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Minnesota Farm Business Management Education
and
North Dakota Farm Business Management Education

RED RIVER VALLEY AVERAGES
2007 ANNUAL REPORT

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2007 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 2007 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) 681-0797, 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.

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 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 Expenses" 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 and Other Capital Adjustments" 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 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 and Other Capital Adjustments

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

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.

"**Labor and management earnings**" equals "Net farm income" minus an opportunity interest cost of 6% on average farm net worth.

"**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."

"**Interest on farm net worth**" is the "Average farm equity" multiplied by a 6% opportunity interest cost charge.

"**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 \$18,000 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 Measures

Liquidity (Cash Basis)

"**Family living and taxes**" is calculated cash family living plus income and social security taxes.

"**Cash available for intermediate debt**" on the cash basis is the sum of "Net cash farm income" and "Net nonfarm income" minus "Family living and taxes" and "Real estate principal payments."

"**Average intermediate debt**" is the average of beginning and ending intermediate farm liabilities.

"**Years to turn over debt**" is "Average intermediate debt" divided by "Cash available for intermediate debt." If the cash-based or accrual-based "Cash available for intermediate debt" is a negative number, debt repayment is not possible because of negative cash flow on a cash or accrual basis, respectively, and "Years to turn over intermediate debt" cannot be calculated.

Cash "**Expense as a percent of income**" is "Total cash expense" divided by "Gross cash farm income."

"**Interest as a percent of income**" is "Interest paid" divided by "Gross cash farm income"

Liquidity (Accrual Basis)

"**Available for intermediate debt**" on the accrual basis is "Net accrual operating income" plus "Net nonfarm income" minus "Family living and taxes" and "Real estate principal payments."

Accrual "**Expense as a percent of income**" is "Total cash expense" adjusted by inventory changes in accounts payable, accrued expense items, prepaid expenses and growing crops divided by "Gross farm income." "Gross farm revenue" is "Gross cash farm income" adjusted by changes in inventories of crops and feed, feeder livestock and accounts receivable.

"**Interest as a percent of income**" is "Interest paid" adjusted by changes in accrued interest for the year, divided by "Gross farm revenue."

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

This table contains the 16 measures of financial performance recommended by the Farm Financial Standards Task Force (FFSTF). The Finpack financial management program complies with nearly all of the FFSTF recommendations for calculating the financial guidelines measures. The measures are calculated on an accrual basis. 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" is "Total current farm assets" divided by "Total current farm liabilities."

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" is "Total current farm assets" less "Total current farm liabilities."

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.

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" is "Total farm liabilities" divided by "Total farm assets."

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" is "Total farm assets" minus "Total farm liabilities," divided by "Total farm assets."

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" is "Total farm liabilities," divided by the result of "Total farm assets" minus "Total farm liabilities."

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 the farm has.

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 farm assets" is "Net farm income" plus "interest expense" minus "Value of operator's labor and management," divided by the average of beginning and ending "Total farm 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 farm equity" is "Net farm income" minus "Value of operator's labor and

management," divided by the average of beginning and ending farm net worth.

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. As your debt to asset ratio increases, these relationships become more pronounced. So profitability becomes a key concern when substantial debt capital is used in the business.

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" is "Net farm income" plus "interest expense" minus "Value of operator's labor and management," divided by "Value of farm production."

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.

Repayment Capacity

Repayment capacity measures the ability to repay term debt (longer than one year) and to replace capital assets.

"Term debt coverage ratio" is "Net farm income" plus "depreciation and other capital adjustments" plus "Net nonfarm income" plus scheduled interest on term debt minus "Family living and taxes," divided by scheduled term debt principal and interest payments.

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.

"Capital replacement margin" is "Net farm income" plus "Depreciation and other capital adjustments" plus "Net nonfarm income" minus "Family living and taxes" and scheduled term debt principal payments.

The capital replacement margin is the amount of money remaining from farm and non-farm income after all operating expenses, taxes, family living and debt payments have been paid. It is the amount available for acquiring capital assets, such as machinery and land, or servicing additional debt.

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 rate" is "Value of farm production" divided by the average of beginning and ending "Total farm assets."

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" is total expense less "Farm interest expense" and "Depreciation and capital adjustment," divided by "Gross farm revenue."

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" is "Depreciation and capital adjustments" divided by "Gross farm revenue."

This ratio indicates the percent of the gross farm income which is used to cover the depreciation expense.

"Interest expense ratio" is "Farm interest expense" divided by "Gross farm revenue"

This ratio indicates the percent of the gross farm income which is used to pay farm interest expenses.

"Net farm income ratio" is "Net farm income" divided by "Gross farm revenue."

This 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."

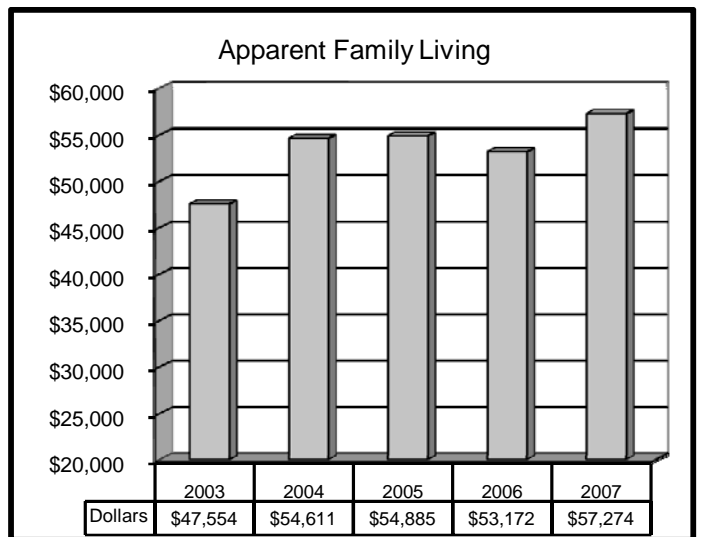
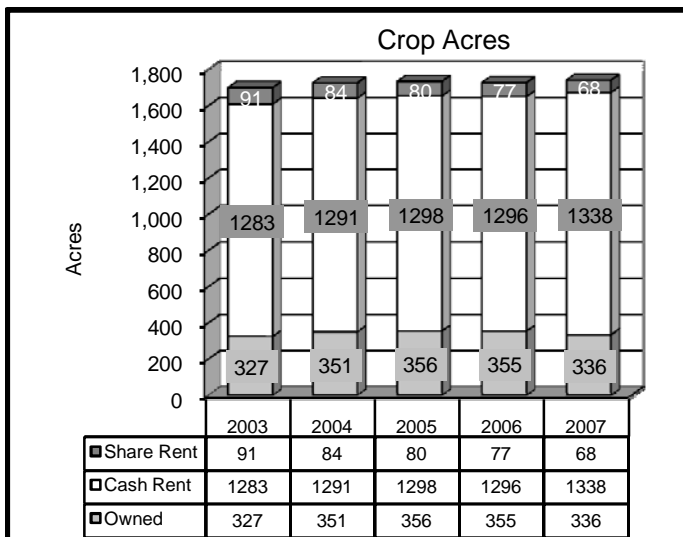
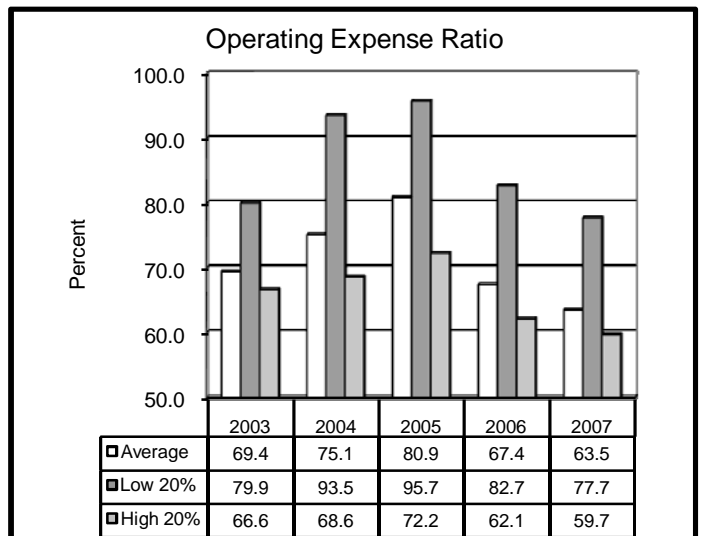
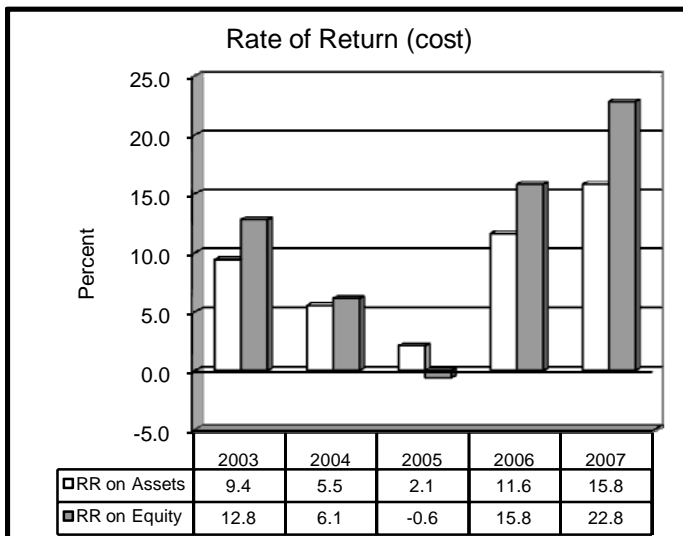
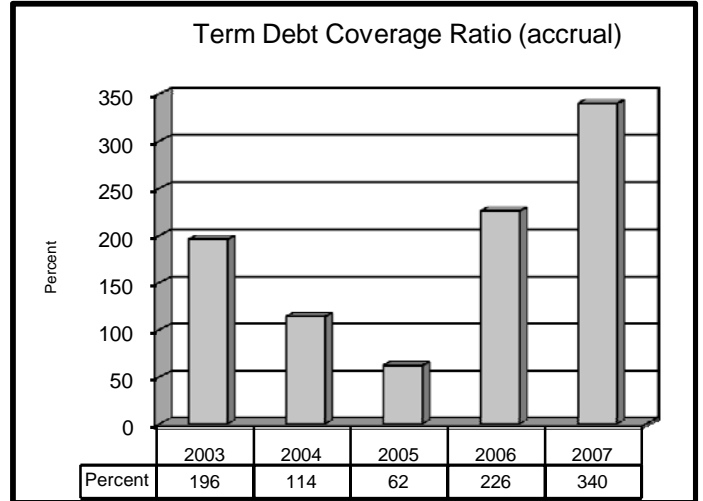
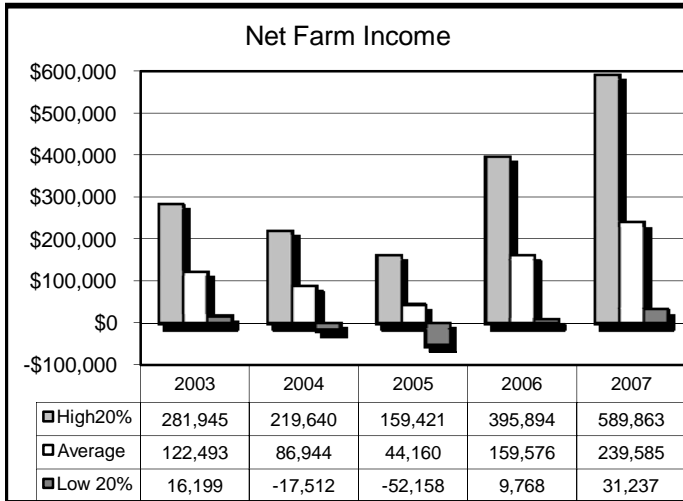
Operator and Labor Information

