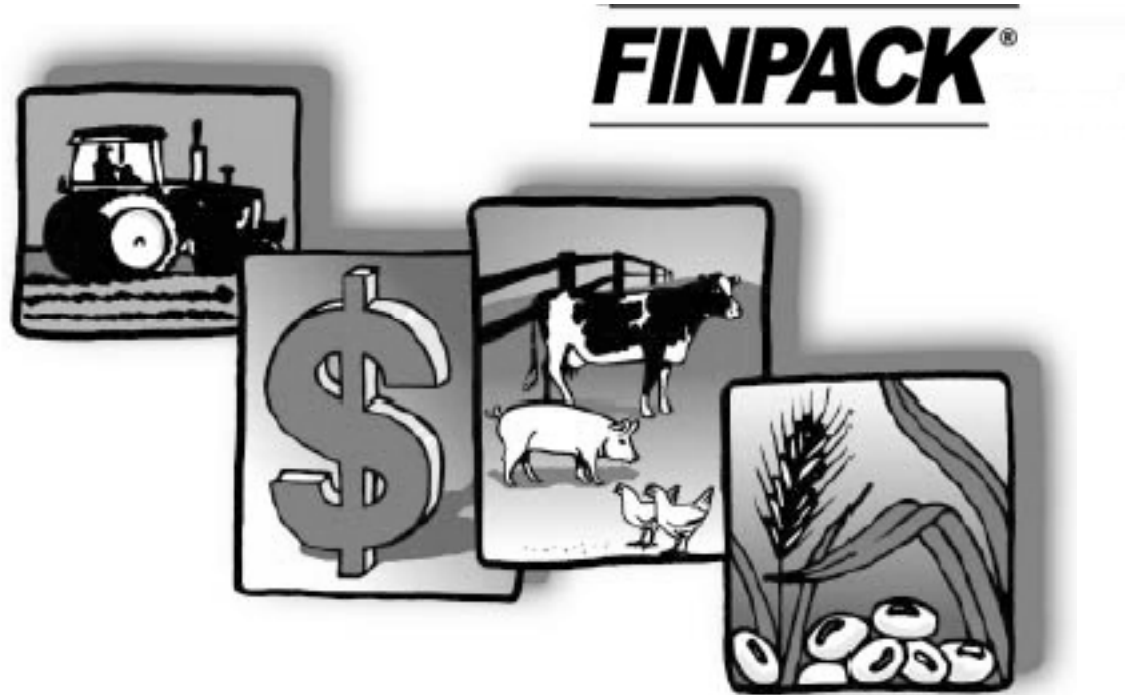


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Farm/Ranch Business Management Education

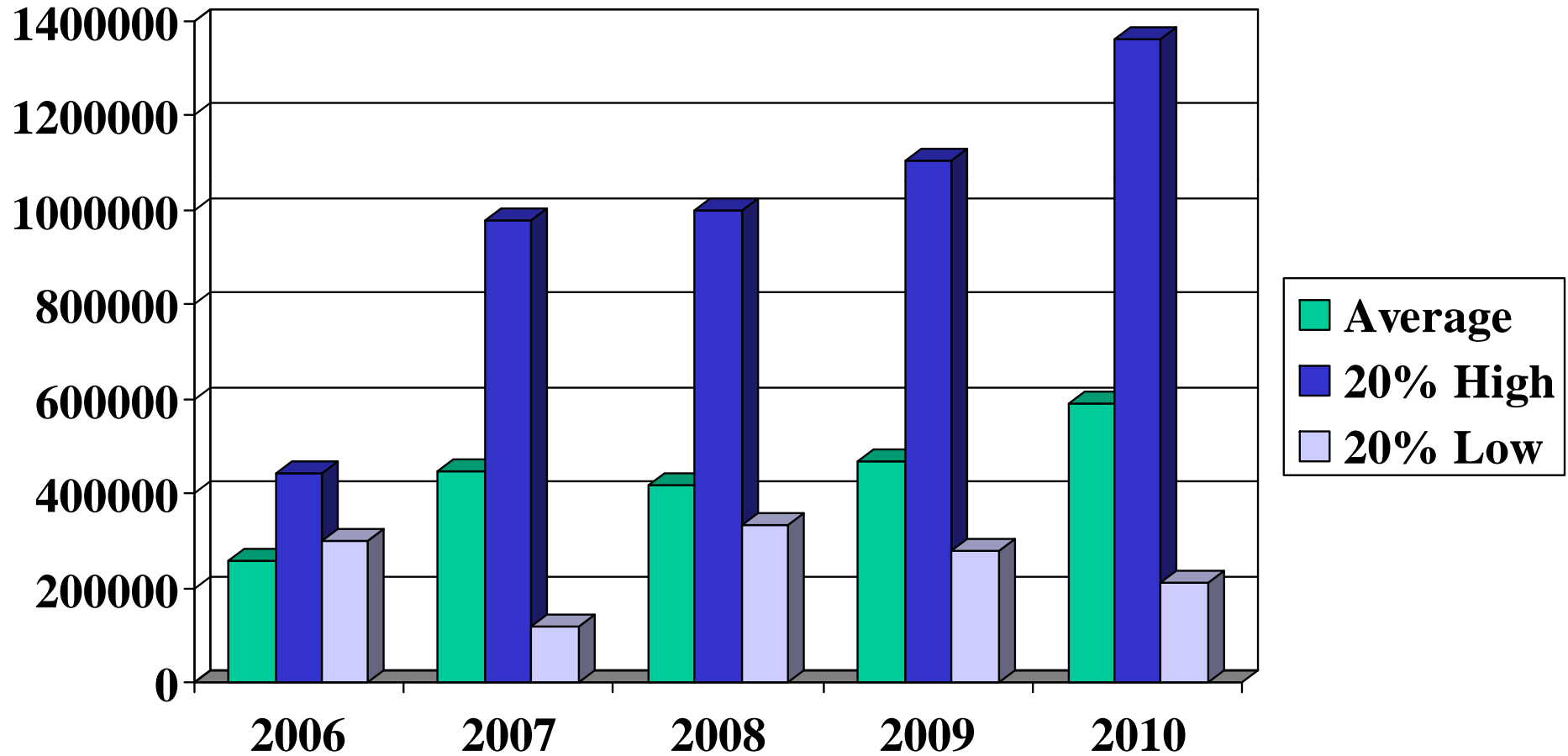
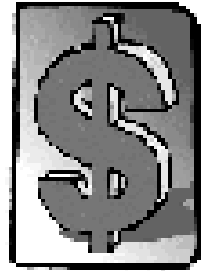
Year 2010

