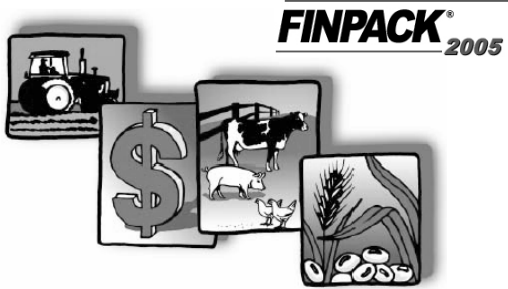


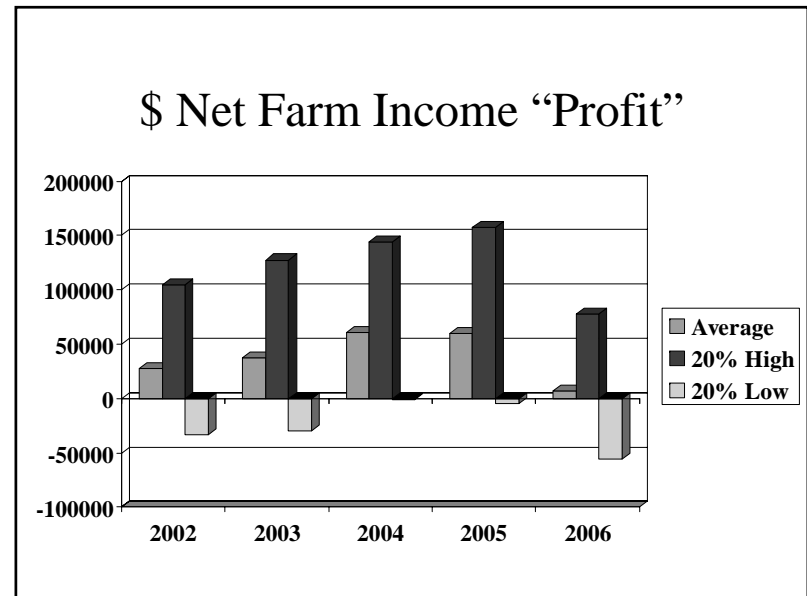
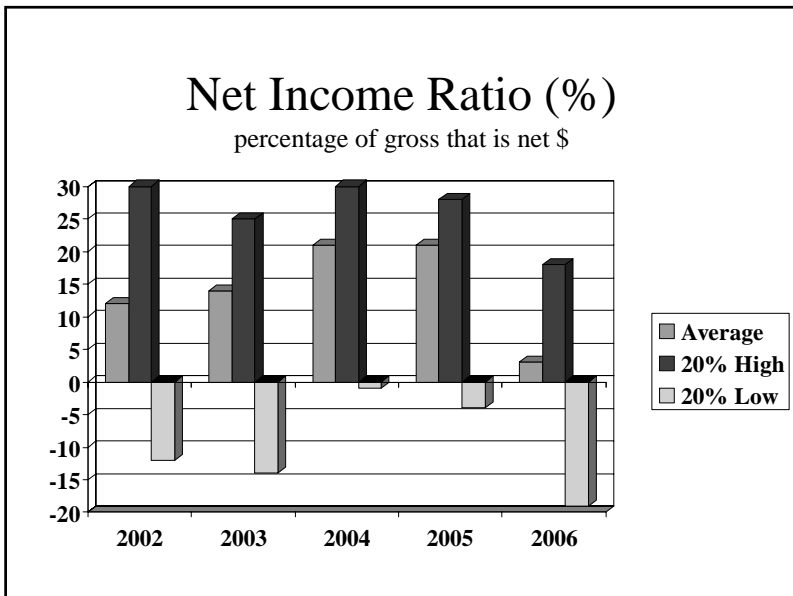
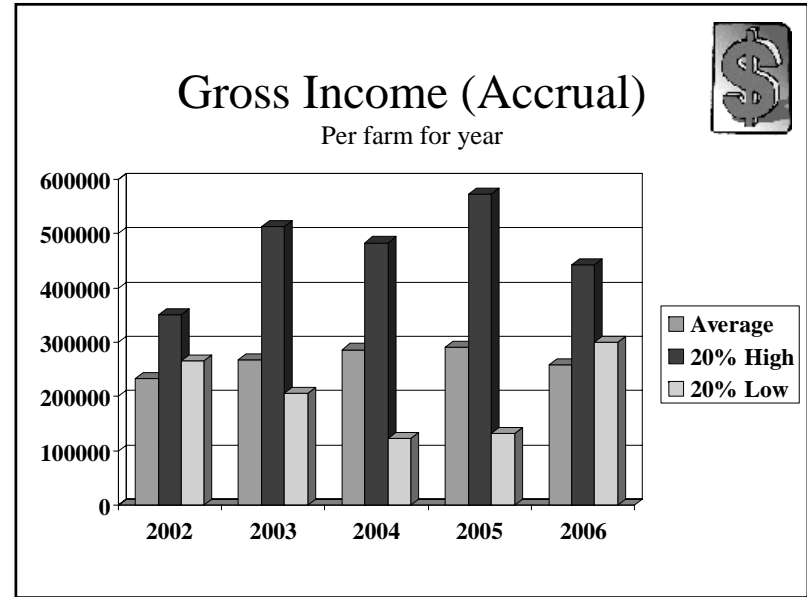
Region 4 West ND



