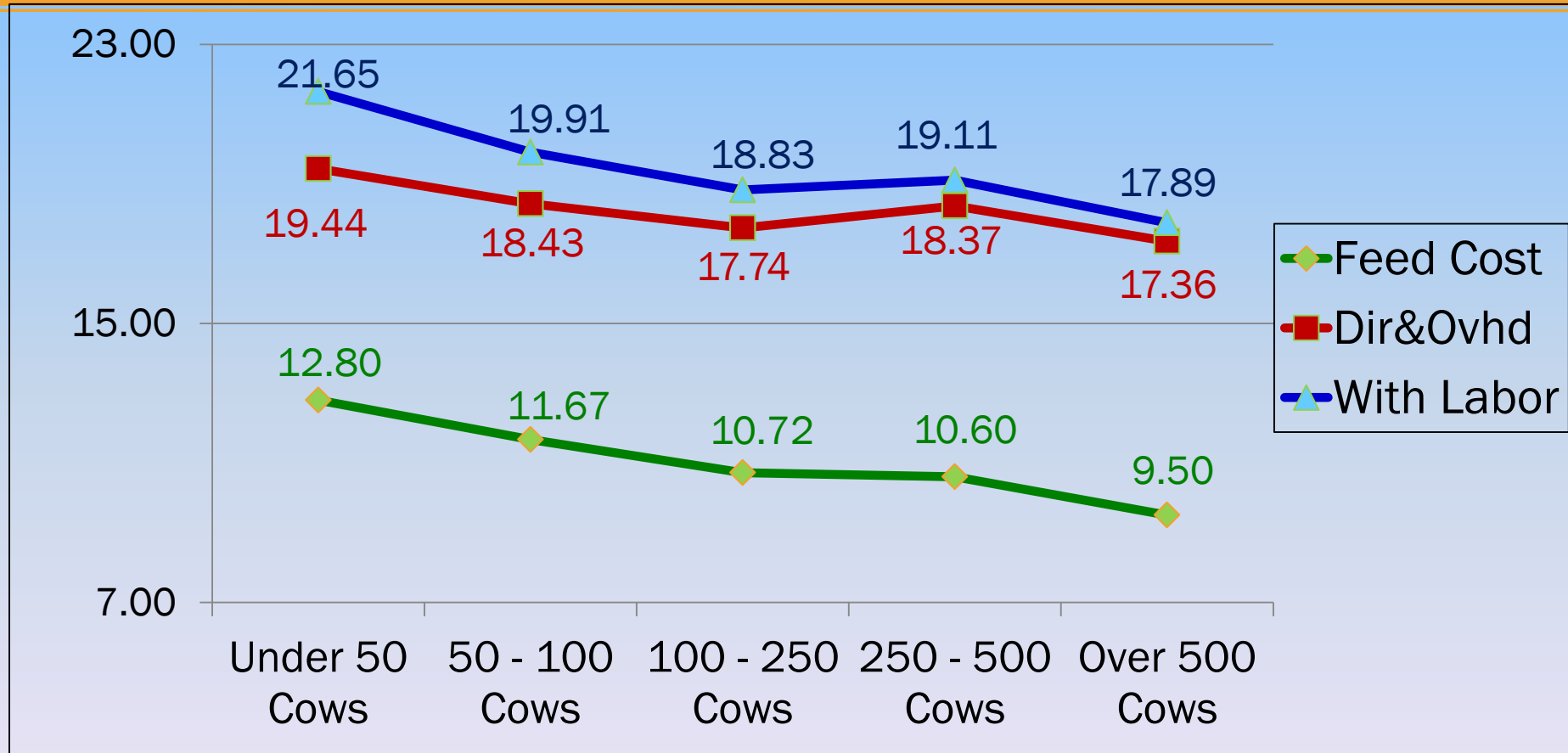
Ave Cost w Labor = \$18.79



Minnesota Dairy Sort

Selected Factors – Costs in Production