Jerry Tuhy, Instructor

Bismarck State College at DREC

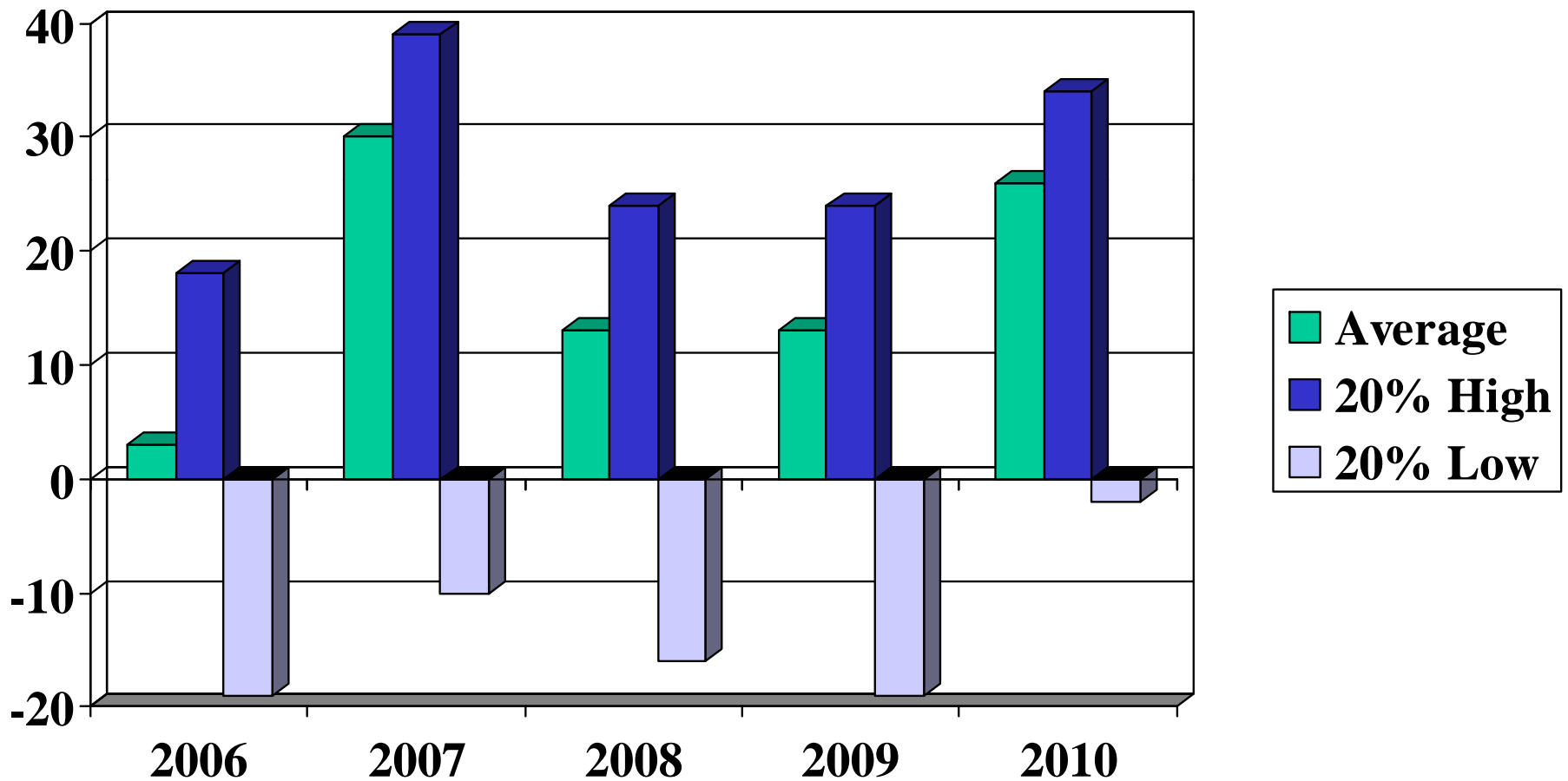
Gross Income (Accrual)

\$ Per farm for year



Net Income Ratio (%)

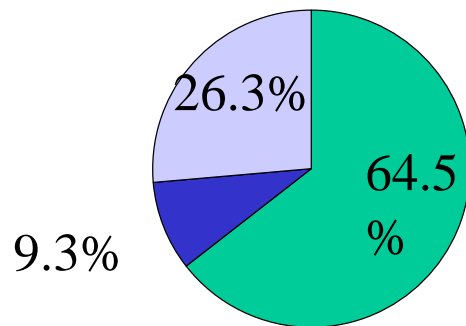
percentage of gross \$ that is net \$



Net Income Ratio

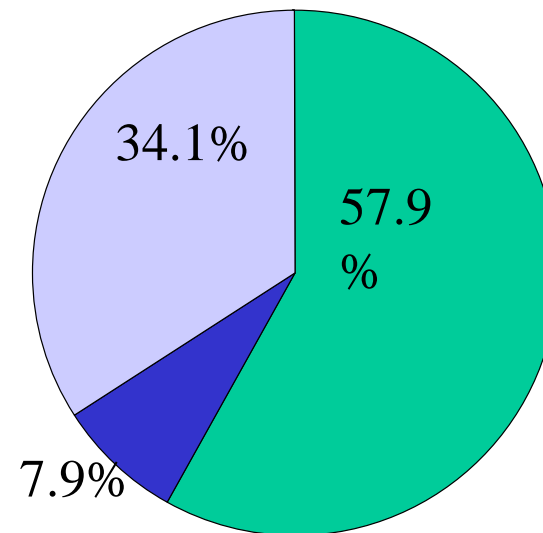
% of Gross available for Family living and Increasing Net Worth