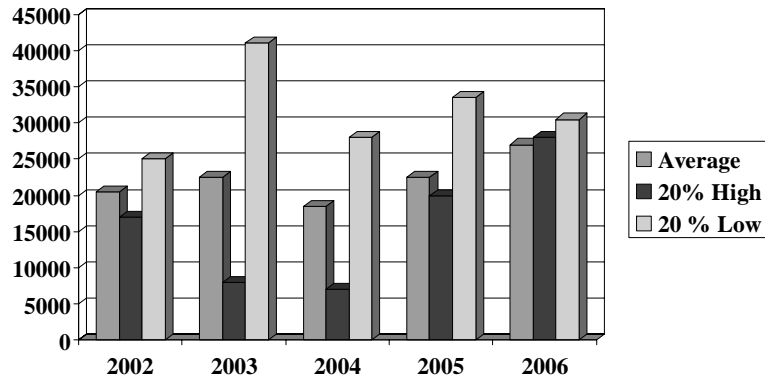
**FINPACK<sup>®</sup> 2005**

**Farm/Ranch Business Management Education**  
Year 2006

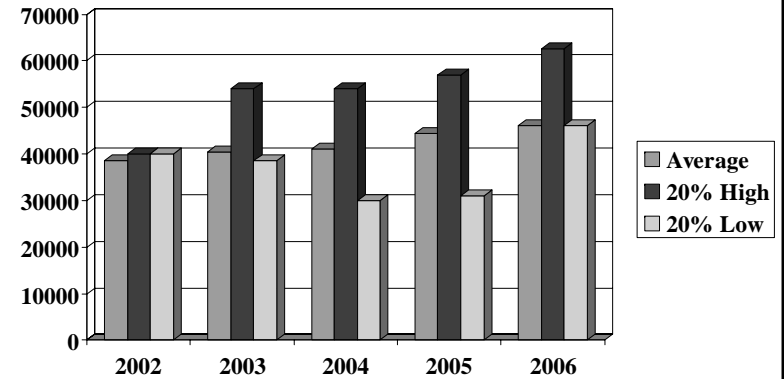
**Jerry Tuhy, Instructor**  
Dickinson Public Schools at DREC location