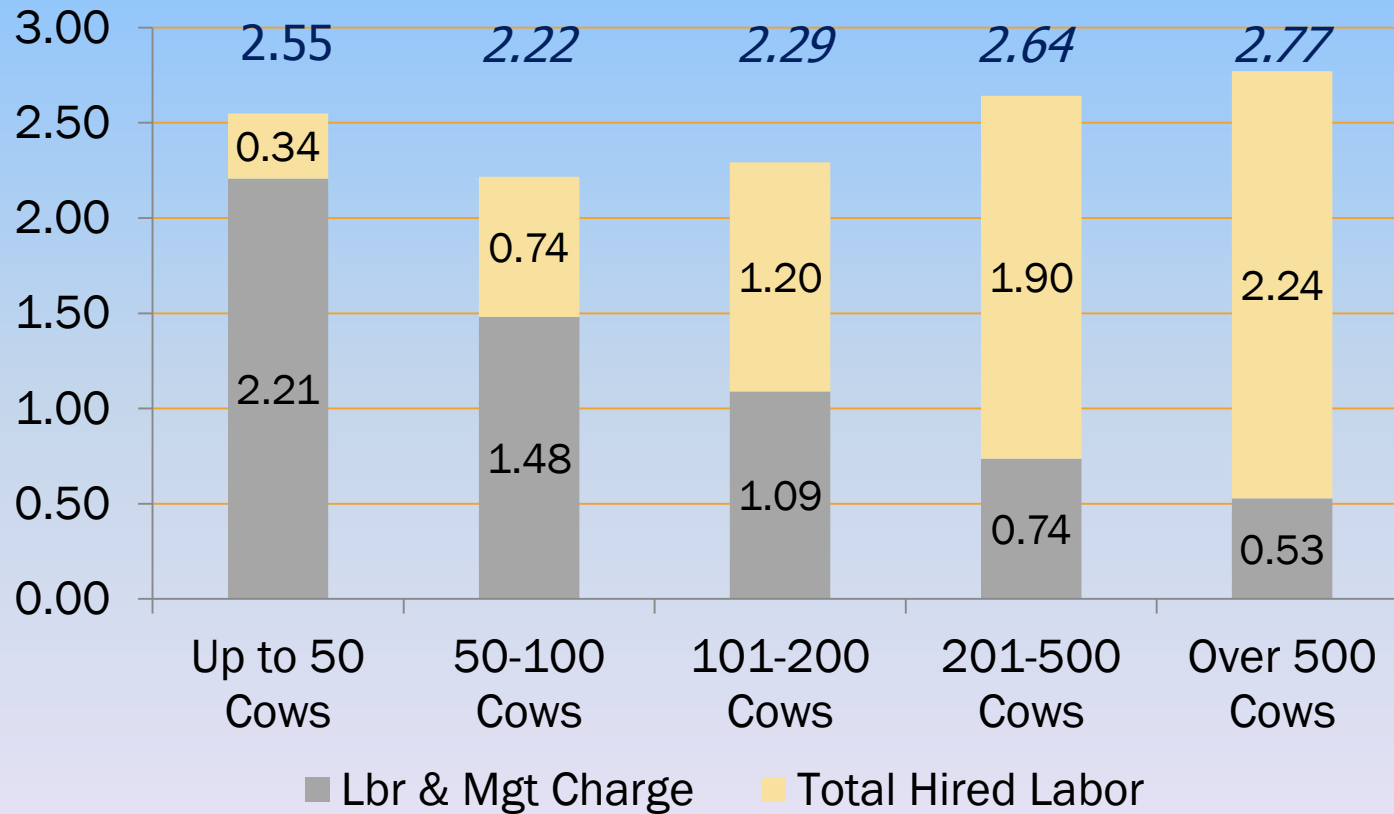
MN FBM Dairy Sort



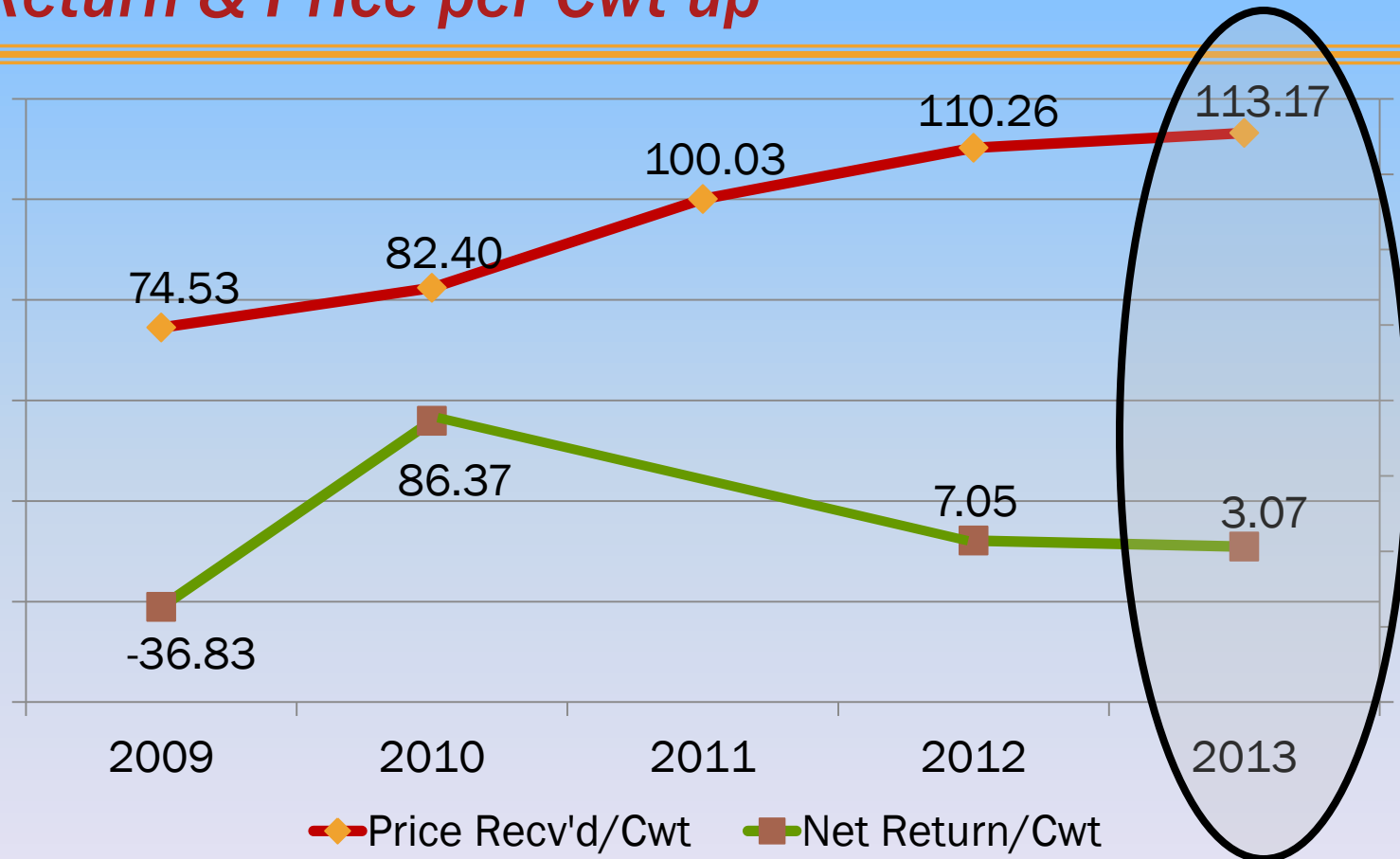
Minnesota Dairy Sort

