



# Farm Business Management

2003  
Annual Report  
North Central & Northwestern Minnesota  
Report No. 48  
April, 2004



A MEMBER OF THE MINNESOTA STATE COLLEGES  
AND UNIVERSITIES SYSTEM

# Mission

The Farm Business Management education program provides student focused management education to help individuals in a position to make managerial decisions that affect farm or agricultural business managers to achieve their business goals.

## ***What's in the 2003 Annual Report***

The 2003 Northern Minnesota Farm Business Management Education Program Annual Report has been printed for the first time. The Northern Minnesota Report was developed through a partnership between Northland Community & Technical College and Central Lakes Community & Technical College.

In previous years, three individual reports were published for the northern half of Minnesota. The Northwestern Minnesota and the Red River Valley Annual Reports have been published by Northland College. The Northeast & East Central Minnesota Annual Report have been published by Central Lakes College. The Red River Valley Annual Report remains as a separate publication for 2003.

The Northwestern Minnesota and the Northeast & East Central Reports have been combined into the new: Northern Minnesota Farm Business Management Annual Report.

The Northern Minnesota Annual Report contains data from students enrolled in Farm Business Management at Northland Community & Technical College and Central Lakes Community & Technical College. A complete list of Instructors who have students with data in this report can be found on page three (3). We believe that merging this data, from similar farming operations and environments, enables us to provide more complete farm financial information.

This report and the four (4) other regional reports include only statewide data for each of the livestock enterprises. Minnesota Farm Business Management Education Programs are committed to developing an even more valuable database of information for farmers. The increase in the number of farms included in each enterprise enhances the reliability and accuracy of the database. Regional livestock enterprise information will be available, however, from each of the six Regional Farm Business Management Offices or a Farm Business Management Instructor in that area.

Additional Note: The 2003 State Farm Business Management Education database includes data from over 2,200 farms. This information is unique to Minnesota and provides a wealth of information for farmers, the agriculture businesses that support those farmers, educators, and other interested individuals. Additional Farm Business Management database information is available from the Farm Business Management (FBM) Internet website, and from each of the regional offices listed on the inside front cover. Included on the FBM website is information about Management Programs, office locations and instructor information, regional and state database reports, and links to other agriculture web pages.

**Northland FBM Website: [www.northlandcollege.edu/fbm.htm](http://www.northlandcollege.edu/fbm.htm)**

**Central Lakes College Website: [www.clcmn.edu](http://www.clcmn.edu)**

**State FBM Website: [www.mgt.org](http://www.mgt.org)**

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## ***Instructors Participating***

On the back of this report, you will see a map of Minnesota. The farms included in this report are located in the shaded area on the map, Northern Minnesota. The instructors who work with the Farm Business Management students located in the shaded area, and their office locations, are listed below:

### **Northland College**

Office Location:	Instructor
Barnesville	Sheldon Schmiess
Baudette	Gerald Ausmus
Bemidji	Jim Sackett
Detroit Lakes	Mark Berg
Detroit Lakes	Paul Ramsey
East Grand Forks	Ron Dvergsten
Fertile	Ron Dvergsten/Dennis Olsen
Fosston	Doug Fjerstad
Hallock	Flint Daugherty
Hawley	Dennis Olsen
Mahnomen/Ulen	Mike Lockhart
Red Lake Falls	Greg Kalinoski
Roseau	Duane Jaenicke
Thief River Falls	Greg Dvergsten
Thief River Falls	Danie Packard

### **Central Lakes College**

Office Location:	Instructor
Aitkin	Brad Irwin
Iron	Jim Takala
Little Falls	Dave Stish
Milaca	Jeff Spiehs
Milaca	Lee Todnem
Pierz	Ben Jorgensen
Staples	Bob Rick
Staples	Tom Schulz

The preparation of this report was done under the direction of Robert E. Bollesen, Regional Dean of Management Education at Northland Community & Technical College; and DelRay D. Lecy, Regional Dean of Management Education at Central Lakes College. Directing in supervisory capacity were: Orley Gunderson, President, Northland Community & Technical College; Joe Birmingham, President, Central Lakes College; Kent Hanson, Campus Provost, Northland Community & Technical College; Rebecca Best, Associate VP of Academic Affairs, Central Lakes College; and John Murray, State Program Manager, Minnesota State Colleges and Universities. A special thank you goes to Shirley Judd, Central Lakes College, and Robin Langevin, Northland College, for their assistance in preparing this report.

## ***Explanation of Data Processing and Report Format***

The tables in this report were created using FINPACK and RankEm Central, copyrighted software of the Center for Farm Financial Management, University of Minnesota. Actual processing of the report was done at the Thief River Falls (NCTC) and Staples (CLC) Analysis Centers.

The financial portion of the report, found in the first 25 pages, uses a standard format for each of the tables. Data from the analysis system is printed in a four column format, that includes: Average, Low, Middle, & High. The High, Middle, & Low ranges are calculated based on a 20% slice of the farms in the total group.

The enterprise tables begin on page 28. Each of these tables consist of: a size indicator, a total and per unit income, direct & overhead expenses, and other information. Costs which are considered to be operating, whether easily assigned or are allocated, are listed as Direct Expenses. Costs which are general in nature, whether fixed or variable, are listed as Overhead Expenses.

The Criteria for determining the 20% categories in each area are listed below:

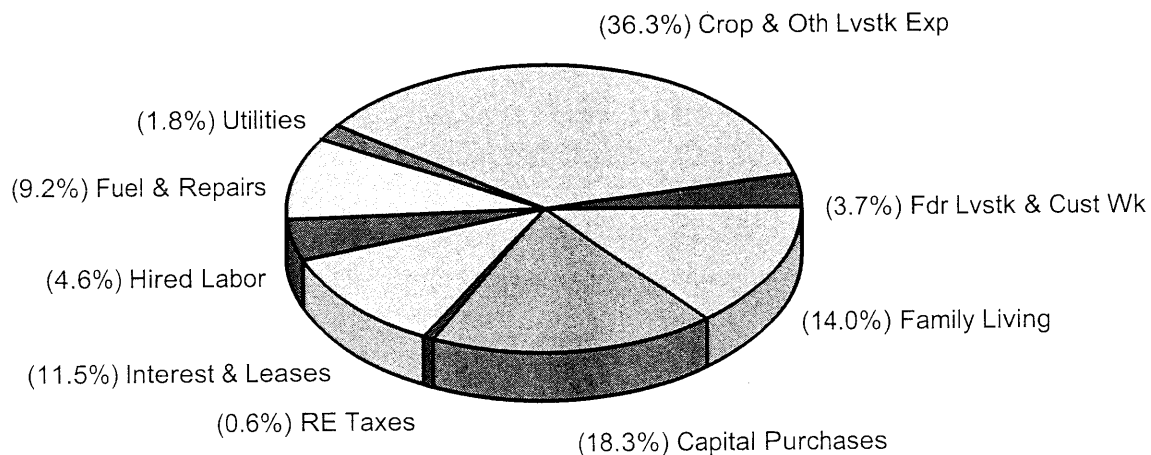
<u>Analysis Section</u>	<u>Criteria to determine the "20%" categories</u>
Financial	Net Farm Income
Crops	Return to Overhead
Livestock	Return to Overhead

## ***Money Spent By the Average Farmer - 2003 Annual Report***

Where the Money was Spent:	What the Money was used for:	Amount
To Other Farmers	Feeder Livestock and Custom Work	\$11,083
To Agri-Business	Feed, Lvstk Suppl, Vet, Crop Exp, Gen Farm	\$110,284
	Fuel, Lubricants & Repairs	\$27,983
Individuals	Hired Labor	\$13,977
Utility Company	Utilities	\$5,409
Lenders or Other Farmers	Use of Capital: Interest & Leases	\$35,001
Local Government	Real Estate Taxes	\$1,943
Agri-Business or Other Farmers	Breeding Livestock, Machinery, Equipment, Buildings, Land, and Other.	\$55,434
Household and Personal Expense	Food, Clothing, Furnishings, Education, Contributions, Medical, Gifts, Recreation, Taxes, Capital Expenditures & Investments.	\$42,519

<i><b>Money Spent by One Average Farmer in the Community:</b></i>	<b>\$303,633</b>
<i><b>Money Spent by One Average Farmer in a 30 Yr Career:</b></i>	<b>\$9,108,990</b>
<i><b>Money Spent in Community by 440 Farmers:</b></i>	<b>\$133,598,520</b>

### Percent Spending by Category



***Year at a Glance***  
***"2003 Annual Report"***

	Area Average	State Ave.	Local Ave.	Your Farm	Your Goal
	440 Farms	2266 Farms			
<b><i>Pages 6&amp;7:</i></b>					
Gross Cash Farm Income	\$256,709	\$384,026	_____	_____	_____
Total Cash Operating Expense	\$205,680	\$316,718	_____	_____	_____
Net Cash Farm Income	\$51,029	\$67,308	_____	_____	_____
Net Farm Income	\$40,412	\$54,880	_____	_____	_____
<b><i>Page 8:</i></b>					
Rate of Return on Farm Assets - Cost	5.5%	6.5%	_____	_____	_____
Rate of Return on Farm Equity - Cost	5.4%	7.4%	_____	_____	_____
Oper. Expense as % of Income - Accrual	80%	80%	_____	_____	_____
Interest as % of Income - Accrual	7.0%	6.0%	_____	_____	_____
<b><i>Page 11:</i></b>					
Total Assets - 12/31	\$832,068	\$1,143,305	_____	_____	_____
Total Liabilities - 12/31	\$398,318	\$543,310	_____	_____	_____
Net Worth - Dec 31	\$433,751	\$599,994	_____	_____	_____
Change in Net Worth	\$43,706	\$61,192	_____	_____	_____
<b><i>Page 12:</i></b>					
Current Ratio - 12/31	1.46	1.43	_____	_____	_____
Debt to Asset Ratio - 12/31	52%	51%	_____	_____	_____
Operating Profit Margin	15.0%	14.9%	_____	_____	_____
Asset Turnover Rate	37.0%	43.8%	_____	_____	_____
<b><i>Page 17:</i></b>					
Average Age of the Farmer	45.9	45.4	_____	_____	_____
Average Years Farming	21.5	22.0	_____	_____	_____
<b><i>Page 18:</i></b>					
Total Family Living Expense	\$37,493	\$51,755	_____	_____	_____
Total Non Farm Income	\$21,822	\$21,602	_____	_____	_____

Net Farm Income dollars must pay for Family Living, Social Security and Income Tax, Retirement Accounts, Medical and Health expenses, and loan principle payments.

The following list shows 2003 expenses:

Family Living	\$24,187
Social Security and Income Tax	\$2,434
Health and Medical Expense	\$4,524
Retirement Accounts	\$1,016
Principle Payments	\$27,614
Balance	(\$19,363)

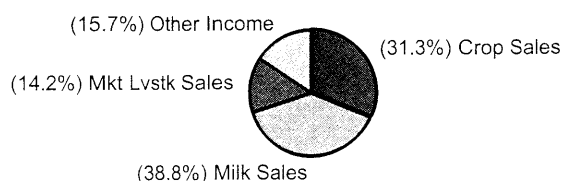
## Farm Income Statement

(Page One)

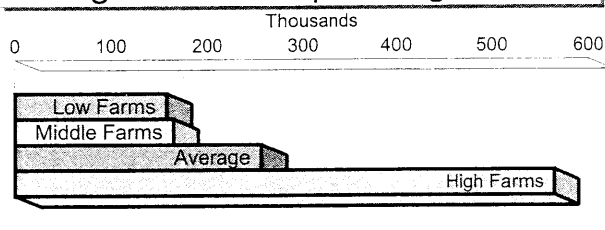
2003 Annual Report

	Average of 440 Farms	Low 20% 88 Farms	Middle 40-60% 88 Farms	High 20% 88 Farms
<b>Sale of Crops</b>				
Barley and Oats	2,077	676	1,607	4,419
Edible Beans	1,109	553	2,618	1,887
Corn	7,957	10,159	3,214	10,075
Other Grains	2,248	71	1,264	8,184
Alfalfa, Mixed, and Other Hay	4,025	2,452	2,573	10,486
Haylage and Other Forages	423	513	37	663
Potatoes	751	1,505	0	0
Soybeans	31,130	11,650	12,074	89,070
Sugar Beets	1,742	0	0	8,708
Sunflowers	2,005	36	924	6,717
Wheat, Spring & Winter	25,078	2,599	10,578	88,540
Nursery, Timber, Other	1,819	771	849	6,715
Miscellaneous Crop Income	105	82	186	121
<b>Total Crop Sales</b>	<b>\$80,469</b>	<b>\$31,067</b>	<b>\$35,924</b>	<b>\$235,585</b>
<b>Sale of Market Livestock and Products</b>				
Beef Cow-Calf, Beef Calves	6,981	6,279	11,343	3,218
Custom Fed Beef	1,243	1,496	435	3,506
Background Beef	2,583	1,411	2,999	2,040
Finish Beef Calves	793	179	145	1,658
Finish Yearling Steers	141	0	0	0
Milk	99,487	70,675	69,442	203,050
Dairy Calves	1,983	1,406	1,380	4,139
Dairy Heifers	3,000	2,147	2,067	666
Dairy Replacement Heifers	359	384	808	87
Dairy Steers	5,894	4,778	4,113	7,898
Raised Hogs	635	834	38	2,121
Finish Feeder Pigs	2,457	0	27	741
Poultry and Poultry Products	1,643	0	0	0
Cull Breeding Livestock	7,179	7,040	6,269	10,585
Misc. Livestock Income	1,562	1,996	1,439	3,129
<b>Total Mkt Lvstk &amp; Prod. Sales</b>	<b>\$135,940</b>	<b>\$98,625</b>	<b>\$100,505</b>	<b>\$242,838</b>
<b>Other Farm Income</b>				
Direct and CC Government Payments	10,067	5,012	5,345	25,861
Livestock Government Payments	8,344	7,466	8,235	9,133
Other Government Payments	7,637	4,071	5,708	19,388
Custom Work Income	3,318	2,574	2,130	5,832
Patronage Dividends, Cash	1,265	691	619	3,173
Insurance Income	6,033	4,347	3,797	14,547
Other Farm Income	3,637	2,822	1,410	6,446
<b>Total Other Farm Income</b>	<b>\$40,300</b>	<b>\$26,982</b>	<b>\$27,243</b>	<b>\$84,380</b>
<b>Gross Cash Operating Income</b>	<b>\$256,709</b>	<b>\$156,674</b>	<b>\$163,672</b>	<b>\$562,803</b>

### Sources of Cash Income



### Range in Cash Operating Income





# ***Farm Income Statement***

***(Page Two)***

*2003 Annual Report*

	Average of 440 Farms	Low 20% 88 Farms	Middle 40-60% 88 Farms	High 20% 88 Farms
<b>Crop Expenses</b>				
Seed	10,489	6,320	5,903	24,069
Fertilizer	15,844	7,852	8,900	40,373
Crop Chemicals	10,869	3,578	5,302	31,570
Crop Insurance	4,634	1,305	2,733	13,024
Drying Fuel	494	411	271	1,195
Irrigation Energy	130	74	144	185
CCC Buyback	3,108	767	2,631	10,272
Crop Marketing	611	802	243	1,112
Crop Miscellaneous	1,388	803	1,024	3,029
Total Crop Expenses	\$47,567	\$21,912	\$27,151	\$124,829
<b>Livestock Expenses</b>				
Feeder Livestock Purchase	5,030	2,078	1,245	5,426
Purchased Feed	35,272	27,481	24,568	60,798
Breeding Fees	1,181	665	811	2,258
Veterinary	4,646	3,539	3,367	9,565
BST	1,091	635	358	3,655
Livestock Supplies	5,484	4,531	4,050	10,183
DHIA	516	321	448	917
Contract Production	1,898	905	109	7,636
Livestock Leases	71	160	1	109
Hauling and Trucking	936	783	1,128	843
Livestock Marketing	2,381	1,775	1,790	3,797
Total Livestock Expenses	\$58,506	\$42,873	\$37,875	\$105,187
<b>Other Farm Expenses</b>				
Interest	17,613	19,056	11,518	30,236
Fuel and Oil	9,218	6,557	6,690	18,828
Repairs	18,765	14,117	14,539	36,711
Custom Hire	6,053	2,919	3,238	14,919
Hired Labor	13,977	11,202	6,254	33,638
Land Rent	13,642	5,298	7,082	37,192
Machinery and Building Lease	3,746	2,659	1,850	8,497
Real Estate Taxes	1,943	1,613	1,404	3,414
Farm Insurance	3,963	3,098	2,895	7,115
Utilities	5,409	4,211	4,495	8,764
Dues and Professional Fees	1,145	404	645	2,651
Miscellaneous	4,133	5,460	2,335	6,076
Total Cash Operating Expense	\$205,680	\$141,378	\$127,972	\$438,057
Net Cash Farm Income	\$51,029	\$15,296	\$35,700	\$124,747
<b>Inventory Changes</b>				
Crops and Feed	9453	-12526	2003	53436
Market Livestock	1560	-47	249	5055
Accounts Receivable	-3386	-880	-644	-13740
Prepaid Expenses and Supplies	1126	288	916	3320
Accounts Payable	201	-1269	2043	-756
Total Inventory Change	8954	-14433	4567	47315
Net Operating Profit	\$59,983	\$863	\$40,267	\$172,062
<b>Depreciation and Other Capital Adjustments</b>				
Breeding Livestock	-4041	-12931	-2901	-415
Machinery and Equipment	-12893	-11140	-8223	-24649
Buildings and Improvements	-2774	-2729	-1055	-6208
Other Farm Capital	137	449	-458	736
Total Depreciation & Capital Adjustment	-19571	-26350	-12637	-30537
<b>Net Farm Income</b>	<b>\$40,412</b>	<b>(\$25,488)</b>	<b>\$27,630</b>	<b>\$141,525</b>

## Profitability

2003 Annual Report

Average of:  
440 Farms

Low 20%  
88 Farms

40-60%  
88 Farms

High 20%  
88 Farms

### --- Assets valued at Cost:

Net Farm Income	\$40,412	(\$25,488)	\$27,630	\$141,525
Labor and Management Earnings	\$23,255	(\$36,452)	\$15,823	\$105,868
Rate of Return on Assets	5.5%	-5.0%	4.6%	11.3%
Rate of Return on Equity	5.4%	-25.0%	3.8%	16.8%
Operating Profit Margin	15.0%	-24.4%	13.9%	24.0%
Asset Turnover Rate	37.0%	20.5%	33.1%	47.2%
Interest on Farm Net Worth	\$17,157	\$10,965	\$11,807	\$35,657
Farm Interest	\$17,503	\$19,654	\$11,626	\$30,013
Value of Operator's Labor and Mgmt.	\$25,011	\$18,698	\$20,234	\$41,557
Return to Farm Assets	\$32,904	(\$24,532)	\$19,022	\$129,980
Average Farm Assets	\$594,536	\$490,517	\$412,652	\$1,145,574
Return to Farm Equity	\$15,401	(\$44,186)	\$7,396	\$99,968
Average Farm Equity	\$283,332	\$176,930	\$195,335	\$594,277
Value of Farm Production	\$219,993	\$100,731	\$136,566	\$540,916

## Liquidity

Ave of:  
440 Farms

Low 20%  
88 Farms

40-60%  
88 Farms

High 20%  
88 Farms

### --- Cash Basis:

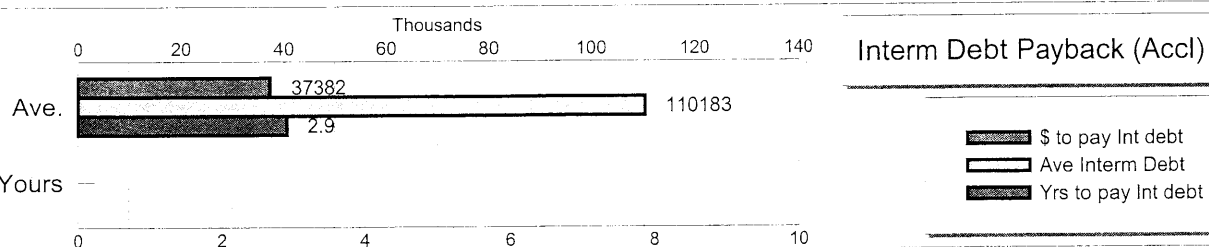
Net Cash Farm Income	\$51,029	\$15,296	\$35,700	\$124,747
Net Non Farm Income	\$19,695	\$33,982	\$15,377	\$11,779
Family Living and Taxes Paid	\$33,565	\$28,633	\$27,149	\$47,427
Real Estate Principal Payments	\$8,730	\$9,024	\$5,589	\$15,288
Cash Available for Intermediate Debt	\$28,429	\$11,621	\$18,339	\$73,810
Average Intermediate Debt	\$110,183	\$112,616	\$83,456	\$189,433

Years to Turn Over Intermediate Debt	3.9	9.7	4.6	2.6
Expense as a Percent of Income	80%	90%	78%	78%
Interest as a Percent of Income	7%	12%	7%	5%

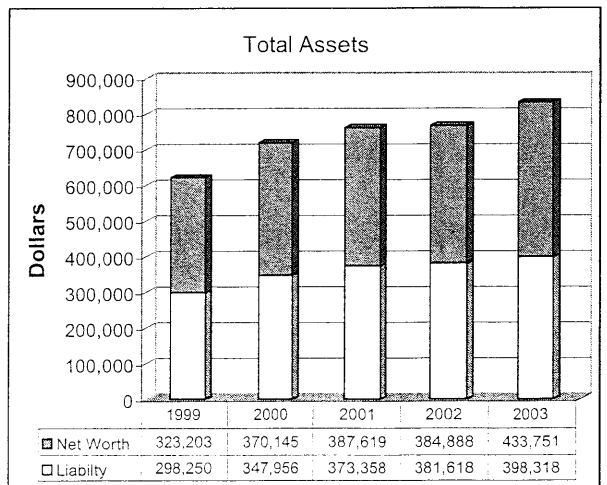
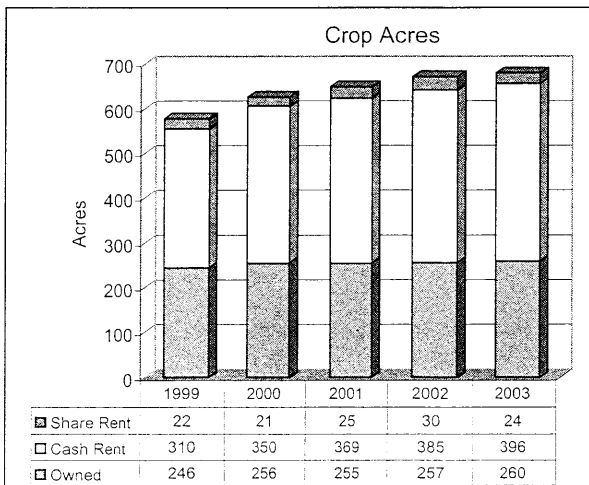
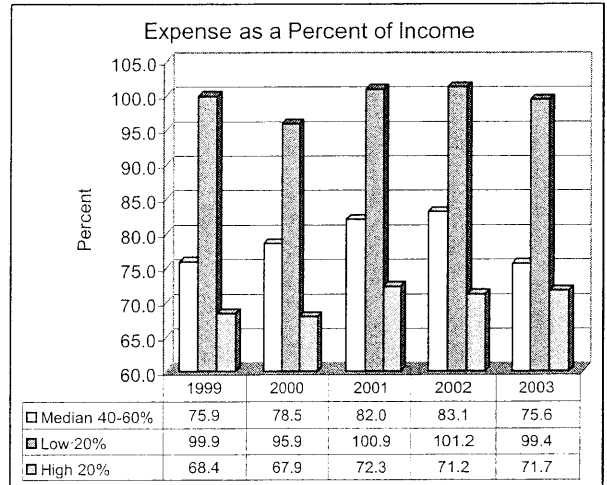
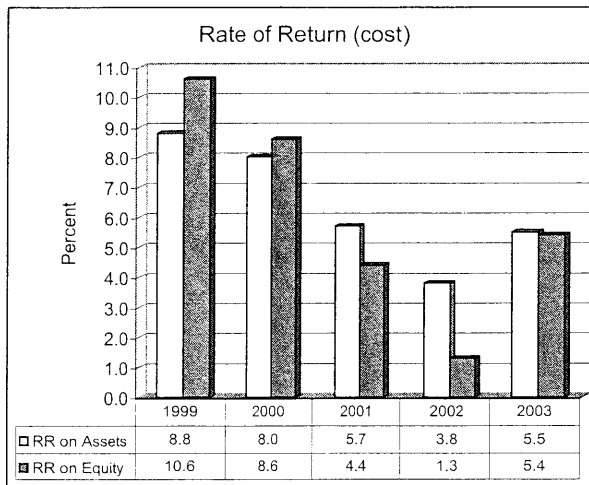
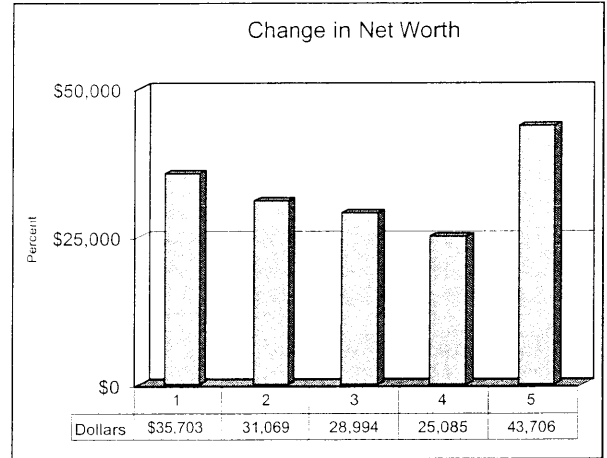
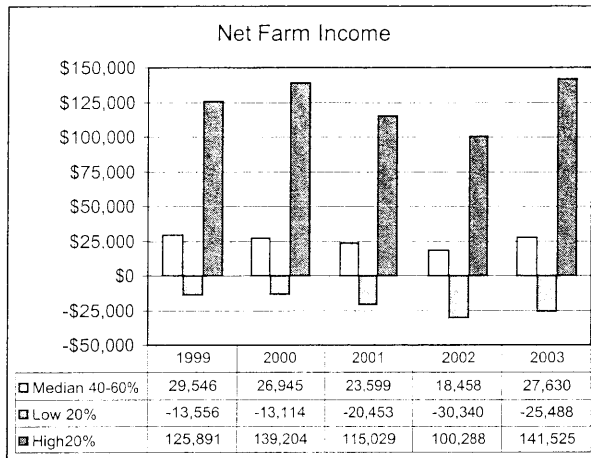
### --- Accrual Basis

Total Accrual Farm Income	\$264,336	\$143,221	\$165,280	\$607,554
Total Accrual Farm Expense	\$204,353	\$142,358	\$125,013	\$435,493
Net Accrual Farm Income	\$59,983	\$863	\$40,267	\$172,061
Net Non Farm Income	\$19,695	\$33,982	\$15,377	\$11,779
Family Living and Taxes Paid	\$33,565	\$28,633	\$27,149	\$47,427
Real Estate Principal Payments	\$8,730	\$9,024	\$5,589	\$15,288
Cash Available for Intermediate Debt	\$37,382	(\$2,812)	\$22,905	\$121,125
Average Intermediate Debt	\$110,183	\$112,616	\$83,456	\$189,433

Years to Turn Over Intermediate Debt	2.9	**	3.6	1.6
Expense as a Percent of Income	77%	99%	76%	72%
Interest as a Percent of Income	7%	14%	7%	5%



