Minnesota State Colleges and Universities

State
Farm Business Management Program
Database

Crop Financial Sorts - 2009

Financial Summary
Financial Standards Measures
Crop Production and Marketing Summary
Enterprise Information

Location of the Regional Program Center:  

<table>
<thead>
<tr>
<th>Location of the Regional Program Center</th>
<th>Minnesota Region</th>
</tr>
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<tbody>
<tr>
<td>Central Lakes Community and Technical College</td>
<td>Northeast and East Central</td>
</tr>
<tr>
<td>Minnesota West Community and Technical College</td>
<td>Southwestern</td>
</tr>
<tr>
<td>Northland Community and Technical College</td>
<td>Northwestern &amp; Red River Valley</td>
</tr>
<tr>
<td>Ridgewater Community and Technical College</td>
<td>Central and West Central</td>
</tr>
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<td>Riverland Community and Technical College</td>
<td>Southeastern</td>
</tr>
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<td>South Central College</td>
<td>South Central</td>
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</table>

April, 2010

A MEMBER OF THE MINNESOTA STATE COLLEGES
AND UNIVERSITIES SYSTEM

In cooperation with the Center for Farm Financial Management University of Minnesota

For more information, contact Dr. Richard Joerger at richard.joerger@so.mnscu.edu

For more Information go to
Farm Management Program Website: www.mgt.org
## Financial Summary

Statewide Database Special Sorts for Crops
Farm Business Management Combined Database
(Farms Sorted By Gross Farm Income)

<table>
<thead>
<tr>
<th>Avg. Of  All Farms</th>
<th>50,001 - 100,000</th>
<th>100,001 - 250,000</th>
<th>250,001 - 500,000</th>
<th>500,001 - 1,000,000</th>
<th>Over 1,000,000</th>
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</thead>
<tbody>
<tr>
<td>Number of farms</td>
<td>1217</td>
<td>66</td>
<td>214</td>
<td>353</td>
<td>342</td>
</tr>
</tbody>
</table>

### Income Statement

- **Gross cash farm income**: 633,621
- **Total cash farm expense**: 493,938
- **Net cash farm income**: 139,683
- **Inventory change**: -14,024
- **Depreciation**: -36,880
- **Net farm income from operations**: 88,779
- **Gain or loss on capital sales**: 783
- **Average net farm income**: 89,562
- **Median net farm income**: 55,497
- **Rate of return on assets**: 5.30%
- **Rate of return on equity**: 5.40%
- **Operating profit margin**: 11.90%

### Liquidity & Repayment (end of year)

- **Current assets**: 529,858
- **Current liabilities**: 289,732
- **Current ratio**: 1.83
- **Working capital**: 240,126
- **Working capital to gross inc**: 38.00%
- **Term debt coverage ratio**: 1.49
- **Replacement coverage ratio**: 1.23

### Solvency (end of year at cost)

- **Number of farms**: 1,217
- **Total farm assets**: 1,470,799
- **Total farm liabilities**: 663,265
- **Total assets**: 1,665,610
- **Total liabilities**: 715,970
- **Net worth**: 949,442
- **Net worth change**: 53,791
- **Farm debt to asset ratio**: 45%
- **Total debt to asset ratio**: 43%

### Solvency (end of year at market)

- **Number of farms**: 1,217
- **Total farm assets**: 1,920,850
- **Total farm liabilities**: 870,832
- **Total assets**: 2,153,504
- **Total liabilities**: 935,690
- **Net worth**: 1,217,814
- **Net worth change**: 96,916
- **Farm debt to asset ratio**: 45%
- **Total debt to asset ratio**: 43%

### Nonfarm Information

- **Net nonfarm income**: 31,570
- **Farms reporting living expenses**: 378
- **Total family living expense**: 54,884
- **Total living, invest, cap. purch**: 88,698

### Crop Acres

- **Total acres owned**: 307
- **Total crop acres**: 1,115
- **Total crop acres owned**: 286
- **Total crop acres cash rented**: 794
- **Total crop acres share rented**: 34

