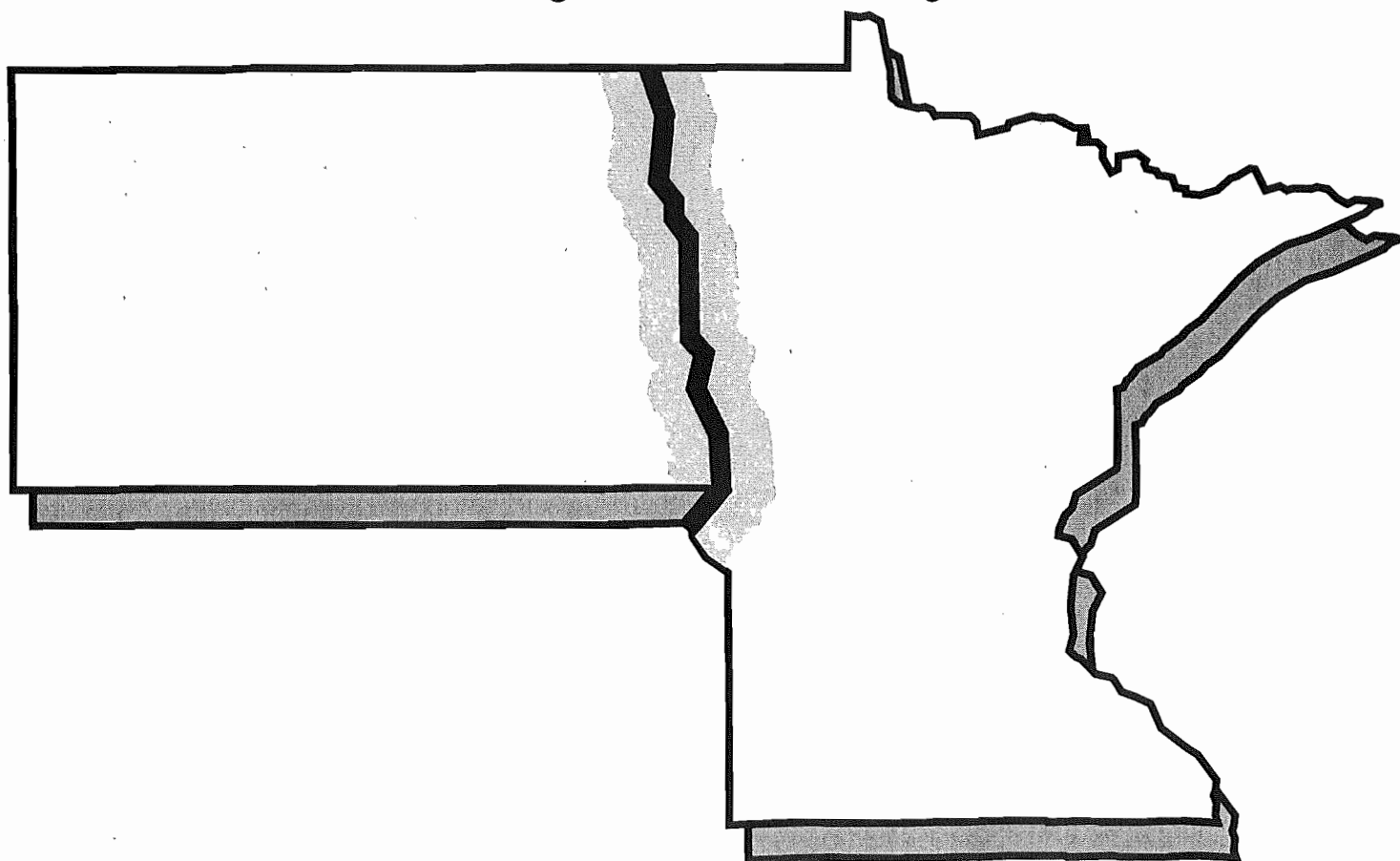


**North Dakota
Farm and Ranch
Business Management
Education**



**Minnesota
Farm Business
Management
Education**

2005 Red River Valley Report



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RED RIVER VALLEY AVERAGES
2005 ANNUAL REPORT

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2005 Red River Valley Report
Minnesota and North Dakota Farm Business Management Education

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INTRODUCTION

This report summarizes the individual farm records of farms in the Red River Valley that are enrolled in Farm Management Education programs. The current financial status of farm operators and net returns from each crop enterprise is reported. In addition to the average of all farms, the averages for the high and low net income groups are also presented. To insure anonymity, only averages of five or more farms are reported. Regional averages reports can be used by producers for comparison purposes to identify and study the areas that may need management improvement. A review of the comparative information may reveal how certain aspects of the business or enterprises excel and help answer why they are profitable. The data contained in this report should also be useful to instructors, extension agents, bankers and agricultural consultants.

The Red River Valley averages reports are divided into two major categories. Explanatory notes precede the farm operators' reports and the crop reports.

The 2005 Red River Valley Report is based upon data generated by individual farm analysis completed by farm/ranch families enrolled in the Farm and Ranch Business Management Education programs in Minnesota and North Dakota. Instructors pooled the individual business analysis and submitted the combined school data of farms located in the Red River Valley to a FINPACK Center located at North Dakota State University, where the comparison tables were generated. The tables in this report were created using FINPACK and RankEm Central copyrighted software of the Center for Farm Financial Management, University of Minnesota.

You may contact Ron Dvergsten, Northland Community and Technical College, Highway 1 East, Thief River Falls, MN 56701, to order a copy of this report. This report and regional reports for north central, south central and western North Dakota can be ordered for \$5 per copy from Farm Business Management, PO Box 6022, Bismarck, ND 58506-6022. A state average book which includes all North Dakota farms excluding the Red River Valley is also available.

EXPLANATORY NOTES FOR THE FARM OPERATORS' REPORTS

The tables include the same number of farms, which were all of the farms whose records were judged to be of sufficient quality to be included in the overall report. However, balance sheets, on cost and market basis, respectively, includes only sole proprietors. Partnerships and corporations are excluded because some debt is held outside of the business causing potential misinterpretations of the financial statement. The number of farms included in each of the crop tables varies because all farms do not have the same enterprises. Also, some farmers' records were complete enough to be included in the whole-farm tables, but at times, these same farmers' crop records were not complete enough to include in the respective crop tables.

Rounding of individual items for the report may have caused minor discrepancies with the printed totals which are calculated before rounding.

Detailed Farm Income Statement

This statement is a summary of income, expenses, or resultant profit or loss from farming operations during the calendar year.

The first section of the table lists cash farm income from all sources. There are three possible sources of cash income from crops. The first is income from cash sales. The second is income from crops stored under government loan programs when the loan is treated as income for the year in which the crop was stored. If the crop value has not been entered as income when it was stored, then it would be treated as cash income in the year it was sold. The third is Net Government Sales, which refers to the difference between income credited in the year a crop was stored and the actual cash income received at the time it was sold. There are two categories of cash income from livestock sales. "Raised" steer, hogs, and lambs refer to animals raised from birth to market weight on the farm. "Finished" animals refers to those purchased as feeders and fed to market weight. The "Direct & CC govt payments" are decoupled from crop production but the counter-cyclical payment is coupled to national average prices. "LDP payments" are loan deficiency payments that may be received on production when local prices are below the county loan rate for the crop. "Other government payments" refers to all other government payments such as disaster payments but not including CRP payments.

The second section of the income statement lists cash expenses. "Labor" includes only labor hired. "Interest" includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included.

The difference between "Gross Cash Farm Income" and "Total Cash Expenses" is the "Net Cash Farm Income." This is net farm income on a cash basis.

The last two sections of the income statement deal with the non-cash changes in the farm business. The "Inventory Changes" and "Depreciation and Other Capital Adjustments" sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The bottom line, labeled "Net farm Income," represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources that are owned by the farm family and hence, not purchased or paid a wage. However, it does not include any debt forgiveness or asset repossessions.

Inventory Changes

This is the detailed statement of inventory changes that is summarized in the income statement. It includes beginning and ending inventories and the calculated changes.

Depreciation and Other Capital Adjustments

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

Profitability Measures

Two sections on profitability are provided. The first section shows profitability when capital assets are valued at cost. Capital assets are valued at market in the second section. Therefore net farm income includes the change in market value of capital assets that occurred during the year.

Various measures of performance are calculated for the farms in this report. In the previous tables no opportunity costs are used. In this, opportunity costs for labor, capital, and management are used. The measures and their components are described below.

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

"Rate of return on assets" is the "Return on farm assets" divided by "Average farm assets."

"Rate of return on equity" is the "Return of farm equity" divided by "Average farm equity."

"Operating profit margin" is the "Return on farm assets" divided by "Value of farm production."

"Asset turnover rate" is the "Value of farm production" divided by "Average farm assets."

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

"Farm interest expense" is the accrual interest cost, usually it will be different from the cash interest expense.

"Value of operator's labor and management" is an opportunity cost for unpaid operator's labor and management that is used in the calculation of several financial performance measures. A value of \$18,000 per full time operator plus 5% of value of farm production.

"Return of farm assets" is calculated by adding "Farm interest expense" to "Net farm income" and then subtracting the "Value of operator's labor and management."

"Average farm assets" is the average of beginning and ending total farm assets.

"Return on farm equity" is calculated by subtracting the "Value of operator's labor and management" from "Net farm income."

"Average farm equity" is the average of beginning and ending farm net worth.

"Value of farm production" is gross cash farm income minus purchased feed and feeder livestock and adjusted for inventory changes in crops, market livestock, accounts receivable and breeding livestock.

Liquidity Measures

Liquidity (Cash Basis)

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

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

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

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

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

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

Liquidity (Accrual Basis)

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

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

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

Balance Sheets

The ending balance sheet statements and solvency measures are presented for sole proprietors only. Current assets are valued at market price at the time of the inventory which is December 31. In balance sheet at cost values, intermediate and long-term assets that are depreciable are valued at cost remaining (amount remaining to be depreciated, plus salvage value). Raised breeding livestock is valued at conservative market replacement costs. Land is valued at cost or conservative market value. In balance sheet at market values, the intermediate and long term assets are listed at market value, and deferred income tax liabilities are estimated.

Statement of Cash Flows

This statement organizes cash inflows and outflows by the following three categories: Operating activities, investing activities, and financing activities.

Financial Standards Measures

This table contains the 16 measures of financial performance recommended by the Farm Financial Standards Task Force (FFSTF). The Finpack financial management program used by the North Dakota Farm Business Education in most part, but not completely, complies with the FFSTF recommendations for calculating the financial guidelines measures. The measures are calculated on an accrual basis.

Liquidity

"Current ratio" is "Total current farm assets" divided by "Total current farm liabilities."

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

Solvency

"Farm debt to asset ratio" is "Total farm liabilities" divided by "Total farm assets."

"Farm equity to asset ratio" is "Total farm assets" minus "Total farm liabilities," divided by "Total farm assets."

"Farm debt to equity ratio" is "Total farm liabilities," divided by the result of "Total farm assets" minus "Total farm liabilities."

Profitability

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

"Rate of return on farm equity" is "Net farm income" minus "Value of operator's labor and management," divided by the average of beginning and ending farm net worth.

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

Repayment Capacity

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

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

Efficiency

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

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

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

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

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

Crop Production and Marketing Summary

This table contains three sections. The first section reports average acreage by land use. The next two sections show average price received and average yields for major crops. These tables are sorted on the basis of "Net farm income."

Operator and Labor Information

This table reports the average for the number of operators per farm, the operator's age, and the number of years farming.

Nonfarm Summary

This table also reports the income from nonfarm income, but the figure reported is the average over all farms not just those reporting nonfarm income.

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.

