



# Farm/Ranch Business Management Education

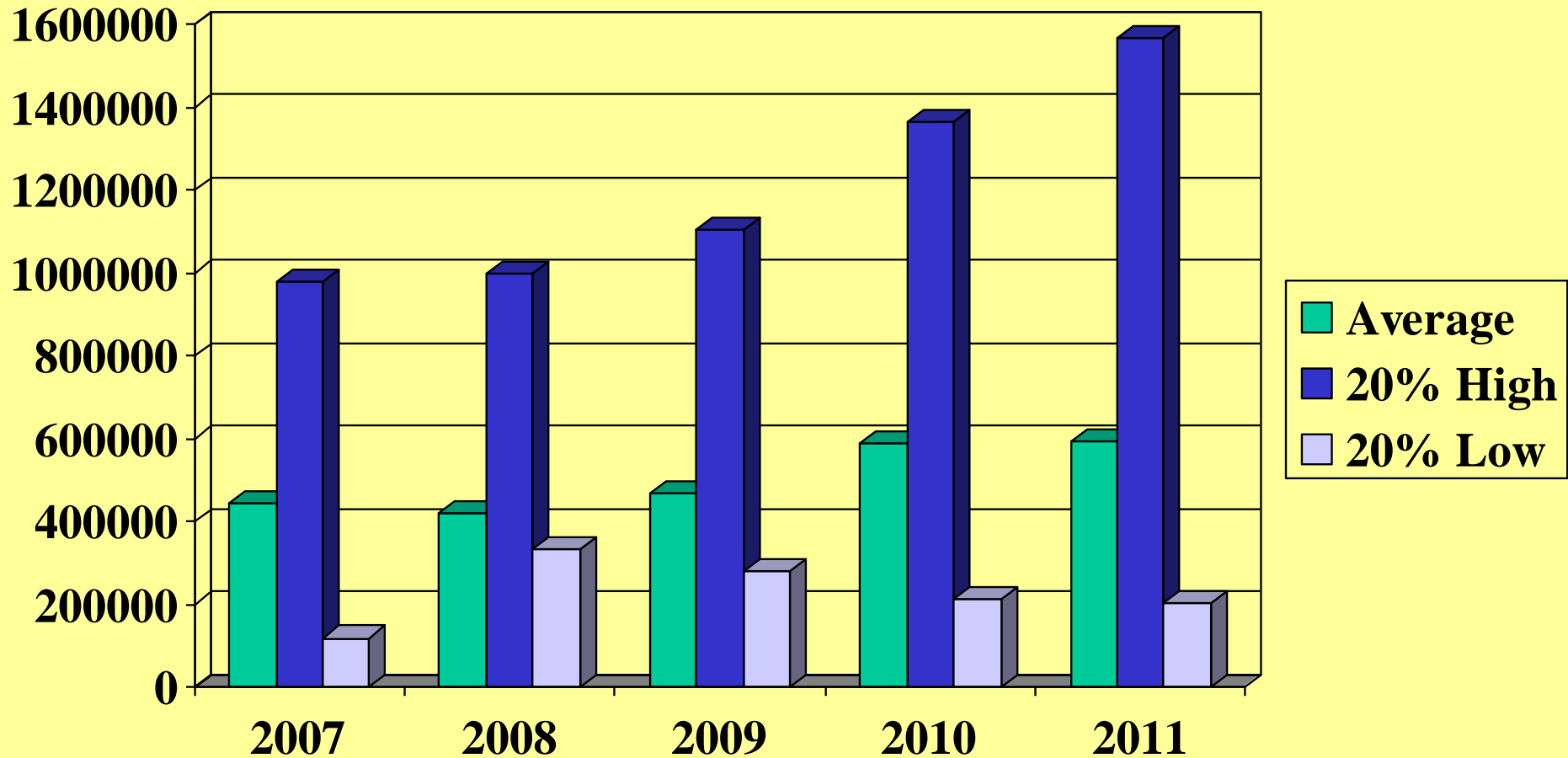
Year 2011

**Jerry Tuhy, Instructor**

Bismarck State College at DREC

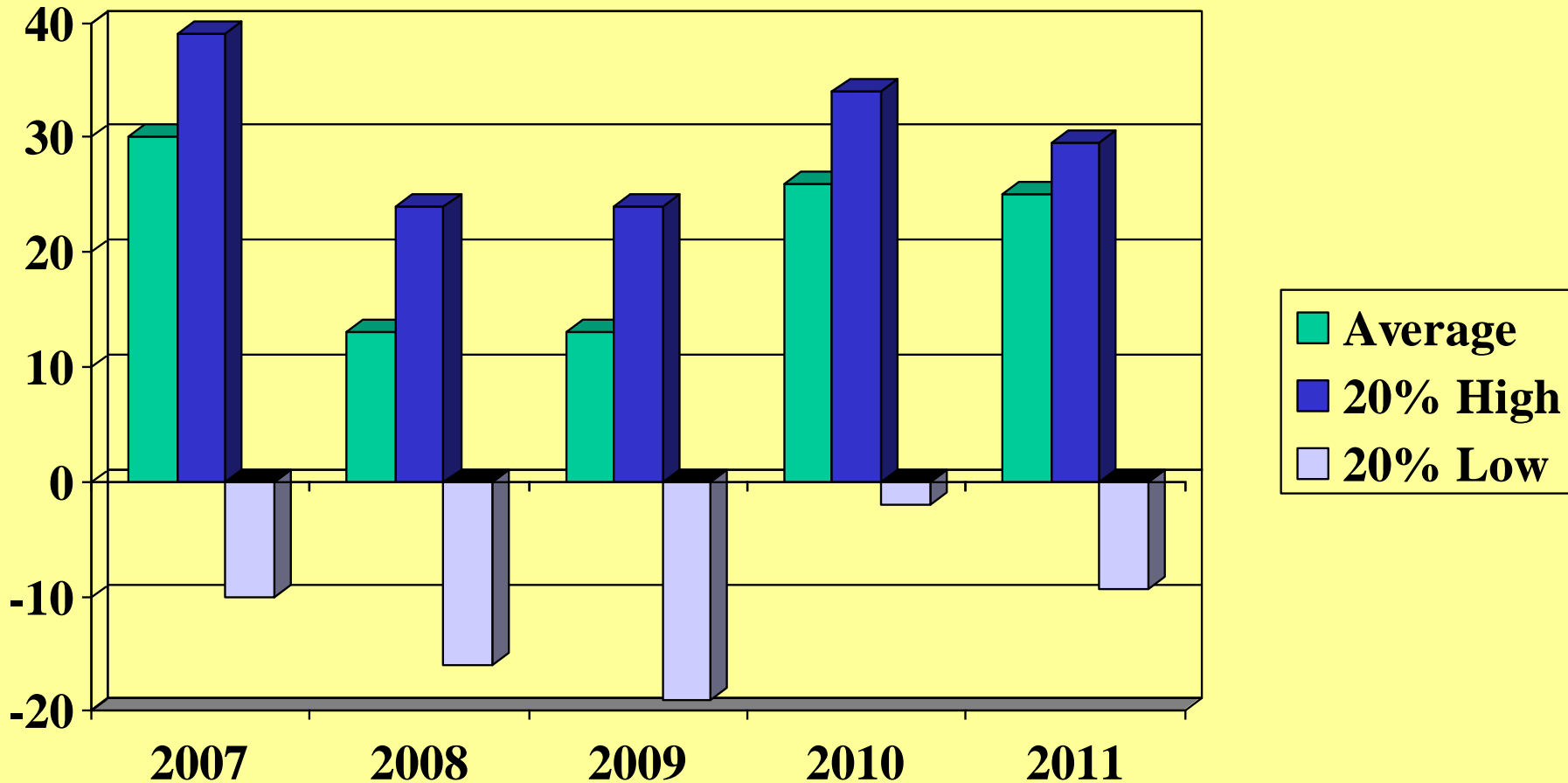
# Gross Farm Income (Accrual)