**Farm Business Management Education Programs**

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Crop Farm Sort

April, 2010
### Financial Summary

Statewide Database Special Sorts for Crops
Farm Business Management Combined Database
(Farms Sorted By Total Crop Acres)

#### Profitability (cost)

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<tr>
<th></th>
<th>All Farms</th>
<th>100</th>
<th>250</th>
<th>500</th>
<th>1,000</th>
<th>1,500</th>
<th>2,000</th>
<th>5,000</th>
<th>10,000</th>
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<tbody>
<tr>
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<td>40</td>
<td>86</td>
<td>233</td>
<td>363</td>
<td>206</td>
<td>106</td>
<td>175</td>
<td>7</td>
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</tbody>
</table>

#### Income Statement

- **Gross cash farm income**: 633,621, 259,625, 98,900, 230,439, 443,668, 712,396, 1,027,584, 1,450,938, 3,484,677
- **Total cash farm expense**: 493,938, 204,025, 86,222, 182,538, 343,879, 739,316, 1,141,297, 2,844,085
- **Net cash farm income**: 139,683, 55,600, 12,678, 47,901, 99,789, 173,079, 231,551, 309,642, 640,591
- **Inventory change**: -14,024, -9,013, 7,364, 4,853, -4,532, -21,741, -23,062, -51,740, -19,685
- **Depreciation**: -36,880, -16,929, -6,926, -15,451, -27,324, -43,797, -60,145, -76,513, -178,673
- **Net farm income from operations**: 88,779, 29,658, 13,116, 37,304, 67,933, 107,541, 148,344, 181,388, 442,233
- **Gain or loss on capital sales**: 783, 929, -16, -164, 547, 182, 2,498, 2,596, -

#### Average net farm income

|                | 89,562 | 30,587 | 13,101 | 37,140 | 68,480 | 107,724 | 150,842 | 183,985 | 442,233 |

#### Median net farm income

|                | 55,497 | 4,742 | 12,571 | 25,639 | 62,352 | 107,801 | 126,870 | 150,392 | 432,875 |

#### Rate of return on assets

|                | 5.30%  | 4.80%  | 2.60%  | 4.90%  | 5.40%  | 5.60%  | 6.20%  | 5.00%  | 4.50%  |

#### Rate of return on equity

|                | 5.40%  | 4.10%  | -0.10% | 4.20%  | 5.50%  | 6.00%  | 6.80%  | 5.30%  | 5.00%  |

#### Operating profit margin

|                | 11.90% | 12.40% | 8.20%  | 12.90% | 12.60% | 13.30% | 13.20% | 10.40% | 11.90% |

#### Asset turnover rate

|                | 44.00% | 39.00% | 32.10% | 37.60% | 43.00% | 42.00% | 47.30% | 47.90% | 38.10% |

#### Liquidity & Repayment (end of year)

|                | 529,858 | 127,321 | 93,481 | 190,094 | 365,126 | 602,783 | 803,536 | 1,236,803 | 3,703,816 |

#### Solvency (end of year at cost)

|                | 1,217    | 40       | 86       | 233      | 363      | 206      | 106      | 175       | 7         |

#### Solvency (end of year at market)

|                | 1,217    | 40       | 86       | 233      | 363      | 206      | 106      | 175       | 7         |

#### Nonfarm Information

- **Net nonfarm income**: 31,570, 48,814, 51,223, 39,063, 32,243, 29,693, 17,117, 18,460, 13,621
- **Farms reporting living expenses**: 378, 12, 31, 81, 137, 65, 28, 23, 1
- **Total family living expenses**: 54,884, 104,982, 64,197, 48,523, 53,065, 60,442, 64,931, 71,948, -
- **Total living, invest, cap. purch**: 88,698, 104,982, 64,197, 48,523, 53,065, 60,442, 64,931, 71,948, -

