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## Farm/Ranch Business Management Education

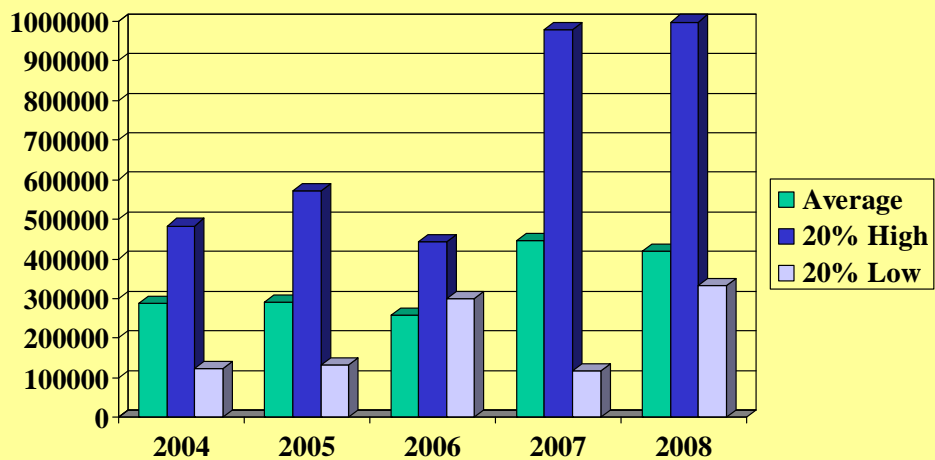
Year 2008

Jerry Tuhy, Instructor

Dickinson ND at DREC

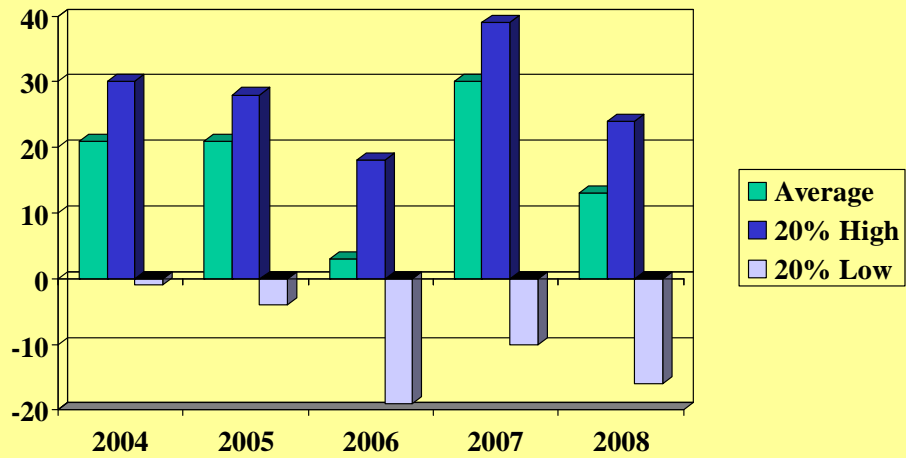
## Gross Income (Accrual)