## Five Year History of Selected Financial Measures



## ***"Cost Value" Balance Sheet***

*2003 Annual Report*

	Average of 440 Farms DEC 31	Low 20% 88 Farms DEC 31	40-60% 88 Farms DEC 31	High 20% 88 Farms DEC 31
<b>Current Farm Assets</b>				
Cash and Checking Balance	\$6,418	\$4,692	\$2,742	\$14,539
Prepaid Expenses and Supplies	\$9,095	\$3,467	\$5,012	\$25,630
Growing Crops	\$361	\$224	\$98	\$241
Farm Accounts Receivable	\$10,257	\$5,032	\$6,190	\$24,632
Hedging Accounts	\$311	\$113	\$116	\$828
Crops Held for Sale or Feed	\$72,683	\$26,287	\$42,037	\$204,293
Crops under Government Loan	\$6,842	\$3,457	\$2,101	\$23,456
Market Livestock Held for Sale	\$20,783	\$12,537	\$20,049	\$22,581
Other Current Assets	\$899	\$1,624	\$264	\$714
<b>Total Current Farm Assets</b>	<b>\$127,648</b>	<b>\$57,433</b>	<b>\$78,609</b>	<b>\$316,915</b>
<b>Intermediate Farm Assets</b>				
Breeding Livestock	\$84,789	\$70,448	\$71,181	\$142,232
Machinery and Equipment	\$148,643	\$121,714	\$100,848	\$286,198
Titled Vehicles	\$3,269	\$3,117	\$2,803	\$4,322
Other Intermediate Assets	\$11,021	\$10,865	\$7,904	\$20,792
<b>Total Intermediate Farm Assets</b>	<b>\$247,722</b>	<b>\$206,144</b>	<b>\$182,737</b>	<b>\$453,544</b>
<b>Long Term Farm Assets</b>				
Farm Land	\$151,693	\$145,892	\$111,401	\$258,526
Buildings and Improvements	\$82,127	\$82,207	\$43,788	\$171,758
Other Long Term Assets	\$9,812	\$5,492	\$7,111	\$23,736
<b>Total Long Term Assets</b>	<b>\$243,632</b>	<b>\$233,592</b>	<b>\$162,299</b>	<b>\$454,020</b>
<b>Total Farm Assets</b>	<b>\$619,003</b>	<b>\$497,168</b>	<b>\$443,646</b>	<b>\$1,224,480</b>
<b>Non Farm Assets</b>	<b>\$87,746</b>	<b>\$96,204</b>	<b>\$69,187</b>	<b>\$107,566</b>
<b>Total Assets</b>	<b>\$706,749</b>	<b>\$593,372</b>	<b>\$512,833</b>	<b>\$1,332,046</b>
<b>Current Farm Liabilities</b>				
Accrued Interest	\$3,472	\$3,840	\$3,372	\$6,222
Accounts Payable	\$9,502	\$11,112	\$6,894	\$14,794
Current Notes	\$41,587	\$33,133	\$21,946	\$87,987
Government Crop Loans	\$5,306	\$2,472	\$1,713	\$18,312
Principal Due on Term Debt	\$27,614	\$22,464	\$19,455	\$52,484
<b>Total Current Farm Liabilities</b>	<b>\$87,480</b>	<b>\$73,021</b>	<b>\$53,380</b>	<b>\$179,798</b>
<b>Intermediate Farm Liabilities</b>	<b>\$93,476</b>	<b>\$100,575</b>	<b>\$69,078</b>	<b>\$158,739</b>
<b>Long Term Liabilities</b>	<b>\$140,338</b>	<b>\$149,287</b>	<b>\$97,765</b>	<b>\$239,478</b>
<b>Total Farm Liabilities</b>	<b>\$321,294</b>	<b>\$322,883</b>	<b>\$220,223</b>	<b>\$578,014</b>
<b>Non Farm Liabilities</b>	<b>\$16,409</b>	<b>\$23,627</b>	<b>\$8,348</b>	<b>\$21,544</b>
<b>Total Liabilities</b>	<b>\$337,703</b>	<b>\$346,510</b>	<b>\$228,571</b>	<b>\$599,558</b>
<b>Net Worth (Farm and Non Farm)</b>	<b>\$369,045</b>	<b>\$246,862</b>	<b>\$284,262</b>	<b>\$732,488</b>
<b>Net Worth Change</b>	<b>\$34,377</b>	<b>(\$3,557)</b>	<b>\$20,532</b>	<b>\$113,608</b>

## ***Ratio Analysis***

	Average DEC 31	Low 20% DEC 31	40 - 60% DEC 31	High 20% DEC 31
Current Farm Liabilities / Assets	69%	127%	68%	57%
Current and Intermed. Liabilities / Assets	48%	66%	47%	44%
Long Term Farm Liabilities / Assets	58%	64%	60%	53%
Total Liabilities / Assets	48%	58%	46%	45%

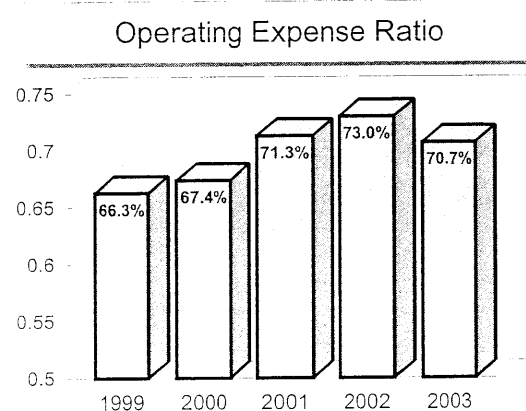
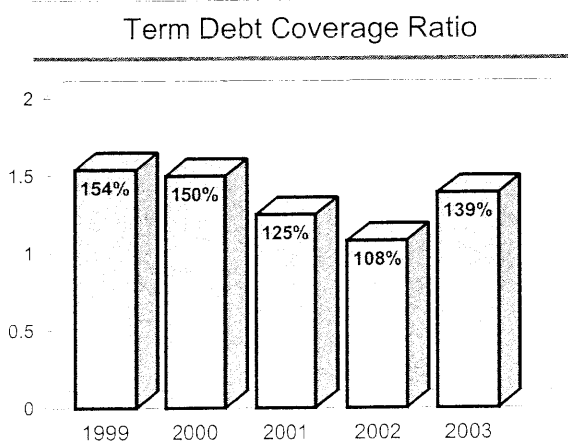
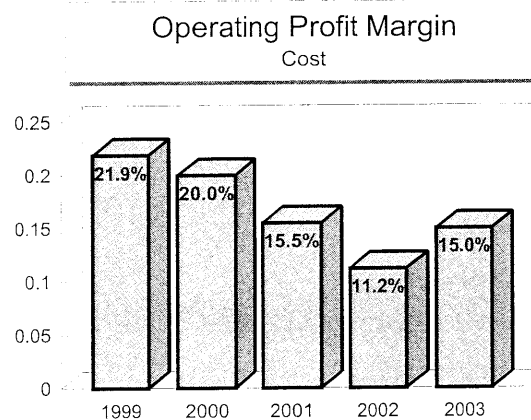
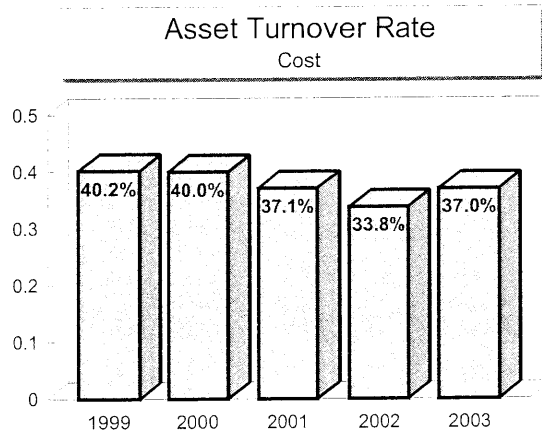
<b>"Market Value" Balance Sheet</b> 2003 Annual Report	Average of 440 Farms DEC 31	Low 20% 88 Farms DEC 31	40-60% 88 Farms DEC 31	High 20% 88 Farms DEC 31
<b>Current Farm Assets</b>				
Cash and Checking Balance	\$6,418	\$4,692	\$2,742	\$14,539
Prepaid Expenses and Supplies	\$9,095	\$3,467	\$5,012	\$25,630
Growing Crops	\$361	\$224	\$98	\$241
Farm Accounts Receivable	\$10,257	\$5,032	\$6,190	\$24,632
Hedging Accounts	\$311	\$113	\$116	\$828
Crops Held for Sale or Feed	\$72,683	\$26,287	\$42,037	\$204,293
Crops under Government Loan	\$6,842	\$3,457	\$2,101	\$23,456
Market Livestock Held for Sale	\$20,783	\$12,537	\$20,049	\$22,581
Other Current Assets	\$899	\$1,624	\$264	\$714
Total Current Farm Assets	\$127,658	\$57,433	\$78,609	\$316,915
<b>Intermediate Farm Assets</b>				
Breeding Livestock	\$86,006	\$71,029	\$71,528	\$145,237
Machinery and Equipment	\$185,033	\$150,524	\$130,124	\$346,938
Titled Vehicles	\$3,424	\$3,414	\$2,896	\$4,425
Other Intermediate Assets	\$11,394	\$11,202	\$8,486	\$21,394
Total Intermediate Farm Assets	\$285,856	\$236,168	\$213,034	\$517,994
<b>Long Term Farm Assets</b>				
Farm Land	\$220,591	\$228,444	\$169,273	\$327,061
Buildings and Improvements	\$91,173	\$96,244	\$49,001	\$184,292
Other Long Term Assets	\$9,789	\$5,515	\$6,890	\$23,918
Total Long Term Assets	\$321,553	\$330,203	\$225,163	\$535,271
<b>Total Farm Assets</b>	<b>\$735,057</b>	<b>\$623,804</b>	<b>\$516,807</b>	<b>\$1,370,180</b>
<b>Non Farm Assets</b>	\$97,011	\$110,452	\$71,004	\$124,658
<b>Total Assets</b>	<b>\$832,068</b>	<b>\$734,256</b>	<b>\$587,811</b>	<b>\$1,494,838</b>
<b>Current Farm Liabilities</b>				
Accrued Interest	\$3,472	\$3,840	\$3,372	\$6,222
Accounts Payable	\$9,502	\$11,112	\$6,894	\$14,794
Current Notes	\$41,587	\$33,133	\$21,946	\$87,987
Government Crop Loans	\$5,306	\$2,472	\$1,713	\$18,312
Principal Due on Term Debt	\$27,614	\$22,464	\$19,455	\$52,484
Total Current Farm Liabilities	\$87,480	\$73,021	\$53,380	\$179,798
<b>Intermediate Farm Liabilities</b>	\$93,476	\$100,575	\$69,078	\$158,739
<b>Long Term Liabilities</b>	\$140,338	\$149,287	\$97,765	\$239,478
<b>Total Farm Liabilities</b>	<b>\$321,295</b>	<b>\$322,883</b>	<b>\$220,223</b>	<b>\$578,014</b>
<b>Non Farm Liabilities</b>	\$16,409	\$23,627	\$8,348	\$21,544
<b>Total Liabs Excluding Deferreds</b>	<b>\$337,704</b>	<b>\$346,510</b>	<b>\$228,571</b>	<b>\$599,558</b>
<b>Total Deferred Liabilities</b>	\$60,614	\$47,446	\$36,914	\$119,093
<b>Total Liabilities</b>	<b>\$398,318</b>	<b>\$393,956</b>	<b>\$265,486</b>	<b>\$718,651</b>
<b>Retained Earnings</b>	\$369,045	\$246,862	\$264,253	\$732,488
<b>Market Valuation Equity</b>	\$64,706	\$93,438	\$58,073	\$43,699
<b>Net Worth (Farm and Non Farm)</b>	<b>\$433,751</b>	<b>\$340,300</b>	<b>\$322,325</b>	<b>\$776,187</b>
<b>Net Worth Excluding Deferreds</b>	\$494,364	\$387,746	\$359,239	\$895,280
<b>Net Worth Change</b>	\$43,706	\$16,695	\$31,520	\$107,072

<b>Ratio Analysis</b>	Average DEC 31	Low 20% DEC 31	40 - 60% DEC 31	High 20% DEC 31
Current Farm Liabilities / Assets	69%	127%	68%	57%
Current and Interim. Liabilities / Assets	44%	59%	42%	41%
Long Term Farm Liabilities / Assets	44%	45%	43%	45%
Total Liabilities / Assets	48%	54%	45%	48%
Debt to Assets Excl Deferreds	41%	47%	39%	40%

## Financial Guideline Measures

	Average of:	Low 20%	40-60%	High 20%
2003	440 Farms	88 Farms	88 Farms	88 Farms
<b>LIQUIDITY</b>				
Current Ratio	1.46	0.79	1.47	1.76
Working Capital	40,168	(15,588)	25,229	137,117
<b>SOLVENCY (Market)</b>				
Farm Debt to Asset Ratio	52%	59%	49%	51%
Farm Equity to Asset Ratio	48%	41%	51%	49%
Farm Debt to Equity Ratio	107%	143%	98%	102%
<b>PROFITABILITY (Cost)</b>				
Rate of Return on Farm Assets	5.5%	-5.0%	4.6%	11.3%
Rate of Return on Farm Equity	5.4%	-25.0%	3.8%	16.8%
Operating Profit Margin	15.0%	-24.4%	13.9%	24.0%
Net Farm Income	40,412	(25,488)	27,630	141,525
<b>REPAYMENT CAPACITY (Accrual)</b>				
Term Debt Coverage Ratio	139%	53%	129%	206%
Capital Replacement Margin	17,554	(19,855)	9,229	84,588
<b>EFFICIENCY</b>				
Asset Turnover Rate (Cost)	37.0%	20.5%	33.1%	47.2%
Operating Expense Ratio	70.7%	85.7%	68.6%	66.7%
Depreciation Expense Ratio	7.4%	18.4%	7.6%	5.0%
Interest Expense Ratio	6.6%	13.7%	7.0%	4.9%
Net Farm Income Ratio	15.3%	-17.8%	16.7%	23.3%

Operating Profit Margin X Asset Turnover Rate = Rate of Return on Farm Assets



## Financial Guideline Measures

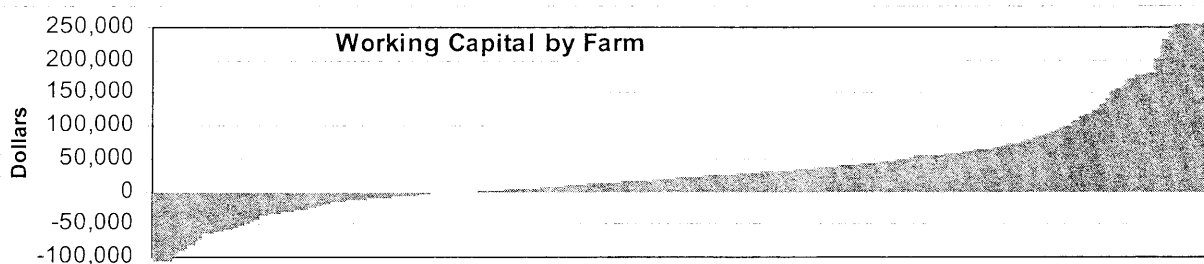
The Farm Financial Standards Task Force recommended the use of sixteen financial measures to evaluate a farm's financial position and financial performance. These measures are grouped by Liquidity, Solvency, Profitability, Repayment Capacity and Efficiency.

### Liquidity

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

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

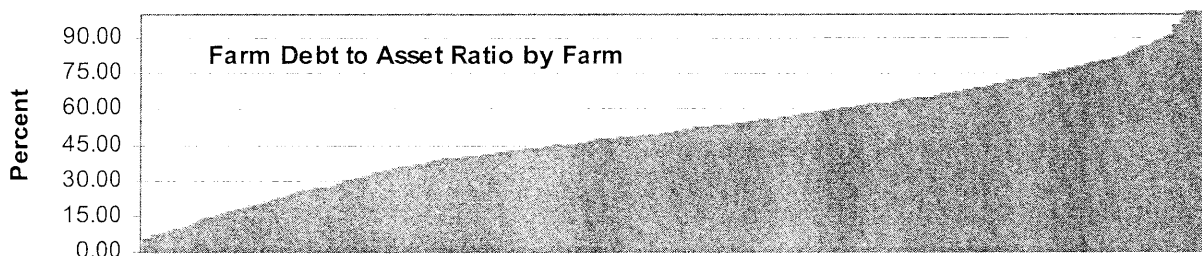
**Working Capital:** Working capital shows the dollar amount that current assets can or cannot cover current liabilities. It approximates the amount of capital available to purchase crop and livestock inputs and equipment necessary to produce farm products. The amount of working capital considered adequate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



### Solvency

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

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



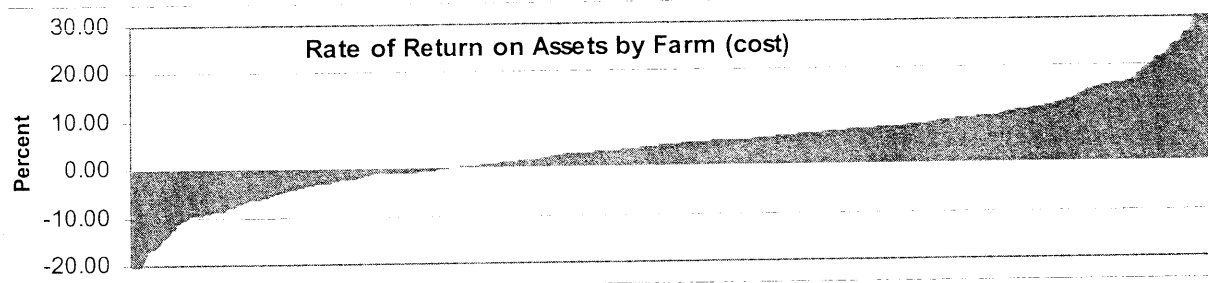
**Farm Equity To Asset Ratio:** The farm equity to asset ratio measures the farm equity relative to the value of the farm assets. It measures the proportion of the farm assets financed by the owner's equity whereas the debt to asset ratio measured the proportion of farm assets financed by debt.

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

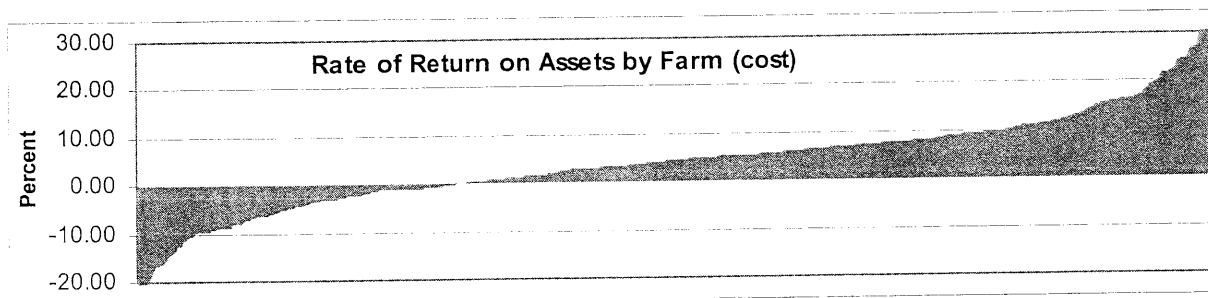
**Rate of Return on Assets:** Rate of return on assets is, in effect, the interest rate your farm earned in the past year on all money invested in the business. If assets are valued at market value, the rate of return on investment can be looked at as the “opportunity cost” of investing money in the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



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

If your return on assets is higher than your average interest rate, your return on equity will be still higher, reflecting the fact that there are residual returns to equity capital after paying all interest expense. This is positive use of financial leverage. If your return on assets is lower than your average interest rate, your return on equity will be still lower, reflecting the fact that borrowed capital did not earn enough to pay its interest cost. This is negative financial leverage. 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:** Net farm income represents the returns to labor, management, and equity capital invested in the business. Without income from other sources, or appreciation of capital asset values, net farm income must cover family living expenses and taxes, or net worth will decrease.



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

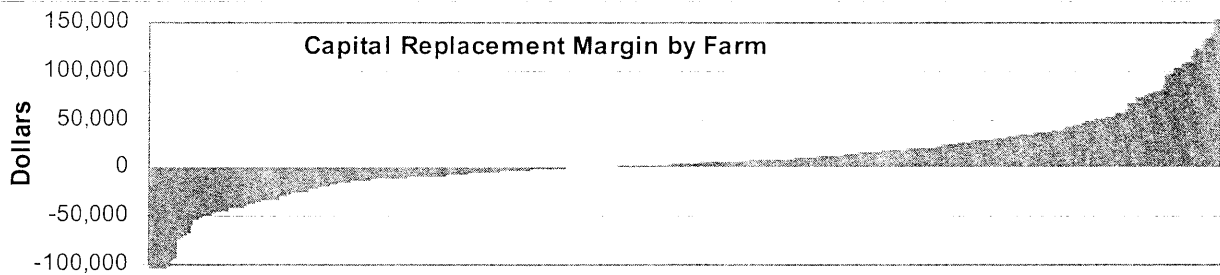


## Repayment Capacity

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

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

**Capital Replacement Margin:** 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.

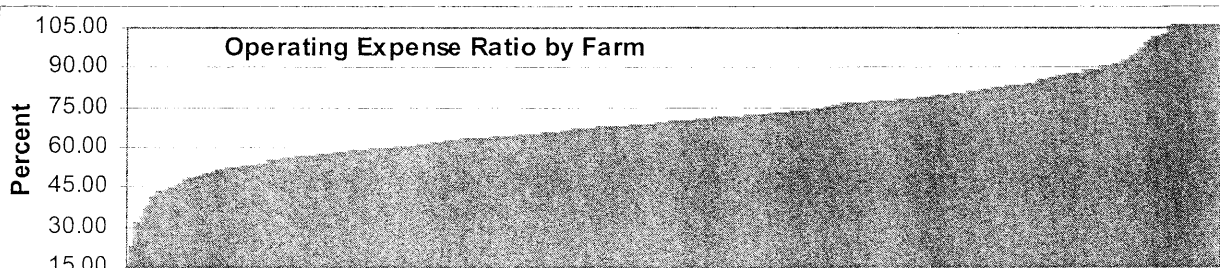


## Efficiency

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.

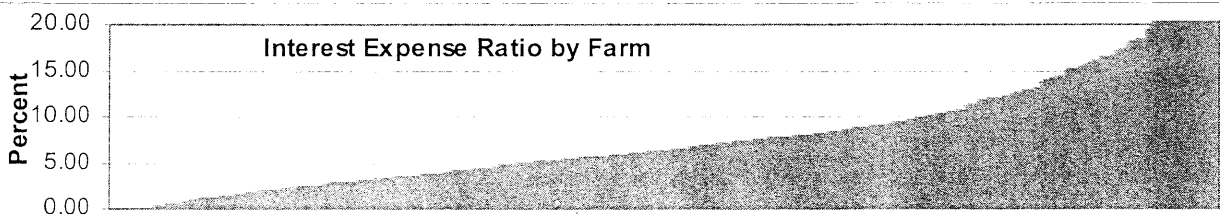
**Asset Turnover:** Asset turnover is a measure of how efficiently assets are used in the business. A farm with good operating profit margin and asset turnover will show a strong rate of return on farm assets. If operating profit margin is low, the asset turnover rate must be strong, or vice versa, to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

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



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

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



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

## Statement of Cash Flows

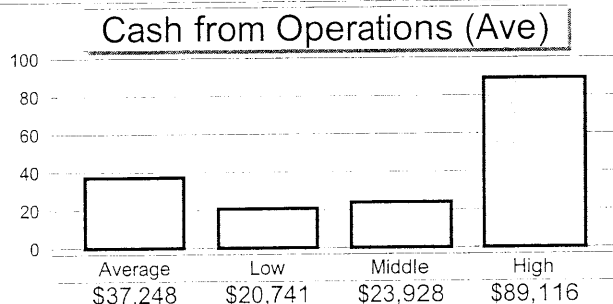
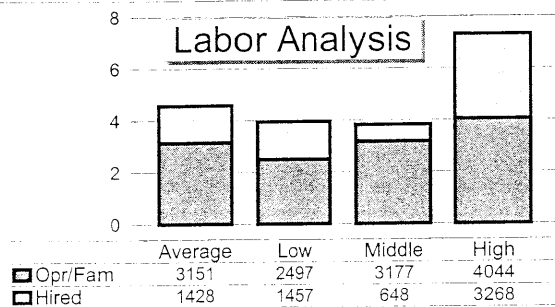
2003 Annual Report

	Average of:	Low 20%	40-60%	High 20%
	440	88	88	88
	Farms	Farms	Farms	Farms
<b>(A) Beginning Cash Balance (Farm &amp; Nonfarm)</b>	<b>\$8,026</b>	<b>\$6,106</b>	<b>\$5,642</b>	<b>\$15,840</b>
<b>Cash from Operating Activities</b>				
Gross Cash Farm Income	256709	156674	163672	562803
Net Nonfarm Income (+)	19695	33982	15377	11779
Total Cash Farm Expense (-)	-205680	-141378	-127972	-438057
<b>Apparent Family Living Expense (-)</b>	<b>-30915</b>	<b>-26816</b>	<b>-25342</b>	<b>-43240</b>
Income and Social Security Tax (-)	-2560	-1720	-1807	-4170
<b>(B) Cash from Operations (=)</b>	<b>\$37,248</b>	<b>\$20,741</b>	<b>\$23,928</b>	<b>\$89,116</b>
<b>Cash from Investing Activities</b>				
Sale of Breeding Livestock	1689	2799	432	629
Sale of Machinery & Equipment (+)	2582	4901	1409	3461
Sale of Titled Vehicles	9	-	44	-
Sale of Farm Land (+)	3666	7458	1282	2641
Sale of Farm Buildings (+)	212	-	-	57
Sale of Other Farm Assets (+)	398	44	-	1158
Sale of Nonfarm Assets (+)	2685	5943	917	5859
Purchase of Breeding Livestock (-)	-10598	-12539	-6647	-16857
Purchase of Machinery & Equipment (-)	-25172	-20288	-14384	-57287
Purchase of Titled Vehicles	-1305	-814	-1408	-2000
Purchase of Farm Land (-)	-8284	-4258	-5231	-15804
Purchase of Farm Buildings (-)	-7544	-12786	-632	-16173
Purchase of Other Farm Assets (-)	-2531	-1329	-1866	-6306
Purchase of Nonfarm Assets (-)	-9644	-11056	-3468	-16057
<b>(C) Cash from Investing Activities (=)</b>	<b>(\$53,838)</b>	<b>(\$41,926)</b>	<b>(\$29,553)</b>	<b>(\$116,681)</b>
<b>Cash from Financing Activities</b>				
Money Borrowed	133405	127271	90636	237185
Cash Gifts and Inheritances (+)	2126	2622	1184	1468
Principal Payments (-)	-117437	-106617	-85136	-210308
Dividends Paid (-)	-90	-97	-	-18
Gifts Given (-)	-90	-	-21	-22
<b>(D) Cash from Financing Activities (=)</b>	<b>\$17,915</b>	<b>\$23,180</b>	<b>\$6,663</b>	<b>\$28,305</b>
<b>(E) Net Change in Cash Balance (B + C + D)</b>	<b>\$1,325</b>	<b>\$1,996</b>	<b>\$1,038</b>	<b>\$740</b>
<b>Ending Cash Balance Calculated (A + E)</b>	<b>\$9,352</b>	<b>\$8,101</b>	<b>\$6,680</b>	<b>\$16,580</b>

NOTE: This Table looks at the cash moving through both the business and the family household. Apparent Family Living Expense is included in the calculation for Cash from Operations. Non farm activities are included in the Investing and Financing activities also.

## Labor Analysis

	Average of:	Low 20%	40-60%	High 20%
	440	88	88	88
Total Unpaid Labor Hours	3151	2497	3177	4044
Total Hired Labor Hours	1428	1457	648	3268
Total Labor Hours Per Farm	4580	3954	3826	7312
Unpaid Hours per Operator	2618	2154	2768	2813
Value of Farm Production/Hr.	48.04	25.48	35.70	73.97
Net Farm Income/Unpaid Hour	12.82	-10.21	8.70	35.00



<b>Operator Information</b>		Average of:	Low 20%	40-60%	High 20%
		440	88	88	88
		Farms	Farms	Farms	Farms
Average No. of Operators		1.2	1.2	1.1	1.4
Average Age of Operators		45.9	45.8	46.1	45.0
Average No. of Years Farming		21.5	21.1	21.2	22.1
<b>Per Operator Data</b>					
Working Capital		33,366	(13,448)	21,982	95,386
Total Assets (Market)		691,165	633,476	512,152	1,039,887
Total Liabilities		330,866	339,884	231,314	499,931
Net Worth (Market)		360,299	293,592	280,838	539,956
Net Worth Excl Deferred Liabs		410,648	334,526	313,001	622,804
Gross Farm Income		219,573	123,563	144,006	422,647
Total Farm Expense		186,005	145,553	119,932	324,195
Net Farm Income		33,568	(21,989)	24,074	98,452
Net Nonfarm Income		16,360	29,318	13,398	8,194
Family Living Withdrawals		27,881	24,703	23,655	32,993
Total Acres Owned		333.1	289.7	285.5	467.4
Total Crop Acres		565.1	309.1	385.6	1,135.5
Crop Acres Owned		215.9	152.4	159.2	383.7
Crop Acres Cash Rented		329.3	145.8	212.7	707.7
Crop Acres Share Rented		19.9	10.9	13.6	44.1
Total Pasture Acres		33.9	24.8	50.3	14.6
<b>Partnerships</b>					
Number of Farms		55	7	7	24
Number of Operators		2.0	2.0	2	2.3
Owner Withdrawals per farm		41,817	-	-	58,071
Withdrawals per operator		20,909	-	-	27,653
<b>Corporations</b>					
Number of Farms		16	6	1	6
Number of Operators		1.9	1.7	-	2
<b>Ave. Farm Size in Acres</b>		Average of:	Low 20%	40-60%	High 20%
		440	88	88	88
Total Acres Owned		333	290	286	467
Total Crop Acres		565	309	386	1136
Crop Acres Owned		216	152	159	384
Crop Acres Cash Rented		329	146	213	708
Crop Acres Share Rented		20	11	14	44
Total Pasture Acres		33.9	24.8	50.3	14.6
<b>Ave. Price Received</b>					
Barley	Bu.	2.43	-	2.25	2.39
Canola	Cwt.	10.87	-	10.88	10.96
Corn	Bu.	2.14	2.22	2.13	2.14
Corn Silage	Ton	17.60	17.90	-	16.01
Hay, Alfalfa per ton	Ton	72.59	74.19	58.94	74.52
Hay, Mixed per ton	Ton	48.74	56.88	54.97	47.46
Oats	Bu.	1.41	1.39	1.68	1.54
Soybeans	Bu.	5.84	6.21	5.53	5.86
Sunflowers	Cwt.	11.84	-	13.20	11.47
Wheat, Spring	Bu.	3.66	3.53	3.63	3.71

<b><i>Household Expense, Reported</i></b> <i>2003 Annual Report</i>	Average of:	Low 20%	40-60%	High 20%
	85	23	17	11
	Farms	Farms	Farms	Farms
Average Family Size	3.6	3.3	3.3	3.4
<b>Household Expense</b>				
Food & Meals	5,577	5,010	5,026	6,497
Medical Care	2,097	1,786	1,746	4,103
Health Insurance	2,427	2,071	3,011	3,362
Cash Donations	906	561	1,554	846
Household Supplies	2,503	1,378	2,411	3,559
Clothing	1,023	599	952	1,777
Personal Care	2,604	1,811	1,958	6,261
Child / Dependent Care	279	214	190	8
Gifts	1,094	832	1,089	1,342
Education	600	639	451	170
Recreation	1,319	852	932	2,335
Utilities (Household Share)	1,503	1,549	1,154	1,460
Nonfarm Vehicle Operating Expense	2,236	2,494	1,705	2,053
Household Real Estate Taxes	62	95	145	-
Household Repairs	1,042	785	994	998
Nonfarm Interest	746	958	466	344
Life Insurance Payments	1,130	923	1,062	1,455
Other Insurance	468	1,076	225	257
Miscellaneous	1,097	616	1,410	1,899
<b>Total Cash Family Living Expense</b>	<b>\$28,711</b>	<b>\$24,250</b>	<b>\$26,481</b>	<b>\$38,726</b>
Family Living from the Farm (Non Cash)	516	651	439	489
<b>Total Family Living</b>	<b>\$29,228</b>	<b>\$24,901</b>	<b>\$26,919</b>	<b>\$39,215</b>
<b>Capital Expenditures and Investments</b>				
Income Taxes	2,434	1,009	4,179	1,289
Furnishing and Appliance Purchases	224	428	301	53
Nonfarm Vehicle Purchases	1,747	1,399	422	1,723
Nonfarm Real Estate Purchases	2,813	3,338	(107)	-
Other Nonfarm Capital Purchases	548	12	(23)	-
Non Farm Savings and Investments	1,016	447	1,099	6,328
<b>Total Other Nonfarm Expenditures</b>	<b>\$8,782</b>	<b>\$6,633</b>	<b>\$5,871</b>	<b>\$9,393</b>
<b>Total Cash Living, Investment, Cap. Purch.</b>	<b>\$37,493</b>	<b>\$30,883</b>	<b>\$32,352</b>	<b>\$48,120</b>

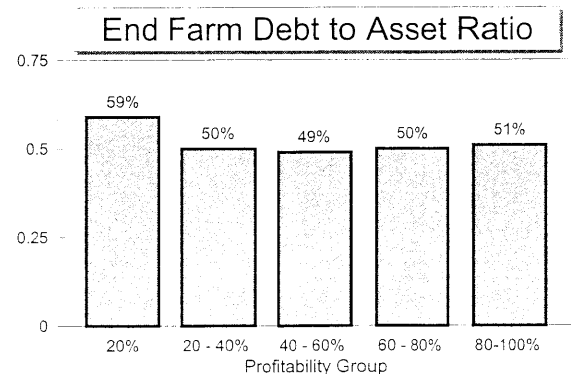
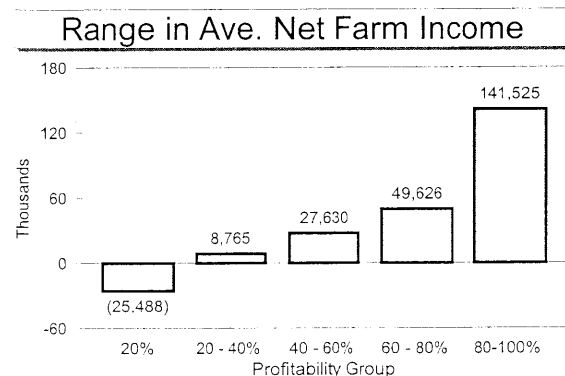
NOTE: This table represents data from farms keeping complete household records, about 30% of the total. Apparent Family Living is also calculated for all farms. It is the dollars available after inflows and outflows. This amount is found on the Statement of Cash Flows.