Hired Labor and Operator Labor/Mgmt

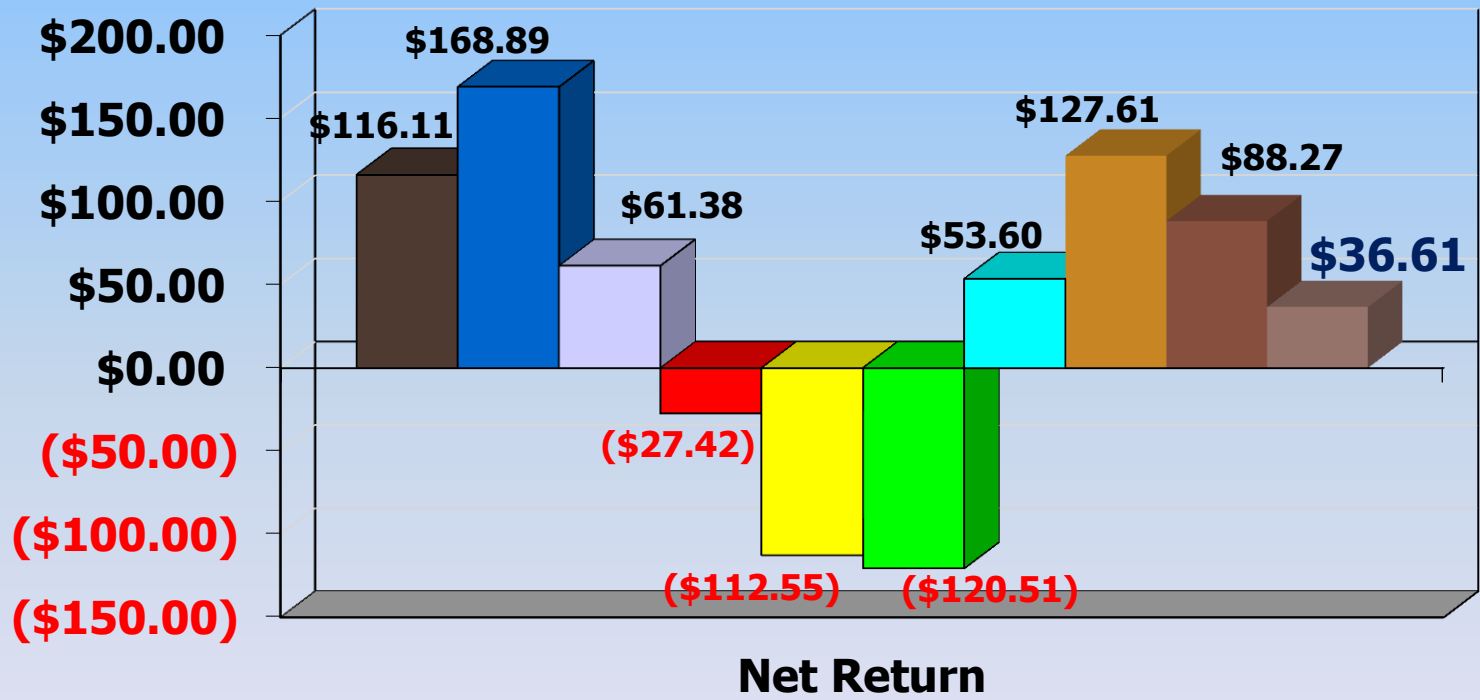
MN FBM Dairy Sort



Dairy Finishing – Net Return & Price per Cwt up



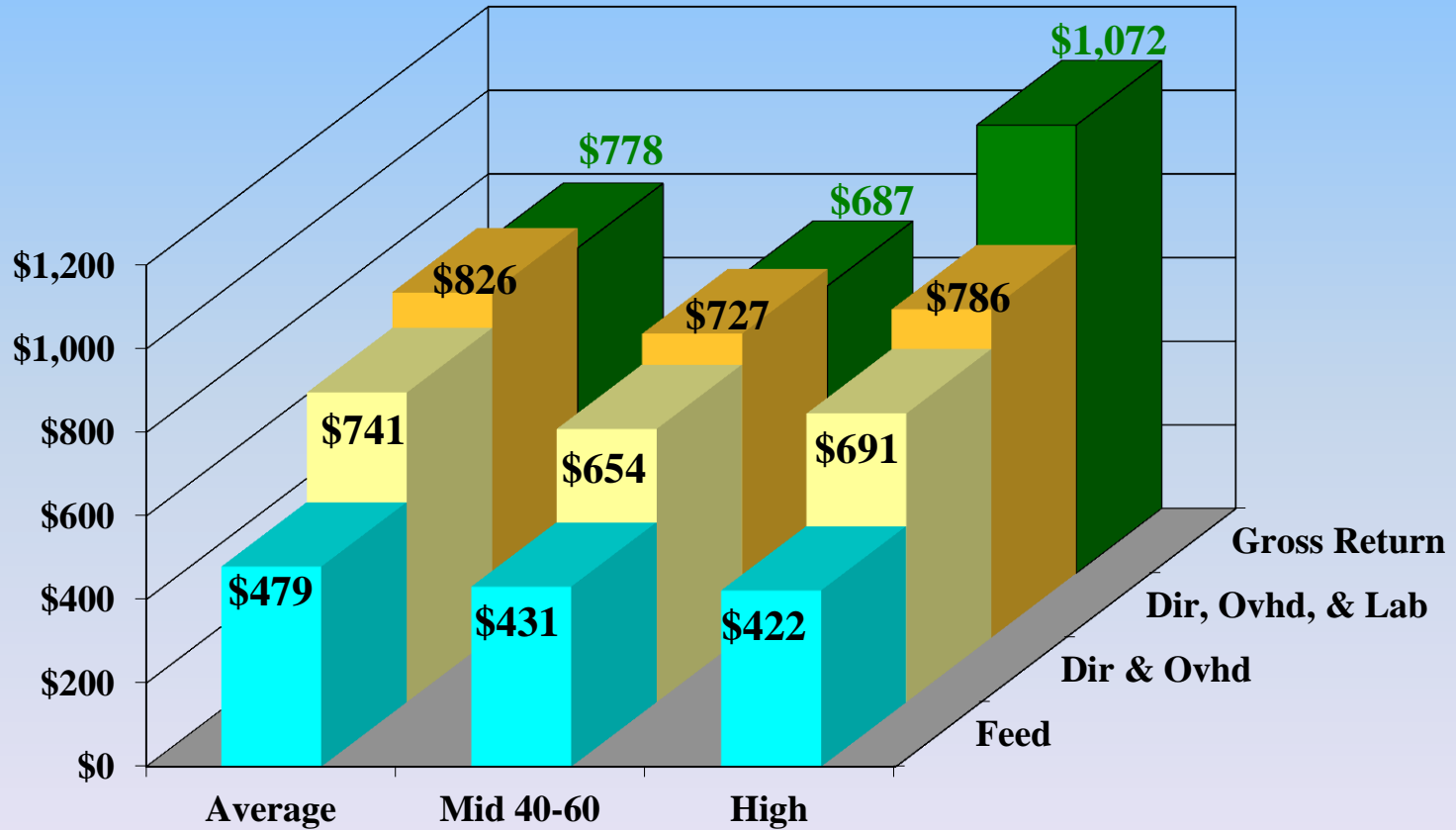
Beef Cow-Calf Returns - Net per Cow



2004 2005 2006 2007 2008 