Per farm for year

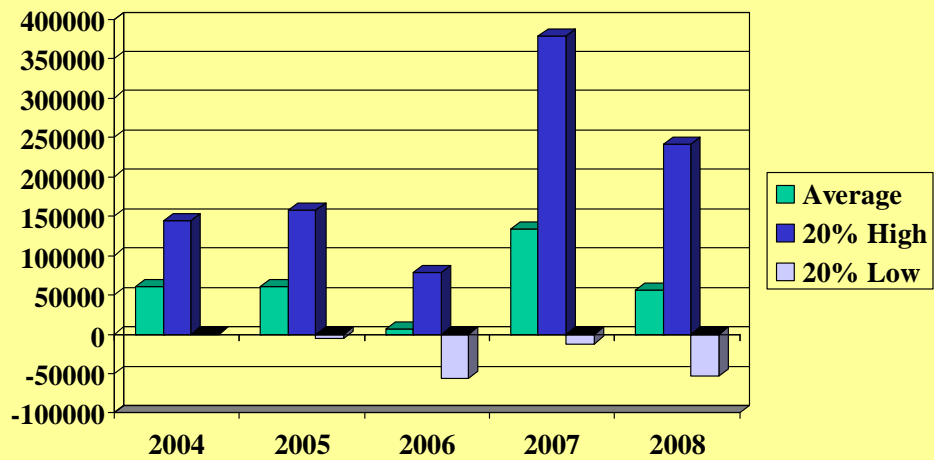


## Net Income Ratio (%)

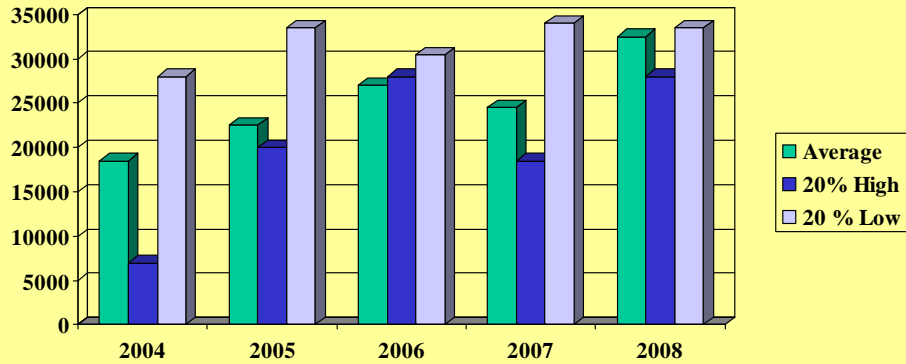
percentage of gross \$ that is net \$



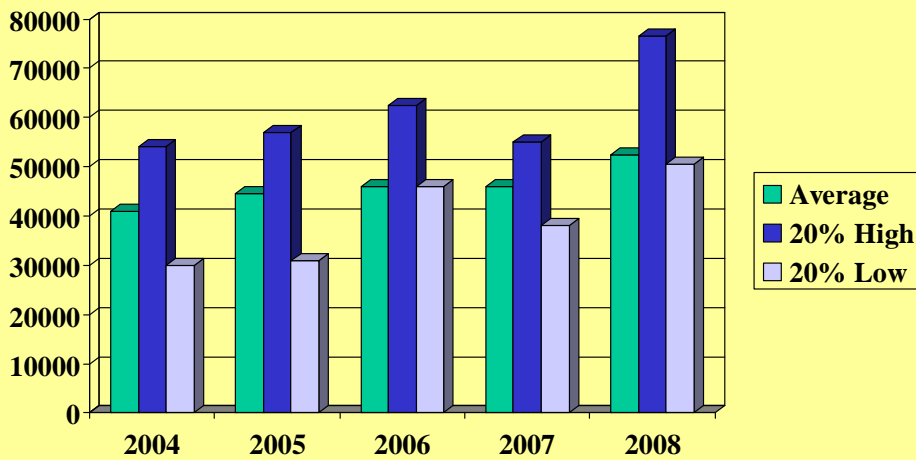
## \$ Net Farm Income "Profit"