<b><i>Non-Farm Income &amp; Investments</i></b>	Average of:	Low 20%	40-60%	High 20%
Farms:	440	88	88	88
<b>Income</b>				
Wages and Salary	13,833	21,730	11,413	8,067
Business Income	1,896	5,858	1,400	128
Rental, Interest and Dividend Income	329	248	318	283
Tax Refunds	1,214	1,618	1,204	572
Gifts and Inheritance	2,126	2,622	1,184	1,468
Other Nonfarm Income	2,423	4,528	1,042	2,728
<b>Total Income</b>	<b>\$21,822</b>	<b>\$36,604</b>	<b>\$16,561</b>	<b>\$13,247</b>
<b>Assets</b>				
Checking and Savings	2,934	3,409	3,937	2,041
Stocks and Bonds	3,983	1,531	1,257	9,230
Other Current Assets	2,481	293	454	7,510
Furniture and Appliances	8,761	9,572	8,414	8,462
Non Farm Vehicles	9,122	10,691	7,748	10,978
Cash Value of Life Insurance	5,000	3,168	3,301	9,240
Retirement Accounts	15,705	13,183	10,670	29,126
Other Intermediate Assets	5,962	7,007	3,637	3,281
Non Farm Real Estate	36,589	52,538	30,756	33,976
Other Long Term Assets	6,474	9,059	830	10,814
<b>Total Assets</b>	<b>\$97,011</b>	<b>\$110,452</b>	<b>\$71,004</b>	<b>\$124,658</b>
<b>Liabilities</b>				
Current Liabilities	2,763	3,358	1,895	2,618
Intermediate Liabilities	4,076	6,733	3,662	4,442
Long Term Liabilities	9,570	13,536	2,791	14,483
<b>Total Liabilities</b>	<b>\$16,409</b>	<b>\$23,627</b>	<b>\$8,348</b>	<b>\$21,543</b>
<b>Non Farm Net Worth</b>	<b>\$80,602</b>	<b>\$86,825</b>	<b>\$62,655</b>	<b>\$103,114</b>
<b>Non Farm Debt to Asset Ratio</b>	<b>17%</b>	<b>21%</b>	<b>12%</b>	<b>17%</b>

# **Financial Summary By Net Farm Income**

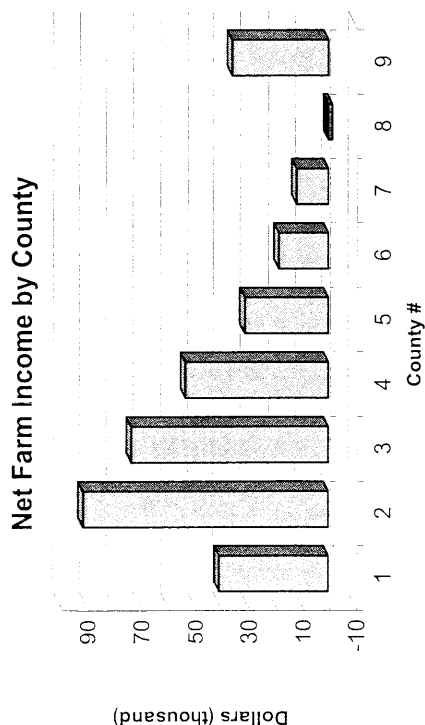
2003 Annual Report

	Average of All Farms	Low 20%	20 - 40%	Middle 40 - 60%	60 - 80%	High 80-100%
	440	88	88	88	88	88
<b>Income Statement</b>						
Gross Cash Farm Income	256,709	156,674	160,538	163,672	239,858	562,803
Total Cash Farm Expense	205,680	141,378	138,134	127,972	182,862	438,057
Net Cash Farm Income	51,029	15,296	22,404	35,700	56,996	124,747
Inventory Change	8,954	(14,433)	(469)	4,567	7,790	47,315
Dep & Capital Adjustment	(19,571)	(26,350)	(13,170)	(12,637)	(15,160)	(30,537)
Net Farm Income	40,412	(25,488)	8,765	27,630	49,626	141,525
<b>Profitability (Cost)</b>						
Labor & Management Earnings	23,255	(36,452)	(2,626)	15,823	33,663	105,868
Rate of Return on Assets	5.5%	-5.0%	0.2%	4.6%	7.4%	11.3%
Rate of Return on Equity	5.4%	-25.0%	-6.2%	3.8%	9.8%	16.8%
Operating Profit Margin	15.0%	-24.4%	0.7%	13.9%	19.0%	24.0%
Asset Turnover Rate	37.0%	20.5%	29.1%	33.1%	39.1%	47.2%
<b>Liquidity</b>						
Ending current ratio	1.46	0.79	1.32	1.47	1.48	1.76
Ending working capital	40,168	(15,588)	17,514	25,229	36,568	137,117
End working capital to gross inc	15.6%	-9.9%	10.9%	15.4%	15.2%	24.4%
Term Debt Coverage Ratio	138.7%	53.1%	90.6%	129.2%	139.0%	206.4%
Expense as a Percent of Income	77.3%	99.4%	86.3%	75.6%	73.7%	71.7%
Interest as a Percent of Income	6.6%	13.7%	7.8%	7.0%	5.6%	4.9%
<b>Solvency (Market)</b>						
Number of Farms	440	88	88	88	88	88
Ending Farm Assets	735,057	623,804	506,237	516,807	658,257	1,370,180
Ending Farm Liabilities	379,431	367,376	253,323	255,782	328,180	692,496
Ending Total Assets	832,068	734,256	597,473	587,811	745,963	1,494,838
Ending Total Liabilities	398,318	393,956	272,839	265,486	340,656	718,651
Ending Net Worth	433,751	340,300	324,634	322,325	405,307	776,187
Net Worth Change	43,706	16,695	20,831	31,520	42,414	107,072
End Farm Debt to Asset Ratio	52%	59%	50%	49%	50%	51%
Beg Total Debt to Asset Ratio	49%	54%	46%	47%	47%	50%
End Total Debt to Asset Ratio	48%	54%	46%	45%	46%	48%
<b>Nonfarm Information</b>						
Net Nonfarm Income	19,695	33,982	25,160	15,377	12,178	11,779
Farms Reporting Liv Expenses	131	36	28	25	27	15
Total Family Living Expense	29,023	27,596	28,910	26,779	29,438	35,652
Total Liv, Invest, & Cap Purch	39,123	33,398	46,456	33,925	38,739	48,534
<b>Crop Acres</b>						
Total Acres Owned	401	336	297	328	372	672
Total Crop Acres	680	358	348	443	621	1632
Total Crop Acres Owned	260	177	143	183	246	552
Total Crop Acres Cash Rented	396	169	195	244	356	1017
Total Crop Acres Share Rent	24	13	10	16	18	63

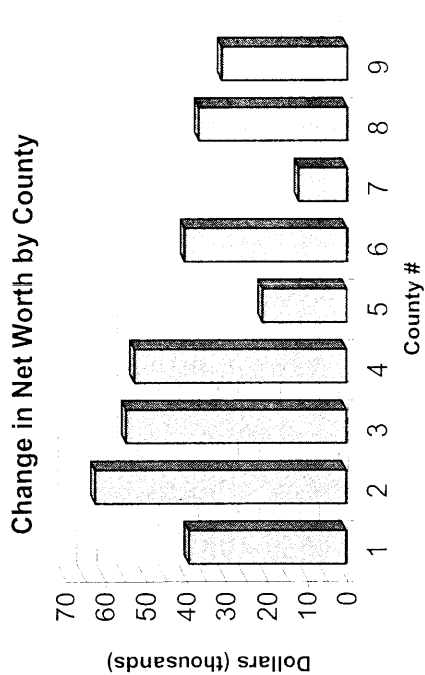


# Selected Factors by County Group

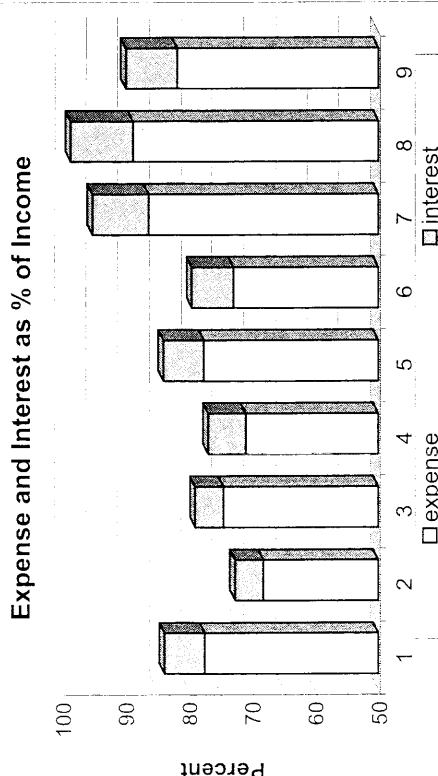
Net Farm Income by County



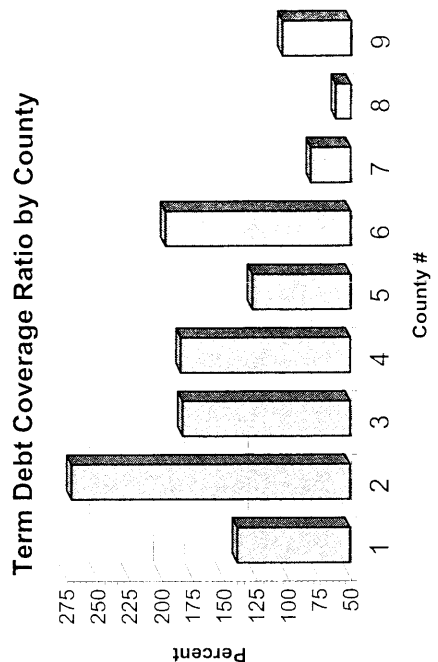
Change in Net Worth by County



Expense and Interest as % of Income



Term Debt Coverage Ratio by County



County #	1	2	3	4	5	6	7	8	9
Counties	All Farms	Kittson Roseau Marshall	Pennington Polk Red Lake	Clay Mahnommen Norman Wilken	Otter Tail Wadena	Beltrami Clearwater Koochiching LOW	Aitkin Cass Carlton Crow Wing Hubbard Itaska St. Louis	Isanti Kanabec Mille Lacs Pine Sherburne Washington	Benton Morrison Todd

# Financial Summary By County Group

2003 Annual Report

	Number of Farms										
Income Statement	440	43	66	37	71	24	55	8			
Gross Cash Farm Income	256,709	289,702	337,211	225,883	227,383	246,647	199,766	304,707			
Total Cash Farm Expense	205,680	239,207	270,605	171,811	179,512	213,543	168,442	241,661			
Net Cash Farm Income	51,029	50,496	66,605	54,071	47,870	33,104	31,324	63,046			
Inventory Change	8,954	61,482	24,736	15,288	4,358	416	-101,66	-9417			
Dep & Capital Adjustment	(19,571)	(20,575)	(18,053)	(15,820)	(21,178)	(21,239)	-22,741	-17,989			
Net Farm Income	40,412	91,403	73,289	53,538	31,050	12,281	-1,583	35,640			
Profitability (Cost)											
Labor & Management Earnings	23,255	67,096	55,122	37,040	17,618	1,187	-17,134	15,484			
Rate of Return on Assets	5.5%	11.0%	9.5%	8.0%	4.7%	2.3%	-0.018	0.048			
Rate of Return on Equity	5.4%	15.3%	14.5%	10.7%	4.0%	-5.5%	-0.111	0.034			
Operating Profit Margin	15.0%	22.9%	17.7%	19.7%	13.6%	6.9%	-0.069	0.159			
Asset Turnover Rate	37.0%	48.1%	53.8%	40.7%	34.5%	32.8%	0.265	0.304			
Liquidity											
Ending current ratio	1.41	1.89	1.39	1.33	1.57	1.02	1.03	1.19			
Ending working capital	25,448	86,773	35,475	30,561	20,704	1,669	1,676	10,271			
End working capital to gross in	9.9%	30.0%	10.5%	13.5%	9.1%	0.7%	0.8%	3.4%			
Term Debt Coverage Ratio	138.7%	270.3%	182.8%	184.5%	127.7%	81.6%	0.616	1.049			
Expense as a Percent of Income	77.3%	68.2%	74.3%	70.9%	77.5%	86.4%	0.888	0.819			
Interest as a Percent of Income	6.6%	4.3%	4.6%	5.9%	6.6%	8.8%	0.099	0.08			
Solvency (Market)											
Number of Farms	369	37	52	35	60	24	40	73			
Ending Farm Assets	629,204	760,369	713,916	636,513	470,074	642,070	615,473	708,423			
Ending Farm Liabilities	324,416	345,299	403,973	318,970	245,680	404,594	325,860	372,681			
Ending Total Assets	729,894	890,217	799,453	761,169	537,623	743,504	774,186	797,288			
Ending Total Liabilities	345,338	370,736	428,363	354,046	256,151	417,355	368,055	392,019			
Ending Net Worth	384,556	519,481	371,090	407,123	281,472	326,149	406,131	405,269			
Net Worth Change	39,119	62,247	54,491	52,574	21,018	12,214	36,800	30,928			
Ending Farm Debt to Asset Ra	52%	45%	57%	50%	52%	63%	0.53	0.53			
Beg Total Debt to Asset Ratio	49%	42%	56%	49%	49%	57%	0.49	0.49			
End Total Debt to Asset Ratio	47%	42%	54%	47%	48%	56%	0.48	0.49			
Nonfarm Information											
Net Nonfarm Income	19,695	23,494	20,410	22,730	13,918	18,506	21,099	18,618			
Farm Reporting Liv Expenses	131	5	7	12	28	5	33	30			
Total Family Living Expense	29,023	30,890	46,470	25,834	23,146	26,902	32,674	29,906			
Total Liv, Invest, & Cap Purch	39,123	49,034	63,243	39,018	29,341	33,210	45,173	39,254			
Crop Acres											
Total Acres Owned	401	850	506	467	249	308	232	268			
Total Crop Acres	680	1,528	1,402	822	407	427	409	292			
Total Crop Acres Owned	260	697	400	313	159	146	131	143			
Total Crop Acres Cash Rented	396	757	940	475	245	269	273	147			
Total Crop Acres Share Rent	24	74	62	34	3	12	5	2			

## Financial Summary By Type of Farm

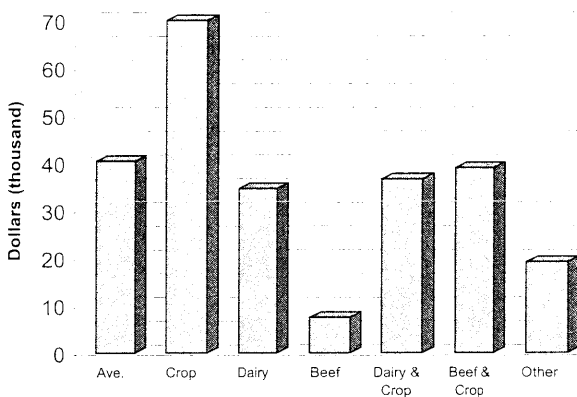
2003 Annual Report

	Average	Crop	Dairy	Beef	Crop & Dairy	Crop & Beef	Other
	440	112	172	36	28	22	67
<b>Income Statement</b>							
Gross Cash Farm Income	256,709	318,026	286,713	86,670	282,448	174,745	172,082
Total Cash Farm Expense	205,680	254,742	228,878	72,274	214,343	139,042	143,515
Net Cash Farm Income	51,029	63,285	57,836	14,395	68,106	35,703	28,567
Inventory Change	8,954	30,889	(1,751)	5,459	(6,092)	18,513	7,478
Dep & Capital Adjustment	(19,571)	(19,469)	(21,473)	(12,371)	(25,408)	(15,294)	(16,909)
Net Farm Income	40,412	74,704	34,612	7,484	36,605	38,923	19,136
<b>Profitability (Cost)</b>							
Labor & Management Earnings	23,255	55,741	17,150	(4,055)	12,586	22,151	6,272
Rate of Return on Assets	5.5%	10.1%	4.4%	0.3%	3.5%	5.6%	3.1%
Rate of Return on Equity	5.4%	15.0%	2.6%	-3.8%	1.4%	6.6%	-0.2%
Operating Profit Margin	15.0%	18.8%	13.5%	1.5%	10.8%	17.5%	10.9%
Asset Turnover Rate	37.0%	53.6%	32.5%	21.1%	32.7%	32.1%	28.1%
<b>Liquidity</b>							
Ending current ratio	1.46	1.62	1.19	1.78	1.62	1.53	1.40
Ending working capital	40,168	83,638	12,925	31,714	53,710	47,494	31,310
End working capital to gross inc	15.6%	26.3%	4.5%	36.6%	19.0%	27.2%	18.2%
Term Debt Coverage Ratio	138.7%	202.8%	104.3%	202.8%	137.3%	149.4%	112.3%
Expense as a Percent of Income	77.3%	72.6%	80.4%	78.5%	77.6%	71.4%	79.6%
Interest as a Percent of Income	6.6%	5.0%	7.2%	9.1%	7.1%	5.8%	8.7%
<b>Solvency (Market)</b>							
Number of Farms	440	112	172	36	28	22	67
Ending Farm Assets	735,057	819,016	760,628	461,074	914,555	648,218	606,649
Ending Farm Liabilities	379,431	421,785	415,407	195,416	395,122	300,952	325,097
Ending Total Assets	832,068	951,059	838,980	576,981	1,007,467	699,836	697,380
Ending Total Liabilities	398,318	451,253	427,599	214,372	407,209	312,948	346,418
Ending Net Worth	433,751	499,806	411,380	362,609	600,258	386,888	350,962
Net Worth Change	43,706	75,392	23,063	38,937	32,371	41,814	52,904
Ending Farm Debt to Asset Ratio	52%	51%	55%	42%	43%	46%	54%
Beg Total Debt to Asset Ratio	49%	50%	51%	37%	41%	46%	53%
End Total Debt to Asset Ratio	48%	47%	51%	37%	40%	45%	50%
<b>Nonfarm Information</b>							
Net Nonfarm Income	19,695	23,336	11,505	41,402	18,250	27,628	21,415
Farm Reporting Liv Expenses	131	29	55	15	9	2	20
Total Family Living Expense	29,023	29,574	30,128	23,365	29,907	-	27,683
Total Liv, Invest, & Cap Purch	39,123	42,985	37,615	40,571	37,256	-	36,516
<b>Crop Acres</b>							
Total Acres Owned	401	577	253	414	419	624	404
Total Crop Acres	680	1504	268	335	698	746	522
Total Crop Acres Owned	260	484	132	170	330	324	209
Total Crop Acres Cash Rented	396	970	134	143	341	398	276
Total Crop Acres Share Rent	24	51	2	22	27	24	36

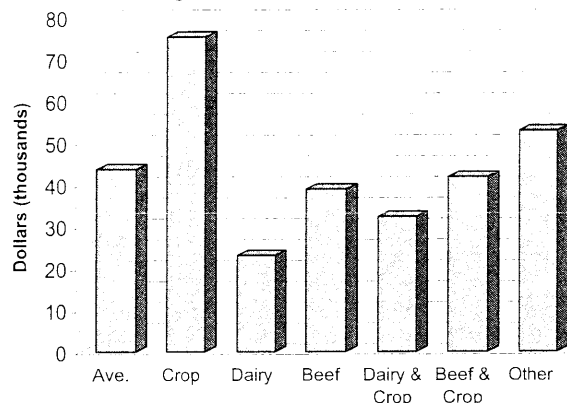


## Selected Factors by Type of Farm

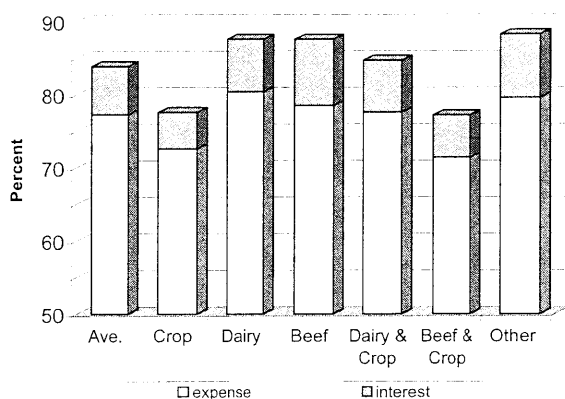
**Net Farm Income by Farm Type**



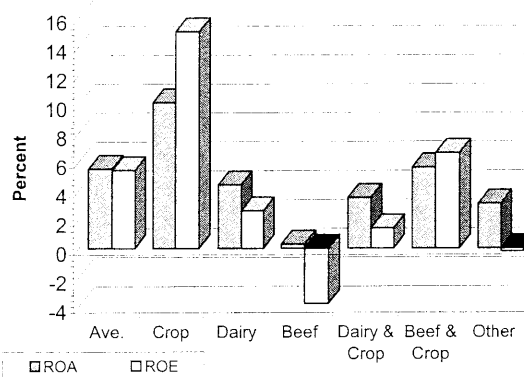
**Change in Net Worth by Farm Type**



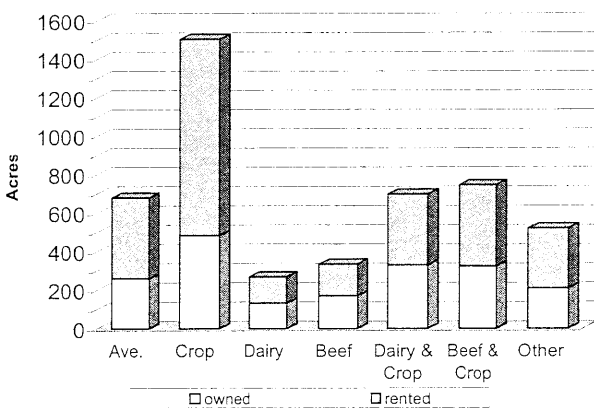
**Expense and Interest as % of Income**



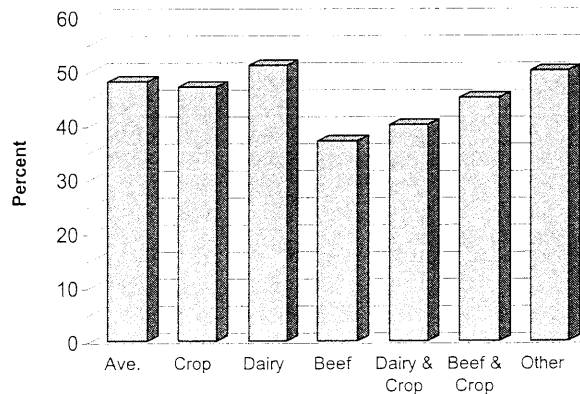
**Rate of Return on Assets & Equity**



**Crop Acres: Rented and Owned**



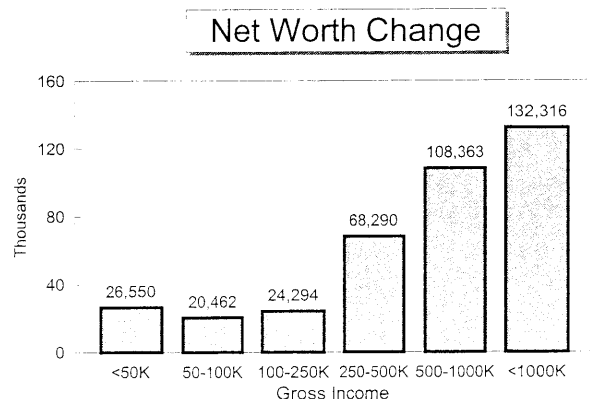
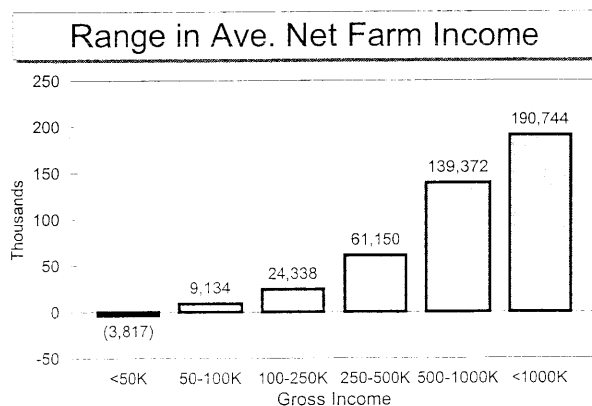
**Ending Debt to Asset Ratio**



