



# Farm/Ranch Business Management Education

Year 2012

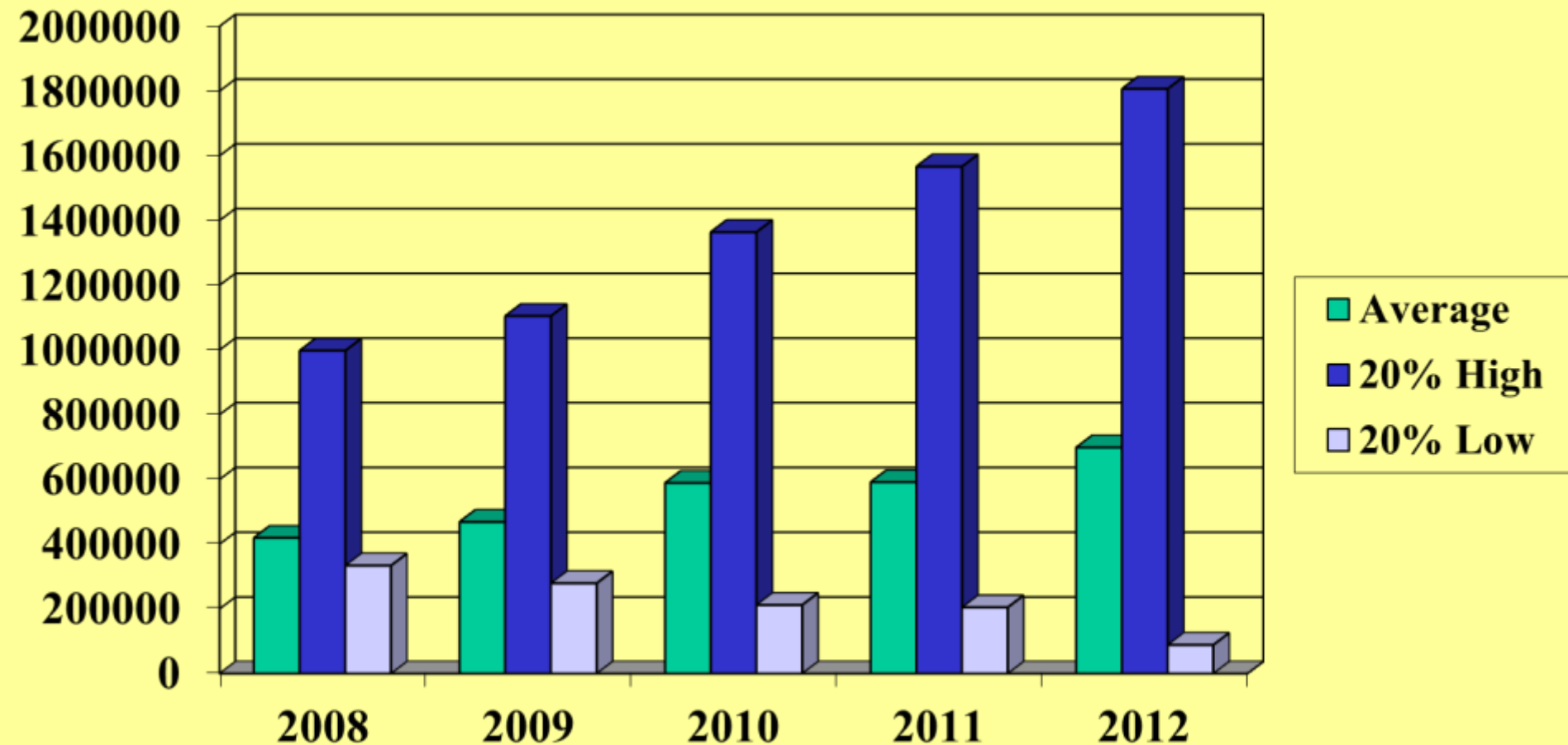
**Jerry Tuhy, Instructor**

Bismarck State College at Dickinson REC

**ND**  **FARM**  
MANAGEMENT EDUCATION

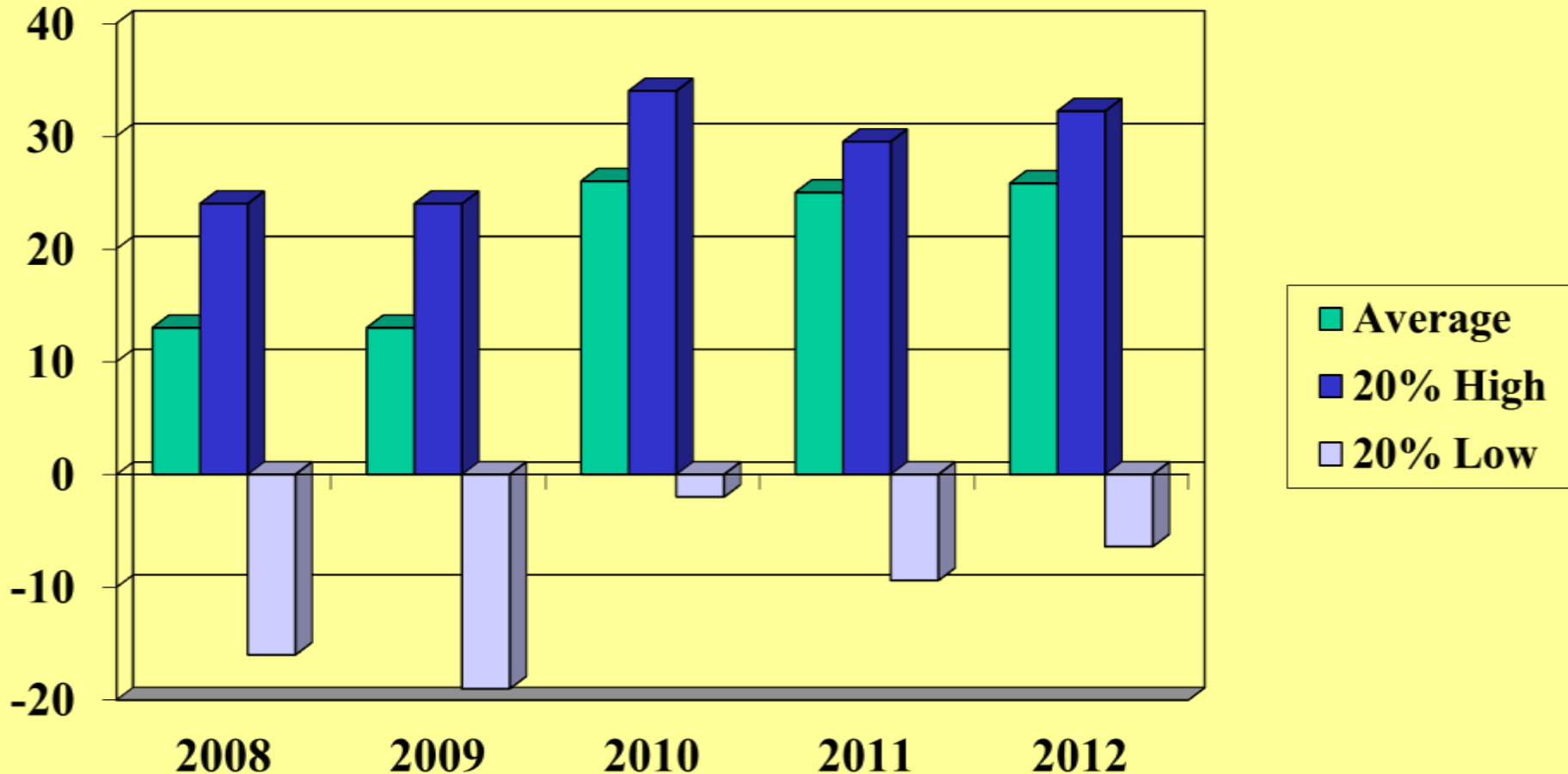
# Gross Farm Income (Accrual)

