

Minnesota and North Dakota
Farm Business Management Education

Red River Valley 2009 Report



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Minnesota Farm Business Management Education
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RED RIVER VALLEY AVERAGES
2009 ANNUAL REPORT

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2009 Red River Valley Report
Minnesota and North Dakota Farm Business Management Education

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INTRODUCTION

This report summarizes the individual farm records of farms in the Red River Valley that are enrolled in Farm Management Education programs. The current financial status of farm operators and net returns from each crop enterprise is reported. In addition to the average of all farms, the averages for the high and low net income groups are also presented. To insure anonymity, only averages of five or more farms are reported. Regional averages reports can be used by producers for comparison purposes to identify and study the areas that may need management improvement. A review of the comparative information may reveal how certain aspects of the business or enterprises excel and help answer why they are profitable. The data contained in this report should also be useful to instructors, extension agents, bankers and agricultural consultants.

The Red River Valley averages reports are divided into two major categories. Explanatory notes precede the farm operators' reports and the crop reports.

The 2009 Red River Valley Report is based upon data generated by individual farm analysis completed by farm/ranch families enrolled in the Farm and Ranch Business Management Education programs in Minnesota and North Dakota. The tables in this report were created using FINPACK and RankEm Central copyrighted software of the Center for Farm Financial Management, University of Minnesota.

You may contact Ron Dvergsten, Northland Community and Technical College, Highway 1 East, Thief River Falls, MN 56701, phone: (218) 683-8747, to order a copy of this report. This report and regional reports for north central, south central and western North Dakota can be ordered for \$5 per copy from Farm Business Management, PO Box 6022, Bismarck, ND 58506-6022, phone: (701) 224-8390. A state average book for North Dakota farms is also available. The reports are available online at www.ndfarmmanagement.com.

EXPLANATORY NOTES FOR THE FARM OPERATORS' REPORTS

The tables include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality to be included in the overall report. However, the balance sheets include only sole proprietors. Partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the financial statement. The number of farms included in each of the crop tables varies because all farms do not have the same enterprises. Also, some farmers' records were complete enough to be included in the whole-farm tables, but at times, these same farmers' crop records were not complete enough to include in the respective crop and livestock tables.

Rounding of individual items for the report may have caused minor discrepancies with the printed totals which are calculated before rounding.

Farm Income Statement

This statement is a summary of income, expenses, or resultant profit or loss from farming operations during the calendar year.

The first section of the table lists cash farm income from all sources. There are three possible sources of cash income from crops. The first is income from cash sales. The second is income from crops stored under government loan programs when the loan is treated as income for the year in which the crop was stored. If the crop value has not been entered as income when it was stored, then it would be treated as cash income in the year it was sold. The third is Net Government Sales, which refers to the difference between income credited in the year a crop was stored and the actual cash income received at the time it was sold. There are two categories of cash income from livestock sales. "Raised" steer, hogs, and lambs refer to animals raised from birth to market weight on the farm. "Finished" animals refers to those purchased as feeders and fed to market weight. The "Direct & CC govt payments" are decoupled from crop production but the counter-cyclical payment is coupled to national average prices. "LDP payments" are loan deficiency payments that may be received on production when local prices are below the county loan rate for the crop. "Other government payments" refers to all other government payments such as disaster payments but not including CRP payments.

The second section of the income statement lists cash expenses. "Labor" includes only labor hired. "Interest" includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included.

The difference between "Gross Cash Farm Income" and "Total Cash Expense" is the "Net Cash Farm Income." This is net farm income on a cash basis.

The last two sections of the income statement deal with the non-cash changes in the farm business. The "Inventory Changes" and "Depreciation" sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The final adjustment is for "Gain or loss on capital sales." The bottom line, labeled "Net farm Income," represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources that are owned by the farm family and hence, not purchased or paid a wage. However, it does not include any debt forgiveness or asset repossessions.

Inventory Changes

This is the detailed statement of inventory changes that is summarized in the income statement. It includes beginning and ending inventories and the calculated changes.

Depreciation

This is the detailed statement of depreciation and other capital adjustments that is summarized in the income statement. It includes beginning and ending inventories, and capital sales and purchases.

Profitability Measures

This table shows profitability when capital assets are valued at cost. Various measures of performance are calculated. In the previous tables no opportunity costs are used. In this table, opportunity costs for labor, capital, and management are used. The measures and their components are described below.

"**Rate of return on assets**" is the "Return on farm assets" divided by "Average farm assets."

"**Rate of return on equity**" is the "Return of farm equity" divided by "Average farm equity."

"**Operating profit margin**" is the "Return on farm assets" divided by "Value of farm production."

"**Asset turnover rate**" is the "Value of farm production" divided by "Average farm assets."

"**Farm interest expense**" is the accrual interest cost, usually it will be different from the cash interest expense.

"**Value of operator's labor and management**" is an opportunity cost for unpaid operator's labor and management that is used in the calculation of several financial performance measures. A value of \$20,000 per full time operator plus 5% of value of farm production is used.

"**Return of farm assets**" is calculated by adding "Farm interest expense" to "Net farm income" and then subtracting the "Value of operator's labor and management."

"**Average farm assets**" is the average of beginning and ending total farm assets.

"**Return on farm equity**" is calculated by subtracting the "Value of operator's labor and management" from "Net farm income."

"**Average farm equity**" is the average of beginning and ending farm net worth.

"**Value of farm production**" is gross cash farm income minus purchased feed and feeder livestock and adjusted for inventory changes in crops, market livestock, accounts receivable and breeding livestock.

Liquidity & Repayment Capacity Measures

The table shows several measures of liquidity and repayment capacity. Calculation of repayment capacity starts with net farm income from operations and adds back the non-cash expense of depreciation. Personal income is also added. Family living expenses, personal debt payments and income taxes paid are subtracted to determine the capital debt repayment capacity.

Balance Sheets

The ending balance sheet statements and solvency measures are presented for sole proprietors only. Current assets are valued at market price at the time of the inventory which is December 31. In balance sheet at cost values, intermediate and long-term assets that are depreciable are valued at cost remaining (amount remaining to be depreciated, plus salvage value). Raised breeding livestock is valued at conservative market replacement costs. Land is valued at cost or conservative market value. In balance sheet at market values, the intermediate and long term assets are listed at market value, and deferred income tax liabilities are estimated.

Statement of Cash Flows

This statement organizes cash inflows and outflows by the following three categories: Operating activities, investing activities, and financing activities.

Financial Standards Measures

The Farm Financial Standards Task Force recommended the use of these financial measures to evaluate a farm's financial position and financial performance. These measures are grouped by: Liquidity, Solvency, Profitability, Repayment Capacity, and Efficiency.

Liquidity

Liquidity is the ability of the farm business to meet financial obligations in a timely manner, without disrupting normal business operations.

Current Ratio: The current ratio shows the value of current assets relative to current liabilities. It measures the extent current farm assets, if liquidated, would cover liabilities that are due during the next 12 months. The higher the ratio, the safer the short term position.

Working Capital: Working capital shows the dollar amount that current assets can or cannot cover current liabilities. It approximates the amount of capital available to purchase crop and livestock inputs and equipment necessary to produce farm products. The amount of working capital considered adequate must be related to the size of the farm business.

Working Capital to Gross Revenues: Measures operating capital available against the size of the business.

Solvency

Solvency is important in evaluating the risk position of the farm and family and in considering future borrowing capacity. Solvency measures the ability of the business to pay off all debts if liquidated.

Farm Debt To Asset Ratio: The farm debt to asset ratio measures the financial position or solvency of the farm or ranch by comparing the total liabilities to the total assets. It measures the portion of the farm assets that have debt against them. A higher ratio is considered an indicator of greater financial risk.

Farm Equity To Asset Ratio: The farm equity to asset ratio measures the farm equity relative to the value of the farm assets. It measures the proportion of the farm assets financed by the owner's equity whereas the debt to asset ratio measured the proportion of farm assets financed by debt.

Farm Debt To Equity Ratio: The farm debt to equity ratio measures the amount of farm debt relative to the amount of farm equity. It measures the amount of debt the farm has for every dollar of equity.

Profitability

Profitability is the measure of the value of goods produced by the business in relation to the cost of resources used in the production. Profitability calculated on a cost basis does not consider changes in market valuation of capital assets such as machinery and breeding livestock.

Rate of Return on Assets: Rate of return on assets is, in effect, the interest rate your farm earned in the past year on all money invested in the business. If assets are valued at market value, the rate of return on investment can be looked at as the "opportunity cost" of investing money in the farm instead of alternative investments. If assets are valued at cost (cost less depreciation), the rate of return represents the actual return on the average dollar invested in the business.

Rate of Return on Equity: Rate of return on equity is, in effect, the interest rate your investment in the business earned in the past year. If assets are valued at market value, this return can be compared with returns available if the assets were liquidated and invested in alternative investments. If assets are valued at cost, this represents the actual return to the amount of equity capital you have invested in the farm business.

If your return on assets is higher than your average interest rate, your return on equity will be still higher, reflecting the fact that there are residual returns to equity capital after paying all interest expense. This is positive use of financial leverage. If your return on assets is lower than your average interest rate, your return on equity will be still lower, reflecting the fact that borrowed capital did not earn enough to pay its interest cost. This is negative financial leverage. Profitability becomes a key concern when substantial debt capital is used in the business.

Net Farm Income: Net farm income represents the returns to labor, management, and equity capital invested in the business. Without income from other sources, or appreciation of capital asset values, net farm income must cover family living expenses and taxes, or net worth will decrease.

Operating Profit Margin: The operating profit margin is a measure of the profit margin from the employment of assets. It measures how effectively you are employing assets relative to the value of output produced. Low prices, high operating expenses, or production problems are all possible causes of a low operating profit margin.

EBITDA: This factor stands for: Earnings Before Interest, Taxes, Depreciation and Amortization. This represents a measure of earnings available for debt repayment.

Repayment Capacity

Repayment capacity shows the borrower's ability to repay term debts (longer than one year) on time. This includes non-farm income, and is therefore not a measure of business performance alone.

Capital Debt Repayment Capacity: Measures the amount generated from farm and non-farm sources, to cover debt repayment and capital replacement.

Capital Debt Repayment Margin: The amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It is the money left, after paying all expenses, which is available for purchasing/financing new machinery, equipment, land or livestock.

Replacement Margin: The replacement margin is the amount of income remaining after paying principal and interest on term loans and unfunded (cash) capital purchases.

Term Debt Coverage Ratio: The term debt coverage ratio measures the ability of the business to cover all term debt payments. A number less than 100 percent indicates that the business, plus non-farm income, is not generating sufficient cash to meet all of the debt payments, after family living expenses and taxes have been paid. A number greater than 100 indicates the business is generating sufficient cash to pay all term debt obligations with some surplus margin remaining.

Replacement Margin Coverage Ratio: This represents the ability to term debt and unfunded capital purchases. A ratio under 1.0 indicated that you did not generate enough income to cover term debt payments and unfunded capital purchases.

Efficiency

These measures reflect the relationships between expense and income items to revenue and the efficiency of the farm business with regard to the use of cash and capital assets.

Asset Turnover: Asset turnover is a measure of how efficiently assets are used in the business. A farm with good operating profit margin and asset turnover will show a strong rate of return on farm assets. If operating profit margin is low, the asset turnover rate must be strong, or vice versa, to maintain the rate of return on assets.

Operating Expense Ratio: This ratio indicates the percent of the gross farm income, which is used to pay the operating expenses. Operating expenses do not include interest or depreciation expense.

Depreciation Expense Ratio: This ratio indicates the percent of the gross farm income, which is used to cover the depreciation expense.

Interest Expense Ratio: This ratio indicates the percent of the gross farm income, which is used to pay farm interest expenses.

Net Farm Income Ratio: The ratio indicates the percent of the gross farm income, which remains after all expenses.

Crop Production and Marketing Summary

This table contains three sections. The first section reports averages for total acres owned, crop land by tenure and total pasture acres. The next two sections show average price received and average yields for major crops. These tables are sorted on the basis of "Net farm income."