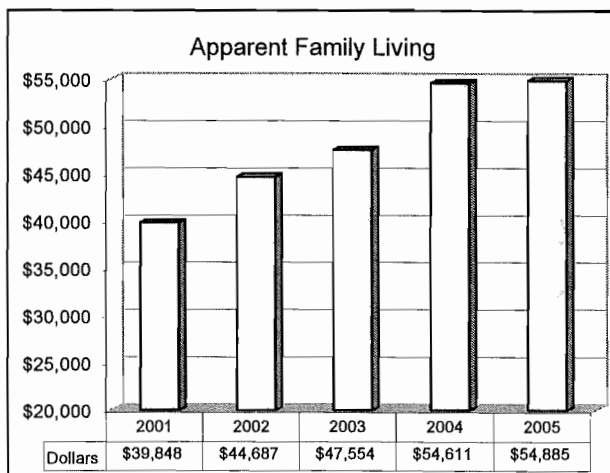
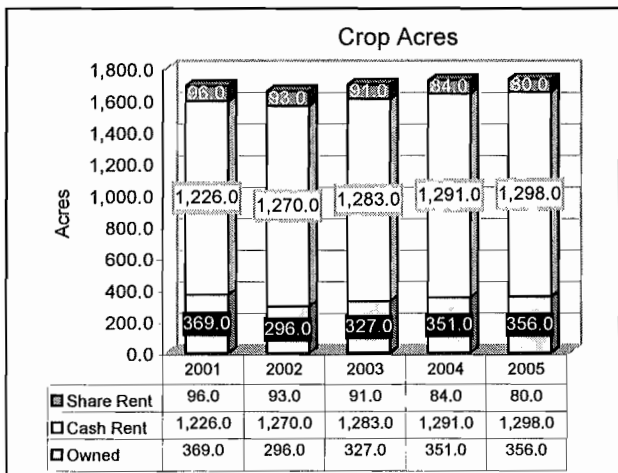
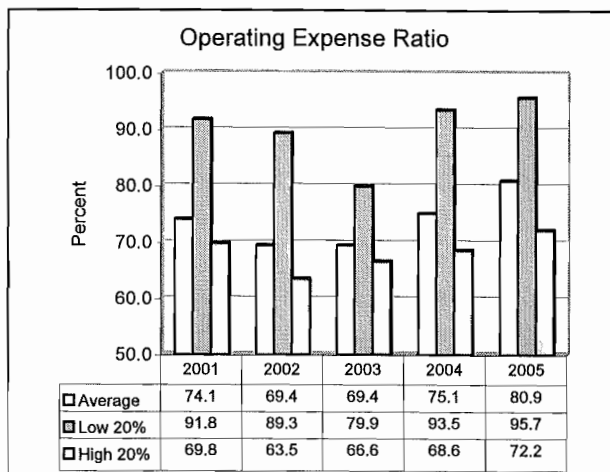
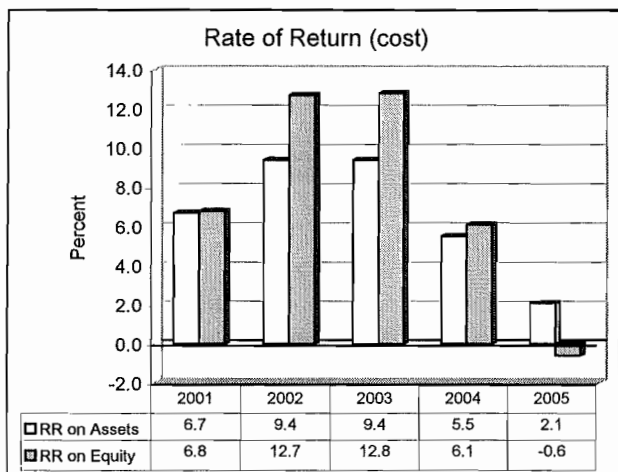
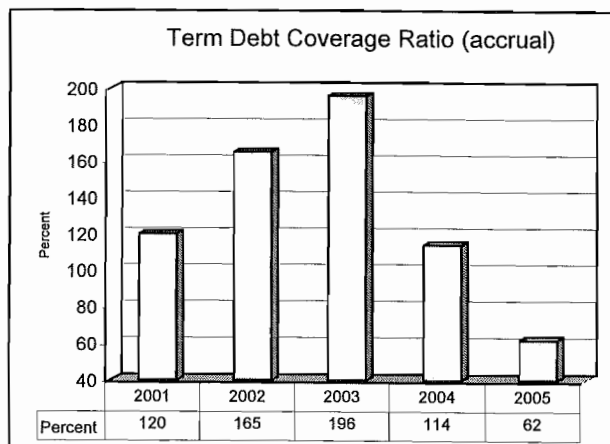
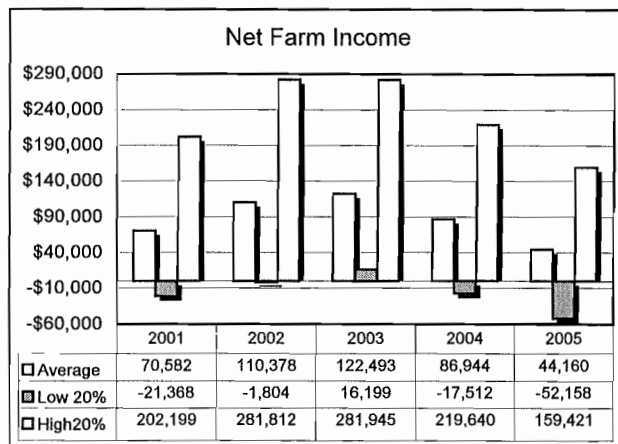
Operating Expense Ratio: This ratio indicates the percent of the gross farm income which is used to pay the operating expenses. Operating expenses do not include interest or depreciation expense.

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.

Five Year Trend of Financial Measures Red River Valley Farm Business Management Education



Farm Income Statement
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Cash Farm Income				
Barley	3,269	5,202	214	5,273
Beans, Black Turtle	343	974	-	510
Beans, Dark Red Kidney	921	1,261	-	3,353
Beans, Navy	3,339	2,720	6,117	6,696
Beans, Pinto	1,317	-	3,375	1,814
Corn	32,025	15,503	29,346	55,928
Flax	141	217	-	-
Hay, Alfalfa	1,363	2,886	1,025	1,845
Potatoes	4,854	-	586	2,976
Potatoes, Seed	858	4,362	-	-
Safflower	30	-	148	-
Soybeans	100,832	98,110	83,053	151,792
Straw	2,256	11,411	64	-
Sugar Beets	140,867	172,127	78,426	246,689
Sunflowers	3,609	4,610	5,616	1,700
Sunflowers, Confectionary	2,279	2,549	1,741	4,187
Wheat, Spring	110,643	141,094	93,200	155,816
Wheat, Winter	320	952	-	-
Soybeans, Organic	802	-	2,353	-
Soybeans, Food	185	-	244	-
Other crops	447	2,275	-	-
Miscellaneous crop income	165	-	100	-
Beef Cow-Calf, Beef Calves	149	241	-	431
Beef, Background Beef	394	-	39	-
Beef, Finish Beef Calves	1,667	-	-	-
Dairy, Milk	52	-	-	259
Dairy Steers	679	-	-	-
Hogs, Farrow-Fin, Raised Hogs	1,973	-	-	9,824
CCC market loan gain	74	9	259	-
Misc. livestock income	81	-	-	-
LDP payments	5,170	4,202	5,428	6,128
Direct & CC govt payments	31,142	34,537	23,147	50,204
CRP payments	1,441	2,970	642	2,412
Livestock govt payments	255	-	-	-
Other government payments	16,219	24,566	11,202	15,993
Custom work income	9,482	10,693	5,325	24,100
Patronage dividends, cash	3,722	4,590	2,323	6,034
Insurance income	43,776	66,745	30,356	46,911
Cash from hedging accts	1,133	530	35	4,394
Other farm income	18,239	23,952	17,008	28,130
Gross Cash Farm Income	546,515	639,286	401,370	833,398

Farm Income Statement (Continued)
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Cash Farm Expense				
Seed	43,909	49,547	34,881	60,771
Fertilizer	51,127	58,897	37,297	68,166
Crop chemicals	50,726	68,180	39,890	74,404
Crop insurance	19,511	21,844	15,190	26,104
Drying fuel	2,009	989	935	3,835
CCC buyback	8,305	18,344	3,442	6,658
Crop custom hire	218	35	647	-
Crop hauling and trucking	734	490	1,654	958
Marketing	2,107	3,091	2,168	3,738
Crop miscellaneous	4,035	7,781	3,230	6,180
Feeder livestock purchase	1,080	-	-	220
Purchased feed	835	-	-	2,903
Breeding fees	24	-	-	116
Veterinary	66	18	0	148
Supplies	98	11	-	283
Livestock hauling and trucking	62	-	-	300
Interest	25,802	30,646	20,795	33,349
Fuel & oil	33,904	43,484	21,695	52,141
Repairs	40,252	56,140	28,338	55,074
Custom hire	11,194	13,108	8,152	15,659
Hired labor	24,713	30,647	13,838	40,801
Land rent	83,294	93,330	64,967	116,645
Stock/quota lease	13,452	20,362	7,654	19,443
Machinery leases	6,088	11,721	3,322	5,455
Building leases	254	104	66	220
Real estate taxes	4,341	5,053	3,251	6,451
Farm insurance	9,080	12,803	5,679	13,616
Utilities	5,615	7,039	4,039	6,673
Dues & professional fees	4,646	5,314	4,171	7,130
Hedging account deposits	1,761	1,548	1,337	3,499
Miscellaneous	5,384	6,272	4,050	6,746
Total cash expense	454,623	566,798	330,687	637,684
Net cash farm income	91,891	72,488	70,683	195,713
Inventory Changes				
Crops and feed	16,326	-30,738	2,636	42,362
Market livestock	-743	-100	58	40
Accounts receivable	-28,922	-46,302	-16,257	-30,553
Prepaid expenses and supplies	-553	2,235	1,468	-7,334
Accounts payable	-6,087	-14,389	1,042	-1,959
Total inventory change	-19,979	-89,294	-11,052	2,556
Net operating profit	71,912	-16,806	59,631	198,270
Depreciation and Other Capital Adjustments				
Breeding livestock	324	35	-	1,345
Machinery and equipment	-30,003	-36,058	-21,673	-45,200
Buildings and improvements	-1,289	-1,568	-2,331	-967
Other farm capital	3,216	2,239	1,051	5,974
Total depr. and other capital adj	-27,752	-35,352	-22,953	-38,848
Net farm income	44,160	-52,158	36,678	159,421

Inventory Changes
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Net cash farm income	91,891	72,488	70,683	195,713
Crops and Feed				
Ending inventory	225,864	202,543	170,513	365,296
Beginning inventory	209,538	233,281	167,877	322,934
Inventory change	16,326	-30,738	2,636	42,362
Market Livestock				
Ending inventory	2,009	201	167	3,882
Beginning inventory	2,752	301	109	3,842
Inventory change	-743	-100	58	40
Accts Receivable & Other Current Assets				
Ending inventory	35,265	38,137	21,468	58,236
Beginning inventory	64,187	84,439	37,724	88,788
Inventory change	-28,922	-46,302	-16,257	-30,553
Prepaid Expenses and Supplies				
Ending inventory	35,291	36,835	27,592	58,308
Beginning inventory	35,844	34,600	26,124	65,642
Inventory change	-553	2,235	1,468	-7,334
Accounts Payable & Accrued Expenses				
Beginning inventory	29,276	35,289	24,250	39,061
Ending inventory	35,363	49,678	23,208	41,020
Inventory change	-6,087	-14,389	1,042	-1,959
Total inventory change	-19,979	-89,294	-11,052	2,556
Net operating profit	71,912	-16,806	59,631	198,270