Per farm for year



# Net Farm Income Ratio (%)

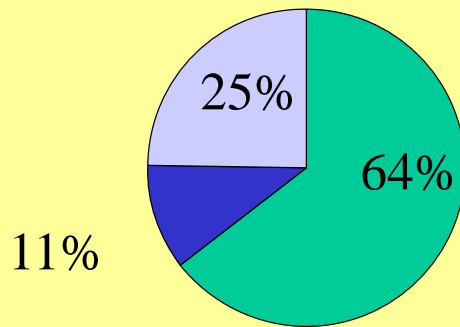
percentage of gross \$ that is net \$



# Net Farm Income Ratio

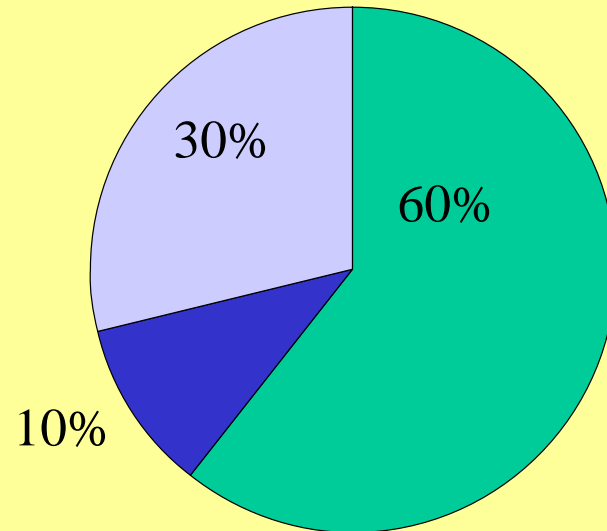
% of Gross available for Family living and Increasing Net Worth