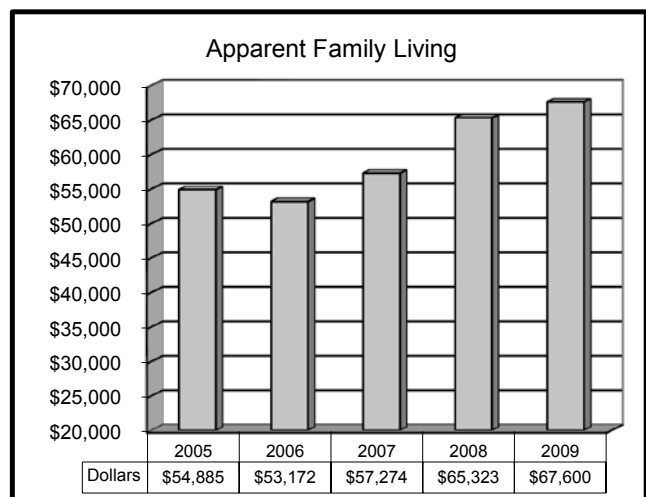
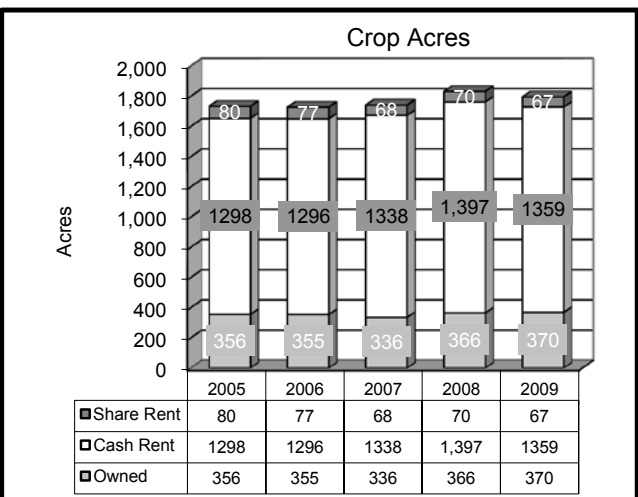
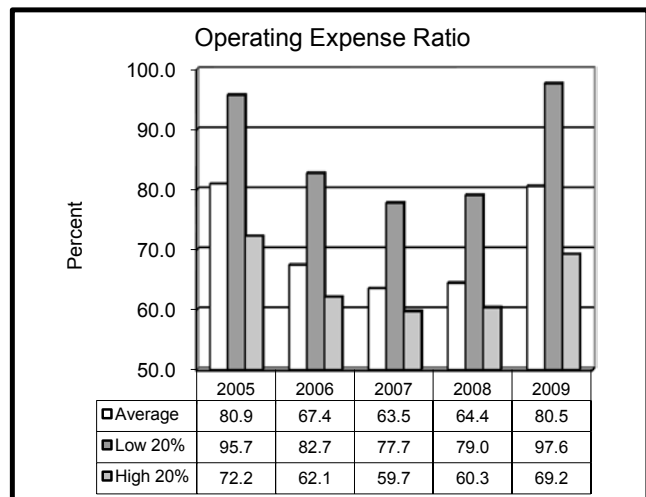
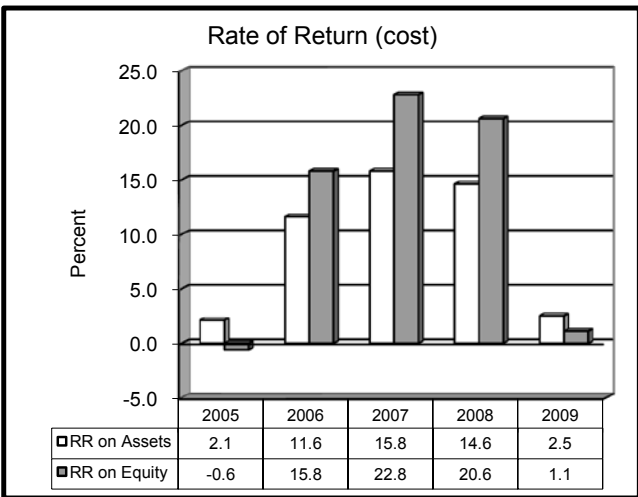
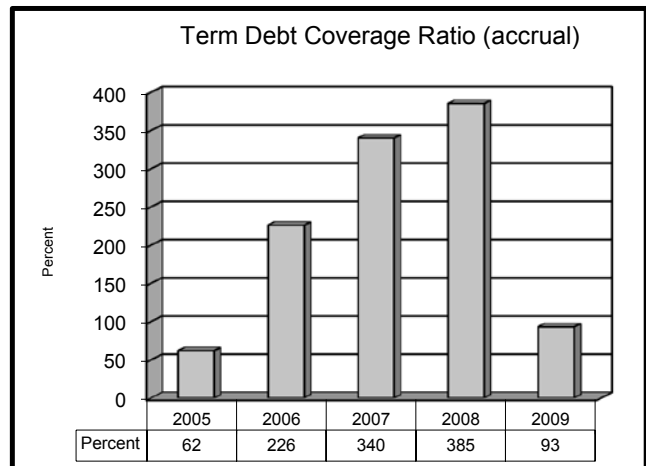
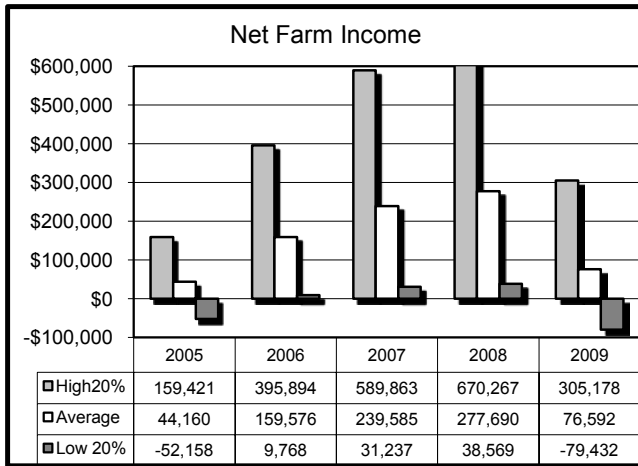
Operator and Labor Information

This table reports the average for the number of operators per farm, the operator's age, and the number of years farming.

Nonfarm Summary

This table also reports nonfarm income. The figure reported is the average over all farms not just those reporting nonfarm income.

Five Year Trend of Financial Measures Red River Valley Farm Business Management Education



Farm Income Statement
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Cash Farm Income				
Barley	4,040	9,994	1,553	5,220
Beans, Black Turtle	1,872	1,858	1,657	1,373
Beans, Dark Red Kidney	848	4,242	-	-
Beans, Navy	3,501	9,263	331	6,468
Beans, Pink	1,153	-	-	-
Beans, Pinto	5,810	14,941	636	813
Canola	312	-	-	-
Corn	140,880	186,877	103,457	192,856
Corn Silage	695	-	-	-
Hay, Alfalfa	1,104	148	46	2,296
Hay, Grass	28	-	133	-
Potatoes	15,304	14,395	-	62,128
Potatoes, Seed	2,630	-	-	13,150
Soybeans	215,942	253,961	153,788	290,587
Soybeans Seed	1,077	-	-	-
Straw	715	83	67	-
Sugar Beets	169,448	147,987	74,719	324,698
Sunflowers	6,374	14,179	4,224	7,607
Sunflowers, Confectionary	3,976	3,710	2,458	7,608
Wheat, Spring	141,814	131,394	56,512	249,015
Wheat, Winter	133	468	-	198
Sunflowers, Seed	686	-	-	-
Soybeans, Organic	1,126	3,548	-	-
Soybeans, Food	3,126	297	2,183	3,077
Barley, Organic	209	1,047	-	-
Corn, Organic	127	634	-	-
Hay, Alfalfa, Organic	1,223	5,666	448	-
Wheat, Spring, Organic	49	243	-	-
Corn, Blue, Organic	265	-	423	-
User Added Crop	583	-	-	2,914
Miscellaneous crop income	70	-	-	16
Beef Cow-Calf, Beef Calves	521	-	489	520
Beef Backgrounding	217	-	-	-
Beef Finishing	1,212	-	6,030	-
Hogs, Farrow To Finish, Raised Ho	2,104	-	1,098	-
Misc. livestock income	139	137	-	-
Direct & CC govt payments	21,286	23,152	13,361	29,928
CRP payments	1,473	2,020	808	2,510
Other government payments	987	1,290	411	1,868
Custom work income	8,927	5,937	8,350	3,422
Patronage dividends, cash	15,150	14,480	5,990	27,557
Insurance income	41,881	54,338	34,616	52,258
Sale of resale items	1,562	3,440	1,721	2,651
Other farm income	22,441	24,569	17,257	35,899
Gross Cash Farm Income	843,024	934,298	492,766	1,326,635

Farm Income Statement (Continued)
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Cash Farm Expense				
Seed	94,634	104,217	63,704	139,841
Fertilizer	85,232	84,760	45,829	142,945
Crop chemicals	55,056	59,306	31,519	94,504
Crop insurance	35,785	45,657	20,615	50,803
Drying expense	7,472	7,558	5,334	10,023
Storage	963	2,303	585	647
Crop hired labor	40	-	-	199
Hauling and trucking	1,101	2,051	-	2,806
Crop marketing	1,494	2,938	516	3,969
Crop miscellaneous	2,706	2,196	1,899	5,226
Feeder livestock purchase	1,469	55	6,897	322
Purchased feed	1,846	113	3,125	346
Veterinary	119	37	359	13
Supplies	229	145	47	97
Livestock marketing	119	-	14	-
Interest	33,240	49,162	19,536	38,594
CCC buyback	8,882	15,696	6,554	12,902
Fuel & oil	35,098	43,918	19,793	50,140
Repairs	60,055	78,646	31,628	82,559
Custom hire	12,893	13,443	7,272	21,293
Hired labor	32,030	35,838	13,081	50,801
Land rent	110,681	130,181	64,100	169,194
Stock/quota lease	17,395	21,912	10,993	22,038
Machinery leases	8,974	18,173	4,810	6,454
Building leases	1,517	578	300	3,830
Real estate taxes	5,719	5,549	3,182	9,642
Farm insurance	10,919	15,373	5,795	15,052
Utilities	8,467	10,389	4,439	13,916
Dues & professional fees	6,627	7,478	3,790	8,839
Purchase of resale items	3,503	2,457	3,351	424
Miscellaneous	6,931	7,290	2,791	9,207
Total cash expense	651,196	767,418	381,856	966,627
Net cash farm income	191,828	166,880	110,910	360,008
Inventory Changes				
Prepays and supplies	-21,165	-51,656	-2,838	-4,736
Accounts receivable	-2,376	-9,820	-2,514	-10,121
Hedging accounts	810	233	-318	4,714
Other current assets	2,304	8,284	-102	3,260
Crops and feed	-61,337	-138,482	-29,794	-28,795
Market livestock	322	-1,316	2,708	-14
Breeding livestock	-47	221	-	-43
Other assets	9,272	2,333	502	31,863
Accounts payable	1,214	-6,516	-7,324	14,235
Accrued interest	461	-1,038	260	1,168
Total inventory change	-70,541	-197,756	-39,420	11,530
Net operating profit	121,288	-30,876	71,490	371,538
Depreciation				
Machinery and equipment	-40,719	-40,476	-22,079	-66,717
Titled vehicles	-3,035	-4,164	-1,453	-3,365
Buildings and improvements	-2,884	-3,913	-2,364	-4,367
Total depreciation	-46,639	-48,553	-25,897	-74,450
Net farm income from operations	74,649	-79,429	45,593	297,088
Gain or loss on capital sales	1,944	-4	826	8,090
Net farm income	76,592	-79,432	46,419	305,178

Inventory Changes
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Net cash farm income	191,828	166,880	110,910	360,008
Crops and Feed				
Ending inventory	415,754	401,030	191,596	740,696
Beginning inventory	477,090	539,513	221,390	769,490
Inventory change	-61,337	-138,482	-29,794	-28,795
Market Livestock				
Ending inventory	2,233	773	3,369	561
Beginning inventory	1,911	2,089	661	576
Inventory change	322	-1,316	2,708	-14
Accts Receivable				
Ending inventory	52,540	52,263	44,214	59,141
Beginning inventory	54,916	62,083	46,728	69,262
Inventory change	-2,376	-9,820	-2,514	-10,121
Prepaid Expenses and Supplies				
Ending inventory	76,344	59,450	33,935	152,403
Beginning inventory	97,508	111,106	36,772	157,139
Inventory change	-21,165	-51,656	-2,838	-4,736
Hedging Activities				
Ending inventory	4,398	5,934	1,838	11,394
Withdrawals	3,516	4,658	954	9,552
Beginning inventory	4,705	4,930	2,769	12,186
Deposits	2,398	5,429	341	4,047
Gain or loss	810	233	-318	4,714
Other Current Assets				
Ending inventory	4,917	15,568	-	8,048
Beginning inventory	2,613	7,284	102	4,788
Inventory change	2,304	8,284	-102	3,260
Breeding Livestock				
Ending inventory	1,756	1,403	-	673
Capital sales	26	-	-	-
Beginning inventory	1,704	1,181	-	716
Capital purchases	124	-	-	-
Depreciation, capital adjust	-47	221	-	-43
Other Capital Assets				
Ending inventory	222,004	174,559	98,808	435,027
Capital sales	3,969	2,626	7,635	7,245
Beginning inventory	210,686	172,845	103,652	397,069
Capital purchases	6,015	2,007	2,290	13,341
Depreciation, capital adjust	9,272	2,333	502	31,863
Accounts Payable				
Beginning inventory	32,384	49,693	13,041	40,841
Ending inventory	31,170	56,210	20,366	26,606
Inventory change	1,214	-6,516	-7,324	14,235
Accrued Interest				
Beginning inventory	15,939	25,558	9,308	17,215
Ending inventory	15,486	26,603	9,048	16,074
Inventory change	461	-1,038	260	1,168
Total inventory change	-70,541	-197,756	-39,420	11,530
Net operating profit	121,288	-30,876	71,490	371,538

Depreciation
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Net operating profit	121,288	-30,876	71,490	371,538
Machinery and Equipment				
Ending inventory	474,422	527,749	284,119	735,127
Capital sales	8,485	8,291	3,584	18,769
Beginning inventory	398,605	452,218	218,599	612,695
Capital purchases	125,021	124,298	91,183	207,919
Depreciation, capital adjust.	-40,719	-40,476	-22,079	-66,717
Titled Vehicles				
Ending inventory	28,415	35,196	13,556	37,288
Capital sales	87	-	-	-
Beginning inventory	25,598	33,330	11,434	32,424
Capital purchases	5,940	6,029	3,576	8,229
Depreciation, capital adjust.	-3,035	-4,164	-1,453	-3,365
Buildings and Improvements				
Ending inventory	97,034	119,916	64,741	150,631
Capital sales	326	1,468	-	163
Beginning inventory	87,446	108,200	60,273	132,490
Capital purchases	12,799	17,098	6,831	22,671
Depreciation, capital adjust.	-2,884	-3,913	-2,364	-4,367
Total depreciation, capital adj.	-46,639	-48,553	-25,897	-74,450
Net farm income from operations	74,649	-79,429	45,593	297,088
Gain or loss on capital sales	1,944	-4	826	8,090
Net farm income	76,592	-79,432	46,419	305,178