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 the income from nonfarm income, but 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 Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Cash Farm Income				
Barley	2,186	629	2,447	5,952
Beans, Black Turtle	717	195	2,318	734
Beans, Dark Red Kidney	1,106	-	-	3,202
Beans, Great Northern	226	-	-	1,121
Beans, Navy	2,855	2,102	2,852	7,097
Beans, Pink	389	-	-	1,928
Beans, Pinto	3,386	1,269	1,067	8,221
Beans, Small Red	1,222	380	561	5,137
Corn	84,144	61,207	62,216	127,328
Flax	56	-	-	169
Hay, Alfalfa	1,086	309	300	3,649
Potatoes	10,160	3,476	-	-
Soybeans	152,859	79,436	161,409	254,342
Soybeans Seed	369	-	-	1,829
Straw	1,333	58	6,125	361
Sugar Beets	213,196	53,492	190,297	449,727
Sunflowers	4,614	3,047	5,146	7,012
Sunflowers, Confectionary	8,440	-	4,681	33,497
Wheat, Spring	135,974	40,067	128,397	289,735
Soybeans, Organic	1,264	1,552	920	2,058
Soybeans, Food	1,665	-	-	7,171
Barley, Organic	322	599	496	522
Corn, Organic	335	-	-	1,663
Hay, Alfalfa, Organic	901	-	-	2,543
Oats, Organic	121	236	-	371
Sunflowers, Organic	119	603	-	-
Wheat, Spring, Organic	278	-	-	1,378
Corn, Blue, Organic	40	204	-	-
Other crops	593	1,201	-	1,397
Miscellaneous crop income	61	84	51	-
Beef Cow-Calf, Beef Calves	720	479	-	-
Beef, Background Beef	437	461	-	-
Beef, Finish Beef Calves	5,247	-	15,398	-
Dairy Steer Finishing	260	561	-	740
Beef, Finish Cull Cows	121	-	614	-
CCC market loan gain	0	-	-	-
Cull breeding livestock	115	-	-	-
Misc. livestock income	195	17	-	-
Direct & CC govt payments	23,063	9,058	20,874	44,354
CRP payments	1,192	105	1,374	1,094
Other government payments	2,176	2,453	1,321	2,228
Custom work income	11,990	4,894	8,084	36,598
Patronage dividends, cash	6,990	2,265	6,151	13,788
Insurance income	23,096	9,596	21,209	28,842
Cash from hedging accts	738	651	333	1,587
Other farm income	23,377	6,905	21,936	39,799
Gross Cash Farm Income	729,735	287,590	666,576	1,387,176

Farm Income Statement (Continued)
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Cash Farm Expense				
Seed	64,031	26,953	57,049	123,760
Fertilizer	83,639	38,275	83,231	147,441
Crop chemicals	58,196	20,840	47,849	122,944
Crop insurance	27,227	9,661	26,071	49,940
Drying fuel	2,205	1,584	1,757	3,449
Storage	88	-	206	235
CCC buyback	16,029	9,390	9,568	32,295
Crop custom hire	218	-	700	-
Hauling and trucking	1,200	464	613	3,167
Marketing	1,687	1,663	1,253	2,321
Crop miscellaneous	3,480	2,338	1,549	7,061
Feeder livestock purchase	3,377	393	10,254	-
Purchased feed	635	520	1,124	89
Veterinary	339	79	87	1,094
Interest	37,990	19,299	38,586	60,274
Fuel & oil	40,798	15,128	38,234	80,299
Repairs	48,701	20,675	45,308	84,644
Custom hire	13,989	4,904	10,590	27,341
Hired labor	28,225	4,741	27,724	64,776
Land rent	95,736	35,275	88,528	191,720
Stock/quota lease	22,699	8,152	20,456	45,598
Machinery leases	7,658	2,411	7,719	15,329
Building leases	560	41	694	923
Real estate taxes	5,155	2,046	4,492	8,145
Farm insurance	8,927	3,151	8,351	16,706
Utilities	6,093	2,962	5,046	9,596
Dues & professional fees	5,387	2,256	4,191	10,381
Hedging account deposits	11,090	7,732	5,508	31,170
Miscellaneous	7,071	3,247	5,815	10,754
Total cash expense	602,429	244,179	552,554	1,151,454
Net cash farm income	127,305	43,412	114,022	235,722
Inventory Changes				
Crops and feed	109,258	-6,695	56,524	340,622
Market livestock	28	556	-8	-361
Accounts receivable	9,387	5,381	11,623	11,113
Prepaid expenses and supplies	28,840	11,458	20,419	60,071
Accounts payable	-4,985	-11,178	169	-8,792
Total inventory change	142,528	-478	88,727	402,654
Net operating profit	269,833	42,934	202,749	638,376
Depreciation and Other Capital Adjustments				
Breeding livestock	-217	-16	-	-
Machinery and equipment	-34,686	-12,505	-31,354	-64,462
Buildings and improvements	-1,870	-642	-1,747	-3,950
Other farm capital	6,524	1,466	5,369	19,899
Total depr. and other capital adj	-30,248	-11,697	-27,732	-48,513
Net farm income	239,585	31,237	175,017	589,863

Inventory Changes
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Net cash farm income	127,305	43,412	114,022	235,722
Crops and Feed				
Ending inventory	406,377	92,202	299,844	995,713
Beginning inventory	297,119	98,897	243,320	655,091
Inventory change	109,258	-6,695	56,524	340,622
Market Livestock				
Ending inventory	4,319	2,214	7,011	641
Beginning inventory	4,291	1,659	7,019	1,002
Inventory change	28	556	-8	-361
Accts Receivable & Other Current Assets				
Ending inventory	52,254	17,558	54,610	74,663
Beginning inventory	42,868	12,177	42,987	63,550
Inventory change	9,387	5,381	11,623	11,113
Prepaid Expenses and Supplies				
Ending inventory	69,934	18,590	61,400	144,782
Beginning inventory	41,095	7,132	40,982	84,711
Inventory change	28,840	11,458	20,419	60,071
Accounts Payable & Accrued Expenses				
Beginning inventory	38,669	13,360	41,292	70,385
Ending inventory	43,654	24,538	41,122	79,177
Inventory change	-4,985	-11,178	169	-8,792
Total inventory change	142,528	-478	88,727	402,654
Net operating profit	269,833	42,934	202,749	638,376

Depreciation and Other Capital Adjustments
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Net operating profit	269,833	42,934	202,749	638,376
Breeding Livestock				
Ending inventory	3,274	2,589	-	2,694
Capital sales	64	28	-	-
Beginning inventory	2,826	1,861	-	1,644
Capital purchases	729	772	-	1,050
Depreciation, capital adjust.	-217	-16	-	-
Machinery and Equipment				
Ending inventory	365,907	141,933	330,593	646,221
Capital sales	6,324	2,772	6,221	7,865
Beginning inventory	325,193	126,200	284,355	583,190
Capital purchases	81,723	31,010	83,813	135,357
Depreciation, capital adjust.	-34,686	-12,505	-31,354	-64,462
Buildings and Improvements				
Ending inventory	71,703	33,123	54,659	137,243
Capital sales	11	54	-	-
Beginning inventory	60,360	27,762	47,593	110,130
Capital purchases	13,223	6,056	8,813	31,063
Depreciation, capital adjust.	-1,870	-642	-1,747	-3,950
Other Capital Assets				
Ending inventory	220,926	55,271	169,326	484,954
Capital sales	2,771	-	1,208	4,254
Beginning inventory	211,152	49,723	158,813	460,449
Capital purchases	6,021	4,082	6,353	8,860
Depreciation, capital adjust.	6,524	1,466	5,369	19,899
Total depreciation, capital adj.	-30,248	-11,697	-27,732	-48,513
Net farm income	239,585	31,237	175,017	589,863

Profitability Measures
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Profitability (assets valued at cost)				
Net farm income	239,585	31,237	175,017	589,863
Labor and management earnings	190,518	19,992	139,118	487,637
Rate of return on assets	15.8 %	5.4 %	13.9 %	20.4 %
Rate of return on equity	22.8 %	3.5 %	20.9 %	29.1 %
Operating profit margin	26.7 %	9.6 %	22.8 %	32.1 %
Asset turnover rate	59.0 %	56.1 %	60.9 %	63.6 %
Interest on farm net worth	49,067	11,245	35,899	102,226
Farm interest expense	39,504	21,008	39,307	62,484
Value of operator lbr and mgmt.	53,302	24,723	49,673	94,185
Return on farm assets	225,787	27,522	164,652	558,162
Average farm assets	1,429,715	509,590	1,188,237	2,734,991
Return on farm equity	186,283	6,514	125,344	495,678
Average farm equity	817,344	185,891	598,313	1,703,771
Value of farm production	844,179	285,903	723,338	1,738,460

Liquidity Measures
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Liquidity (cash)				
Net cash farm income	127,305	43,412	114,022	235,722
Net nonfarm income	16,637	20,188	18,167	8,780
Family living and taxes	68,786	41,824	71,349	107,831
Principal due on long term debt	11,328	6,579	9,871	17,863
Cash available for interm. debt	63,828	15,196	50,970	118,808
Average intermediate debt	174,617	91,622	170,642	302,839
Years to turnover interm. debt	2.7	6.0	3.3	2.5
Expense as a % of income	83 %	85 %	83 %	83 %
Interest as a % of income	5 %	7 %	6 %	4 %
Working capital to gross income	35 %	5 %	23 %	50 %
Liquidity (accrual)				
Total accrual farm income	848,407	286,832	734,715	1,738,550
Total accrual operating expense	578,575	243,899	531,966	1,100,174
Net accrual operating income	269,833	42,934	202,749	638,376
Net nonfarm income	16,637	20,188	18,167	8,780
Family living and taxes	68,786	41,824	71,349	107,831
Principal due on long term debt	11,328	6,579	9,871	17,863
Available for intermediate debt	206,355	14,718	139,696	521,461
Average intermediate debt	174,617	91,622	170,642	302,839
Years to turnover interm. debt	0.8	6.2	1.2	0.6
Expense as a % of income	68 %	85 %	72 %	63 %
Interest as a % of income	5 %	7 %	5 %	4 %
Working capital to gross income	30 %	5 %	21 %	40 %

Balance Sheet at Cost Values
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	215	49	45	30
Assets				
Current Farm Assets				
Cash and checking balance	12,589	7,018	9,913	32,371
Prepaid expenses & supplies	63,715	18,590	64,518	146,919
Growing crops	369	72	629	1,565
Accounts receivable	39,213	16,138	47,077	34,623
Hedging accounts	2,628	401	3,578	7,345
Crops held for sale or feed	281,568	74,488	271,447	691,137
Crops under government loan	48,576	26,571	28,786	112,457
Market livestock held for sale	2,840	2,214	7,634	1,068
Other current assets	646	947	751	987
Total current farm assets	452,143	146,439	434,332	1,028,473
Intermediate Farm Assets				
Breeding livestock	1,924	2,589	-	4,490
Machinery and equipment	289,297	121,333	290,228	511,332
Titled vehicles	19,543	20,600	18,590	36,673
Other intermediate assets	145,042	49,257	149,373	345,282
Total intermediate farm assets	455,805	193,779	458,191	897,777
Long Term Farm Assets				
Farm land	321,314	172,881	289,475	467,086
Buildings and improvements	62,467	33,123	59,073	128,313
Other long-term assets	28,092	6,014	29,233	38,214
Total long-term farm assets	411,873	212,018	377,781	633,614
Total Farm Assets	1,319,822	552,237	1,270,305	2,559,863
Total Nonfarm Assets	194,989	89,199	206,569	302,862
Total Assets	1,514,811	641,436	1,476,873	2,862,725
Liabilities				
Current Farm Liabilities				
Accrued interest	15,509	7,918	16,589	30,643
Accounts payable	21,362	16,616	21,450	35,211
Current notes	155,536	73,490	183,332	270,557
Government crop loans	21,338	12,328	11,999	48,822
Principal due on term debt	42,831	21,349	41,852	72,377
Total current farm liabilities	256,574	131,700	275,222	457,610
Total intermediate farm liabs	126,622	81,455	146,633	199,584
Total long term farm liabilities	193,711	143,667	175,307	275,168
Total farm liabilities	576,908	356,822	597,162	932,362
Total nonfarm liabilities	53,908	49,898	62,129	59,494
Total liabilities	630,816	406,720	659,291	991,856
Net worth (farm and nonfarm)	883,995	234,716	817,583	1,870,869
Net worth change	161,030	26,954	132,921	433,752
Ratio Analysis				
Current farm liabilities / assets	57 %	90 %	63 %	44 %
Curr. & interm farm liab. / assets	42 %	63 %	47 %	34 %
Long term farm liab. / assets	47 %	68 %	46 %	43 %
Total debt to asset ratio	42 %	63 %	45 %	35 %