average

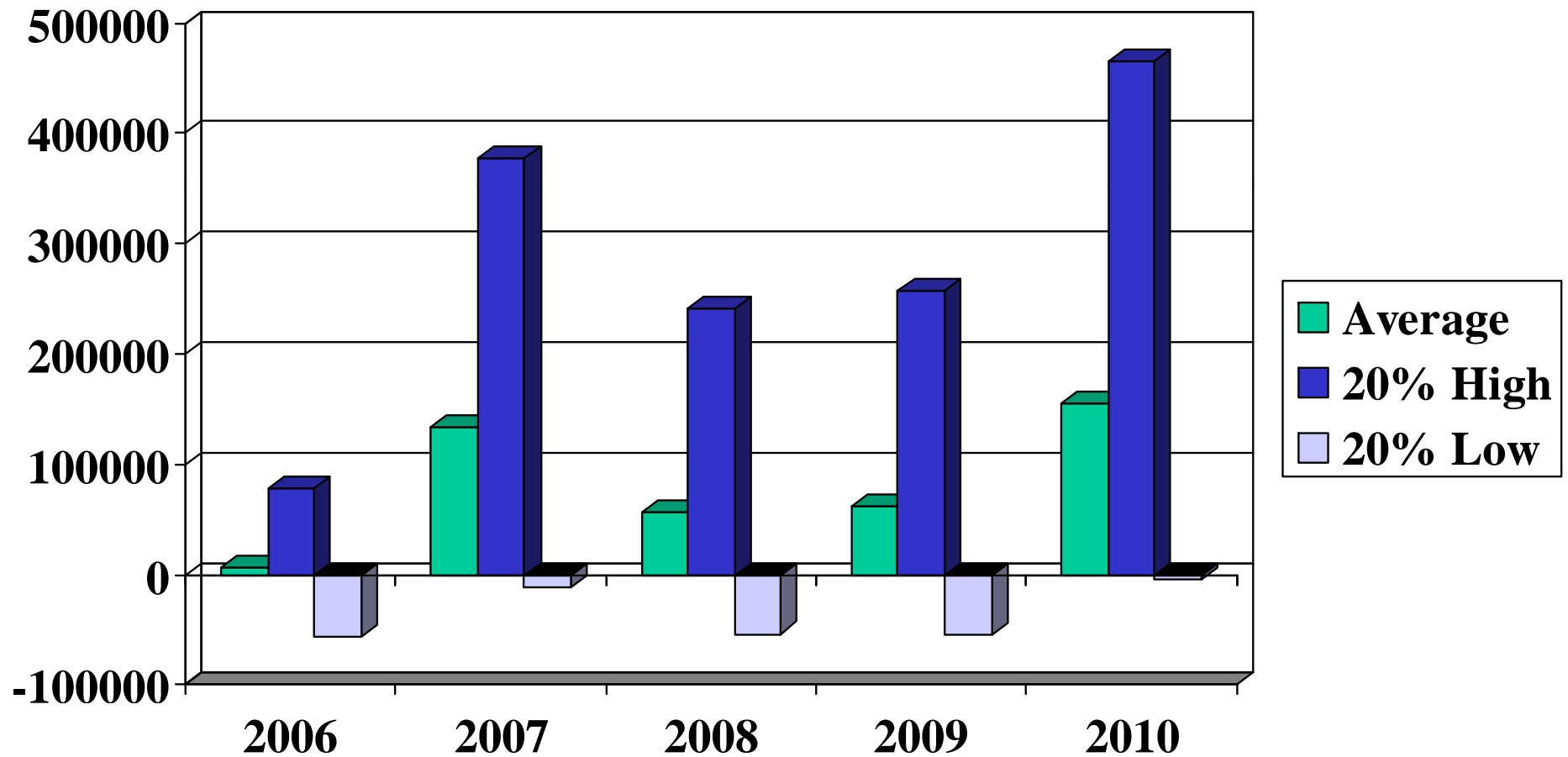


- Oper exp
- Int. & Depr
- Net Income Ratio

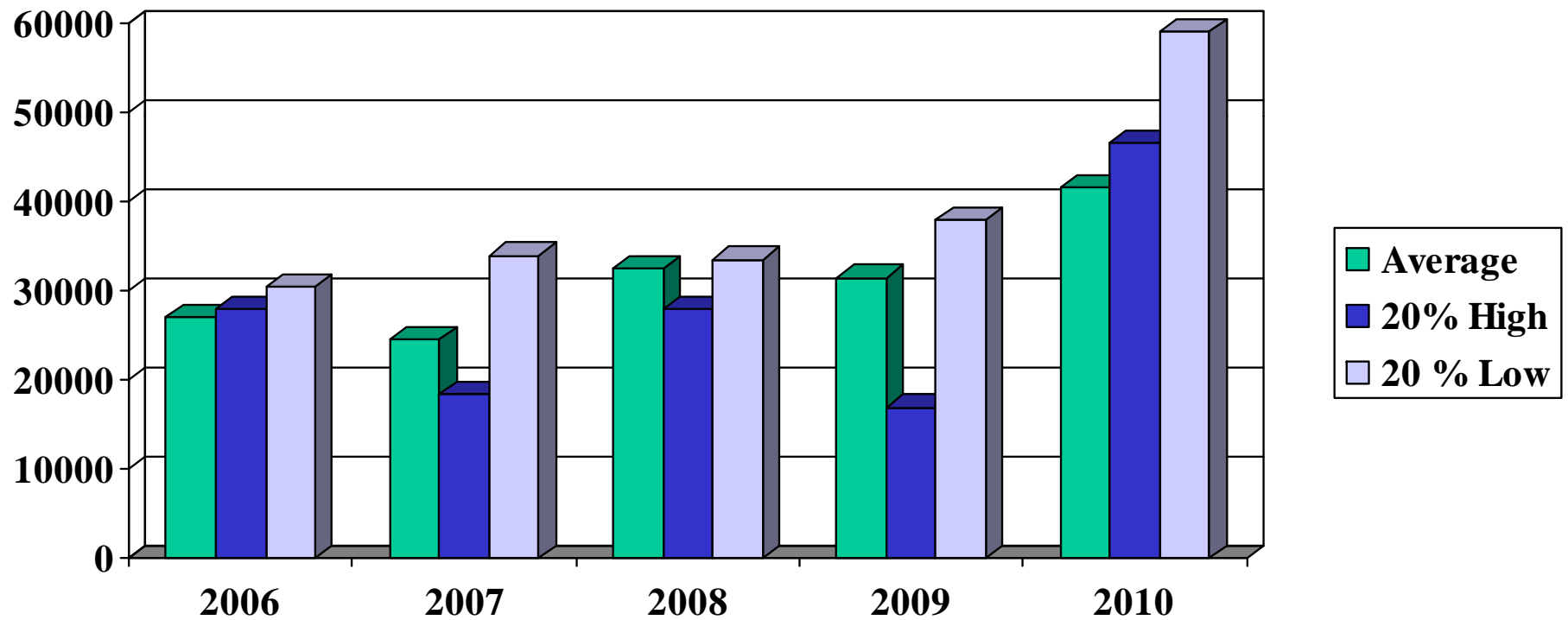
high profit



\$ Net Farm Income “Profit”