Profitability Measures
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Profitability (assets valued at cost)				
Net farm income from operations	74,649	-79,429	45,593	297,088
Rate of return on assets	2.5 %	-5.2 %	2.4 %	8.2 %
Rate of return on equity	1.1 %	-16.8 %	0.8 %	10.0 %
Operating profit margin	5.7 %	-12.3 %	5.2 %	18.1 %
Asset turnover rate	43.3 %	42.4 %	44.9 %	45.5 %
Farm interest expense	32,778	50,200	19,275	37,426
Value of operator lbr and mgmt.	62,914	67,932	41,314	94,398
Return on farm assets	44,514	-97,161	23,555	240,116
Average farm assets	1,809,892	1,859,045	1,001,349	2,918,712
Return on farm equity	11,735	-147,361	4,280	202,690
Average farm equity	1,085,203	877,864	570,338	2,036,021
Value of farm production	784,376	787,972	449,876	1,327,921

Liquidity & Repayment Capacity Measures
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Liquidity				
Current ratio	1.55	1.07	1.54	2.10
Working capital	172,300	33,147	99,318	430,475
Working capital to gross inc	25.9 %	4.9 %	22.9 %	40.1 %
Current assets	483,925	493,502	283,966	822,960
Current liabilities	311,625	460,355	184,648	392,485
Gross revenues (accrual)	664,854	674,954	434,403	1,074,585
Repayment capacity				
Net farm income from operations	74,649	-79,429	45,593	297,088
Depreciation	46,639	48,553	25,897	74,450
Personal income	19,123	16,948	21,320	22,124
Family living/owner withdrawals	-67,600	-62,663	-50,047	-99,625
Payments on personal debt	-4,943	-4,869	-5,269	-4,751
Income taxes paid	-19,243	-13,018	-11,818	-32,489
Interest on term debt	25,786	33,945	15,670	29,818
Capital debt repayment capacity	74,411	-60,532	41,347	286,615
Scheduled term debt payments	-79,585	-102,826	-47,183	-103,434
Capital debt repayment margin	-5,174	-163,358	-5,836	183,181
Cash replacement allowance	-17,682	-15,156	-9,012	-33,033
Replacement margin	-22,856	-178,515	-14,848	150,148
Term debt coverage ratio	0.93	-0.59	0.88	2.77
Replacement coverage ratio	0.77	-0.51	0.74	2.10

Balance Sheet at Cost Values
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	212	41	47	37
Assets				
Current Farm Assets				
Cash and checking balance	24,078	34,528	28,730	39,491
Prepaid expenses & supplies	59,675	52,389	29,665	103,272
Growing crops	1,512	6,161	-	1,273
Accounts receivable	46,891	48,679	44,500	54,631
Hedging accounts	3,222	6,231	1,277	7,401
Crops held for sale or feed	321,368	306,185	173,266	560,478
Crops under government loan	21,929	27,373	3,015	53,212
Market livestock held for sale	2,499	507	3,512	743
Other current assets	2,750	11,449	-	2,458
Total current farm assets	483,925	493,502	283,966	822,960
Intermediate Farm Assets				
Breeding livestock	1,748	222	-	892
Machinery and equipment	395,794	472,955	258,817	591,351
Titled vehicles	24,045	23,409	14,133	31,760
Other intermediate assets	137,392	127,757	66,260	260,470
Total intermediate farm assets	558,978	624,342	339,210	884,473
Long Term Farm Assets				
Farm land	385,954	384,592	259,684	541,607
Buildings and improvements	83,931	98,413	67,496	115,279
Other long-term assets	32,763	16,119	22,164	73,273
Total long-term farm assets	502,647	499,124	349,343	730,158
Total Farm Assets	1,545,551	1,616,968	972,519	2,437,591
Total Nonfarm Assets	220,223	219,133	172,665	325,018
Total Assets	1,765,774	1,836,101	1,145,185	2,762,609
Liabilities				
Current Farm Liabilities				
Accrued interest	14,027	22,792	8,720	17,723
Accounts payable	27,632	46,590	21,013	23,642
Current notes	203,902	305,707	113,287	258,186
Government crop loans	13,277	18,638	1,509	28,937
Principal due on term debt	52,786	66,628	40,119	63,997
Total current farm liabilities	311,625	460,355	184,648	392,485
Total intermediate farm liabs	152,253	225,026	110,491	186,505
Total long term farm liabilities	219,973	254,190	158,866	281,549
Total farm liabilities	683,852	939,571	454,006	860,539
Total nonfarm liabilities	64,099	93,855	47,150	85,850
Total liabilities	747,951	1,033,426	501,155	946,388
Net worth (farm and nonfarm)	1,017,823	802,675	644,029	1,816,220
Net worth change	6,849	-130,194	15,844	146,305
Percent net worth change	1 %	-14 %	3 %	9 %
Ratio Analysis				
Current farm liabilities / assets	64 %	93 %	65 %	48 %
Intermediate farm liab. / assets	27 %	36 %	33 %	21 %
Long term farm liab. / assets	44 %	51 %	45 %	39 %
Total debt to asset ratio	42 %	56 %	44 %	34 %

Balance Sheet at Market Values
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	212	41	47	37
Assets				
Current Farm Assets				
Cash and checking balance	24,078	34,528	28,730	39,491
Prepaid expenses & supplies	59,675	52,389	29,665	103,272
Growing crops	1,512	6,161	-	1,273
Accounts receivable	46,891	48,679	44,500	54,631
Hedging accounts	3,222	6,231	1,277	7,401
Crops held for sale or feed	321,368	306,185	173,266	560,478
Crops under government loan	21,929	27,373	3,015	53,212
Market livestock held for sale	2,499	507	3,512	743
Other current assets	2,750	11,449	-	2,458
Total current farm assets	483,925	493,502	283,966	822,960
Intermediate Farm Assets				
Breeding livestock	1,740	222	-	892
Machinery and equipment	502,279	583,284	319,648	785,431
Titled vehicles	27,646	29,405	15,497	37,283
Other intermediate assets	192,336	149,939	81,187	416,568
Total intermediate farm assets	724,001	762,850	416,333	1,240,173
Long Term Farm Assets				
Farm land	550,258	587,105	354,336	817,190
Buildings and improvements	99,805	110,693	74,600	145,346
Other long-term assets	35,274	16,558	23,755	84,674
Total long-term farm assets	685,337	714,357	452,691	1,047,210
Total Farm Assets	1,893,263	1,970,709	1,152,990	3,110,343
Total Nonfarm Assets	253,233	267,080	191,717	354,428
Total Assets	2,146,496	2,237,789	1,344,706	3,464,771
Liabilities				
Current Farm Liabilities				
Accrued interest	14,027	22,792	8,720	17,723
Accounts payable	27,632	46,590	21,013	23,642
Current notes	203,902	305,707	113,287	258,186
Government crop loans	13,277	18,638	1,509	28,937
Principal due on term debt	52,786	66,628	40,119	63,997
Total current farm liabilities	311,625	460,355	184,648	392,485
Total intermediate farm liab	152,253	225,026	110,491	186,505
Total long term farm liabilities	219,973	254,190	158,866	281,549
Total farm liabilities	683,852	939,571	454,006	860,539
Total nonfarm liabilities	64,099	93,855	47,150	85,850
Total liab. excluding deferreds	747,951	1,033,426	501,155	946,388
Total deferred liabilities	182,261	196,753	78,734	347,245
Total liabilities	930,212	1,230,179	579,889	1,293,634
Retained earnings	1,017,823	802,675	644,029	1,816,220
Market valuation equity	198,460	204,935	120,788	354,917
Net worth (farm and nonfarm)	1,216,283	1,007,610	764,817	2,171,137
Net worth excluding deferreds	1,398,545	1,204,363	843,551	2,518,382
Net worth change	69,895	-39,977	52,970	232,482
Percent net worth change	6 %	-4 %	7 %	12 %
Ratio Analysis				
Current farm liabilities / assets	64 %	93 %	65 %	48 %
Intermediate farm liab. / assets	21 %	29 %	27 %	15 %
Long term farm liab. / assets	32 %	36 %	35 %	27 %
Total debt to asset ratio	43 %	55 %	43 %	37 %
Debt to assets excl deferreds	35 %	46 %	37 %	27 %

Statement Of Cash Flows
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Beginning cash (farm & nonfarm)	34,678	22,311	28,995	81,698
Cash Provided By Operating Activities				
Gross cash farm income	843,024	934,298	492,766	1,326,635
Total cash farm expense	-651,196	-767,418	-381,856	-966,627
Net cash from hedging transactions	1,118	-771	613	5,506
Cash provided by operating	192,946	166,110	111,523	365,514
Cash Provided By Investing Activities				
Sale of breeding livestock	26	-	-	-
Sale of machinery & equipment	8,600	8,287	3,543	19,198
Sale of titled vehicles	87	-	-	-
Sale of farm land	5,521	394	1,509	1,209
Sale of farm buildings	326	1,468	-	163
Sale of other farm assets	5,674	2,626	8,502	14,907
Sale of nonfarm assets	4,418	5,051	2,368	6,048
Purchase of breeding livestock	-124	-	-	-
Purchase of machinery & equip.	-125,021	-124,298	-91,183	-207,919
Purchase of titled vehicles	-5,940	-6,029	-3,576	-8,229
Purchase of farm land	-32,227	-14,612	-29,918	-52,574
Purchase of farm buildings	-12,799	-17,098	-6,831	-22,671
Purchase of other farm assets	-6,015	-2,007	-2,290	-13,341
Purchase of nonfarm assets	-27,650	-36,686	-18,541	-34,044
Cash provided by investing	-185,122	-182,903	-136,416	-297,253
Cash Provided By Financing Activities				
Money borrowed	473,594	619,887	301,043	678,636
Principal payments	-408,029	-541,611	-226,994	-599,587
Personal income	19,123	16,948	21,320	22,124
Family living/owner withdrawals	-67,600	-62,663	-50,047	-99,625
Income and social security tax	-19,243	-13,018	-11,818	-32,489
Capital contributions	13	65	-	-
Capital distributions	-417	-1,676	-	-
Dividends paid	-3,183	-	-1	-15,915
Cash gifts and inheritances	4,709	10,209	3,328	3,415
Gifts given	-743	-204	-918	-1,061
Other cash flows	-	-	-	-
Cash provided by financing	-1,775	27,936	35,913	-44,503
Net change in cash balance	6,048	11,143	11,020	23,758
Ending cash (farm & nonfarm)	40,726	33,454	40,015	105,456

Financial Standards Measures
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Liquidity				
Current ratio	1.55	1.07	1.54	2.10
Working capital	172,300	33,147	99,318	430,475
Working capital to gross inc	25.9 %	4.9 %	22.9 %	40.1 %
Solvency (market)				
Farm debt to asset ratio	44 %	57 %	45 %	37 %
Farm equity to asset ratio	56 %	43 %	55 %	63 %
Farm debt to equity ratio	0.80	1.32	0.82	0.60
Profitability (cost)				
Rate of return on farm assets	2.5 %	-5.2 %	2.4 %	8.2 %
Rate of return on farm equity	1.1 %	-16.8 %	0.8 %	10.0 %
Operating profit margin	5.7 %	-12.3 %	5.2 %	18.1 %
Net farm income	76,592	-79,432	46,419	305,178
EBIDTA	154,066	19,324	90,766	408,964
Repayment Capacity				
Capital debt repayment capacity	74,411	-60,532	41,347	286,615
Capital debt repayment margin	-5,174	-163,358	-5,836	183,181
Replacement margin	-22,856	-178,515	-14,848	150,148
Term debt coverage ratio	0.93	-0.59	0.88	2.77
Replacement coverage ratio	0.77	-0.51	0.74	2.10
Efficiency				
Asset turnover rate (cost)	43.3 %	42.4 %	44.9 %	45.5 %
Operating expense ratio	80.5 %	97.6 %	80.4 %	69.2 %
Depreciation expense ratio	5.9 %	6.1 %	5.6 %	5.6 %
Interest expense ratio	4.2 %	6.2 %	4.2 %	2.9 %
Net farm income ratio	9.7 %	-10.0 %	10.0 %	23.0 %

Crop Production and Marketing Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Acreage Summary				
Total acres owned	386	397	249	581
Total crop acres	1,797	2,071	1,079	2,547
Crop acres owned	370	374	222	519
Crop acres cash rented	1,359	1,636	812	1,956
Crop acres share rented	67	61	44	73
Total pasture acres	4	-	-	-
Percent crop acres owned	21 %	18 %	21 %	20 %
Average Price Received (Cash Sales Only)				
Soybeans per bushel	9.28	9.37	9.17	10.41
Wheat, Spring per bushel	5.69	5.36	5.33	6.04
Corn per bushel	3.48	3.37	3.43	3.57
Beans, Black Turtle per cwt	31.76	-	-	-
Barley per bushel	4.54	-	-	-
Hay, Alfalfa per ton	92.09	-	-	-
Beans, Navy per cwt	29.75	-	-	-
Soybeans, Food per bushel	11.43	-	-	-
Beans, Pinto per cwt	27.19	-	-	-
Average Yield Per Acre				
Soybeans (bushel)	31.14	28.86	31.17	33.28
Wheat, Spring (bushel)	63.28	59.11	60.48	66.43
Sugar Beets (ton)	20.81	20.15	20.67	21.96
Corn (bushel)	130.81	124.67	127.67	140.05
Soybeans, Food (bushel)	25.19	-	-	28.21
Beans, Pinto (cwt)	15.73	13.54	-	-
Beans, Navy (cwt)	16.81	18.72	-	-
Sunflowers (cwt)	17.20	-	16.78	-
Hay, Alfalfa (ton)	3.18	-	-	-
Sunflowers, Confectionary (cwt)	14.23	-	-	-
Barley (bushel)	90.27	-	-	-