## Financial Summary By Gross Farm Income

2003 Annual Report

	Less than 50,000	\$50,001 to 100,000	\$100,001 to 250,000	\$250,001 to 500,000	\$500,001 to 1,000,000	Over 1,000,000
	47	80	160	110	31	12
<b>Income Statement</b>						
Gross Cash Farm Income	29,710	75,890	171,568	339,764	693,896	1,595,729
Total Cash Farm Expense	33,600	61,668	135,798	267,881	548,162	1,316,590
Net Cash Farm Income	(3,890)	14,222	35,770	71,883	145,734	279,139
Inventory Change	4,643	4,857	3,510	12,847	41,531	5,896
Dep & Capital Adjustment	(4,570)	(9,946)	(14,942)	(23,581)	(47,893)	(94,291)
Net Farm Income	(3,817)	9,134	24,338	61,150	139,372	190,744
<b>Profitability (Cost)</b>						
Labor & Management Earnings	(9,217)	1,556	10,204	39,046	100,885	123,816
Rate of Return on Assets	-3.9%	0.2%	3.2%	7.0%	9.3%	7.8%
Rate of Return on Equity	-15.1%	-5.1%	0.9%	8.6%	14.1%	9.9%
Operating Profit Margin	-25.7%	0.7%	10.4%	17.9%	19.8%	17.6%
Asset Turnover Rate	15.1%	25.0%	31.3%	39.3%	47.2%	44.1%
<b>Liquidity</b>						
Ending current ratio	1.61	1.46	1.47	1.45	1.51	1.35
Ending working capital	10,053	13,924	26,323	57,473	130,857	124,769
End working capital to gross inc	33.8%	18.3%	15.3%	16.9%	18.9%	7.8%
Term Debt Coverage Ratio	100.3%	129.6%	118.1%	145.0%	166.3%	145.7%
Expense as a Percent of Income	97.8%	76.1%	77.5%	75.8%	74.4%	82.2%
Interest as a Percent of Income	16.6%	8.5%	7.1%	6.5%	5.1%	6.4%
<b>Solvency (Market)</b>						
Number of Farms	47	80	160	110	31	12
Ending Farm Assets	281,666	346,098	561,437	940,223	1,640,174	3,199,924
Ending Farm Liabilities	139,754	157,034	262,809	491,707	908,320	1,960,293
Ending Total Assets	350,426	427,084	645,717	1,066,863	1,772,359	3,321,712
Ending Total Liabilities	156,767	173,227	275,611	519,857	922,667	2,012,399
Ending Net Worth	193,659	253,856	370,106	547,005	849,691	1,309,314
Net Worth Change	26,550	20,462	24,294	68,290	108,363	132,316
End Farm Debt to Asset Ratio	50%	45%	47%	52%	55%	61%
Beg Total Debt to Asset Ratio	42%	41%	43%	52%	54%	61%
End Total Debt to Asset Ratio	45%	41%	43%	49%	52%	61%
<b>Nonfarm Information</b>						
Net Nonfarm Income	35,139	27,123	17,655	13,535	11,348	14,920
Farms Reporting Liv Expenses	17	26	49	31	5	3
Total Family Living Expense	22,167	24,177	28,889	33,951	39,321	43,977
Total Liv, Invest, & Cap Purch	31,580	36,251	38,303	42,161	51,684	67,850
<b>Crop Acres</b>						
Total Acres Owned	275	293	328	493	797	721
Total Crop Acres	204	262	421	1068	1953	1950
Total Crop Acres Owned	129	118	187	393	627	515
Total Crop Acres Cash Rented	52	131	224	630	1265	1434
Total Crop Acres Share Rent	23	13	10	45	61	-



# Financial Summary By Total Crop Acres

2003 Annual Report

	Less than 100 ac	101 - 250 ac	251 - 500 ac	501 - 1,000 ac	1,001 - 1,500 ac	1,501 - 2,000 ac	2,001 - 5,000 ac
	57	105	110	71	39	24	32

## Income Statement

Gross Cash Farm Income	125,484	128,854	221,806	284,943	385,921	511,576	560,902
Total Cash Farm Expense	105,430	100,727	173,864	230,479	312,157	413,939	454,948
Net Cash Farm Income	20,054	28,127	47,942	54,465	73,764	97,637	105,954
Inventory Change	4,332	2,376	(5,510)	1,411	10,814	21,453	82,648
Dep & Capital Adjustment	(12,788)	(11,411)	(17,245)	(27,603)	(22,994)	(33,421)	(32,207)
Net Farm Income	11,598	19,092	25,187	28,272	61,585	85,669	156,395

## Profitability (Cost)

Labor & Management Earnings	5,541	7,223	9,171	8,754	35,530	59,363	125,333
Rate of Return on Assets	1.5%	2.4%	3.6%	3.0%	6.3%	8.1%	13.7%
Rate of Return on Equity	-5.0%	0.1%	1.0%	-0.1%	6.5%	12.2%	22.3%
Operating Profit Margin	4.9%	9.5%	12.4%	8.9%	15.6%	19.5%	22.2%
Asset Turnover Rate	30.0%	25.7%	29.4%	33.6%	40.4%	41.6%	61.6%

## Liquidity

Ending current ratio	101%	165%	1.28	1.53	1.41	1.18	1.7
Ending working capital	454	19489	17782	52505	57509	44332	167031
End working capital to gross inc	0%	15%	0.08	0.184	0.149	0.087	0.298
Term Debt Coverage Ratio	106.2%	123.6%	101.8%	123.4%	136.3%	158.4%	247.4%
Expense as a Percent of Income	81.3%	76.2%	80.5%	80.5%	78.7%	77.5%	70.3%
Interest as a Percent of Income	6.7%	6.8%	8.2%	7.2%	6.9%	7.4%	3.9%

## Solvency (Market)

Number of Farms	57	105	110	71	39	24	32
Ending Farm Assets	353,479	474,312	673,676	823,495	1,087,612	1,371,270	1,291,974
Ending Farm Liabilities	210,892	197,989	351,409	420,473	575,685	841,204	679,872
Ending Total Assets	418,785	562,381	771,482	917,648	1,202,034	1,543,756	1,399,958
Ending Total Liabilities	232,863	209,552	368,537	439,902	600,467	885,212	697,357
Ending Net Worth	185,922	352,828	402,945	477,746	601,566	658,544	702,601
Net Worth Change	11,695	30,387	28,367	39,091	77,260	80,562	121,928
End Farm Debt to Asset Ratio	60%	42%	52%	51%	53%	61%	53%
Beg Total Debt to Asset Ratio	53%	39%	49%	50%	51%	59%	53%
End Total Debt to Asset Ratio	56%	37%	48%	48%	50%	57%	50%

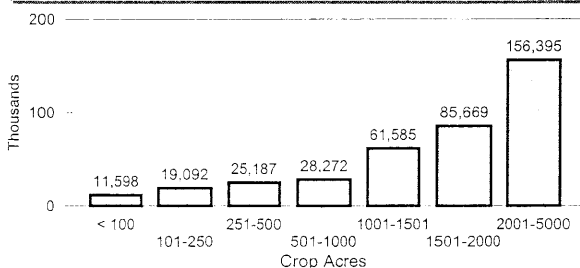
## Nonfarm Information

Net Nonfarm Income	19,640	21,822	19,300	23,131	15,151	17,095	14,753
Farms Reporting Liv Expenses	16	38	41	15	14	3	4
Total Family Living Expense	24,479	26,341	31,201	25,003	34,466	-	-
Total Liv, Invest, & Cap Purch	36,521	43,580	33,516	28,791	50,998	-	-

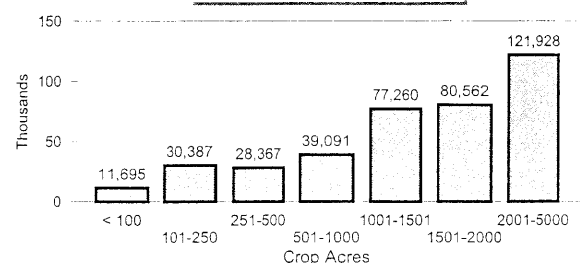
## Crop Acres

Total Acres Owned	164	252	342	449	527	755	924
Total Crop Acres	40	182	362	703	1225	1738	2708
Total Crop Acres Owned	25	116	189	253	463	641	811
Total Crop Acres Cash Rented	13	66	160	433	716	1044	1750
Total Crop Acres Share Rent	1	0	14	17	46	53	147

## Range in Ave. Net Farm Income



## Net Worth Change



## *Individual Enterprise Analysis Tables*

The individual crop and livestock tables are designed to identify the costs and returns for specific enterprises on the farm. Data from all farmers with each enterprise is merged. The minimum number of farms, in order to print a given column on the following reports, is five (5). This enables the necessary level of confidentiality for publication of this information.

The crop reports list acres, yield, value per unit, (usually the sales price or an assigned market value) and the gross return per acre. The price includes cash price plus any Loan Deficiency Payment (LDP). Miscellaneous income would include crop insurance payment or crop specific government payment.

Costs such as fertilizer, chemicals, seed, crop drying expenses, hired labor, and custom hire are costs that are assigned to each individual crop. These costs are shown in the crop enterprise analysis as *Direct Costs*.

Other costs, called *Overhead Costs*, are divided out by formula. Overhead costs are assigned by an allocation factor to each enterprise. The allocation factor is based on historical data of labor and capital intensity.

There are a couple of subtle differences between the Owned Land and Cash Rented Land tables. Naturally, on cash rented land, the actual cost of renting the land is reported in the direct cost section. On the owned land, the land cost consists of three different lines of information in the overhead cost section. The three costs that would be included for owned land are: real-estate taxes, interest on long-term debt, and farm insurance.

The Labor and Management Charge is calculated by a percentage of the gross farm revenue and is based on the total farm operation.

Government Payments near the bottom of the page include Direct and Counter Cyclical payments. They are spread across all tillable acres except edible beans, potatoes and other vegetable crops.

The livestock reports have a format similar to the crop reports. Production information is listed at the top of each table. This will include animal or product sales, purchases, sales, transfers, and inventory change.

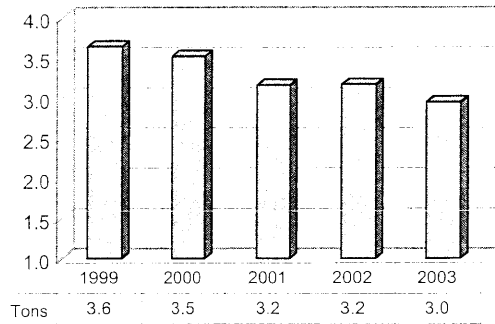
The *Direct Costs* include costs that are assigned to the enterprise, including items such as: feed, veterinary, breeding, marketing, hired labor, fuel & repairs, and livestock supplies. The *Overhead Costs* include formula-assigned costs, including items such as: depreciation, interest, utilities, and insurances.

At the bottom of each livestock report, there is a list of selected factors for each enterprise. These factors are a combination of production indicators and efficiency indicators.

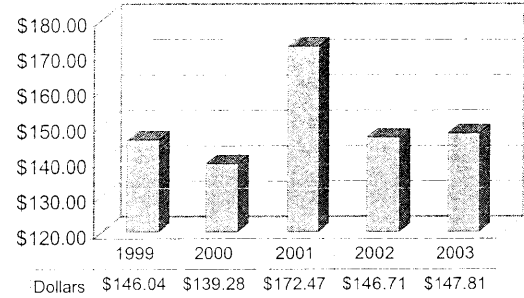
Towards the bottom of both the crop and livestock enterprise tables, are four (4) factors that show varying levels of Cost of Production. Those factors include a cost of production based on: direct costs, overhead & direct costs, total cost including labor & management, and total cost less government payments and/or other revenue.

## Five Year History of Crop Yields and Cost of Production

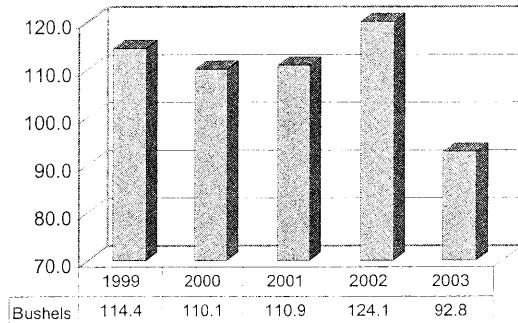
**Alfalfa Hay Yields**



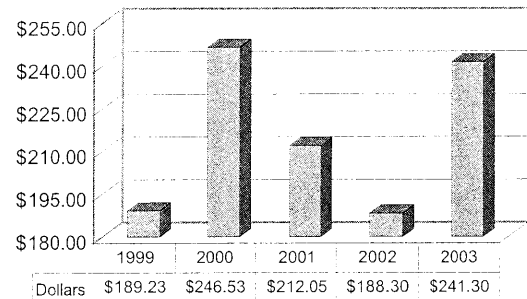
**Alfalfa Hay Total Listed Cost  
(cash rented land)**



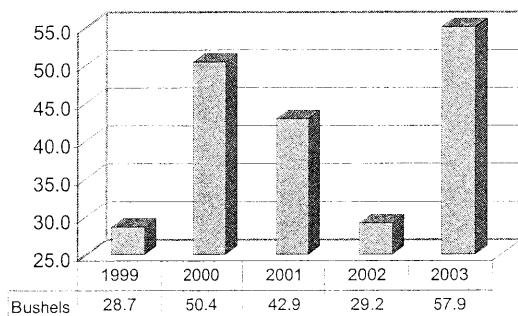
**Corn Yields**



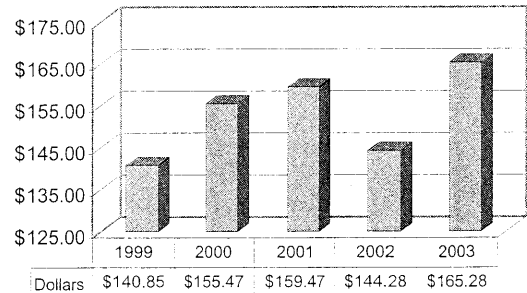
**Corn Total Listed Cost  
(cash rented land)**



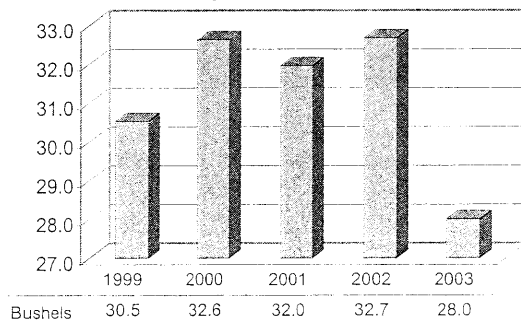
**Spring Wheat Yields**



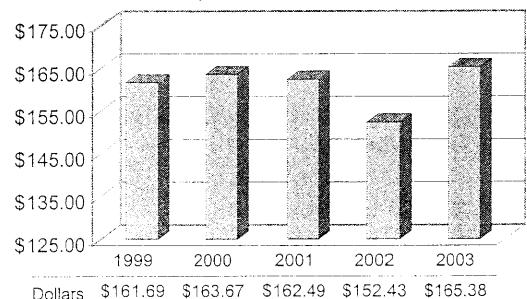
**Spring Wheat Total Listed Cost  
(cash rented land)**



**Soybeans Yields**



**Soybeans Total Listed Cost  
(cash rented land)**



**Barley***2003 Annual Report*

	Owned			Cash Rented		
	Average	40-60%	High 20%	Average	40-60%	High 20%
Number of Fields	25	5	7	27	5	5
Number of Farms	22	5	5	24	5	5
Acres	81.7	73.8	114.8	124.1	87.3	97.0
Yield per Acre	74.3	71.2	87.9	72.8	77.7	87.6
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$2.49	\$2.31	\$2.78	\$2.43	\$2.21	\$2.60
Total Product Return Per Acre	\$185.14	\$164.38	\$244.72	\$176.58	\$171.53	\$227.89
Miscellaneous Income per Acre	\$4.23	\$10.68	-	\$2.12	\$5.18	\$9.28
Gross Return per Acre	\$189.37	\$175.06	\$244.72	\$178.70	\$176.71	\$237.18

**Direct Expenses per Acre**

Seed	9.88	13.34	8.79	11.27	11.84	11.87
Fertilizer	20.92	20.19	24.66	24.71	26.34	23.13
Chemicals	12.79	19.48	14.30	17.44	14.38	10.11
Crop Insurance	6.38	8.29	7.94	9.05	5.04	8.60
Fuel and Oil	8.61	10.45	7.49	8.39	13.31	7.57
Repairs	16.12	14.57	13.98	14.68	17.39	12.31
Custom Hire	2.54	3.35	3.94	3.73	-	4.52
Hired Labor	0.48	-	-	-	-	-
Land Rent	-	-	-	27.89	31.04	21.40
Operating Interest	2.03	2.67	1.90	2.69	2.45	4.16
Miscellaneous	0.19	-	0.15	0.07	-	0.41
Total Direct Expenses per Acre	\$79.94	\$92.34	\$83.14	\$119.93	\$121.78	\$104.08
Return Over Direct Expenses per Ac	\$109.42	\$82.72	\$161.58	\$58.77	\$54.92	\$133.09

**Overhead Expenses per Acre**

Custom Hire	0.98	1.89	0.65	1.64	3.76	1.72
Hired Labor	5.19	5.91	4.25	5.13	10.17	2.62
Machinery & Building Leases	1.24	1.94	1.83	2.17	0.84	2.21
Real Estate Taxes	4.01	2.05	2.79	-	-	-
Farm Insurance	2.57	2.39	2.71	3.15	2.35	2.12
Utilities	1.90	1.87	1.84	1.60	1.71	2.95
Dues & Professional Fees	1.11	1.39	1.12	1.49	0.12	1.77
Interest	8.23	12.39	6.29	2.19	2.08	1.72
Mach & Bldg Depreciation	13.32	6.42	17.68	10.19	10.69	13.21
Miscellaneous	1.87	1.75	1.77	1.44	0.93	1.85
Total Overhead Expenses per Acre	\$40.42	\$38.00	\$40.95	\$29.00	\$32.66	\$30.16
Total Dir & Ovhd Expenses per Acre	\$120.36	\$130.34	\$124.09	\$148.93	\$154.45	\$134.24

<b>Net Return per Acre</b>	<b>\$69.01</b>	<b>\$44.72</b>	<b>\$120.63</b>	<b>\$29.77</b>	<b>\$22.26</b>	<b>\$102.93</b>
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Labor & Mgmt Charge per Acre	\$14.43	\$15.70	\$15.47	\$13.59	\$14.86	\$15.29
Net Return over Lbr & Mgmt	\$54.57	\$29.02	\$105.16	\$16.19	\$7.40	\$87.64
Government Payments	\$13.97	\$14.94	\$15.07	\$14.17	\$16.20	\$10.28
Net Return with Govt Payments	\$68.54	\$43.95	\$120.23	\$30.36	\$23.60	\$97.92

**Cost of Production per Bushel**

Total Direct Expense	\$1.08	\$1.30	\$0.95	\$1.65	\$1.57	\$1.19
Total Dir & Ovhd Expense	\$1.62	\$1.83	\$1.41	\$2.05	\$1.99	\$1.53
With Labor & Management	\$1.81	\$2.05	\$1.59	\$2.23	\$2.18	\$1.71
Total Exp Less Govt & Oth Income	\$1.57	\$1.69	\$1.42	\$2.01	\$1.90	\$1.48

Est. Labor Hours per Acre	\$1.84	1.50	1.86	1.54	1.98	2.30
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<b>Canola</b> <i>2003 Annual Report</i>	<b>Owned Average</b>	<b>Cash Rented Average</b>
Number of Fields	25	17
Number of Farms	14	14
Acres	139.8	121.8
Yield per Acre	20.9	14.4
Operators Share of Yield %	100	100
Value per Unit	\$11.23	\$10.69
Total Product Return Per Acre	\$235.02	\$153.58
Miscellaneous Income per Acre	\$7.57	\$32.74
Gross Return per Acre	\$242.59	\$186.32
<b>Direct Expenses per Acre</b>		
Seed	17.96	19.66
Fertilizer	31.99	30.70
Chemicals	23.70	23.81
Crop Insurance	7.92	11.53
Fuel and Oil	8.53	8.44
Repairs	12.45	14.46
Custom Hire	7.45	2.79
Hired Labor	0.09	0.22
Land Rent	-	26.72
Operating Interest	2.37	2.57
Miscellaneous	0.21	0.27
Total Direct Expenses per Acre	\$112.67	\$141.17
Return Over Direct Expenses per Acre	\$129.92	\$45.15
<b>Overhead Expenses per Acre</b>		
Custom Hire	1.59	1.30
Hired Labor	5.56	2.93
Machinery & Building Leases	0.90	1.49
Real Estate Taxes	3.29	-
Farm Insurance	1.99	3.74
Utilities	2.18	1.86
Dues & Professional Fees	0.86	0.99
Interest	7.22	3.69
Mach & Bldg Depreciation	13.97	11.65
Miscellaneous	1.31	1.61
Total Overhead Expenses per Acre	\$38.88	\$29.26
Total Dir & Ovhd Expenses per Acre	\$151.54	\$170.43
<b>Net Return per Acre</b>	<b>\$91.04</b>	<b>\$15.89</b>
Labor & Mgmt Charge per Acre	\$15.75	\$16.19
Net Return over Lbr & Mgmt	\$75.29	(\$0.30)
Government Payments	\$14.41	\$14.18
Net Return with Govt Payments	\$89.70	\$13.88
<b>Cost of Production per Bushel</b>		
Total Direct Expense	\$5.38	\$9.82
Total Dir & Ovhd Expense	\$7.24	\$11.86
With Labor & Management	\$7.99	\$12.98
Total Exp Less Govt & Oth Income	\$6.94	\$9.72
Est. Labor Hours per Acre	1.62	1.41

<b>Corn</b>	<i>2003 Annual Report</i>	<b>Owned</b>			<b>Cash Rented</b>		
		<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>	<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>
Number of Fields		126	24	29	137	37	28
Number of Farms		116	23	24	116	23	24
Acres		56.5	56.6	72.7	107.2	88.2	127.7
Yield per Acre		95.4	81.7	129.6	92.8	92.4	123.2
Operators Share of Yield %		100	100	100	100	100	100
Value per Unit		\$2.24	\$2.19	\$2.34	\$2.22	\$2.10	\$2.33
Total Product Return Per Acre		\$214.13	\$179.26	\$302.67	\$206.34	\$193.83	\$287.01
Miscellaneous Income per Acre		\$14.54	\$21.85	\$5.77	\$17.34	\$13.11	\$9.14
Gross Return per Acre		\$228.67	\$201.11	\$308.44	\$223.68	\$206.94	\$296.15
<b>Direct Expenses per Acre</b>							
Seed		31.66	32.56	34.30	33.40	34.95	36.02
Fertilizer		35.55	34.72	37.09	38.34	39.42	39.12
Chemicals		23.43	22.50	22.22	22.09	18.84	22.17
Crop Insurance		8.42	8.20	8.02	8.51	6.14	7.30
Drying Fuel		3.82	3.96	3.82	4.40	4.02	4.84
Fuel and Oil		13.57	11.30	12.45	12.46	12.09	11.52
Repairs		27.69	28.77	22.16	23.90	24.52	19.99
Custom Hire		3.88	2.47	3.99	2.83	2.33	0.28
Hired Labor		-	-	-	0.37	1.30	0.12
Land Rent		-	-	-	36.87	32.45	46.49
Marketing		0.22	0.99	0.00	0.15	0.68	-
Operating Interest		4.72	3.87	4.66	4.27	4.03	3.53
Miscellaneous		1.09	1.19	0.53	0.79	1.50	0.51
Total Direct Expenses per Acre		\$154.05	\$150.52	\$149.25	\$188.38	\$182.27	\$191.90
Return Over Direct Expenses per Ac		\$74.62	\$50.58	\$159.19	\$35.30	\$24.67	\$104.25
<b>Overhead Expenses per Acre</b>							
Custom Hire		4.00	3.34	4.13	3.63	2.93	3.20
Hired Labor		7.69	8.91	9.95	6.60	7.27	5.06
Machinery & Building Leases		3.65	3.87	4.67	5.06	5.46	1.94
Real Estate Taxes		5.56	5.77	5.50	-	-	-
Farm Insurance		3.48	3.25	2.81	2.80	2.74	2.74
Utilities		2.88	2.12	2.97	2.59	1.55	4.05
Dues & Professional Fees		1.16	0.29	2.03	0.83	0.49	1.35
Interest		33.43	32.19	27.63	7.26	6.17	8.40
Mach & Bldg Depreciation		22.40	19.85	19.56	20.20	16.58	26.67
Miscellaneous		3.70	2.85	3.75	3.93	3.21	3.68
Total Overhead Expenses per Acre		\$87.95	\$82.45	\$83.00	\$52.92	\$46.40	\$57.08
Total Dir & Ovhd Expenses per Acre		\$242.00	\$232.97	\$232.25	\$241.30	\$228.67	\$248.98
<b>Net Return per Acre</b>							
		<b>(\$13.33)</b>	<b>(\$31.86)</b>	<b>\$76.19</b>	<b>(\$17.61)</b>	<b>(\$21.73)</b>	<b>\$47.17</b>
Labor & Mgmt Charge per Acre		\$31.27	\$25.38	\$28.90	\$22.91	\$18.72	\$27.78
Net Return over Lbr & Mgmt		(\$44.61)	(\$57.24)	\$47.29	(\$40.52)	(\$40.44)	\$19.38
Government Payments		\$17.01	\$16.06	\$17.58	\$15.94	\$15.25	\$16.63
Net Return with Govt Payments		(\$27.60)	(\$41.19)	\$64.87	(\$24.58)	(\$25.19)	\$36.01
<b>Cost of Production per Bushel</b>							
Total Direct Expense		\$1.61	\$1.84	\$1.15	\$2.03	\$1.97	\$1.56
Total Dir & Ovhd Expense		\$2.54	\$2.85	\$1.79	\$2.60	\$2.48	\$2.02
With Labor & Management		\$2.86	\$3.16	\$2.02	\$2.85	\$2.68	\$2.25
Total Exp Less Govt & Oth Income		\$2.53	\$2.70	\$1.84	\$2.49	\$2.37	\$2.04
Est. Labor Hours per Acre		4.77	4.95	3.57	3.74	3.84	3.39



<i>Corn Silage</i>	<i>2003 Annual Report</i>	<b>Ow ned</b>			<b>Cash Rented</b>		
		<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>	<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>
Number of Fields		157	31	32	109	21	25
Number of Farms		152	31	31	105	31	31
Acres		50.7	71.9	47.8	65.1	54.8	55.1
Yield per Acre		12.9	12.4	18.7	11.4	12.3	15.8
Operators Share of Yield %		100	100	100	100	100	100
Value per Unit		\$19.54	\$19.90	\$20.03	\$19.71	\$19.56	\$20.63
Total Product Return Per Acre		\$252.60	\$246.17	\$375.51	\$225.34	\$239.65	\$325.87
Miscellaneous Income per Acre		\$21.15	\$32.34	\$16.92	\$25.18	\$15.51	\$33.93
Gross Return per Acre		\$273.75	\$278.51	\$392.43	\$250.52	\$255.16	\$359.80
<b>Direct Expenses per Acre</b>							
Seed		27.93	29.88	28.26	28.23	27.47	26.12
Fertilizer		27.35	32.50	26.78	27.97	34.37	27.74
Chemicals		22.21	22.11	21.58	24.36	26.65	22.41
Crop Insurance		5.63	7.03	4.73	5.65	4.08	6.49
Fuel and Oil		15.70	16.28	14.01	16.13	14.40	15.75
Repairs		29.95	32.13	22.06	30.74	26.51	24.79
Custom Hire		5.47	5.28	5.58	7.14	4.29	14.75
Land Rent		-	-	-	28.91	28.87	38.60
Machinery & Building Leases		-	-	-	0.46	0.64	-
Operating Interest		4.07	5.85	2.47	4.79	5.86	2.30
Miscellaneous		3.72	6.22	4.05	3.37	5.21	3.14
Total Direct Expenses per Acre		\$142.02	\$157.29	\$129.53	\$177.76	\$178.35	\$182.09
Return Over Direct Expenses per Ac		\$131.72	\$121.23	\$262.90	\$72.76	\$76.81	\$177.72
<b>Overhead Expenses per Acre</b>							
Custom Hire		7.27	11.35	6.62	8.97	5.94	16.24
Hired Labor		12.25	19.99	9.58	13.98	16.42	11.22
Machinery & Building Leases		3.22	5.30	2.86	6.49	6.49	12.38
Real Estate Taxes		4.52	5.08	4.04	0.00	0.00	0.00
Farm Insurance		3.54	4.04	2.62	2.97	4.12	2.84
Utilities		2.49	2.45	2.68	2.23	2.63	2.15
Hauling & Trucking		-	-	-	0.30	-	0.13
Dues & Professional Fees		0.79	0.44	1.30	0.34	0.34	0.17
Interest		32.52	38.27	31.65	10.03	8.34	7.28
Mach & Bldg Depreciation		25.76	23.67	22.12	23.09	23.02	21.93
Miscellaneous		4.13	4.88	3.33	3.00	4.00	2.51
Total Overhead Expenses per Acre		\$96.50	\$115.46	\$86.79	\$71.40	\$71.30	\$76.86
Total Dir & Ovhd Expenses per Acre		\$238.52	\$272.75	\$216.32	\$249.16	\$249.65	\$258.95
<b>Net Return per Acre</b>		<b>\$35.23</b>	<b>\$5.76</b>	<b>\$176.11</b>	<b>\$1.36</b>	<b>\$5.51</b>	<b>\$100.85</b>
Labor & Mgmt Charge per Acre		\$27.28	\$25.61	\$24.88	\$25.64	\$28.29	\$23.19
Net Return over Lbr & Mgmt		\$7.95	(\$19.84)	\$151.22	(\$24.27)	(\$22.78)	\$77.66
Government Payments		\$12.78	\$13.32	\$14.47	\$13.61	\$13.35	\$14.86
Net Return with Govt Payments		\$20.73	(\$6.52)	\$165.70	(\$10.67)	(\$9.43)	\$92.52
<b>Cost of Production per Bushel</b>							
Total Direct Expense		\$10.99	\$12.72	\$6.91	\$15.55	\$14.56	\$11.53
Total Dir & Ovhd Expense		\$18.45	\$22.05	\$11.54	\$21.80	\$20.38	\$16.40
With Labor & Management		\$20.56	\$24.12	\$12.87	\$24.04	\$22.69	\$17.87
Total Exp Less Govt & Oth Income		\$17.94	\$20.43	\$11.19	\$20.65	\$20.33	\$14.78
Est. Labor Hours per Acre		5.91	7.27	4.76	6.16	6.31	5.72