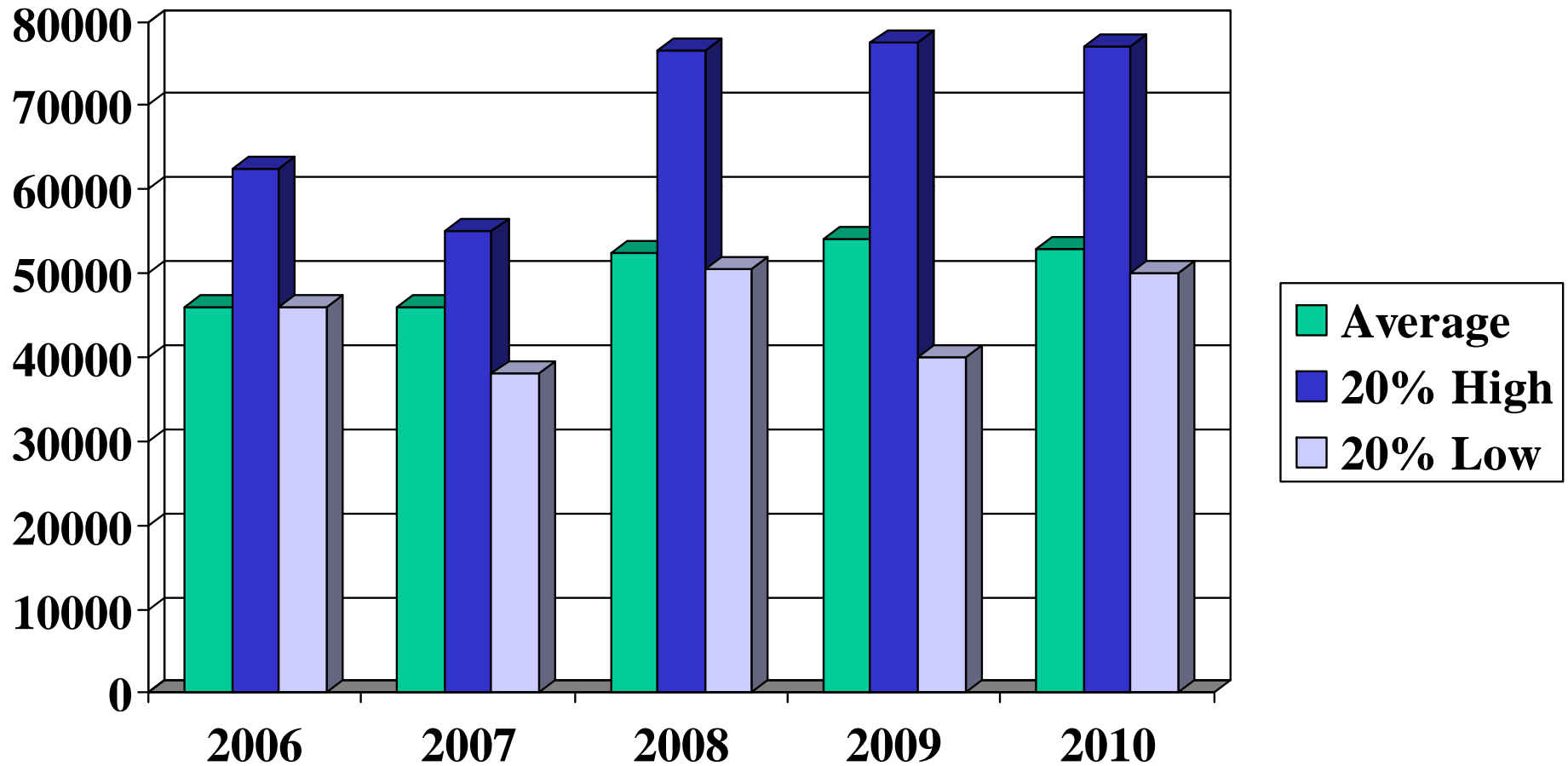


\$ Net “Non-Farm” Income



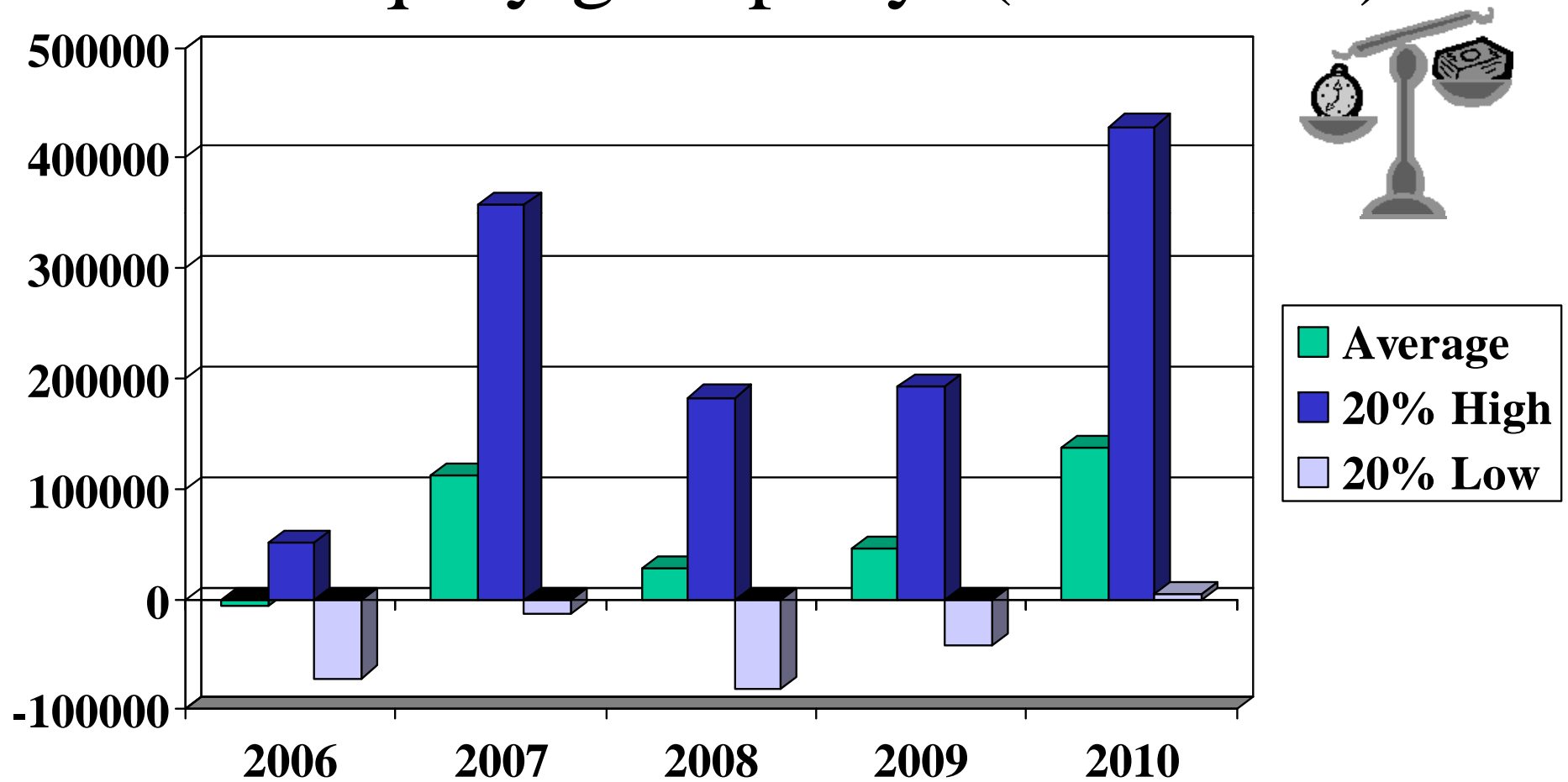
Family Living & Income Taxes

