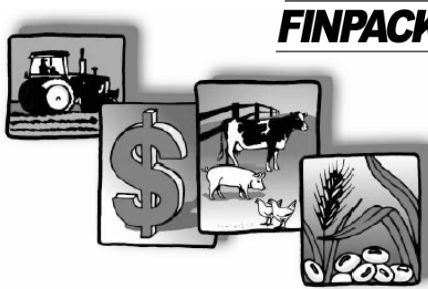


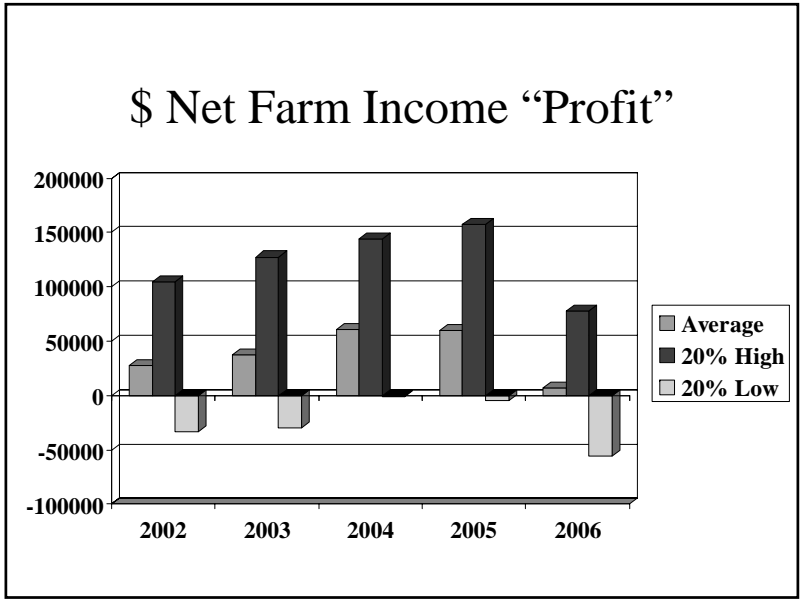
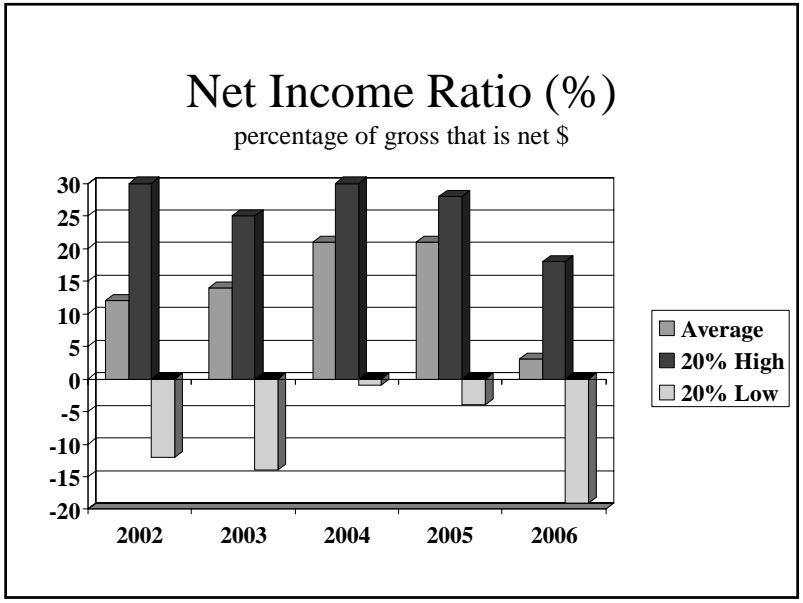
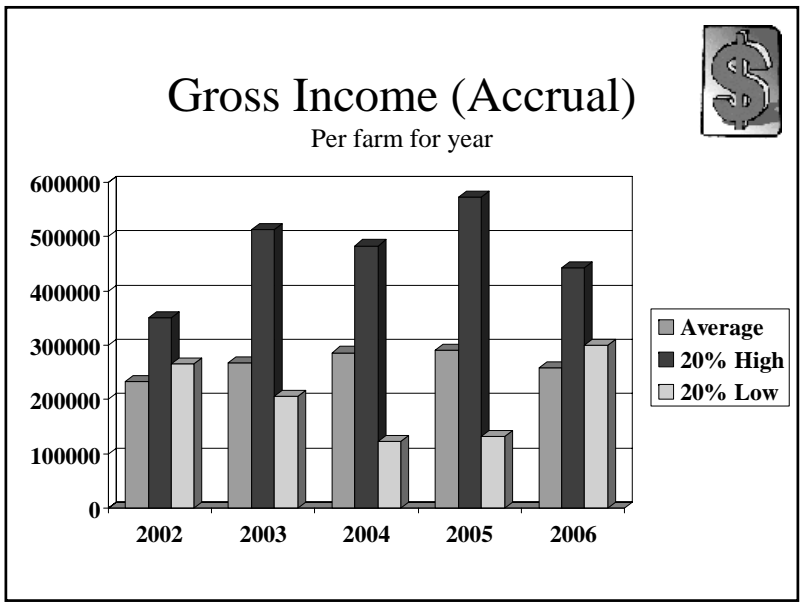
Region 4 West ND