**Alfalfa Hay**

2003 Annual Report

	Owned			Cash Rented		
	Average	40-60%	High 20%	Average	40-60%	High 20%
Number of Fields	113	24	22	99	19	18
Number of Farms	102	21	21	88	17	18
Acres	62.2	67.2	63.0	66.1	77.7	43.3
Yield per Acre	3.0	2.5	4.3	2.8	2.9	4.2
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$69.49	\$69.20	\$80.53	\$65.91	\$64.12	\$85.97
Total Product Return Per Acre	\$204.98	\$173.62	\$344.06	\$181.68	\$188.78	\$357.80
Miscellaneous Income per Acre	\$11.12	\$34.52	\$0.66	\$9.22	\$0.68	\$5.37
Gross Return per Acre	\$216.10	\$208.14	\$344.73	\$190.90	\$189.46	\$363.17
<b>Direct Expenses per Acre</b>						
Seed	0.80	-	1.06	0.35	0.06	-
Fertilizer	13.27	10.38	12.30	12.54	11.06	8.15
Chemicals	2.56	2.61	2.67	1.37	0.16	3.64
Crop Insurance	2.59	3.91	2.64	1.65	0.19	1.68
Fuel and Oil	15.40	15.32	17.00	14.71	14.42	18.55
Repairs	26.42	24.45	28.67	25.16	27.99	30.52
Custom Hire	6.17	3.54	5.04	3.23	0.76	1.08
Hired Labor	-	-	-	0.35	1.57	-
Land Rent	-	-	-	32.14	34.45	34.65
Operating Interest	4.12	6.10	2.20	3.59	3.93	2.94
Miscellaneous	2.06	1.66	2.65	1.71	0.87	3.44
Total Direct Expenses per Acre	\$73.38	\$67.97	\$74.23	\$96.81	\$95.45	\$104.63
Return Over Direct Expenses per Ac	\$142.72	\$140.17	\$270.50	\$94.08	\$94.02	\$258.54
<b>Overhead Expenses per Acre</b>						
Custom Hire	4.91	2.20	9.90	5.75	3.72	8.19
Hired Labor	8.02	5.81	16.36	5.58	4.19	15.83
Machinery & Building Leases	1.70	1.79	1.19	5.68	2.21	5.33
Real Estate Taxes	4.75	5.23	5.71	-	-	-
Farm Insurance	4.33	5.58	5.24	3.12	2.36	4.18
Utilities	3.32	4.72	2.82	3.21	2.68	2.45
Dues & Professional Fees	1.65	1.28	3.77	1.43	1.41	0.01
Interest	21.11	23.00	29.87	7.25	7.96	12.67
Mach & Bldg Depreciation	22.19	16.76	30.16	16.46	16.56	23.58
Miscellaneous	3.77	2.57	6.23	2.52	3.02	3.71
Total Overhead Expenses per Acre	\$75.77	\$68.94	\$111.26	\$51.00	\$44.11	\$75.95
Total Dir & Ovhd Expenses per Acre	\$149.15	\$136.92	\$185.49	\$147.81	\$139.56	\$180.58
<b>Net Return per Acre</b>	<b>\$66.94</b>	<b>\$71.23</b>	<b>\$159.24</b>	<b>\$43.09</b>	<b>\$49.90</b>	<b>\$182.58</b>
Labor & Mgmt Charge per Acre	\$26.55	\$25.16	\$28.28	\$22.98	\$19.94	\$22.22
Net Return over Lbr & Mgmt	\$40.39	\$46.06	\$130.96	\$20.11	\$29.96	\$160.36
Government Payments	\$12.72	\$14.73	\$14.04	\$11.99	\$11.55	\$13.59
Net Return with Govt Payments	\$53.11	\$60.80	\$145.00	\$32.10	\$41.52	\$173.95
<b>Cost of Production per Bushel</b>						
Total Direct Expense	\$24.88	\$27.09	\$17.37	\$35.12	\$32.42	\$25.14
Total Dir & Ovhd Expense	\$50.56	\$54.57	\$43.41	\$53.62	\$47.40	\$43.39
With Labor & Management	\$59.57	\$64.60	\$50.03	\$61.96	\$54.17	\$48.73
Total Exp Less Govt & Oth Income	\$51.48	\$44.97	\$46.59	\$54.26	\$50.02	\$44.17
Est. Labor Hours per Acre	4.42	3.36	6.78	3.37	3.05	6.38

<i>Alfalfa Establishment</i>	Owned			Cash Rented		
<i>2003 Annual Report</i>	Average	40-60%	High 20%	Average	40-60%	High 20%
Number of Fields	47	10	10	38	7	8
Number of Farms	47	10	10	38	7	8
Acres	34.9	22.8	45.8	41.9	38.1	46.7
Yield per Acre	1.4	1.2	2.5	1.8	1.5	3.2
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$66.42	\$71.14	\$68.55	\$60.91	\$48.85	\$61.62
Total Product Return Per Acre	\$92.54	\$81.65	\$172.53	\$109.13	\$75.14	\$195.06
Miscellaneous Income per Acre	\$8.28	-	\$23.14	\$5.51	\$16.88	\$11.46
Gross Return per Acre	\$100.83	\$81.65	\$195.67	\$114.64	\$92.02	\$206.53
<b>Direct Expenses per Acre</b>						
Seed	45.19	52.60	29.06	43.08	49.61	31.34
Fertilizer	17.00	13.98	12.35	18.43	14.59	19.97
Chemicals	5.65	7.69	3.24	5.36	2.41	4.26
Crop Insurance	0.95	1.19	0.88	1.88	3.55	0.55
Fuel and Oil	15.46	13.51	21.45	13.60	9.60	15.90
Repairs	30.33	27.59	35.32	24.21	14.50	31.50
Custom Hire	2.94	0.92	2.27	-	-	-
Land Rent	-	-	-	32.01	38.40	33.25
Operating Interest	3.61	2.75	3.54	2.41	2.80	2.28
Miscellaneous	1.87	0.75	4.77	2.84	2.53	5.98
Total Direct Expenses per Acre	\$123.02	\$120.96	\$112.87	\$143.82	\$137.99	\$145.02
Return Over Direct Expenses per Ac	(\$22.19)	(\$39.31)	\$82.80	(\$29.18)	(\$45.98)	\$61.51
<b>Overhead Expenses per Acre</b>						
Custom Hire	5.41	11.68	6.23	5.83	4.35	2.60
Hired Labor	11.48	19.13	20.29	9.87	7.96	15.51
Machinery & Building Leases	4.72	5.86	6.76	10.26	2.99	5.93
Real Estate Taxes	4.80	5.10	4.41	-	-	-
Farm Insurance	3.90	4.16	4.46	3.16	3.97	3.35
Utilities	2.68	1.65	3.08	2.65	2.08	2.03
Hauling & Trucking	0.64	0.11	2.18	0.38	-	1.36
Dues & Professional Fees	0.73	1.86	0.66	0.68	0.79	0.41
Interest	32.53	26.11	35.59	7.53	7.57	11.06
Mach & Bldg Depreciation	23.76	19.24	32.94	21.52	24.24	26.79
Miscellaneous	5.05	1.66	4.96	1.75	1.54	2.39
Total Overhead Expenses per Acre	\$95.70	\$96.55	\$121.57	\$63.63	\$55.49	\$71.44
Total Dir & Ovhd Expenses per Acre	\$218.72	\$217.52	\$234.44	\$207.45	\$193.48	\$216.47
<b>Net Return per Acre</b>	<b>(\$117.89)</b>	<b>(\$135.87)</b>	<b>(\$38.77)</b>	<b>(\$92.81)</b>	<b>(\$101.47)</b>	<b>(\$9.94)</b>
Labor & Mgmt Charge per Acre	\$26.22	\$23.27	\$28.90	\$23.88	\$19.77	\$29.46
Net Return over Lbr & Mgmt	(\$144.12)	(\$159.14)	(\$67.67)	(\$116.69)	(\$121.23)	(\$39.40)
Government Payments	\$12.46	\$13.75	\$13.20	\$13.02	\$13.37	\$13.14
Net Return with Govt Payments	(\$131.66)	(\$145.39)	(\$54.46)	(\$103.67)	(\$107.86)	(\$26.26)
<b>Cost of Production per Bushel</b>						
Total Direct Expense	\$88.29	\$105.39	\$44.84	\$80.28	\$89.72	\$45.81
Total Dir & Ovhd Expense	\$156.98	\$189.51	\$93.14	\$115.79	\$125.80	\$68.38
With Labor & Management	\$175.80	\$209.79	\$104.62	\$129.12	\$138.65	\$77.69
Total Exp Less Govt & Oth Income	\$160.91	\$197.81	\$90.19	\$118.78	\$118.99	\$69.91
Est. Labor Hours per Acre	5.62	7.02	6.86	4.69	3.34	5.02

**Mixed Hay***2003 Annual Report*

	Owned			Cash Rented		
	Average	40-60%	High 20%	Average	40-60%	High 20%
Number of Fields	84	15	18	72	14	14
Number of Farms	78	15	16	67	14	14
Acres	99.3	106.5	92.3	119.9	235.2	88.9
Yield per Acre	2.0	2.0	2.9	1.7	1.6	2.7
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$48.11	\$43.62	\$59.09	\$53.59	\$52.49	\$65.70
Total Product Return Per Acre	\$97.49	\$87.91	\$172.17	\$93.24	\$84.16	\$178.50
Miscellaneous Income per Acre	\$0.98	-	\$4.62	\$1.27	\$0.53	-
Gross Return per Acre	\$98.48	\$87.91	\$176.80	\$94.51	\$84.69	\$178.50
<b>Direct Expenses per Acre</b>						
Fertilizer	12.56	15.80	16.22	7.73	8.67	14.06
Crop Insurance	0.53	0.57	1.29	0.48	0.51	0.08
Irrigation Energy	2.59	3.91	2.64	0.14	-	-
Fuel and Oil	9.53	7.26	12.13	8.71	7.74	10.62
Repairs	18.99	16.34	26.17	16.40	16.28	18.64
Custom Hire	0.77	1.38	-	0.43	0.17	0.87
Hired Labor	-	-	-	0.10	-	0.72
Land Rent	-	-	-	12.12	6.49	15.68
Operating Interest	2.18	1.40	3.40	3.63	5.44	3.21
Miscellaneous	2.63	3.38	3.67	1.73	0.83	3.45
Total Direct Expenses per Acre	\$47.18	\$46.12	\$62.88	\$51.48	\$46.14	\$67.32
Return Over Direct Expenses per Ac	\$51.29	\$41.79	\$113.92	\$43.03	\$38.55	\$111.19
<b>Overhead Expenses per Acre</b>						
Custom Hire	1.74	1.10	2.48	2.45	2.27	5.17
Hired Labor	5.27	2.11	11.56	3.25	4.48	4.27
Machinery & Building Leases	0.84	0.50	1.39	1.98	0.28	7.20
Real Estate Taxes	3.62	2.97	3.91	-	-	-
Farm Insurance	1.73	1.36	1.98	1.91	1.38	2.23
Utilities	1.61	1.49	1.82	1.70	1.39	1.69
Dues & Professional Fees	0.41	0.40	0.15	0.28	0.17	0.14
Interest	11.08	13.05	14.97	3.12	2.69	2.90
Mach & Bldg Depreciation	15.58	16.18	22.95	12.07	10.60	15.58
Miscellaneous	2.60	4.23	3.38	3.15	3.85	4.53
Total Overhead Expenses per Acre	\$44.49	\$43.39	\$64.59	\$29.92	\$27.11	\$43.70
Total Dir & Ovhd Expenses per Acre	\$91.67	\$89.51	\$127.47	\$81.40	\$73.25	\$111.02
<b>Net Return per Acre</b>	<b>\$6.80</b>	<b>(\$1.60)</b>	<b>\$49.33</b>	<b>\$13.11</b>	<b>\$11.44</b>	<b>\$67.49</b>
Labor & Mgmt Charge per Acre	\$17.40	\$15.37	\$20.64	\$16.17	\$13.34	\$22.41
Net Return over Lbr & Mgmt	(\$10.60)	(\$16.97)	\$130.96	(\$3.06)	(\$1.90)	\$45.07
Government Payments	\$5.99	\$5.79	\$14.04	\$6.60	\$5.41	\$7.36
Net Return with Govt Payments	(\$4.60)	(\$11.17)	\$145.00	\$3.54	\$3.51	\$52.44
<b>Cost of Production per Bushel</b>						
Total Direct Expense	\$23.28	\$22.89	\$21.58	\$29.58	\$28.78	\$24.78
Total Dir & Ovhd Expense	\$45.24	\$44.41	\$43.75	\$46.78	\$45.69	\$40.86
With Labor & Management	\$53.82	\$52.04	\$50.84	\$56.07	\$54.01	\$49.11
Total Exp Less Govt & Oth Income	\$50.38	\$49.16	\$47.05	\$51.55	\$50.30	\$46.40
Est. Labor Hours per Acre	3.43	2.66	3.86	3.06	2.69	3.13

<i>Grass Hay</i> 2003 Annual Report	Owned			Cash Rented		
	Average	40-60%	High 20%	Average	40-60%	High 20%
Number of Fields	56	12	13	64	11	12
Number of Farms	52	11	11	58	11	12
Acres	32.6	28.5	45.0	57.5	102.5	37.4
Yield per Acre	2.0	1.7	3.0	1.6	1.4	2.6
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$55.74	\$44.36	\$70.73	\$45.80	\$45.78	\$56.24
Total Product Return Per Acre	\$112.74	\$73.84	\$210.27	\$73.40	\$65.20	\$143.82
Miscellaneous Income per Acre	\$0.51	\$2.72	-	-	-	-
Gross Return per Acre	\$113.25	\$76.56	\$210.27	\$73.40	\$65.20	\$143.82
<b>Direct Expenses per Acre</b>						
Fertilizer	5.45	3.32	11.38	3.15	2.69	3.76
Crop Insurance	-	-	-	0.11	-	-
Fuel and Oil	7.58	7.59	7.21	8.34	8.54	10.00
Repairs	22.47	14.39	33.07	14.60	18.37	16.70
Custom Hire	2.13	1.12	\$1.27	1.65	0.03	-
Hired Labor	-	-	-	0.39	\$1.29	-
Land Rent	-	-	-	14.69	8.84	12.00
Operating Interest	1.33	3.23	0.60	1.42	1.20	2.09
Miscellaneous	1.99	2.72	2.84	1.43	1.13	0.29
Total Direct Expenses per Acre	\$40.96	\$32.37	\$56.38	\$45.79	\$42.09	\$44.85
Return Over Direct Expenses per Ac	\$72.29	\$44.19	\$153.89	\$27.61	\$23.11	\$98.97
<b>Overhead Expenses per Acre</b>						
Custom Hire	1.73	1.05	1.24	2.30	1.51	3.63
Hired Labor	10.48	5.55	16.21	3.33	1.45	8.88
Machinery & Building Leases	0.84	1.30	0.83	1.19	0.27	2.35
Real Estate Taxes	4.02	5.02	2.90	-	-	-
Farm Insurance	2.16	1.90	2.20	1.60	1.96	1.90
Utilities	1.22	1.08	0.87	1.37	1.65	1.34
Interest	12.10	13.36	5.81	4.58	5.97	4.83
Mach & Bldg Depreciation	13.43	19.24	10.62	10.72	10.62	13.60
Miscellaneous	2.49	2.29	2.04	2.10	2.81	3.49
Total Overhead Expenses per Acre	\$48.47	\$50.80	\$42.72	\$27.18	\$26.23	\$40.03
Total Dir & Ovhd Expenses per Acre	\$89.43	\$83.17	\$99.10	\$72.97	\$68.32	\$84.88
<b>Net Return per Acre</b>	<b>\$23.82</b>	<b>(\$6.60)</b>	<b>\$111.17</b>	<b>\$0.43</b>	<b>(\$3.12)</b>	<b>\$58.94</b>
Labor & Mgmt Charge per Acre	\$16.84	\$23.58	\$18.59	\$13.75	\$12.34	\$11.92
Net Return over Lbr & Mgmt	\$6.98	(\$30.18)	\$92.58	(\$13.32)	(\$15.46)	\$47.02
Government Payments	\$5.17	\$0.92	\$7.18	\$5.44	\$2.81	\$9.94
Net Return with Govt Payments	\$12.15	(\$29.27)	\$99.76	(\$7.88)	(\$12.65)	\$56.96
<b>Cost of Production per Bushel</b>						
Total Direct Expense	\$20.25	\$19.45	\$18.97	\$28.57	\$29.56	\$17.54
Total Dir & Ovhd Expense	\$44.22	\$49.96	\$33.33	\$45.53	\$47.97	\$33.19
With Labor & Management	\$52.55	\$64.12	\$39.59	\$54.11	\$56.64	\$37.85
Total Exp Less Govt & Oth Income	\$49.74	\$61.93	\$37.17	\$50.72	\$54.67	\$33.97
Est. Labor Hours per Acre	3.92	3.73	5.32	2.52	1.78	3.51

## ***Alfalfa Haylage & Oatlage***

*2003 Annual Report*

	<b>Alfalfa Haylage</b>		<b>Oatlage</b>	
	<b>Owned</b>	<b>Rented</b>	<b>Owned</b>	<b>Rented</b>
Number of Fields	14	11	11	8
Number of Farms	14	10	11	8
Acres	56.5	47.0	20.2	31.6
Yield per Acre	6.5	4.6	4.2	2.9
Operators Share of Yield %	100	100	100	100
Value per Unit	\$36.41	\$46.01	\$28.67	\$22.99
Total Product Return Per Acre	\$236.35	\$212.80	\$121.34	\$65.55
Miscellaneous Income per Acre	\$6.97	\$1.67		\$4.16
Gross Return per Acre	\$243.32	\$214.46	\$121.34	\$69.71
<b>Direct Expenses per Acre</b>				
Seed	0.64	5.12	10.29	14.39
Fertilizer	19.70	7.69	10.27	7.05
Chemicals	3.57	0.98	0.32	-
Crop Insurance	0.38	-	0.58	0.46
Fuel and Oil	13.57	13.99	11.32	8.19
Repairs	21.84	18.31	23.30	19.71
Custom Hire	2.86	1.35	1.55	-
Hired Labor	-	0.68	-	-
Land Rent	-	33.14	-	22.29
Machinery & Building Leases	0.28	1.07	-	-
Operating Interest	2.82	4.37	3.20	4.19
Miscellaneous	6.45	9.22	0.83	1.78
Total Direct Expenses per Acre	\$72.11	\$95.93	\$61.66	\$78.07
Return Over Direct Expenses per Ac	\$171.20	\$118.53	\$59.68	(\$8.36)
<b>Overhead Expenses per Acre</b>				
Custom Hire	2.47	1.42	2.28	1.12
Hired Labor	12.06	16.71	3.73	3.84
Machinery & Building Leases	4.10	4.43	0.63	0.70
Real Estate Taxes	3.29	-	4.82	-
Farm Insurance	2.42	1.16	3.96	3.28
Utilities	1.64	2.09	2.64	0.89
Dues & Professional Fees	1.30	0.19	0.70	-
Interest	20.82	5.25	20.56	3.45
Mach & Bldg Depreciation	24.87	13.78	16.84	13.15
Miscellaneous	3.30	2.31	3.20	1.19
Total Overhead Expenses per Acre	\$76.27	\$47.34	\$59.36	\$27.60
Total Dir & Ovhd Expenses per Acre	\$148.38	\$143.28	\$121.02	\$105.68
<b>Net Return per Acre</b>	<b>\$94.93</b>	<b>\$71.19</b>	<b>\$0.31</b>	<b>(\$35.96)</b>
Labor & Mgmt Charge per Acre	\$23.31	\$17.40	\$28.98	\$10.39
Net Return over Lbr & Mgmt	\$71.62	\$53.79	(\$28.66)	(\$46.35)
Government Payments	\$16.00	\$6.92	\$13.27	\$9.48
Net Return with Govt Payments	\$87.63	\$60.71	(\$15.39)	(\$36.88)
<b>Cost of Production per Bushel</b>				
Total Direct Expense	\$11.11	\$20.74	\$14.57	\$27.37
Total Dir & Ovhd Expense	\$22.86	\$30.98	\$28.59	\$37.05
With Labor & Management	\$26.45	\$34.74	\$35.44	\$40.70
Total Exp Less Govt & Oth Income	\$22.91	\$32.89	\$32.30	\$35.92
Est. Labor Hours per Acre	5.13	5.24	5.01	2.57

<b>Oats</b>	<i>2003 Annual Report</i>	<b>Owned</b>			<b>Cash Rented</b>		
		<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>	<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>
Number of Fields		50	10	10	36	7	8
Number of Farms		50	10	10	36	7	8
Acres		47.8	62.8	38.7	42.0	54.8	38.7
Yield per Acre		70.7	70.8	87.8	71.5	67.7	90.6
Operators Share of Yield %		100	100	100	100	100	100
Value per Unit		\$1.51	\$1.34	\$1.81	\$1.53	\$1.40	\$1.84
Other Product Return Per Acre		\$0.24	\$0.92	-	\$0.22	\$0.88	-
Total Product Return Per Acre		\$107.02	\$95.97	\$158.73	\$109.32	\$95.60	\$166.54
Miscellaneous Income per Acre		\$16.86	\$21.11	\$33.59	\$19.76	\$16.35	\$31.58
Gross Return per Acre		\$123.88	\$117.07	\$192.32	\$129.08	\$111.95	\$198.12
<b>Direct Expenses per Acre</b>							
Seed		9.43	8.83	7.26	10.68	8.30	11.72
Fertilizer		14.59	13.84	21.42	16.93	6.55	20.65
Chemicals		4.71	4.01	3.85	3.85	5.12	6.03
Crop Insurance		3.64	2.38	2.48	4.76	3.98	9.93
Fuel and Oil		8.68	9.75	7.08	7.33	8.52	8.51
Repairs		15.18	14.01	16.53	13.07	12.91	15.83
Custom Hire		2.39	3.26	4.11	2.31	0.43	1.88
Land Rent		-	-	-	23.62	24.22	29.97
Operating Interest		2.25	1.50	1.36	2.59	2.48	2.16
Miscellaneous		0.73	0.80	1.92	0.85	0.07	0.38
Total Direct Expenses per Acre		\$61.59	\$58.38	\$66.00	\$86.00	\$72.59	\$107.06
Return Over Direct Expenses per Ac		\$62.29	\$58.70	\$126.32	\$43.08	\$39.36	\$91.06
<b>Overhead Expenses per Acre</b>							
Custom Hire		2.00	1.95	2.20	3.32	0.55	1.66
Hired Labor		4.45	2.69	3.81	3.12	1.69	1.86
Machinery & Building Leases		0.88	1.23	1.16	1.71	1.44	1.53
Real Estate Taxes		4.44	5.03	4.96	-	-	-
Farm Insurance		2.60	2.59	2.28	1.77	1.62	1.99
Utilities		1.88	1.29	1.40	1.46	1.46	2.05
Dues & Professional Fees		0.54	0.11	0.19	-	-	-
Interest		16.30	16.79	14.08	4.47	4.34	6.92
Mach & Bldg Depreciation		11.28	15.94	10.98	9.79	13.21	8.43
Miscellaneous		3.11	4.05	3.39	2.12	1.81	3.16
Total Overhead Expenses per Acre		\$47.49	\$51.67	\$44.45	\$27.76	\$26.12	\$27.60
Total Dir & Ovhd Expenses per Acre		\$109.08	\$110.04	\$110.45	\$113.76	\$98.72	\$134.66
<b>Net Return per Acre</b>		<b>\$14.80</b>	<b>\$7.03</b>	<b>\$81.88</b>	<b>\$15.31</b>	<b>\$13.23</b>	<b>\$63.46</b>
Labor & Mgmt Charge per Acre		\$17.65	\$14.32	\$15.42	\$14.68	\$17.51	\$15.50
Net Return over Lbr & Mgmt		(\$2.85)	(\$7.29)	\$66.45	\$0.64	(\$4.28)	\$47.96
Government Payments		\$10.55	\$9.27	\$11.39	\$10.47	\$9.09	\$15.13
Net Return with Govt Payments		\$7.70	\$1.98	\$77.85	\$11.11	\$4.80	\$63.09
<b>Cost of Production per Bushel</b>							
Total Direct Expense		\$0.87	\$0.82	\$0.75	\$1.20	\$1.07	\$1.18
Total Dir & Ovhd Expense		\$1.54	\$1.55	\$1.26	\$1.59	\$1.46	\$1.49
With Labor & Management		\$1.79	\$1.76	\$1.43	\$1.80	\$1.72	\$1.66
Total Exp Less Govt & Oth Income		\$1.40	\$1.31	\$0.92	\$1.37	\$1.33	\$1.14
Est. Labor Hours per Acre		3.01	2.29	1.86	2.02	2.12	1.88

**Soybeans**

<i>2003 Annual Report</i>	<b>Owned</b>			<b>Cash Rented</b>		
	<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>	<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>
Number of Fields	137	25	27	185	43	40
Number of Farms	116	23	24	140	28	28
Acres	135.8	114.8	194.9	259.7	275.1	285.8
Yield per Acre	28.9	26.8	33.2	28.0	28.0	32.9
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$6.50	\$6.61	\$6.88	\$6.33	\$6.27	\$6.60
Total Product Return Per Acre	\$187.98	\$176.90	\$228.26	\$177.42	\$175.81	\$217.40
Miscellaneous Income per Acre	\$5.29	\$5.04	\$7.07	\$9.07	\$4.71	\$9.29
Gross Return per Acre	\$193.26	\$181.94	\$235.34	\$186.50	\$180.52	\$226.69

**Direct Expenses per Acre**

Seed	21.16	19.87	16.92	21.95	20.02	18.77
Fertilizer	11.66	8.45	12.64	11.51	12.98	12.11
Chemicals	18.10	20.27	17.73	17.66	18.82	17.44
Crop Insurance	9.57	10.84	9.35	10.13	11.99	10.39
Fuel and Oil	8.90	9.67	8.51	8.84	9.52	8.01
Repairs	17.00	16.74	15.79	16.96	16.98	15.58
Custom Hire	2.82	6.05	2.36	2.72	1.41	3.49
Hired Labor	0.16	0.11	-	0.16	-	-
Land Rent	-	-	-	37.35	38.62	32.64
Machinery & Building Leases	-	-	-	0.24	0.06	0.06
Marketing	-	-	-	0.18	0.06	0.16
Operating Interest	3.18	2.49	3.21	3.00	2.48	2.99
Miscellaneous	1.18	0.63	2.05	0.48	0.28	0.51
Total Direct Expenses per Acre	\$93.73	\$95.11	\$88.55	\$131.19	\$133.23	\$122.13
Return Over Direct Expenses per Acre	\$99.54	\$86.83	\$146.78	\$55.31	\$47.29	\$104.56

**Overhead Expenses per Acre**

Custom Hire	2.73	2.56	3.07	2.25	1.92	1.86
Hired Labor	4.50	2.92	6.75	4.34	4.82	5.29
Machinery & Building Leases	2.49	1.51	2.29	2.18	1.90	1.32
Real Estate Taxes	5.58	5.14	5.46	-	-	-
Farm Insurance	2.94	2.58	3.21	2.83	2.60	2.84
Utilities	2.42	2.06	2.85	2.15	2.10	2.44
Dues & Professional Fees	1.47	2.02	1.44	1.31	1.02	0.85
Interest	22.92	20.79	20.48	4.13	5.15	3.53
Mach & Bldg Depreciation	13.44	16.09	11.93	12.63	15.29	12.90
Miscellaneous	2.32	2.22	1.79	2.37	2.47	2.48
Total Overhead Expenses per Acre	\$60.80	\$57.89	\$59.28	\$34.20	\$37.27	\$33.51
Total Dir & Ovhd Expenses per Acre	\$154.53	\$152.99	\$147.83	\$165.38	\$170.50	\$155.65

**Net Return per Acre**

	<b>\$38.73</b>	<b>\$28.94</b>	<b>\$87.50</b>	<b>\$21.11</b>	<b>\$10.02</b>	<b>\$71.04</b>
Labor & Mgmt Charge per Acre	\$18.97	\$19.36	\$19.42	\$17.71	\$18.37	\$17.30
Net Return over Lbr & Mgmt	\$19.76	\$9.58	\$68.08	\$3.40	(\$8.35)	\$53.74
Government Payments	\$15.29	\$15.02	\$15.27	\$15.38	\$16.02	\$15.24
Net Return with Govt Payments	\$35.05	\$24.60	\$83.35	\$18.78	\$7.67	\$68.98

**Cost of Production per Bushel**

Total Direct Expense	\$3.24	\$3.55	\$2.67	\$4.68	\$4.75	\$3.71
Total Dir & Ovhd Expense	\$5.34	\$5.72	\$4.46	\$5.90	\$6.08	\$4.73
With Labor & Management	\$6.00	\$6.44	\$5.04	\$6.54	\$6.74	\$5.25
Total Exp Less Govt & Oth Income	\$5.29	\$5.69	\$4.37	\$5.66	\$6.00	\$4.51

Est. Labor Hours per Acre	2.10	2.07	2.10	1.90	1.91	1.76
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**Sunflowers**

2003 Annual Report

**Owned  
Average****Cash Rented  
Average**

Number of Fields	10	11
Number of Farms	10	10
Acres	169.8	131.9
Yield per Acre	16.1	16.2
Operators Share of Yield %	100	100
Value per Unit	\$12.09	\$11.59
Total Product Return Per Acre	\$194.20	\$187.54
Miscellaneous Income per Acre	\$25.97	\$0.48
Gross Return per Acre	\$220.17	\$188.03

**Direct Expenses per Acre**

Seed	18.22	18.20
Fertilizer	27.26	22.40
Chemicals	17.61	17.36
Crop Insurance	9.53	7.17
Drying Fuel	1.15	0.61
Fuel and Oil	11.22	11.10
Repairs	20.77	13.13
Custom Hire	2.29	2.51
Land Rent	-	32.36
Marketing	-	0.61
Operating Interest	2.31	2.71
Miscellaneous	-	0.31
Total Direct Expenses per Acre	\$110.35	\$128.47
Return Over Direct Expenses per Ac	\$109.82	\$59.56