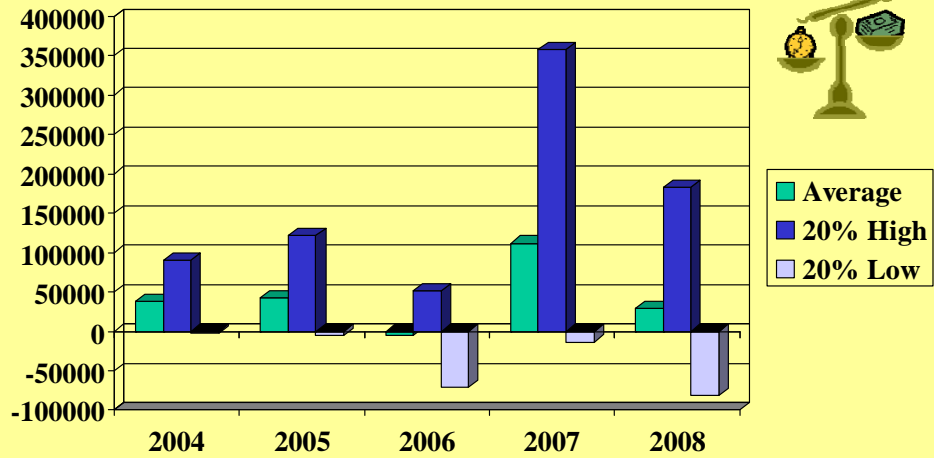
## \$ Net "Non-Farm" Income



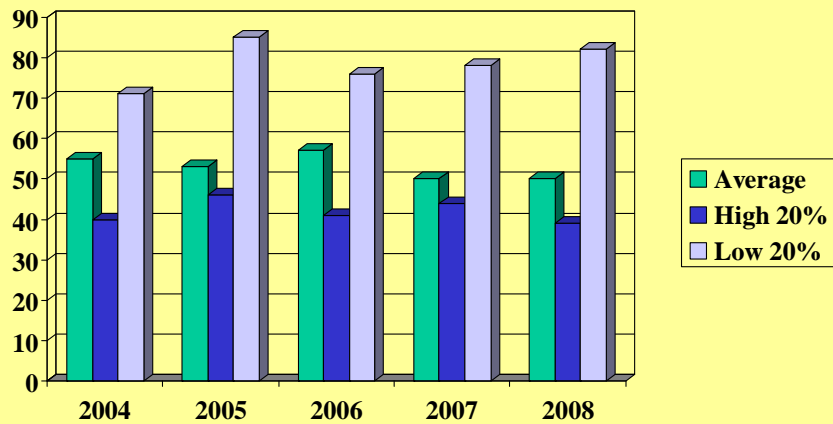
## Family Living & Income Taxes \$ spent/year



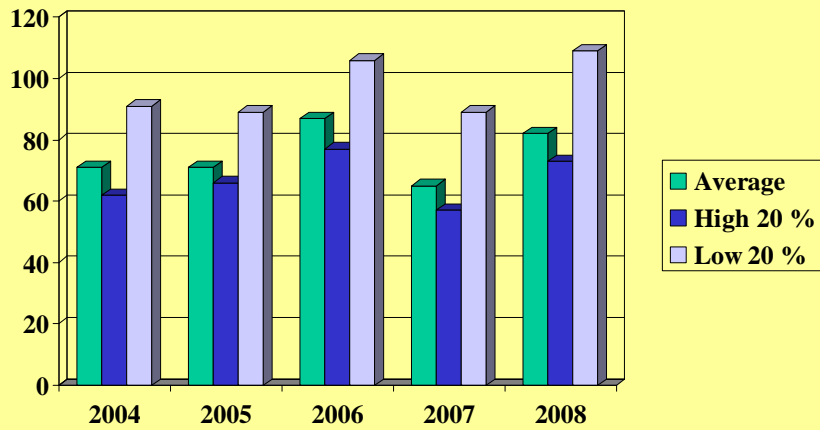
## Change in Retained Earnings \$ of equity gain per yr (cost basis)