average

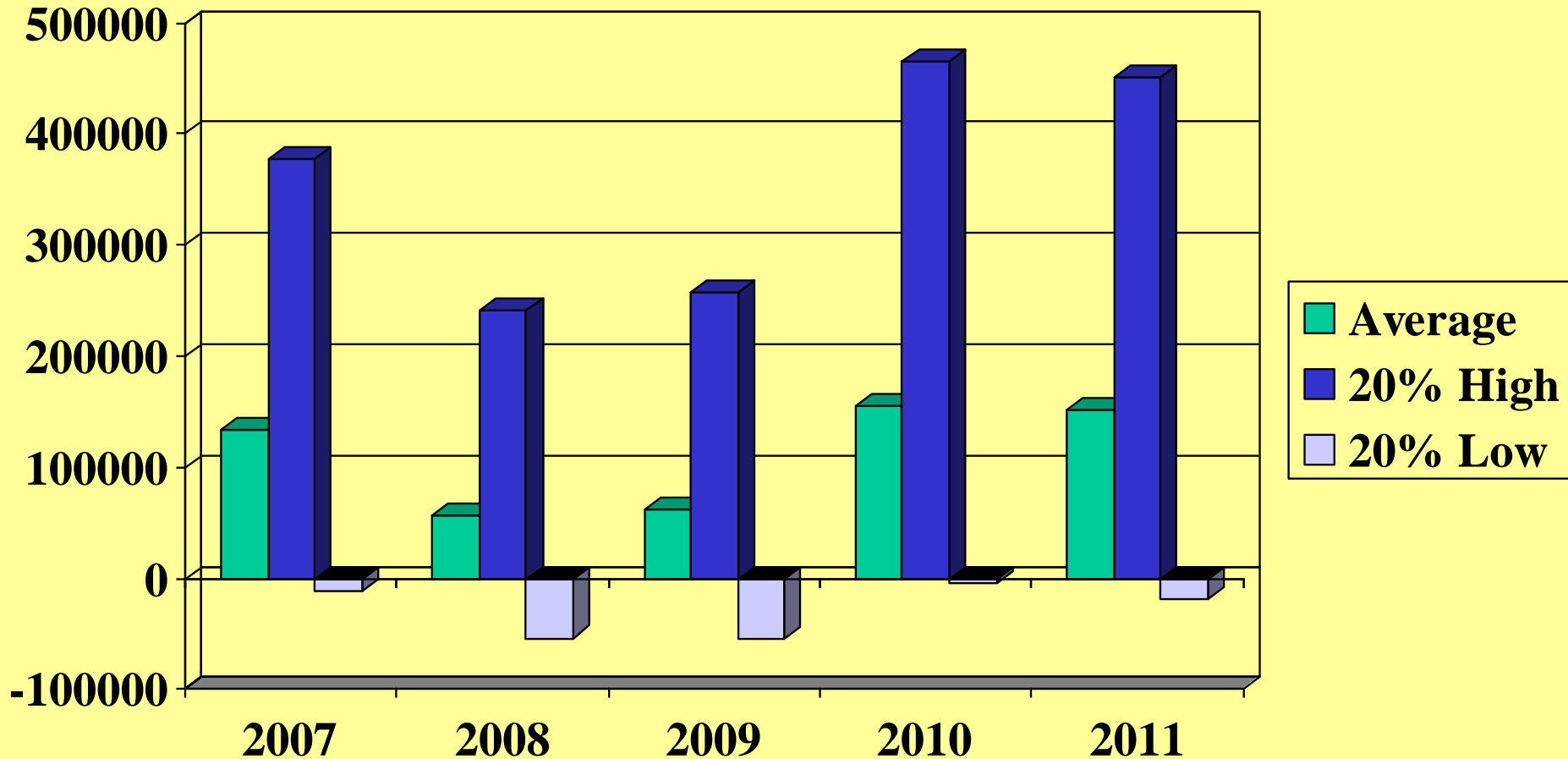


- Oper exp
- Int. & Depr
- Net Income Ratio

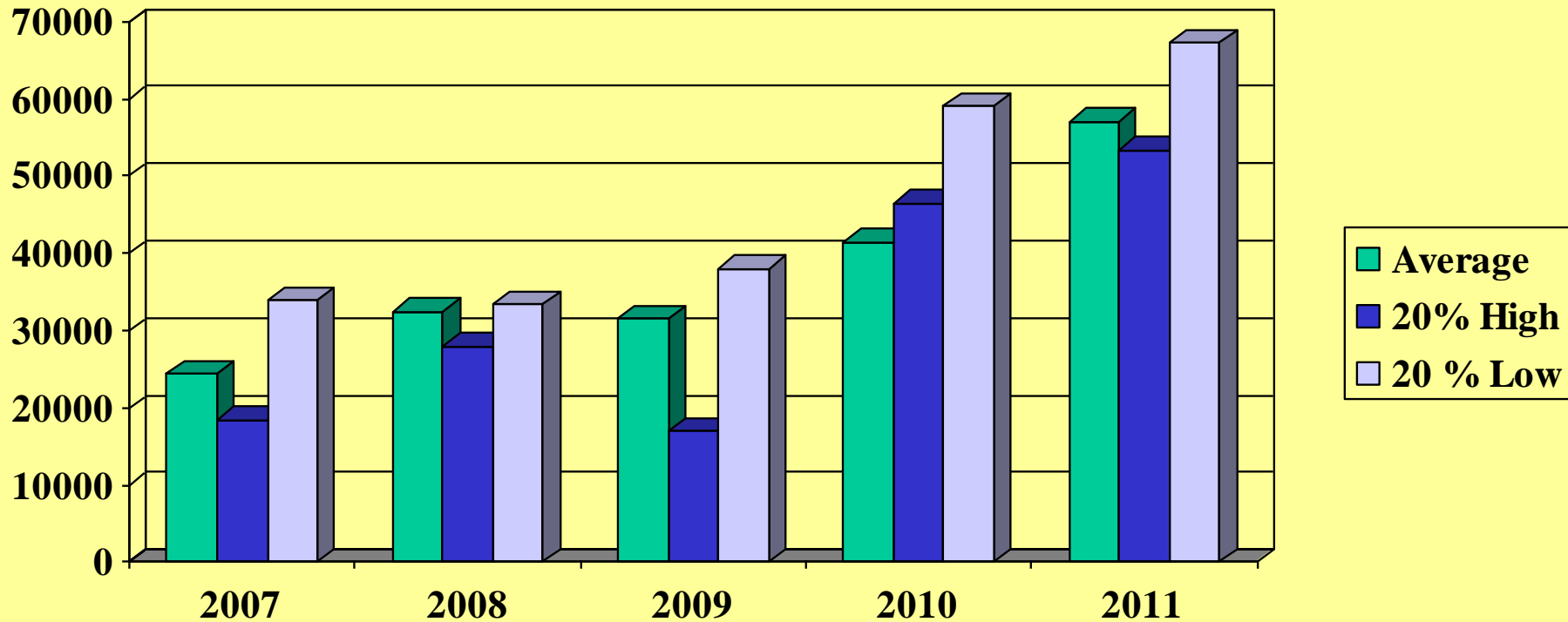
high profit



# \$ Net Farm Income “Profit”