**Overhead Expenses per Acre**

Custom Hire	2.43	2.02
Hired Labor	6.74	4.40
Machinery & Building Leases	1.74	2.14
Real Estate Taxes	3.26	-
Farm Insurance	2.88	2.10
Utilities	2.01	1.65
Dues & Professional Fees	1.64	1.63
Interest	11.48	2.29
Mach & Bldg Depreciation	14.31	10.23
Miscellaneous	2.41	2.58
Total Overhead Expenses per Acre	\$48.90	\$29.04
Total Dir & Ovhd Expenses per Acre	\$159.25	\$157.50

<b>Net Return per Acre</b>	<b>\$60.92</b>	<b>\$30.52</b>
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Labor & Mgmt Charge per Acre	\$20.42	\$18.52
Net Return over Lbr & Mgmt	\$40.50	\$12.00
Government Payments	\$14.80	\$12.99
Net Return with Govt Payments	\$55.31	\$24.99

**Cost of Production per Bushel**

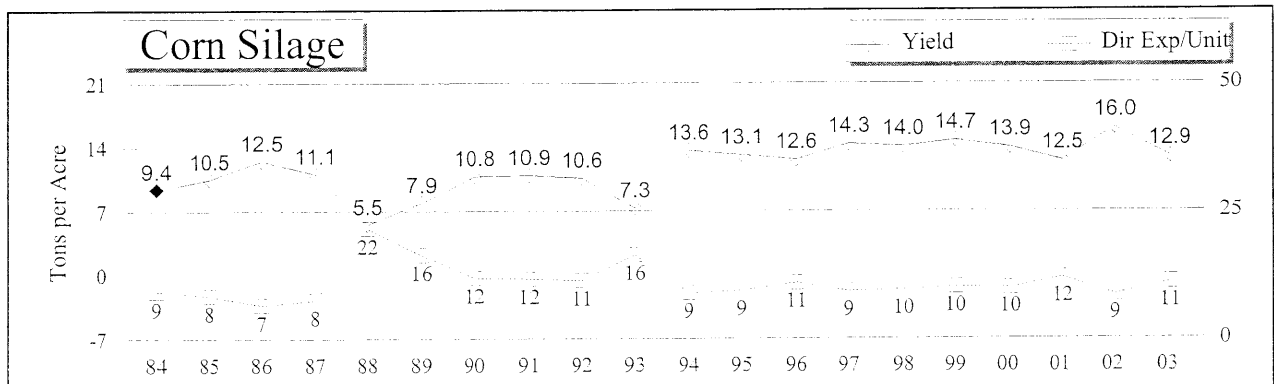
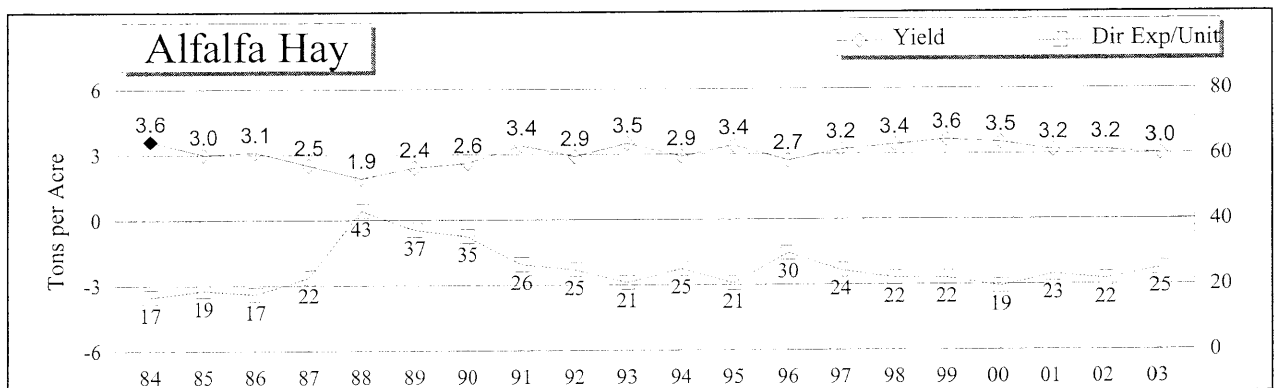
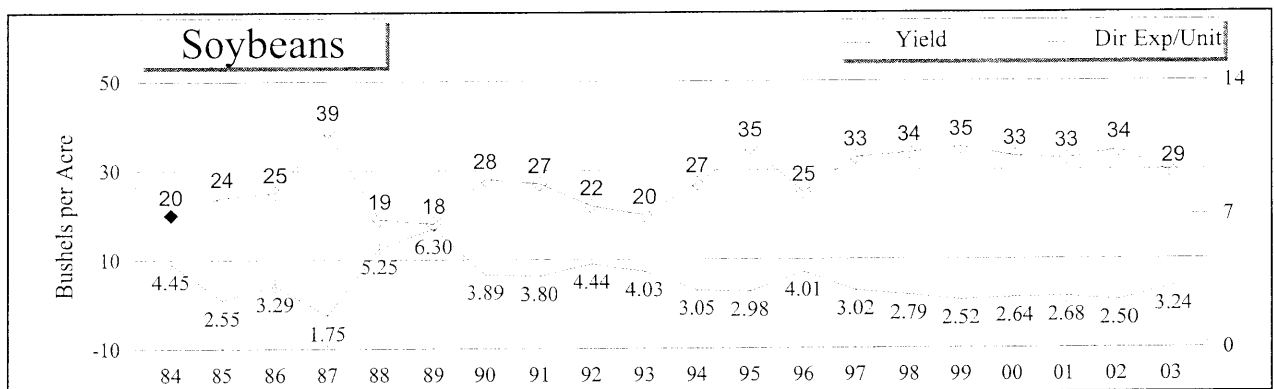
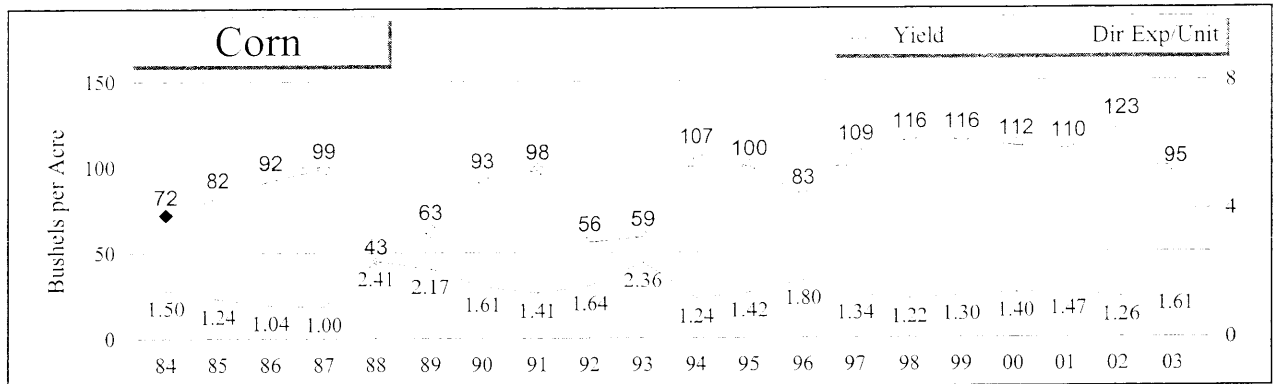
Total Direct Expense	\$6.87	\$7.94
Total Dir & Ovhd Expense	\$9.91	\$9.73
With Labor & Management	\$11.19	\$10.88
Total Exp Less Govt & Oth Income	\$8.65	\$10.05
Est. Labor Hours per Acre	2.63	1.59

**Spring Wheat**

<i>2003 Annual Report</i>	<b>Owned</b>			<b>Cash Rented</b>		
	<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>	<b>Average</b>	<b>40-60%</b>	<b>High 20%</b>
Number of Fields	137	23	39	162	24	41
Number of Farms	86	17	18	97	20	20
Acres	169.8	114.0	155.1	260.6	430.9	196.0
Yield per Acre	59.5	59.6	67.9	57.9	58.8	65.0
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$3.64	\$3.55	\$3.72	\$3.63	\$3.60	\$3.72
Total Product Return Per Acre	\$216.14	\$211.64	\$252.36	\$210.24	\$211.62	\$241.56
Miscellaneous Income per Acre	\$0.67	\$0.14	\$0.64	\$1.29	\$1.36	\$3.15
Gross Return per Acre	\$216.81	\$211.79	\$253.00	\$211.53	\$212.98	\$244.70
<b>Direct Expenses per Acre</b>						
Seed	10.58	9.58	9.91	11.04	10.96	10.77
Fertilizer	27.15	30.61	28.58	29.02	30.74	28.84
Chemicals	23.81	23.66	20.64	22.93	27.05	20.26
Crop Insurance	10.22	10.35	10.10	10.07	10.75	10.18
Drying Fuel	0.27	0.13	0.09	0.35	0.18	0.23
Fuel and Oil	8.15	8.03	9.06	7.61	8.03	7.30
Repairs	12.87	14.09	11.41	13.66	12.67	10.68
Custom Hire	4.14	2.54	2.79	3.96	3.99	4.47
Hired Labor	0.13	0.00	0.00	0.13	0.00	0.00
Land Rent	0.00	0.00	0.00	35.68	36.75	30.46
Operating Interest	2.60	1.84	2.00	2.33	2.17	2.36
Miscellaneous	0.39	0.24	0.12	0.49	0.44	0.13
Total Direct Expenses per Acre	\$100.33	\$101.08	\$94.71	\$137.28	\$143.72	\$125.69
Return Over Direct Expenses per Ac	\$116.48	\$110.71	\$158.30	\$74.25	\$69.25	\$119.01
<b>Overhead Expenses per Acre</b>						
Custom Hire	2.13	0.91	2.01	1.82	2.23	1.70
Hired Labor	5.22	2.39	6.04	4.43	3.21	4.32
Machinery & Building Leases	1.86	1.71	1.62	1.48	0.86	0.98
Real Estate Taxes	4.62	4.71	3.22	0.00	0.00	0.00
Farm Insurance	2.94	3.64	1.89	2.75	2.67	2.14
Utilities	2.01	1.85	1.68	1.76	1.49	2.09
Dues & Professional Fees	1.29	1.10	0.76	1.21	1.31	1.11
Interest	15.78	15.39	12.47	2.78	3.64	2.85
Mach & Bldg Depreciation	10.73	9.33	13.24	9.98	9.04	14.42
Miscellaneous	1.69	1.91	1.75	1.80	1.60	2.23
Total Overhead Expenses per Acre	\$48.27	\$42.95	\$44.67	\$28.00	\$26.04	\$31.86
Total Dir & Ovhd Expenses per Ac	\$148.60	\$144.03	\$139.37	\$165.28	\$169.76	\$157.55
<b>Net Return per Acre</b>	<b>\$68.21</b>	<b>\$67.76</b>	<b>\$113.63</b>	<b>\$46.25</b>	<b>\$43.21</b>	<b>\$87.15</b>
Labor & Mgmt Charge per Acre	\$15.45	\$15.16	\$13.45	\$14.80	\$15.08	\$15.02
Net Return over Lbr & Mgmt	\$52.76	\$52.61	\$100.18	\$31.45	\$28.14	\$72.13
Government Payments	\$14.66	\$14.32	\$13.27	\$15.12	\$14.67	\$14.41
Net Return with Govt Payments	\$67.43	\$66.92	\$113.45	\$46.56	\$42.80	\$86.54
<b>Cost of Production per Bushel</b>						
Total Direct Expense	\$1.69	\$1.70	\$1.40	\$2.37	\$2.44	\$1.93
Total Dir & Ovhd Expense	\$2.50	\$2.42	\$2.05	\$2.86	\$2.89	\$2.42
With Labor & Management	\$2.76	\$2.67	\$2.25	\$3.11	\$3.14	\$2.65
Total Exp Less Govt & Oth Income	\$2.50	\$2.43	\$2.05	\$2.83	\$2.87	\$2.38
Est. Labor Hours per Acre	1.62	1.48	1.57	1.53	1.51	1.55

# A Twenty Year History of Selected Crop Yields

2003

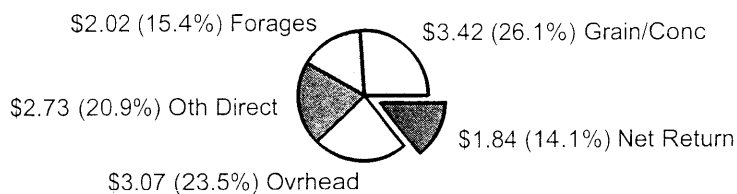


<i>MnSCU State Database</i>		<i>Average</i>		<i>40 - 60%</i>		<i>High</i>	
<b>Dairy Cow Enterprise</b>		<b>529 Farms</b>		<b>106 Farms</b>		<b>106 Farms</b>	
<i>(Per Cow)</i>	<i>2003 Annual Report</i>	QTY	Per Cow	QTY	Per Cow	QTY	Per Cow
Milk Sold		19921.63	\$2,574.89	19723.60	\$2,547.81	22755.21	\$3,013.08
Milk Used in the Home		10.07	\$1.44	4.73	\$0.56	8.94	\$1.39
Milk Fed to Animals		66.27	\$7.46	46.54	\$4.63	51.35	\$5.85
Dairy Calves Sold		0.17	\$27.95	0.22	\$42.54	0.19	\$27.29
Transferred Out		0.72	\$89.26	0.69	\$81.86	0.79	\$102.26
Cull Sales		0.27	\$129.37	0.27	\$133.27	0.26	\$132.22
Butchered		0.01	\$3.15	0.01	\$2.58	0.01	\$2.85
Less Purchased		-0.06	(\$64.76)	-0.07	(\$81.90)	-0.03	(\$37.34)
Less Transferred In		-0.33	(\$374.78)	-0.35	(\$400.08)	-0.36	(\$391.52)
Inventory Change		0.02	\$39.53	0.04	\$45.70	0.05	\$104.25
Total Production			\$2,433.50		\$2,376.98		\$2,960.32
Other Income			\$183.95		\$164.04		\$196.37
<b>Gross Return</b>			<b>\$2,617.45</b>		<b>\$2,541.02</b>		<b>\$3,156.69</b>
Direct Expenses							
Corn (Bu.)		74.59	156.87	71.21	148.21	80.64	165.60
Corn Silage		14002.91	136.20	13597.67	134.05	15265.55	148.44
Alfalfa Hay		4285.86	192.30	4037.20	180.74	4369.21	193.84
Alfalfa and other Haylage		3122.62	76.71	2474.25	67.91	3132.53	75.13
Complete Ration		1034.15	104.38	815.03	80.09	1023.51	90.04
Protein, Vitamins, Minerals		2877.33	363.06	3191.16	384.07	3458.20	393.36
Other Feed Stuffs		1330.88	58.94	1135.36	64.13	682.28	44.04
<b>Total Feed Expense</b>			<b>1088.46</b>		<b>1059.20</b>		<b>1110.45</b>
Breeding			29.76		28.01		37.50
Veterinary			96.56		99.88		94.20
BST			33.04		46.07		41.80
Supplies			115.08		116.33		119.66
DHIA			14.79		14.19		15.96
Fuel and Oil			35.90		37.21		36.19
Repairs			94.09		97.51		103.53
Custom Hire			17.64		13.69		16.71
Hired Labor			12.16		4.87		4.24
Machinery & Bldg Leases			7.42		5.99		2.50
Hauling and trucking			23.14		20.72		25.98
Marketing			41.35		43.38		40.08
Bedding			12.72		15.20		16.24
Operating Interest			13.58		15.10		10.44
Total Direct Expenses			\$1,635.69		\$1,617.35		\$1,675.47
Return over Direct Expense			\$981.77		\$923.67		\$1,481.22
<b>Overhead Expenses</b>							
Custom Hire			15.18		15.29		20.15
Hired Labor			201.61		227.09		274.08
Machinery & Bldg Leases			25.97		23.64		25.89
Farm Insurance			30.54		33.09		31.50
Utilities			61.14		57.82		65.25
Interest			112.12		133.55		116.95
Mach and Bldg Depreciation			121.93		144.88		134.47
Miscellaneous			44.58		54.03		48.74
Total Overhead Expenses			\$613.08		\$689.40		\$717.04
Total Dir & Ovhd Expenses			\$2,248.76		\$2,306.75		\$2,392.51
<b>Net Return</b>			<b>\$368.69</b>		<b>\$234.27</b>		<b>\$764.18</b>
Labor & Management Charge			\$187.56		\$171.69		\$202.39
Net Return over Lbr & Mgt			\$181.13		\$62.58		\$561.80
<b>Cost of Production per Unit</b>							
Total Direct Expense			\$1,635.69		\$1,617.35		\$1,675.47
Total Direct & Overhead Expense			\$2,248.76		\$2,306.75		\$2,392.51
With Labor and Management			\$2,436.32		\$2,478.44		\$2,594.90
With Other Revenue Adjustments			\$2,401.76		\$2,489.67		\$2,459.46
Est. Labor Hours per Unit			40.94		40.72		41.39
<b>Other Information</b>							
Average Number of Cows			102.8		112.1		121.2
Lbs of Milk Produced Per Cow			19998		19775		22815
Culling Percentage			27.4		27.4		25.9
Turnover Rate			36.3		36.5		33.6
Percent of Barn Capacity			104.7		108.5		110.6
Lbs Milk / Lb Grain & Conc			2.3		2.3		2.5
Feed Cost per Cwt of Milk			\$5.44		\$5.36		\$4.87
Feed Cost per Cow			\$1,088.46		\$1,059.20		\$1,110.45
Avg Milk Price per CWT			\$12.93		\$12.92		\$13.24

<i>MnSCU State Database</i>		<i>Average</i>		<i>40 - 60%</i>		<i>High</i>	
<b>Dairy Cow Enterprise</b>		<b>529 Farms</b>		<b>106 Farms</b>		<b>106 Farms</b>	
<i>(Per CWT)</i>	<i>2003 Annual Report</i>	QTY	Per CWT	QTY	Per CWT	QTY	Per CWT
Milk Sold		99.62	\$12.88	99.74	\$12.88	99.74	\$13.21
Milk Used in the Home		0.05	\$0.01	0.02	\$0.00	0.04	\$0.01
Milk Fed to Animals		0.33	\$0.04	0.24	\$0.02	0.23	\$0.03
Dairy Calves Sold			\$0.14		\$0.22		\$0.12
Transferred Out			\$0.45		\$0.41		\$0.45
Cull Sales			\$0.65		\$0.67		\$0.58
Butchered			\$0.02		\$0.01		\$0.01
Less Purchased			(\$0.32)		(\$0.41)		(\$0.16)
Less Transferred In			(\$1.87)		(\$2.02)		(\$1.72)
Inventory Change			\$0.20		\$0.23		\$0.46
Total Production			\$12.17		\$12.02		\$12.98
Other Income			\$0.92		\$0.83		\$0.86
<b>Gross Return</b>			<b>\$13.09</b>		<b>\$12.85</b>		<b>\$13.84</b>
Direct Expenses							
Corn (Bu.)	0.37		0.78	0.36	0.75	0.35	0.73
Corn Silage	70.02		0.68	68.76	0.68	66.91	0.65
Alfalfa Hay	21.43		0.96	20.42	0.91	19.15	0.85
Alfalfa and other Haylage	15.61		0.38	12.51	0.34	13.73	0.33
Complete Ration	5.17		0.52	4.12	0.41	4.49	0.39
Protein, Vitamins, Minerals	14.39		1.82	16.14	1.94	15.16	1.72
Other Feed Stuffs	6.66		0.29	5.74	0.32	2.99	0.19
<b>Total Feed Expense</b>			<b>5.43</b>		<b>5.35</b>		<b>4.86</b>
Breeding			0.15		0.14		0.16
Veterinary			0.48		0.51		0.41
BST			0.17		0.23		0.18
Supplies			0.58		0.59		0.52
DHIA			0.07		0.07		0.07
Fuel and Oil			0.18		0.19		0.16
Repairs			0.47		0.49		0.45
Custom Hire			0.09		0.07		0.07
Hired Labor			0.06		0.02		0.02
Machinery & Bldg Leases			0.04		0.03		0.01
Hauling and trucking			0.12		0.10		0.11
Marketing			0.21		0.22		0.18
Bedding			0.06		0.08		0.07
Operating Interest			0.07		0.08		0.05
Total Direct Expenses			\$8.18		\$8.18		\$7.34
Return over Direct Expense			\$4.91		\$4.67		\$6.49
<b>Overhead Expenses</b>							
Custom Hire			0.08		0.08		0.09
Hired Labor			1.01		1.15		1.20
Machinery & Bldg Leases			0.13		0.12		0.11
Farm Insurance			0.15		0.17		0.14
Utilities			0.31		0.29		0.29
Interest			0.56		0.68		0.51
Mach and Bldg Depreciation			0.61		0.73		0.59
Miscellaneous			0.22		0.27		0.21
Total Overhead Expenses			\$3.07		\$3.49		\$3.14
Total Dir & Ovhd Expenses			\$11.24		\$11.67		\$10.49
<b>Net Return</b>			<b>\$1.84</b>		<b>\$1.18</b>		<b>\$3.35</b>
Labor & Management Charge			\$0.94		\$0.87		\$0.89
Net Return over Lbr & Mgt			\$0.91		\$0.32		\$2.46
<b>Cost of Production per Unit</b>							
Total Direct Expense			\$8.18		\$8.18		\$7.34
Total Direct & Overhead Expense			\$11.24		\$11.67		\$10.49
With Labor and Management			\$12.18		\$12.53		\$11.37
With Other Revenue Adjustments			\$12.01		\$12.59		\$10.78
Est. Labor Hours per Unit			0.20		0.21		0.18
<b>Other Information</b>							
Average Number of Cows			102.8		112.1		121.2
Lbs of Milk Produced Per Cow			19998		19775		22815
Culling Percentage			27.4		27.4		25.9
Turnover Rate			36.3		36.5		33.6
Percent of Barn Capacity			104.7		108.5		110.6
Lbs Milk / Lb Grain & Conc			2.3		2.3		2.5
Feed Cost per Cwt of Milk			\$5.44		\$5.36		\$4.87
Feed Cost per Cow			\$1,088.46		\$1,059.20		\$1,110.45
Avg Milk Price per CWT			\$12.93		\$12.92		\$13.24

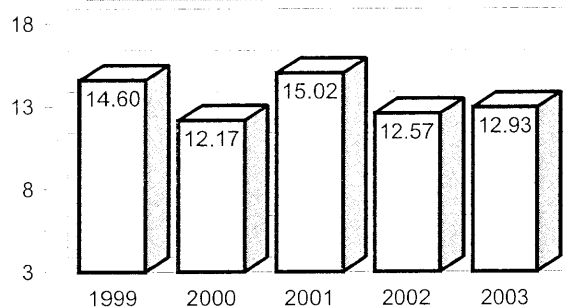
## Dairy Cow Costs & Returns

(Per CWT Produced)

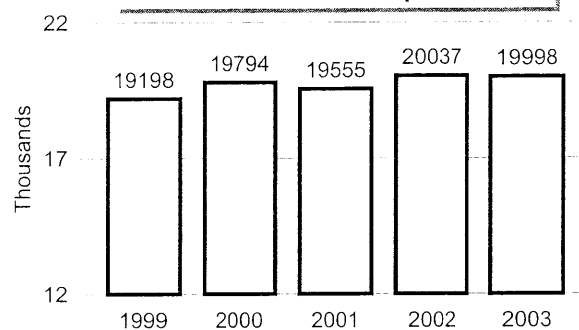


The data on this page is from the Dairy Cow Enterprise and does not include costs related to Dairy Replacements.

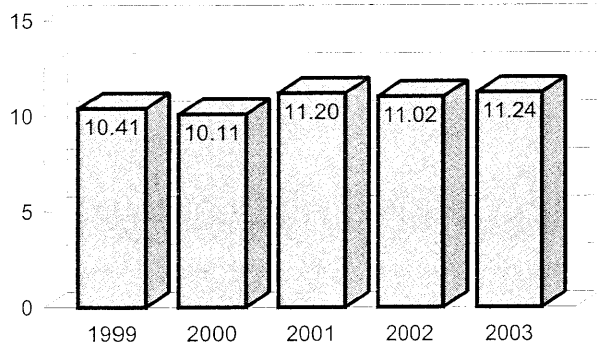
### Ave Milk Price Recv'd



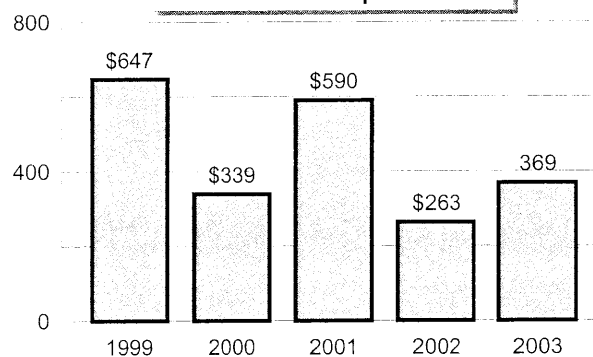
### Milk Production per Cow



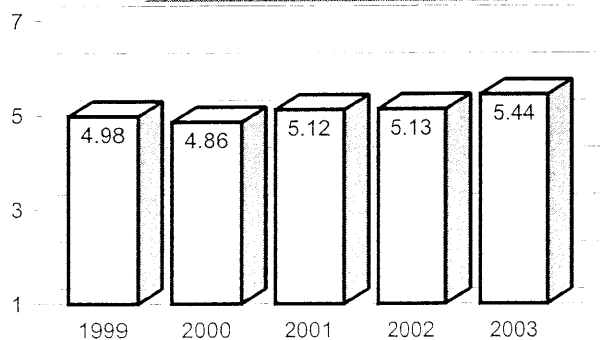
### Dir & Ovhd Exp per CWT



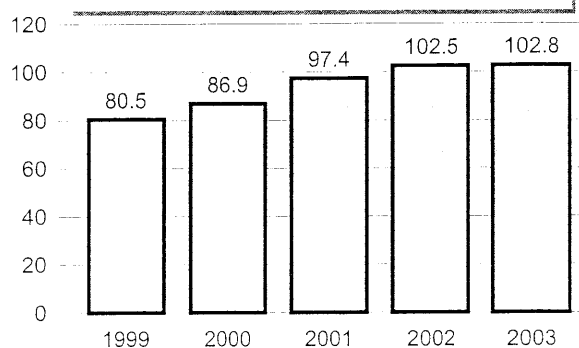
### Net Return per Cow



### Feed Cost per CWT



### Ave. Number of Cows



**Dairy Cows & Replacements**

(Per Cow) 2003 Annual Report

	<b>Average</b>		<b>40 - 60%</b>		<b>High</b>	
	<b>368 Farms</b>		<b>73 Farms</b>		<b>74 Farms</b>	
	QTY	Per Cow	QTY	Per Cow	QTY	Per Cow
Milk Sold	20003.99	\$2,600.00	20207.56	\$2,616.78	22259.95	\$2,967.63
Milk Used in the Home	8.70	\$1.13	5.88	\$0.73	8.94	\$1.08
Milk Fed to Animals	62.15	\$6.61	40.32	\$3.23	53.25	\$5.67
Dairy Calves Sold	0.40	\$93.21	0.41	\$75.97	0.41	\$95.97
Transferred Out	1.11	\$493.67	1.06	\$474.68	1.17	\$540.04
Cull Sales	0.31	\$139.33	0.31	\$140.73	0.29	\$145.75
Butchered	0.01	\$4.94	0.01	\$4.40	0.01	\$5.65
Less Purchased	-0.14	(\$137.50)	-0.11	(\$101.11)	-0.10	(\$69.20)
Less Transferred In	-1.01	(\$481.72)	-0.97	(\$478.58)	-1.05	(\$502.48)
Inventory Change	0.06	\$97.49	0.07	\$76.23	0.09	\$191.61
Total Production		\$2,817.15		\$2,813.06		\$3,381.73
Other Income		\$184.42		\$160.39		\$208.96
<b>Gross Return</b>		<b>\$3,001.57</b>		<b>\$2,973.45</b>		<b>\$3,590.69</b>
Direct Expenses						
Corn (Bu.)	85.56	180.70	79.94	168.80	87.81	181.11
Corn Silage	18614.74	177.87	19149.31	184.78	19692.05	191.80
Alfalfa Hay	5349.24	235.47	5500.53	240.89	4906.66	217.41
Hay, Grass and Other	1217.34	32.90	1062.62	32.12	940.76	22.97
Alfalfa and other Haylage	3519.80	88.43	2200.24	62.15	4550.75	109.36
Complete Ration	1030.03	101.37	1182.40	124.65	1096.97	112.39
Protein, Vitamins, Minerals	3506.66	434.10	3125.82	401.04	4101.19	455.85
Other Feed Stuff	1351.88	72.20	1676.57	109.90	968.31	37.92
<b>Total Feed Expense</b>		<b>1323.04</b>		<b>1324.33</b>		<b>1328.81</b>
Breeding		35.33		36.61		41.82
Veterinary		106.64		108.66		104.86
BST		35.99		48.03		34.19
Supplies		126.08		113.68		134.66
DHIA		14.97		13.91		17.03
Contract production exp.		35.83		69.31		42.30
Fuel and Oil		41.72		38.15		38.25
Repairs		109.49		103.57		117.21
Custom Hire		31.42		24.83		38.41
Hired Labor		6.45		16.18		4.72
Machinery & Bldg Leases		6.95		1.30		4.11
Hauling and trucking		23.73		16.96		26.43
Marketing		42.92		45.39		41.60
Bedding		14.39		18.48		13.20
Operating Interest		14.39		13.67		11.77
Total Direct Expenses		\$1,969.33		\$1,993.06		\$1,999.36
Return over Direct Expense		\$1,032.24		\$980.39		\$1,591.33
<b>Overhead Expenses</b>						
Custom Hire		17.77		26.88		17.57
Hired Labor		252.11		261.48		331.44
Machinery & Bldg Leases		26.20		14.92		44.17
Farm Insurance		34.27		33.90		36.57
Utilities		70.86		64.65		74.15
Interest		133.88		135.05		118.48
Mach and Bldg Depreciation		144.37		146.71		161.18
Miscellaneous		45.26		41.93		48.49
Total Overhead Expenses		\$724.72		\$725.52		\$832.05
Total Dir & Ovhd Expenses		\$2,694.05		\$2,718.58		\$2,831.41
<b>Net Return</b>		<b>\$307.51</b>		<b>\$254.86</b>		<b>\$759.28</b>
Labor & Management Charge		\$209.20		\$197.22		\$234.30
Net Return over Lbr & Mgt		\$98.31		\$57.64		\$524.97
<b>Cost of Production per Cwt</b>						
Total Direct Expense		\$9.81		\$9.84		\$8.96
Total Direct & Overhead Expense		\$13.42		\$13.42		\$12.68
With Labor and Management		\$14.46		\$14.40		\$13.73
With Other Revenue Adjustments		\$12.50		\$12.65		\$10.97
Est. Labor Hours per Unit		47.30		49.72		49.86
<b>Other Information</b>						
Average Number of Cows		108.7		130.1		115.1
Lbs of Milk Produced Per Cow		20075		20254		22322
Culling Percentage		31.3		31.2		28.9
Turnover Rate		48.4		48.0		41.7
Percent of Barn Capacity		105.7		112.2		109.3
Lbs Milk / Lb Grain & Conc		2.0		2.1		2.2
Feed Cost per Cwt of Milk		\$6.59		\$6.54		\$5.95
Feed Cost per Cow		\$1,323.04		\$1,324.33		\$1,328.80
Avg Milk Price per CWT		\$13.00		\$12.95		\$13.33