Balance Sheet at Market Values
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	215	49	45	30
Assets				
Current Farm Assets				
Cash and checking balance	12,589	7,018	9,913	32,371
Prepaid expenses & supplies	63,715	18,590	64,518	146,919
Growing crops	369	72	629	1,565
Accounts receivable	39,213	16,138	47,077	34,623
Hedging accounts	2,628	401	3,578	7,345
Crops held for sale or feed	281,568	74,488	271,447	691,137
Crops under government loan	48,576	26,571	28,786	112,457
Market livestock held for sale	2,840	2,214	7,634	1,068
Other current assets	646	947	751	987
Total current farm assets	452,143	146,439	434,332	1,028,473
Intermediate Farm Assets				
Breeding livestock	1,848	2,644	-	3,770
Machinery and equipment	372,692	160,335	372,299	658,158
Titled vehicles	23,646	24,766	21,586	46,196
Other intermediate assets	192,986	62,115	202,703	451,661
Total intermediate farm assets	591,172	249,860	596,587	1,159,785
Long Term Farm Assets				
Farm land	463,108	276,983	415,472	621,018
Buildings and improvements	77,677	37,123	79,367	154,052
Other long-term assets	30,158	5,998	32,384	40,896
Total long-term farm assets	570,943	320,104	527,223	815,966
Total Farm Assets	1,614,259	716,404	1,558,143	3,004,224
Total Nonfarm Assets	229,698	105,945	232,745	367,931
Total Assets	1,843,957	822,349	1,790,888	3,372,154
Liabilities				
Current Farm Liabilities				
Accrued interest	15,509	7,918	16,589	30,643
Accounts payable	21,362	16,616	21,450	35,211
Current notes	155,536	73,490	183,332	270,557
Government crop loans	21,338	12,328	11,999	48,822
Principal due on term debt	42,831	21,349	41,852	72,377
Total current farm liabilities	256,574	131,700	275,222	457,610
Total intermediate farm liab	126,622	81,455	146,633	199,584
Total long term farm liabilities	193,711	143,667	175,307	275,168
Total farm liabilities	576,908	356,822	597,162	932,362
Total nonfarm liabilities	53,908	49,898	62,129	59,494
Total liab excluding deferreds	630,816	406,720	659,291	991,856
Total deferred liabilities	167,949	58,602	166,811	357,409
Total liabilities	798,764	465,323	826,102	1,349,265
Retained earnings	883,995	234,716	817,583	1,870,869
Market valuation equity	161,198	122,310	147,204	152,020
Net worth (farm and nonfarm)	1,045,193	357,026	964,787	2,022,890
Net worth excluding deferreds	1,213,141	415,628	1,131,598	2,380,298
Net worth change	170,615	49,201	133,587	394,761
Ratio Analysis				
Current farm liabilities / assets	57 %	90 %	63 %	44 %
Curr. & interm farm liab. / assets	37 %	54 %	41 %	30 %
Long term farm liab. / assets	34 %	45 %	33 %	34 %
Total debt to asset ratio	43 %	57 %	46 %	40 %
Debt to assets excl deferreds	34 %	49 %	37 %	29 %

Statement Of Cash Flows
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Beginning cash (farm & nonfarm)	20,342	7,652	17,046	38,340
Cash From Operating Activities				
Gross cash farm income	729,735	287,590	666,576	1,387,176
Net nonfarm income	16,637	20,188	18,167	8,780
Total cash farm expense	-602,429	-244,179	-552,554	-1,151,454
Apparent family living expense	-57,274	-38,240	-59,423	-91,595
Income and social security tax	-11,488	-3,585	-11,926	-16,236
Cash from operations	75,180	21,775	60,840	136,671
Cash From Investing Activities				
Sale of breeding livestock	64	28	-	-
Sale of machinery & equipment	6,132	2,178	6,221	7,540
Sale of titled vehicles	192	594	-	324
Sale of farm land	9,581	-	12,939	8,439
Sale of farm buildings	11	54	-	-
Sale of other farm assets	2,771	-	1,208	4,254
Sale of nonfarm assets	2,500	882	2,115	4,766
Purchase of breeding livestock	-729	-772	-	-1,050
Purchase of machinery & equip.	-75,877	-26,487	-79,700	-125,653
Purchase of titled vehicles	-5,846	-4,523	-4,113	-9,704
Purchase of farm land	-28,647	-18,373	-6,389	-61,387
Purchase of farm buildings	-13,223	-6,056	-8,813	-31,063
Purchase of other farm assets	-6,021	-4,082	-6,353	-8,860
Purchase of nonfarm assets	-17,233	-11,578	-13,021	-20,347
Cash from investing activities	-126,326	-68,136	-95,905	-232,740
Cash From Financing Activities				
Money borrowed	377,584	218,587	382,039	600,398
Cash gifts and inheritances	3,966	2,923	1,043	8,113
Principal payments	-328,998	-173,859	-350,044	-516,160
Dividends paid	-24	-	-	-
Gifts given	-177	-224	-72	-530
Cash from financing activities	52,350	47,427	32,966	91,821
Net change in cash balance	1,204	1,066	-2,099	-4,248
Ending cash (farm & nonfarm)	21,546	8,718	14,947	34,092

Financial Standards Measures
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Liquidity				
Current ratio	1.84	1.11	1.53	2.19
Working capital	256,649	14,739	151,974	690,386
Solvency (market)				
Farm debt to asset ratio	45 %	58 %	50 %	44 %
Farm equity to asset ratio	55 %	42 %	50 %	56 %
Farm debt to equity ratio	83 %	136 %	99 %	78 %
Profitability (cost)				
Rate of return on farm assets	15.8 %	5.4 %	13.9 %	20.4 %
Rate of return on farm equity	22.8 %	3.5 %	20.9 %	29.1 %
Operating profit margin	26.7 %	9.6 %	22.8 %	32.1 %
Net farm income	239,585	31,237	175,017	589,863
Repayment Capacity				
Term debt coverage ratio	340 %	96 %	264 %	453 %
Capital replacement margin	169,593	-1,298	106,253	443,012
Efficiency				
Asset turnover rate (cost)	59.0 %	56.1 %	60.9 %	63.6 %
Operating expense ratio	63.5 %	77.7 %	67.1 %	59.7 %
Depreciation expense ratio	3.6 %	4.1 %	3.8 %	2.8 %
Interest expense ratio	4.7 %	7.3 %	5.4 %	3.6 %
Net farm income ratio	28.2 %	10.9 %	23.8 %	33.9 %

Crop Production and Marketing Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Acreage Summary				
Total acres owned	397	194	329	554
Total crop acres	1,742	752	1,641	3,192
Crop acres owned	336	153	330	466
Crop acres cash rented	1,338	538	1,243	2,617
Crop acres share rented	68	61	68	109
Total pasture acres	4	3	-	4
Average Price Received (Cash Sales Only)				
Soybeans per bushel	6.78	6.95	6.77	6.78
Wheat, Spring per bushel	5.10	5.03	5.05	5.05
Corn per bushel	3.08	3.00	3.12	3.15
Sunflowers per cwt	16.53	-	19.57	-
Sunflowers, Confectionary per cwt	19.78	-	-	20.11
Beans, Navy per cwt	21.00	-	-	-
Beans, Pinto per cwt	22.36	-	-	-
Barley per bushel	3.05	-	-	-
Hay, Alfalfa per ton	88.63	-	-	-
Beans, Black Turtle per cwt	19.42	-	-	-
Soybeans, Organic per bushel	14.11	-	-	-
Straw per ton	24.69	-	-	-
Barley, Organic per bushel	5.68	-	-	-
Average Yield Per Acre				
Wheat, Spring (bushel)	48.23	40.86	45.61	52.32
Soybeans (bushel)	36.30	32.82	36.80	38.29
Sugar Beets (ton)	22.20	19.32	20.60	23.43
Corn (bushel)	130.29	124.53	124.79	135.89
CRP (\$)	49.82	-	-	50.55
Sunflowers (cwt)	17.27	-	19.80	16.41
Beans, Pinto (cwt)	21.04	-	-	23.11
Rented Out (\$)	86.70	-	-	126.66
Beans, Navy (cwt)	14.58	-	-	15.48
Sunflowers, Confectionary (cwt)	13.24	-	14.09	13.77
Barley (bushel)	55.00	-	-	49.92
Hay, Alfalfa (ton)	3.21	-	-	-
Soybeans, Food (bushel)	30.25	-	-	33.84
Beans, Black Turtle (cwt)	16.91	-	-	-
Soybeans, Organic (bushel)	22.61	-	-	-
Wheat, Winter (bushel)	45.17	-	-	-
Barley, Organic (bushel)	27.14	-	-	-
Corn Silage (ton)	17.84	-	-	-

Operator and Labor Information
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Operator Information				
Average number of operators	1.1	0.9	1.1	1.5
Average age of operators	44.0	39.7	44.2	46.6
Average number of years farming	21.2	17.0	21.7	24.2
Results Per Operator				
Working capital	226,106	15,599	141,842	448,302
Total assets (market)	1,833,202	870,304	1,651,894	2,454,037
Total liabilities	798,875	492,458	780,395	1,038,224
Net worth (market)	1,034,328	377,846	871,500	1,415,813
Net worth excl deferred liabs	1,214,214	439,866	1,023,455	1,707,482
Gross farm income	747,442	303,559	685,734	1,128,928
Total farm expense	536,369	270,500	522,385	745,900
Net farm income	211,073	33,059	163,349	383,028
Net nonfarm income	14,657	21,365	16,956	5,701
Family living & tax withdrawals	60,600	44,263	66,592	70,020
Total acres owned	349.4	205.1	307.4	360.0
Total crop acres	1,534.6	796.4	1,531.5	2,072.5
Crop acres owned	296.1	162.3	308.0	302.5
Crop acres cash rented	1,178.9	569.1	1,160.2	1,699.1
Crop acres share rented	59.6	64.9	63.3	70.9
Total pasture acres	3.8	3.0	-	2.7
Labor Analysis				
Number of farms	248	49	49	50
Total unpaid labor hours	1,866	1,295	1,793	2,583
Total hired labor hours	1,512	285	1,126	3,581
Total labor hours per farm	3,377	1,580	2,919	6,163
Unpaid hours per operator	1,644	1,370	1,673	1,677

Nonfarm Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	49	49	50
Nonfarm Income				
Nonfarm wages & salary	13,046	16,890	14,102	6,553
Net nonfarm business income	986	1,054	1,428	-476
Nonfarm rental income	143	276	31	71
Nonfarm interest income	423	11	412	273
Nonfarm cash dividends	112	3	43	1
Tax refunds	430	968	372	252
Other nonfarm income	1,497	986	1,778	2,105
Total nonfarm income	16,637	20,188	18,167	8,780
Gifts and inheritances	3,966	2,923	1,043	8,113

Financial Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Gross Farm Income)

	<u>Avg. Of All Farms</u>	<u>Less than 50,000</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	248	6	6	32	56	85	63
Income Statement							
Gross cash farm income	729,735	37,909	81,772	178,933	377,408	718,106	1,465,976
Total cash farm expense	602,429	29,735	66,588	147,117	299,472	590,102	1,225,201
Net cash farm income	127,305	8,175	15,185	31,816	77,936	128,003	240,774
Inventory change	142,528	17,065	15,115	43,655	101,500	130,619	269,368
Depreciation and capital adjust	-30,248	-1,526	-2,135	-9,405	-19,173	-31,034	-55,032
Net farm income	239,585	23,714	28,164	66,066	160,263	227,589	455,110
Profitability (cost)							
Labor and management earnings	190,518	21,113	22,542	55,954	132,548	179,001	358,068
Rate of return on assets	15.8 %	18.0 %	12.9 %	14.7 %	18.3 %	15.1 %	15.7 %
Rate of return on equity	22.8 %	37.3 %	17.5 %	27.4 %	27.3 %	21.8 %	22.1 %
Operating profit margin	26.7 %	37.4 %	21.4 %	26.9 %	31.9 %	26.4 %	25.7 %
Asset turnover rate	59.0 %	48.3 %	60.3 %	54.4 %	57.3 %	57.4 %	61.1 %
Liquidity							
Ending current ratio	1.76	1.81	2.03	1.64	1.90	1.83	1.65
Ending working capital	169,546	17,059	26,519	54,216	149,998	213,482	214,367
End working capital to gross inc	23.2 %	45.0 %	32.4 %	30.3 %	39.7 %	29.7 %	14.6 %
Term debt coverage ratio	339.6 %	435.8 %	318.9 %	262.3 %	407.9 %	330.8 %	335.6 %
Expense as a percent of income	68.2 %	54.9 %	69.6 %	66.6 %	61.6 %	68.3 %	69.9 %
Interest as a percent of income	4.7 %	8.4 %	4.9 %	6.6 %	4.9 %	4.6 %	4.5 %
Solvency (market)							
Number of sole proprietors	215	6	6	32	55	79	37
Ending farm assets	1,614,259	150,615	268,248	615,442	1,115,710	1,827,894	3,218,666
Ending farm liabilities	738,503	96,014	95,841	322,868	503,405	801,738	1,520,827
Ending total assets	1,843,957	178,243	329,633	734,345	1,325,659	2,077,027	3,592,113
Ending total liabilities	798,764	110,644	116,328	361,109	549,896	871,602	1,613,951
Ending net worth	1,045,193	67,599	213,305	373,236	775,764	1,205,424	1,978,162
Net worth change	170,615	21,080	26,447	78,514	144,215	188,879	298,141
Ending farm debt to asset ratio	46 %	64 %	36 %	52 %	45 %	44 %	47 %
Beg total debt to asset ratio	45 %	59 %	36 %	50 %	43 %	43 %	46 %
End total debt to asset ratio	43 %	62 %	35 %	49 %	41 %	42 %	45 %
Nonfarm Information							
Net nonfarm income	16,637	27,263	17,720	22,396	21,258	16,244	9,019
Crop Acres							
Total acres owned	397	53	93	206	322	424	585
Total crop acres	1,742	144	279	625	1,094	1,803	3,095
Total crop acres owned	336	47	49	185	280	367	477
Total crop acres cash rented	1,338	97	230	394	790	1,343	2,523
Total crop acres share rented	68	-	-	46	24	93	96