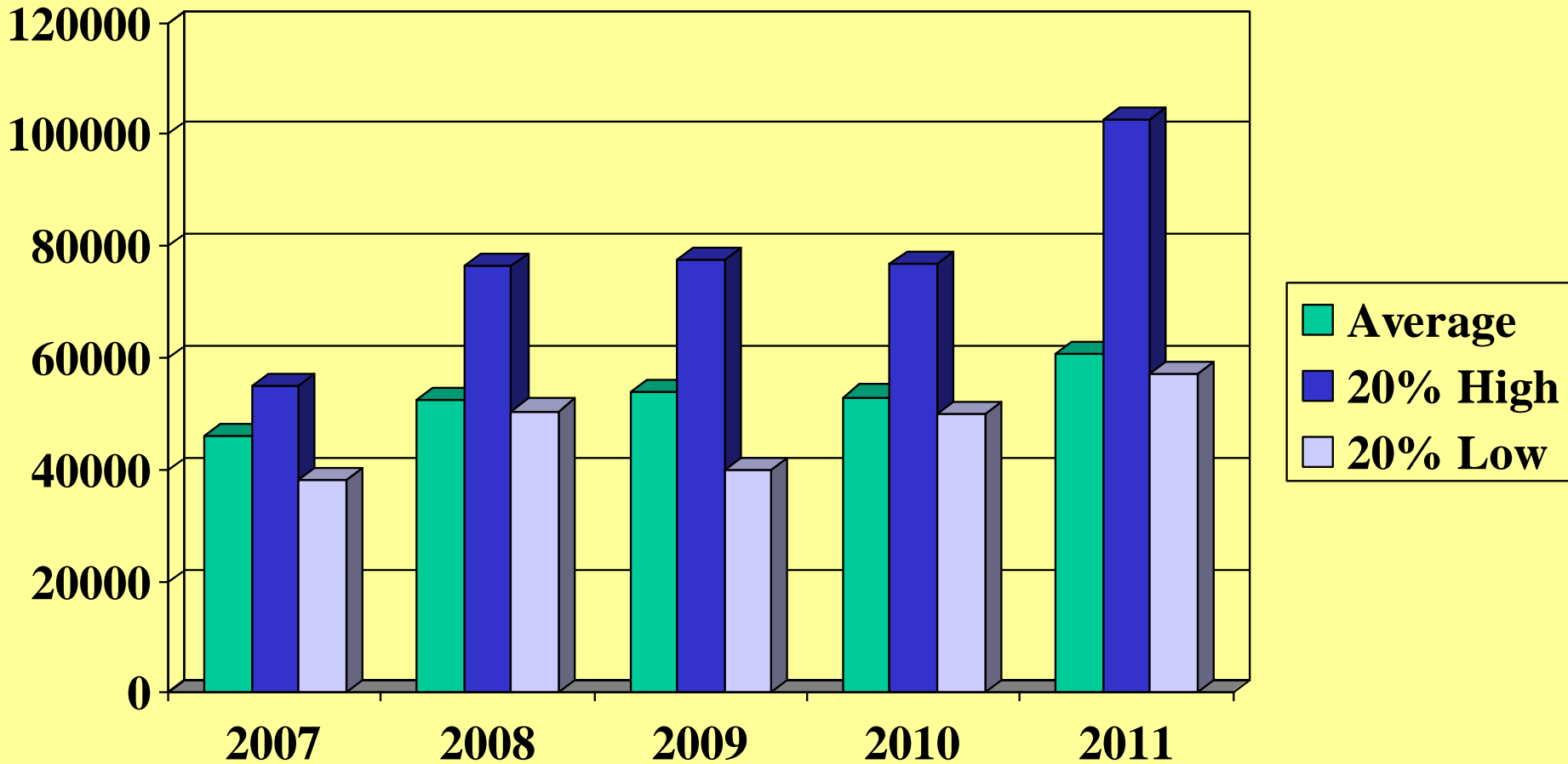


# \$ Net “Non-Farm” Income



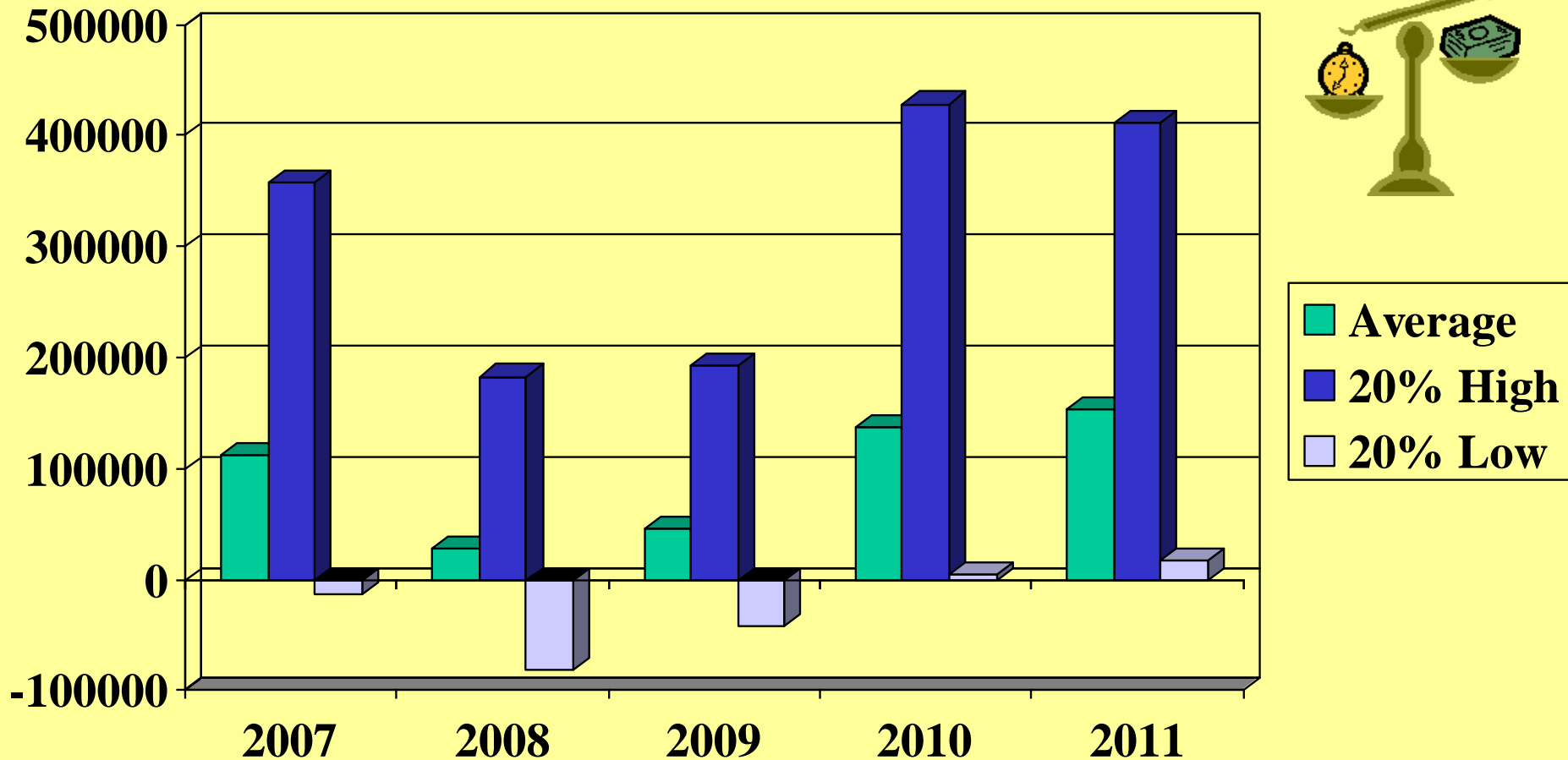
# Family Living & Income Taxes

## \$ spent/year



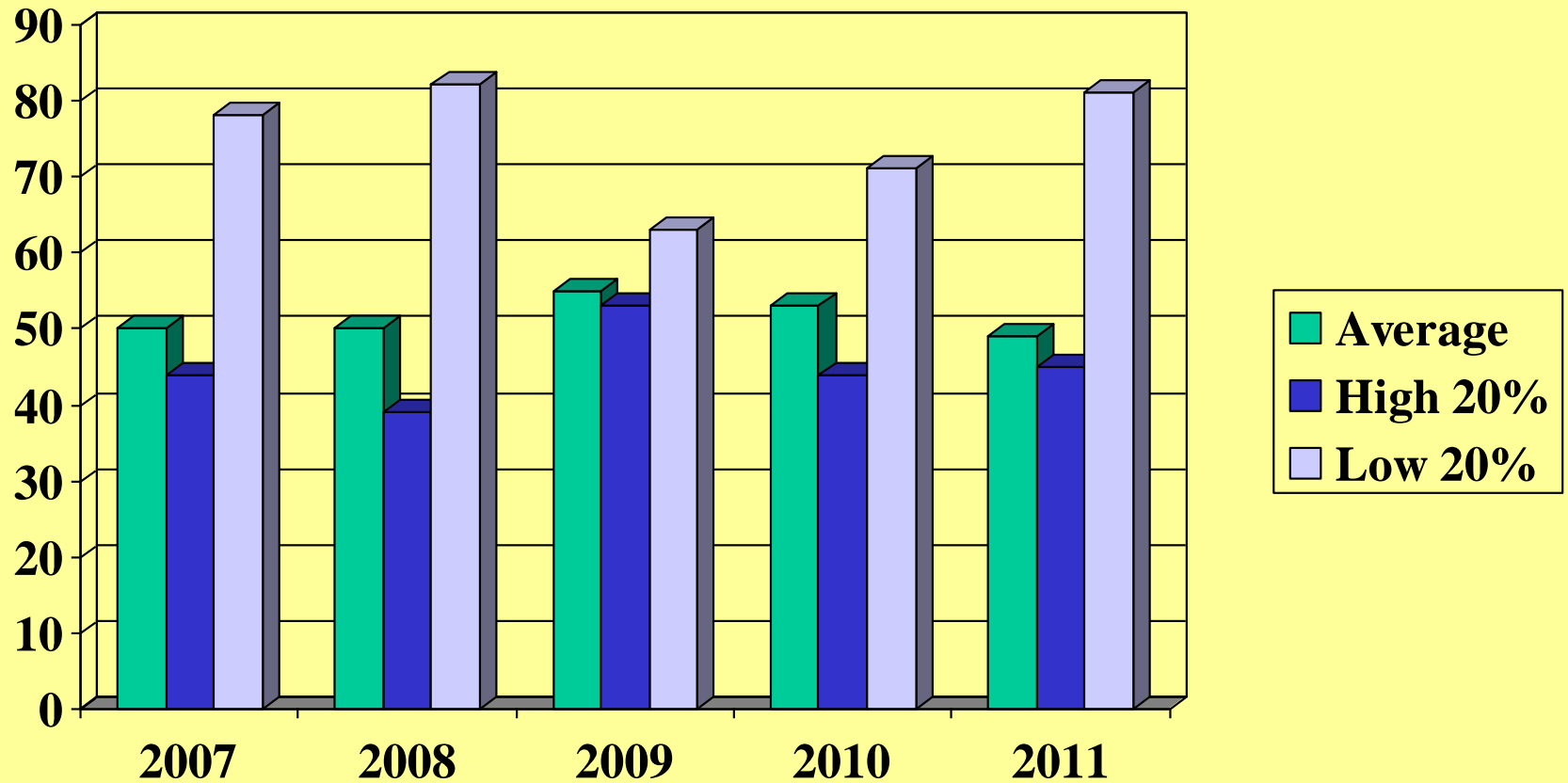