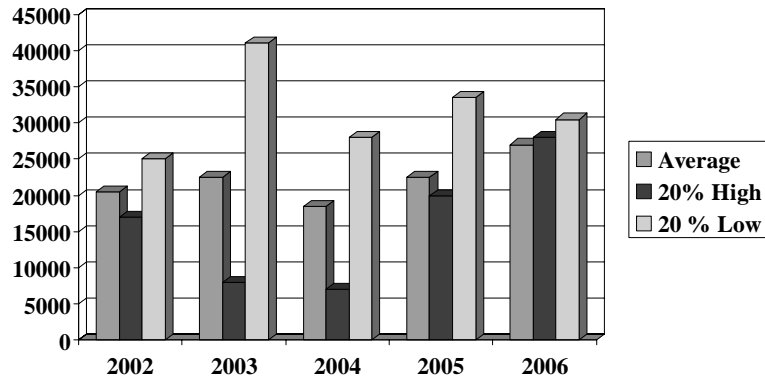
FINPACK[®] 2005

Farm/Ranch Business Management Education
Year 2006

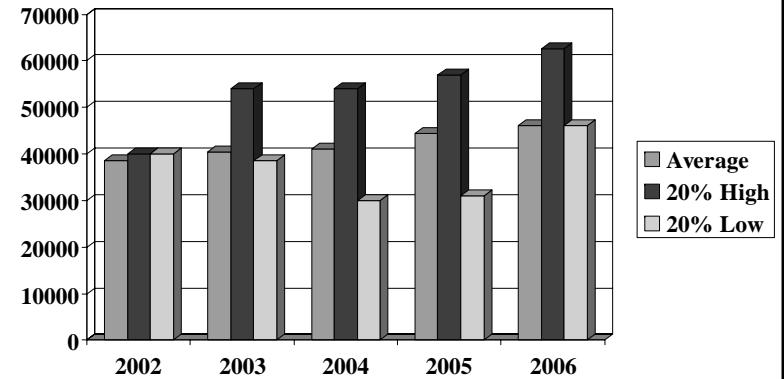
Jerry Tuhy, Instructor
Dickinson Public Schools at DREC location



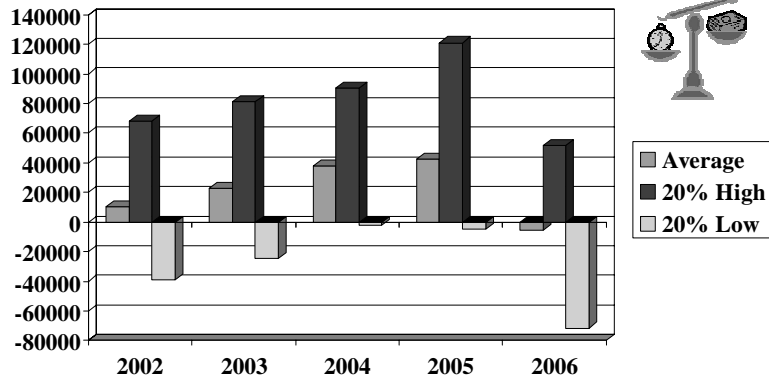
\$ Net Non-Farm Income



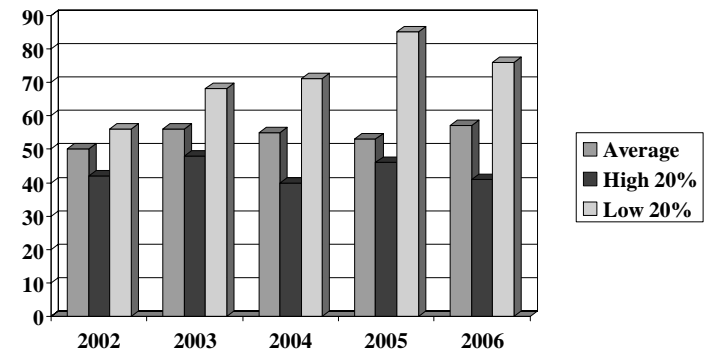
Family Living & Income Taxes \$ spent/year