Financial Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	248	38	52	78	68	12
Income Statement						
Gross cash farm income	729,735	331,850	729,149	879,852	803,050	601,028
Total cash farm expense	602,429	295,903	610,931	724,887	652,651	455,688
Net cash farm income	127,305	35,947	118,218	154,965	150,399	145,340
Inventory change	142,528	65,330	182,345	157,220	135,846	156,806
Depreciation and capital adjust	-30,248	-10,391	-25,438	-39,003	-33,415	-39,114
Net farm income	239,585	90,885	275,125	273,181	252,830	263,032
Profitability (cost)						
Labor and management earnings	190,518	78,883	237,411	215,837	187,297	194,507
Rate of return on assets	15.8 %	16.0 %	21.8 %	15.3 %	13.5 %	13.8 %
Rate of return on equity	22.8 %	32.4 %	35.1 %	22.2 %	17.8 %	18.2 %
Operating profit margin	26.7 %	22.0 %	29.1 %	26.3 %	25.9 %	32.4 %
Asset turnover rate	59.0 %	73.0 %	74.9 %	58.3 %	52.2 %	42.5 %
Liquidity						
Ending current ratio	1.76	1.31	2.06	1.64	1.98	1.48
Ending working capital	169,546	45,796	201,754	182,983	210,548	102,166
End working capital to gross inc	23.2 %	13.8 %	27.7 %	20.8 %	26.2 %	17.0 %
Term debt coverage ratio	339.6 %	260.5 %	409.3 %	314.1 %	330.3 %	444.8 %
Expense as a percent of income	68.2 %	73.9 %	66.0 %	69.1 %	68.6 %	59.4 %
Interest as a percent of income	4.7 %	5.3 %	4.2 %	5.0 %	4.5 %	4.5 %
Solvency (market)						
Number of sole proprietors	215	37	45	64	59	10
Ending farm assets	1,614,259	626,960	1,348,698	1,969,871	2,007,469	1,866,431
Ending farm liabilities	738,503	405,269	635,358	949,369	798,035	734,830
Ending total assets	1,843,957	705,120	1,473,931	2,257,843	2,342,326	2,133,531
Ending total liabilities	798,764	454,086	700,986	1,019,352	855,397	768,186
Ending net worth	1,045,193	251,034	772,945	1,238,491	1,486,929	1,365,345
Net worth change	170,615	63,696	188,995	200,002	185,888	205,307
Ending farm debt to asset ratio	46 %	65 %	47 %	48 %	40 %	39 %
Beg total debt to asset ratio	45 %	65 %	51 %	47 %	38 %	37 %
End total debt to asset ratio	43 %	64 %	48 %	45 %	37 %	36 %
Nonfarm Information						
Net nonfarm income	16,637	14,215	18,860	15,542	17,322	17,907
Crop Acres						
Total acres owned	397	155	288	413	537	732
Total crop acres	1,742	901	1,714	2,089	1,838	1,725
Total crop acres owned	336	149	196	387	434	650
Total crop acres cash rented	1,338	721	1,492	1,606	1,328	937
Total crop acres share rented	68	30	25	96	76	138

Financial Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By County)

	Avg. Of All Farms	Clay	Marshall	Norman	Polk	Wilkin	Cass	Richland
Number of farms	248	55	15	30	40	41	18	33
Income Statement								
Gross cash farm income	729,735	863,174	620,273	869,316	863,046	558,178	468,021	649,958
Total cash farm expense	602,429	699,481	529,158	736,058	728,469	445,546	380,534	516,906
Net cash farm income	127,305	163,693	91,115	133,258	134,577	112,632	87,487	133,051
Inventory change	142,528	114,336	193,610	195,616	261,385	58,089	82,557	93,921
Depreciation and capital adjust	-30,248	-30,309	-32,964	-16,050	-37,985	-25,320	-26,537	-38,118
Net farm income	239,585	247,721	251,761	312,824	357,977	145,401	143,507	188,854
Profitability (cost)								
Labor and management earnings	190,518	186,509	215,314	264,466	298,426	107,468	119,115	131,657
Rate of return on assets	15.8 %	13.4 %	20.1 %	19.1 %	19.7 %	12.2 %	18.4 %	11.8 %
Rate of return on equity	22.8 %	18.2 %	33.0 %	31.3 %	29.1 %	17.2 %	28.3 %	14.6 %
Operating profit margin	26.7 %	24.8 %	29.0 %	29.9 %	30.0 %	23.5 %	26.1 %	24.0 %
Asset turnover rate	59.0 %	54.1 %	69.3 %	63.8 %	65.6 %	51.9 %	70.7 %	49.4 %
Liquidity								
Ending current ratio	1.76	1.53	2.71	1.70	1.79	1.67	1.67	2.16
Ending working capital	169,546	164,461	215,341	212,913	125,558	131,296	128,461	217,754
End working capital to gross inc	23.2 %	19.1 %	34.7 %	24.5 %	14.5 %	23.5 %	27.4 %	33.5 %
Term debt coverage ratio	339.6 %	257.0 %	442.2 %	335.3 %	433.1 %	236.8 %	485.3 %	409.3 %
Expense as a percent of income	68.2 %	70.7 %	65.6 %	67.8 %	63.9 %	71.2 %	68.1 %	68.9 %
Interest as a percent of income	4.7 %	4.9 %	4.7 %	5.2 %	3.6 %	5.2 %	4.7 %	4.8 %
Solvency (market)								
Number of sole proprietors	215	49	12	28	27	40	17	29
Ending farm assets	1,614,259	2,231,037	1,260,078	1,962,538	1,145,261	1,370,583	967,180	1,632,537
Ending farm liabilities	738,503	989,469	608,510	911,752	650,446	614,747	501,644	630,078
Ending total assets	1,843,957	2,581,875	1,419,555	2,224,110	1,312,949	1,540,709	1,118,749	1,865,582
Ending total liabilities	798,764	1,109,548	636,353	989,162	716,421	651,650	540,769	648,513
Ending net worth	1,045,193	1,472,327	783,203	1,234,947	596,527	889,059	577,980	1,217,070
Net worth change	170,615	239,174	181,118	235,928	153,826	106,231	107,606	136,353
Ending farm debt to asset ratio	46 %	44 %	48 %	46 %	57 %	45 %	52 %	39 %
Beg total debt to asset ratio	45 %	44 %	48 %	49 %	57 %	43 %	50 %	36 %
End total debt to asset ratio	43 %	43 %	45 %	44 %	55 %	42 %	48 %	35 %
Nonfarm Information								
Net nonfarm income	16,637	17,116	23,306	17,745	9,748	18,629	22,041	15,269
Crop Acres								
Total acres owned	397	472	562	487	336	323	188	404
Total crop acres	1,742	1,860	1,788	2,150	1,935	1,239	1,468	1,613
Total crop acres owned	336	316	498	404	372	309	127	361
Total crop acres cash rented	1,338	1,492	1,285	1,687	1,529	829	1,299	1,107
Total crop acres share rented	68	53	5	59	34	101	42	145

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. When there are less than 25 total farms with any particular crop and farmer's tenure, only overall averages are presented.

Value per unit is the market price received plus any loan deficiency payment. Miscellaneous income includes crop insurance and disaster payments for the crop.

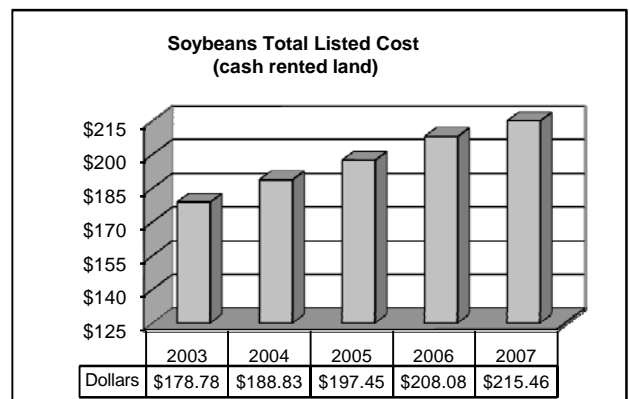
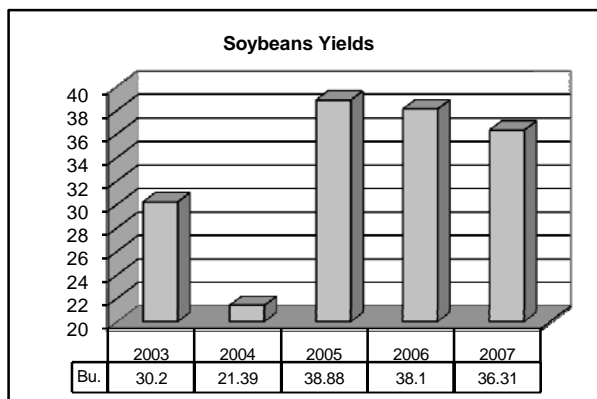
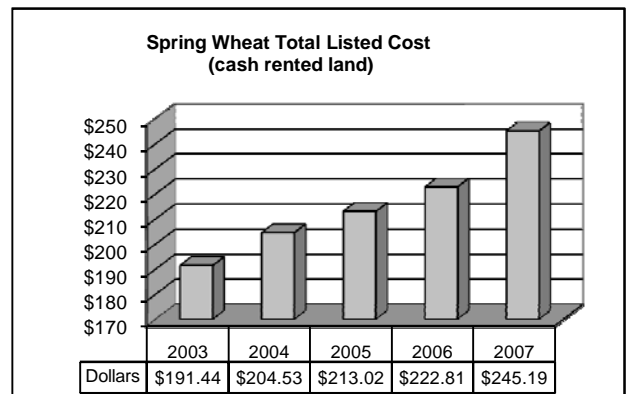
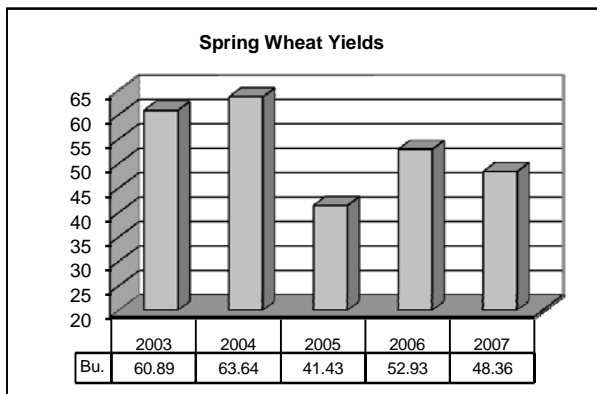
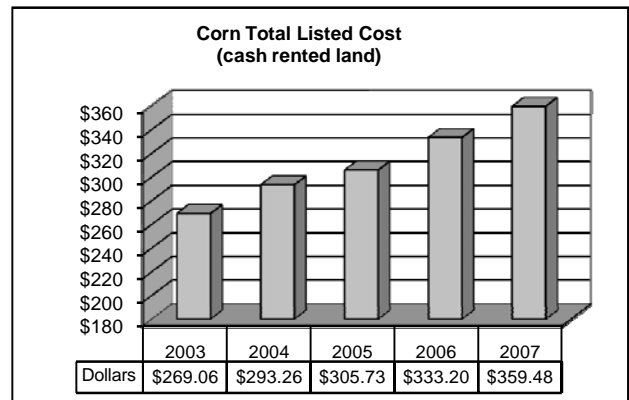
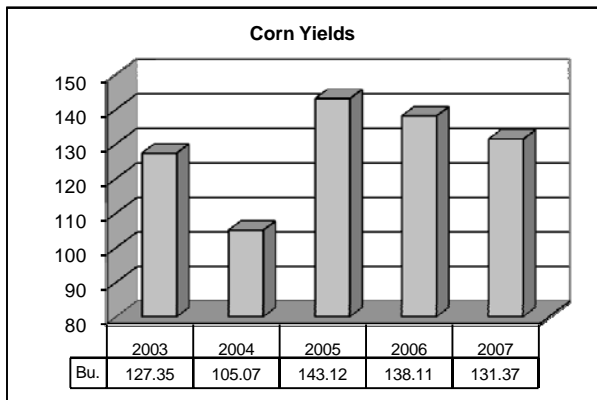
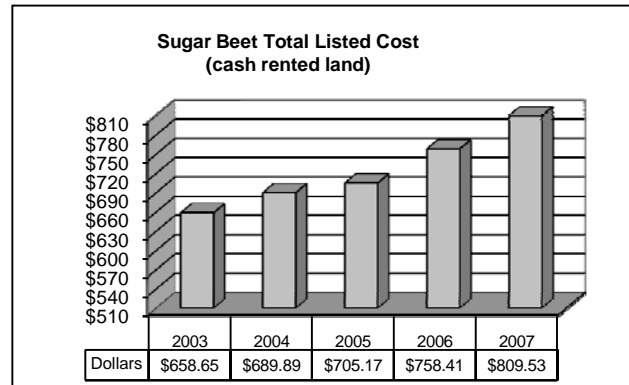
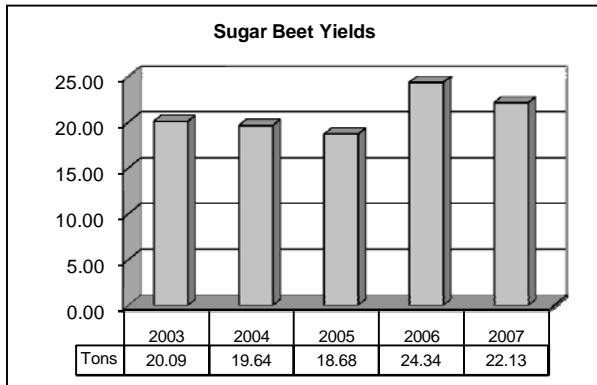
Several cost items, such as "utilities," "hired labor," and "interest paid," are listed under both "direct" and "overhead" costs because some of these costs are specific to that crop whereas others are general overhead costs of the farm. For example, "Direct Lease Payments" refers to non-land inputs 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 separate category and is assigned as a direct cost for each crop enterprise because it is identifiable with the specific crop. 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.