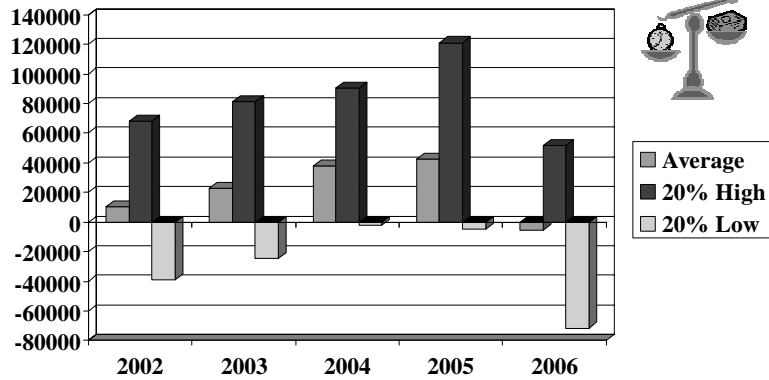
### \$ Net Non-Farm Income



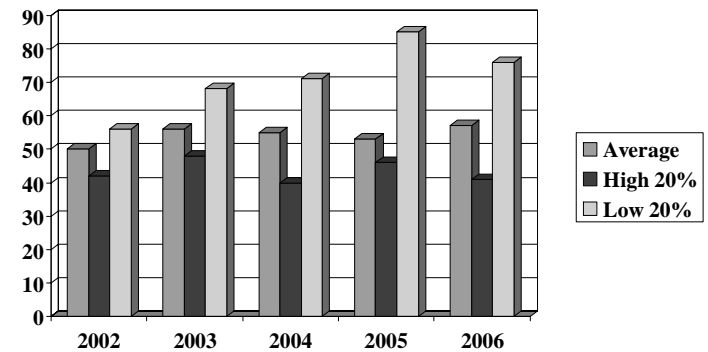
### Family Living & Income Taxes \$ spent/year



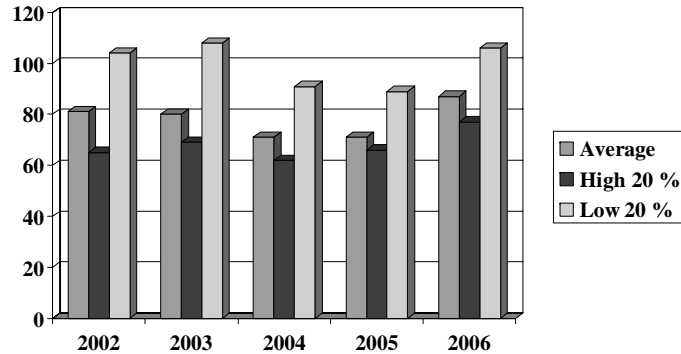
### Change in Retained Earning \$ of equity per yr (cost basis)



### Farm Debt/Asset Ratio (%) end year

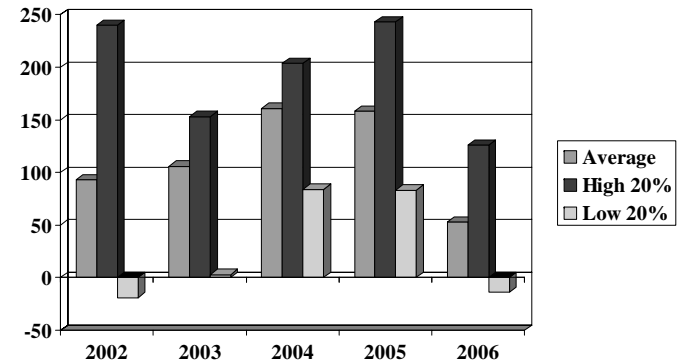


## Expense as % of Income (Op+Int.) Accrual



## Term Debt Coverage Ratio

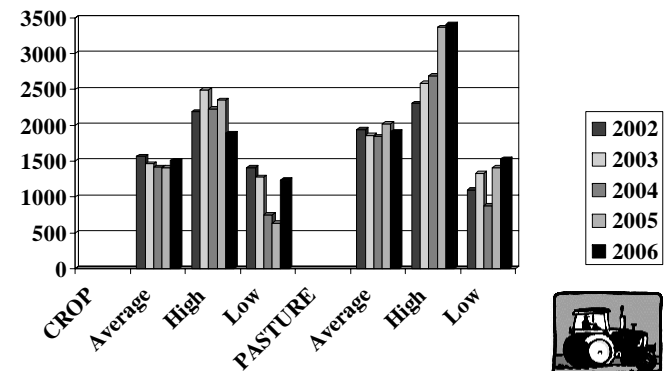
a 100% ratio means "we can make all debt payments"