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

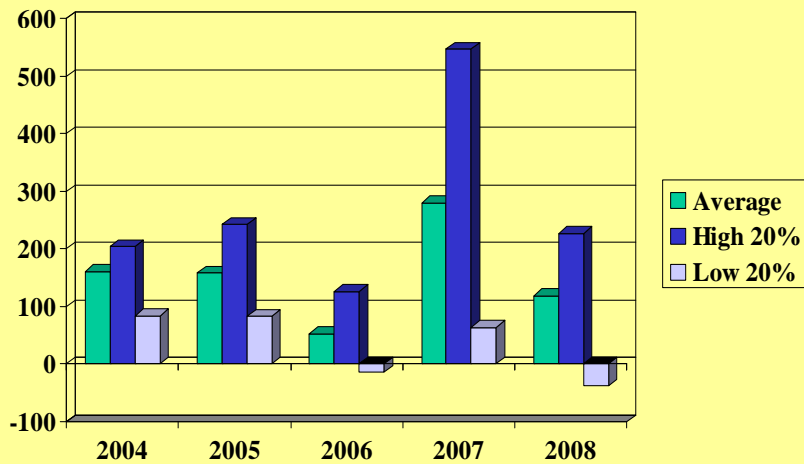


## Expense (oper+ Int) as % of Accrual Income



## Term Debt Coverage Ratio

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

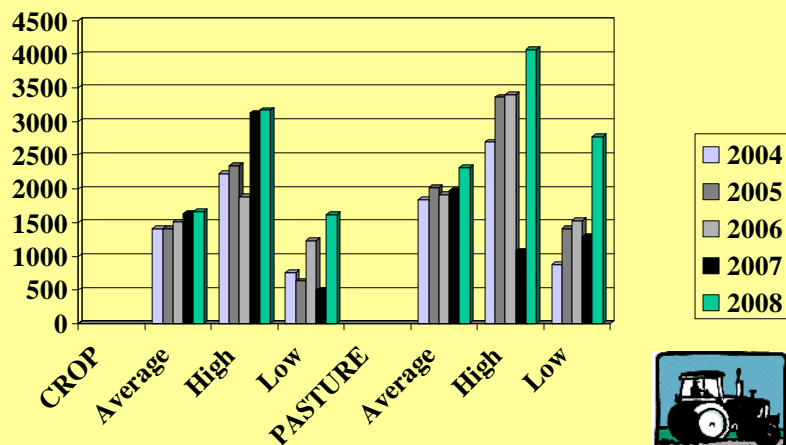


## Cash Flow 2008

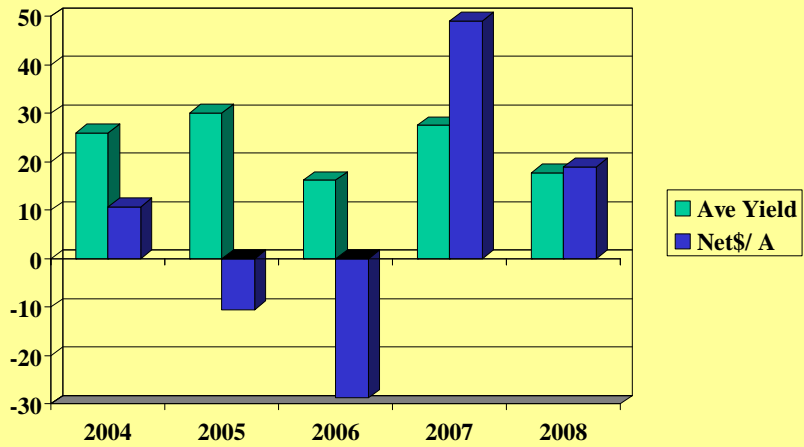
	Average	Low Profit	High Profit
<b>Gross Farm Income</b>	457323	385759	1057203
<b>Non-Farm Income</b>	32410	33376	27847
<b>Cash Farm Expenses</b>	348463	359452	755158
<b>Family Living</b>	48313	47328	72161
<b>Income, SS Tax</b>	4013	3231	4473
<b>Net Capital Purchases</b>	96291	92474	202668
<b>Money Borrowed</b>	288019	378448	443679
<b>Principal Payments</b>	272368	292852	484073

For more info – see  
[www.finbin.umn.edu](http://www.finbin.umn.edu)