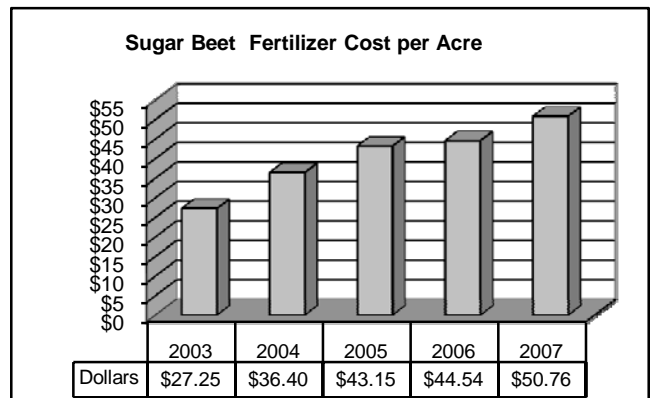
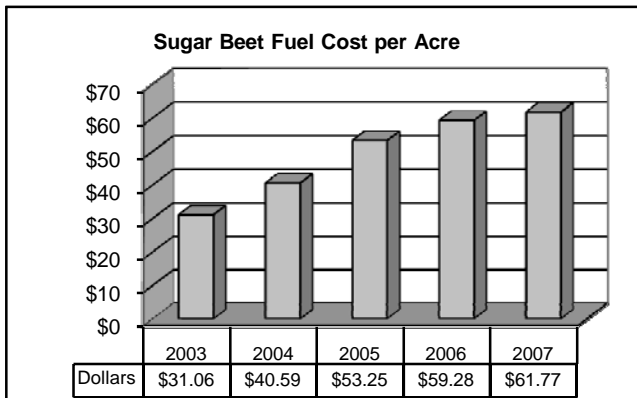
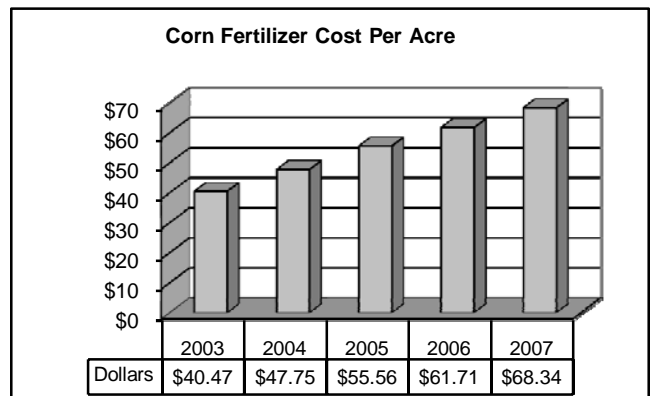
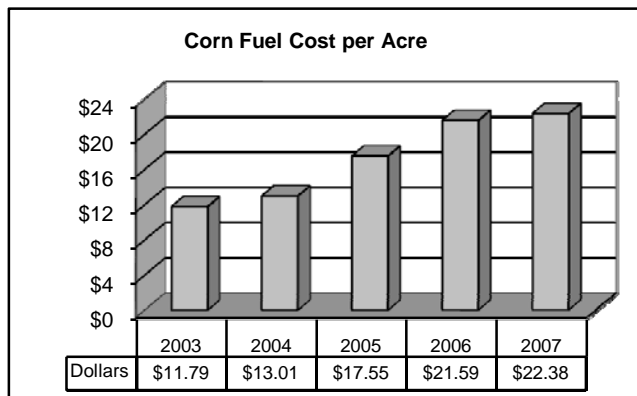
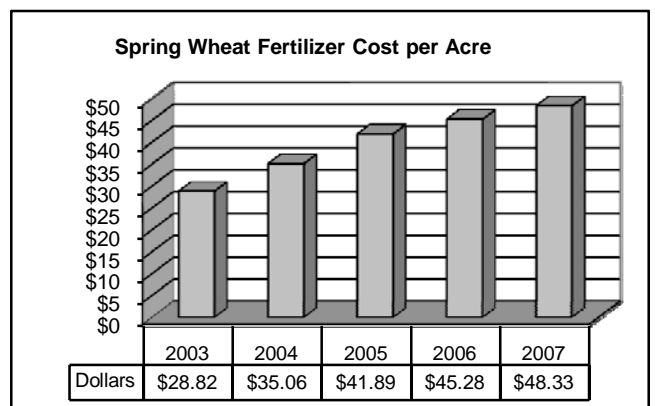
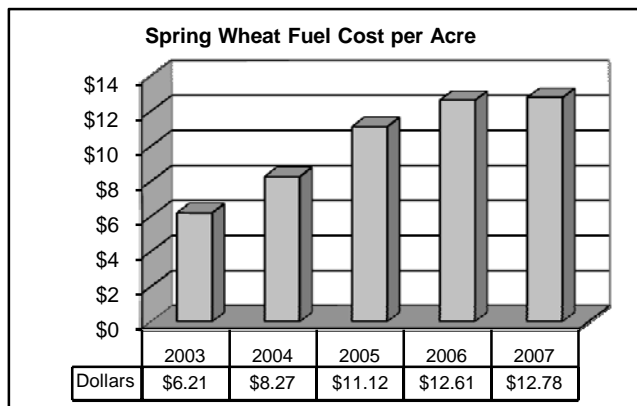
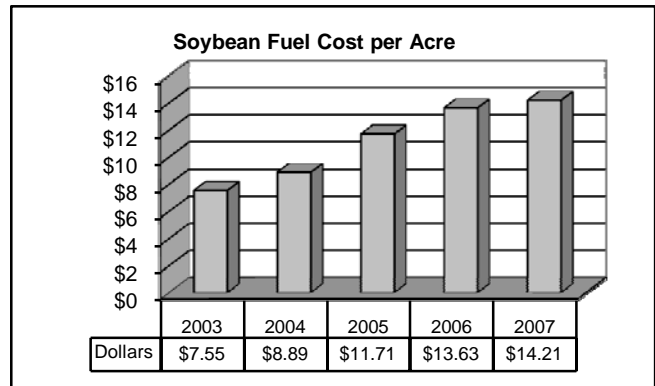
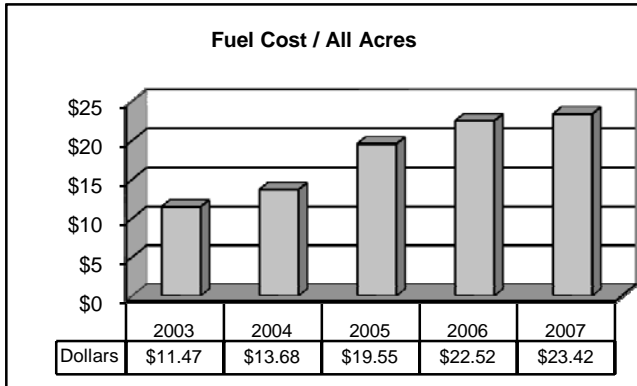
In the last section of the crop table, "machinery cost per acre" is the sum of fuel, repairs, all custom hire and machinery leases, machinery depreciation and interest on intermediate debt.

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 Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Barley on Cash Rent

	Avg. Of All Farms
Number of fields	11
Number of farms	9
Acres	234.81
Yield per acre (bu.)	52.35
Operators share of yield %	100.00
Value per bu.	3.57
Total product return per acre	186.80
Miscellaneous income per acre	25.82
Gross return per acre	212.62
Direct Expenses	
Seed	12.34
Fertilizer	42.79
Crop chemicals	22.14
Crop insurance	10.25
Fuel & oil	12.84
Repairs	12.91
Custom hire	5.13
Land rent	63.42
Machinery leases	2.80
Operating interest	6.15
Miscellaneous	0.63
Total direct expenses per acre	191.40
Return over direct exp per acre	21.21
Overhead Expenses	
Custom hire	6.98
Hired labor	7.22
Machinery leases	1.83
Farm insurance	3.16
Utilities	1.63
Dues & professional fees	3.89
Interest	3.25
Mach & bldg depreciation	12.86
Miscellaneous	1.93
Total overhead expenses per acre	42.76
Total dir & ovhd expenses per acre	234.16
Net return per acre	-21.55
Government payments	17.11
Net return with govt pmts	-4.44
Labor & management charge	15.68
Net return over lbr & mgt	-20.11
Cost of Production	
Total direct expense per bu.	3.66
Total dir & ovhd exp per bu.	4.47
Less govt & other income	3.65
With labor & management	3.95
Machinery cost per acre	58.06
Est. labor hours per acre	1.15

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Beans, Black Turtle on Cash Rent

	Avg. Of All Farms
Number of fields	8
Number of farms	7
Acres	166.71
Yield per acre (cwt.)	16.67
Operators share of yield %	100.00
Value per cwt.	24.14
Total product return per acre	402.44
Miscellaneous income per acre	1.75
Gross return per acre	404.19
Direct Expenses	
Seed	32.18
Fertilizer	30.16
Crop chemicals	33.01
Crop insurance	18.85
Fuel & oil	22.18
Repairs	24.65
Custom hire	1.84
Land rent	67.74
Operating interest	7.68
Total direct expenses per acre	238.30
Return over direct exp per acre	165.89
Overhead Expenses	
Custom hire	2.92
Hired labor	11.06
Machinery leases	4.16
Farm insurance	4.08
Utilities	2.09
Dues & professional fees	2.72
Interest	8.96
Mach & bldg depreciation	16.92
Miscellaneous	4.09
Total overhead expenses per acre	56.99
Total dir & ovhd expenses per acre	295.29
Net return per acre	108.90
Government payments	-
Net return with govt pmts	108.90
Labor & management charge	26.47
Net return over lbr & mgt	82.43
Cost of Production	
Total direct expense per cwt.	14.29
Total dir & ovhd exp per cwt.	17.71
Less govt & other income	17.61
With labor & management	19.19
Machinery cost per acre	81.21
Est. labor hours per acre	1.80

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Beans, Navy on Cash Rent

	Avg. Of All Farms
Number of fields	17
Number of farms	9
Acres	133.20
Yield per acre (cwt.)	14.93
Operators share of yield %	100.00
Value per cwt.	21.80
Total product return per acre	325.52
Miscellaneous income per acre	16.51
Gross return per acre	342.04
Direct Expenses	
Seed	35.80
Fertilizer	25.81
Crop chemicals	37.90
Crop insurance	20.89
Fuel & oil	16.76
Repairs	20.08
Custom hire	5.46
Land rent	65.77
Machinery leases	1.49
Operating interest	8.22
Miscellaneous	0.41
Total direct expenses per acre	238.59
Return over direct exp per acre	103.45
Overhead Expenses	
Custom hire	7.08
Hired labor	10.01
Machinery leases	2.44
Farm insurance	6.13
Utilities	2.68
Dues & professional fees	4.05
Interest	5.36
Mach & bldg depreciation	16.25
Miscellaneous	2.31
Total overhead expenses per acre	56.33
Total dir & ovhd expenses per acre	294.92
Net return per acre	47.12
Government payments	-
Net return with govt pmts	47.12
Labor & management charge	28.31
Net return over lbr & mgt	18.81
Cost of Production	
Total direct expense per cwt.	15.98
Total dir & ovhd exp per cwt.	19.75
Less govt & other income	18.65
With labor & management	20.54
Machinery cost per acre	74.85
Est. labor hours per acre	1.77