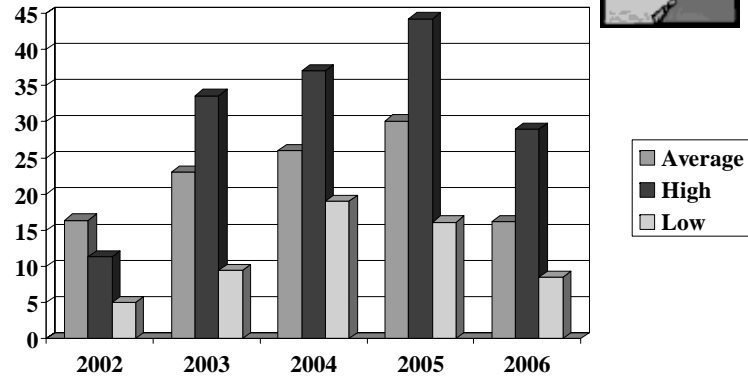
## "Rankem" facts from Dickinson Group

- 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](http://www.finbin.umn.edu) for more info on whole farm, crop and or livestock

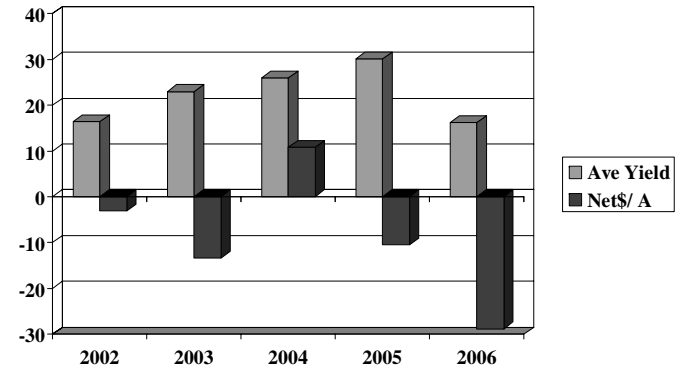
## Crop and Pasture Acres



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



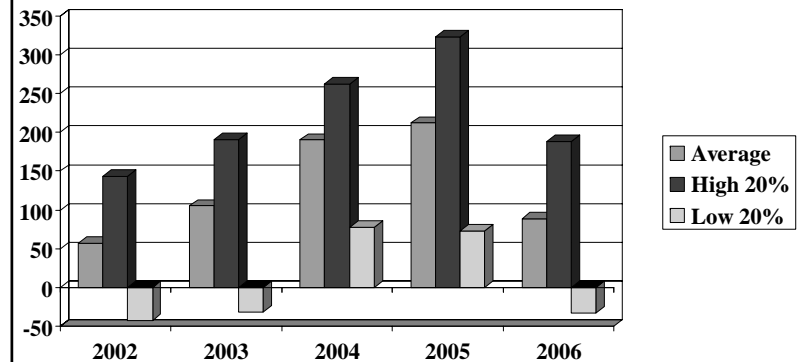
## Spring Wheat Ave Yields and Net \$ per Acre



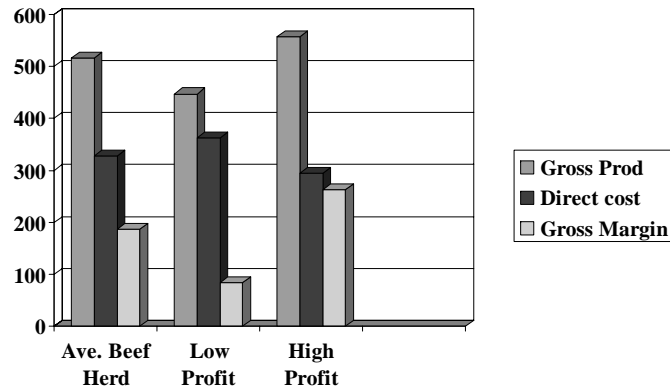
## Factors affecting Spring Wheat Profits (AND OTHER CROPS in 2006)

**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!**