Depreciation and Other Capital Adjustments
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Net operating profit	71,912	-16,806	59,631	198,270
Breeding Livestock				
Ending inventory	1,102	587	-	2,378
Capital sales	413	-	-	1,800
Beginning inventory	984	335	-	2,142
Capital purchases	207	217	-	690
Depreciation, capital adjust.	324	35	-	1,345
Machinery and Equipment				
Ending inventory	328,969	417,186	233,426	485,144
Capital sales	5,828	13,997	2,800	5,071
Beginning inventory	313,881	400,269	229,644	452,598
Capital purchases	50,920	66,972	28,255	82,817
Depreciation, capital adjust.	-30,003	-36,058	-21,673	-45,200
Buildings and Improvements				
Ending inventory	59,652	68,954	59,860	72,316
Capital sales	-	-	-	-
Beginning inventory	57,126	69,116	54,827	70,216
Capital purchases	3,816	1,407	7,364	3,068
Depreciation, capital adjust.	-1,289	-1,568	-2,331	-967
Other Capital Assets				
Ending inventory	197,088	233,674	97,566	348,774
Capital sales	2,655	3,913	2,676	1,999
Beginning inventory	190,147	228,555	99,060	332,091
Capital purchases	6,380	6,793	131	12,708
Depreciation, capital adjust.	3,216	2,239	1,051	5,974
Total depreciation, capital adj.	-27,752	-35,352	-22,953	-38,848
Net farm income	44,160	-52,158	36,678	159,421

Profitability Measures
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Profitability (assets valued at cost)				
Net farm income	44,160	-52,158	36,678	159,421
Labor and management earnings	4,715	-90,751	7,185	86,909
Rate of return on assets	2.1 %	-5.4 %	2.5 %	6.9 %
Rate of return on equity	-0.6 %	-17.9 %	0.0 %	7.6 %
Operating profit margin	4.8 %	-13.2 %	5.7 %	15.3 %
Asset turnover rate	44.0 %	40.9 %	42.9 %	45.2 %
Interest on farm net worth	39,444	38,593	29,493	72,512
Farm interest expense	29,716	40,820	22,179	36,564
Value of operator lbr and mgmt.	48,315	63,137	36,717	67,197
Return on farm assets	25,561	-74,476	22,140	128,788
Average farm assets	1,207,023	1,373,950	903,537	1,865,837
Return on farm equity	-4,155	-115,295	-39	92,224
Average farm equity	656,727	643,214	491,556	1,208,531
Value of farm production	531,585	562,180	387,808	843,468
	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Profitability (assets valued at market)				
Net farm income	66,534	-2,948	55,210	172,571
Labor and management earnings	20,156	-52,433	19,254	91,910
Rate of return on assets	3.3 %	-1.5 %	3.7 %	6.5 %
Rate of return on equity	2.4 %	-8.0 %	3.1 %	7.8 %
Operating profit margin	9.0 %	-4.5 %	10.5 %	16.8 %
Asset turnover rate	36.9 %	33.0 %	35.1 %	38.8 %
Interest on farm net worth	46,377	49,485	35,956	80,661
Farm interest expense	29,716	40,820	22,179	36,564
Value of operator lbr and mgmt.	48,315	63,137	36,717	67,197
Return on farm assets	47,935	-25,265	40,672	141,938
Average farm assets	1,440,082	1,705,303	1,106,259	2,175,115
Return on farm equity	18,219	-66,085	18,493	105,374
Average farm equity	771,966	824,754	599,156	1,343,773
Value of farm production	531,585	562,180	387,808	843,468

Liquidity Measures
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Liquidity (cash)				
Net cash farm income	91,891	72,488	70,683	195,713
Net nonfarm income	16,497	15,448	20,721	11,318
Family living and taxes	67,677	77,867	55,388	92,362
Principal due on long term debt	11,339	12,744	8,970	16,633
Cash available for interm. debt	29,372	-2,675	27,046	98,036
Average intermediate debt	173,474	241,979	110,357	217,642
Years to turnover interm. debt	5.9	**	4.1	2.2
Expense as a % of income	83 %	89 %	82 %	77 %
Interest as a % of income	5 %	5 %	5 %	4 %
Working capital to gross income	12 %	-9 %	18 %	30 %
Liquidity (accrual)				
Total accrual farm income	533,175	562,146	387,808	845,247
Total accrual operating expense	461,264	578,952	328,177	646,977
Net accrual operating income	71,912	-16,806	59,631	198,270
Net nonfarm income	16,497	15,448	20,721	11,318
Family living and taxes	67,677	77,867	55,388	92,362
Principal due on long term debt	11,339	12,744	8,970	16,633
Available for intermediate debt	9,392	-91,969	15,993	100,593
Average intermediate debt	173,474	241,979	110,357	217,642
Years to turnover interm. debt	18.5	**	6.9	2.2
Expense as a % of income	87 %	103 %	85 %	77 %
Interest as a % of income	6 %	7 %	6 %	4 %
Working capital to gross income	12 %	-10 %	19 %	30 %

** Income insufficient to meet debt servicing requirements

Balance Sheet at Cost Values
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	197	32	45	37
Assets				
Current Farm Assets				
Cash and checking balance	13,854	11,984	10,582	25,473
Prepaid expenses & supplies	32,354	35,692	25,606	52,886
Growing crops	94	77	300	-
Accounts receivable	26,499	19,523	17,874	57,726
Hedging accounts	1,147	3,188	383	2,038
Crops held for sale or feed	168,835	141,148	133,460	282,738
Crops under government loan	24,041	50,168	19,066	31,606
Market livestock held for sale	2,339	-	174	4,931
Other current assets	195	603	333	-
Total current farm assets	269,357	262,382	207,780	457,397
Intermediate Farm Assets				
Breeding livestock	1,179	44	-	3,021
Machinery and equipment	260,932	314,327	201,428	396,548
Titled vehicles	12,950	20,037	8,500	19,783
Other intermediate assets	129,133	215,404	60,795	195,408
Total intermediate farm assets	404,193	549,812	270,723	614,760
Long Term Farm Assets				
Farm land	319,824	375,658	265,766	472,074
Buildings and improvements	54,235	55,803	53,441	70,380
Other long-term assets	24,496	11,339	15,732	54,791
Total long-term farm assets	398,556	442,799	334,939	597,245
Total Farm Assets	1,072,106	1,254,994	813,441	1,669,402
Total Nonfarm Assets	203,138	318,472	164,235	248,750
Total Assets	1,275,244	1,573,465	977,677	1,918,152
Liabilities				
Current Farm Liabilities				
Accrued interest	12,415	23,450	9,217	12,437
Accounts payable	14,999	20,350	10,986	21,735
Current notes	137,682	221,541	89,191	115,426
Government crop loans	19,012	38,824	15,166	25,764
Principal due on term debt	40,592	53,864	28,299	57,478
Total current farm liabilities	224,700	358,029	152,860	232,840
Total intermediate farm liabs	110,753	154,429	71,655	132,484
Total long term farm liabilities	181,139	214,103	170,681	219,294
Total farm liabilities	516,592	726,561	395,196	584,618
Total nonfarm liabilities	50,155	71,677	47,185	40,650
Total liabilities	566,747	798,238	442,381	625,268
Net worth (farm and nonfarm)	708,498	775,227	535,296	1,292,884
Net worth change	-1,326	-113,775	11,580	80,122
Ratio Analysis				
Current farm liabilities / assets	83 %	136 %	74 %	51 %
Curr. & interm farm liab. / assets	50 %	63 %	47 %	34 %
Long term farm liab. / assets	45 %	48 %	51 %	37 %
Total debt to asset ratio	44 %	51 %	45 %	33 %

Balance Sheet at Market Values
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	197	32	45	37
Assets				
Current Farm Assets				
Cash and checking balance	13,854	11,984	10,582	25,473
Prepaid expenses & supplies	32,354	35,692	25,606	52,886
Growing crops	94	77	300	-
Accounts receivable	26,499	19,523	17,874	57,726
Hedging accounts	1,147	3,188	383	2,038
Crops held for sale or feed	168,835	141,148	133,460	282,738
Crops under government loan	24,041	50,168	19,066	31,606
Market livestock held for sale	2,339	-	174	4,931
Other current assets	195	603	333	-
Total current farm assets	269,357	262,382	207,780	457,397
Intermediate Farm Assets				
Breeding livestock	1,254	44	-	3,419
Machinery and equipment	327,806	410,544	250,095	483,216
Titled vehicles	14,807	27,126	8,722	22,397
Other intermediate assets	161,352	264,991	82,810	249,178
Total intermediate farm assets	505,218	702,705	341,627	758,211
Long Term Farm Assets				
Farm land	411,109	478,456	356,164	595,971
Buildings and improvements	65,235	71,787	57,442	86,353
Other long-term assets	26,967	11,383	16,647	67,713
Total long-term farm assets	503,311	561,625	430,253	750,037
Total Farm Assets	1,277,886	1,526,712	979,660	1,965,646
Total Nonfarm Assets	231,297	382,847	183,765	283,367
Total Assets	1,509,183	1,909,560	1,163,425	2,249,013
Liabilities				
Current Farm Liabilities				
Accrued interest	12,415	23,450	9,217	12,437
Accounts payable	14,999	20,350	10,986	21,735
Current notes	137,682	221,541	89,191	115,426
Government crop loans	19,012	38,824	15,166	25,764
Principal due on term debt	40,592	53,864	28,299	57,478
Total current farm liabilities	224,700	358,029	152,860	232,840
Total intermediate farm liabs	110,753	154,429	71,655	132,484
Total long term farm liabilities	181,139	214,103	170,681	219,294
Total farm liabilities	516,592	726,561	395,196	584,618
Total nonfarm liabilities	50,155	71,677	47,185	40,650
Total liabs excluding deferreds	566,747	798,238	442,381	625,268
Total deferred liabilities	94,708	123,132	69,213	150,402
Total liabilities	661,455	921,370	511,594	775,670
Retained earnings	708,498	775,227	535,296	1,292,884
Market valuation equity	139,231	212,963	116,535	180,459
Net worth (farm and nonfarm)	847,729	988,190	651,831	1,473,343
Net worth excluding deferreds	942,437	1,111,322	721,044	1,623,745
Net worth change	23,848	-62,958	31,445	94,470
Ratio Analysis				
Current farm liabilities / assets	83 %	136 %	74 %	51 %
Curr. & interm farm liab. / assets	43 %	53 %	41 %	30 %
Long term farm liab. / assets	36 %	38 %	40 %	29 %
Total debt to asset ratio	44 %	48 %	44 %	34 %
Debt to assets excl deferreds	38 %	42 %	38 %	28 %

Statement Of Cash Flows
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Beginning cash (farm & nonfarm)	26,151	45,340	17,432	47,054
Cash From Operating Activities				
Gross cash farm income	546,515	639,286	401,370	833,398
Net nonfarm income	16,497	15,448	20,721	11,318
Total cash farm expense	-454,623	-566,798	-330,687	-637,684
Apparent family living expense	-54,885	-68,278	-43,012	-67,660
Income and social security tax	-12,792	-9,589	-12,377	-24,701
Cash from operations	40,711	10,069	36,016	114,669
Cash From Investing Activities				
Sale of breeding livestock	413	-	-	1,800
Sale of machinery & equipment	5,764	13,997	2,800	5,071
Sale of titled vehicles	64	-	-	-
Sale of farm land	1,717	6,066	2,398	213
Sale of farm buildings	-	-	-	-
Sale of other farm assets	2,655	3,913	2,676	1,999
Sale of nonfarm assets	3,068	3,699	4,164	3,140
Purchase of breeding livestock	-207	-217	-	-690
Purchase of machinery & equip.	-48,793	-66,061	-27,263	-79,270
Purchase of titled vehicles	-2,127	-911	-991	-3,547
Purchase of farm land	-26,280	-16,555	-18,511	-42,894
Purchase of farm buildings	-3,816	-1,407	-7,364	-3,068
Purchase of other farm assets	-6,380	-6,793	-131	-12,708
Purchase of nonfarm assets	-13,765	-19,184	-10,953	-14,613
Cash from investing activities	-87,686	-83,452	-53,176	-144,567
Cash From Financing Activities				
Money borrowed	318,884	391,233	220,231	362,636
Cash gifts and inheritances	1,077	497	1,110	1,649
Principal payments	-276,524	-334,671	-199,075	-343,380
Dividends paid	-	-	-	-
Gifts given	-219	-581	-	-
Cash from financing activities	43,218	56,478	22,266	20,905
Net change in cash balance	-3,758	-16,904	5,106	-8,993
Ending cash (farm & nonfarm)	22,394	28,436	22,538	38,061