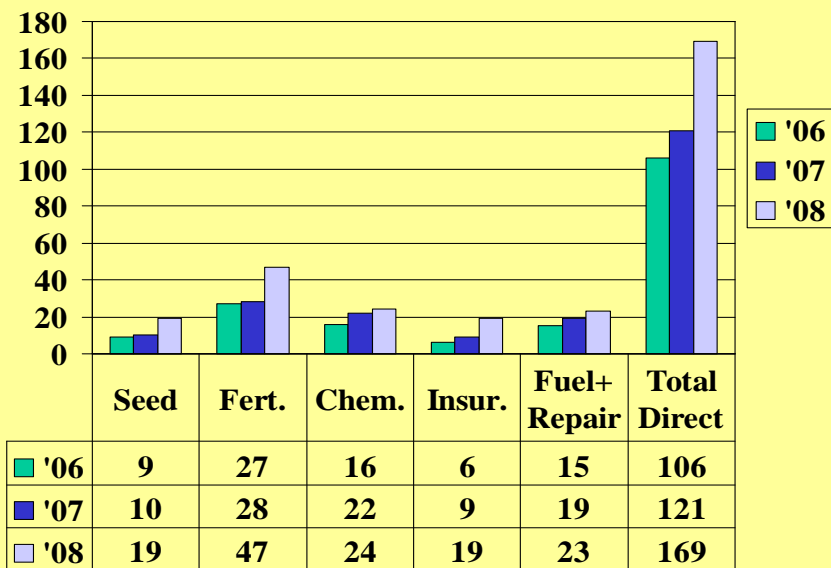
## Crop and Pasture Acres

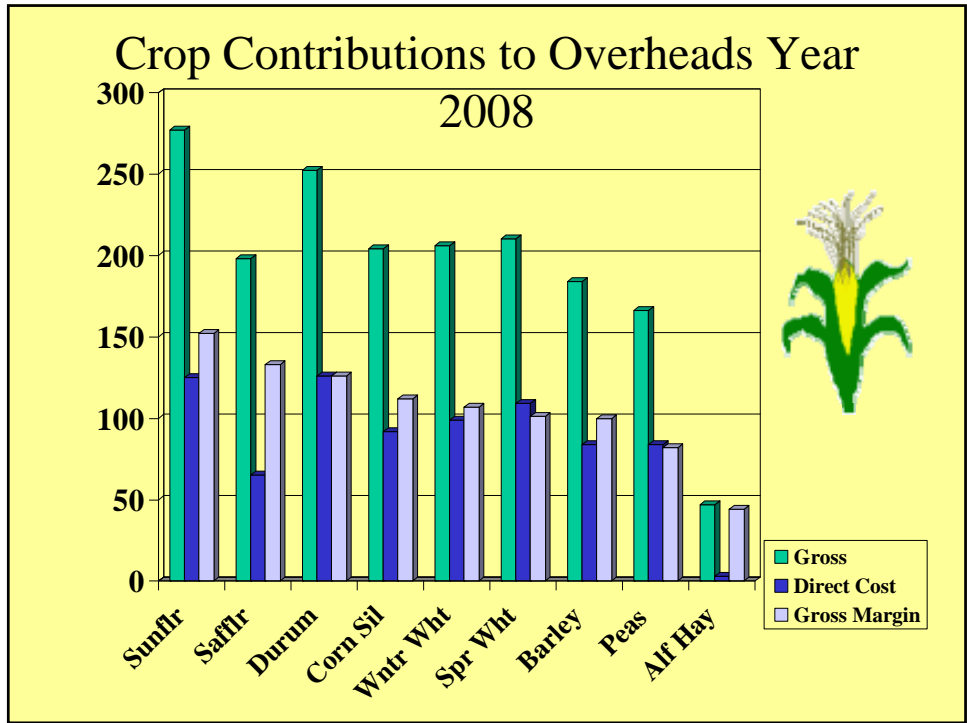


## Spring Wheat Ave Yields and Net \$ per Acre

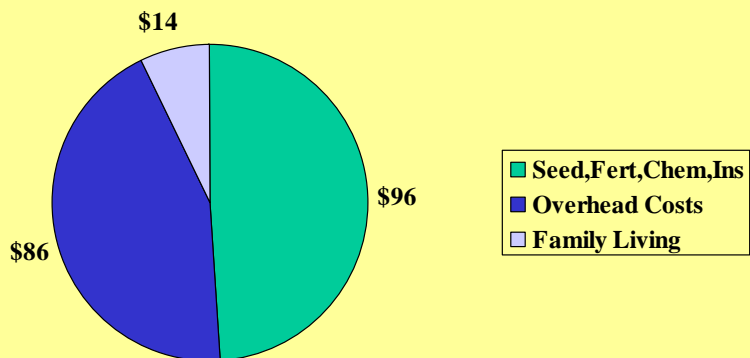


## Costs /acre for Spring Wheat comparing 06,07,08



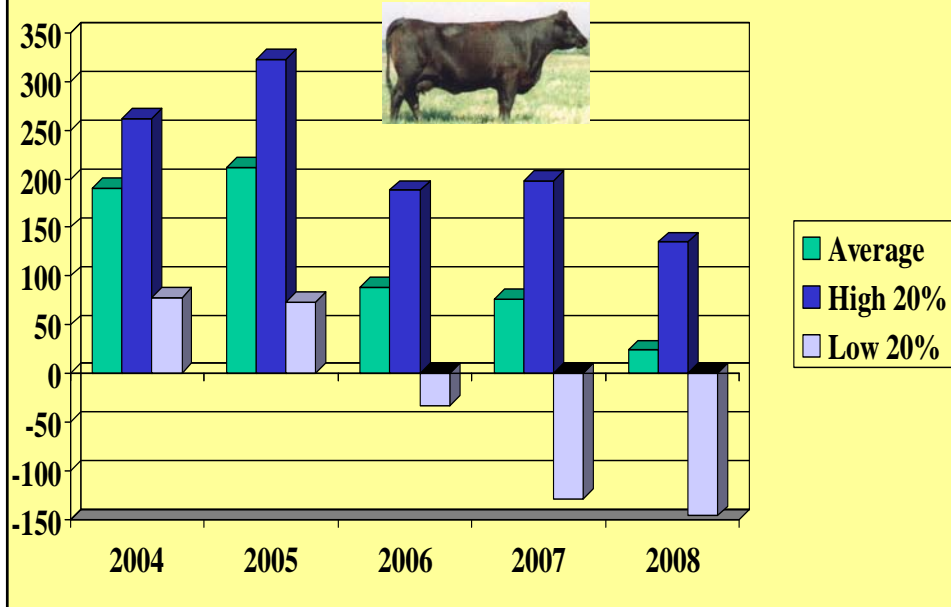


All Crops combined in 2008 Ave Gross=\$196  
 Cash rented crops, not hay, cost=\$182/A





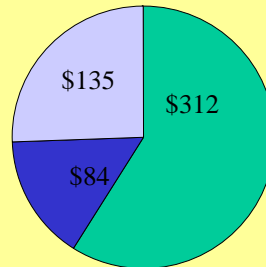
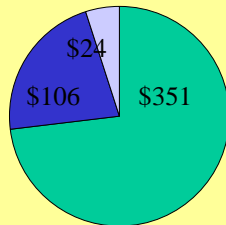
## \$ Net income /Beef Cow



## Beef cow costs, returns 2008 per cow (fuel,repairs in OVHD)

average

high profit



■ direct ■ overheads ■ net \$

How are low profit and high profit  
Beef herds different ? For 2008 yr

	Low Profit	High Profit
Value of calf/cow	\$470	\$595
Depreciation per cow	\$68	\$64
Direct cost/cow	\$408	\$312
Overhead expense/cow	\$141	\$84
Net Income per Cow	-\$146	+\$135