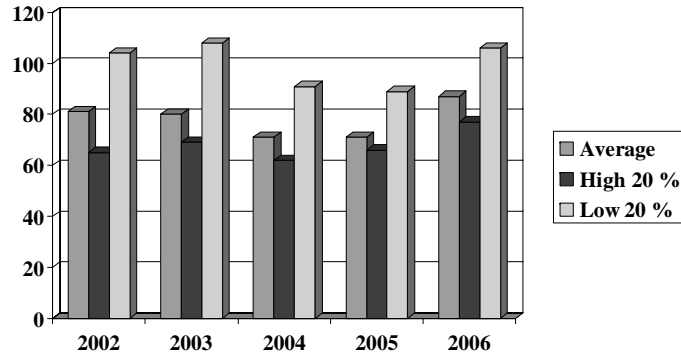
Change in Retained Earning \$ of equity per yr (cost basis)



Farm Debt/Asset Ratio (%) end year

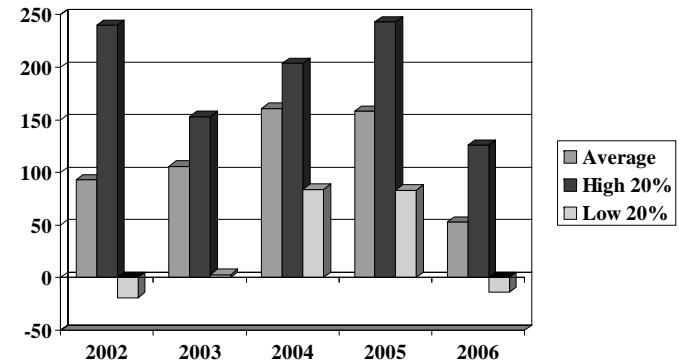


Expense as % of Income (Op+Int.) Accrual



Term Debt Coverage Ratio

a 100% ratio means "we can make all debt payments"

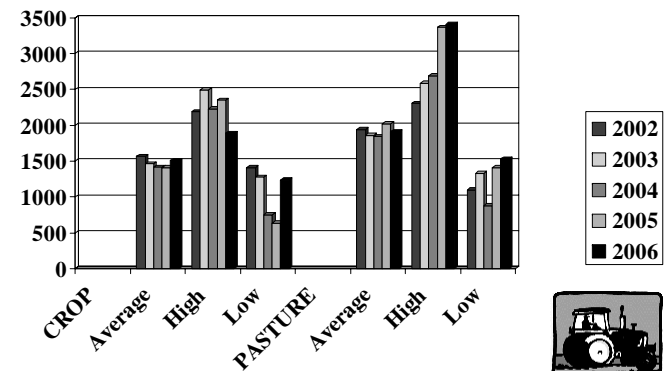


"Rankem" facts from Dickinson Group

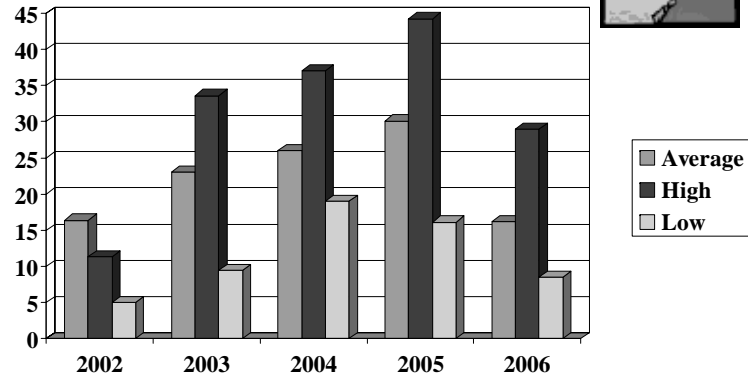
- 80% of farms had less than 100% TDCR (30% in 2005)
- Ten year average for TDCR is 121%.
- 10% of farms have 50% or better operating expense ratio (20% in 2005)
- 20% of farms have equity of \$1 M or more (cost basis)
- 20% of farms gross less than \$100,000 cash basis
- 20% of farms have less than 25 percent debt
- 20% of the farms have 100% or more debt