\$ spent/year

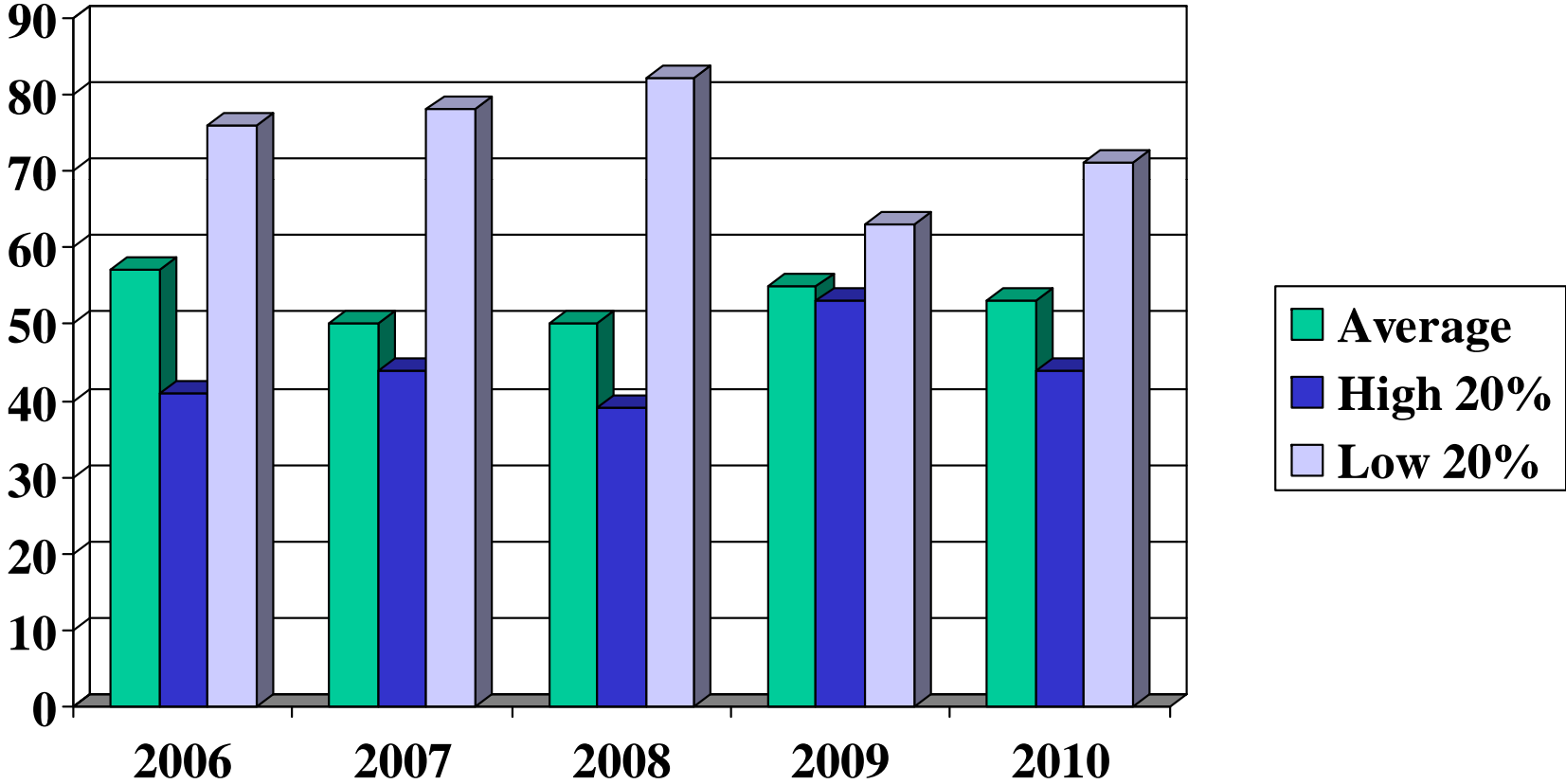


Change in Retained Earnings

\$ of equity gain per yr (cost basis)