Operator and Labor Information
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Operator Information				
Average number of operators	1.1	1.1	1.0	1.4
Average age of operators	45.0	44.7	41.1	47.5
Average number of years farming	21.6	21.9	16.9	25.3
Results Per Operator				
Working capital	224,261	63,211	116,985	468,981
Total assets (market)	2,176,735	2,177,848	1,430,582	2,877,835
Total liabilities	938,475	1,191,629	610,765	1,049,975
Net worth (market)	1,238,260	986,218	819,817	1,827,860
Net worth excl deferred liabs	1,441,267	1,192,801	904,455	2,149,815
Gross farm income	707,196	702,180	467,735	957,672
Total farm expense	640,472	772,725	421,700	743,594
Net farm income from operations	66,724	-70,546	46,035	214,078
Net nonfarm income	17,093	15,053	21,526	15,942
Family living & tax withdrawals	77,624	67,217	62,464	95,200
Total acres owned	344.6	352.5	251.9	419.0
Total crop acres	1,605.9	1,839.5	1,089.4	1,835.6
Crop acres owned	330.5	332.2	224.6	374.1
Crop acres cash rented	1,215.0	1,453.1	820.1	1,409.2
Crop acres share rented	60.3	54.3	44.7	52.3
Total pasture acres	3.3	-	-	-
Labor Analysis				
Number of farms	245	49	49	49
Total unpaid labor hours	1,834	1,930	1,411	2,306
Total hired labor hours	1,665	1,873	599	2,818
Total labor hours per farm	3,500	3,802	2,010	5,124
Unpaid hours per operator	1,639	1,714	1,424	1,662

Nonfarm Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	245	49	49	49
Nonfarm Income				
Personal wages & salary	14,130	9,201	17,493	16,203
Net nonfarm business income	2,887	4,849	2,020	3,756
Personal rental income	-49	-	107	-370
Personal interest income	195	188	170	242
Personal cash dividends	205	7	71	735
Tax refunds	353	731	329	3
Other nonfarm income	1,402	1,972	1,130	1,555
Total nonfarm income	19,123	16,948	21,320	22,124
Gifts and inheritances	4,709	10,209	3,328	3,415

Financial Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Gross Farm Income)

	<u>Avg. Of All Farms</u>	<u>50,001 - 100,000</u>	<u>100,001 - 250,000</u>	<u>250,001 - 500,000</u>	<u>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	245	8	25	47	91	72
Income Statement						
Gross cash farm income	843,024	79,054	181,106	370,507	734,115	1,626,363
Total cash farm expense	651,196	61,324	147,408	305,521	553,275	1,258,429
Net cash farm income	191,828	17,730	33,698	64,986	180,840	367,934
Inventory change	-70,541	7,275	3,062	-10,069	-89,656	-121,991
Depreciation	-46,639	-3,784	-8,156	-19,838	-43,887	-86,945
Net farm income from operations	74,649	21,222	28,604	35,079	47,297	158,999
Gain or loss on capital sales	1,944	-	-	-	5,034	251
Average net farm income	76,592	21,222	28,604	35,079	52,331	159,250
Median net farm income	45,329	19,091	42,992	41,812	41,585	115,852
Profitability (cost)						
Rate of return on assets	2.5 %	8.5 %	5.3 %	2.2 %	1.2 %	3.2 %
Rate of return on equity	1.1 %	12.9 %	5.0 %	-0.3 %	-1.1 %	2.5 %
Operating profit margin	5.7 %	16.2 %	10.0 %	4.7 %	3.1 %	7.0 %
Asset turnover rate	43.3 %	52.3 %	52.6 %	45.8 %	39.3 %	45.2 %
Liquidity & Repayment (end of year)						
Current assets	483,925	42,507	98,521	273,278	499,013	987,288
Current liabilities	311,625	25,465	75,473	186,941	298,005	662,607
Current ratio	1.55	1.67	1.31	1.46	1.67	1.49
Working capital	172,300	17,042	23,048	86,337	201,008	324,681
Working capital to gross inc	25.9 %	20.6 %	12.0 %	23.2 %	30.7 %	23.4 %
Term debt coverage ratio	0.93	1.96	1.14	0.72	0.62	1.17
Replacement coverage ratio	0.77	1.82	1.00	0.56	0.50	0.98
Solvency (end of year at market)						
Number of sole proprietors	212	8	25	47	85	45
Total farm assets	1,893,263	217,270	537,606	1,021,500	2,087,567	3,559,673
Total farm liabilities	840,654	124,637	260,147	513,829	857,985	1,630,907
Total assets	2,146,496	259,166	645,879	1,223,515	2,323,575	4,023,947
Total liabilities	930,212	136,575	324,200	563,002	936,727	1,811,771
Net worth	1,216,283	122,590	321,679	660,513	1,386,848	2,212,176
Net worth change	69,895	24,187	33,911	38,908	73,859	125,859
Farm debt to asset ratio	44 %	57 %	48 %	50 %	41 %	46 %
Total debt to asset ratio	43 %	53 %	50 %	46 %	40 %	45 %
Nonfarm Information						
Net nonfarm income	19,123	24,781	29,151	21,810	17,590	14,368
Crop Acres						
Total acres owned	386	47	130	239	420	572
Total crop acres	1,797	257	478	986	1,630	3,212
Total crop acres owned	370	50	126	234	385	567
Total crop acres cash rented	1,359	199	338	677	1,199	2,528
Total crop acres share rented	67	8	14	75	46	116

Financial Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Age Of Operator)

	<u>Avg. Of All Farms</u>	<u>Less Than 31</u>	<u>31 - 40</u>	<u>41 - 50</u>	<u>51 - 60</u>	<u>Over 60</u>
Number of farms	245	32	58	66	75	14
Income Statement						
Gross cash farm income	843,024	372,844	825,881	974,576	947,905	806,710
Total cash farm expense	651,196	301,670	677,489	766,643	695,355	560,373
Net cash farm income	191,828	71,174	148,392	207,934	252,550	246,336
Inventory change	-70,541	-22,652	-20,800	-114,708	-83,623	-107,769
Depreciation	-46,639	-13,898	-43,375	-55,681	-55,621	-44,250
Net farm income from operations	74,649	34,625	84,217	37,545	113,306	94,317
Gain or loss on capital sales	1,944	-	646	6,572	-	357
Average net farm income	76,592	34,625	84,862	44,117	113,306	94,674
Median net farm income	45,329	41,781	54,804	19,002	66,085	68,176
Profitability (cost)						
Rate of return on assets	2.5 %	2.8 %	3.6 %	0.2 %	3.5 %	3.3 %
Rate of return on equity	1.1 %	0.2 %	2.8 %	-2.7 %	2.9 %	2.7 %
Operating profit margin	5.7 %	4.1 %	6.7 %	0.4 %	9.5 %	8.7 %
Asset turnover rate	43.3 %	67.6 %	54.1 %	42.0 %	37.1 %	38.1 %
Liquidity & Repayment (end of year)						
Current assets	483,925	201,507	462,645	604,830	544,972	449,253
Current liabilities	311,625	182,090	293,842	398,265	327,582	264,518
Current ratio	1.55	1.11	1.57	1.52	1.66	1.70
Working capital	172,300	19,417	168,802	206,565	217,390	184,736
Working capital to gross inc	25.9 %	5.3 %	24.1 %	26.0 %	31.2 %	33.0 %
Term debt coverage ratio	0.93	0.78	1.22	0.35	1.25	1.54
Replacement coverage ratio	0.77	0.71	1.06	0.29	1.00	1.06
Solvency (end of year at market)						
Number of sole proprietors	212	31	51	51	67	12
Total farm assets	1,893,263	646,242	1,437,476	2,339,962	2,510,034	1,709,720
Total farm liabilities	840,654	437,772	737,912	1,060,191	962,000	707,545
Total assets	2,146,496	721,517	1,600,152	2,696,355	2,832,259	1,983,897
Total liabilities	930,212	489,061	832,186	1,203,913	1,023,396	802,958
Net worth	1,216,283	232,456	767,966	1,492,442	1,808,863	1,180,939
Net worth change	69,895	21,803	62,165	69,214	104,255	38,033
Farm debt to asset ratio	44 %	68 %	51 %	45 %	38 %	41 %
Total debt to asset ratio	43 %	68 %	52 %	45 %	36 %	40 %
Nonfarm Information						
Net nonfarm income	19,123	16,846	21,691	16,684	20,029	20,338
Crop Acres						
Total acres owned	386	109	243	380	600	486
Total crop acres	1,797	877	1,816	2,106	1,938	1,602
Total crop acres owned	370	85	254	411	531	442
Total crop acres cash rented	1,359	762	1,524	1,622	1,311	1,063
Total crop acres share rented	67	31	37	73	96	97

Financial Summary
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By County)

	<u>Avg. Of All Farms</u>	<u>Clay</u>	<u>Marshall</u>	<u>Norman</u>	<u>Polk</u>	<u>Wilkin</u>	<u>Cass</u>	<u>Richland</u>
Number of farms	245	45	11	33	35	44	17	39
Income Statement								
Gross cash farm income	843,024	940,800	726,596	873,902	1,192,396	623,545	711,642	742,997
Total cash farm expense	651,196	733,886	585,575	704,509	900,641	491,445	568,787	574,958
Net cash farm income	191,828	206,914	141,021	169,392	291,755	132,101	142,855	168,039
Inventory change	-70,541	-46,108	-99,903	-88,086	-72,544	-54,006	-55,188	-86,275
Depreciation	-46,639	-56,706	-53,979	-40,160	-60,671	-32,105	-49,828	-42,887
Net farm income from operations	74,649	104,100	-12,861	41,147	158,540	45,989	37,839	38,877
Gain or loss on capital sales	1,944	8,343	2,727	286	143	966	-	406
Average net farm income	76,592	112,443	-10,134	41,433	158,683	46,955	37,839	39,282
Median net farm income	45,329	88,857	13,560	32,787	103,046	43,142	38,510	35,591
Profitability (cost)								
Rate of return on assets	2.5 %	3.3 %	-2.4 %	1.3 %	4.2 %	1.5 %	0.6 %	0.7 %
Rate of return on equity	1.1 %	2.7 %	-10.1 %	-2.2 %	4.5 %	-0.9 %	-1.6 %	-1.8 %
Operating profit margin	5.7 %	7.8 %	-5.5 %	2.9 %	9.3 %	3.8 %	1.4 %	1.8 %
Asset turnover rate	43.3 %	42.6 %	43.9 %	45.3 %	45.9 %	40.1 %	44.4 %	38.7 %
Liquidity & Repayment (end of year)								
Current assets	483,925	546,607	409,060	564,655	546,710	351,295	507,239	494,164
Current liabilities	311,625	373,601	255,660	406,680	356,938	241,577	270,164	279,729
Current ratio	1.55	1.46	1.60	1.39	1.53	1.45	1.88	1.77
Working capital	172,300	173,006	153,401	157,974	189,772	109,718	237,075	214,435
Working capital to gross inc	25.9 %	21.5 %	34.1 %	21.4 %	24.3 %	19.9 %	35.7 %	35.6 %
Term debt coverage ratio	0.93	1.00	0.50	0.50	1.45	0.52	0.82	0.73
Replacement coverage ratio	0.77	0.81	0.39	0.41	1.25	0.44	0.65	0.55
Solvency (end of year at market)								
Number of sole proprietors	212	40	9	31	21	43	16	35
Total farm assets	1,893,263	2,596,540	1,439,819	2,013,420	1,649,325	1,698,381	1,708,521	1,781,206
Total farm liabilities	840,654	1,001,283	842,290	938,725	943,985	744,568	744,562	736,677
Total assets	2,146,496	3,002,606	1,607,835	2,275,068	1,903,668	1,904,165	1,915,524	1,987,724
Total liabilities	930,212	1,229,986	886,891	1,057,333	1,021,128	794,423	782,955	759,840
Net worth	1,216,283	1,772,621	720,944	1,217,735	882,540	1,109,742	1,132,568	1,227,884
Net worth change	69,895	136,290	-1,978	67,639	43,132	63,246	54,001	33,361
Farm debt to asset ratio	44 %	39 %	58 %	47 %	57 %	44 %	44 %	41 %
Total debt to asset ratio	43 %	41 %	55 %	46 %	54 %	42 %	41 %	38 %
Nonfarm Information								
Net nonfarm income	19,123	26,374	21,699	20,011	7,073	22,995	24,538	13,854
Crop Acres								
Total acres owned	386	454	406	455	366	335	292	373
Total crop acres	1,797	1,915	1,841	2,142	2,211	1,273	1,815	1,638
Total crop acres owned	370	399	461	432	432	333	244	346
Total crop acres cash rented	1,359	1,472	1,380	1,651	1,729	854	1,531	1,160
Total crop acres share rented	67	45	-	58	50	86	40	131

EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. The "Net Return per Acre" is the "Gross Return per Acre" minus the direct and overhead costs. "Net Return" represents the return to the operator's and family's unpaid labor, management, and equity. It represents the return to all of the resources which are owned by the farm family and hence, not purchased or paid a wage. Net returns are also calculated after a charge for unpaid operator labor and management and after an allocation of direct government payments. The last section of each crop table contains breakeven yield measures which provide useful standards or goals for the individual managers.

There are potentially three tables for each crop depending on the farmer's tenure on the land. The crop tables may be for (1) owned land, (2) cash rented land, and (3) share rented land. Individual farms may have data in all three tables if all three land tenure categories are represented in that farm business. When there are less than five farms with a particular crop and tenure, that table is not included in the report. Farms may be classified into the low 20%, the mid 20%, or the high 20% on the basis of net return per acre. The classification is done separately for each table, i.e., an individual farm may be in the low 20% for one crop, the high 20% for a second, and the middle 20% for a third crop. When there are less than 25 total farms with any particular crop and farmer's tenure, only overall averages are presented.