# Change in Retained Earnings

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



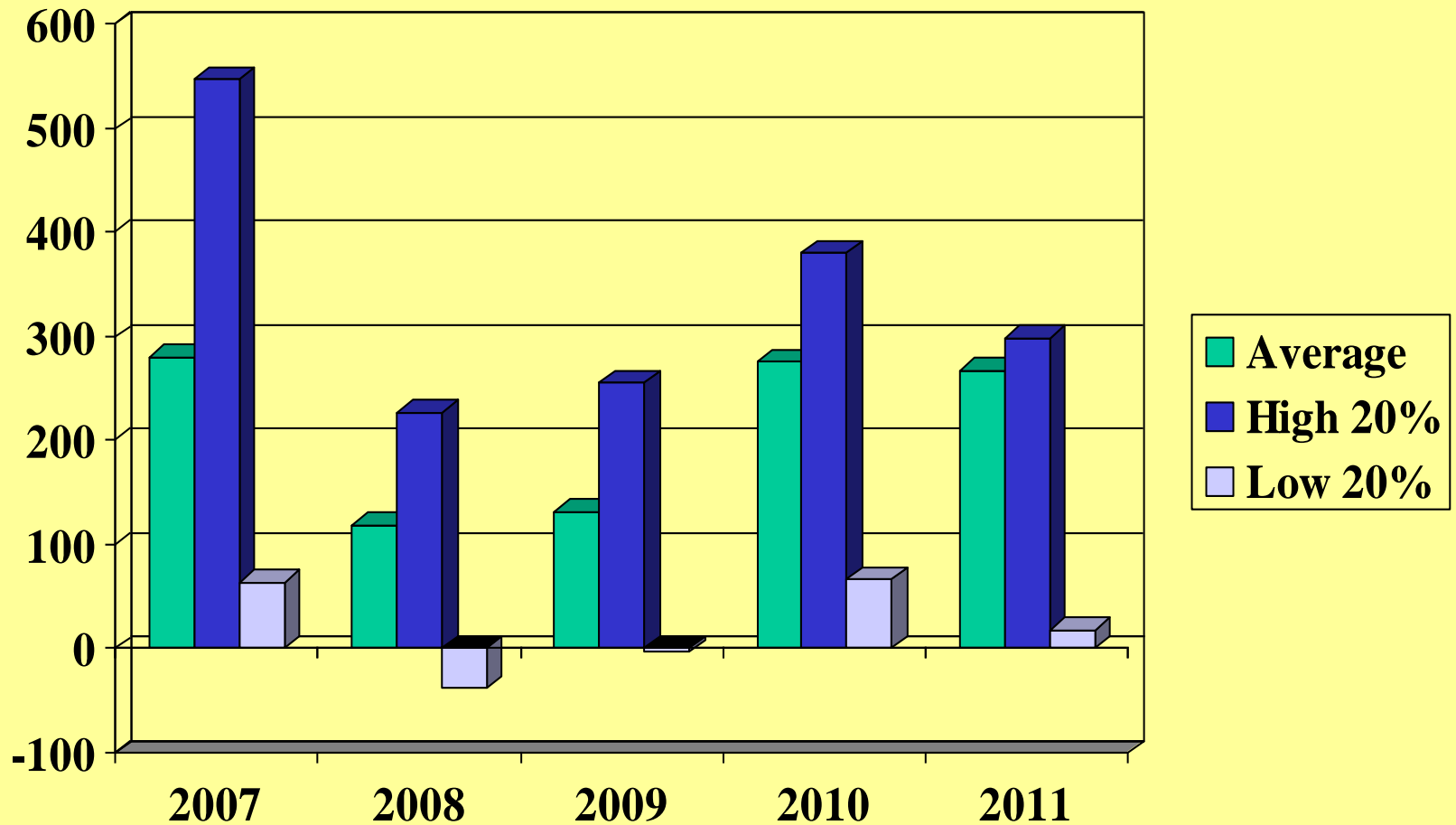


# Farm Debt/Asset Ratio (%) end