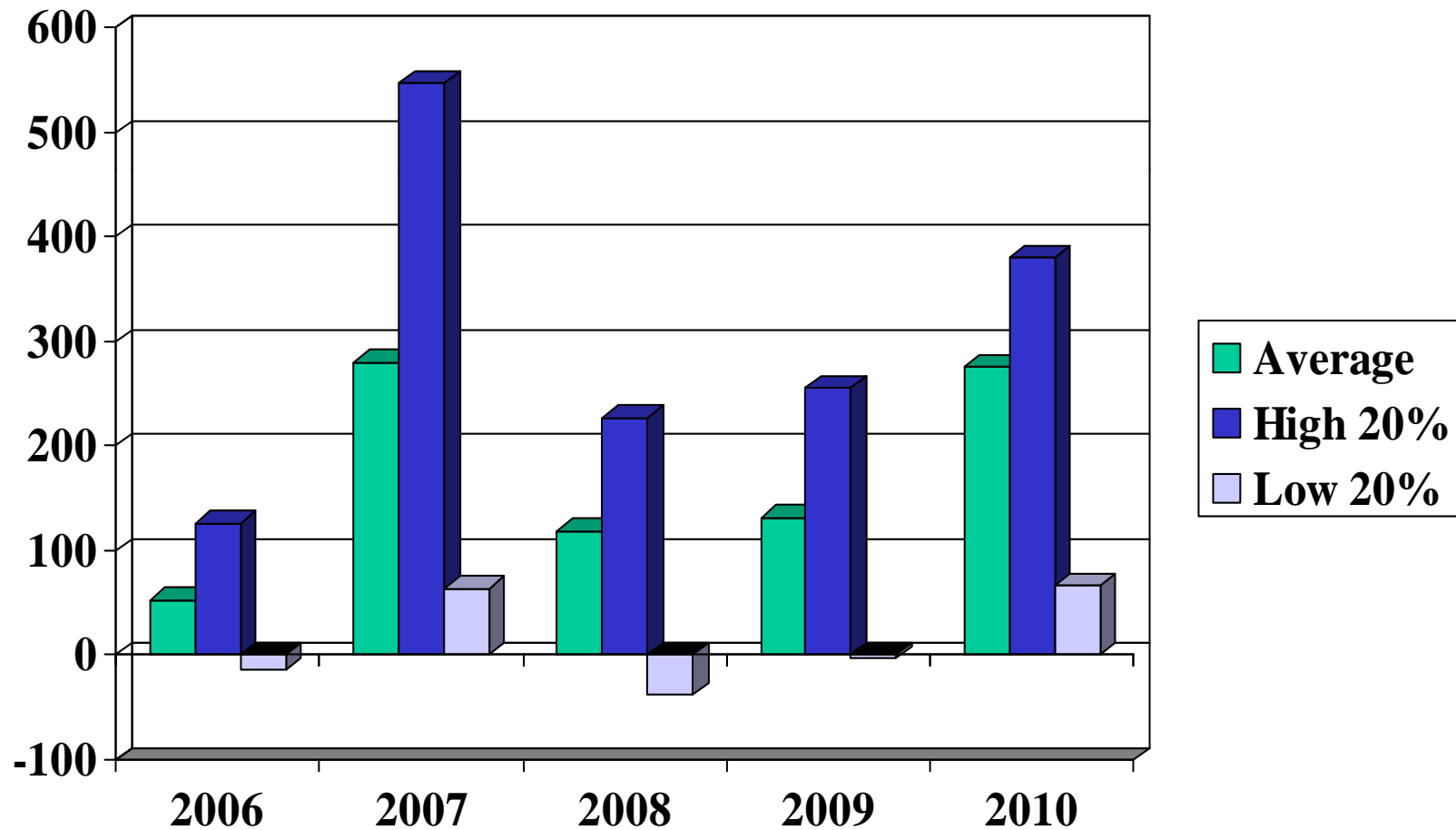


Farm Debt/Asset Ratio (%) end year cost basis

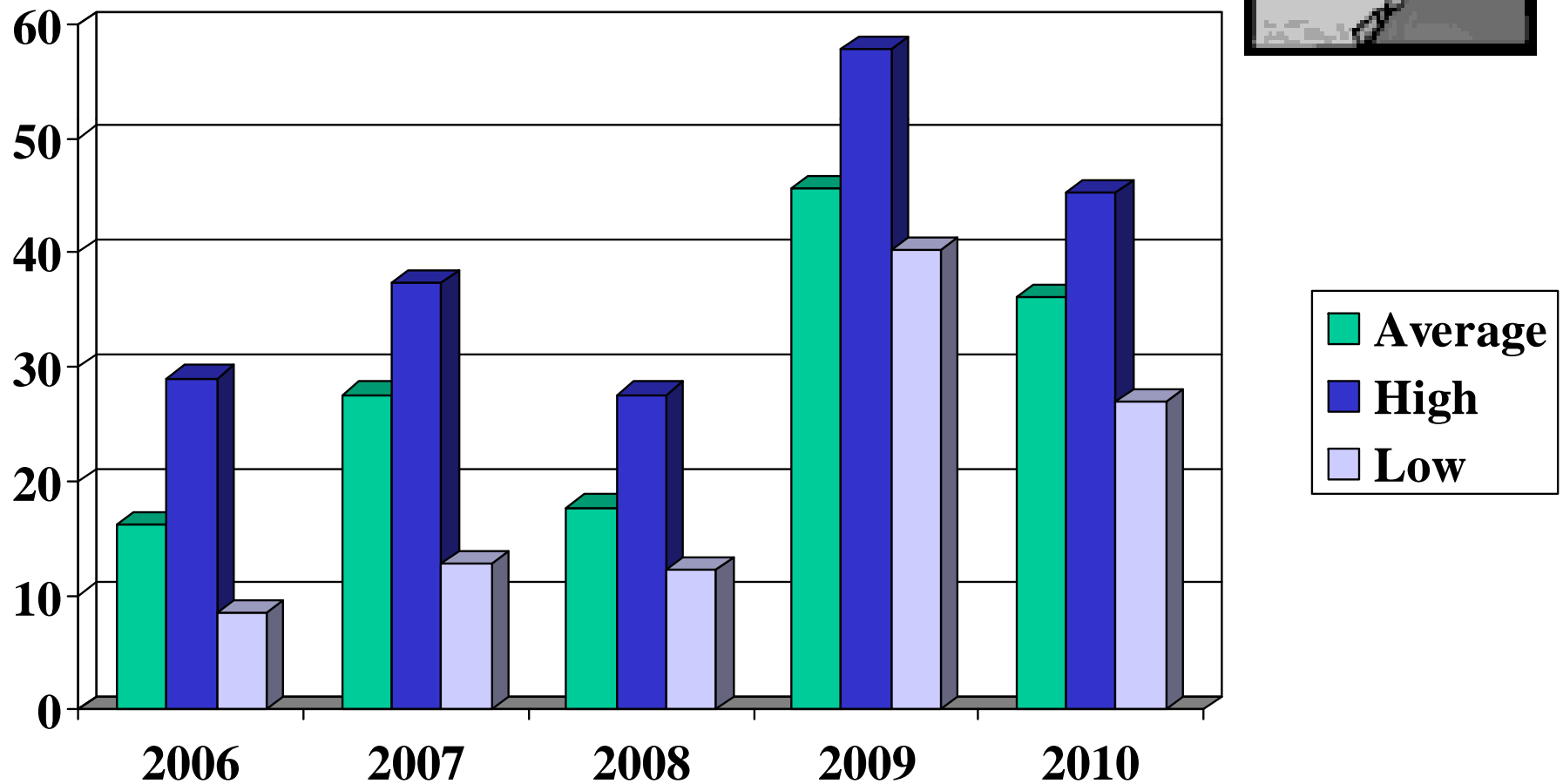


Term Debt Coverage Ratio

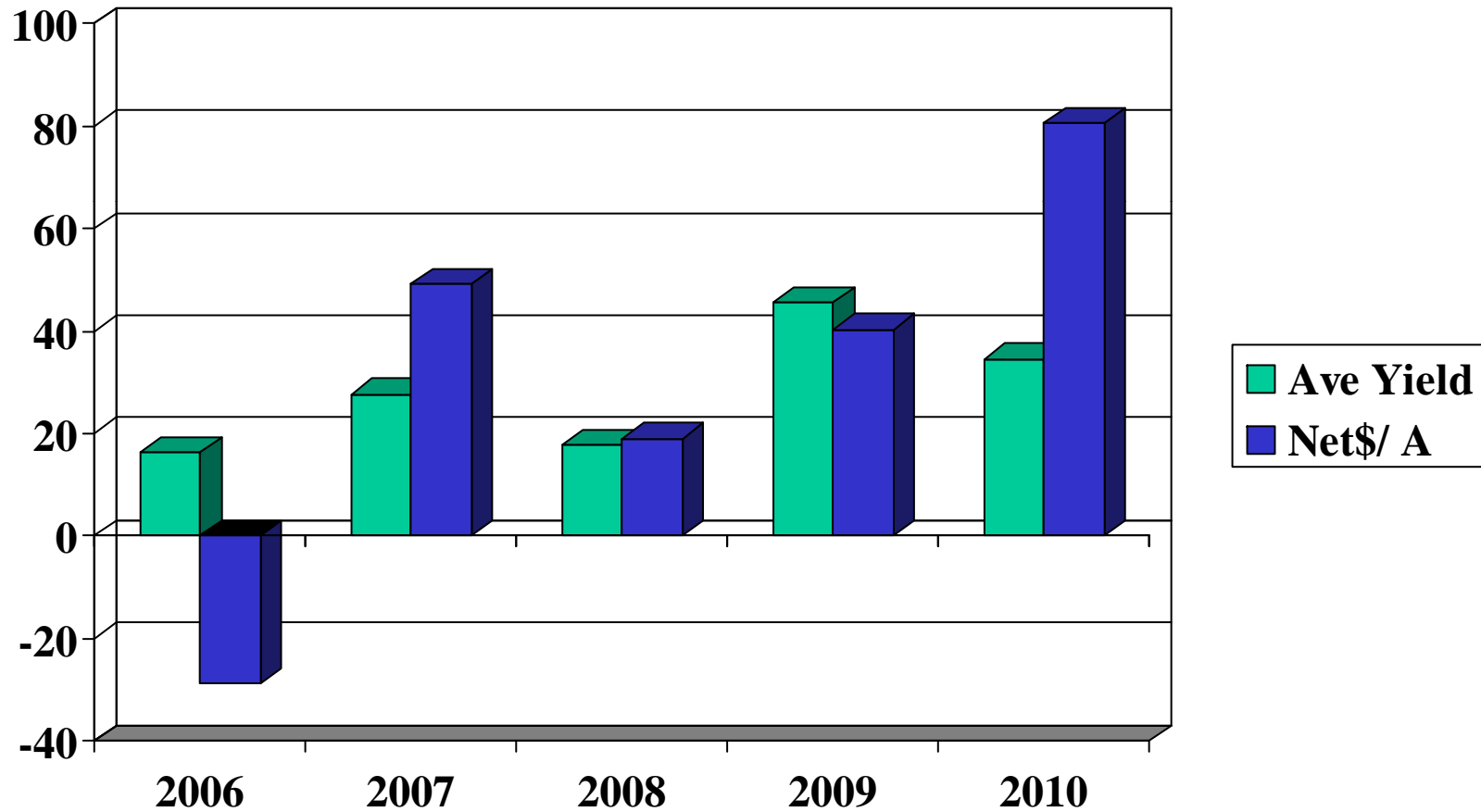
a 100% ratio means “we can make all debt payments”