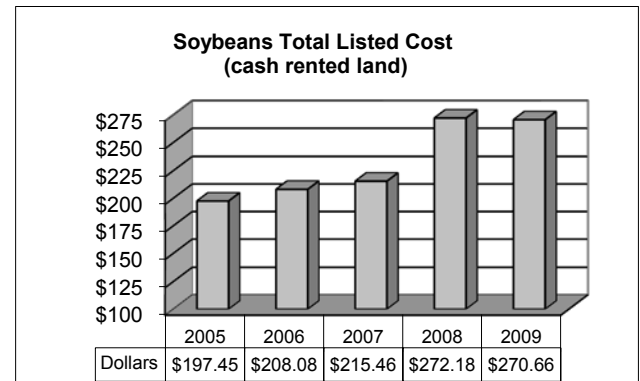
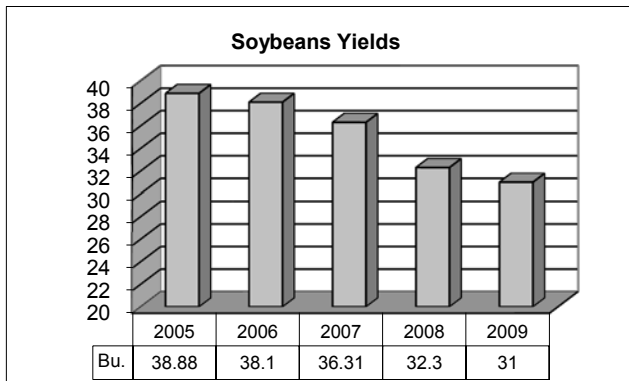
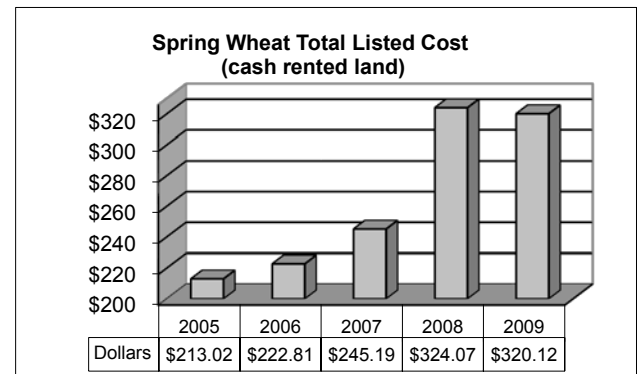
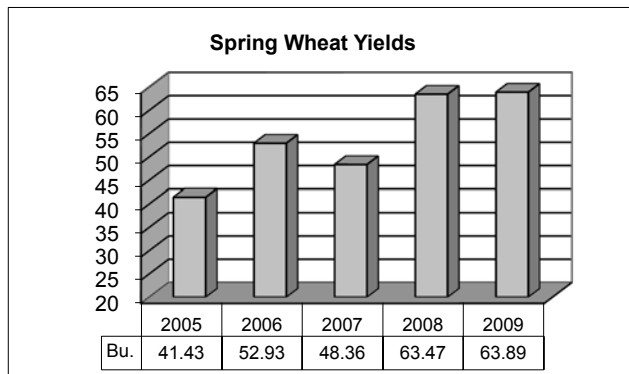
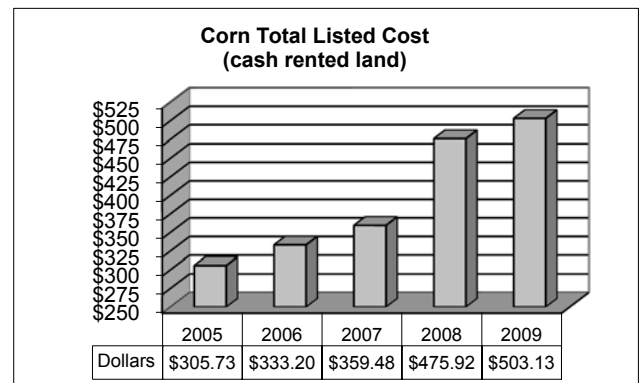
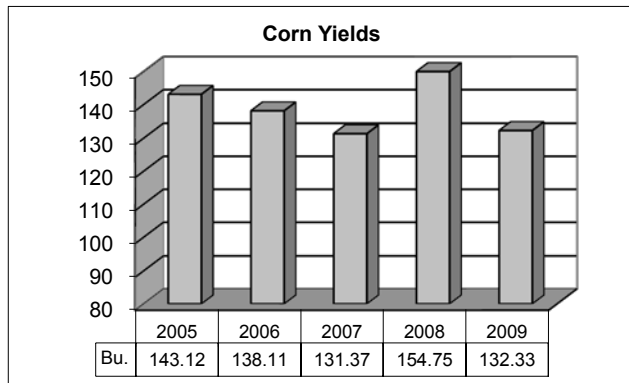
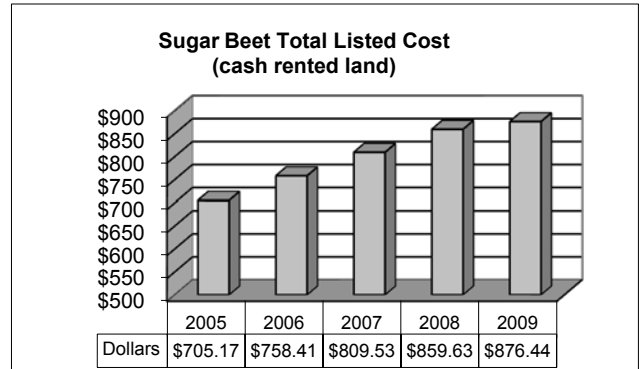
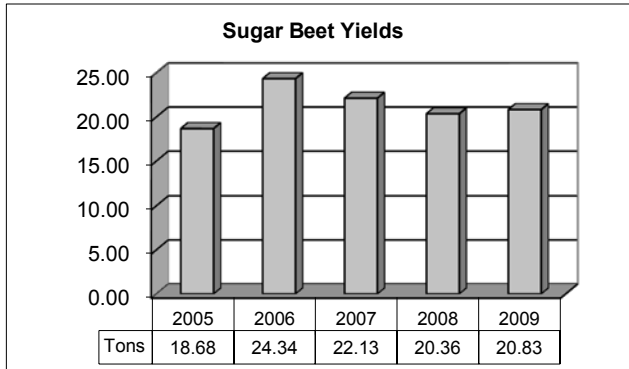
Several cost items, such as "utilities," "hired labor," and "interest paid," are listed under both "direct" and "overhead" costs because some of these costs are specific to that crop whereas others are general overhead costs of the farm. For example, "Direct Lease Payments" refers to non-land inputs or resources leased and used only in that crop enterprise and not listed elsewhere under direct costs; the most common example is the lease of equipment that is crop specific. However, cost of leasing machinery that is used for the entire farm operation is listed as an overhead cost. Interest payments are likewise divided into those incurred directly for a specific crop and those that are not. "Land Rent" is listed as a direct cost for each crop enterprise on cash rented land. In the case of double cropping, one-half of the rent is charged to each crop.

"Total direct expense per unit" and "Total dir & ovhd exp per unit" are calculated by dividing "Total direct expense per acre" and "Total dir & ovhd expenses per acre," respectively, by "Yield per acre." "With labor & management" is the breakeven yield after direct, overhead and a labor and management charge are considered. "Total exp less govt & oth income" is the breakeven yield after all costs (including a labor and management charge) are reduced by government payments and miscellaneous income.

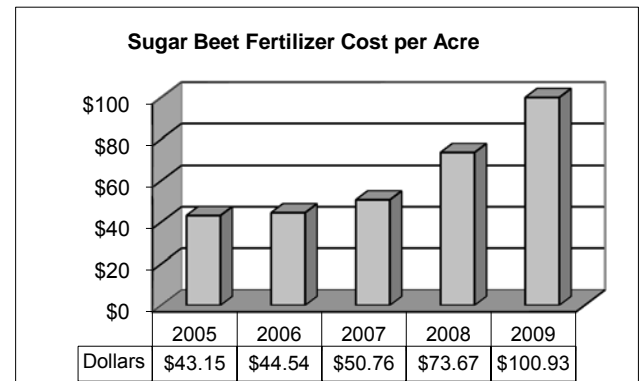
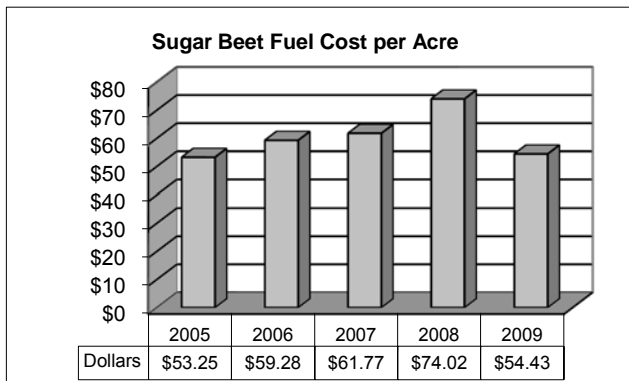
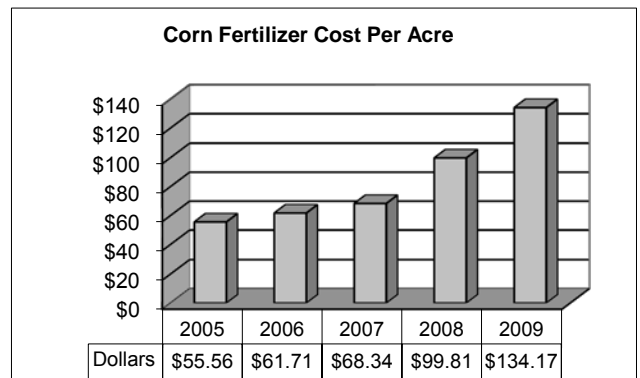
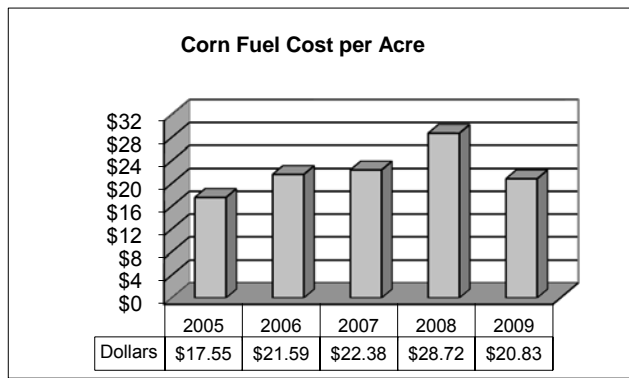
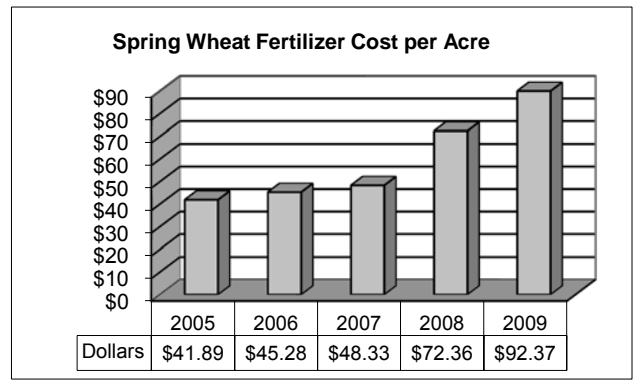
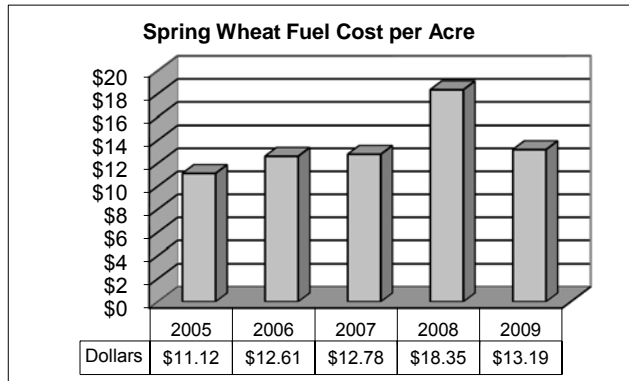
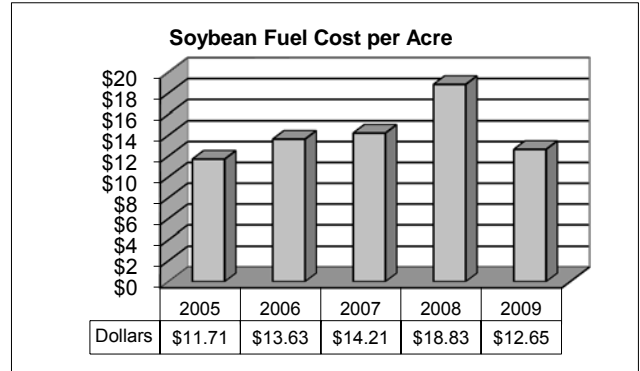
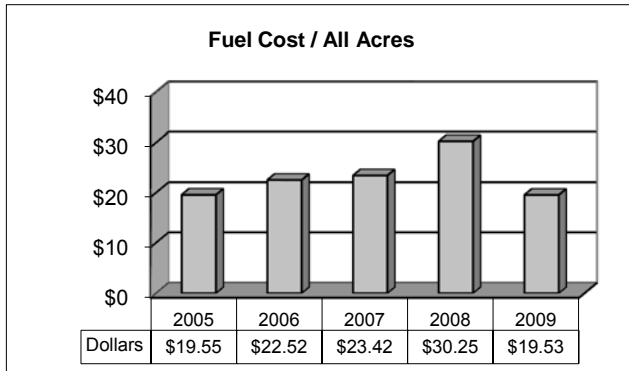
In the last section of the crop table, "machinery cost per acre" is the sum of fuel, repairs, all custom hire and machinery leases, machinery depreciation and interest on intermediate debt.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

Five Year Crop History of Yields and Cost of Production Red River Valley Farm Business Management Education



Five Year Crop History of Fuel and Fertilizer Costs per Acre Red River Valley Farm Business Management Education



Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Barley on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	5
Number of farms	5
Acres	226.46
Yield per acre (bu.)	90.85
Operators share of yield %	100.00
Value per bu.	3.85
Total product return per acre	349.33
Crop insurance per acre	17.66
LDP income per acre	0.89
Other crop income per acre	14.13
Gross return per acre	382.02
Direct Expenses	
Seed	17.49
Fertilizer	78.76
Crop chemicals	30.27
Crop insurance	13.95
Fuel & oil	11.43
Repairs	22.66
Custom hire	4.92
Hired labor	0.59
Land rent	65.21
Operating interest	2.58
Total direct expenses per acre	247.85
Return over direct exp per acre	134.16
Overhead Expenses	
Custom hire	1.84
Hired labor	10.09
Machinery leases	2.00
Farm insurance	5.06
Utilities	2.41
Dues & professional fees	3.04
Interest	2.52
Mach & bldg depreciation	15.78
Miscellaneous	2.50
Total overhead expenses per acre	45.25
Total dir & ovhd expenses per acre	293.10
Net return per acre	88.92
Government payments	14.26
Net return with govt pmts	103.18
Labor & management charge	22.99
Net return over lbr & mgt	80.19
Cost of Production	
Total direct expense per bu.	2.73
Total dir & ovhd exp per bu.	3.23
Less govt & other income	2.71
With labor & management	2.96
Net value per unit	3.86
Machinery cost per acre	59.96
Est. labor hours per acre	1.35

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Beans, Navy on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	14
Number of farms	7
Acres	124.31
Yield per acre (cwt.)	16.27
Operators share of yield %	100.00
Value per cwt.	27.92
Total product return per acre	454.33
Crop insurance per acre	30.28
Gross return per acre	484.61
Direct Expenses	
Seed	49.67
Fertilizer	39.49
Crop chemicals	45.97
Crop insurance	37.53
Fuel & oil	19.42
Repairs	30.50
Custom hire	8.53
Hired labor	2.27
Land rent	68.50
Operating interest	3.00
Miscellaneous	0.62
Total direct expenses per acre	305.49
Return over direct exp per acre	179.12
Overhead Expenses	
Custom hire	2.50
Hired labor	15.07
Machinery leases	3.05
Building leases	0.27
Farm insurance	5.64
Utilities	4.52
Dues & professional fees	5.56
Interest	9.92
Mach & bldg depreciation	28.39
Miscellaneous	6.32
Total overhead expenses per acre	81.24
Total dir & ovhd expenses per acre	386.73
Net return per acre	97.88
Government payments	-
Net return with govt pmts	97.88
Labor & management charge	36.88
Net return over lbr & mgt	61.00
Cost of Production	
Total direct expense per cwt.	18.78
Total dir & ovhd exp per cwt.	23.77
Less govt & other income	21.91
With labor & management	24.17
Net value per unit	27.92
Machinery cost per acre	100.54
Est. labor hours per acre	2.53

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Beans, Pinto on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	14
Number of farms	5
Acres	196.35
Yield per acre (cwt.)	14.34
Operators share of yield %	100.00
Value per cwt.	27.59
Total product return per acre	395.61
Crop insurance per acre	44.27
Gross return per acre	439.89
Direct Expenses	
Seed	49.92
Fertilizer	37.18
Crop chemicals	59.81
Crop insurance	30.89
Fuel & oil	23.51
Repairs	21.57
Custom hire	1.73
Land rent	66.42
Machinery leases	1.41
Total direct expenses per acre	292.46
Return over direct exp per acre	147.43
Overhead Expenses	
Custom hire	4.22
Hired labor	15.66
Machinery leases	7.60
Building leases	2.65
Farm insurance	2.66
Utilities	2.24
Dues & professional fees	3.48
Interest	4.98
Mach & bldg depreciation	26.23
Miscellaneous	0.45
Total overhead expenses per acre	70.19
Total dir & ovhd expenses per acre	362.65
Net return per acre	77.24
Government payments	-
Net return with govt pmts	77.24
Labor & management charge	34.80
Net return over lbr & mgt	42.44
Cost of Production	
Total direct expense per cwt.	20.40
Total dir & ovhd exp per cwt.	25.29
Less govt & other income	22.20
With labor & management	24.63
Net value per unit	27.59
Machinery cost per acre	89.81
Est. labor hours per acre	2.58

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Corn on Owned Land

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	61	11	13	12
Number of farms	58	11	11	12
Acres	213.51	191.91	162.92	322.74
Yield per acre (bu.)	126.99	109.12	123.76	140.22
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	3.36	2.88	3.42	3.63
Total product return per acre	426.82	314.57	422.76	508.96
Crop insurance per acre	1.83	1.56	2.06	1.29
Other crop income per acre	0.07	0.46	-	-
Gross return per acre	428.73	316.59	424.81	510.26
Direct Expenses				
Seed	75.49	83.84	75.86	69.78
Fertilizer	127.54	133.97	126.48	122.35
Crop chemicals	21.26	13.87	21.05	19.43
Crop insurance	21.99	22.63	19.94	20.67
Drying expense	22.09	34.45	27.28	11.77
Fuel & oil	20.30	21.44	19.95	16.08
Repairs	35.05	52.31	39.11	28.09
Custom hire	4.79	4.98	13.28	5.17
Hired labor	0.19	1.09	-	-
Operating interest	6.31	8.59	4.12	4.59
Miscellaneous	0.17	-	0.24	0.40
Total direct expenses per acre	335.16	377.18	347.30	298.33
Return over direct exp per acre	93.57	-60.59	77.51	211.93
Overhead Expenses				
Custom hire	2.06	5.15	0.33	1.08
Hired labor	16.17	18.10	18.31	18.47
Machinery leases	6.74	1.40	0.01	2.79
Building leases	0.76	0.67	0.27	-
RE & pers. property taxes	14.24	12.71	16.83	14.69
Farm insurance	6.79	10.15	3.82	3.57
Utilities	6.13	11.70	3.80	4.65
Dues & professional fees	3.65	3.20	4.11	3.85
Interest	38.53	39.58	29.65	34.51
Mach & bldg depreciation	31.41	38.47	31.39	37.99
Miscellaneous	3.43	5.94	2.18	1.91
Total overhead expenses per acre	129.90	147.07	110.69	123.51
Total dir & ovhd expenses per acre	465.06	524.25	457.99	421.84
Net return per acre	-36.33	-207.67	-33.17	88.42
Government payments	12.20	12.99	13.68	11.13
Net return with govt pmts	-24.13	-194.68	-19.50	99.55
Labor & management charge	38.17	37.05	44.23	35.50
Net return over lbr & mgt	-62.30	-231.73	-63.73	64.05
Cost of Production				
Total direct expense per bu.	2.64	3.46	2.81	2.13
Total dir & ovhd exp per bu.	3.66	4.80	3.70	3.01
Less govt & other income	3.55	4.67	3.57	2.92
With labor & management	3.85	5.01	3.93	3.17
Net value per unit	3.36	2.88	3.42	3.63
Machinery cost per acre	104.01	125.95	106.15	95.19
Est. labor hours per acre	1.95	2.32	2.13	1.90

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Corn on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	126	23	28	26
Number of farms	99	19	20	20
Acres	340.85	241.55	331.57	416.54
Yield per acre (bu.)	132.33	117.45	125.37	145.38
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	3.40	3.09	3.34	3.61
Total product return per acre	449.93	362.59	419.21	525.55
Hedging gains/losses per acre	1.88	-4.97	-	-
Crop insurance per acre	3.08	0.69	7.87	0.94
Other crop income per acre	0.29	0.08	0.28	-
Gross return per acre	455.18	358.39	427.36	526.49
Direct Expenses				
Seed	75.25	78.15	73.96	75.04
Fertilizer	134.17	154.10	135.77	118.35
Crop chemicals	20.17	17.96	25.54	19.91
Crop insurance	22.92	26.43	21.39	21.55
Drying expense	21.13	21.42	17.04	15.80
Fuel & oil	20.83	23.00	23.65	18.36
Repairs	35.52	35.37	32.99	31.91
Custom hire	2.76	3.71	1.07	1.27
Hired labor	0.66	-	-	0.92
Land rent	86.92	88.24	84.42	82.07
Operating interest	7.37	8.34	8.08	6.02
Miscellaneous	0.72	0.59	0.64	1.28
Total direct expenses per acre	428.43	457.31	424.55	392.48
Return over direct exp per acre	26.75	-98.92	2.81	134.00
Overhead Expenses				
Custom hire	1.23	1.23	1.54	1.45
Hired labor	14.18	16.25	14.79	13.34
Machinery leases	7.28	5.55	13.84	5.73
Building leases	0.65	2.30	0.36	0.51
Farm insurance	5.57	6.43	7.85	4.34
Utilities	5.32	5.44	5.49	5.24
Dues & professional fees	3.02	4.88	2.19	2.89
Interest	5.84	8.47	5.73	5.10
Mach & bldg depreciation	28.26	34.02	21.62	32.62
Miscellaneous	3.34	7.81	2.12	3.21
Total overhead expenses per acre	74.70	92.40	75.53	74.42
Total dir & ovhd expenses per acre	503.13	549.70	500.08	466.91
Net return per acre	-47.95	-191.32	-72.72	59.58
Government payments	12.77	12.99	12.01	12.27
Net return with govt pmts	-35.19	-178.32	-60.71	71.85
Labor & management charge	39.85	35.78	38.72	40.48
Net return over lbr & mgt	-75.04	-214.11	-99.43	31.37
Cost of Production				
Total direct expense per bu.	3.24	3.89	3.39	2.70
Total dir & ovhd exp per bu.	3.80	4.68	3.99	3.21
Less govt & other income	3.67	4.61	3.83	3.12
With labor & management	3.97	4.91	4.14	3.40
Net value per unit	3.41	3.05	3.34	3.61
Machinery cost per acre	99.58	109.74	98.33	94.27
Est. labor hours per acre	1.93	2.07	1.64	1.82

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Corn on Share Rent

	<u>Avg. Of All Farms</u>
Number of fields	23
Number of farms	17
Acres	111.29
Yield per acre (bu.)	124.82
Operators share of yield %	68.88
Value per bu.	3.37
Total product return per acre	289.87
Crop insurance per acre	2.97
Other crop income per acre	4.10
Gross return per acre	296.95
Direct Expenses	
Seed	68.73
Fertilizer	124.76
Crop chemicals	18.18
Crop insurance	15.39
Drying expense	29.20
Fuel & oil	20.38
Repairs	37.14
Custom hire	4.95
Operating interest	4.63
Miscellaneous	0.73
Total direct expenses per acre	324.09
Return over direct exp per acre	-27.15
Overhead Expenses	
Custom hire	0.35
Hired labor	15.94
Machinery leases	0.54
Farm insurance	5.14
Utilities	4.01
Dues & professional fees	2.53
Interest	5.55
Mach & bldg depreciation	29.52
Miscellaneous	4.05
Total overhead expenses per acre	67.63
Total dir & ovhd expenses per acre	391.72
Net return per acre	-94.78
Government payments	8.46
Net return with govt pmts	-86.32
Labor & management charge	39.13
Net return over lbr & mgt	-125.45
Cost of Production	
Total direct expense per bu.	3.77
Total dir & ovhd exp per bu.	4.56
Less govt & other income	4.38
With labor & management	4.83
Net value per unit	3.37
Machinery cost per acre	96.45
Est. labor hours per acre	2.07

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Soybeans on Owned Land

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	153	32	27	35
Number of farms	128	25	25	26
Acres	195.85	155.14	213.68	187.71
Yield per acre (bu.)	31.56	25.02	31.78	36.82
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	9.37	9.25	9.34	9.46
Total product return per acre	295.63	231.38	296.81	348.23
Hedging gains/losses per acre	-0.01	-	0.08	-
Crop insurance per acre	13.59	25.89	7.00	9.33
Other crop income per acre	0.16	0.24	0.16	-
Gross return per acre	309.37	257.51	304.04	357.56
Direct Expenses				
Seed	50.31	54.55	50.01	48.23
Fertilizer	8.89	12.44	3.38	10.72
Crop chemicals	23.20	23.04	21.36	25.09
Crop insurance	20.03	20.66	19.22	18.39
Drying expense	0.71	0.59	0.94	0.83
Fuel & oil	12.69	15.68	11.87	10.96
Repairs	20.75	26.99	22.93	15.28
Custom hire	2.28	3.22	1.32	2.01
Operating interest	3.97	5.64	4.08	1.79
Miscellaneous	0.66	0.17	0.61	0.51
Total direct expenses per acre	143.50	163.00	135.72	133.80
Return over direct exp per acre	165.87	94.50	168.32	223.77
Overhead Expenses				
Custom hire	1.70	3.14	0.77	1.17
Hired labor	8.98	7.82	11.73	7.39
Machinery leases	2.05	2.58	2.60	1.19
RE & pers. property taxes	12.81	11.34	13.15	13.40
Farm insurance	5.46	5.90	5.97	4.13
Utilities	3.74	3.29	3.56	2.95
Dues & professional fees	3.36	4.11	3.10	3.24
Interest	36.65	54.23	42.09	15.38
Mach & bldg depreciation	19.69	20.23	18.69	21.86
Miscellaneous	4.16	5.51	3.92	2.53
Total overhead expenses per acre	98.58	118.13	105.58	73.24
Total dir & ovhd expenses per acre	242.08	281.13	241.30	207.04
Net return per acre	67.29	-23.63	62.74	150.52
Government payments	13.40	13.94	13.01	12.98
Net return with govt pmts	80.70	-9.68	75.75	163.51
Labor & management charge	24.00	23.11	25.20	24.74
Net return over lbr & mgt	56.70	-32.80	50.55	138.77
Cost of Production				
Total direct expense per bu.	4.55	6.52	4.27	3.63
Total dir & ovhd exp per bu.	7.67	11.24	7.59	5.62
Less govt & other income	6.81	9.64	6.96	5.02
With labor & management	7.57	10.56	7.75	5.69
Net value per unit	9.37	9.25	9.34	9.46
Machinery cost per acre	62.62	78.33	60.54	53.68
Est. labor hours per acre	1.36	1.31	1.33	1.29