Per farm for year



# Net Farm Income Ratio (%)

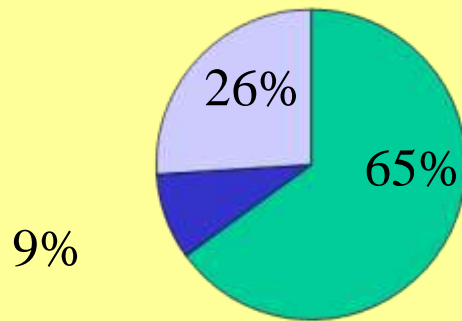
percentage of gross \$ that is net \$



# Net Farm Income Ratio

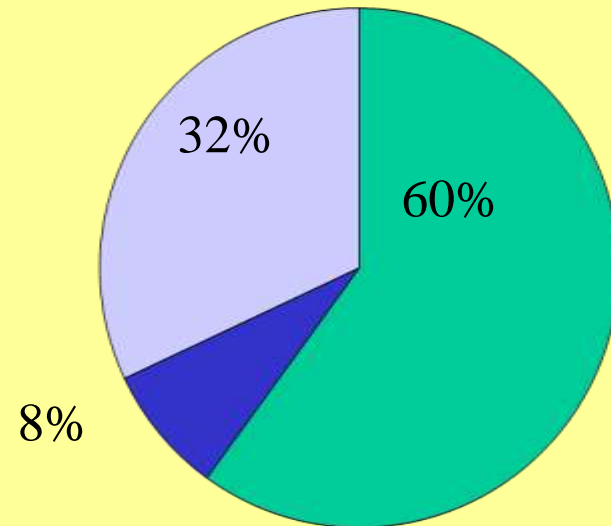
% of Gross available for Family living and Increasing Net Worth