year cost basis

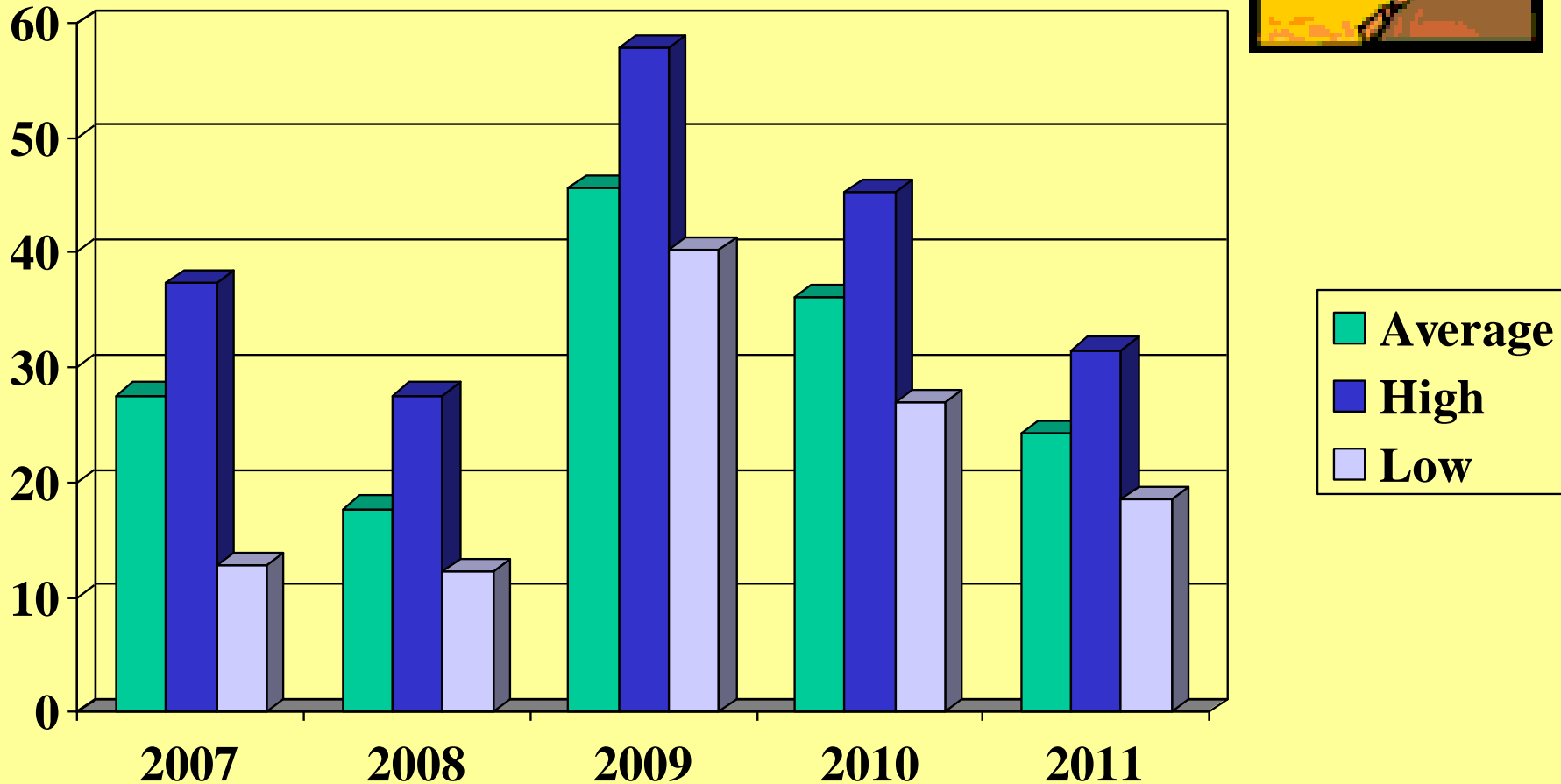


# Term Debt Coverage Ratio

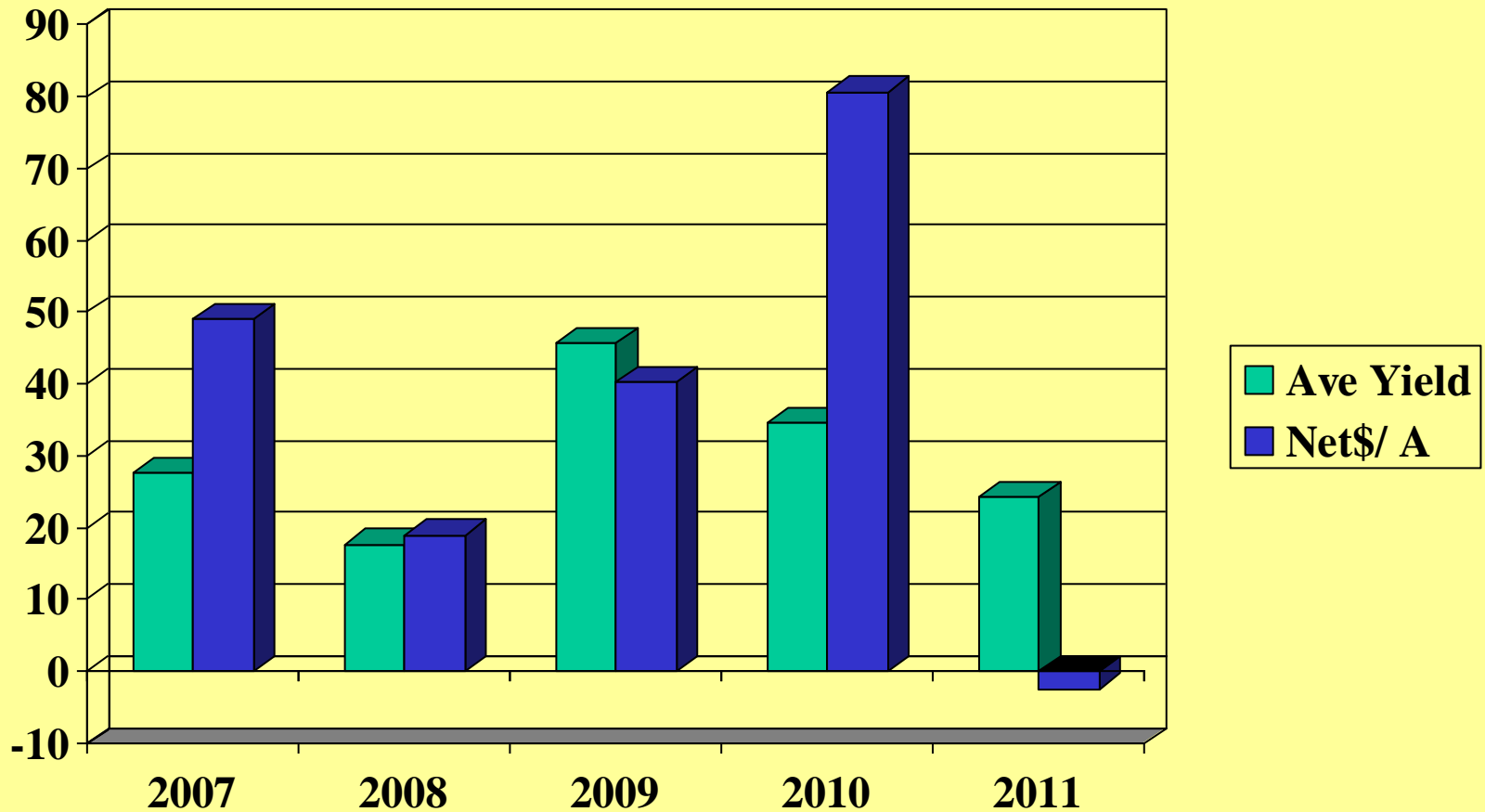
a 100% ratio means “we can make all debt payments”