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Soybeans on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	313	94	50	68
Number of farms	182	36	37	37
Acres	392.10	209.97	467.17	296.04
Yield per acre (bu.)	31.00	25.31	30.62	36.41
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	9.37	9.14	9.44	9.58
Total product return per acre	290.57	231.28	289.08	348.74
Hedging gains/losses per acre	0.94	-0.22	0.06	-
Crop insurance per acre	11.83	19.56	9.12	8.78
Other crop income per acre	0.46	-	-	0.03
Gross return per acre	303.79	250.62	298.26	357.55
Direct Expenses				
Seed	49.20	54.97	47.00	43.59
Fertilizer	7.73	11.83	3.75	6.04
Crop chemicals	23.36	25.27	21.43	23.07
Crop insurance	18.71	19.03	20.44	16.70
Drying expense	0.87	0.67	0.70	0.68
Fuel & oil	12.65	14.45	10.95	11.39
Repairs	20.14	21.06	21.71	18.12
Custom hire	2.81	5.14	2.18	2.65
Land rent	79.83	73.54	81.20	77.31
Machinery leases	0.69	1.00	0.14	0.06
Operating interest	4.10	3.26	3.83	2.01
Miscellaneous	0.52	0.02	0.23	0.52
Total direct expenses per acre	220.58	230.24	213.56	202.15
Return over direct exp per acre	83.21	20.38	84.70	155.40
Overhead Expenses				
Custom hire	1.05	2.20	0.42	0.75
Hired labor	8.52	10.75	10.55	6.65
Machinery leases	4.14	3.84	3.65	2.11
Farm insurance	5.11	5.48	4.46	4.12
Utilities	3.61	4.26	3.24	3.29
Dues & professional fees	3.24	3.41	3.59	3.03
Interest	4.15	5.68	4.40	2.68
Mach & bldg depreciation	16.80	18.81	16.02	18.43
Miscellaneous	3.47	3.76	3.93	2.54
Total overhead expenses per acre	50.08	58.20	50.26	43.61
Total dir & ovhd expenses per acre	270.66	288.44	263.82	245.75
Net return per acre	33.13	-37.82	34.44	111.80
Government payments	13.09	14.04	12.50	12.64
Net return with govt pmts	46.22	-23.77	46.94	124.44
Labor & management charge	22.96	23.47	23.15	24.63
Net return over lbr & mgt	23.26	-47.24	23.79	99.81
Cost of Production				
Total direct expense per bu.	7.12	9.10	6.97	5.55
Total dir & ovhd exp per bu.	8.73	11.39	8.62	6.75
Less govt & other income	7.88	10.08	7.91	6.16
With labor & management	8.62	11.00	8.66	6.84
Net value per unit	9.40	9.13	9.44	9.58
Machinery cost per acre	61.13	71.22	58.38	55.29
Est. labor hours per acre	1.27	1.48	1.41	1.18

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Soybeans on Share Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	41	7	9	11
Number of farms	27	5	6	6
Acres	148.36	145.37	209.98	132.93
Yield per acre (bu.)	32.13	27.16	30.14	37.00
Operators share of yield %	67.97	64.79	69.77	69.63
Value per bu.	9.38	9.37	9.33	9.51
Total product return per acre	204.81	164.85	196.31	245.07
Hedging gains/losses per acre	0.20	1.17	-	-
Crop insurance per acre	3.32	1.07	10.10	-
Other crop income per acre	1.49	-	4.79	-
Gross return per acre	209.81	167.08	211.20	245.07
Direct Expenses				
Seed	46.16	46.81	44.05	47.37
Fertilizer	0.66	0.97	0.27	-
Crop chemicals	20.81	18.91	18.50	25.92
Crop insurance	15.24	13.69	19.62	10.83
Drying expense	0.72	-	0.37	0.76
Fuel & oil	11.83	11.98	14.40	10.37
Repairs	21.60	26.54	23.60	21.36
Custom hire	3.12	9.43	2.66	0.75
Operating interest	2.64	2.30	1.22	4.08
Miscellaneous	1.07	1.37	2.14	0.72
Total direct expenses per acre	123.84	131.99	126.83	122.16
Return over direct exp per acre	85.97	35.10	84.37	122.91
Overhead Expenses				
Custom hire	0.90	4.65	0.11	0.12
Hired labor	11.44	15.21	14.69	6.55
Machinery leases	0.77	0.88	0.35	0.20
Building leases	0.67	1.17	-	0.75
Farm insurance	4.61	4.62	5.11	4.51
Utilities	3.29	3.58	2.91	2.96
Dues & professional fees	2.18	3.21	1.84	2.07
Interest	3.13	2.72	3.63	3.63
Mach & bldg depreciation	15.73	12.90	23.94	7.67
Miscellaneous	3.87	4.49	4.81	3.49
Total overhead expenses per acre	46.58	53.43	57.39	31.94
Total dir & ovhd expenses per acre	170.42	185.41	184.22	154.10
Net return per acre	39.39	-18.33	26.97	90.97
Government payments	8.92	10.28	9.96	8.14
Net return with govt pmts	48.31	-8.05	36.93	99.11
Labor & management charge	22.03	20.61	21.40	22.79
Net return over lbr & mgt	26.27	-28.65	15.53	76.31
Cost of Production				
Total direct expense per bu.	5.67	7.50	6.03	4.74
Total dir & ovhd exp per bu.	7.80	10.54	8.76	5.98
Less govt & other income	7.17	9.83	7.58	5.67
With labor & management	8.17	11.00	8.60	6.55
Net value per unit	9.39	9.44	9.33	9.51
Machinery cost per acre	56.54	68.27	68.12	43.85
Est. labor hours per acre	1.26	1.34	1.05	1.25

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Soybeans, Food on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	6
Number of farms	5
Acres	194.67
Yield per acre (bu.)	24.69
Operators share of yield %	100.00
Value per bu.	10.67
Total product return per acre	263.37
Crop insurance per acre	76.75
Other crop income per acre	3.10
Gross return per acre	343.22
Direct Expenses	
Seed	22.00
Fertilizer	18.24
Crop chemicals	40.99
Crop insurance	27.77
Drying expense	0.57
Storage	1.14
Fuel & oil	14.63
Repairs	25.83
Custom hire	4.90
Operating interest	5.08
Total direct expenses per acre	161.14
Return over direct exp per acre	182.08
Overhead Expenses	
Custom hire	1.45
Hired labor	6.23
Machinery leases	2.41
Building leases	0.97
RE & pers. property taxes	10.09
Farm insurance	3.38
Utilities	2.59
Dues & professional fees	4.23
Interest	41.56
Mach & bldg depreciation	24.70
Miscellaneous	6.06
Total overhead expenses per acre	103.67
Total dir & ovhd expenses per acre	264.80
Net return per acre	78.42
Government payments	14.26
Net return with govt pmts	92.67
Labor & management charge	30.70
Net return over lbr & mgt	61.98
Cost of Production	
Total direct expense per bu.	6.53
Total dir & ovhd exp per bu.	10.73
Less govt & other income	6.91
With labor & management	8.16
Net value per unit	10.67
Machinery cost per acre	77.08
Est. labor hours per acre	1.32

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Soybeans, Food on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	20
Number of farms	9
Acres	205.85
Yield per acre (bu.)	25.29
Operators share of yield %	100.00
Value per bu.	11.10
Total product return per acre	280.71
Crop insurance per acre	41.33
Other crop income per acre	3.77
Gross return per acre	325.81
Direct Expenses	
Seed	25.39
Fertilizer	9.60
Crop chemicals	45.47
Crop insurance	21.50
Drying expense	1.10
Fuel & oil	13.46
Repairs	24.15
Custom hire	4.19
Hired labor	0.07
Land rent	80.16
Operating interest	3.87
Total direct expenses per acre	229.36
Return over direct exp per acre	96.45
Overhead Expenses	
Custom hire	0.61
Hired labor	6.88
Machinery leases	1.58
Building leases	0.66
Farm insurance	3.56
Utilities	2.61
Dues & professional fees	3.58
Interest	4.14
Mach & bldg depreciation	18.21
Miscellaneous	3.33
Total overhead expenses per acre	45.16
Total dir & ovhd expenses per acre	274.52
Net return per acre	51.29
Government payments	13.59
Net return with govt pmts	64.88
Labor & management charge	27.10
Net return over lbr & mgt	37.77
Cost of Production	
Total direct expense per bu.	9.07
Total dir & ovhd exp per bu.	10.86
Less govt & other income	8.54
With labor & management	9.61
Net value per unit	11.10
Machinery cost per acre	64.22
Est. labor hours per acre	1.29

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Excluding Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	51	8	8	7
Number of farms	35	7	7	7
Acres	112.18	157.74	161.70	134.39
Yield per acre (ton)	19.88	17.14	18.93	23.71
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	39.62	35.97	44.07	40.58
Total product return per acre	787.54	616.34	834.22	962.07
Crop insurance per acre	59.26	85.95	35.79	36.80
Other crop income per acre	5.08	3.25	-	12.98
Gross return per acre	851.89	705.53	870.01	1,011.85
Direct Expenses				
Seed	136.61	152.95	126.73	148.37
Fertilizer	98.49	103.17	101.42	100.67
Crop chemicals	49.86	43.55	66.83	43.76
Crop insurance	20.86	22.37	22.96	19.86
Fuel & oil	54.92	51.79	53.95	46.17
Repairs	92.37	101.00	81.14	72.88
Custom hire	9.78	1.17	18.36	15.12
Hired labor	31.56	25.00	26.11	34.02
Machinery leases	0.24	-	-	1.49
Hauling and trucking	6.53	1.96	13.45	0.71
Operating interest	9.42	11.66	7.12	5.70
Miscellaneous	2.89	-	8.27	3.52
Total direct expenses per acre	513.54	514.63	526.34	492.26
Return over direct exp per acre	338.34	190.90	343.67	519.59
Overhead Expenses				
Custom hire	4.05	3.26	7.93	2.02
Hired labor	39.65	48.19	47.67	33.14
Machinery leases	6.97	2.87	12.75	1.52
Building leases	1.42	0.96	5.26	0.12
RE & pers. property taxes	14.58	17.88	16.60	12.32
Farm insurance	11.86	8.58	11.72	8.62
Utilities	7.86	7.23	12.60	5.29
Dues & professional fees	7.01	4.80	10.09	2.60
Interest	42.41	65.81	42.37	21.54
Mach & bldg depreciation	86.55	94.14	83.52	68.40
Miscellaneous	5.80	8.11	5.34	1.33
Total overhead expenses per acre	228.18	261.82	255.84	156.89
Total dir & ovhd expenses per acre	741.72	776.45	782.18	649.16
Net return per acre	110.17	-70.92	87.83	362.70
Government payments	13.92	16.83	13.59	11.26
Net return with govt pmts	124.08	-54.09	101.42	373.95
Labor & management charge	97.23	83.72	97.27	107.96
Net return over lbr & mgt	26.86	-137.81	4.15	265.99
Cost of Production				
Total direct expense per ton	25.84	30.03	27.81	20.76
Total dir & ovhd exp per ton	37.32	45.31	41.32	27.38
Less govt & other income	33.38	39.13	38.71	24.81
With labor & management	38.27	44.01	43.85	29.36
Net value per unit	39.62	35.97	44.07	40.58
Machinery cost per acre	268.85	274.92	274.05	215.68
Est. labor hours per acre	5.51	5.37	4.98	5.82

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Including Joint venture

	<u>Avg. Of All Farms</u>
Number of fields	23
Number of farms	21
Acres	89.77
Yield per acre (ton)	19.41
Operators share of yield %	100.00
Value per ton	37.30
Total product return per acre	723.88
Crop insurance per acre	86.97
Other crop income per acre	3.72
Gross return per acre	814.57
Direct Expenses	
Seed	134.55
Fertilizer	104.52
Crop chemicals	50.78
Crop insurance	23.54
Fuel & oil	60.64
Repairs	90.87
Custom hire	13.60
Hired labor	30.55
Stock/quota lease	196.70
Hauling and trucking	5.34
Operating interest	21.63
Miscellaneous	0.40
Total direct expenses per acre	733.12
Return over direct exp per acre	81.46
Overhead Expenses	
Custom hire	7.44
Hired labor	28.18
Machinery leases	16.37
RE & pers. property taxes	12.97
Farm insurance	7.95
Utilities	5.78
Dues & professional fees	5.32
Interest	61.46
Mach & bldg depreciation	68.50
Miscellaneous	10.67
Total overhead expenses per acre	224.62
Total dir & ovhd expenses per acre	957.74
Net return per acre	-143.17
Government payments	12.35
Net return with govt pmts	-130.82
Labor & management charge	94.54
Net return over lbr & mgt	-225.35
Cost of Production	
Total direct expense per ton	37.78
Total dir & ovhd exp per ton	49.35
Less govt & other income	44.04
With labor & management	48.91
Net value per unit	37.30
Machinery cost per acre	274.20
Est. labor hours per acre	5.43