average

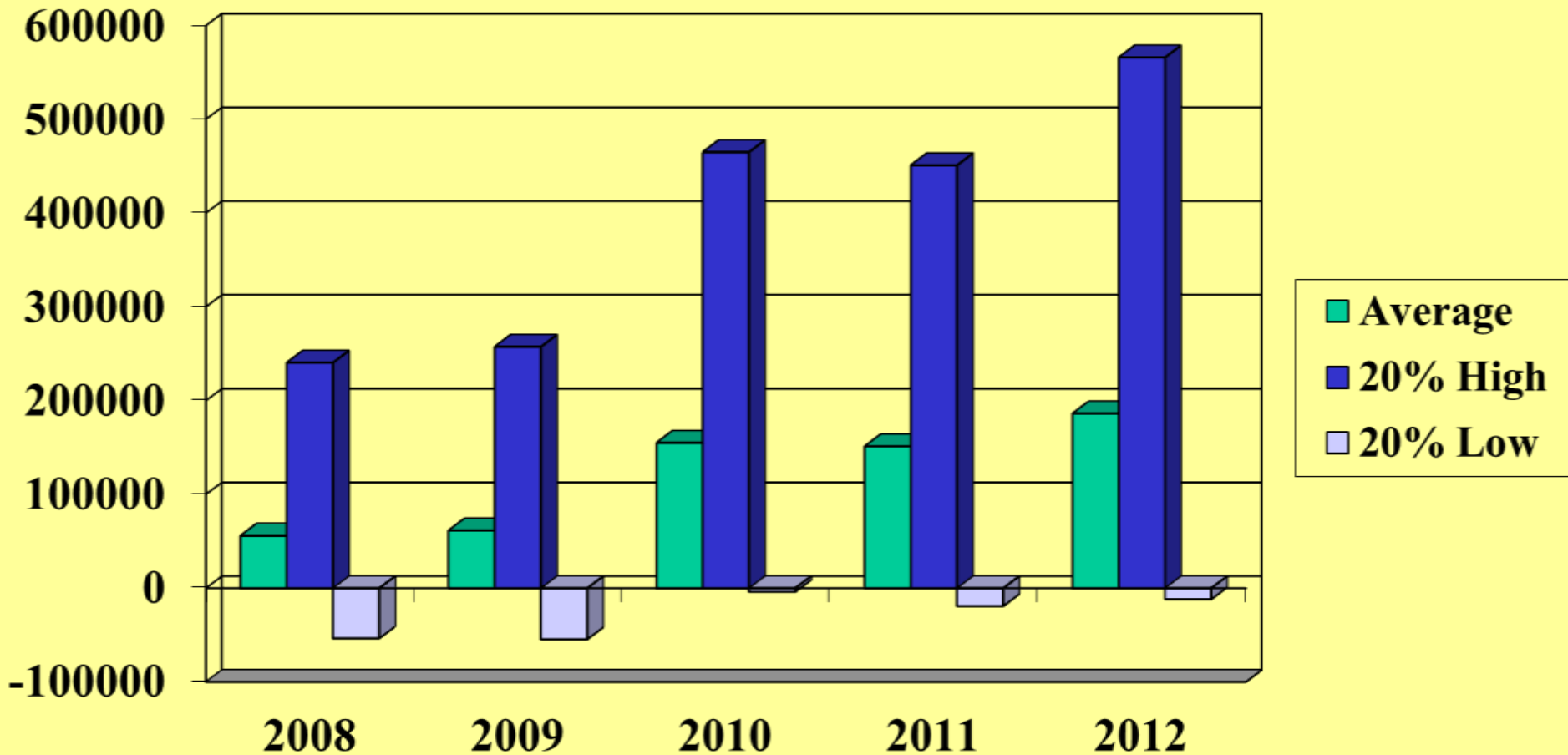


- 0per exp
- Int. & Depr
- Net Income Ratio

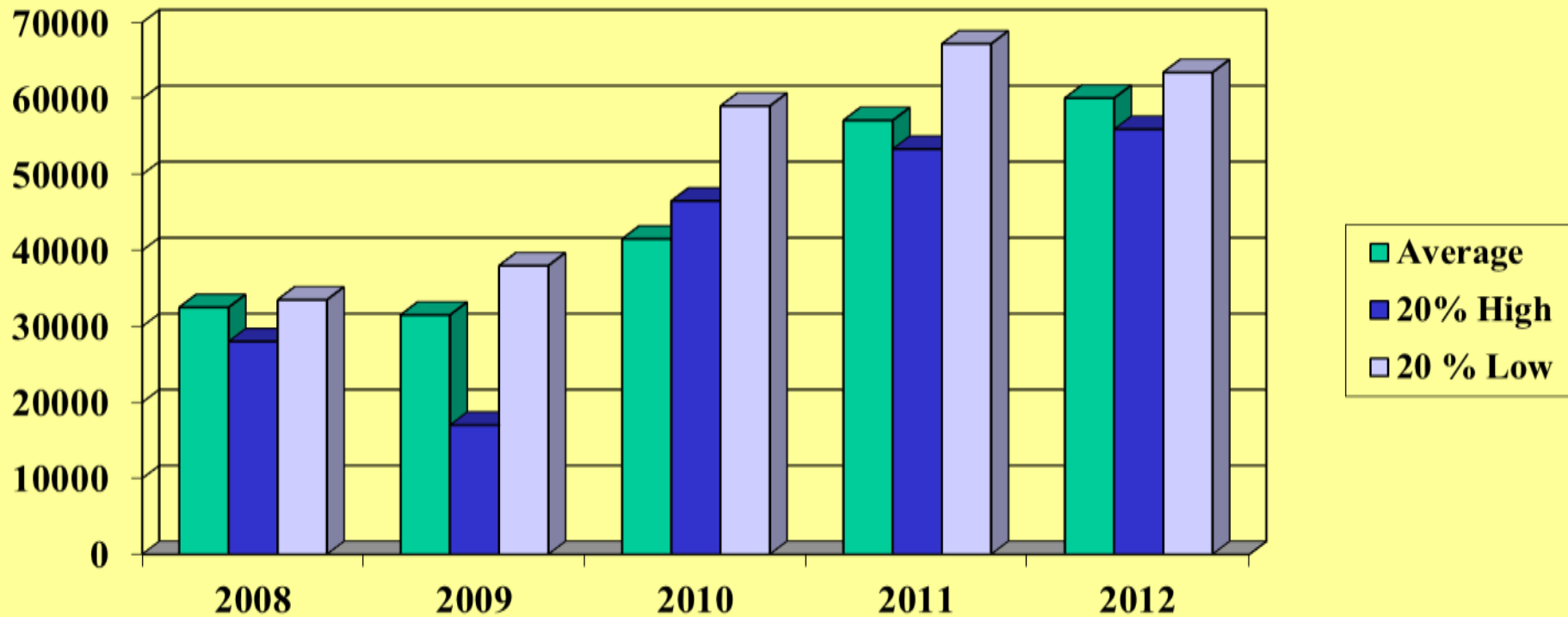
high profit