Financial Standards Measures
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Liquidity				
Current ratio	1.24	0.85	1.44	1.86
Working capital	64,557	-55,034	72,568	252,727
Solvency (market)				
Farm debt to asset ratio	48 %	54 %	46 %	39 %
Farm equity to asset ratio	52 %	46 %	54 %	61 %
Farm debt to equity ratio	91 %	118 %	85 %	63 %
Profitability (cost)				
Rate of return on farm assets	2.1 %	-5.4 %	2.5 %	6.9 %
Rate of return on farm equity	-0.6 %	-17.9 %	0.0 %	7.6 %
Operating profit margin	4.8 %	-13.2 %	5.7 %	15.3 %
Net farm income	44,160	-52,158	36,678	159,421
Repayment Capacity				
Term debt coverage ratio	62 %	-58 %	87 %	165 %
Capital replacement margin	-26,092	-139,937	-6,648	56,566
Efficiency				
Asset turnover rate (cost)	44.0 %	40.9 %	42.9 %	45.2 %
Operating expense ratio	80.9 %	95.7 %	78.9 %	72.2 %
Depreciation expense ratio	5.2 %	6.3 %	5.9 %	4.6 %
Interest expense ratio	5.6 %	7.3 %	5.7 %	4.3 %
Net farm income ratio	8.3 %	-9.3 %	9.5 %	18.9 %

Crop Production and Marketing Summary
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Acreage Summary				
Total acres owned	396	470	322	549
Total crop acres	1,734	2,087	1,321	2,432
Crop acres owned	356	392	302	541
Crop acres cash rented	1,298	1,624	953	1,777
Crop acres share rented	80	72	66	114
Total pasture acres	2	-	-	-
Average Price Received (Cash Sales Only)				
Soybeans per bushel	5.76	5.68	5.93	5.78
Wheat, Spring per bushel	3.41	3.41	3.53	3.44
Corn per bushel	1.84	1.79	1.86	1.89
Barley per bushel	2.34	2.30	-	2.51
Sunflowers per cwt	14.05	-	13.10	-
Sunflowers, Confectionary per cwt	17.64	-	-	-
Beans, Navy per cwt	18.08	-	17.95	-
Hay, Alfalfa per ton	69.51	-	-	-
Beans, Pinto per cwt	17.01	-	-	-
Average Yield Per Acre				
Wheat, Spring (bushel)	41.43	37.85	44.54	43.40
Soybeans (bushel)	38.88	36.63	40.06	40.69
Sugar Beets (ton)	18.68	16.15	19.01	20.48
Corn (bushel)	143.12	132.45	135.68	147.50
CRP (\$)	53.10	50.82	52.60	56.46
Sunflowers (cwt)	15.58	14.12	18.55	16.45
Sunflowers, Confectionary (cwt)	15.78	-	-	16.43
Beans, Navy (cwt)	14.60	-	15.78	-
Rented Out (\$)	89.01	-	91.04	77.79
Barley (bushel)	55.18	-	-	62.88
Soybeans, Food (bushel)	29.01	-	34.57	-
Hay, Alfalfa (ton)	3.57	-	-	-
Beans, Pinto (cwt)	20.35	-	19.07	-
Soybeans, Organic (bushel)	31.70	-	-	-
Potatoes (cwt)	85.33	-	-	-

Operator and Labor Information
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Operator Information				
Average number of operators	1.1	1.2	1.1	1.2
Average age of operators	44.6	44.7	44.4	46.0
Average number of years farming	21.5	23.2	20.6	22.7
Results Per Operator				
Working capital	57,200	-44,258	68,351	204,796
Total assets (market)	1,497,060	1,620,742	1,229,564	2,020,049
Total liabilities	669,314	802,787	533,813	741,314
Net worth (market)	827,746	817,955	695,751	1,278,736
Net worth excl deferred liabs	935,633	939,786	786,482	1,427,350
Gross farm income	472,408	452,075	365,270	684,941
Total farm expense	433,282	494,021	330,723	555,755
Net farm income	39,127	-41,946	34,546	129,186
Net nonfarm income	14,617	12,424	19,517	9,171
Family living & tax withdrawals	59,964	62,620	52,169	74,845
Total acres owned	350.5	378.1	303.0	445.1
Total crop acres	1,536.7	1,678.5	1,244.7	1,970.4
Crop acres owned	315.5	314.9	284.4	438.6
Crop acres cash rented	1,150.4	1,305.9	897.8	1,439.7
Crop acres share rented	70.9	57.6	62.4	92.2
Total pasture acres	1.8	-	-	-
Labor Analysis				
Number of farms	234	46	47	47
Total unpaid labor hours	1,858	1,713	1,781	2,318
Total hired labor hours	1,548	2,527	907	2,056
Total labor hours per farm	3,405	4,240	2,687	4,374
Unpaid hours per operator	1,646	1,378	1,677	1,878

Nonfarm Summary
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	234	46	47	47
Nonfarm Income				
Nonfarm wages & salary	13,508	10,523	19,750	7,434
Net nonfarm business income	223	-548	198	60
Nonfarm rental income	600	2,798	-37	-45
Nonfarm interest income	232	161	204	462
Nonfarm cash dividends	183	770	37	80
Tax refunds	273	175	233	331
Other nonfarm income	1,477	1,569	337	2,995
Total nonfarm income	16,497	15,448	20,721	11,318

Financial Summary
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Gross Farm Income)

	<u>Avg. Of All Farms</u>	<u>Less than 50,000</u>	<u>50,001 - 100,000</u>	<u>100,001 - 250,000</u>	<u>250,001 - 500,000</u>	<u>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	234	5	8	43	75	71	32
Income Statement							
Gross cash farm income	546,515	28,116	72,799	181,707	370,342	687,362	1,336,555
Total cash farm expense	454,623	33,839	77,140	152,253	303,947	562,533	1,134,778
Net cash farm income	91,891	-5,722	-4,341	29,454	66,395	124,829	201,777
Inventory change	-19,979	7,989	13,021	-1,670	-13,841	-29,792	-49,819
Depreciation and capital adjust	-27,752	-2,132	-4,495	-10,330	-20,854	-33,019	-65,462
Net farm income	44,160	135	4,185	17,454	31,700	62,018	86,496
Profitability (cost)							
Labor and management earnings	4,715	-2,585	-1,577	3,218	3,957	11,625	-4,113
Rate of return on assets	2.1 %	-1.1 %	0.5 %	1.4 %	2.0 %	2.9 %	1.4 %
Rate of return on equity	-0.6 %	-14.4 %	-4.2 %	-2.4 %	-0.8 %	0.9 %	-2.0 %
Operating profit margin	4.8 %	-6.8 %	1.0 %	3.4 %	4.7 %	6.9 %	2.9 %
Asset turnover rate	44.0 %	15.8 %	49.5 %	40.8 %	42.6 %	42.4 %	48.1 %
Liquidity							
Ending current ratio	1.20	0.91	1.14	1.33	1.27	1.22	1.01
Ending working capital	37,596	-2,659	6,862	28,194	45,433	56,918	2,968
End working capital to gross inc	6.9 %	-9.5 %	9.4 %	15.5 %	12.3 %	8.3 %	0.2 %
Term debt coverage ratio	61.9 %	151.4 %	63.1 %	68.9 %	61.1 %	70.1 %	49.1 %
Expense as a percent of income	86.5 %	94.1 %	90.2 %	84.9 %	85.3 %	85.6 %	88.5 %
Interest as a percent of income	5.6 %	11.8 %	5.6 %	6.4 %	5.7 %	5.8 %	5.1 %
Solvency (market)							
Number of sole proprietors	197	5	8	43	70	57	14
Ending farm assets	1,277,886	200,932	225,925	582,088	1,071,332	1,864,844	3,043,738
Ending farm liabilities	606,023	149,688	111,080	277,681	478,905	869,660	1,622,523
Ending total assets	1,509,183	253,501	311,678	755,940	1,288,260	2,156,750	3,423,557
Ending total liabilities	661,455	162,239	151,507	326,927	520,125	946,956	1,702,870
Ending net worth	847,729	91,262	160,171	429,013	768,135	1,209,794	1,720,687
Net worth change	23,848	10,973	-9,845	11,939	18,124	49,830	7,117
Ending farm debt to asset ratio	47 %	74 %	49 %	48 %	45 %	47 %	53 %
Beg total debt to asset ratio	43 %	59 %	41 %	41 %	39 %	43 %	48 %
End total debt to asset ratio	44 %	64 %	49 %	43 %	40 %	44 %	50 %
Nonfarm Information							
Net nonfarm income	16,497	41,029	24,468	25,622	15,673	14,147	5,553
Crop Acres							
Total acres owned	396	194	37	235	367	519	526
Total crop acres	1,734	178	327	775	1,378	2,095	3,654
Total crop acres owned	356	173	18	188	328	465	519
Total crop acres cash rented	1,298	-	239	514	980	1,536	3,040
Total crop acres share rented	80	5	70	73	70	94	95

Financial Summary
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Age Of Operator)

	Avg. Of All Farms	Less than 31	31 - 40	41 - 50	51 - 60	Over 60
Number of farms	234	31	37	98	57	11
Income Statement						
Gross cash farm income	546,515	273,894	467,230	637,634	595,521	515,766
Total cash farm expense	454,623	242,234	403,364	539,872	457,119	453,175
Net cash farm income	91,891	31,659	63,866	97,762	138,402	62,592
Inventory change	-19,979	-5,594	-5,873	-16,814	-47,644	7,184
Depreciation and capital adjust	-27,752	-10,068	-20,512	-33,229	-32,879	-26,581
Net farm income	44,160	15,998	37,480	47,718	57,879	43,195
Profitability (cost)						
Labor and management earnings	4,715	4,725	10,940	3,134	5,116	-4,237
Rate of return on assets	2.1 %	0.8 %	1.4 %	2.2 %	2.3 %	2.7 %
Rate of return on equity	-0.6 %	-5.5 %	-2.1 %	-0.6 %	0.2 %	0.1 %
Operating profit margin	4.8 %	1.4 %	2.7 %	5.0 %	6.2 %	7.1 %
Asset turnover rate	44.0 %	57.8 %	53.4 %	44.7 %	37.8 %	38.6 %
Liquidity						
Ending current ratio	1.20	1.04	1.34	1.18	1.33	0.83
Ending working capital	37,596	5,087	44,710	44,548	54,010	-41,703
End working capital to gross inc	6.9 %	1.9 %	9.6 %	7.0 %	9.1 %	-8.1 %
Term debt coverage ratio	61.9 %	53.4 %	47.5 %	64.6 %	73.7 %	17.4 %
Expense as a percent of income	86.5 %	90.4 %	87.7 %	87.1 %	83.7 %	86.2 %
Interest as a percent of income	5.6 %	5.2 %	4.6 %	5.7 %	5.8 %	6.9 %
Solvency (market)						
Number of sole proprietors	197	30	28	82	47	10
Ending farm assets	1,277,886	498,180	859,002	1,547,745	1,498,524	1,540,044
Ending farm liabilities	606,023	327,918	437,678	771,150	597,515	597,655
Ending total assets	1,509,183	585,460	994,783	1,811,013	1,798,431	1,886,200
Ending total liabilities	661,455	384,905	504,109	827,702	645,100	645,310
Ending net worth	847,729	200,555	490,674	983,312	1,153,331	1,240,890
Net worth change	23,848	9,416	21,844	32,868	29,952	-29,893
Ending farm debt to asset ratio	47 %	66 %	51 %	50 %	40 %	39 %
Beg total debt to asset ratio	43 %	62 %	50 %	45 %	36 %	31 %
End total debt to asset ratio	44 %	66 %	51 %	46 %	36 %	34 %
Nonfarm Information						
Net nonfarm income	16,497	19,300	13,914	17,000	16,738	11,557
Crop Acres						
Total acres owned	396	166	257	439	506	552
Total crop acres	1,734	851	1,585	2,068	1,730	1,781
Total crop acres owned	356	131	205	423	426	537
Total crop acres cash rented	1,298	694	1,318	1,558	1,191	1,184
Total crop acres share rented	80	26	63	87	113	60