- See www.finbin.umn.edu for more info on whole farm, crop and or livestock

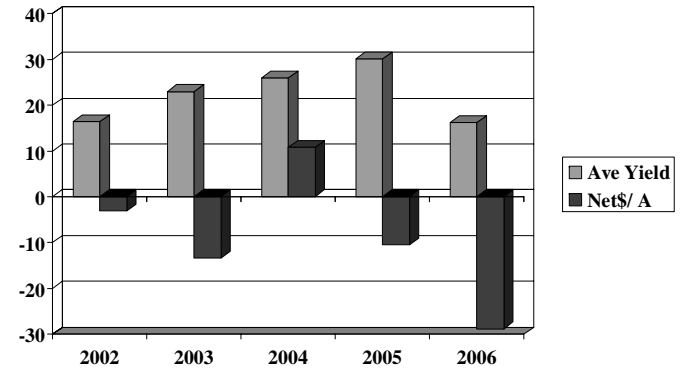
Crop and Pasture Acres



Spring Wheat on Cash Rented (Bu. Yield/Acre)



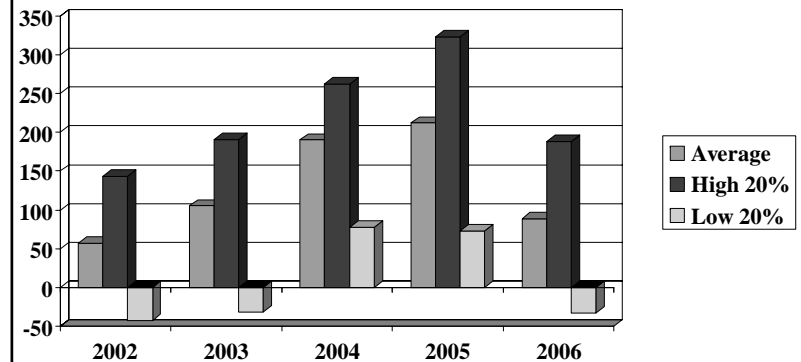
Spring Wheat Ave Yields and Net \$ per Acre



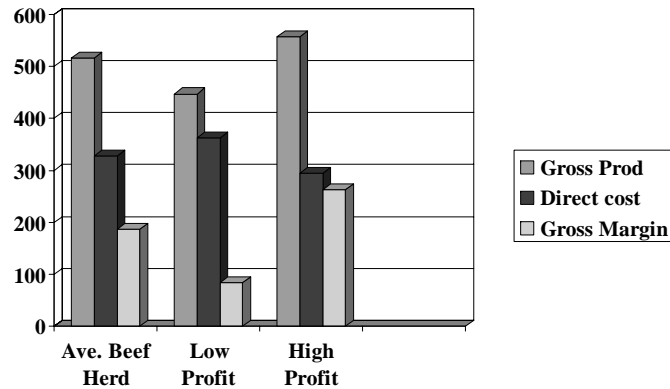
Factors affecting Spring Wheat Profits (AND OTHER CROPS in 2006)

Drought

\$ Net income /Beef Cow



Beef Cow contributions (per cow) to overhead cost, yrs 2002-2006



Cost per cow and per # calf Low profit 476#, High profit 512#

Production costs	Low Profit	High profit	Difference
Direct Costs	\$ 402	\$ 357	\$ 45
Per # calf	\$.84	\$.70	\$.14
Ovrhd Costs	\$ 98	\$ 59	\$ 39
Per # calf	\$.21	\$.10	\$.11
Total Costs	\$1.05/#	\$.80/#	\$.25/#

Cost to Maintain Herd /cow year 2006

	Low Profit	High Profit
Purchase Breeding Stock	-\$ 88	-\$ 139
Transfer in Bred Heifers	-\$ 170	-\$ 116
Sell Cull Cows & Bulls	+\$ 106	+\$ 162
Inventory Change	+ \$ 55	+ \$44
Total Cost per Cow	\$ 97	\$ 49

Summary of Cost of Production Beef cow herds 2006

	Low profit	High Profit	difference
Direct Costs	\$402	\$357	\$45
Ovrhd Costs	\$98	\$50	\$48
Maintain Herd	\$97	\$49	\$48
Total /Cow	\$ 597	\$ 456	\$ 141
Effective COP	\$125/cwt	\$89/cwt	\$ 36/cwt

**To acquire knowledge,
one must study; but to
acquire wisdom, one
must observe.**

Marilyn Vos Savant

Thank You!