<i>MnSCU State Database</i>		<i>Average</i>		<i>40 - 60%</i>		<i>High</i>	
<b>Dairy Replacements</b>		464 Farms		93 Farms		93 Farms	
<i>(Per Head)</i>	<i>2003 Annual Report</i>	QTY	Per Ave. No. of Head	QTY	Per Ave. No. of Head	QTY	Per Ave. No. of Head
Dairy Repl/Heifers Sold		0.36	\$117.51	0.40	\$110.63	0.29	\$161.47
Transferred Out		0.64	\$664.19	0.60	\$637.43	0.71	\$838.45
Cull Sales		0.04	\$10.47	0.06	\$10.87	0.04	\$20.55
Butchered		0.01	\$3.62	0.00	\$3.05	0.01	\$4.93
Less Purchased		-0.15	(\$138.70)	-0.12	(\$111.29)	-0.21	(\$125.35)
Less Transferred In		-1.09	(\$141.51)	-1.02	(\$131.32)	-1.12	(\$140.58)
Inventory Change		0.07	\$97.02	0.06	\$53.48	0.16	\$308.00
Total Production		0.00	\$612.59	0.00	\$572.85	0.00	\$1,067.47
Other Income			\$6.39		\$4.82		\$15.22
<b>Gross Return</b>			<b>\$618.98</b>		<b>\$577.66</b>		<b>\$1,082.69</b>
<b>Direct Expenses</b>							
Corn (bushels)	19.39	40.48	15.85	32.99	21.03	43.27	
Corn Silage	7969.80	74.20	7564.73	67.87	9045.59	82.05	
Alfalfa Hay	1992.78	80.22	1799.68	68.76	1461.87	56.74	
Mixed Hay	1220.40	30.10	939.78	22.65	2007.17	46.27	
Alfalfa & Other Haylage	761.48	18.03	1107.86	24.26	983.54	23.21	
Oatlage (lb.)	582.21	5.24	640.54	4.67	254.43	1.98	
Pasture (aum)	1.61	2.96	0.24	1.64	5.23	6.29	
Complete Ration	379.22	35.75	426.49	33.22	407.45	46.55	
Milk, Replacer & Other	68.84	19.31	39.70	18.99	65.61	20.37	
Protein, Vitamins, Minerals	541.33	73.45	488.99	72.78	427.56	63.95	
Other Feed Stuffs	435.94	14.53	290.93	8.89	448.03	19.90	
<b>Total Feed Expense</b>		<b>394.27</b>		<b>356.72</b>		<b>410.58</b>	
Breeding		10.59		10.24		12.34	
Veterinary		19.70		17.73		19.98	
Supplies		21.84		22.63		20.60	
Contract Production		52.20		5.84		63.67	
Fuel and Oil		9.24		8.08		10.55	
Repairs		25.52		20.77		31.04	
Custom Hire		12.75		33.00		2.58	
Machinery & Bldg Leases		2.36		3.51		2.99	
Bedding		2.92		1.52		3.10	
Operating Interest		3.16		2.11		4.45	
Miscellaneous		3.13		-		0.39	
<b>Total Direct Expenses</b>		<b>\$557.70</b>		<b>\$482.15</b>		<b>\$582.26</b>	
Return over Direct Expenses		\$61.29		\$95.51		\$500.43	
<b>Overhead Expenses</b>							
Custom Hire		5.25		2.65		16.26	
Hired Labor		48.10		54.07		56.38	
Machinery & Building Leases		6.41		4.22		11.36	
Farm Insurance		7.98		6.95		10.30	
Utilities		16.12		13.36		17.92	
Interest		28.19		24.38		28.41	
Mach & Bldg Depreciation		29.92		29.74		30.88	
Miscellaneous		11.20		9.65		12.80	
<b>Total Overhead Expenses</b>		<b>\$153.16</b>		<b>\$145.04</b>		<b>\$184.33</b>	
<b>Total Dir &amp; Ovhd Expenses</b>		<b>\$710.85</b>		<b>\$627.19</b>		<b>\$766.59</b>	
<b>Net Return</b>		<b>(\$91.87)</b>		<b>(\$49.52)</b>		<b>\$316.10</b>	
Labor & Management Charge		\$50.59		\$47.37		\$64.31	
Net Return over Lbr & Mgt		(\$142.46)		(\$96.89)		\$251.79	
<b>Cost of Productions</b>							
Total Direct Expense per Unit		\$726.81		\$657.36		\$514.71	
Total Dir & Ovhd Expense per Unit		\$879.96		\$802.40		\$699.04	
With Labor and Management		\$930.56		\$849.77		\$763.35	
With Other Revenue Adjustments		\$924.17		\$844.95		\$748.13	
Est. Labor Hours per Unit		11.23		10.61		15.93	
<b>Other Information</b>							
Number Purchased or Transf In		75		79		63	
Number Sold or Transf Out		61		70		47	
Average Number of Head		92		93		91	
Percent Death Loss		4.9		4.4		5.4	
Feed Cost / Ave Number of Head		\$260.79		\$268.53		\$213.34	
Feed Cost/ Head Sold/Trans		\$394.28		\$356.71		\$410.57	
Avg Purch Price / Head		\$902.27		\$959.87		\$586.08	
Avg Sales Price / Head		\$327.73		\$276.65		\$556.58	



<i>MnSCU State Database</i>		<i>Average</i>		<i>40 - 60%</i>		<i>High</i>	
<b>Dairy Steers</b>		127 Farms		25 Farms		26 Farms	
<i>(Per CWT)</i>	<i>2003 Annual Report</i>	QTY	Per CWT	QTY	Per CWT	QTY	Per CWT
Dairy Steers Sold		133.64	\$97.36	116.54	\$85.80	131.93	\$96.84
Transferred Out		0.32	\$0.25	-	-	0.11	\$0.10
Cull Sales		0.77	\$0.55	3.03	\$2.04	-	-
Butchered		2.25	\$1.77	1.45	\$1.32	2.57	\$2.12
Less Purchased		-32.37	(\$27.12)	-32.67	(\$27.37)	-19.76	(\$14.83)
Less Transferred In		-6.28	(\$5.72)	-6.92	(\$6.55)	-13.21	(\$10.84)
Inventory Change		1.67	\$9.47	18.57	\$20.44	-1.64	\$13.37
Total Production		100.00	\$76.56	100.00	\$75.67	100.00	\$86.76
Other Income			\$0.62		\$0.19		\$1.70
<b>Gross Return</b>			<b>\$77.18</b>		<b>\$75.86</b>		<b>\$88.46</b>
<b>Direct Expenses</b>							
Corn (bushels)		11.03	22.89	11.60	23.98	9.62	19.52
Corn Silage		190.76	1.83	94.78	0.93	140.96	1.32
Alfalfa Hay		29.33	1.24	46.49	1.94	31.61	1.31
Mixed Hay		30.20	0.76	25.73	0.71	21.43	0.53
Complete Ration		22.22	2.17	35.65	3.22	49.95	5.53
Protein, Vitamins, Minerals		79.04	11.00	60.01	9.86	40.77	6.06
Other Feed Stuff		21.02	1.57	26.86	1.75	6.95	0.58
<b>Total Feed Expense</b>			<b>41.46</b>		<b>42.39</b>		<b>34.85</b>
Veterinary			1.77		1.64		0.77
Supplies			1.41		1.10		1.68
Fuel and Oil			0.92		0.66		0.96
Repairs			3.02		2.49		2.36
Custom Hire			0.33		0.22		0.20
Machinery & Bldg Leases			0.13		0.45		0.09
Hauling and Trucking			0.50		0.25		0.26
Marketing			0.85		1.03		1.08
Operating Interest			1.52		0.78		0.67
Total Direct Expenses			\$51.91		\$51.01		\$42.92
Return over Direct Expenses			\$25.26		\$24.85		\$45.54
<b>Overhead Expenses</b>							
Custom Hire			0.16		0.03		0.41
Hired Labor			1.57		0.57		3.63
Machinery & Building Leases			0.37		0.21		0.64
Farm Insurance			1.03		0.69		1.00
Utilities			1.33		1.03		1.76
Dues & Professional Fees			0.19		0.09		0.37
Interest			2.12		1.57		2.08
Mach & Bldg Depreciation			3.38		1.38		3.28
Miscellaneous			1.23		1.21		1.13
Total Overhead Expenses			\$11.38		\$6.78		\$14.30
Total Dir & Ovhd Expenses			\$63.29		\$57.79		\$57.21
<b>Net Return</b>			<b>\$13.88</b>		<b>\$18.07</b>		<b>\$31.25</b>
Labor & Management Charge			\$5.26		\$4.18		\$5.12
Net Return over Lbr & Mgt			\$8.62		\$13.89		\$26.13
<b>Cost of Productions per Unit</b>							
Total Direct Expense			\$54.47		\$52.46		\$40.21
Total Direct & Overhead Expense			\$62.97		\$58.28		\$51.04
With Labor and Management			\$66.89		\$61.87		\$54.92
With Other Revenue Adjustments			\$66.43		\$61.71		\$53.63
Est. Labor Hours per Unit			0.79		0.65		1.07
<b>Other Information</b>							
Number Purchased or Transf In			73		80		56
Number Sold or Transf Out			68		60		49
Percent Death Loss			3.20		2.00		2.40
Avg Daily Gain			2.20		2.29		2.23
Lbs. of Conc / lb of Gain			7.26		7.50		6.32
Lbs of Feed / lb of Gain			8.56		8.67		7.37
Feed Cost per CWT of Gain			41.46		42.40		34.85
Feed Cost per Head			\$396.73		\$433.63		\$377.70
Average Purchase Weight			419		387		415
Average Sales Weight			1338		1372		1377
Avg Purch Price / Head			\$350.74		\$324.07		\$311.70
Avg Sales Price / CWT			\$72.86		\$73.62		\$73.40

## Dairy Cows, by Herd Size

(Per Cow)

2003 Annual Report

	Up to 50 Cows	51 to 100 Cows	101 to 200 Cows	201 to 500 Cows	Over 500 Cows
Number of Farms	151	225	103	41	9
Milk Sold	\$2,156.97	2386.42	\$2,557.12	\$2,792.40	\$3,030.71
Milk Used in the Home	\$3.98	2.09	\$0.96	0.73	-
Milk Fed to Animals	\$11.19	10.42	\$8.23	5.00	-
Dairy Calves Sold	\$27.15	25.74	\$26.30	30.12	\$33.40
Transferred Out	\$98.91	96.14	\$87.00	92.74	\$62.70
Cull Sales	\$131.62	137.23	\$130.20	125.02	\$114.89
Butchered	\$5.68	4.25	\$2.50	2.45	\$0.95
Less Purchased	(\$79.05)	-56.98	(\$88.61)	-56.15	(\$35.99)
Less Transferred In	(\$319.37)	-373.03	-\$345.10	-399.10	(\$446.04)
Inventory Change	\$16.62	32.71	\$44.93	76.53	(\$3.47)
Total Production	\$2,053.70	\$2,264.99	\$2,423.51	\$2,669.74	\$2,757.17
Other Income	\$232.88	\$266.71	\$216.12	\$94.87	\$39.04
<b>Gross Return</b>	<b>\$2,286.58</b>	<b>\$2,531.70</b>	<b>\$2,639.63</b>	<b>\$2,764.61</b>	<b>\$2,796.20</b>
<b>Direct Expenses</b>					
Corn (Bu.)	145.06	157.32	160.90	158.35	154.95
Corn Silage	122.47	127.75	135.45	149.19	146.16
Alfalfa Hay	224.17	210.08	192.88	178.95	145.10
Grass Hay and Other	28.06	19.22	10.12	6.94	6.30
Alfalfa and other Haylage	59.66	61.92	76.23	75.96	129.42
Complete Ration	86.12	108.22	93.60	126.79	93.02
Protein, Vitamins, Minerals	275.57	313.44	379.00	388.36	478.25
Other Feed Stuffs	32.36	43.26	46.42	41.17	67.90
<b>Total Feed Expense</b>	<b>973.47</b>	<b>1041.21</b>	<b>1094.60</b>	<b>1125.71</b>	<b>1221.10</b>
Breeding	27.48	32.22	29.29	28.89	28.46
Veterinary	73.83	84.37	95.23	109.69	124.38
BST	8.28	16.51	26.63	42.22	90.90
Supplies	113.17	109.92	116.58	123.48	110.45
DHIA	15.78	16.28	15.36	14.82	9.07
Fuel and Oil	31.55	32.33	35.70	41.63	38.15
Repairs	94.32	99.90	102.81	86.34	75.83
Custom Hire	9.49	9.49	12.81	25.13	40.71
Hired Labor	4.30	3.73	11.28	12.69	40.04
Machinery & Bldg Leases	5.41	2.77	6.80	19.17	-
Hauling and trucking	36.96	31.90	22.47	15.76	5.04
Marketing	41.93	36.69	36.96	42.37	52.27
Bedding	1.26	5.50	14.02	17.00	29.47
Operating Interest	12.47	10.91	18.38	13.83	10.27
Total Direct Expenses	\$1,449.68	\$1,536.74	\$1,638.96	\$1,718.70	\$1,876.10
Return over Direct Expense	\$836.90	\$994.96	\$1,000.67	\$1,045.91	\$920.10
<b>Overhead Expenses</b>					
Custom Hire	9.38	11.21	14.02	13.66	35.05
Hired Labor	46.29	92.17	185.41	326.86	403.62
Machinery & Bldg Leases	13.42	23.52	31.82	29.62	23.75
Farm Insurance	35.51	34.31	28.82	28.15	25.24
Utilities	75.02	71.29	57.46	57.11	39.93
Dues & Professional Fees	5.88	5.37	6.12	7.55	14.07
Interest	88.07	95.24	104.31	124.27	167.82
Mach and Bldg Depreciation	92.64	110.01	121.22	136.87	150.21
Miscellaneous	45.81	35.10	42.15	36.27	27.60
Total Overhead Expenses	\$412.01	\$478.23	\$591.33	\$760.36	\$887.29
Total Dir & Ovhd Expenses	\$1,861.69	\$2,014.97	\$2,230.30	\$2,479.06	\$2,763.40
<b>Net Return</b>	<b>\$424.89</b>	<b>\$516.73</b>	<b>\$409.34</b>	<b>\$285.55</b>	<b>\$32.81</b>
Labor & Management Charge	\$280.89	\$234.00	\$180.83	\$124.56	\$124.62
Net Return over Lbr & Mgt	\$143.99	\$282.73	\$228.51	\$160.99	(\$91.81)
<b>Cost of Production per Unit</b>					
Total Direct Expense	\$8.37	\$8.13	\$8.25	\$8.04	\$8.27
Total Direct & Overhead Expense	\$10.75	\$10.66	\$11.23	\$11.59	\$12.18
With Labor and Management	\$12.37	\$11.89	\$12.14	\$12.17	\$12.73
With Other Revenue Adjustments	\$11.71	\$11.19	\$11.77	\$12.33	\$13.77
Est. Labor Hours per Unit	49.80	\$40.58	37.34	\$38.40	46.27
<b>Other Information</b>					
Average Number of Cows	38.6	70.1	136.0	296.4	734.6
Lbs of Milk Produced Per Cow	17324	18909	19864	21390	22680
Culling Percentage	25.7	27.3	26.8	27.4	30.2
Turnover Rate	34.8	36.3	35.9	36.0	38.7
Percent of Barn Capacity	88.3	104.1	103.7	110.2	117.4
Lbs Milk / Lb Grain & Conc	2.4	2.2	2.4	2.3	2.3
Feed Cost per Cwt of Milk	\$5.62	\$5.51	\$5.51	\$5.26	\$5.38
Feed Cost per Cow	\$973.47	\$1,041.21	\$1,094.60	\$1,125.69	\$1,221.09
Avg Milk Price per CWT	\$12.54	\$12.70	\$12.92	\$13.09	\$13.36

<i>MnSCU State Database</i>	<i>Average</i>		<i>40 - 60%</i>		<i>High</i>	
<b>Beef, Finish Calves</b>	72 Farms		14 Farms		14 Farms	
(Per CWT)      2003 Annual Report	QTY	Per CWT	QTY	Per CWT	QTY	Per CWT
Finish Beef Sold	186.82	\$147.95	193.10	\$151.61	167.50	\$146.35
Transferred Out	1.64	\$1.36	3.88	\$3.32	1.35	\$1.35
Butchered	1.74	\$1.33	0.97	0.72	1.42	\$1.04
Less Purchased	-71.63	(\$66.02)	-60.78	-55.36	-70.48	-61.49
Less Transferred In	-11.01	(\$10.84)	-24.33	(\$23.88)	-5.99	(\$5.59)
Inventory Change	-7.56	\$0.29	-12.84	(\$2.26)	6.20	\$13.64
Total Production	\$100.00	\$74.07	100.00	\$74.16	100.00	\$95.30
Other Income		\$0.58		\$0.04		\$0.24
<b>Gross Return</b>		<b>\$74.65</b>		<b>\$74.21</b>		<b>\$95.55</b>
<b>Direct Expenses</b>						
Corn (bushels)	9.91	20.54	9.98	21.16	8.95	17.82
Corn Silage	402.76	3.74	344.83	2.87	377.05	3.40
Alfalfa Hay	80.66	3.02	100.76	3.75	50.20	2.04
Grass Hay and Other	36.95	0.98	37.09	1.09	31.67	0.83
Alfalfa Haylage	24.77	0.46	107.46	1.56	26.36	0.53
Complete Ration	27.29	0.35	0.25	0.07	102.39	1.02
Protein, Vitamins, Minerals	49.01	6.07	42.87	5.79	87.35	5.97
Other Feed Stuffs	11.81	0.49	19.37	0.61	14.80	0.41
<b>Total Feed Expense</b>		<b>35.65</b>		<b>36.90</b>		<b>32.02</b>
Veterinary		1.96		2.01		2.16
Supplies		0.83		0.68		0.65
Contract Production		0.48		-		2.83
Fuel and Oil		1.14		1.63		1.29
Repairs		2.76		3.32		3.39
Custom Hire		0.42		0.06		1.09
Machinery & Building Leases		0.12		-		-
Hauling & Trucking		0.71		0.70		0.24
Marketing		0.98		0.81		1.94
Operating Interest		2.28		1.60		1.29
Total Direct Expenses		\$47.33		\$47.70		\$46.93
Return over Direct Expenses		\$27.32		\$26.50		\$48.62
<b>Overhead Expenses</b>						
Custom Hire		0.61		0.25		1.00
Hired Labor		1.03		1.10		0.30
Real Estate Taxes		0.24		0.46		0.29
Farm Insurance		0.91		1.36		1.64
Utilities		1.00		1.40		1.12
Dues & Professional Fees		0.17		0.57		0.11
Interest		1.02		1.07		0.67
Mach & Bldg Depreciation		2.91		2.97		4.32
Miscellaneous		0.92		1.31		0.68
Total Overhead Expenses		\$8.81		\$10.49		\$10.12
Total Dir & Ovhd Expenses		\$56.13		\$58.19		\$57.05
<b>Net Return</b>		<b>\$18.51</b>		<b>\$16.02</b>		<b>\$38.50</b>
Labor & Management Charge		\$4.78		\$7.16		\$7.20
Net Return over Lbr & Mgt		\$13.74		\$8.85		\$31.30
<b>Cost of Productions</b>						
Total Direct Expense per Unit		\$65.03		\$65.22		\$58.82
Total Dir & Ovhd Expense per Unit		\$69.71		\$70.54		\$64.81
With Labor and Management		\$72.24		\$74.18		\$69.08
With Other Revenue Adjustments		\$71.94		\$74.16		\$68.93
Est. Labor Hours per Unit		0.61		0.86		0.72
<b>Other Information</b>						
Number Purchased or Tranferred In		130		84		113
Number Sold or Transferred Out		138		93		106
Percentage Death Loss		0.9		0.5		0.7
Average Daily Gain		2.4		2.4		2.3
Lbs of Conc / Lb of Gain		6.41		6.30		6.95
Lbs of Feed / Lb of Gain		9.09		9.37		9.22
Feed Cost Per CWT of Gain		\$35.64		\$36.89		\$32.03
Feed Cost Per Head		\$229.48		\$241.50		\$237.85
Average Purchase Weight		587		608		542
Average Sales Weight		1233		1215		1261
Avg Purchase Price /CWT		\$92.16		\$91.07		\$87.24
Avg Sales Price / CWT		\$79.19		\$78.51		\$87.37

<i>MnSCU State Database</i>	<i>Average</i>		<i>40 - 60%</i>		<i>High</i>	
<b>Beef Cow Calf</b>	134 Farms		27 Farms		27 Farms	
<i>(Per Cow) 2003 Annual Report</i>	QTY	Per Cow	QTY	Per Cow	QTY	Per Cow
Beef Calves Sold	235.79	\$218.11	251.63	\$221.42	230.45	\$219.15
Transferred Out	222.23	\$214.44	222.30	\$204.96	221.79	\$208.28
Cull Sales	135.10	\$82.86	72.81	\$59.65	145.58	\$104.09
Butchered	5.25	\$3.45	4.66	\$4.33	7.56	\$4.42
Less Purchased	-76.07	(\$88.94)	-41.92	(\$77.58)	-131.94	(\$159.80)
Less Transferred In	-25.90	(\$26.91)	-22.56	(\$23.25)	-27.20	(\$25.89)
Inventory Change	49.12	\$83.36	24.20	\$48.62	149.56	\$249.84
Total Production	545.51	\$486.37	511.12	\$438.16	595.80	\$600.08
Other Income		\$5.87		\$11.97		\$3.67
<b>Gross Return</b>		<b>\$492.24</b>		<b>\$450.13</b>		<b>\$603.76</b>
<b>Direct Expenses</b>						
Corn (bushels)	4.01	8.91	2.77	5.74	3.52	7.93
Corn Silage	4862.89	41.29	2505.45	22.90	6005.81	53.02
Alfalfa Hay	1762.33	49.51	2159.20	66.55	1204.32	22.91
Mixed Hay	4656.06	94.89	4405.86	92.29	4154.26	82.15
Oats	1.76	2.28	0.26	0.32	0.17	0.25
Pasture	5.20	29.06	3.61	27.04	3.95	24.04
Complete Ration	80.35	7.69	57.45	4.53	65.52	8.28
Protein, Vitamins, Minerals	103.08	16.78	109.91	16.24	67.62	13.11
Other Feed Stuff	353.31	6.03	341.90	8.25	136.59	3.61
<b>Total Feed Expense</b>		<b>256.44</b>		<b>243.86</b>		<b>215.30</b>
Breeding		2.91		3.33		1.66
Veterinary		19.50		16.97		18.36
Supplies		11.63		12.51		19.73
Fuel and Oil		10.79		12.69		11.10
Repairs		23.53		20.89		19.18
Livestock Leases		1.39		1.30		4.78
Marketing		5.48		3.13		6.30
Operating Interest		6.89		4.41		4.20
Total Direct Expenses		\$338.57		\$319.11		\$300.58
Return over Direct Expenses		\$153.67		\$131.02		\$303.18
<b>Overhead Expenses</b>						
Custom Hire		1.69		0.18		3.18
Hired Labor		6.29		6.69		2.87
Real Estate Taxes		2.76		2.56		2.40
Farm Insurance		7.22		5.52		6.72
Utilities		10.23		8.81		8.20
Dues & Professional Fees		1.75		1.43		0.95
Interest		19.60		18.55		21.43
Mach & Bldg Depreciation		20.86		21.33		22.78
Miscellaneous		7.54		4.10		6.91
Total Overhead Expenses		\$77.94		\$69.17		\$75.44
Total Dir & Ovhd Expenses		\$416.51		\$388.27		\$376.02
<b>Net Return</b>		<b>\$75.73</b>		<b>\$61.86</b>		<b>\$227.74</b>
Labor & Management Charge		\$67.30		\$57.02		\$73.68
Net Return over Lbr & Mgt		\$8.43		\$4.84		\$154.06
<b>Cost of Productions</b>						
Total Direct Expense per Unit		\$62.06		\$62.43		\$50.45
Total Dir & Ovhd Expense per Unit		\$76.35		\$75.96		\$63.11
With Labor and Management		\$88.01		\$87.12		\$75.48
With Other Revenue Adjustments		\$76.76		\$80.74		\$54.33
Est. Labor Hours per Unit		10.56		9.12		10.38
<b>Other Information</b>						
N'umber of Cows		75.5		72.1		89.2
Pregnancy Percentage		95.3		96.2		96.3
Pregnancy Loss Percentage		1.9		3.1		0.1
Culling Percentage		13.8		11.2		17.1
Calving Percentage		93.4		93.2		96.2
Weaning Percentage		88.1		88.4		91.5
Calves Sold per Cow		0.82		0.85		0.75
Calf Death Loss Percent		6.2		5.7		4.7
Average Weaning Weight		527		514		549
Lbs Weaned/Exposed Female		465		455		502
Feed Cost Per Cow		\$256.44		\$243.87		\$215.29
Avg Wgt/Beef Calf Sold		582		575		599
Avg Price / CWT		\$92.50		\$88.00		\$95.10