Financial Summary
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By County)

	<u>Avg. Of</u> <u>All Farms</u>	<u>Clay</u>	<u>Kittson</u>	<u>Mahnomen</u>	<u>Marshall</u>	<u>Norman</u>	<u>Polk</u>	<u>Wilkin</u>	<u>Cass</u>	<u>Richland</u>
Number of farms	234	51	7	8	13	27	35	40	15	32
Income Statement										
Gross cash farm income	546,515	578,292	504,487	445,776	476,297	517,422	676,779	511,048	450,743	561,030
Total cash farm expense	454,623	501,532	434,583	393,484	410,307	465,907	564,213	391,455	379,070	427,444
Net cash farm income	91,891	76,760	69,904	52,292	65,990	51,515	112,567	119,592	71,673	133,586
Inventory change	-19,979	-12,902	-111,552	19,453	-73,924	3,344	-2,832	-45,045	28,650	-31,583
Depreciation and capital adjust	-27,752	-23,718	-17,295	-21,849	-26,756	-25,891	-40,570	-25,857	-25,454	-30,749
Net farm income	44,160	40,141	-58,943	49,895	-34,690	28,968	69,164	48,690	74,869	71,253
Profitability (cost)										
Labor and management earnings	4,715	408	-76,884	27,773	-63,587	-5,095	17,543	8,286	46,014	20,898
Rate of return on assets	2.1 %	1.6 %	-9.7 %	5.1 %	-4.1 %	1.2 %	2.8 %	2.6 %	7.3 %	3.5 %
Rate of return on equity	-0.6 %	-1.8 %	-33.9 %	3.7 %	-16.0 %	-3.4 %	0.9 %	0.5 %	8.7 %	2.5 %
Operating profit margin	4.8 %	3.5 %	-18.4 %	9.5 %	-10.7 %	2.7 %	6.3 %	6.7 %	13.2 %	8.8 %
Asset turnover rate	44.0 %	47.2 %	52.6 %	53.9 %	38.3 %	44.1 %	44.4 %	38.9 %	54.9 %	40.0 %
Liquidity										
Ending current ratio	1.20	0.96	0.78	1.38	1.03	1.08	0.99	1.37	1.32	1.69
Ending working capital	37,596	-9,401	-22,734	69,059	4,762	19,755	-916	67,810	69,744	114,787
End working capital to gross inc	6.9 %	-1.6 %	-4.5 %	15.5 %	1.0 %	3.8 %	-0.1 %	13.3 %	15.5 %	20.5 %
Term debt coverage ratio	61.9 %	36.5 %	-91.5 %	130.2 %	-7.2 %	41.1 %	71.9 %	69.9 %	173.3 %	123.2 %
Expense as a percent of income	86.5 %	89.0 %	110.3 %	83.9 %	102.0 %	89.7 %	84.0 %	84.2 %	78.9 %	80.9 %
Interest as a percent of income	5.6 %	5.5 %	6.7 %	6.5 %	8.4 %	6.3 %	5.1 %	5.9 %	4.3 %	4.8 %
Solvency (market)										
Number of sole proprietors	197	41	4	7	10	25	23	39	14	28
Ending farm assets	1,277,886	1,432,060	-	1,086,479	1,006,925	1,349,863	1,024,344	1,433,696	1,054,566	1,402,718
Ending farm liabilities	606,023	740,502	-	539,969	523,029	697,736	526,763	622,633	513,292	528,775
Ending total assets	1,509,183	1,781,450	-	1,275,809	1,154,020	1,571,484	1,175,486	1,670,610	1,238,203	1,613,696
Ending total liabilities	661,455	856,213	-	591,126	549,386	766,516	581,135	662,667	543,663	546,217
Ending net worth	847,729	925,236	-	684,683	604,634	804,969	594,351	1,007,943	694,540	1,067,479
Net worth change	23,848	9,767	-	70,760	-24,455	30,530	-12,626	26,187	71,582	59,056
Ending farm debt to asset ratio	47 %	52 %	- %	50 %	52 %	52 %	51 %	43 %	49 %	38 %
Beg total debt to asset ratio	43 %	46 %	- %	46 %	45 %	47 %	46 %	39 %	45 %	35 %
End total debt to asset ratio	44 %	48 %	- %	46 %	48 %	49 %	49 %	40 %	44 %	34 %
Nonfarm Information										
Net nonfarm income	16,497	15,487	12,343	37,356	22,330	18,525	10,489	13,856	19,156	17,277
Crop Acres										
Total acres owned	396	356	657	492	499	489	330	427	222	385
Total crop acres	1,734	1,715	2,047	1,829	1,702	1,888	1,997	1,413	1,899	1,686
Total crop acres owned	356	299	381	397	399	407	358	402	258	371
Total crop acres cash rented	1,298	1,389	1,666	1,432	1,236	1,411	1,586	879	1,593	1,108
Total crop acres share rented	80	27	-	-	67	70	53	132	48	207

EXPLANATORY NOTES FOR CROPS TABLES

The "Crop Enterprise Analysis" tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. The "Net Return per Acre" is the "Gross Return per Acre" minus the direct and overhead costs. "Net Return" represents the return to the operator's and family's unpaid labor, management, and equity. It represents the return to all of the resources which are owned by the farm family and hence, not purchased or paid a wage. Net returns are also calculated after a charge for unpaid operator labor and management and after an allocation of direct government payments. The last section of each crop table contains breakeven yield measures which provide useful standards or goals for the individual managers.

There are potentially three tables for each crop depending on the farmer's tenure on the land. The crop tables may be for (1) owned land, (2) cash rented land, and (3) share rented land. Individual farms may have data in all three tables if all three land tenure categories are represented in that farm business. When there are less than five farms with a particular crop and tenure, that table is not included in the report. Farms are classified into low 20% or high 20% on the basis of net return per acre. The classification is done separately for each table, i.e., an individual farm may be in the low 20% for one crop, the high 20% for a second, and the middle 60% for a third. When there are less than 25 total farms with any particular crop and farmer's tenure, only overall averages are presented.

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

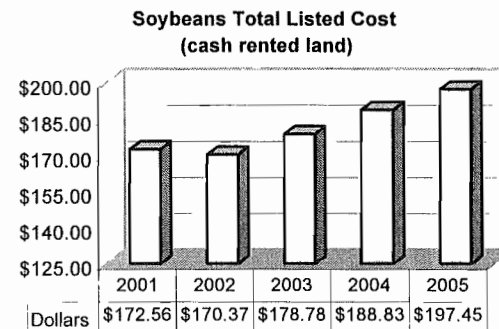
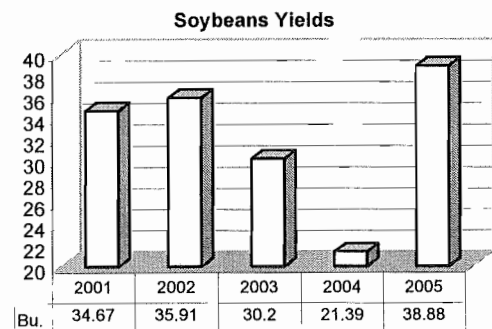
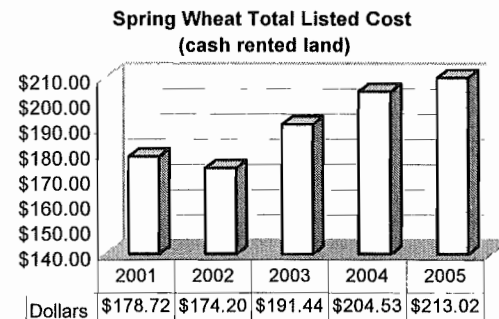
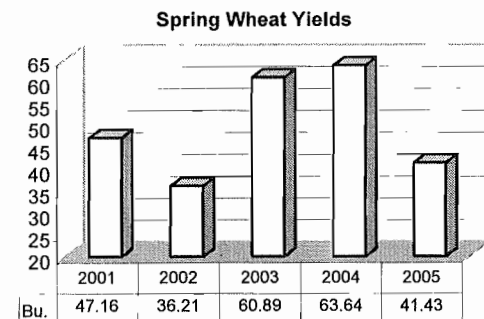
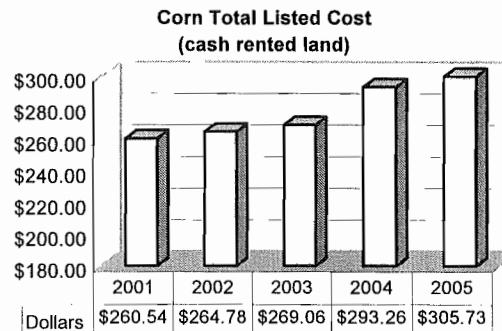
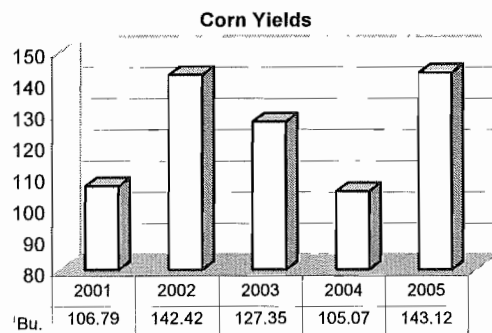
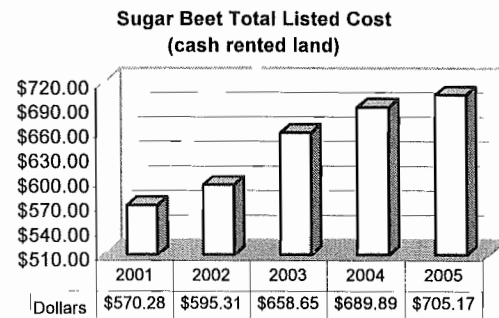
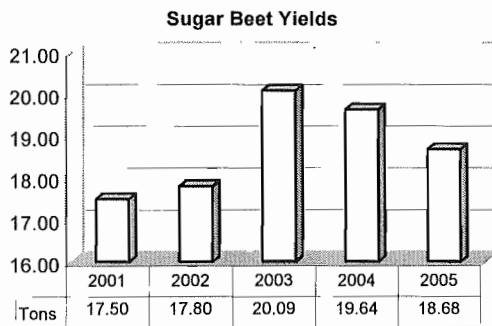
Several cost items, such as "utilities," "hired labor," and "interest paid," are listed under both "direct" and "overhead" costs because some of these costs are specific to that crop whereas others are general overhead costs of the farm. For example, "Direct Lease Payments" refers to non-land inputs or resources leased and used only in that crop enterprise and not listed elsewhere under direct costs; the most common example is the lease of equipment that is crop specific. However, cost of leasing machinery that is used for the entire farm operation is listed as an overhead cost. Interest payments are likewise divided into those incurred directly for a specific crop and those that are not. "Land Rent" is listed as a separate category and is assigned as a direct cost for each crop enterprise because it is identifiable with the specific crop. In the case of double cropping, one-half of the rent is charged to each crop.

"Total direct expense per unit" and "Total dir & ovhd exp per unit" are calculated by dividing "Total direct expense per acre" and "Total dir & ovhd expenses per acre," respectively, by "Yield per acre." "With labor & management" is the breakeven yield after direct, overhead and a labor and management charge are considered. "Total exp less govt & oth income" is the breakeven yield after all costs (including a labor and management charge) are reduced by government payments and miscellaneous income.