2009 2010 2011 2012 2013



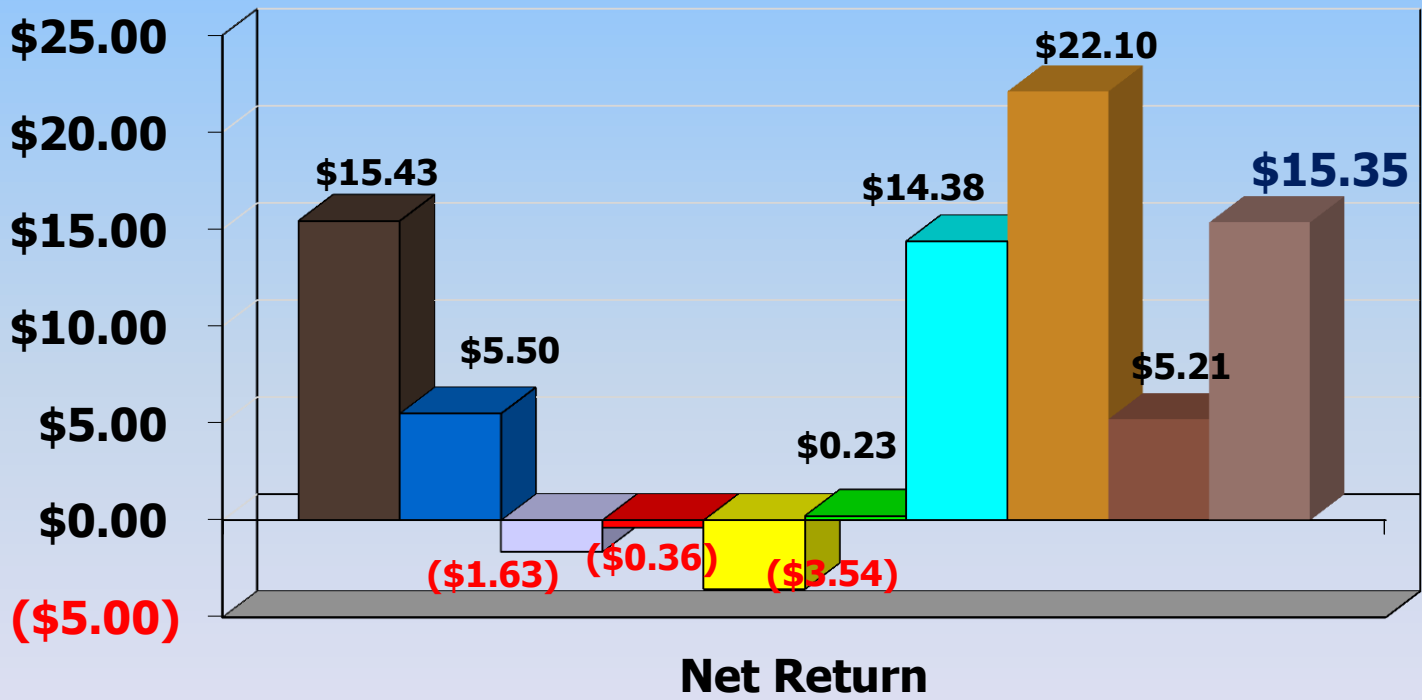
Beef Cow-Calf – Costs and Returns of Production per Cow