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Beans, Pinto on Cash Rent

	Avg. Of All Farms
Number of fields	19
Number of farms	7
Acres	96.80
Yield per acre (cwt.)	20.62
Operators share of yield %	100.00
Value per cwt.	25.18
Total product return per acre	519.25
Miscellaneous income per acre	18.57
Gross return per acre	537.83
Direct Expenses	
Seed	31.38
Fertilizer	21.24
Crop chemicals	31.06
Crop insurance	19.28
Fuel & oil	18.39
Repairs	22.96
Custom hire	5.94
Land rent	62.41
Operating interest	4.86
Miscellaneous	0.10
Total direct expenses per acre	217.61
Return over direct exp per acre	320.21
Overhead Expenses	
Custom hire	2.99
Hired labor	13.11
Machinery leases	4.01
Farm insurance	3.40
Utilities	1.84
Dues & professional fees	2.95
Interest	2.96
Mach & bldg depreciation	27.12
Miscellaneous	2.08
Total overhead expenses per acre	60.48
Total dir & ovhd expenses per acre	278.09
Net return per acre	259.74
Government payments	-
Net return with govt pmts	259.74
Labor & management charge	32.04
Net return over lbr & mgt	227.70
Cost of Production	
Total direct expense per cwt.	10.55
Total dir & ovhd exp per cwt.	13.48
Less govt & other income	12.58
With labor & management	14.14
Machinery cost per acre	83.21
Est. labor hours per acre	1.91

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Corn on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	81	15	13	21
Number of farms	64	12	13	13
Acres	119.00	78.28	124.50	127.97
Yield per acre (bu.)	124.94	98.23	130.50	138.93
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	3.80	3.46	3.61	4.00
Total product return per acre	475.18	339.56	470.78	555.71
Miscellaneous income per acre	9.65	48.34	2.57	-
Gross return per acre	484.83	387.90	473.35	555.71
Direct Expenses				
Seed	52.98	52.60	52.98	50.61
Fertilizer	70.34	74.18	70.03	64.88
Crop chemicals	18.44	15.65	19.83	17.24
Crop insurance	22.42	23.97	24.53	17.56
Drying fuel	6.92	8.87	9.25	6.81
Fuel & oil	19.88	20.45	20.39	18.17
Repairs	25.98	27.02	29.03	25.73
Custom hire	5.40	4.29	3.00	5.66
Operating interest	7.90	10.73	6.56	7.03
Miscellaneous	0.44	0.02	0.04	0.87
Total direct expenses per acre	230.69	237.80	235.63	214.55
Return over direct exp per acre	254.14	150.10	237.72	341.16
Overhead Expenses				
Custom hire	2.04	1.51	2.37	1.54
Hired labor	9.62	9.50	11.42	7.67
Machinery leases	1.22	2.25	1.52	1.33
RE & pers. property taxes	13.67	15.24	15.43	12.02
Farm insurance	4.51	3.44	4.81	4.55
Utilities	3.85	2.67	4.14	4.14
Dues & professional fees	2.80	3.35	2.63	3.36
Interest	39.99	75.81	36.41	26.70
Mach & bldg depreciation	20.10	20.29	24.18	20.00
Miscellaneous	3.46	4.26	4.01	2.42
Total overhead expenses per acre	101.25	138.32	106.92	83.72
Total dir & ovhd expenses per acre	331.94	376.12	342.55	298.26
Net return per acre	152.89	11.77	130.80	257.44
Government payments	13.81	13.16	13.21	15.25
Net return with govt pmts	166.70	24.94	144.01	272.70
Labor & management charge	30.34	31.06	35.10	30.62
Net return over lbr & mgt	136.36	-6.12	108.91	242.08
Cost of Production				
Total direct expense per bu.	1.85	2.42	1.81	1.54
Total dir & ovhd exp per bu.	2.66	3.83	2.62	2.15
Less govt & other income	2.47	3.20	2.50	2.04
With labor & management	2.71	3.52	2.77	2.26
Machinery cost per acre	78.65	80.78	84.79	76.90
Est. labor hours per acre	1.73	1.83	1.51	1.80

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Corn on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	137	30	24	27
Number of farms	103	20	20	21
Acres	340.82	309.60	360.98	460.16
Yield per acre (bu.)	131.37	115.51	127.87	146.42
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	3.76	3.32	3.76	4.14
Total product return per acre	493.74	383.08	480.48	606.59
Miscellaneous income per acre	6.28	21.28	1.44	-
Gross return per acre	500.02	404.37	481.92	606.59
Direct Expenses				
Seed	52.18	50.53	55.07	52.19
Fertilizer	68.34	79.57	66.15	64.16
Crop chemicals	17.49	20.88	15.81	17.71
Crop insurance	23.84	25.13	24.68	22.39
Drying fuel	7.68	10.23	8.81	7.99
Storage	0.29	-	-	1.07
Fuel & oil	22.38	24.02	21.09	23.05
Repairs	25.84	24.54	26.22	26.53
Custom hire	2.02	2.10	3.71	0.76
Hired labor	0.54	-	0.58	1.06
Land rent	70.27	70.64	69.02	70.41
Operating interest	8.86	8.98	7.80	8.92
Miscellaneous	0.51	0.40	0.49	0.29
Total direct expenses per acre	300.25	317.04	299.43	296.53
Return over direct exp per acre	199.77	87.33	182.49	310.06
Overhead Expenses				
Custom hire	2.76	2.50	2.25	2.41
Hired labor	11.56	10.88	15.36	8.63
Machinery leases	3.08	2.76	2.03	5.77
Building leases	0.56	0.01	0.35	1.33
Farm insurance	4.90	5.68	3.91	4.20
Utilities	3.70	3.51	3.16	3.12
Dues & professional fees	3.04	3.15	4.75	2.52
Interest	6.73	7.80	5.23	7.42
Mach & bldg depreciation	20.20	21.08	19.63	17.55
Miscellaneous	2.70	3.15	2.30	2.31
Total overhead expenses per acre	59.23	60.52	59.00	55.25
Total dir & ovhd expenses per acre	359.48	377.56	358.42	351.79
Net return per acre	140.54	26.81	123.49	254.80
Government payments	13.44	12.34	12.71	14.67
Net return with govt pmts	153.98	39.15	136.20	269.47
Labor & management charge	30.13	31.47	25.00	28.75
Net return over lbr & mgt	123.85	7.67	111.19	240.72
Cost of Production				
Total direct expense per bu.	2.29	2.74	2.34	2.03
Total dir & ovhd exp per bu.	2.74	3.27	2.80	2.40
Less govt & other income	2.59	2.98	2.69	2.30
With labor & management	2.82	3.25	2.89	2.50
Machinery cost per acre	81.62	83.90	78.36	81.92
Est. labor hours per acre	1.66	1.72	1.57	1.54

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Corn on Share Rent

	Avg. Of All Farms
Number of fields	14
Number of farms	13
Acres	133.64
Yield per acre (bu.)	126.90
Operators share of yield %	69.60
Value per bu.	3.85
Total product return per acre	340.42
Miscellaneous income per acre	2.31
Gross return per acre	342.73
Direct Expenses	
Seed	57.24
Fertilizer	66.58
Crop chemicals	14.70
Crop insurance	17.64
Drying fuel	11.17
Fuel & oil	16.78
Repairs	20.86
Custom hire	2.54
Operating interest	5.40
Miscellaneous	0.44
Total direct expenses per acre	213.36
Return over direct exp per acre	129.37
Overhead Expenses	
Custom hire	1.10
Hired labor	12.87
Machinery leases	2.04
Farm insurance	4.75
Utilities	3.17
Dues & professional fees	2.15
Interest	5.04
Mach & bldg depreciation	21.01
Miscellaneous	2.57
Total overhead expenses per acre	54.70
Total dir & ovhd expenses per acre	268.06
Net return per acre	74.67
Government payments	8.74
Net return with govt pmts	83.41
Labor & management charge	29.15
Net return over lbr & mgt	54.26
Cost of Production	
Total direct expense per bu.	2.42
Total dir & ovhd exp per bu.	3.04
Less govt & other income	2.91
With labor & management	3.24
Machinery cost per acre	68.27
Est. labor hours per acre	1.95

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Soybeans on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	135	26	28	29
Number of farms	114	22	23	23
Acres	162.57	109.67	180.01	199.17
Yield per acre (bu.)	36.75	30.89	35.81	41.95
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	9.08	7.89	8.84	9.79
Total product return per acre	333.73	243.73	316.38	410.69
Miscellaneous income per acre	4.98	11.86	4.51	-3.08
Gross return per acre	338.71	255.59	320.89	407.61
Direct Expenses				
Seed	38.96	40.14	38.06	37.11
Fertilizer	4.81	2.97	2.39	4.67
Crop chemicals	13.81	14.01	13.07	13.63
Crop insurance	15.00	13.69	15.60	13.82
Fuel & oil	14.34	17.63	14.67	14.07
Repairs	17.64	24.29	18.85	16.04
Custom hire	1.27	0.91	1.16	1.17
Machinery leases	0.39	-	-	0.58
Operating interest	4.98	5.36	5.47	4.67
Miscellaneous	0.35	0.27	0.43	0.56
Total direct expenses per acre	111.54	119.26	109.72	106.33
Return over direct exp per acre	227.17	136.33	211.17	301.28
Overhead Expenses				
Custom hire	2.19	1.77	2.21	1.33
Hired labor	7.91	6.74	10.46	7.03
Machinery leases	1.21	2.16	1.12	0.70
RE & pers. property taxes	12.67	12.79	12.33	13.85
Farm insurance	4.16	4.52	5.43	3.67
Utilities	2.88	3.33	3.64	2.54
Dues & professional fees	2.12	2.26	2.48	1.74
Interest	37.94	70.26	34.54	20.22
Mach & bldg depreciation	14.05	14.99	15.34	13.75
Miscellaneous	3.13	4.80	2.95	2.72
Total overhead expenses per acre	88.25	123.62	90.50	67.55
Total dir & ovhd expenses per acre	199.79	242.88	200.22	173.87
Net return per acre	138.92	12.71	120.67	233.74
Government payments	13.97	13.28	14.54	14.29
Net return with govt pmnts	152.89	25.99	135.21	248.03
Labor & management charge	21.14	24.00	20.72	21.52
Net return over lbr & mgt	131.75	1.99	114.49	226.50
Cost of Production				
Total direct expense per bu.	3.04	3.86	3.06	2.53
Total dir & ovhd exp per bu.	5.44	7.86	5.59	4.14
Less govt & other income	4.92	7.05	5.06	3.88
With labor & management	5.50	7.83	5.64	4.39
Machinery cost per acre	53.96	66.39	56.56	49.03
Est. labor hours per acre	1.32	1.39	1.29	1.28

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	273	56	55	55
Number of farms	176	35	35	36
Acres	349.86	279.81	369.99	313.89
Yield per acre (bu.)	36.31	28.80	37.12	41.22
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	8.90	8.16	8.64	10.08
Total product return per acre	323.04	234.99	320.75	415.37
Miscellaneous income per acre	6.12	9.62	3.97	5.35
Gross return per acre	329.16	244.61	324.72	420.71
Direct Expenses				
Seed	38.75	40.91	37.87	38.17
Fertilizer	3.59	3.45	3.97	3.58
Crop chemicals	13.15	13.60	13.82	13.17
Crop insurance	14.93	14.11	15.65	15.06
Fuel & oil	14.21	15.64	13.54	12.49
Repairs	15.89	19.48	14.94	13.45
Custom hire	1.44	1.09	1.49	1.53
Land rent	67.96	68.30	64.56	67.48
Operating interest	5.29	6.74	5.72	3.73
Miscellaneous	0.50	0.10	0.21	0.16
Total direct expenses per acre	175.72	183.41	171.76	168.81
Return over direct exp per acre	153.45	61.20	152.96	251.90
Overhead Expenses				
Custom hire	2.40	2.38	3.30	1.61
Hired labor	7.19	6.73	7.71	5.36
Machinery leases	2.07	1.93	2.47	1.08
Farm insurance	3.58	3.72	4.58	2.39
Utilities	2.43	2.79	2.58	1.80
Dues & professional fees	2.37	2.15	2.74	2.17
Interest	4.16	4.16	4.97	3.79
Mach & bldg depreciation	12.85	14.96	14.50	10.91
Miscellaneous	2.62	3.13	2.46	1.94
Total overhead expenses per acre	39.66	41.96	45.31	31.04
Total dir & ovhd expenses per acre	215.38	225.37	217.07	199.85
Net return per acre	113.78	19.24	107.65	220.86
Government payments	14.00	12.96	13.84	16.78
Net return with govt pmts	127.78	32.20	121.49	237.64
Labor & management charge	19.60	20.90	17.54	18.88
Net return over lbr & mgt	108.18	11.30	103.96	218.76
Cost of Production				
Total direct expense per bu.	4.84	6.37	4.63	4.10
Total dir & ovhd exp per bu.	5.93	7.83	5.85	4.85
Less govt & other income	5.38	7.04	5.37	4.31
With labor & management	5.92	7.77	5.84	4.77
Machinery cost per acre	52.33	58.63	53.86	43.99
Est. labor hours per acre	1.15	1.25	1.09	1.07