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

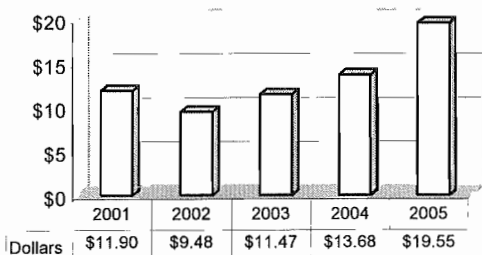
Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

Five Year Crop History of Yields and Cost of Production Red River Valley Farm Business Management Education

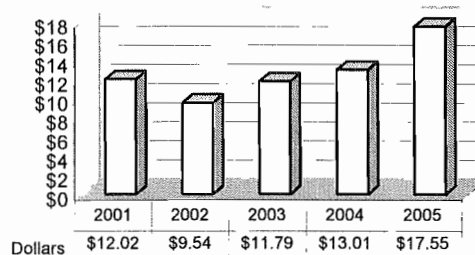


Five Year Crop History of Fuel and Fertilizer Costs per Acre Red River Valley Farm Business Management Education

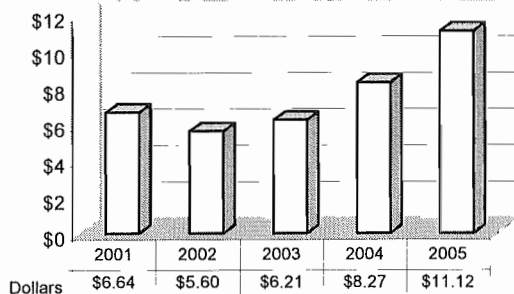
Fuel Cost / All Acres



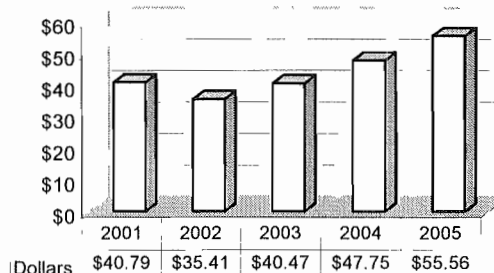
Corn Fuel Cost per Acre



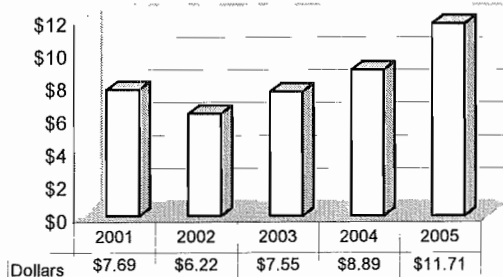
Spring Wheat Fuel Cost per Acre



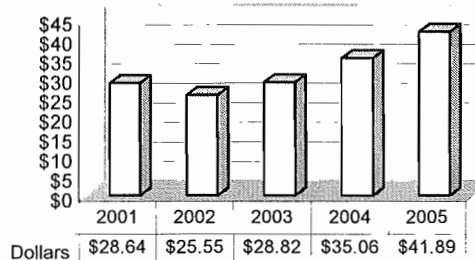
Corn Fertilizer Cost Per Acre



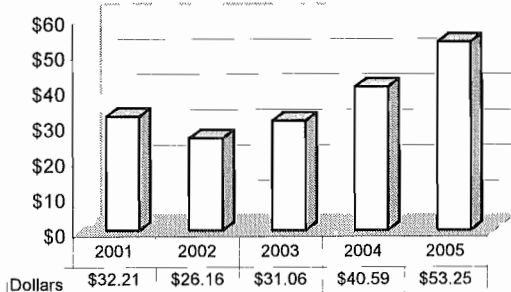
Soybean Fuel Cost per Acre



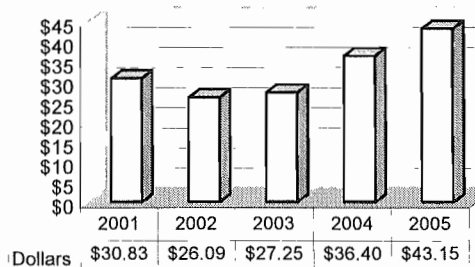
Spring Wheat Fertilizer Cost per Acre



Sugar Beet Fuel Cost per Acre



Sugar Beet Fertilizer Cost per Acre



Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Barley on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	13
Number of farms	13
Acres	189.51
Yield per acre (bu.)	49.37
Operator's share of yield %	100.00
Value per bu.	2.16
Total product return per acre	106.86
Miscellaneous income per acre	21.76
Gross return per acre	128.62
Direct Expenses	
Seed	8.82
Fertilizer	35.54
Crop chemicals	16.88
Crop insurance	7.71
Drying fuel	0.06
Fuel & oil	11.47
Repairs	13.15
Custom hire	2.05
Hired labor	0.13
Land rent	58.32
Operating interest	3.54
Miscellaneous	0.10
Total direct expenses per acre	157.76
Return over direct exp per acre	-29.14
Overhead Expenses	
Custom hire	2.44
Hired labor	4.81
Machinery leases	1.31
Farm insurance	4.60
Utilities	1.96
Dues & professional fees	1.14
Interest	4.09
Mach & bldg depreciation	10.28
Miscellaneous	1.79
Total overhead expenses per acre	32.42
Total dir & ovhd expenses per acre	190.19
Net return per acre	-61.57
Government payments	15.97
Net return with govt pmts	-45.59
Labor & management charge	15.39
Net return over lbr & mgt	-60.99
Cost of Production	
Total direct expense per bu.	3.20
Total dir & ovhd exp per bu.	3.85
Less govt & other income	3.09
With labor & management	3.40
Machinery cost per acre	44.44
Est. labor hours per acre	1.14

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Beans, Navy on Owned Land

	<u>Avg. Of All Farms</u>
Number of fields	8
Number of farms	8
Acres	93.57
Yield per acre (cwt.)	17.11
Operators share of yield %	100.00
Value per cwt.	18.07
Total product return per acre	309.17
Miscellaneous income per acre	0.94
Gross return per acre	310.11
Direct Expenses	
Seed	36.99
Fertilizer	30.50
Crop chemicals	31.58
Crop insurance	16.84
Fuel & oil	17.84
Repairs	25.35
Custom hire	4.40
Operating interest	2.08
Miscellaneous	0.28
Total direct expenses per acre	165.87
Return over direct exp per acre	144.24
Overhead Expenses	
Custom hire	3.58
Hired labor	8.02
Machinery leases	5.56
RE & pers. property taxes	9.86
Farm insurance	6.76
Utilities	3.10
Dues & professional fees	1.91
Interest	24.23
Mach & bldg depreciation	18.80
Miscellaneous	2.12
Total overhead expenses per acre	83.95
Total dir & ovhd expenses per acre	249.81
Net return per acre	60.29
Government payments	-
Net return with govt pmts	60.29
Labor & management charge	24.11
Net return over lbr & mgt	36.18
Cost of Production	
Total direct expense per cwt.	9.69
Total dir & ovhd exp per cwt.	14.60
Less govt & other income	14.54
With labor & management	15.95
Machinery cost per acre	77.89
Est. labor hours per acre	1.49

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Beans, Navy on Cash Rent

	Avg. Of All Farms
Number of fields	12
Number of farms	12
Acres	185.53
Yield per acre (cwt.)	13.76
Operators share of yield %	100.00
Value per cwt.	18.05
Total product return per acre	248.41
Miscellaneous income per acre	27.60
Gross return per acre	276.00
Direct Expenses	
Seed	32.52
Fertilizer	24.96
Crop chemicals	26.29
Crop insurance	16.04
Fuel & oil	16.00
Repairs	24.54
Custom hire	2.88
Hired labor	0.22
Land rent	60.26
Machinery leases	1.76
Operating interest	4.53
Miscellaneous	0.42
Total direct expenses per acre	210.43
Return over direct exp per acre	65.57
Overhead Expenses	
Custom hire	1.81
Hired labor	11.64
Machinery leases	1.36
Farm insurance	6.88
Utilities	3.10
Dues & professional fees	2.21
Interest	6.98
Mach & bldg depreciation	16.92
Miscellaneous	2.33
Total overhead expenses per acre	53.21
Total dir & ovhd expenses per acre	263.64
Net return per acre	12.36
Government payments	-
Net return with govt pmts	12.36
Labor & management charge	29.78
Net return over lbr & mgt	-17.42
Cost of Production	
Total direct expense per cwt.	15.29
Total dir & ovhd exp per cwt.	19.16
Less govt & other income	17.15
With labor & management	19.32
Machinery cost per acre	71.73
Est. labor hours per acre	2.30

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Corn on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	45	8	8	10
Number of farms	43	8	8	9
Acres	132.75	109.56	145.23	150.34
Yield per acre (bu.)	138.59	107.07	126.34	161.61
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	2.19	1.92	1.95	2.43
Total product return per acre	303.53	205.47	246.31	392.71
Miscellaneous income per acre	26.17	46.01	55.63	6.07
Gross return per acre	329.70	251.48	301.94	398.78
Direct Expenses				
Seed	43.41	40.39	48.32	41.40
Fertilizer	57.47	59.25	52.11	60.66
Crop chemicals	19.51	19.84	15.12	25.00
Crop insurance	11.89	12.20	9.63	11.38
Drying fuel	13.15	27.77	5.88	15.17
Fuel & oil	18.71	14.93	18.74	18.48
Repairs	23.17	23.33	20.48	23.19
Custom hire	2.91	4.45	0.53	1.62
Operating interest	4.44	4.97	4.35	1.23
Miscellaneous	0.19	0.65	-	-
Total direct expenses per acre	194.86	207.78	175.16	198.12
Return over direct exp per acre	134.84	43.71	126.78	200.66
Overhead Expenses				
Custom hire	2.65	3.82	2.10	1.24
Hired labor	11.36	11.71	11.83	8.97
Machinery leases	1.84	4.05	1.03	1.47
Building leases	0.12	0.62	0.06	-
RE & pers. property taxes	10.10	10.12	9.03	11.68
Farm insurance	4.51	3.38	4.30	4.79
Utilities	3.41	3.42	3.75	2.52
Dues & professional fees	2.54	3.52	3.12	1.75
Interest	30.71	46.53	34.38	22.73
Mach & bldg depreciation	19.64	16.06	15.16	20.67
Miscellaneous	2.58	4.95	2.27	1.57
Total overhead expenses per acre	89.47	108.17	87.03	77.39
Total dir & ovhd expenses per acre	284.32	315.94	262.19	275.51
Net return per acre	45.37	-64.46	39.75	123.27
Government payments	15.02	14.01	15.33	13.41
Net return with govt pmts	60.40	-50.44	55.07	136.67
Labor & management charge	26.02	23.30	21.80	31.29
Net return over lbr & mgt	34.37	-73.75	33.27	105.38
Cost of Production				
Total direct expense per bu.	1.41	1.94	1.39	1.23
Total dir & ovhd exp per bu.	2.05	2.95	2.08	1.70
Less govt & other income	1.75	2.39	1.51	1.58
With labor & management	1.94	2.61	1.69	1.78
Machinery cost per acre	72.34	71.15	59.91	69.27
Est. labor hours per acre	1.70	1.36	1.80	1.48