Net Returns: -\$48.60 -\$39.96 \$285.72 (Incl Labor – Hired and Operator)



Beef Finishing Returns - Net per CWT

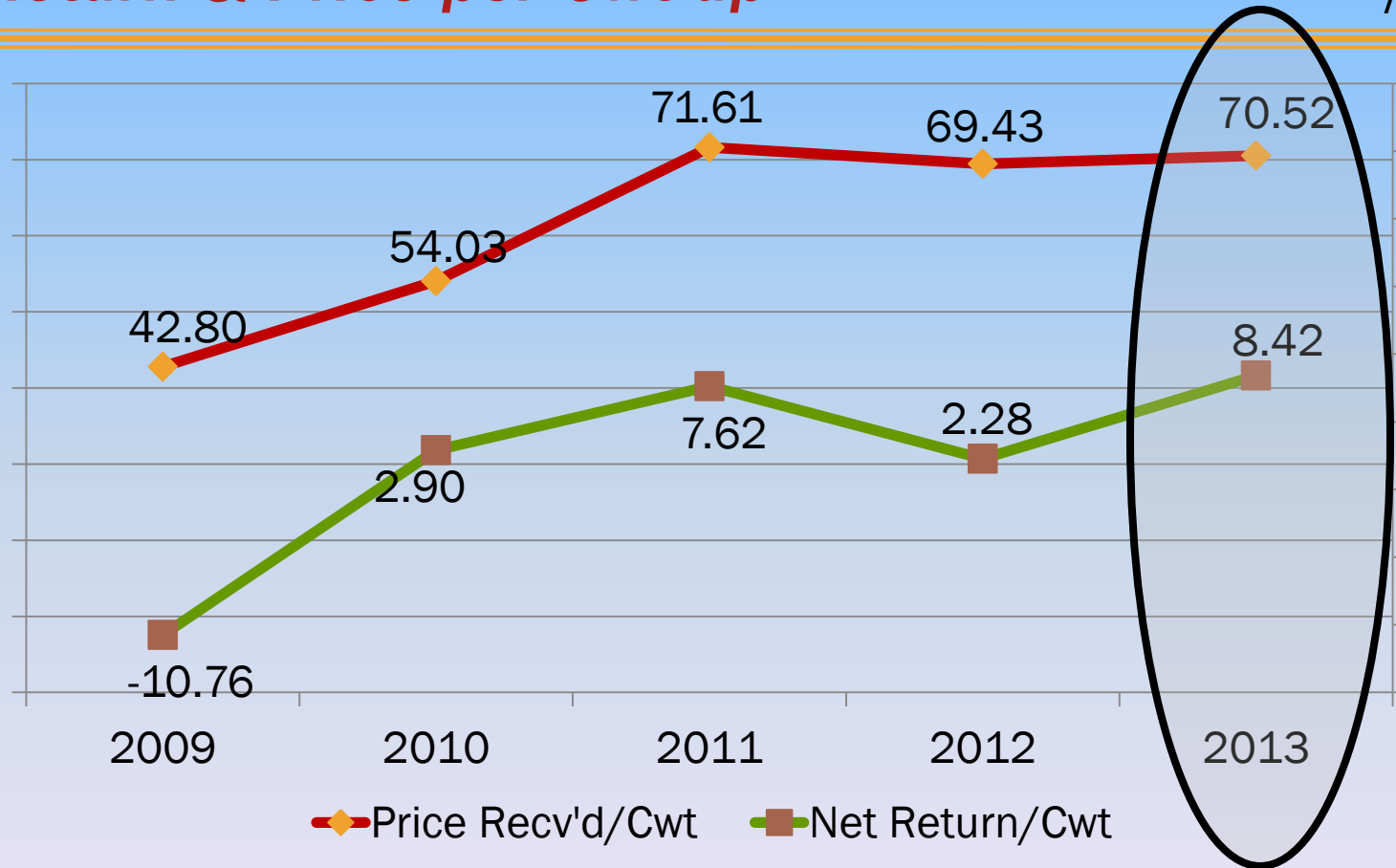


2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

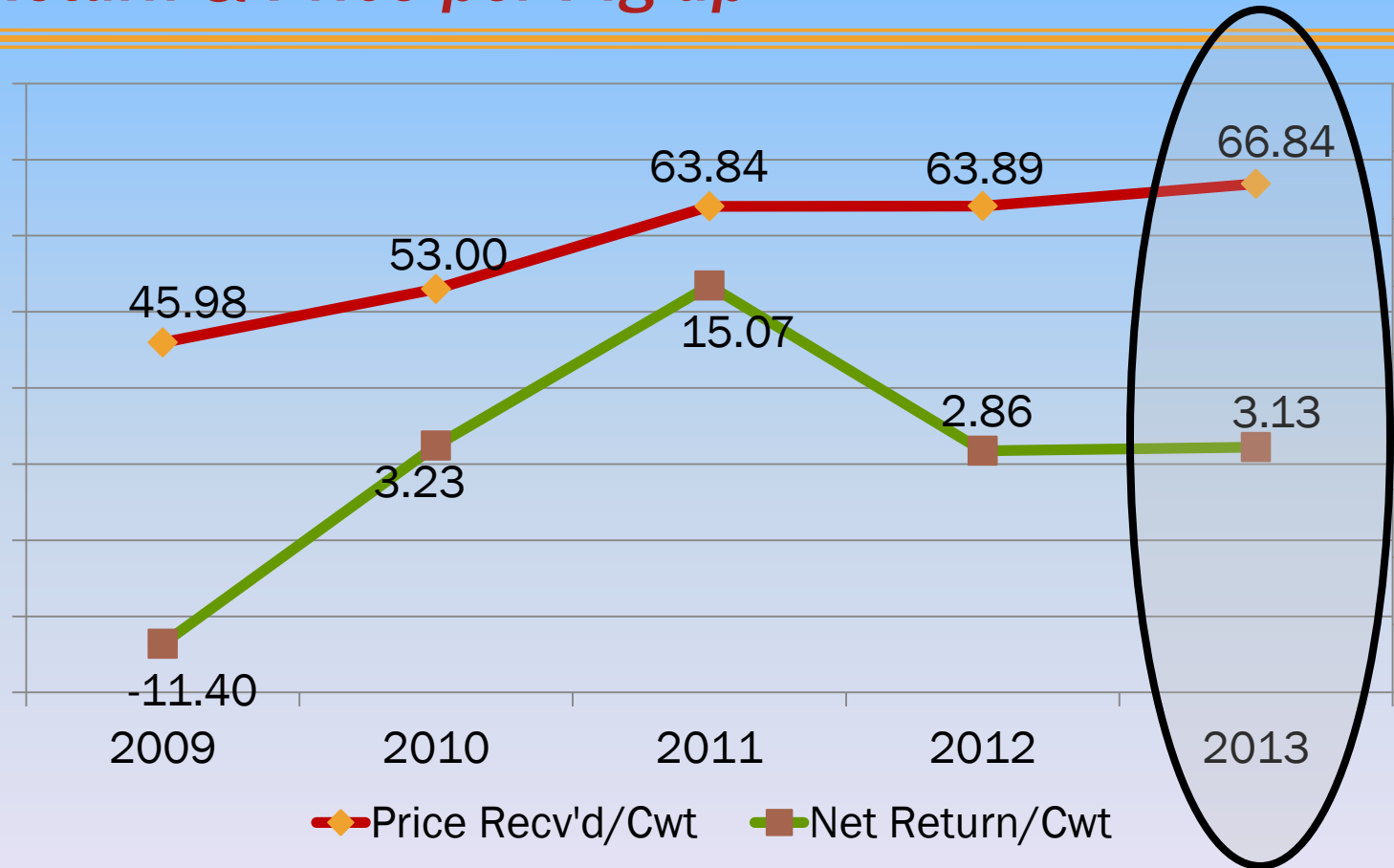