# \$ Net Farm Income = “Profit”

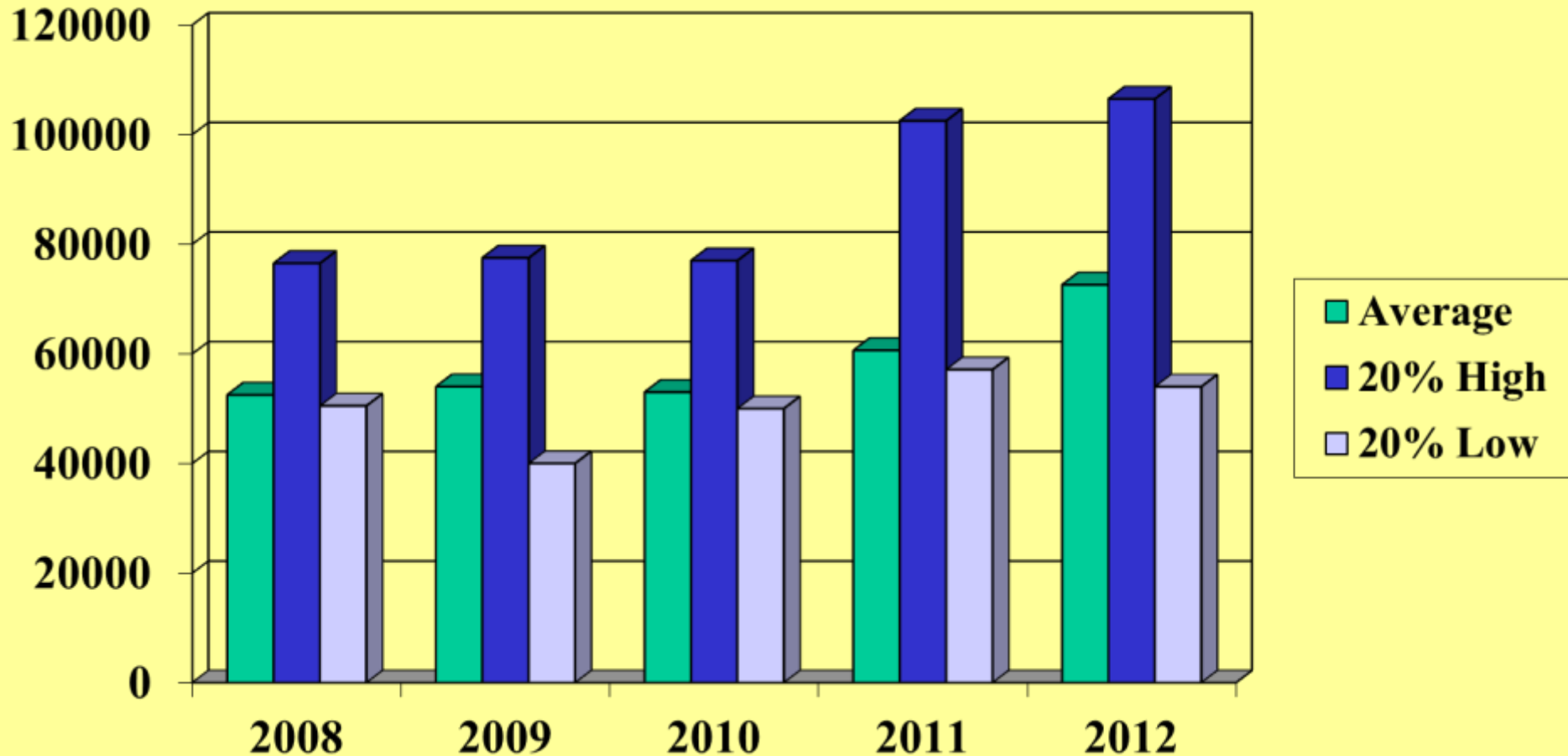


# \$ Net “Non-Farm” Income



# Family Living & Income Taxes

## \$ spent/year