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	40	5	8	11
Number of farms	27	5	6	6
Acres	132.52	153.34	184.38	137.53
Yield per acre (bu.)	34.44	26.61	36.75	37.44
Operators share of yield %	67.97	66.54	68.17	67.02
Value per bu.	9.14	7.90	8.63	10.45
Total product return per acre	213.94	139.91	216.18	262.20
Miscellaneous income per acre	0.93	-	0.66	-
Gross return per acre	214.88	139.91	216.83	262.20
Direct Expenses				
Seed	39.29	37.96	37.71	38.36
Fertilizer	2.77	10.64	3.10	0.13
Crop chemicals	12.65	19.32	7.88	13.26
Crop insurance	10.21	10.89	11.79	9.16
Fuel & oil	14.28	14.78	14.65	12.88
Repairs	16.94	22.37	17.53	12.58
Custom hire	4.25	7.16	11.00	0.27
Operating interest	4.10	8.86	2.98	1.89
Miscellaneous	0.34	-	1.23	-
Total direct expenses per acre	104.82	131.96	107.86	88.52
Return over direct exp per acre	110.06	7.95	108.97	173.69
Overhead Expenses				
Custom hire	1.52	0.80	3.39	0.52
Hired labor	7.83	3.18	11.64	7.49
Machinery leases	1.07	0.35	2.96	0.67
Farm insurance	4.60	5.15	5.03	4.25
Utilities	2.83	3.44	2.15	2.70
Dues & professional fees	1.99	2.21	2.26	1.63
Interest	3.34	1.61	3.61	1.46
Mach & bldg depreciation	16.26	22.80	13.83	19.13
Miscellaneous	2.20	4.06	1.15	1.75
Total overhead expenses per acre	41.63	43.60	46.01	39.60
Total dir & ovhd expenses per acre	146.44	175.56	153.88	128.12
Net return per acre	68.43	-35.66	62.96	134.09
Government payments	9.31	9.64	9.13	9.05
Net return with govt pmts	77.75	-26.02	72.09	143.13
Labor & management charge	20.19	27.42	17.73	21.29
Net return over lbr & mgt	57.56	-53.44	54.35	121.84
Cost of Production				
Total direct expense per bu.	4.48	7.45	4.31	3.53
Total dir & ovhd exp per bu.	6.26	9.92	6.14	5.11
Less govt & other income	5.82	9.37	5.75	4.75
With labor & management	6.68	10.92	6.46	5.59
Machinery cost per acre	57.00	67.35	66.45	47.35
Est. labor hours per acre	1.36	1.72	1.08	1.62

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Soybeans, Food on Cash Rent

	Avg. Of All Farms
Number of fields	12
Number of farms	11
Acres	229.40
Yield per acre (bu.)	31.23
Operators share of yield %	100.00
Value per bu.	11.41
Total product return per acre	356.41
Miscellaneous income per acre	24.44
Gross return per acre	380.85
Direct Expenses	
Seed	17.80
Fertilizer	2.21
Crop chemicals	26.61
Crop insurance	19.13
Storage	1.44
Fuel & oil	13.04
Repairs	15.75
Custom hire	1.25
Land rent	67.79
Operating interest	3.59
Total direct expenses per acre	168.63
Return over direct exp per acre	212.22
Overhead Expenses	
Custom hire	3.00
Hired labor	3.30
Machinery leases	6.45
Building leases	1.04
Farm insurance	2.21
Utilities	1.73
Dues & professional fees	2.93
Interest	3.98
Mach & bldg depreciation	12.64
Miscellaneous	1.82
Total overhead expenses per acre	39.11
Total dir & ovhd expenses per acre	207.73
Net return per acre	173.12
Government payments	13.90
Net return with govt pmts	187.01
Labor & management charge	22.59
Net return over lbr & mgt	164.42
Cost of Production	
Total direct expense per bu.	5.40
Total dir & ovhd exp per bu.	6.65
Less govt & other income	5.42
With labor & management	6.15
Machinery cost per acre	55.46
Est. labor hours per acre	1.15

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	11	10	10
Number of farms	40	8	8	8
Acres	105.12	116.74	118.36	70.84
Yield per acre (ton)	21.95	19.21	22.20	26.33
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.31	36.02	40.67	40.16
Total product return per acre	841.03	691.80	902.82	1,057.40
Miscellaneous income per acre	32.41	27.16	11.79	2.52
Gross return per acre	873.44	718.97	914.61	1,059.92
Direct Expenses				
Seed	58.48	56.97	56.16	57.50
Fertilizer	48.39	54.77	40.30	46.33
Crop chemicals	96.04	98.28	107.03	102.21
Crop insurance	19.59	22.44	18.17	15.32
Fuel & oil	62.21	62.87	57.38	66.86
Repairs	78.53	99.78	84.60	51.10
Custom hire	12.12	9.05	25.05	13.30
Hired labor	31.16	37.45	27.00	24.69
Hauling and trucking	10.68	-	12.67	28.42
Operating interest	22.11	33.95	13.08	9.32
Miscellaneous	2.01	-	3.65	2.99
Total direct expenses per acre	441.32	475.58	445.08	418.02
Return over direct exp per acre	432.12	243.39	469.53	641.89
Overhead Expenses				
Custom hire	5.24	0.98	7.40	4.59
Hired labor	35.37	44.60	35.33	15.45
Machinery leases	6.21	14.30	1.90	4.29
RE & pers. property taxes	12.48	15.27	9.38	11.82
Farm insurance	13.13	7.64	16.37	17.93
Utilities	7.81	8.89	7.15	11.71
Dues & professional fees	6.65	2.67	4.91	9.03
Interest	52.73	78.11	41.30	20.66
Mach & bldg depreciation	77.00	65.68	81.03	83.77
Miscellaneous	7.22	6.97	4.77	10.98
Total overhead expenses per acre	223.84	245.12	209.54	190.22
Total dir & ovhd expenses per acre	665.16	720.70	654.62	608.25
Net return per acre	208.28	-1.73	259.99	451.67
Government payments	14.10	12.63	12.64	14.95
Net return with govt pmts	222.38	10.90	272.63	466.62
Labor & management charge	92.37	82.68	82.06	140.09
Net return over lbr & mgt	130.01	-71.78	190.57	326.52
Cost of Production				
Total direct expense per ton	20.10	24.76	20.05	15.88
Total dir & ovhd exp per ton	30.30	37.53	29.49	23.10
Less govt & other income	28.18	35.45	28.39	22.44
With labor & management	32.39	39.76	32.09	27.76
Machinery cost per acre	259.78	282.88	274.29	229.55
Est. labor hours per acre	5.87	6.01	5.13	7.03

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Including Joint venture

	<u>Avg. Of All Farms</u>	<u>High 20%</u>
Number of fields	27	6
Number of farms	23	5
Acres	107.16	112.73
Yield per acre (ton)	22.43	26.17
Operators share of yield %	100.00	100.00
Value per ton	37.65	40.14
Total product return per acre	844.25	1,050.56
Miscellaneous income per acre	22.71	2.42
Gross return per acre	866.96	1,052.98
Direct Expenses		
Seed	57.57	63.32
Fertilizer	59.41	52.66
Crop chemicals	122.09	147.36
Crop insurance	20.87	27.10
Fuel & oil	59.12	54.29
Repairs	73.12	77.19
Custom hire	6.10	9.22
Hired labor	24.79	35.16
Stock/quota lease	217.30	221.89
Machinery leases	2.93	11.51
Hauling and trucking	4.96	-
Operating interest	20.64	17.62
Miscellaneous	1.28	0.78
Total direct expenses per acre	670.18	718.11
Return over direct exp per acre	196.78	334.87
Overhead Expenses		
Custom hire	6.61	5.77
Hired labor	26.49	20.88
Machinery leases	6.80	0.54
RE & pers. property taxes	10.88	10.90
Farm insurance	7.75	7.60
Utilities	6.13	7.03
Dues & professional fees	6.21	8.62
Interest	61.77	41.94
Mach & bldg depreciation	55.65	59.82
Miscellaneous	5.99	1.35
Total overhead expenses per acre	194.29	164.44
Total dir & ovhd expenses per acre	864.47	882.54
Net return per acre	2.49	170.44
Government payments	13.28	14.36
Net return with govt pmts	15.78	184.79
Labor & management charge	77.60	80.72
Net return over lbr & mgt	-61.82	104.08
Cost of Production		
Total direct expense per ton	29.89	27.44
Total dir & ovhd exp per ton	38.55	33.72
Less govt & other income	36.94	33.08
With labor & management	40.40	36.17
Machinery cost per acre	229.03	225.80
Est. labor hours per acre	5.12	4.89

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(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	121	26	27	18
Number of farms	85	17	17	17
Acres	141.13	143.28	165.61	145.33
Yield per acre (ton)	22.84	18.90	23.67	25.70
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.02	35.30	38.52	40.09
Total product return per acre	868.49	667.12	911.53	1,030.46
Miscellaneous income per acre	25.65	44.08	11.65	40.94
Gross return per acre	894.14	711.20	923.19	1,071.40
Direct Expenses				
Seed	59.53	63.47	57.49	58.54
Fertilizer	48.34	54.22	42.90	50.59
Crop chemicals	102.01	96.86	100.11	111.92
Crop insurance	19.52	18.96	18.94	16.62
Fuel & oil	64.67	69.80	63.51	65.19
Repairs	76.81	86.34	78.19	74.31
Custom hire	10.40	13.57	11.46	4.11
Hired labor	28.66	39.30	16.47	28.98
Land rent	80.10	90.62	75.12	77.62
Hauling and trucking	8.50	0.74	9.42	2.15
Operating interest	18.35	22.03	18.06	10.67
Miscellaneous	2.40	0.17	3.28	4.26
Total direct expenses per acre	519.28	556.08	494.95	504.96
Return over direct exp per acre	374.86	155.12	428.23	566.44
Overhead Expenses				
Custom hire	6.89	1.49	11.40	9.67
Hired labor	43.25	51.16	47.80	28.46
Machinery leases	6.80	11.55	5.05	2.38
Building leases	0.80	0.02	0.63	0.67
Farm insurance	12.81	10.10	16.53	13.81
Utilities	6.93	5.72	7.10	6.94
Dues & professional fees	7.01	4.62	6.99	5.65
Interest	25.33	19.30	38.15	15.83
Mach & bldg depreciation	65.80	64.39	68.15	67.84
Miscellaneous	7.24	7.46	7.81	5.63
Total overhead expenses per acre	182.87	175.80	209.61	156.87
Total dir & ovhd expenses per acre	702.16	731.88	704.57	661.83
Net return per acre	191.98	-20.68	218.62	409.58
Government payments	14.12	11.26	14.16	16.17
Net return with govt pmts	206.10	-9.42	232.78	425.75
Labor & management charge	92.19	84.85	78.10	134.48
Net return over lbr & mgt	113.91	-94.27	154.68	291.27
Cost of Production				
Total direct expense per ton	22.73	29.42	20.91	19.65
Total dir & ovhd exp per ton	30.74	38.73	29.77	25.75
Less govt & other income	29.00	35.80	28.68	23.53
With labor & management	33.03	40.29	31.98	28.76
Machinery cost per acre	254.41	263.60	273.64	236.41
Est. labor hours per acre	6.19	6.48	5.84	5.87

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
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(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Including Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	124	25	24	28
Number of farms	83	16	16	17
Acres	206.88	234.16	204.36	159.27
Yield per acre (ton)	21.66	18.83	21.30	25.03
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.31	35.38	38.05	40.73
Total product return per acre	829.65	666.45	810.45	1,019.59
Miscellaneous income per acre	30.01	40.98	62.35	3.95
Gross return per acre	859.67	707.43	872.80	1,023.54
Direct Expenses				
Seed	58.65	63.36	56.47	57.95
Fertilizer	52.37	55.07	55.32	47.71
Crop chemicals	102.10	110.79	90.21	101.20
Crop insurance	19.39	17.67	19.77	21.58
Fuel & oil	59.85	67.72	50.37	51.08
Repairs	71.13	79.80	75.01	57.95
Custom hire	9.94	5.46	10.76	15.82
Hired labor	25.63	30.48	31.18	17.84
Land rent	80.69	74.29	88.87	80.75
Stock/quota lease	214.93	221.37	197.97	223.89
Machinery leases	1.78	-	-	7.96
Hauling and trucking	9.47	4.09	8.84	18.86
Operating interest	24.62	32.71	19.28	18.02
Miscellaneous	1.80	0.68	1.97	0.83
Total direct expenses per acre	732.37	763.49	706.03	721.44
Return over direct exp per acre	127.29	-56.06	166.77	302.10
Overhead Expenses				
Custom hire	9.44	1.48	11.02	18.47
Hired labor	32.09	36.60	30.49	14.90
Machinery leases	15.23	15.21	23.18	10.40
Building leases	0.37	0.26	1.44	0.01
Farm insurance	7.69	11.50	7.10	6.66
Utilities	5.17	5.33	4.85	5.28
Dues & professional fees	6.48	6.01	8.33	5.41
Interest	16.81	21.79	11.91	13.78
Mach & bldg depreciation	47.41	48.84	48.22	39.55
Miscellaneous	7.94	7.72	10.53	8.00
Total overhead expenses per acre	148.64	154.73	157.07	122.47
Total dir & ovhd expenses per acre	881.01	918.22	863.10	843.91
Net return per acre	-21.35	-210.79	9.70	179.63
Government payments	13.27	13.18	11.26	16.08
Net return with govt pmts	-8.08	-197.60	20.96	195.71
Labor & management charge	75.21	74.11	68.33	88.08
Net return over lbr & mgt	-83.29	-271.72	-47.37	107.62
Cost of Production				
Total direct expense per ton	33.82	40.54	33.15	28.82
Total dir & ovhd exp per ton	40.68	48.75	40.53	33.71
Less govt & other income	38.69	45.88	37.07	32.91
With labor & management	42.16	49.81	40.28	36.43
Machinery cost per acre	229.14	238.74	226.25	212.60
Est. labor hours per acre	5.01	5.34	5.29	4.49