Farrow to Finish Hogs – Net Return & Price per Cwt up

Not in Report

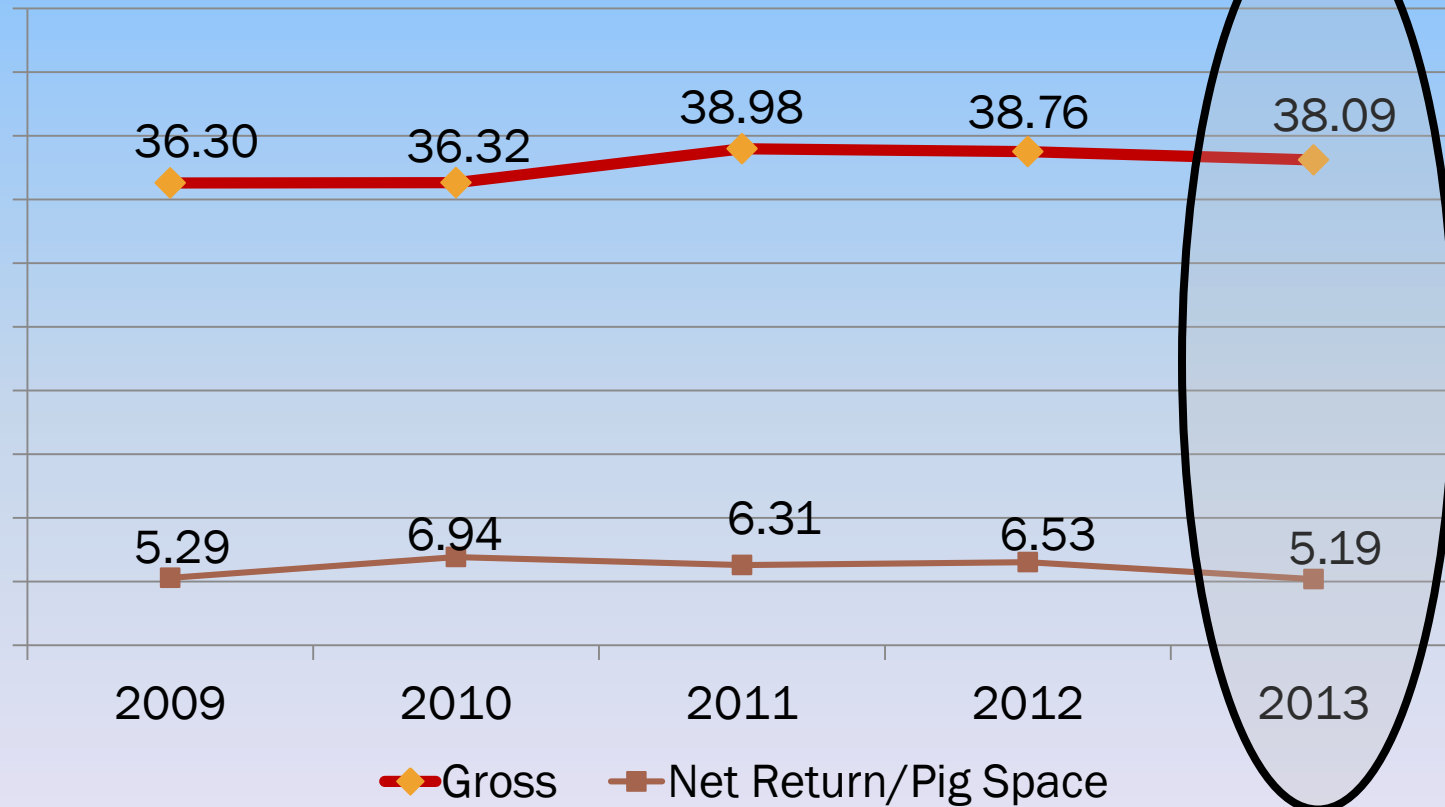


Finish Feeder Pigs – Net Return & Price per Pig up



Weaning to Finish Hogs – Grower

Gross & Net Return per Pig Space down



*It is not the **ONE BIG THING** that must
to be done well...to be successful
over the long term...*



*It is doing a **100 LITTLE THINGS** ...
better!*

*Thank you for your interest
in the Farm Business
Analysis Annual Report
information.*