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Corn on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	78	13	15	17
Number of farms	64	12	13	13
Acres	267.55	167.22	393.07	126.28
Yield per acre (bu.)	144.80	129.45	144.00	154.25
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	2.29	1.98	2.28	2.35
Total product return per acre	331.43	256.67	327.61	362.92
Miscellaneous income per acre	11.85	15.31	10.47	30.94
Gross return per acre	343.27	271.98	338.08	393.85
Direct Expenses				
Seed	42.12	42.64	42.54	42.93
Fertilizer	55.56	54.10	56.61	54.22
Crop chemicals	19.61	17.45	22.82	15.32
Crop insurance	11.29	11.81	10.14	9.98
Drying fuel	10.90	15.87	11.18	9.22
Fuel & oil	17.55	20.40	15.75	15.76
Repairs	22.27	24.42	19.32	19.24
Custom hire	4.88	3.13	4.14	7.57
Land rent	66.56	62.37	63.13	66.80
Machinery leases	0.13	1.04	-	-
Operating interest	5.03	6.85	5.95	2.22
Miscellaneous	1.13	6.90	0.08	1.37
Total direct expenses per acre	257.01	266.99	251.65	244.63
Return over direct exp per acre	86.26	4.99	86.43	149.22
Overhead Expenses				
Custom hire	1.15	0.67	1.00	1.28
Hired labor	12.49	9.29	7.92	10.22
Machinery leases	4.18	3.15	4.69	2.06
Farm insurance	3.80	4.79	4.50	5.07
Utilities	3.53	3.88	2.83	3.10
Dues & professional fees	2.31	1.62	3.58	3.12
Interest	4.70	4.75	7.56	2.78
Mach & bldg depreciation	14.63	18.01	16.86	16.27
Miscellaneous	1.93	3.15	2.77	2.36
Total overhead expenses per acre	48.72	49.30	51.71	46.25
Total dir & ovhd expenses per acre	305.73	316.29	303.36	290.88
Net return per acre	37.54	-44.31	34.72	102.97
Government payments	15.65	16.66	15.41	14.16
Net return with govt pmts	53.19	-27.66	50.14	117.13
Labor & management charge	31.99	27.60	21.76	29.26
Net return over lbr & mgt	21.20	-55.26	28.38	87.87
Cost of Production				
Total direct expense per bu.	1.77	2.06	1.75	1.59
Total dir & ovhd exp per bu.	2.11	2.44	2.11	1.89
Less govt & other income	1.92	2.20	1.93	1.59
With labor & management	2.14	2.41	2.08	1.78
Machinery cost per acre	69.03	74.96	68.65	64.53
Est. labor hours per acre	1.79	1.78	1.52	1.72

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Corn on Share Rent

	<u>Avg. Of All Farms</u>
Number of fields	12
Number of farms	8
Acres	148.61
Yield per acre (bu.)	133.99
Operators share of yield %	71.14
Value per bu.	2.17
Total product return per acre	206.69
Miscellaneous income per acre	21.68
Gross return per acre	228.37
Direct Expenses	
Seed	42.83
Fertilizer	58.86
Crop chemicals	18.93
Crop insurance	9.21
Drying fuel	13.62
Fuel & oil	17.49
Repairs	16.47
Custom hire	3.28
Operating interest	3.80
Miscellaneous	0.30
Total direct expenses per acre	184.79
Return over direct exp per acre	43.58
Overhead Expenses	
Custom hire	0.19
Hired labor	10.28
Machinery leases	2.54
Farm insurance	4.04
Utilities	2.66
Dues & professional fees	1.87
Interest	1.36
Mach & bldg depreciation	19.03
Miscellaneous	2.33
Total overhead expenses per acre	44.29
Total dir & ovhd expenses per acre	229.08
Net return per acre	-0.72
Government payments	11.30
Net return with govt pmts	10.58
Labor & management charge	24.37
Net return over lbr & mgt	-13.79
Cost of Production	
Total direct expense per bu.	1.94
Total dir & ovhd exp per bu.	2.40
Less govt & other income	2.06
With labor & management	2.31
Machinery cost per acre	59.92
Est. labor hours per acre	1.61

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Hay, Alfalfa on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	7
Number of farms	6
Acres	84.50
Yield per acre (ton)	3.62
Operators share of yield %	100.00
Value per ton	62.67
Total product return per acre	227.09
Miscellaneous income per acre	-
Gross return per acre	227.09
Direct Expenses	
Seed	1.10
Fertilizer	9.76
Fuel & oil	21.01
Repairs	22.61
Custom hire	4.52
Land rent	62.05
Hauling and trucking	0.70
Operating interest	1.65
Miscellaneous	9.39
Total direct expenses per acre	132.80
Return over direct exp per acre	94.30
Overhead Expenses	
Custom hire	1.29
Hired labor	1.85
Machinery leases	1.10
Farm insurance	2.04
Utilities	2.84
Dues & professional fees	1.27
Interest	1.92
Mach & bldg depreciation	19.99
Miscellaneous	1.83
Total overhead expenses per acre	34.15
Total dir & ovhd expenses per acre	166.95
Net return per acre	60.15
Government payments	16.28
Net return with govt pmts	76.43
Labor & management charge	39.81
Net return over lbr & mgt	36.61
Cost of Production	
Total direct expense per ton	36.65
Total dir & ovhd exp per ton	46.07
Less govt & other income	41.58
With labor & management	52.57
Machinery cost per acre	71.49
Est. labor hours per acre	1.86

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Prevented planting on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	43	8	10	8
Number of farms	37	7	8	8
Acres	222.77	350.49	126.04	263.94
Yield per acre	-	-	-	-
Operators share of yield %	-	-	-	-
Value per unit	-	-	-	-
Total product return per acre	-	-	-	-
Miscellaneous income per acre	86.97	77.99	90.28	103.43
Gross return per acre	86.97	77.99	90.28	103.43
Direct Expenses				
Seed	1.27	1.37	0.36	0.30
Fertilizer	6.11	16.48	1.34	0.92
Crop chemicals	3.24	2.31	2.84	2.88
Crop insurance	11.78	15.67	8.23	10.63
Fuel & oil	7.81	8.61	9.07	6.43
Repairs	9.62	11.11	10.16	6.85
Custom hire	1.03	1.79	-	0.66
Land rent	49.13	46.47	58.85	50.21
Operating interest	2.04	1.52	1.68	1.89
Miscellaneous	0.41	-	0.06	-
Total direct expenses per acre	92.43	105.31	92.60	80.77
Return over direct exp per acre	-5.46	-27.32	-2.32	22.67
Overhead Expenses				
Custom hire	1.08	1.41	1.81	0.22
Hired labor	4.16	7.57	3.59	1.43
Machinery leases	1.76	3.41	1.51	1.54
Farm insurance	5.50	7.68	3.68	2.78
Utilities	1.97	2.67	2.63	0.87
Dues & professional fees	0.92	0.77	0.73	0.56
Interest	2.26	1.88	1.32	2.23
Mach & bldg depreciation	6.71	8.70	7.08	5.29
Miscellaneous	1.74	3.24	1.84	0.72
Total overhead expenses per acre	26.11	37.33	24.21	15.64
Total dir & ovhd expenses per acre	118.54	142.64	116.81	96.40
Net return per acre	-31.57	-64.65	-26.53	7.03
Government payments	16.56	15.00	17.48	17.14
Net return with govt pmts	-15.02	-49.65	-9.05	24.17
Labor & management charge	11.88	10.51	13.62	10.37
Net return over lbr & mgt	-26.89	-60.17	-22.68	13.80
Cost of Production				
Total direct expense per unit	-	-	-	-
Total dir & ovhd exp per unit	-	-	-	-
Less govt & other income	-	-	-	-
With labor & management	-	-	-	-
Machinery cost per acre	30.46	36.41	30.71	23.21
Est. labor hours per acre	0.84	0.97	0.98	0.59

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Soybeans on Owned Land

	Avg. Of All Farms	Low 20%	40 - 60%	High 20%
Number of fields	130	23	22	29
Number of farms	110	22	22	22
Acres	153.81	124.83	170.09	122.35
Yield per acre (bu.)	39.58	30.74	39.60	43.56
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	5.63	5.61	5.57	5.67
Total product return per acre	222.99	172.47	220.58	247.12
Miscellaneous income per acre	7.85	11.43	1.90	19.59
Gross return per acre	230.84	183.90	222.48	266.70
Direct Expenses				
Seed	35.75	36.62	35.75	35.43
Fertilizer	4.90	6.89	4.61	0.92
Crop chemicals	14.68	16.04	13.81	11.44
Crop insurance	12.37	13.79	11.38	10.42
Fuel & oil	13.05	13.28	12.53	11.95
Repairs	14.85	15.83	15.44	11.61
Custom hire	2.31	3.97	1.58	0.47
Operating interest	3.63	4.35	3.71	1.86
Miscellaneous	0.31	0.24	0.26	0.05
Total direct expenses per acre	101.85	111.00	99.07	84.15
Return over direct exp per acre	128.99	72.89	123.40	182.55
Overhead Expenses				
Custom hire	1.91	1.95	2.14	1.67
Hired labor	6.83	9.62	6.22	6.60
Machinery leases	1.44	1.65	1.65	1.40
RE & pers. property taxes	10.48	10.88	10.27	12.20
Farm insurance	4.90	5.82	4.69	5.60
Utilities	2.46	2.97	2.41	2.31
Dues & professional fees	2.03	2.47	1.80	1.93
Interest	29.30	41.32	29.70	21.32
Mach & bldg depreciation	13.07	12.06	11.57	12.22
Miscellaneous	1.80	1.86	1.58	2.58
Total overhead expenses per acre	74.23	90.62	72.01	67.85
Total dir & ovhd expenses per acre	176.08	201.62	171.09	152.00
Net return per acre	54.76	-17.73	51.39	114.71
Government payments	15.52	15.55	15.22	14.60
Net return with govt pmts	70.28	-2.18	66.61	129.31
Labor & management charge	20.95	17.01	16.87	20.41
Net return over lbr & mgt	49.33	-19.19	49.74	108.90
Cost of Production				
Total direct expense per bu.	2.57	3.61	2.50	1.93
Total dir & ovhd exp per bu.	4.45	6.56	4.32	3.49
Less govt & other income	3.86	5.68	3.89	2.70
With labor & management	4.39	6.23	4.31	3.17
Machinery cost per acre	49.29	51.78	46.85	42.43
Est. labor hours per acre	1.26	1.30	1.21	1.32

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	259	42	55	59
Number of farms	172	34	35	35
Acres	338.68	356.91	339.81	228.92
Yield per acre (bu.)	38.54	32.60	38.60	44.77
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	5.66	5.58	5.65	5.75
Total product return per acre	218.10	181.82	218.19	257.55
Miscellaneous income per acre	4.48	9.37	3.44	8.75
Gross return per acre	222.58	191.19	221.63	266.30
Direct Expenses				
Seed	34.44	38.48	32.12	33.00
Fertilizer	4.35	4.48	4.43	2.73
Crop chemicals	14.05	14.00	14.15	11.91
Crop insurance	11.70	12.53	10.99	11.31
Fuel & oil	11.71	13.42	11.40	11.16
Repairs	14.56	16.53	17.00	12.56
Custom hire	2.56	3.22	2.40	0.41
Land rent	63.46	62.12	61.77	64.89
Operating interest	3.55	3.72	4.49	2.86
Miscellaneous	0.54	0.85	0.46	0.38
Total direct expenses per acre	160.91	169.34	159.21	151.20
Return over direct exp per acre	61.66	21.85	62.42	115.10
Overhead Expenses				
Custom hire	1.70	1.45	1.63	2.81
Hired labor	7.08	10.88	6.81	6.49
Machinery leases	2.13	3.37	1.70	1.40
Farm insurance	4.50	5.24	4.49	4.78
Utilities	2.22	2.89	2.35	2.11
Dues & professional fees	2.15	2.96	1.68	2.30
Interest	3.46	4.50	3.13	2.84
Mach & bldg depreciation	11.41	13.26	12.72	10.79
Miscellaneous	1.90	1.89	1.77	1.96
Total overhead expenses per acre	36.53	46.43	36.28	35.48
Total dir & ovhd expenses per acre	197.45	215.77	195.49	186.68
Net return per acre	25.13	-24.58	26.14	79.62
Government payments	15.19	15.72	15.13	14.37
Net return with govt pmts	40.32	-8.86	41.27	93.99
Labor & management charge	19.83	19.11	18.95	19.52
Net return over lbr & mgt	20.48	-27.97	22.31	74.47
Cost of Production				
Total direct expense per bu.	4.18	5.20	4.12	3.38
Total dir & ovhd exp per bu.	5.12	6.62	5.06	4.17
Less govt & other income	4.61	5.85	4.58	3.65
With labor & management	5.13	6.44	5.07	4.09
Machinery cost per acre	47.23	55.55	49.70	41.38
Est. labor hours per acre	1.23	1.29	1.26	1.32

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By RoundUp Ready)