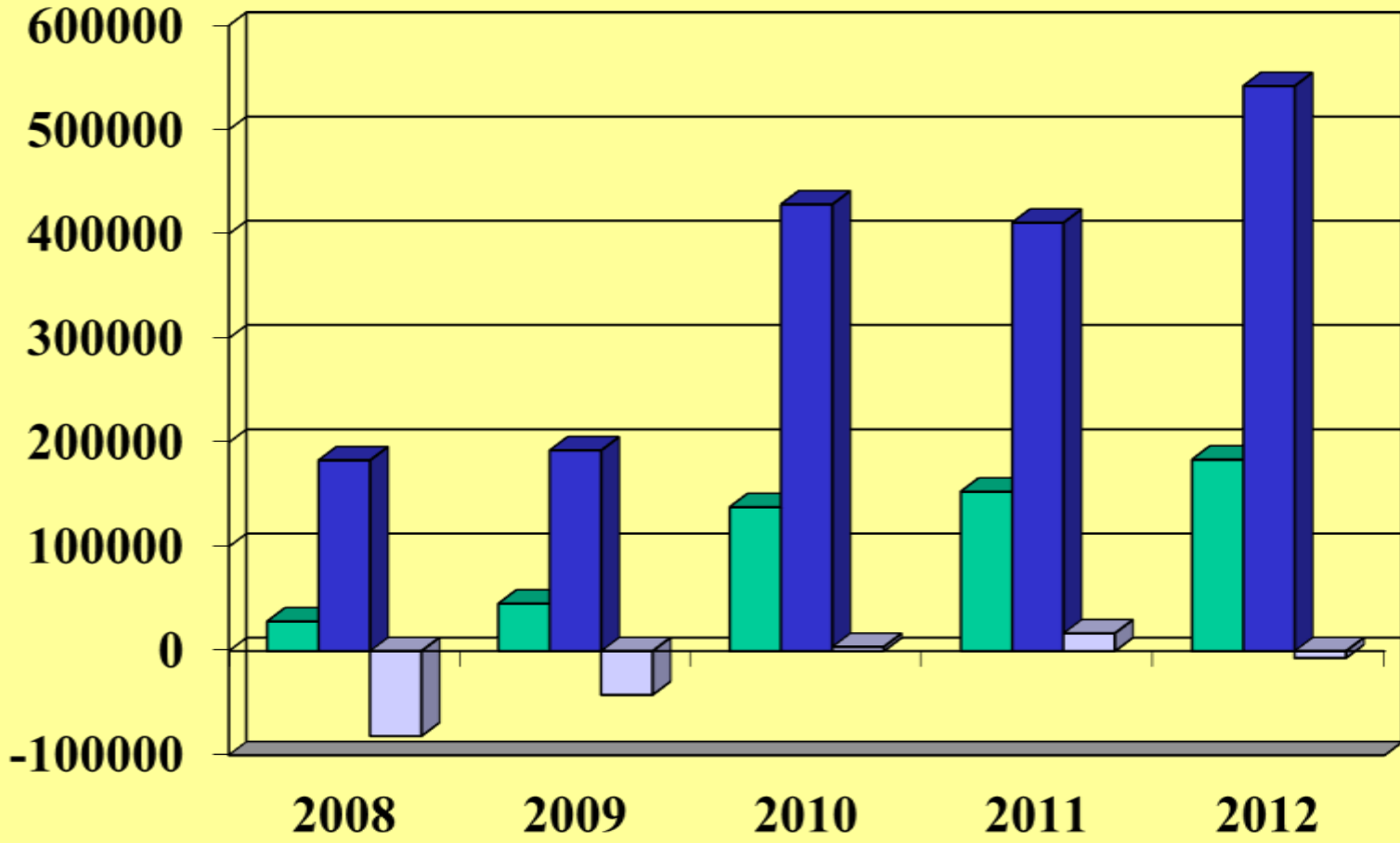


# Change in Retained Earnings

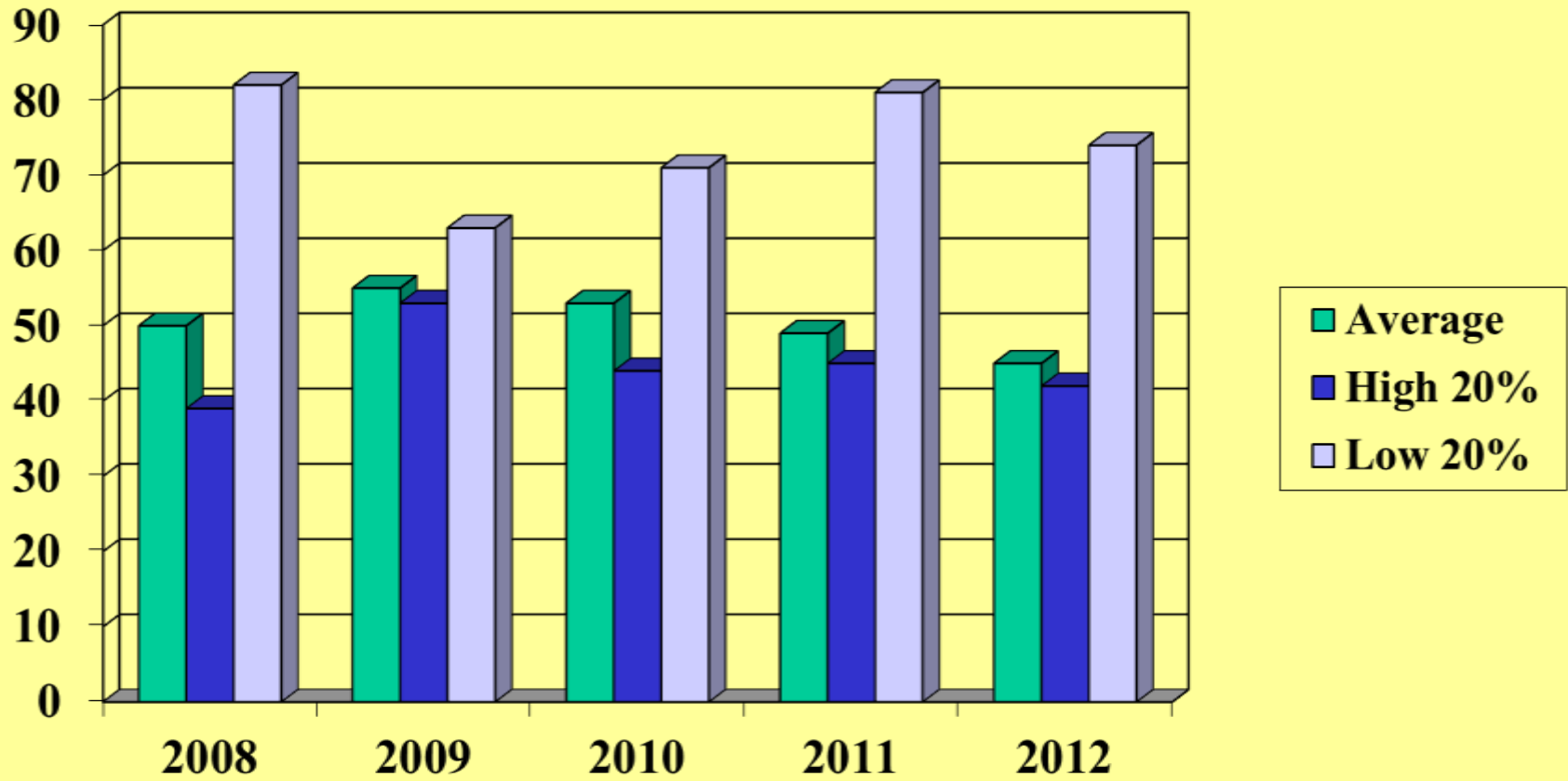
## \$ of equity gain per yr (cost basis)