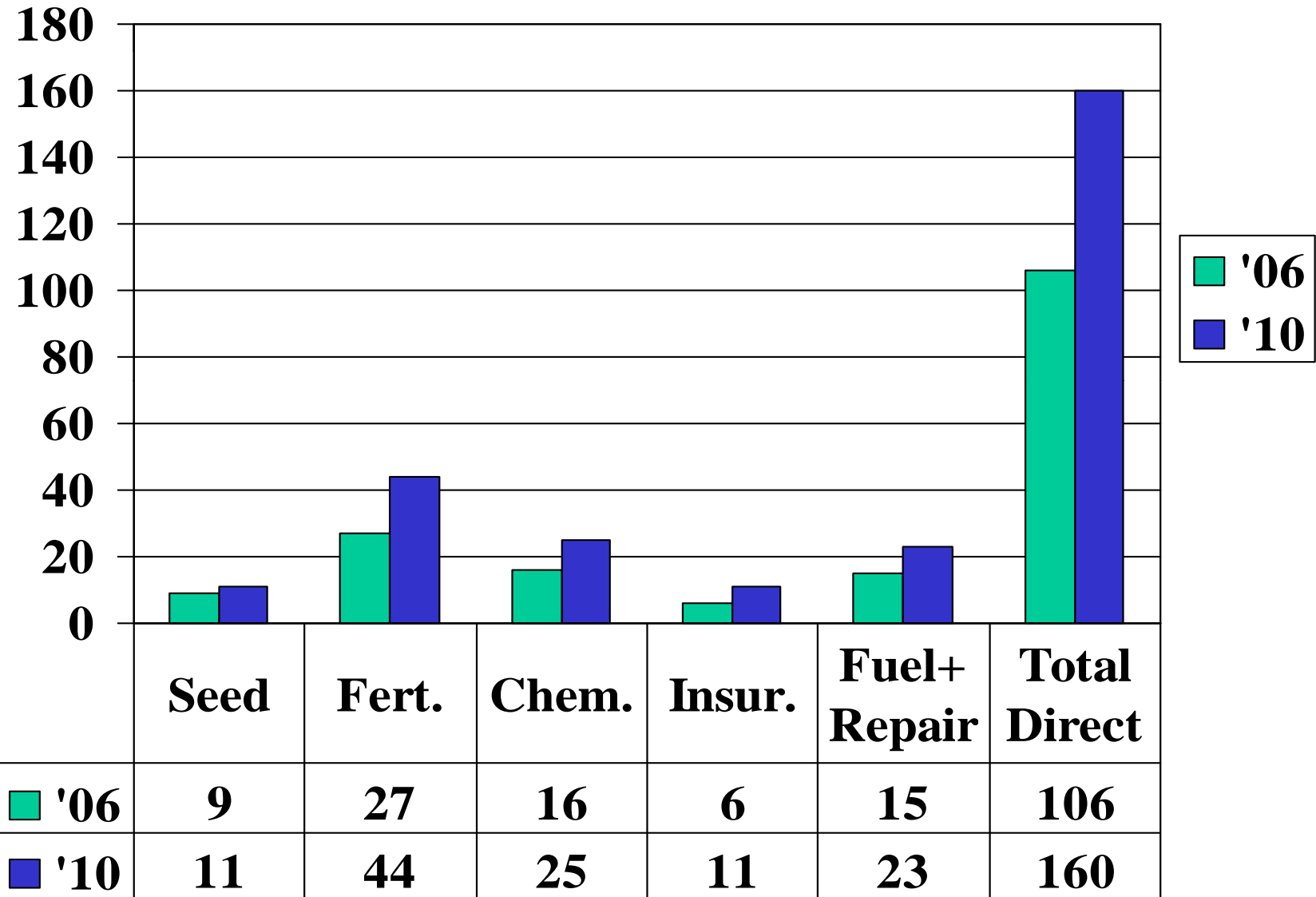
Spring Wheat on Cash Rented (Bu. Yield/Acre)