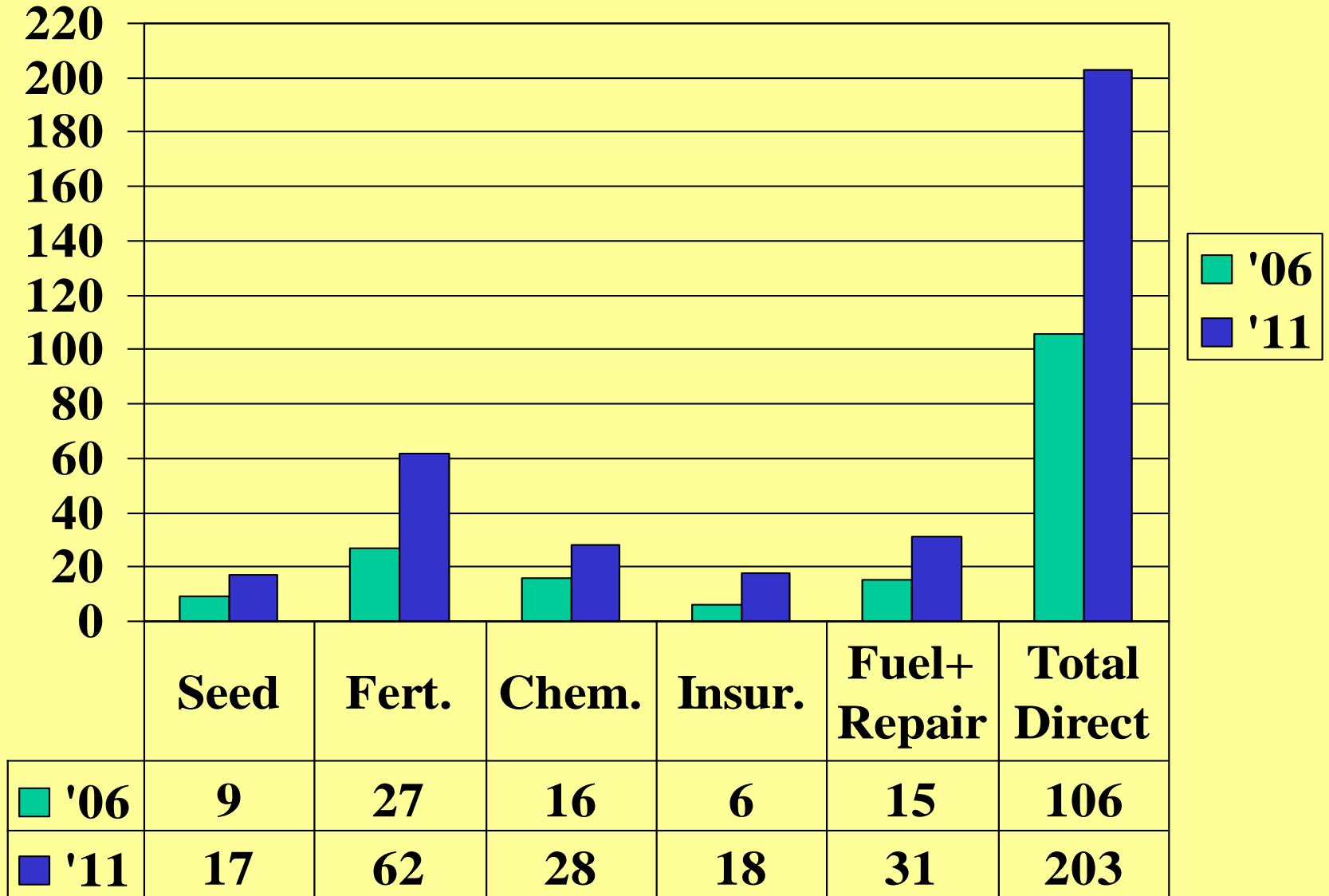
# Spring Wheat on Cash Rented (Bu. Yield/Acre)