- Average
- 20% High
- 20% Low

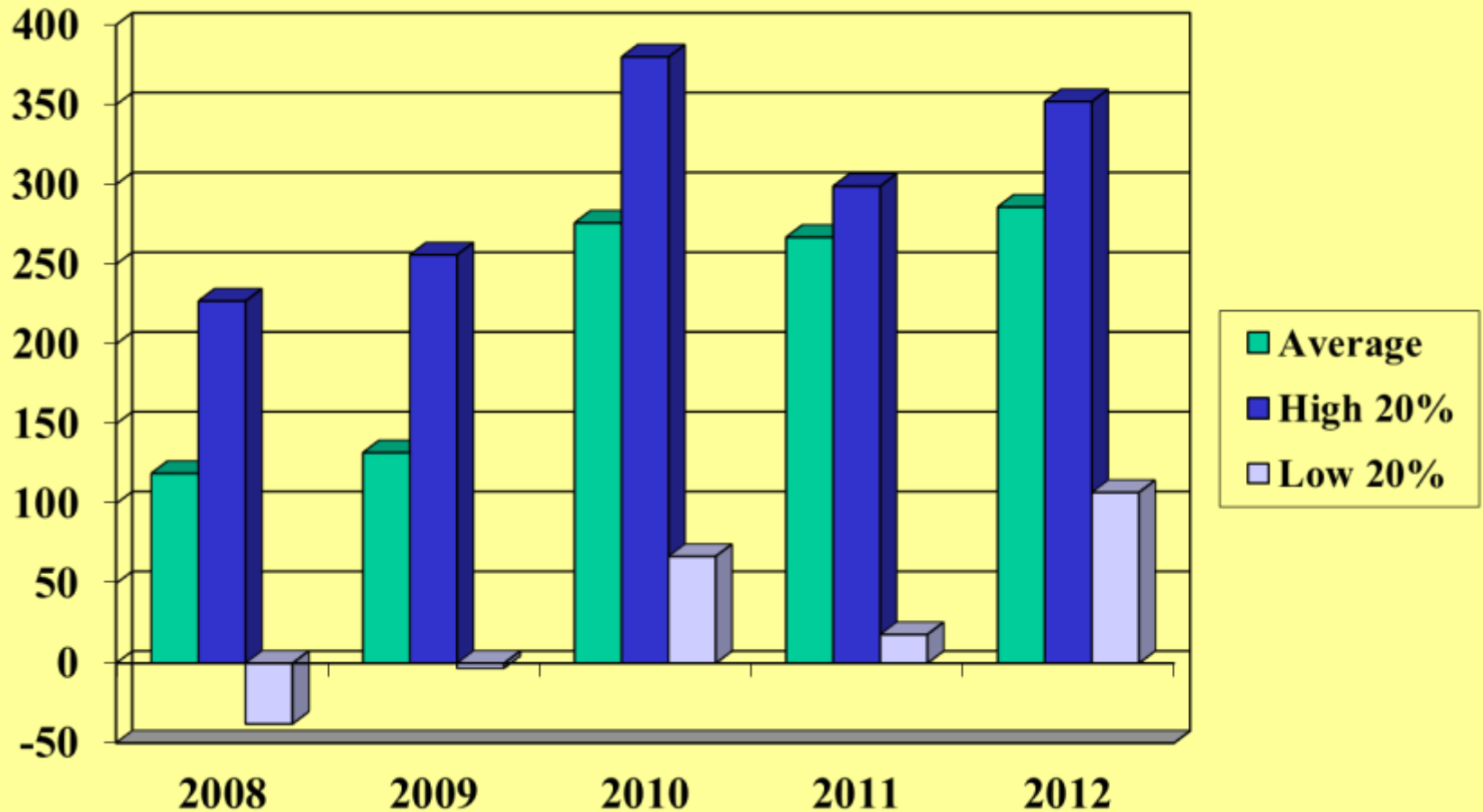


# Farm Debt/Asset Ratio (%) end year cost basis

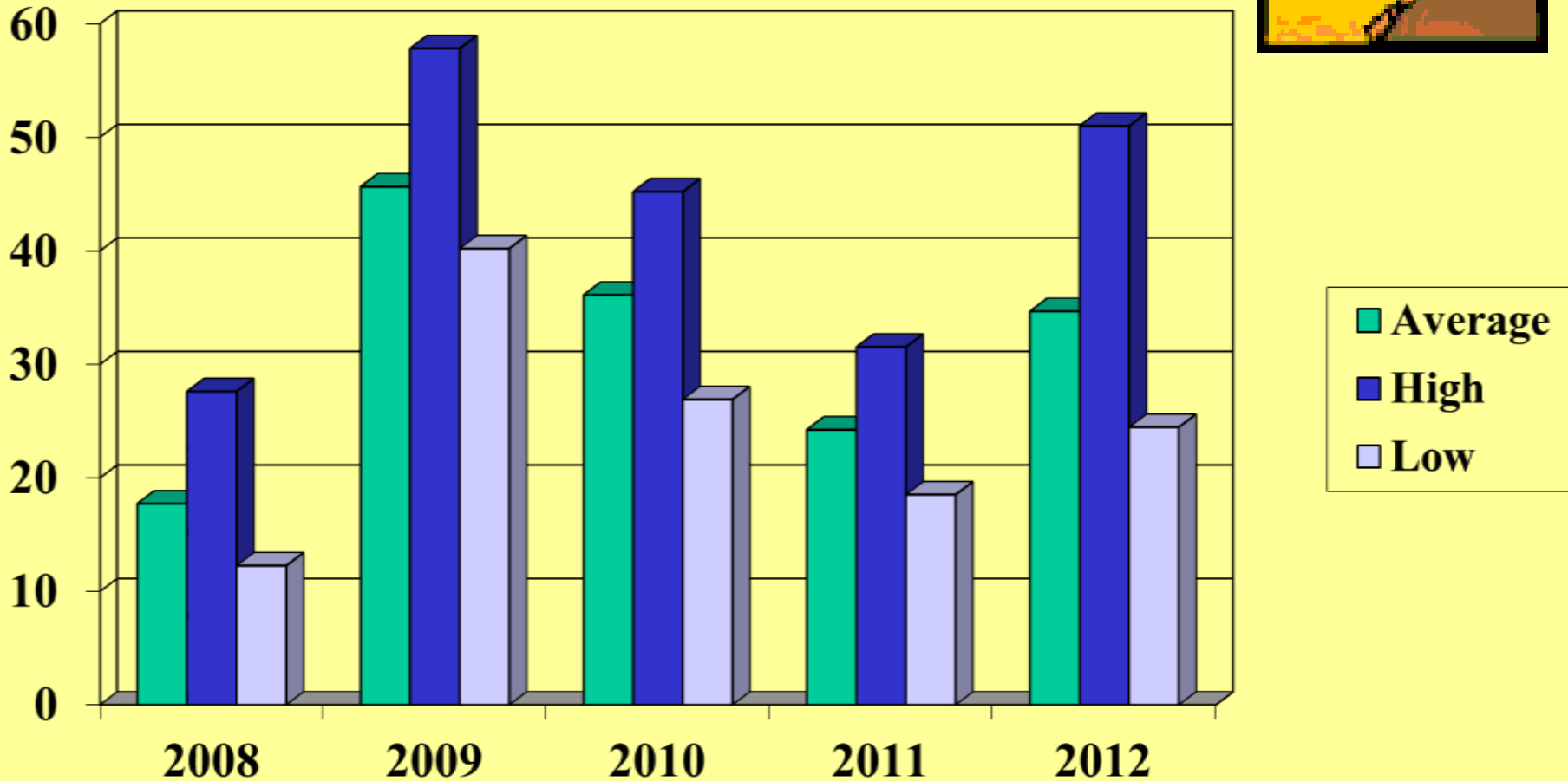


# Term Debt Coverage Ratio

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

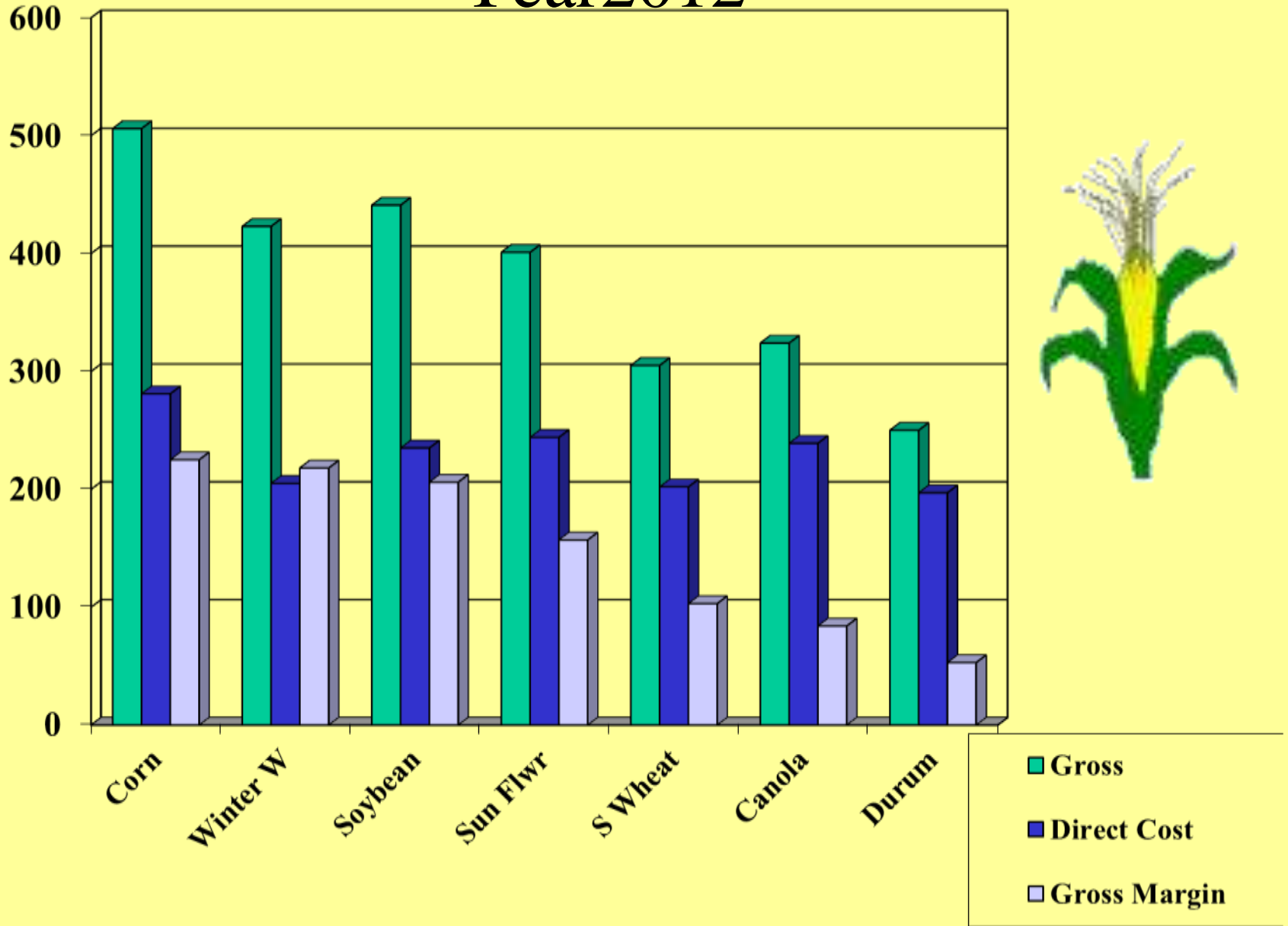


# Spring Wheat on Cash Rented (Bu. Yield/Acre)

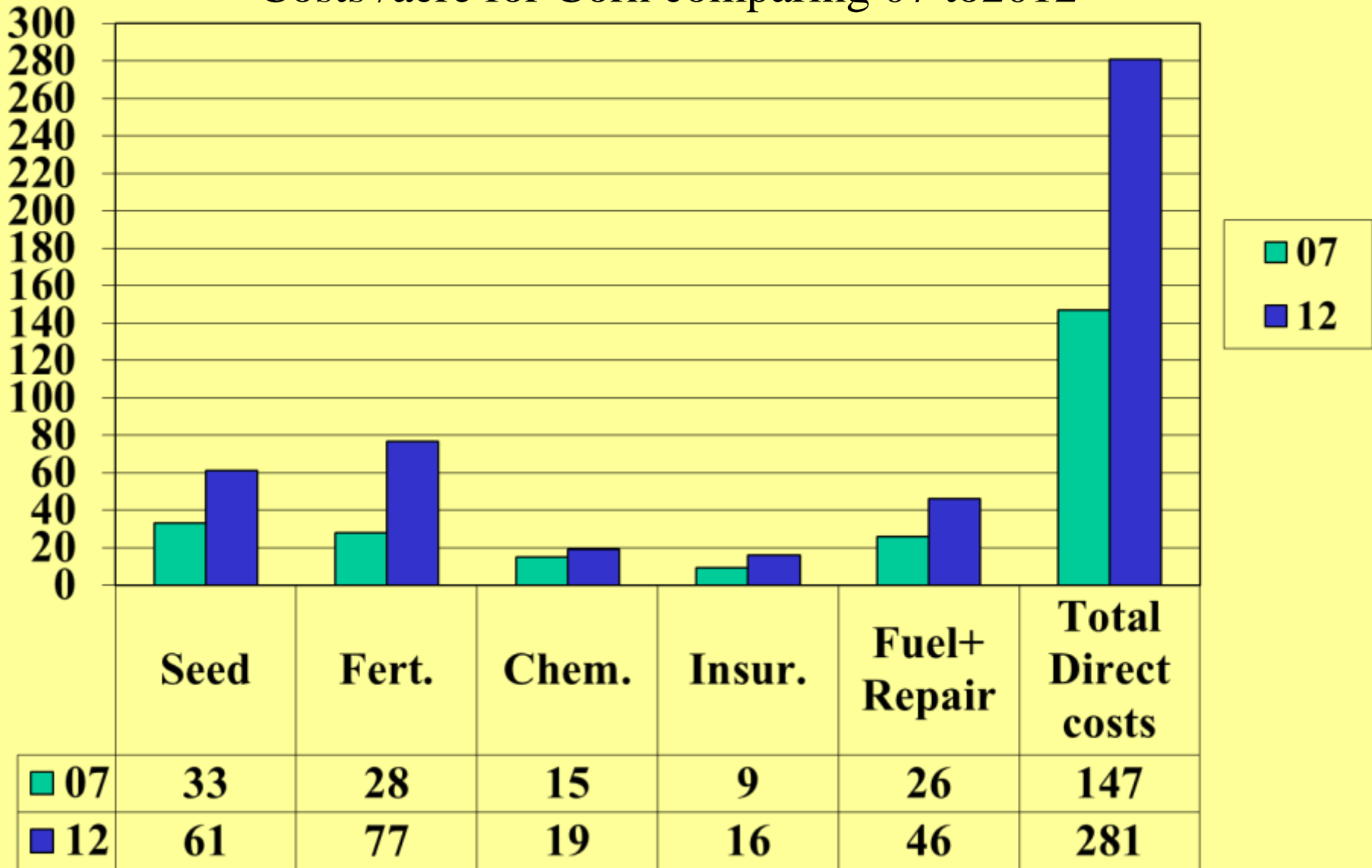


# Crop Contributions to Overheads

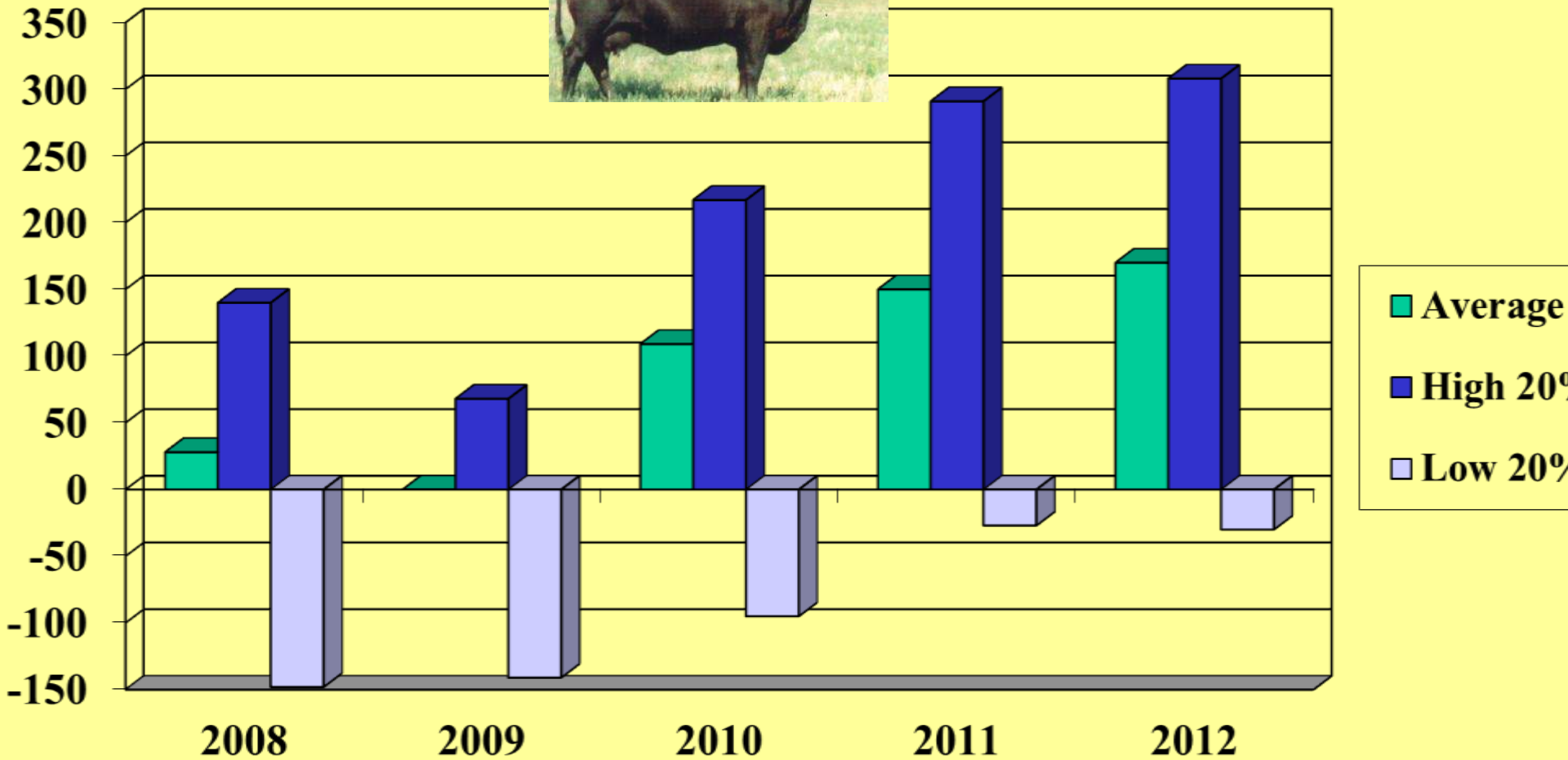
## Year2012



# Costs /acre for Corn comparing 07 to 2012

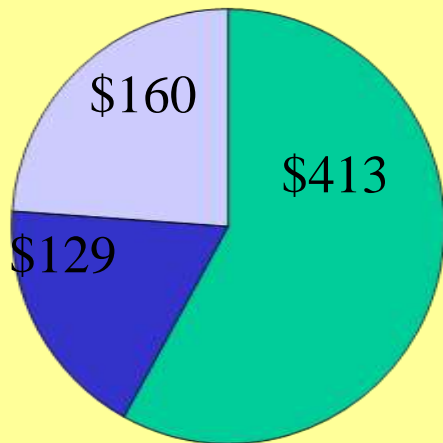