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Management Education
Red River Valley, 2009
(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Excluding Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	108	21	20	15
Number of farms	67	13	14	14
Acres	131.66	107.12	180.74	174.78
Yield per acre (ton)	20.45	15.47	19.25	26.22
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.99	36.19	39.29	40.27
Total product return per acre	797.15	559.63	756.53	1,056.09
Crop insurance per acre	58.53	129.95	70.40	3.45
Other crop income per acre	2.38	1.18	0.64	0.58
Gross return per acre	858.07	690.76	827.56	1,060.13
Direct Expenses				
Seed	128.28	131.81	129.65	115.82
Fertilizer	104.00	116.56	99.72	104.71
Crop chemicals	57.30	53.62	57.14	67.01
Crop insurance	23.22	19.89	25.18	23.01
Fuel & oil	53.53	47.29	49.08	63.14
Repairs	85.51	106.50	65.81	74.25
Custom hire	11.83	12.90	19.61	7.72
Hired labor	30.63	23.64	34.45	34.62
Land rent	86.24	92.45	79.85	91.33
Hauling and trucking	10.84	4.84	9.78	13.34
Operating interest	9.04	12.31	6.45	5.79
Miscellaneous	3.71	0.37	5.98	4.57
Total direct expenses per acre	604.14	622.18	582.68	605.30
Return over direct exp per acre	253.93	68.58	244.88	454.83
Overhead Expenses				
Custom hire	3.28	1.24	5.32	3.12
Hired labor	37.50	45.94	43.42	15.26
Machinery leases	7.74	16.82	8.19	1.39
Building leases	1.89	0.73	4.73	0.61
Farm insurance	11.82	16.67	9.69	11.39
Utilities	8.25	6.87	8.85	7.61
Dues & professional fees	6.54	6.40	9.93	2.65
Interest	16.50	22.83	13.52	10.82
Mach & bldg depreciation	71.46	57.00	74.40	80.14
Miscellaneous	6.04	5.61	7.58	2.90
Total overhead expenses per acre	171.01	180.12	185.65	135.89
Total dir & ovhd expenses per acre	775.15	802.30	768.33	741.18
Net return per acre	82.92	-111.53	59.23	318.95
Government payments	13.28	13.35	12.49	12.05
Net return with govt pmts	96.20	-98.18	71.72	331.00
Labor & management charge	100.78	99.23	106.25	126.44
Net return over lbr & mgt	-4.59	-197.41	-34.53	204.56
Cost of Production				
Total direct expense per ton	29.55	40.23	30.26	23.08
Total dir & ovhd exp per ton	37.91	51.88	39.91	28.26
Less govt & other income	34.28	42.54	35.57	27.65
With labor & management	39.21	48.95	41.09	32.47
Net value per unit	38.99	36.19	39.29	40.27
Machinery cost per acre	247.15	261.81	235.05	237.20
Est. labor hours per acre	5.56	5.70	5.91	5.27

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Sugar Beets on Cash Rent Including Joint venture

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	85	13	16	15
Number of farms	65	13	13	13
Acres	205.67	174.09	244.18	296.17
Yield per acre (ton)	21.14	19.19	22.07	23.36
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.93	37.19	37.10	38.81
Total product return per acre	823.12	713.52	818.75	906.76
Crop insurance per acre	40.14	69.68	22.93	37.60
Other crop income per acre	2.11	0.48	5.88	2.30
Gross return per acre	865.36	783.68	847.56	946.67
Direct Expenses				
Seed	135.17	145.55	148.20	124.61
Fertilizer	98.43	92.28	107.13	90.16
Crop chemicals	55.03	57.89	50.02	60.45
Crop insurance	20.89	21.55	17.25	20.55
Fuel & oil	55.16	61.44	61.77	41.94
Repairs	78.41	110.60	77.48	58.14
Custom hire	8.70	1.88	15.02	0.84
Hired labor	29.49	18.86	35.33	26.55
Land rent	90.12	88.67	81.41	98.63
Stock/quota lease	213.19	228.33	227.99	205.28
Machinery leases	1.96	0.65	1.03	6.48
Hauling and trucking	8.27	-	12.66	3.98
Operating interest	15.30	11.49	13.48	14.00
Miscellaneous	0.77	-	0.39	1.36
Total direct expenses per acre	810.89	839.21	849.15	752.97
Return over direct exp per acre	54.47	-55.53	-1.59	193.70
Overhead Expenses				
Custom hire	6.01	3.92	5.03	9.23
Hired labor	35.27	58.70	31.51	26.81
Machinery leases	11.30	3.81	5.21	6.94
Building leases	1.21	2.06	1.11	1.87
Farm insurance	7.30	9.75	6.40	6.60
Utilities	6.18	6.39	6.63	5.41
Dues & professional fees	5.48	5.21	5.03	5.65
Interest	13.56	31.22	7.96	9.18
Mach & bldg depreciation	55.67	78.45	45.84	47.64
Miscellaneous	5.98	9.45	6.31	5.03
Total overhead expenses per acre	147.94	208.95	121.04	124.38
Total dir & ovhd expenses per acre	958.84	1,048.16	970.19	877.34
Net return per acre	-93.48	-264.48	-122.63	69.32
Government payments	13.22	13.75	13.68	12.43
Net return with govt pmts	-80.26	-250.73	-108.96	81.75
Labor & management charge	83.99	91.13	79.15	84.59
Net return over lbr & mgt	-164.24	-341.85	-188.10	-2.84
Cost of Production				
Total direct expense per ton	38.35	43.74	38.48	32.23
Total dir & ovhd exp per ton	45.35	54.63	43.97	37.55
Less govt & other income	42.72	50.26	42.04	35.31
With labor & management	46.70	55.01	45.63	38.93
Net value per unit	38.93	37.19	37.10	38.81
Machinery cost per acre	227.37	287.70	217.03	174.69
Est. labor hours per acre	5.02	6.03	5.30	4.62

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Sunflowers on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	9
Number of farms	8
Acres	163.29
Yield per acre (cwt.)	17.36
Operators share of yield %	100.00
Value per cwt.	16.66
Total product return per acre	289.21
Crop insurance per acre	1.04
Gross return per acre	290.25
Direct Expenses	
Seed	30.57
Fertilizer	68.73
Crop chemicals	27.36
Crop insurance	15.26
Drying expense	1.38
Fuel & oil	15.76
Repairs	28.24
Custom hire	3.08
Land rent	62.51
Operating interest	6.33
Total direct expenses per acre	259.23
Return over direct exp per acre	31.02
Overhead Expenses	
Custom hire	0.51
Hired labor	8.68
Machinery leases	1.81
Farm insurance	4.44
Utilities	4.26
Dues & professional fees	4.28
Interest	2.82
Mach & bldg depreciation	24.35
Miscellaneous	1.30
Total overhead expenses per acre	52.45
Total dir & ovhd expenses per acre	311.68
Net return per acre	-21.43
Government payments	14.26
Net return with govt pmts	-7.18
Labor & management charge	32.46
Net return over lbr & mgt	-39.64
Cost of Production	
Total direct expense per cwt.	14.94
Total dir & ovhd exp per cwt.	17.96
Less govt & other income	17.08
With labor & management	18.95
Net value per unit	16.66
Machinery cost per acre	75.54
Est. labor hours per acre	1.88

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Wheat, Spring on Owned Land

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	110	23	24	22
Number of farms	91	18	18	19
Acres	197.02	153.63	171.87	239.50
Yield per acre (bu.)	62.12	48.90	64.62	68.07
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	4.55	4.46	4.22	4.89
Total product return per acre	282.66	217.98	272.65	332.72
Hedging gains/losses per acre	0.35	2.16	-	-
Crop insurance per acre	3.59	10.09	2.59	2.53
Other crop income per acre	0.24	0.14	0.12	0.25
Gross return per acre	286.85	230.37	275.36	335.50
Direct Expenses				
Seed	18.76	19.39	19.67	15.63
Fertilizer	86.60	106.62	79.84	76.23
Crop chemicals	26.09	20.32	25.85	28.43
Crop insurance	16.70	17.38	18.13	16.23
Drying expense	0.46	0.91	0.05	0.49
Fuel & oil	13.56	14.54	13.63	13.15
Repairs	21.04	26.01	19.28	21.82
Custom hire	3.39	1.95	2.71	7.81
Operating interest	4.09	4.09	3.93	1.46
Miscellaneous	0.60	0.93	0.33	0.34
Total direct expenses per acre	191.30	212.12	183.42	181.59
Return over direct exp per acre	95.55	18.25	91.94	153.91
Overhead Expenses				
Custom hire	1.81	1.58	2.78	0.42
Hired labor	8.15	11.55	8.21	10.18
Machinery leases	2.01	2.03	1.53	1.60
Building leases	0.39	0.44	0.48	0.52
RE & pers. property taxes	12.88	11.89	13.42	11.69
Farm insurance	5.28	5.39	5.03	4.39
Utilities	3.38	3.40	4.12	3.34
Dues & professional fees	3.57	2.76	2.85	4.58
Interest	33.04	48.69	27.24	27.58
Mach & bldg depreciation	19.78	14.37	18.75	20.68
Miscellaneous	3.70	4.38	3.05	1.49
Total overhead expenses per acre	94.01	106.47	87.46	86.46
Total dir & ovhd expenses per acre	285.31	318.59	270.89	268.04
Net return per acre	1.53	-88.22	4.48	67.45
Government payments	14.08	14.88	14.62	12.26
Net return with govt pmts	15.61	-73.34	19.10	79.71
Labor & management charge	22.73	21.74	23.52	21.90
Net return over lbr & mgt	-7.12	-95.08	-4.42	57.81
Cost of Production				
Total direct expense per bu.	3.08	4.34	2.84	2.67
Total dir & ovhd exp per bu.	4.59	6.51	4.19	3.94
Less govt & other income	4.30	5.96	3.92	3.72
With labor & management	4.66	6.40	4.29	4.04
Net value per unit	4.56	4.50	4.22	4.89
Machinery cost per acre	64.69	65.19	62.02	67.44
Est. labor hours per acre	1.29	1.48	1.34	1.29

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Wheat, Spring on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	206	36	43	39
Number of farms	133	26	26	27
Acres	283.78	225.35	326.15	362.17
Yield per acre (bu.)	63.89	50.95	64.96	71.90
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	4.59	4.40	4.38	4.83
Total product return per acre	293.14	224.12	284.42	347.06
Hedging gains/losses per acre	0.81	-	-	1.25
Crop insurance per acre	3.74	7.40	0.12	2.39
Other crop income per acre	0.66	0.69	-	1.77
Gross return per acre	298.35	232.21	284.53	352.46
Direct Expenses				
Seed	19.18	19.58	17.28	19.06
Fertilizer	92.37	102.24	95.47	86.82
Crop chemicals	26.73	23.19	26.67	28.59
Crop insurance	16.74	17.35	18.07	15.36
Drying expense	0.55	0.92	0.21	0.37
Fuel & oil	13.19	11.16	13.64	12.62
Repairs	19.55	22.63	19.44	18.87
Custom hire	4.16	3.77	2.06	4.21
Hired labor	0.34	0.12	0.63	-
Land rent	75.96	85.57	74.64	68.89
Operating interest	2.84	3.14	3.22	1.91
Miscellaneous	0.75	0.29	1.08	0.28
Total direct expenses per acre	272.35	289.96	272.41	257.00
Return over direct exp per acre	26.00	-57.75	12.12	95.46
Overhead Expenses				
Custom hire	1.77	0.62	2.43	1.32
Hired labor	8.25	7.76	8.03	10.06
Machinery leases	2.70	3.31	2.27	3.56
Building leases	0.57	0.86	0.28	0.39
Farm insurance	4.34	5.99	4.05	3.17
Utilities	3.11	4.15	2.86	2.76
Dues & professional fees	3.50	4.15	4.08	3.53
Interest	3.63	6.03	2.43	2.65
Mach & bldg depreciation	16.85	16.63	17.03	16.58
Miscellaneous	3.04	4.14	2.96	1.78
Total overhead expenses per acre	47.77	53.65	46.43	45.80
Total dir & ovhd expenses per acre	320.12	343.60	318.84	302.80
Net return per acre	-21.77	-111.40	-34.31	49.66
Government payments	14.17	13.04	14.74	14.65
Net return with govt pmts	-7.60	-98.35	-19.57	64.31
Labor & management charge	22.38	20.44	20.03	22.15
Net return over lbr & mgt	-29.98	-118.79	-39.60	42.16
Cost of Production				
Total direct expense per bu.	4.26	5.69	4.19	3.57
Total dir & ovhd exp per bu.	5.01	6.74	4.91	4.21
Less govt & other income	4.71	6.33	4.68	3.93
With labor & management	5.06	6.73	4.99	4.24
Net value per unit	4.60	4.40	4.38	4.84
Machinery cost per acre	61.46	63.62	58.92	59.29
Est. labor hours per acre	1.29	1.02	1.27	1.31

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Wheat, Spring on Share Rent

	<u>Avg. Of All Farms</u>
Number of fields	31
Number of farms	20
Acres	115.83
Yield per acre (bu.)	58.61
Operators share of yield %	65.97
Value per bu.	4.51
Total product return per acre	174.37
Crop insurance per acre	5.21
Other crop income per acre	2.08
Gross return per acre	181.65
Direct Expenses	
Seed	20.31
Fertilizer	96.39
Crop chemicals	16.98
Crop insurance	10.98
Fuel & oil	11.32
Repairs	19.14
Custom hire	1.61
Operating interest	2.92
Miscellaneous	0.84
Total direct expenses per acre	180.50
Return over direct exp per acre	1.15
Overhead Expenses	
Custom hire	1.01
Hired labor	7.75
Machinery leases	1.59
Building leases	0.87
Farm insurance	4.73
Utilities	3.10
Dues & professional fees	2.43
Interest	5.09
Mach & bldg depreciation	12.52
Miscellaneous	3.15
Total overhead expenses per acre	42.23
Total dir & ovhd expenses per acre	222.73
Net return per acre	-41.08
Government payments	8.34
Net return with govt pmts	-32.74
Labor & management charge	22.93
Net return over lbr & mgt	-55.67
Cost of Production	
Total direct expense per bu.	4.67
Total dir & ovhd exp per bu.	5.76
Less govt & other income	5.36
With labor & management	5.95
Net value per unit	4.51
Machinery cost per acre	51.84
Est. labor hours per acre	1.30