Crop Enterprise Analysis
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Sunflowers on Owned Land

	Avg. Of All Farms
Number of fields	8
Number of farms	7
Acres	95.47
Yield per acre (cwt.)	16.12
Operators share of yield %	100.00
Value per cwt.	18.62
Total product return per acre	300.13
Miscellaneous income per acre	23.07
Gross return per acre	323.20
Direct Expenses	
Seed	24.97
Fertilizer	36.04
Crop chemicals	14.71
Crop insurance	17.48
Drying fuel	0.93
Fuel & oil	15.87
Repairs	17.78
Custom hire	2.73
Operating interest	3.46
Total direct expenses per acre	133.95
Return over direct exp per acre	189.25
Overhead Expenses	
Custom hire	3.15
Hired labor	8.34
Machinery leases	0.39
Building leases	0.33
RE & pers. property taxes	5.96
Farm insurance	4.17
Utilities	2.67
Dues & professional fees	3.01
Interest	18.46
Mach & bldg depreciation	14.18
Miscellaneous	3.15
Total overhead expenses per acre	63.82
Total dir & ovhd expenses per acre	197.77
Net return per acre	125.43
Government payments	14.98
Net return with govt pmts	140.42
Labor & management charge	24.30
Net return over lbr & mgt	116.12
Cost of Production	
Total direct expense per cwt.	8.31
Total dir & ovhd exp per cwt.	12.27
Less govt & other income	9.91
With labor & management	11.41
Machinery cost per acre	55.56
Est. labor hours per acre	1.65

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Sunflowers on Cash Rent

	Avg. Of All Farms
Number of fields	17
Number of farms	15
Acres	221.09
Yield per acre (cwt.)	17.52
Operators share of yield %	100.00
Value per cwt.	20.23
Total product return per acre	354.49
Miscellaneous income per acre	10.46
Gross return per acre	364.95
Direct Expenses	
Seed	26.16
Fertilizer	39.89
Crop chemicals	19.64
Crop insurance	15.39
Drying fuel	0.30
Fuel & oil	19.62
Repairs	19.48
Custom hire	4.87
Land rent	61.42
Machinery leases	0.91
Operating interest	7.08
Miscellaneous	0.25
Total direct expenses per acre	215.02
Return over direct exp per acre	149.93
Overhead Expenses	
Custom hire	5.33
Hired labor	8.21
Machinery leases	3.24
Farm insurance	3.77
Utilities	2.19
Dues & professional fees	2.56
Interest	4.30
Mach & bldg depreciation	14.05
Miscellaneous	3.28
Total overhead expenses per acre	46.92
Total dir & ovhd expenses per acre	261.94
Net return per acre	103.01
Government payments	15.14
Net return with govt pmts	118.14
Labor & management charge	22.47
Net return over lbr & mgt	95.67
Cost of Production	
Total direct expense per cwt.	12.27
Total dir & ovhd exp per cwt.	14.95
Less govt & other income	13.49
With labor & management	14.77
Machinery cost per acre	70.78
Est. labor hours per acre	1.56

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Sunflowers, Confectionary on Cash Rent

	Avg. Of All Farms
Number of fields	15
Number of farms	12
Acres	196.73
Yield per acre (cwt.)	13.58
Operators share of yield %	100.00
Value per cwt.	21.33
Total product return per acre	289.65
Miscellaneous income per acre	2.14
Gross return per acre	291.80
Direct Expenses	
Seed	30.43
Fertilizer	27.56
Crop chemicals	26.54
Crop insurance	13.27
Fuel & oil	17.16
Repairs	17.49
Custom hire	7.79
Land rent	69.31
Operating interest	5.52
Total direct expenses per acre	215.07
Return over direct exp per acre	76.72
Overhead Expenses	
Custom hire	1.75
Hired labor	8.52
Machinery leases	1.41
Building leases	0.87
Farm insurance	3.91
Utilities	2.54
Dues & professional fees	4.12
Interest	3.14
Mach & bldg depreciation	15.65
Miscellaneous	2.47
Total overhead expenses per acre	44.38
Total dir & ovhd expenses per acre	259.45
Net return per acre	32.34
Government payments	14.04
Net return with govt pmts	46.38
Labor & management charge	23.34
Net return over lbr & mgt	23.04
Cost of Production	
Total direct expense per cwt.	15.84
Total dir & ovhd exp per cwt.	19.10
Less govt & other income	17.91
With labor & management	19.63
Machinery cost per acre	63.61
Est. labor hours per acre	1.35

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Wheat, Spring on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	142	27	26	34
Number of farms	112	22	23	23
Acres	188.75	141.17	206.28	196.19
Yield per acre (bu.)	49.12	33.28	51.16	57.99
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	6.10	5.57	5.54	6.99
Total product return per acre	299.51	185.48	283.56	405.40
Miscellaneous income per acre	7.58	19.42	2.74	2.86
Gross return per acre	307.10	204.90	286.30	408.26
Direct Expenses				
Seed	15.19	15.65	14.28	14.82
Fertilizer	48.44	52.58	53.12	45.54
Crop chemicals	24.06	19.06	23.89	30.62
Crop insurance	13.59	12.20	11.42	14.74
Fuel & oil	12.54	13.95	10.81	13.25
Repairs	15.34	15.92	12.78	14.18
Custom hire	4.15	5.01	5.54	3.28
Machinery leases	0.42	0.99	-	0.53
Operating interest	4.81	4.74	4.75	3.82
Miscellaneous	0.65	1.07	0.45	0.29
Total direct expenses per acre	139.19	141.19	137.04	141.07
Return over direct exp per acre	167.91	63.71	149.25	267.19
Overhead Expenses				
Custom hire	1.98	2.92	2.73	2.59
Hired labor	6.56	8.47	5.26	6.50
Machinery leases	1.13	1.18	1.73	0.77
RE & pers. property taxes	11.93	13.61	12.92	11.91
Farm insurance	3.76	3.95	2.90	3.93
Utilities	2.50	2.62	2.13	2.63
Dues & professional fees	2.20	2.52	1.92	1.50
Interest	34.57	45.93	43.49	18.99
Mach & bldg depreciation	13.56	11.76	11.29	17.59
Miscellaneous	3.07	2.57	2.18	3.70
Total overhead expenses per acre	81.26	95.53	86.56	70.11
Total dir & ovhd expenses per acre	220.45	236.71	223.60	211.18
Net return per acre	86.65	-31.81	62.69	197.08
Government payments	14.04	14.26	12.96	14.49
Net return with govt pmnts	100.68	-17.55	75.65	211.57
Labor & management charge	18.62	15.93	15.04	22.99
Net return over lbr & mgt	82.06	-33.48	60.62	188.58
Cost of Production				
Total direct expense per bu.	2.83	4.24	2.68	2.43
Total dir & ovhd exp per bu.	4.49	7.11	4.37	3.64
Less govt & other income	4.05	6.10	4.06	3.34
With labor & management	4.43	6.58	4.36	3.74
Machinery cost per acre	52.15	55.11	47.51	54.67
Est. labor hours per acre	1.20	1.14	1.06	1.22

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2007
(Farms Sorted By Net Return)

Wheat, Spring on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	301	55	66	66
Number of farms	177	35	36	35
Acres	271.13	227.24	226.13	338.87
Yield per acre (bu.)	48.36	33.40	50.35	57.47
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	6.41	5.50	5.75	7.58
Total product return per acre	310.24	183.61	289.72	435.36
Miscellaneous income per acre	12.90	25.05	7.49	3.92
Gross return per acre	323.14	208.66	297.20	439.28
Direct Expenses				
Seed	16.02	19.05	16.04	15.46
Fertilizer	48.33	53.05	46.61	46.89
Crop chemicals	24.93	17.29	27.59	29.01
Crop insurance	13.41	12.03	13.77	13.19
Fuel & oil	12.78	11.95	13.45	12.99
Repairs	14.17	14.95	14.57	12.73
Custom hire	4.14	3.60	4.58	2.83
Land rent	67.84	71.54	68.57	66.41
Machinery leases	0.34	0.54	0.30	0.37
Operating interest	4.54	5.02	4.40	3.98
Miscellaneous	0.76	0.91	0.78	0.51
Total direct expenses per acre	207.26	209.93	210.65	204.39
Return over direct exp per acre	115.88	-1.27	86.55	234.89
Overhead Expenses				
Custom hire	2.28	3.14	1.81	2.15
Hired labor	6.65	5.79	7.65	6.32
Machinery leases	1.93	2.65	1.46	1.84
Farm insurance	3.67	5.88	3.24	3.53
Utilities	2.20	2.81	2.32	1.97
Dues & professional fees	2.29	2.50	2.87	1.90
Interest	3.96	4.52	4.37	3.93
Mach & bldg depreciation	12.28	12.09	11.49	12.31
Miscellaneous	2.64	3.53	2.53	2.51
Total overhead expenses per acre	37.89	42.93	37.75	36.46
Total dir & ovhd expenses per acre	245.15	252.86	248.39	240.85
Net return per acre	77.99	-44.20	48.81	198.44
Government payments	14.36	13.38	14.18	15.54
Net return with govt pmnts	92.35	-30.82	62.99	213.98
Labor & management charge	18.33	16.15	16.96	19.43
Net return over lbr & mgt	74.02	-46.98	46.03	194.55
Cost of Production				
Total direct expense per bu.	4.29	6.29	4.18	3.56
Total dir & ovhd exp per bu.	5.07	7.57	4.93	4.19
Less govt & other income	4.51	6.42	4.50	3.85
With labor & management	4.88	6.90	4.84	4.19
Machinery cost per acre	51.27	52.84	51.38	48.61
Est. labor hours per acre	1.16	1.06	1.17	1.17

Crop Enterprise Analysis
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Red River Valley, 2007
(Farms Sorted By Net Return)

Wheat, Spring on Share Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	42	8	11	8
Number of farms	27	5	6	6
Acres	144.24	102.06	74.67	164.26
Yield per acre (bu.)	39.97	37.90	30.10	51.18
Operators share of yield %	68.33	71.84	67.00	68.02
Value per bu.	6.13	6.21	5.75	7.19
Total product return per acre	167.38	169.03	115.92	250.24
Miscellaneous income per acre	5.59	-37.77	23.75	-
Gross return per acre	172.98	131.26	139.68	250.24
Direct Expenses				
Seed	14.22	17.33	13.22	14.15
Fertilizer	44.00	53.49	37.13	35.26
Crop chemicals	15.03	25.96	11.97	19.98
Crop insurance	9.01	8.05	7.48	9.97
Fuel & oil	13.58	14.98	11.47	15.39
Repairs	15.88	18.35	12.84	14.47
Custom hire	6.00	29.00	1.51	1.89
Machinery leases	0.15	-	-	0.70
Operating interest	3.79	5.45	0.82	2.68
Miscellaneous	0.50	0.58	0.29	-
Total direct expenses per acre	122.16	173.20	96.72	114.48
Return over direct exp per acre	50.81	-41.94	42.96	135.75
Overhead Expenses				
Custom hire	2.22	0.75	0.57	3.14
Hired labor	7.29	9.58	3.27	6.62
Machinery leases	1.31	2.41	0.03	0.23
Farm insurance	4.20	3.09	5.00	2.94
Utilities	2.70	2.00	4.31	2.43
Dues & professional fees	2.11	2.23	2.78	0.73
Interest	3.89	4.53	3.07	3.27
Mach & bldg depreciation	11.93	10.47	18.73	11.22
Miscellaneous	1.93	1.40	2.26	1.44
Total overhead expenses per acre	37.57	36.46	40.02	32.02
Total dir & ovhd expenses per acre	159.74	209.66	136.74	146.50
Net return per acre	13.24	-78.40	2.94	103.73
Government payments	9.65	8.81	9.93	10.21
Net return with govt pmts	22.89	-69.59	12.87	113.94
Labor & management charge	17.84	16.95	19.38	19.93
Net return over lbr & mgt	5.05	-86.54	-6.51	94.01
Cost of Production				
Total direct expense per bu.	4.47	6.36	4.80	3.29
Total dir & ovhd exp per bu.	5.85	7.70	6.78	4.21
Less govt & other income	5.29	8.76	5.11	3.92
With labor & management	5.94	9.39	6.07	4.49
Machinery cost per acre	54.40	79.03	47.58	50.06
Est. labor hours per acre	1.12	1.32	1.18	1.19