# \$ Net income /Beef Cow

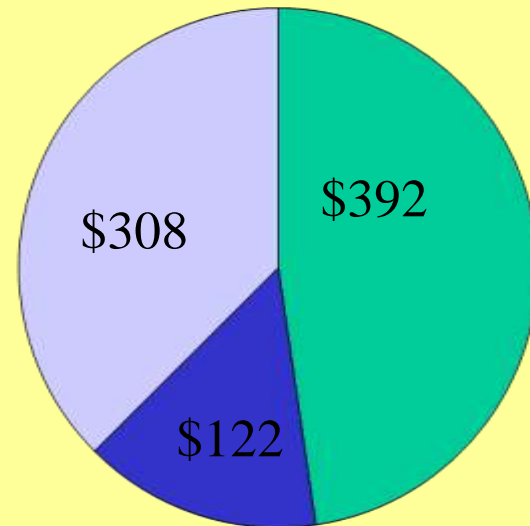


# Beef cow costs, returns 2012 per cow (fuel&repairs in OVHD)

average



high profit



■ direct ■ overheads ■ net \$



How are low profit and high profit  
Beef herds different ? For 2012 year.

|                       | Low Profit | High Profit |
|-----------------------|------------|-------------|
| Value of calf/cow     | \$745      | \$810       |
| Depreciation per cow  | \$130      | -\$10       |
| Direct cost/cow       | \$488      | \$392       |
| Overhead expense/cow  | \$158      | \$122       |
| Cost per cwt (D&Ovhd) | \$134      | \$98        |
| Culling percentage    | 19.1       | 15          |

# More info on these websites

[www.finbin.umn.edu](http://www.finbin.umn.edu)- sort data by State, region, year.

Whole farm, crop or livestock enterprise data available

[ifsam.cffm.umn.edu](http://ifsam.cffm.umn.edu)- learn to use financial statements in day-to-day management. understand how to interpret financial statements.

[www.ndfarmmanagement.com](http://www.ndfarmmanagement.com)- instructor contacts, regional data, news, resources for farm/ranch managers.