# Spring Wheat Ave Yields and Net \$ per Acre

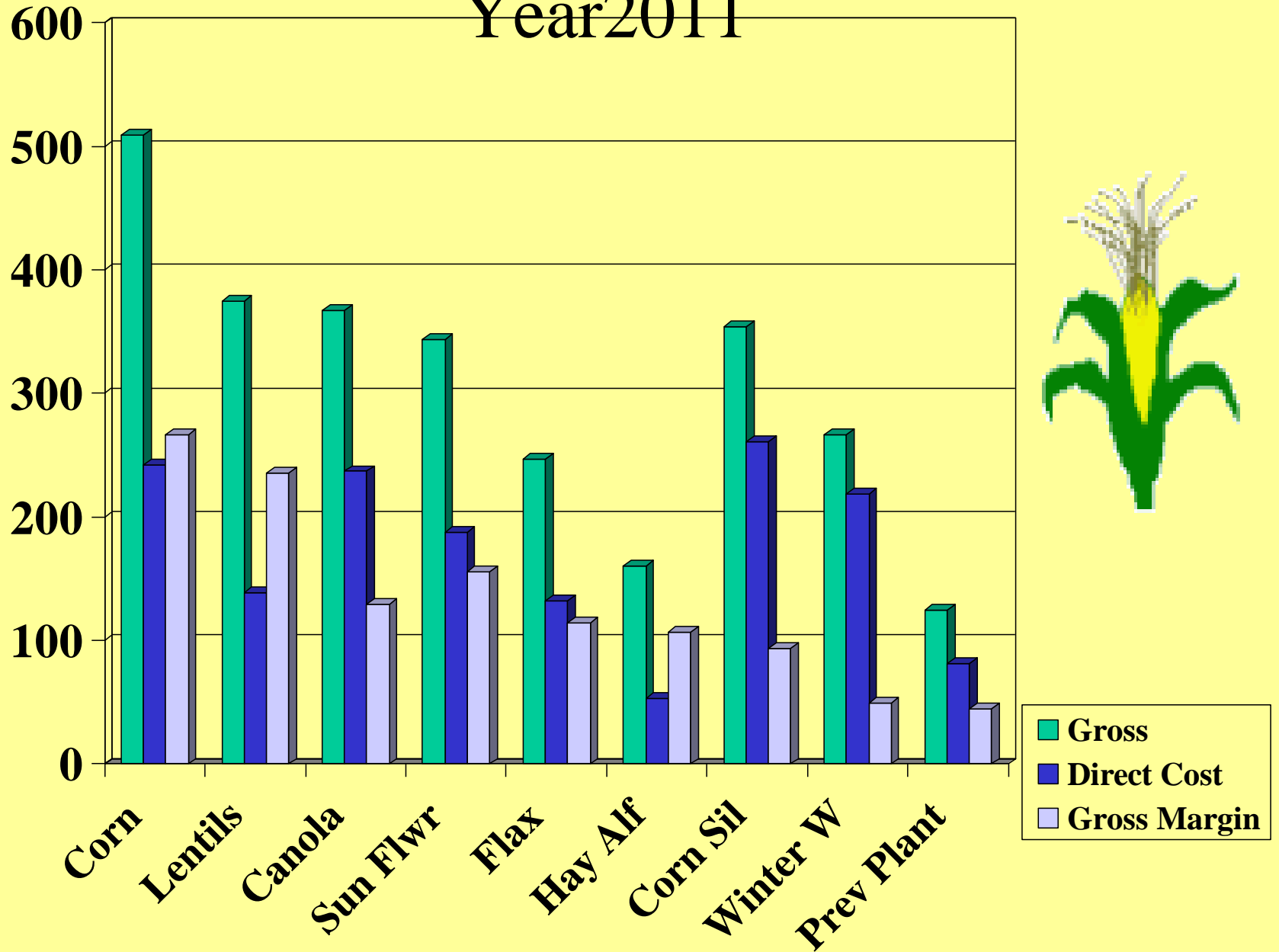


# Costs /acre for Spring Wheat comparing 06 to2011

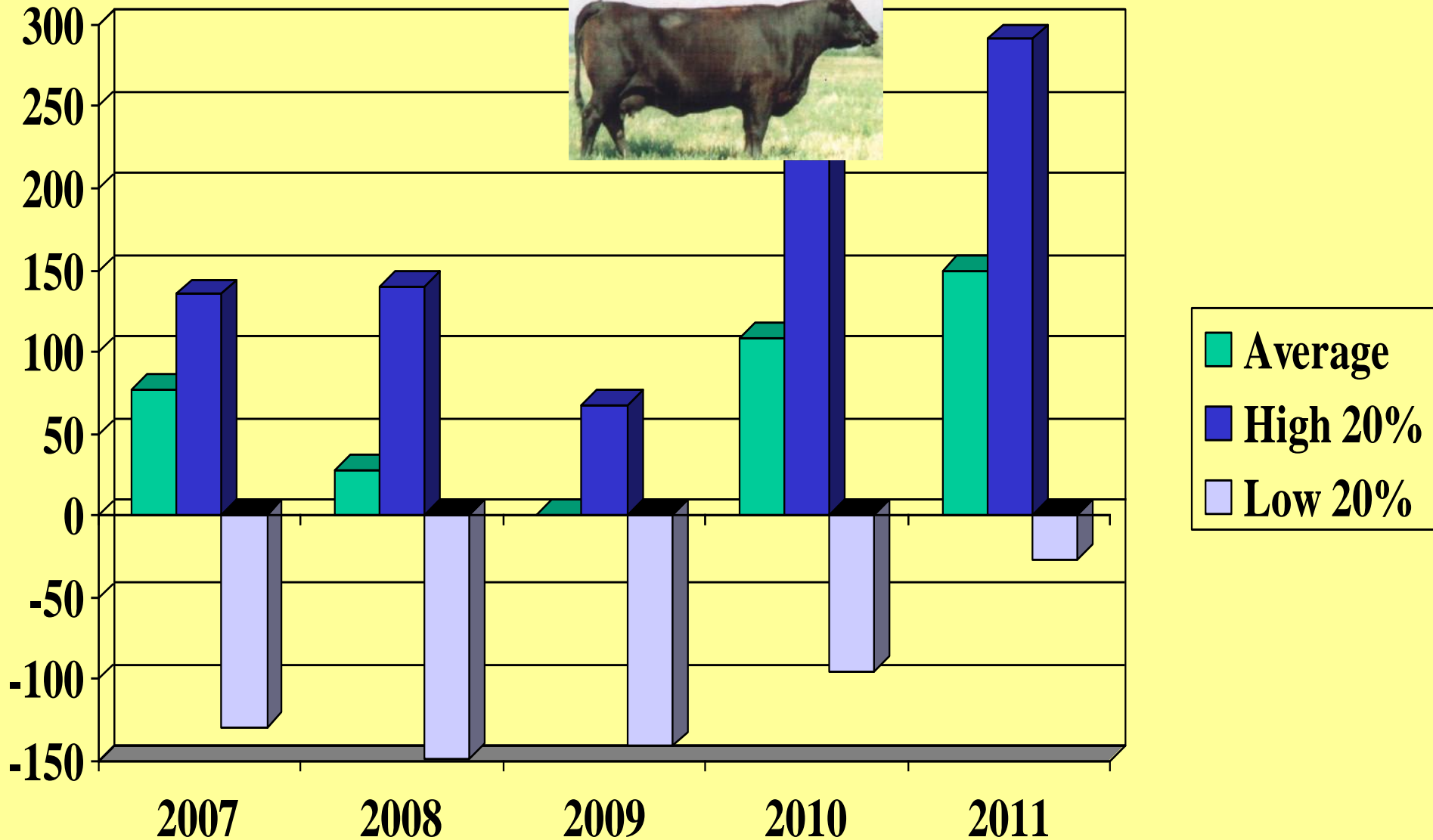


# Crop Contributions to Overheads

Year2011

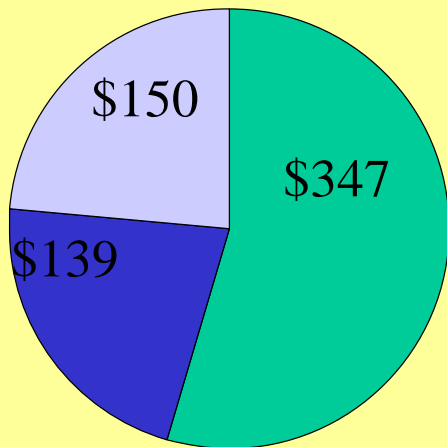


# \$ Net income /Beef Cow

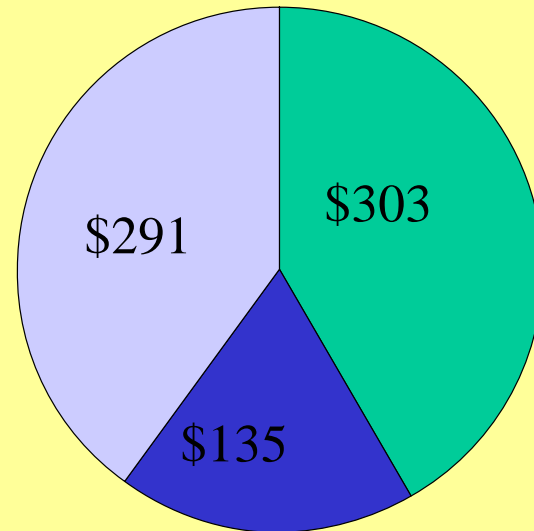


# Beef cow costs, returns 2011 per cow (fuel&repairs in OVHD)

average



high profit



■ direct ■ overheads ■ net \$



How are low profit and high profit  
Beef herds different ? For 2011 year.

	Low Profit	High Profit
Value of calf/cow	\$661	\$713
Depreciation per cow	\$176	-\$16
Direct cost/cow	\$379	\$303
Overhead expense/cow	\$155	\$135
Cost per cwt (D&Ovhd)	\$118	\$91
Weaning percentage	79	93

# 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.

# Thank You!