<i>MnSCU State Database</i>			<i>Average</i>		<i>40 - 60%</i>		<i>High</i>
<b>Beef Cow Calf</b>			134 Farms		27 Farms		27 Farms
(Per CWT)	2003 Annual Report	QTY	Per CWT	QTY	Per CWT	QTY	Per CWT
Beef Calves Sold		43.22	\$39.98	49.23	\$43.32	38.68	\$36.78
Transferred Out		40.74	\$39.31	43.49	\$40.10	37.23	\$34.96
Cull Sales		24.77	\$15.19	14.25	\$11.67	24.43	\$17.47
Butchered		0.96	\$0.63	0.91	\$0.85	1.27	\$0.74
Less Purchased		-13.95	(\$16.30)	-8.2	(\$15.18)	-22.14	(\$26.82)
Less Transferred In		-4.75	(\$4.93)	-4.41	(\$4.55)	-4.57	(\$4.35)
Inventory Change		9.00	\$15.28	4.73	\$9.51	25.10	\$41.93
Total Production		100.00	\$89.16	100.00	\$85.72	100.00	\$100.72
Other Income			\$1.08		\$2.34		\$0.62
<b>Gross Return</b>			<b>\$90.23</b>		<b>\$88.07</b>		<b>\$101.34</b>
<b>Direct Expenses</b>							
Corn (bushels)		0.74	1.63	0.54	1.12	0.59	1.33
Corn Silage		891.44	7.57	490.18	4.48	1008.03	8.90
Alfalfa Hay		323.06	9.08	422.44	13.02	202.14	3.84
Mixed Hay		853.53	17.39	862.00	18.06	697.26	13.79
Oats		0.32	0.42	0.05	0.06	0.03	0.04
Pasture		0.95	5.33	0.71	5.29	0.66	4.03
Stover		33.02	0.44	45.64	0.86	12.88	0.10
Complete Ration		14.73	1.41	11.24	0.89	11.00	1.39
Protein, Vitamins, Minerals		18.90	3.08	21.50	3.18	11.35	2.20
Other Feed Stuffs		31.75	0.67	21.25	0.76	10.04	0.51
<b>Total Feed Expense</b>			<b>47.02</b>		<b>47.72</b>		<b>36.13</b>
Breeding			0.53		0.65		0.28
Veterinary			3.58		3.32		3.08
Supplies			2.13		2.45		3.31
Fuel and Oil			1.98		2.48		1.86
Repairs			4.31		4.09		3.22
Livestock Leases			0.25		0.26		0.80
Marketing			1.00		0.61		1.06
Operating Interest			1.26		0.86		0.70
<b>Total Direct Expenses</b>			<b>\$62.06</b>		<b>\$62.43</b>		<b>\$50.45</b>
<b>Return over Direct Expenses</b>			<b>\$28.17</b>		<b>\$25.63</b>		<b>\$50.89</b>
<b>Overhead Expenses</b>							
Custom Hire			0.31		0.04		0.53
Hired Labor			1.15		1.31		0.48
Real Estate Taxes			0.51		0.50		0.40
Farm Insurance			1.32		1.08		1.13
Utilities			1.88		1.72		1.38
Dues & Professional Fees			0.32		0.28		0.16
Interest			3.59		3.63		3.60
Mach & Bldg Depreciation			3.82		4.17		3.82
Miscellaneous			1.38		0.80		1.16
<b>Total Overhead Expenses</b>			<b>\$14.29</b>		<b>\$13.53</b>		<b>\$12.66</b>
<b>Total Dir &amp; Ovhd Expenses</b>			<b>\$76.35</b>		<b>\$75.96</b>		<b>\$63.11</b>
<b>Net Return</b>			<b>\$13.88</b>		<b>\$12.10</b>		<b>\$38.22</b>
Labor & Management Charge			\$12.34		\$11.16		\$12.37
<b>Net Return over Lbr &amp; Mgt</b>			<b>\$1.54</b>		<b>\$0.95</b>		<b>\$25.86</b>
<b>Cost of Productions</b>							
Total Direct Expense per Unit			\$62.06		\$62.43		\$50.45
Total Dir & Ovhd Expense per Unit			\$76.35		\$75.96		\$63.11
With Labor and Management			\$88.01		\$87.12		\$75.48
With Other Revenue Adjustments			\$76.76		\$80.74		\$54.33
Est. Labor Hours per Unit			1.94		1.78		1.74
<b>Other Information</b>							
N'umber of Cows			75.5		72.1		89.2
Pregnancy Percentage			95.3		96.2		96.3
Pregnancy Loss Percentage			1.9		3.1		0.1
Culling Percentage			13.8		11.2		17.1
Calving Percentage			93.4		93.2		96.2
Weaning Percentage			88.1		88.4		91.5
Calves Sold per Cow			0.82		0.85		0.75
Calf Death Loss Percent			6.2		5.7		4.7
Average Weaning Weight			527		514		549
Lbs Weaned/Exposed Female			465		455		502
Feed Cost Per Cow			\$256.44		\$243.87		\$215.29
Avg Wgt/Beef Calf Sold			582		575		599
Avg Price / CWT			\$92.50		\$88.00		\$95.10

<i>MnSCU State Database</i>			<i>Average</i>		<i>40 - 60%</i>		<i>High</i>
<b>Hogs, Finish Feeder Pigs</b>			76 Farms		16 Farms		16 Farms
(Per CWT)	2003 Annual Report	QTY	Per CWT	QTY	Per CWT	QTY	Per CWT
Finish Hogs Sold		119.77	\$49.86	121.91	\$51.32	122.57	\$52.17
Transferred Out		1.83	\$0.79	0.52	\$0.24	1.40	\$0.63
Cull Sales		0.42	\$0.14	0.08	\$0.04	-	-
Butchered		0.12	\$0.04	0.07	0.03	0.19	\$0.08
Less Purchased		-14.01	(\$14.36)	-11.13	-13.77	-24.30	-19.26
Less Transferred In		-8.99	(\$8.24)	-9.24	(\$9.34)	-2.54	(\$1.85)
Inventory Change		0.86	\$0.70	-2.22	(\$0.51)	2.68	\$1.85
Total Production		100.00	\$28.94	100.00	\$28.00	100.00	\$33.62
Other Income			\$0.07		\$0.12		\$0.13
<b>Gross Return</b>			<b>29.01</b>		<b>\$28.12</b>		<b>\$33.75</b>
<b>Direct Expenses</b>							
Corn (bushels)		2.86	6.01	2.94	6.14	3.60	7.54
Soybeans		0.02	0.10	0.07	0.42	-	-
Complete Ration		79.97	5.20	50.02	3.96	15.28	0.75
Protein, Vitamins, Minerals		56.74	6.87	53.24	7.98	97.41	9.96
Other Feed Stuff		0.05	0.17	0.02	0.31	0.01	0.02
<b>Total Feed Expense</b>			<b>18.35</b>		<b>18.50</b>		<b>18.27</b>
Veterinary			0.49		0.39		0.48
Supplies			0.27		0.18		0.30
Contract Production Expense			1.07		-		-
Fuel and Oil			0.21		0.37		0.11
Repairs			0.47		0.52		0.65
Custom Hire			0.42		0.53		0.19
Hired Labor			0.18		0.02		0.10
Machinery & Building Leases			0.54		-		0.20
Livestock Leases			0.24		-		-
Hauling & Trucking			0.30		0.17		0.08
Marketing			0.21		0.20		0.08
Operating Interest			0.47		0.68		0.33
Total Direct Expenses			\$23.23		\$21.86		\$20.78
Return over Direct Expenses			\$5.78		\$6.26		\$12.97
<b>Overhead Expenses</b>							
Custom Hire			0.11		0.03		0.22
Hired Labor			0.29		0.26		0.56
Machinery & Building Leases			0.82		1.88		0.00
Real Estate Taxes			0.05		0.04		0.08
Farm Insurance			0.24		0.27		0.31
Utilities			0.36		0.46		0.56
Interest			0.71		0.62		1.44
Mach & Bldg Depreciation			1.08		1.08		2.24
Miscellaneous			0.30		0.26		0.38
Total Overhead Expenses			\$3.96		\$4.90		\$5.79
Total Dir & Ovhd Expenses			\$27.19		\$26.76		\$26.56
<b>Net Return</b>			<b>\$1.81</b>		<b>\$1.36</b>		<b>\$7.18</b>
Labor & Management Charge			\$1.24		\$1.14		\$2.55
Net Return over Lbr & Mgt			\$0.58		\$0.23		\$4.63
<b>Cost of Productions</b>							
Total Direct Expense per Unit			\$36.96		\$37.09		\$32.23
Total Dir & Ovhd Expense per Unit			\$40.22		\$41.09		\$36.90
With Labor and Management			\$41.24		\$42.02		\$38.96
With Other Revenue Adjustments			\$41.18		\$41.92		\$38.86
Est. Labor Hours per Unit			0.12		0.12		0.18
<b>Other Information</b>							
Number Purchased or Tranferred In			3857		4521		1990
Number Sold or Transferred Out			3625		4333		1915
Percentage Death Loss			3.5		2.9		3.0
Average Daily Gain			1.44		1.51		1.22
Lbs of Conc / Lb of Gain			2.98		2.74		3.15
Lbs of Feed / Lb of Gain			2.98		2.74		3.15
Feed Cost Per CWT of Gain			\$18.36		\$18.81		\$18.27
Feed Cost Per Head			\$39.36		\$39.86		\$39.64
Average Purchase Weight			44		37		54
Average Sales Weight			261		258		259
Avg Purchase Price /CWT			\$44.99		\$45.62		\$42.78
Avg Sales Price / CWT			\$41.63		\$42.09		\$42.56

**Hogs, Farrow to Finish**

2003 Annual Report

Average

50 Farms

Average

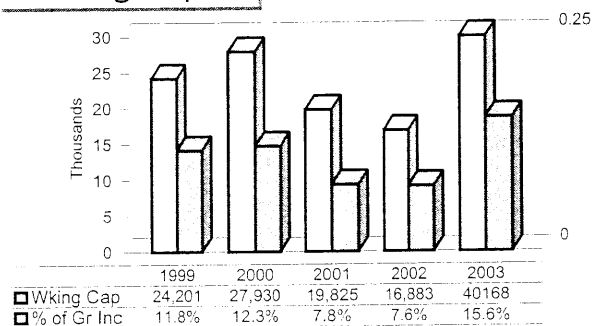
50 Farms

	QTY	Per CWT	QTY	Per Litter
Raised Hogs Sold	94.43	\$39.46	2063.21	\$862.07
Transferred Out	1.38	\$0.78	30.25	\$17.06
Cull Sales	4.90	\$1.37	107.11	\$29.89
Butchered	0.21	\$0.09	4.55	\$1.99
Less Purchased	-2.22	(\$2.04)	-48.46	(\$44.63)
Less Transferred In	-0.12	(\$0.09)	-2.69	(\$2.04)
Inventory Change	1.41	\$3.08	30.90	\$67.27
Total Production	100.00	\$42.64	2184.86	\$931.60
Other Income		\$0.02		\$0.54
<b>Gross Return</b>		<b>\$42.66</b>		<b>\$932.14</b>
<b>Direct Expenses</b>				
Corn (bushels)	3.77	7.95	82.26	173.77
Complete Ration	60.74	5.56	1327.02	121.43
Protein, Vitamins, Minerals	61.86	8.69	1351.49	189.96
Other Feed Stuff	0.26	0.24	5.68	5.22
<b>Total Feed Expense</b>		<b>22.44</b>		<b>490.38</b>
Breeding		0.47		10.37
Veterinary		1.38		30.17
Supplies		0.67		14.55
Contract Production		0.03		0.70
Fuel and Oil		0.45		9.83
Repairs		0.81		17.72
Custom Hire		1.65		36.13
Hired Labor		0.09		1.97
Machinery & Bldg Leases		0.59		12.86
Livestock Leases		0.29		6.35
Utilities		0.12		2.68
Hauling and Trucking		0.18		3.95
Marketing		0.37		8.01
Operating Interest		0.37		8.16
Total Direct Expenses		\$29.93		\$653.83
Return over Direct Expenses		\$12.74		\$278.31
<b>Overhead Expenses</b>				
Custom Hire		0.52		11.38
Hired Labor		2.03		44.40
Machinery & Building Leases		1.38		30.20
Farm Insurance		0.48		10.44
Utilities		0.62		13.56
Interest		1.08		23.58
Mach & Bldg Depreciation		1.56		24.15
Miscellaneous		0.46		9.96
Total Overhead Expenses		\$8.13		\$177.67
Total Dir & Ovhd Expenses		\$38.06		\$831.50
<b>Net Return</b>		<b>\$4.61</b>		<b>\$100.64</b>
Labor & Management Charge		\$2.23		\$48.63
Net Return over Lbr & Mgt		\$2.38		\$52.01
<b>Cost of Productions</b>				
Total Direct Expense per Unit		\$29.93		\$29.93
Total Dir & Ovhd Expense per Unit		\$38.06		\$38.06
With Labor and Management		\$40.28		\$40.28
With Other Revenue Adjustments		\$39.58		\$39.58
Est. Labor Hours per Unit		0.33		7.16
<b>Other Information</b>				
Average Number of Sows		221.1		221.1
Litters Farrowed		428		428
Litters Per Sow		1.94		1.94
Litters Per Crate		10.40		10.40
Pigs Born Per Litter		10.55		10.55
Pigs Weaned Per Litter		9.15		9.15
Pigs Weaned Per Sow		17.81		17.81
Number Sold Per Litter		7.92		7.92
Lbs of Feed / Lb of Gain		3.35		3.35
Feed Cost / CWT of Gain		\$22.44		\$22.44
Feed Cost Per Litter		\$490.38		\$490.38
Avg Weight / Raised Hog Sold		260		260
Avg Purch Price / CWT		\$41.78		\$41.78

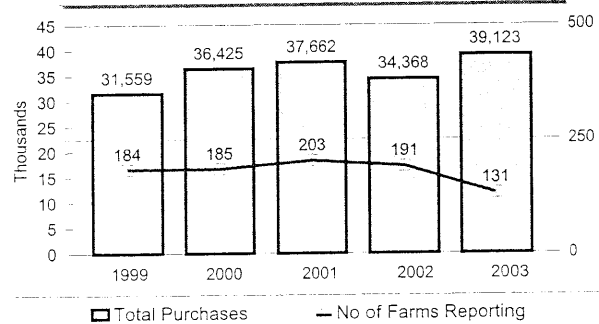
## Trend Summary of Selected Factors

	1999	2000	2001	2002	2003
<b>Income Statement</b>					
Gross Cash Farm Income	204,452	226,234	252,591	221,968	256,709
Total Cash Farm Expense	157,056	183,588	197,921	180,868	205,680
Net Cash Farm Income	47,396	42,646	54,670	41,100	51,029
Inventory Change	6,052	16,721	(3,514)	3,328	8,954
Dep & Capital Adjustment	(11,538)	(16,044)	(16,771)	(17,946)	(19,571)
Net Farm Income	41,910	43,322	34,385	26,482	40,412
<b>Profitability (Cost)</b>					
Labor & Management Earnings	29,112	28,834	18,922	11,017	23,255
Rate of Return on Assets	8.8%	8.0%	5.7%	3.8%	5.5%
Rate of Return on Equity	10.6%	8.6%	4.4%	1.3%	5.4%
Operating Profit Margin	21.7%	19.9%	15.5%	11.2%	15.0%
Asset Turnover Rate	40.5%	40.1%	37.1%	33.8%	37.0%
<b>Liquidity</b>					
Ending current ratio	1.53	1.50	1.30	1.26	146%
Ending working capital	24,201	27,930	19,825	16,883	40168
End working capital to gross inc	11.8%	12.3%	7.8%	7.6%	15.6%
Term Debt Coverage Ratio	153.7%	150.4%	125.3%	108.4%	138.7%
Expense as a Percent of Income	74.2%	75.5%	79.5%	80.6%	77.3%
Interest as a Percent of Income	7.9%	8.1%	8.2%	7.6%	6.6%
<b>Solvency (Market)</b>					
Number of Sole Proprietors	472	410	467	350	440
Ending Farm Assets	489,165	545,906	584,734	581,959	735,057
Ending Farm Liabilities	256,253	293,143	310,047	309,796	379,431
Ending Total Assets	574,223	645,532	676,134	672,387	832,068
Ending Total Liabilities	275,017	309,895	326,428	327,015	398,318
Ending Net Worth	299,206	335,637	349,706	345,371	433,751
Net Worth Change	34,788	26,916	25,260	24,672	43,706
End Farm Debt to Asset Ratio	52%	54%	53%	53%	52%
Beg Total Debt to Asset Ratio	51%	49%	49%	49%	49%
End Total Debt to Asset Ratio	48%	48%	48%	49%	48%
<b>Nonfarm Information</b>					
Net Nonfarm Income	17,490	17,583	19,321	19,821	19,695
Farms Reporting Liv Expenses	184	185	203	191	131
Total Family Living Expense	23,140	25,254	25,584	24,982	29,023
Total Living, Invest, & Cap Purch	31,559	36,425	37,662	34,368	39,123
<b>Crop Acres</b>					
Total Acres Owned	371	398	396	392	401
Total Crop Acres	578	626	649	652	680
Total Crop Acres Owned	246	256	255	257	260
Total Crop Acres Cash Rented	310	350	369	365	396
Total Crop Acres Share Rent	22	21	25	30	24

### Working Capital



### Total Living, Invest, & Cap Purch





## Crop & Livestock Trends

2003 Annual Report

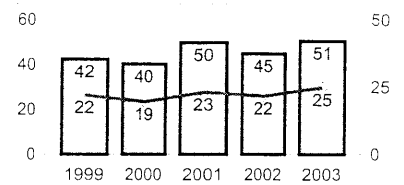
1999 2000 2001 2002 2003

Selected Data

### Alfalfa Hay

Yield per Acre	3.6	3.52	3.2	3.2	3.0
Value per Ton	\$61.52	\$64.40	\$69.83	\$67.99	\$69.49
Fuel, Oil, Repairs per Acre	\$47.82	\$43.89	\$46.54	\$38.78	\$41.82
Total Dir & Ovhd Exp per Acre	\$154.36	\$141.82	\$157.60	\$142.19	\$149.15
Net Return per Acre	\$72.93	\$86.28	\$69.60	\$83.99	\$66.94
Total Direct Expenses per Ton	\$22.04	\$19.46	\$23.11	\$21.64	\$24.88
Total Dir & Ovhd Exp per Ton	\$42.40	\$40.24	\$49.85	\$44.89	\$50.56

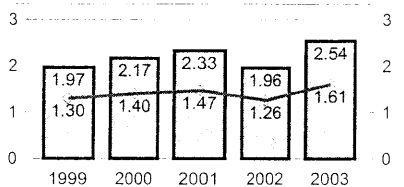
Direct and Ovrd & Direct Cost / Ac



### Corn

Yield per Acre	115.5	111.7	110.2	123.2	95.4
Value per Bushel	\$1.72	\$1.78	\$1.80	\$2.08	\$2.24
Fuel, Oil, Repairs per Acre	\$41.18	\$40.21	\$40.28	\$38.05	\$41.26
Total Dir & Ovhd Exp per Acre	\$227.19	\$242.05	\$256.63	\$242.00	\$242.00
Net Return per Acre	(\$15.49)	(\$31.72)	(\$48.66)	\$17.26	(\$13.33)
Total Direct Expenses per Bu.	\$1.30	\$1.40	\$1.47	\$1.26	\$1.61
Total Dir & Ovhd Exp per Bushel	\$1.97	\$2.17	\$2.33	\$1.96	\$2.54

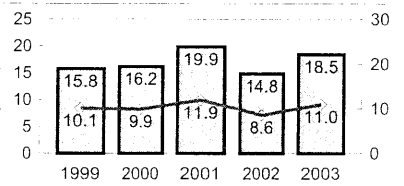
Direct and Ovrd & Direct Cost / Ac



### Corn Silage

Yield per Acre	14.7	13.93	12.5	16.0	12.9
Value per Ton	\$18.64	\$18.71	\$17.63	\$19.68	\$19.54
Fuel, Oil, Repairs per Acre	\$48.88	\$45.69	\$51.30	\$44.63	\$45.65
Total Dir & Ovhd Exp per Acre	\$231.62	\$225.59	\$247.58	\$237.82	\$238.55
Net Return per Acre	\$62.04	\$48.48	(\$13.78)	\$79.28	\$35.23
Total Direct Expenses per Ton	\$10.10	\$9.92	\$11.92	\$8.56	\$10.99
Total Dir & Ovhd Exp per Ton	\$15.78	\$16.19	\$19.86	\$14.84	\$18.45

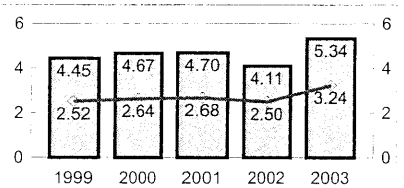
Direct and Ovrd & Direct Cost / Ac



### Soybeans

Yield per Acre	35.1	33.02	32.5	34.4	28.9
Value per Bushel	\$4.58	\$5.07	\$5.12	\$5.25	\$6.50
Fuel, Oil, Repairs per Acre	\$25.30	\$26.20	\$27.37	\$25.91	\$25.90
Total Dir & Ovhd Exp per Acre	\$156.12	\$154.25	\$152.93	\$141.37	\$154.53
Net Return per Acre	\$24.20	\$21.23	\$23.71	\$43.84	\$38.73
Total Direct Expenses per Bu.	\$2.52	\$2.64	\$2.68	\$2.50	\$3.24
Total Dir & Ovhd Exp per Bushel	\$4.45	\$4.67	\$4.70	\$4.11	\$5.34

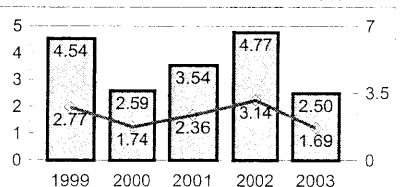
Direct and Ovrd & Direct Cost / Ac



### Spring Wheat

Yield per Acre	27.6	53.31	41.3	26.5	59.5
Value per Bushel	\$2.94	\$3.52	\$3.10	\$3.97	\$3.64
Fuel, Oil, Repairs per Acre	\$18.15	\$21.49	\$21.31	\$19.52	\$21.02
Total Dir & Ovhd Exp per Acre	\$125.43	\$138.11	\$145.88	\$126.28	\$148.60
Net Return per Acre	(\$4.57)	\$51.66	(\$7.61)	\$8.70	\$68.21
Total Direct Expenses per Bu.	\$2.77	\$1.74	\$2.36	\$3.14	\$1.69
Total Dir & Ovhd Exp per Bushel	\$4.54	\$2.59	\$3.54	\$4.77	\$2.50

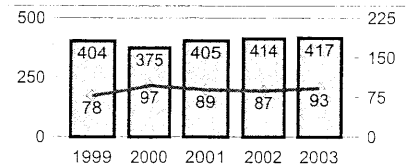
Direct and Ovrd & Direct Cost / Ac



### Beef Cow Calf

Price Recv'd/Cwt Calf Sold	\$77.96	\$97.37	\$89.30	\$87.24	\$92.50
Total Feed Cost/Cow	\$224.55	\$210.03	\$242.00	\$252.29	\$256.44
Return over Feed/Cow	\$255.02	\$249.56	\$188.78	\$167.93	\$235.80
Net Return/Cow	\$75.77	\$85.04	\$26.06	\$6.34	\$75.73
Total Direct & Ovhd Expenses	\$403.80	\$374.55	\$404.72	\$413.87	\$416.51

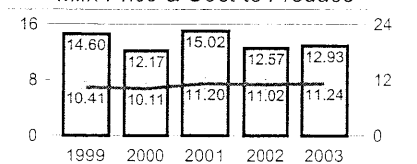
Cost/Cow & Price/Cwt Calf



### Dairy Cows

Production/Cow	19198	19794	19555	20037	19998
Price Recv'd/Cwt Milk	\$14.60	\$12.17	\$15.02	\$12.57	\$12.93
Total Feed Cost/Cwt Milk	\$4.98	\$4.86	\$5.12	\$5.13	\$5.44
Return over Feed/Cwt Milk	\$8.80	\$6.96	\$9.10	\$7.20	\$7.65
Net Return/Cwt Milk	\$3.37	\$1.71	\$3.02	\$1.31	\$1.84
Total Direct & Ovhd Expenses	\$10.41	\$10.11	\$11.20	\$11.02	\$11.24

Milk Price & Cost to Produce



## *Program Information*

Half a century later, after serving thousands of farm businesses, Minnesota Farm Business Management Education has celebrated its golden anniversary. Farm Business Management Education has been a part of agriculture education programs in Minnesota since 1953. From the early cooperative efforts of the State Department of Education and the Department of Agriculture Education (University of Minnesota), the program has expanded to serve over 5000 farm families each year in six Farm Management areas. Programs are now an integral part of the Minnesota State College and University System, through eight two-year Colleges.

The Farm Business Management Program is an educational program that is designed to help farm families achieve their farm business and family goals. This is done through improved management organization and efficiency of their farm operations. This purpose has not changed over the years.

The programs became credit based in the 1992 Fiscal Year. A typical farm business management student registers for 10 semester credits per year. The courses have been designed to meet the unique needs of students who enroll on a part-time basis, while operating or managing a farm business. The program relies on individualized instruction to adequately address the needs of the individual farmer, making enrollment even more beneficial. To accomplish these purposes, programs have been organized to conform to the following guidelines:

- Farm families enroll in a specific management course.
- Each course has a specific objective and units of instruction to meet the objective.
- Courses are offered in sequence and farmers are expected to enroll in the first of the sequence of courses.
- There is continuity to each course. Each leads to the next course in the sequence.
- Instruction is primarily individualized on the farm or in the office with the farm family. Additional instruction is also offered in group or classroom settings.

Northland Community & Technical College now offers the following Farm Business Management Programs:

1. Farm Business Management – Diploma Program
2. Advanced Farm Business Management – Certificate Program
3. Agriculture Commodity Marketing – Certificate Program
4. Farm Business Management – Current Topics Certificate Program

Central Lakes Community & Technical College now offers the following Farm Business Management Programs:

1. Essentials in Farm Business Management – Certificate Program
2. Applications in Farm Business Management – Certificate Program
3. Farm Business Management – Diploma Program
4. Advanced Farm Business Management – Certificate Program
5. Agriculture Commodity Marketing – Certificate Program

Like most educational programs, members benefit from the instruction in relation to how much effort they put into study. Some farmers have benefited more and some less, depending upon how seriously they studied the results of their business analysis and the kind of decisions they made as a result of their analysis.

# Farm Financial Scorecard

## Liquidity

Strong

Vulnerable

2.0

1.0

Current ratio

\_\_\_\_\_



Working capital

\$ \_\_\_\_\_

## Solvency (market)

Note: These solvency ratios exclude deferred liabilities

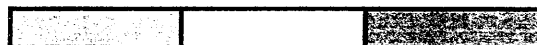
30%

70%

Farm debt/asset ratio

%

\_\_\_\_\_



Farm equity/asset ratio

%

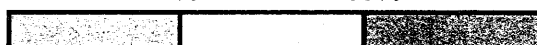
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Farm debt/equity ratio

%

\_\_\_\_\_



## Profitability (Cost)

Net farm income

\$ \_\_\_\_\_

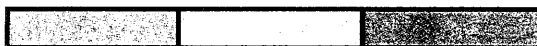
8%

3%

Rate of return on farm assets

%

\_\_\_\_\_



Rate of return on farm equity

%

\_\_\_\_\_



Operating profit margin

%

\_\_\_\_\_



## Repayment Capacity (Accrual)

Term-debt coverage ratio

%

\_\_\_\_\_

150%

110%



Capital-replacement margin

\$ \_\_\_\_\_

## Financial Efficiency

Asset-turnover rate (market)

%

\_\_\_\_\_

Can vary depending on the type of farm

65%

80%

Operating-expense ratio

%

\_\_\_\_\_



Depreciation-expense ratio

%

\_\_\_\_\_

5%

11%



Interest-expense ratio

%

\_\_\_\_\_

5%

11%



Net farm income ratio

%

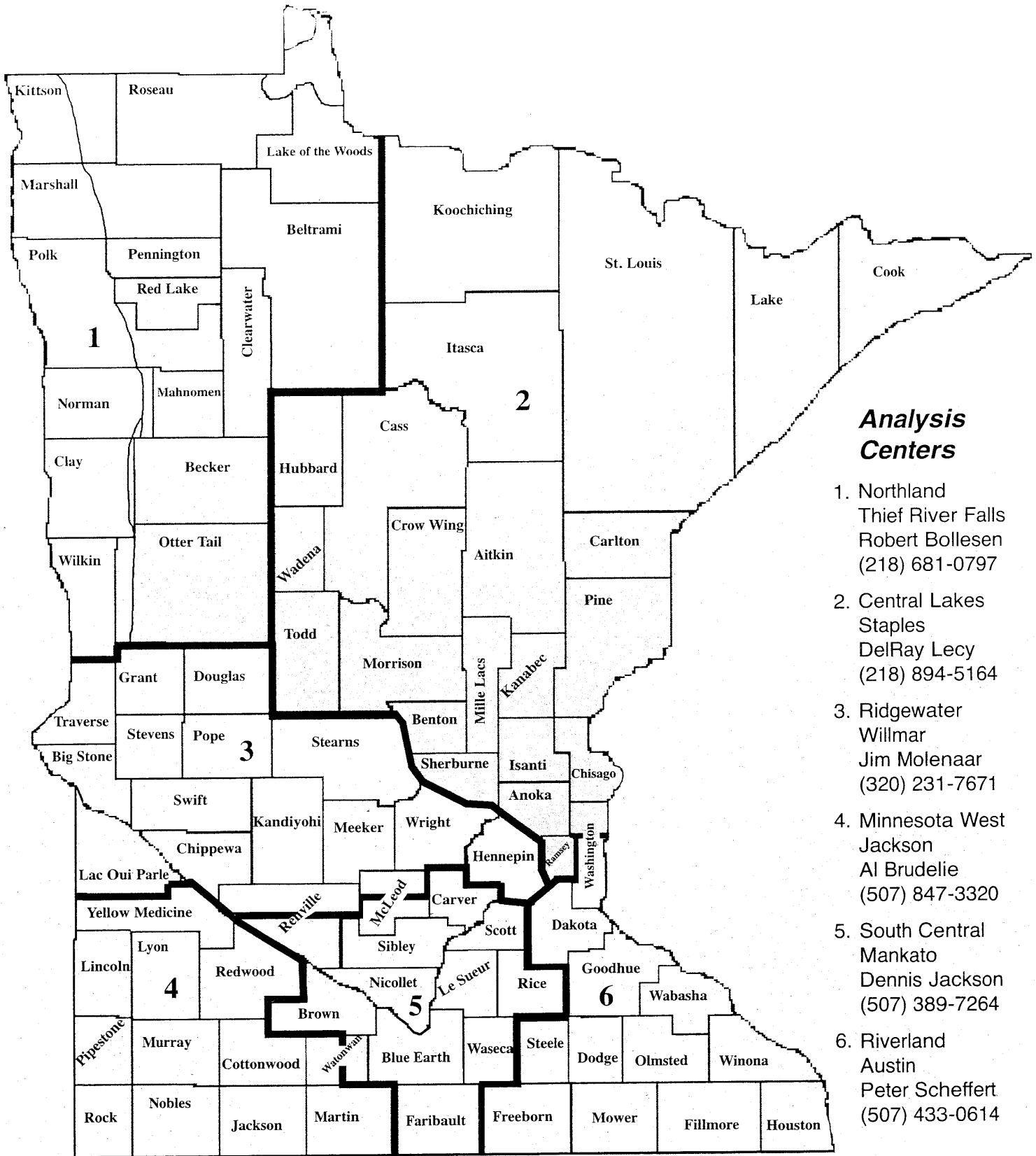
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20%

10%



# FARM BUSINESS MANAGEMENT REGIONS



Area Included in the  
Valley Average Book

Areas Included in this  
Average Book