#### Crop Acres

- **Total acres owned**: 307, 164, 115, 170, 230, 387, 446, 557, 1,166
- **Total crop acres**: 1,115, 42, 178, 385, 735, 1,227, 1,721, 2,800, 6,650
- **Total crop acres owned**: 286, 30, 92, 149, 215, 341, 394, 595, 1,262
- **Total crop acres cash rented**: 794, 11, 86, 218, 488, 852, 1,289, 2,122, 5,388
- **Total crop acres share rented**: 34, 1, -18, 33, 34, 37, 82, -
<table>
<thead>
<tr>
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<th>250,001 -</th>
<th>500,001 -</th>
<th>Over</th>
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<td>All Farms</td>
<td></td>
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<td></td>
<td></td>
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<td>214</td>
<td>353</td>
<td>342</td>
</tr>
</tbody>
</table>

**Liquidity**
- Current ratio
- Working capital
- Working capital to gross inc

**Solvency (market)**
- Farm debt to asset ratio
- Farm equity to asset ratio
- Farm debt to equity ratio

**Profitability (cost)**
- Rate of return on farm assets
- Rate of return on farm equity
- Operating profit margin
- Net farm income
- EBITDA

**Repayment Capacity**
- Capital debt repayment capacity
- Capital debt repayment margin
- Replacement margin
- Term debt coverage ratio
- Replacement coverage ratio

**Efficiency**
- Asset turnover rate (cost)
- Operating expense ratio
- Depreciation expense ratio
- Interest expense ratio
- Net farm income ratio

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### Average Dollars Spent by a Crop Farm totals $683,214 in 2009

![Average Dollars Spent by a Crop Farm chart]

- **Seed, $68,355, 10%**
- **Fertilizer, $78,733, 11%**
- **Crop Chemicals, $34,168, 5%**
- **Rent & Leases, $103,152, 15%**
- **Drying, $20,123, 3%**
- **Crop Ins, $14,667, 2%**
- **Interest, $31,567, 5%**
- **Hired Labor, $13,228, 2%**
- **Fuel & Repairs, $59,849, 9%**
- **Other Farm Exp, $70,096, 10%**
- **Family Living & Non Farm Purch, $88,698, 13%**
- **Farm Capital Purchases, $100,578, 15%**

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Farm Business Management Education Programs  
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Crop Farm Sort  
April, 2010
### Financial Summary

**Statewide Database Special Sorts for Crops**

**Farm Business Management Combined Database**

#### Number of Farms

```
<table>
<thead>
<tr>
<th>Year</th>
<th>$50-100K</th>
<th>$100-250K</th>
<th>$250-500K</th>
<th>$500-1000K</th>
<th>&gt;$1,000K</th>
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<tbody>
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<td>240</td>
<td>305</td>
<td>204</td>
<td>64</td>
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<tr>
<td>2007</td>
<td>66</td>
<td>241</td>
<td>389</td>
<td>325</td>
<td>139</td>
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<td>2008</td>
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<td>195</td>
<td>331</td>
<td>376</td>
<td>205</td>
</tr>
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<td>214</td>
<td>353</td>
<td>342</td>
<td>220</td>
</tr>
</tbody>
</table>
```

#### Working Capital to Gross Income

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<th>Year</th>
<th>101-250</th>
<th>251-500</th>
<th>501-1000</th>
<th>1001-1500</th>
<th>1501-2000</th>
</tr>
</thead>
<tbody>
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<td>170.0</td>
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<td>190.0</td>
<td>195.0</td>
<td>200.0</td>
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#### Corn Yields by Farm Size

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<th>Year</th>
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<th>251-500</th>
<th>501-1000</th>
<th>1001-1500</th>
<th>1501-2000</th>
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<td>6.07</td>
<td>6.10</td>
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<tr>
<td>2006</td>
<td>5.26</td>
<td>5.46</td>
<td>6.25</td>
<td>6.07</td>
<td>6.10</td>
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<tr>
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<td>6.07</td>
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<td>6.25</td>
<td>6.07</td>
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<tr>
<td>2009</td>
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<td>5.46</td>
<td>6.25</td>
<td>6.07</td>
<td>6.10</td>
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#### Soybean Cost of Production

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<th>Year</th>
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<td>5.45</td>
<td>6.25</td>
<td>8.12</td>
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### References

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*Farm Business Management Combined Database*

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