Spring Wheat Ave Yields and Net \$ per Acre

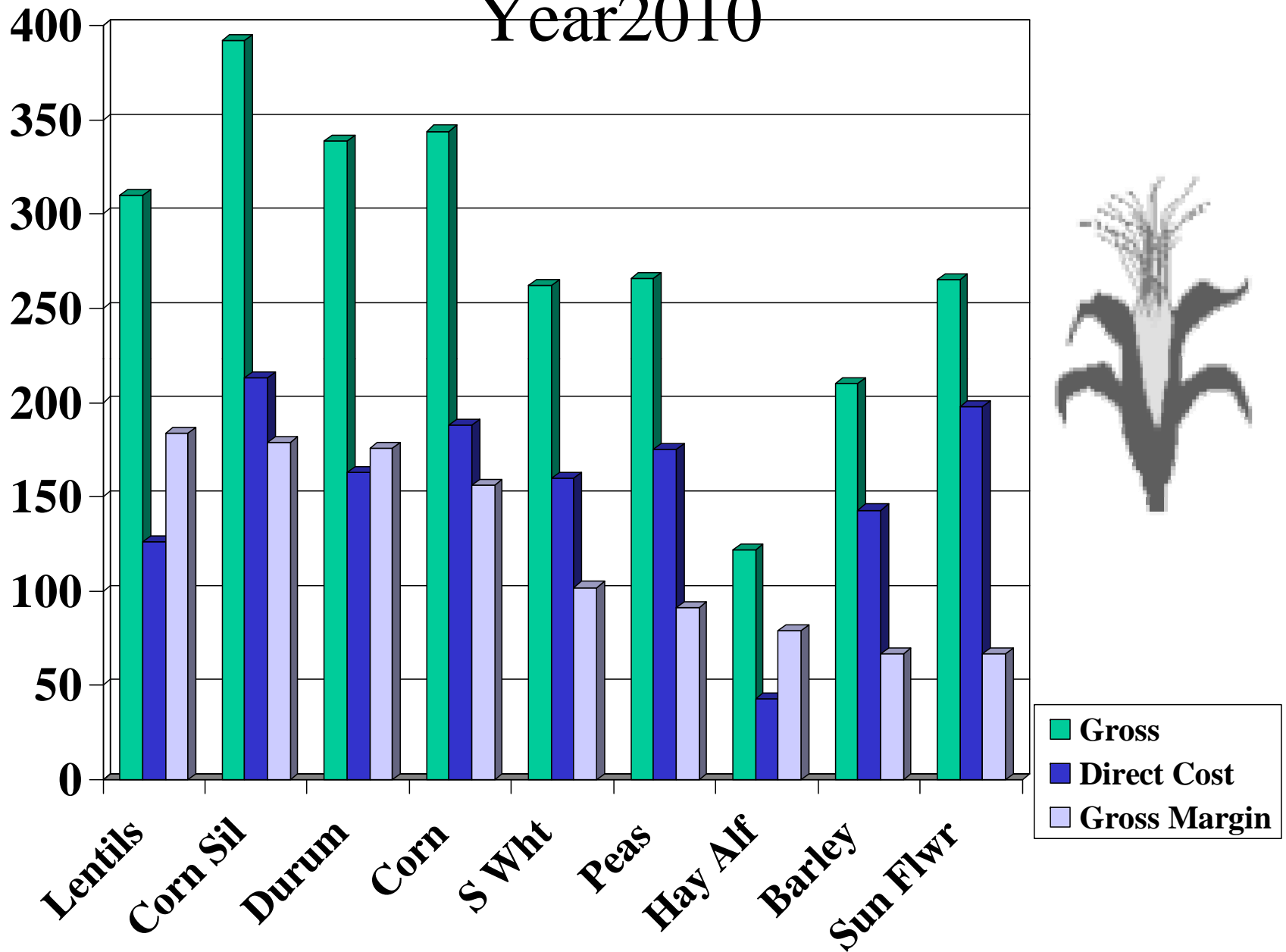


Costs /acre for Spring Wheat comparing 06 to2010



Crop Contributions to Overheads

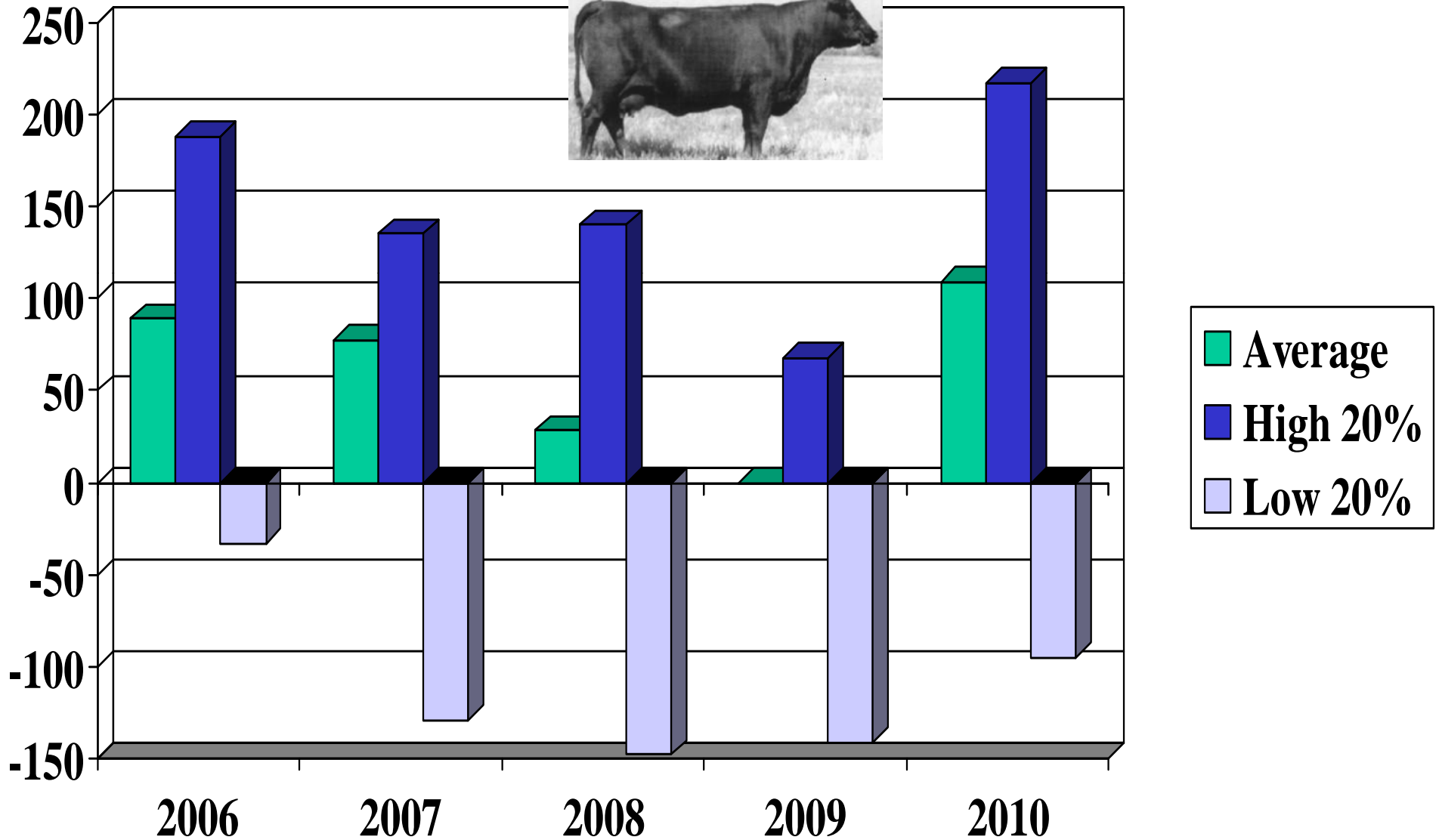
Year2010



Crop cost increased almost 50% from 2006 to 2010

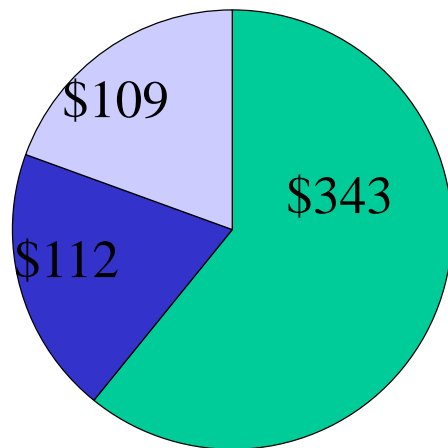
- Spring Wheat total cost /A. in 2006 was \$125, in 2010 was \$187
 - This is 49.6 % increase
 - $\$125 / 30 \text{ bu} = 4.16 \text{ Break Even}$, $\$187 / 30 \text{ bu} = 6.23 \text{ Break Even}$
 - Land rent ave. in 2006 was \$26 / A. in 2010 rent was \$31/A.
-
- Sunflower Cost/A in 2006 was \$158 in 2010 total cost was \$228
 - This was 44% increase
 - $\$158 / 12 \text{ cwt} = 13.15 \text{ BE price/cwt}$ $\$228 / 12 = \19 BE price
 - Land rent for S flowers went from 27/A to \$33/ acre during this time

\$ Net income /Beef Cow

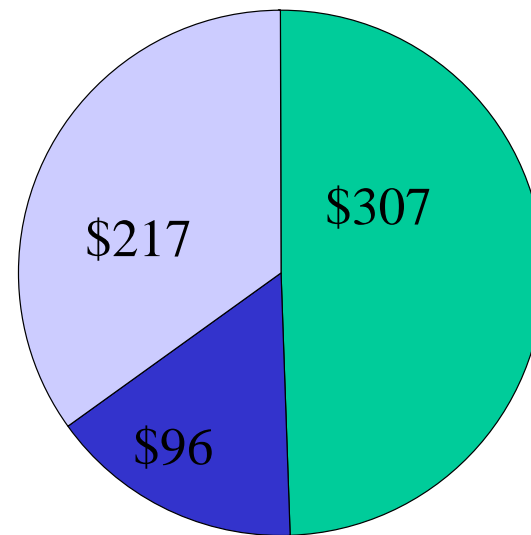


Beef cow costs, returns 2010 per cow (fuel&repairs in OVRHD)

average



high profit



■ direct ■ overheads ■ net \$

How are low profit and high profit
Beef herds different ? For 2010 year.

	Low Profit	High Profit
Value of calf/cow	\$567	\$643
Depreciation per cow	\$139	\$32
Direct cost/cow	\$451	\$353
Overhead expense/cow	\$93	\$50
Cost per cwt (D&Ovhd)	\$112	\$75
Net Income per Cow	-\$95	+\$217

More info on these websites

www.finbin.umn.edu- Sort data by State, region, year, etc.

Whole farm, crop or livestock enterprise data available

ifsam.cffm.umn.edu- learn to use financial statements in day-to-day management. understand how to interpret financial statements.

www.ndfarmmanagement.com- Instructor contacts, regional data, news, resources for farm/ranch management.

Thank You!