Soybeans on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>100%</u> <u>RR</u>	<u>No</u> <u>RR</u>	<u>No</u> <u>Answer</u>
Number of fields	259	151	16	92
Number of farms	172	119	16	48
Acres	338.68	378.59	300.31	279.85
Yield per acre (bu.)	38.54	38.98	38.41	37.60
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	5.66	5.63	5.71	5.72
Total product return per acre	218.10	219.30	219.30	215.20
Miscellaneous income per acre	4.48	3.05	1.95	8.12
Gross return per acre	222.58	222.35	221.25	223.32
Direct Expenses				
Seed	34.44	37.25	18.68	31.13
Fertilizer	4.35	4.27	6.41	4.15
Crop chemicals	14.05	12.26	18.64	17.17
Crop insurance	11.70	11.41	10.47	12.57
Fuel & oil	11.71	10.89	11.97	13.47
Repairs	14.56	13.36	13.97	17.32
Custom hire	2.56	2.54	3.45	2.45
Land rent	63.46	64.34	62.85	61.63
Operating interest	3.55	3.75	2.78	3.25
Miscellaneous	0.54	0.50	0.35	0.68
Total direct expenses per acre	160.91	160.56	149.57	163.82
Return over direct exp per acre	61.66	61.80	71.68	59.50
Overhead Expenses				
Custom hire	1.70	1.35	1.76	2.46
Hired labor	7.08	6.59	6.15	8.34
Machinery leases	2.13	1.75	3.37	2.75
Farm insurance	4.50	4.32	4.35	4.92
Utilities	2.22	2.15	2.23	2.36
Dues & professional fees	2.15	2.06	2.08	2.35
Interest	3.46	3.29	3.25	3.86
Mach & bldg depreciation	11.41	10.07	13.14	14.05
Miscellaneous	1.90	1.96	1.57	1.83
Total overhead expenses per acre	36.53	33.55	37.89	42.91
Total dir & ovhd expenses per acre	197.45	194.10	187.46	206.73
Net return per acre	25.13	28.25	33.79	16.59
Government payments	15.19	15.52	14.88	14.50
Net return with govt pmts	40.32	43.77	48.67	31.09
Labor & management charge	19.83	18.18	17.42	23.95
Net return over lbr & mgt	20.48	25.59	31.25	7.14
Cost of Production				
Total direct expense per bu.	4.18	4.12	3.89	4.36
Total dir & ovhd exp per bu.	5.12	4.98	4.88	5.50
Less govt & other income	4.61	4.50	4.44	4.90
With labor & management	5.13	4.97	4.90	5.53
Machinery cost per acre	47.23	42.94	50.41	56.15
Est. labor hours per acre	1.23	1.22	1.40	1.22

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Soybeans on Share Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	53	7	10	12
Number of farms	33	6	6	7
Acres	137.11	155.87	132.85	125.68
Yield per acre (bu.)	40.64	39.17	42.76	40.56
Operators share of yield %	67.08	62.82	68.28	67.02
Value per bu.	5.68	5.63	5.86	5.58
Total product return per acre	154.93	138.51	171.10	151.67
Miscellaneous income per acre	8.40	4.46	1:10	20.36
Gross return per acre	163.33	142.97	172.20	172.03
Direct Expenses				
Seed	35.42	39.04	31.55	33.77
Fertilizer	2.45	8.48	2.76	0.30
Crop chemicals	11.53	11.76	13.86	11.99
Crop insurance	8.97	5.81	11.23	8.25
Fuel & oil	13.52	13.77	15.96	12.01
Repairs	17.06	24.70	19.62	9.99
Custom hire	4.22	9.46	0.88	-
Operating interest	3.67	6.29	4.62	2.70
Miscellaneous	0.24	-	-	0.18
Total direct expenses per acre	97.08	119.31	100.46	79.17
Return over direct exp per acre	66.25	23.66	71.74	92.86
Overhead Expenses				
Custom hire	1.72	0.92	0.77	0.00
Hired labor	8.05	8.89	8.82	6.27
Machinery leases	2.07	2.18	4.38	0.52
Farm insurance	4.46	4.48	4.74	4.17
Utilities	2.75	4.46	2.05	2.22
Dues & professional fees	2.16	3.45	3.00	1.32
Interest	2.76	3.04	3.55	2.40
Mach & bldg depreciation	13.93	18.20	9.91	10.55
Miscellaneous	2.35	3.18	3.92	1.89
Total overhead expenses per acre	40.26	48.81	41.14	29.35
Total dir & ovhd expenses per acre	137.34	168.11	141.61	108.52
Net return per acre	25.99	-25.15	30.60	63.50
Government payments	10.23	8.57	10.77	10.22
Net return with govt pmts	36.22	-16.57	41.37	73.73
Labor & management charge	20.46	26.93	18.72	20.97
Net return over lbr & mgt	15.76	-43.50	22.65	52.76
Cost of Production				
Total direct expense per bu.	3.56	4.85	3.44	2.91
Total dir & ovhd exp per bu.	5.04	6.83	4.85	3.99
Less govt & other income	4.35	6.30	4.44	2.87
With labor & management	5.11	7.40	5.08	3.64
Machinery cost per acre	54.83	71.22	54.84	35.40
Est. labor hours per acre	1.44	1.99	1.32	1.25

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Soybeans, Food on Cash Rent

	Avg. Of All Farms
Number of fields	6
Number of farms	5
Acres	140.40
Yield per acre (bu.)	29.34
Operators share of yield %	100.00
Value per bu.	6.73
Total product return per acre	197.38
Miscellaneous income per acre	35.63
Gross return per acre	233.00
Direct Expenses	
Fertilizer	5.22
Crop chemicals	29.39
Crop insurance	13.75
Fuel & oil	12.23
Repairs	15.23
Custom hire	2.91
Hired labor	0.63
Land rent	55.82
Operating interest	2.25
Miscellaneous	0.08
Total direct expenses per acre	137.51
Return over direct exp per acre	95.49
Overhead Expenses	
Custom hire	1.52
Hired labor	6.26
Machinery leases	2.17
Farm insurance	2.67
Utilities	1.96
Dues & professional fees	2.13
Interest	5.90
Mach & bldg depreciation	13.88
Miscellaneous	0.97
Total overhead expenses per acre	37.45
Total dir & ovhd expenses per acre	174.97
Net return per acre	58.04
Government payments	13.13
Net return with govt pmts	71.17
Labor & management charge	18.58
Net return over lbr & mgt	52.59
Cost of Production	
Total direct expense per bu.	4.69
Total dir & ovhd exp per bu.	5.96
Less govt & other income	4.30
With labor & management	4.94
Machinery cost per acre	53.72
Est. labor hours per acre	1.34

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Excluding Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	53	10	14	9
Number of farms	39	7	8	8
Acres	113.39	128.89	117.21	109.18
Yield per acre (ton)	18.75	16.67	17.29	20.97
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.91	34.59	40.47	40.77
Total product return per acre	729.74	576.56	699.65	854.95
Miscellaneous income per acre	44.13	46.87	89.53	29.83
Gross return per acre	773.86	623.43	789.18	884.78
Direct Expenses				
Seed	50.78	49.11	53.52	48.69
Fertilizer	44.70	40.52	41.76	53.22
Crop chemicals	112.92	140.44	103.20	110.80
Crop insurance	15.56	13.95	14.34	15.02
Fuel & oil	56.26	50.42	59.86	55.61
Repairs	69.41	69.32	75.01	60.50
Custom hire	16.78	11.35	23.91	19.26
Hired labor	24.92	21.05	29.82	26.95
Hauling and trucking	3.73	6.94	-	4.76
Operating interest	12.76	13.60	12.70	7.70
Miscellaneous	2.21	2.01	2.26	2.37
Total direct expenses per acre	410.02	418.70	416.37	404.88
Return over direct exp per acre	363.84	204.73	372.81	479.90
Overhead Expenses				
Custom hire	4.81	6.32	3.59	3.93
Hired labor	31.64	41.49	32.04	21.30
Machinery leases	4.78	5.97	6.79	5.32
RE & pers. property taxes	10.41	13.81	8.92	8.83
Farm insurance	7.91	7.94	6.32	9.04
Utilities	8.49	9.84	8.47	9.69
Dues & professional fees	6.81	5.81	9.47	8.26
Interest	43.45	64.71	42.21	16.15
Mach & bldg depreciation	62.37	56.67	61.17	61.74
Miscellaneous	5.34	3.66	3.55	6.13
Total overhead expenses per acre	186.02	216.22	182.52	150.40
Total dir & ovhd expenses per acre	596.04	634.92	598.89	555.28
Net return per acre	177.82	-11.50	190.29	329.49
Government payments	15.15	15.47	14.64	15.38
Net return with govt pmts ¹	92.97	3.97	204.93	344.88
Labor & management charge	88.85	80.46	55.34	165.73
Net return over lbr & mgt	104.12	-76.49	149.59	179.15
Cost of Production				
Total direct expense per ton	21.86	25.12	24.08	19.31
Total dir & ovhd exp per ton	31.78	38.09	34.64	26.48
Less govt & other income	28.62	34.35	28.62	24.33
With labor & management	33.36	39.18	31.82	32.23

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Including Joint venture

	<u>Avg. Of All Farms</u>	<u>High 20%</u>
Number of fields	24	5
Number of farms	23	5
Acres	104.25	101.12
Yield per acre (ton)	18.48	19.10
Operators share of yield %	100.00	100.00
Value per ton	38.32	40.18
Total product return per acre	708.25	767.58
Miscellaneous income per acre	51.18	122.02
Gross return per acre	759.43	889.59
Direct Expenses		
Seed	49.64	51.42
Fertilizer	45.14	38.22
Crop chemicals	107.24	103.30
Crop insurance	16.05	18.68
Fuel & oil	52.94	56.34
Repairs	68.14	82.75
Custom hire	13.51	2.69
Hired labor	19.43	29.30
Stock/quota lease	197.89	154.67
Operating interest	16.08	15.32
Miscellaneous	0.73	-
Total direct expenses per acre	586.78	552.70
Return over direct exp per acre	172.65	336.90
Overhead Expenses		
Custom hire	8.79	8.98
Hired labor	28.22	16.49
Machinery leases	12.04	25.01
RE & pers. property taxes	8.00	8.03
Farm insurance	4.93	7.34
Utilities	5.86	6.95
Dues & professional fees	6.14	5.20
Interest	57.96	48.32
Mach & bldg depreciation	51.35	55.26
Miscellaneous	7.32	9.83
Total overhead expenses per acre	190.60	191.42
Total dir & ovhd expenses per acre	777.38	744.11
Net return per acre	-17.95	145.48
Government payments	13.57	10.41
Net return with govt pmts	-4.38	155.89
Labor & management charge	74.03	88.85
Net return over lbr & mgt	-78.42	67.04
Cost of Production		
Total direct expense per ton	31.75	28.93
Total dir & ovhd exp per ton	42.06	38.95
Less govt & other income	38.55	32.02
With labor & management	42.56	36.67
Machinery cost per acre	222.27	245.72
Est. labor hours per acre	4.98	4.56

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Excluding Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	105	18	17	19
Number of farms	81	16	16	17
Acres	162.60	170.27	257.22	89.00
Yield per acre (ton)	18.52	13.34	18.49	21.55
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.45	37.50	37.96	40.62
Total product return per acre	711.85	500.08	701.90	875.34
Miscellaneous income per acre	43.24	104.44	31.60	47.26
Gross return per acre	755.08	604.53	733.50	922.60
Direct Expenses				
Seed	51.52	51.20	50.75	51.99
Fertilizer	44.49	48.80	39.75	43.54
Crop chemicals	103.63	103.75	104.87	91.55
Crop insurance	17.96	19.11	18.21	16.18
Fuel & oil	55.01	56.62	49.34	56.95
Repairs	65.32	77.85	60.99	75.91
Custom hire	10.65	6.67	6.25	15.65
Hired labor	25.67	16.87	20.40	24.97
Land rent	75.86	69.14	73.87	71.91
Machinery leases	1.91	0.75	1.10	0.26
Hauling and trucking	3.48	1.36	2.18	9.92
Operating interest	12.85	15.59	15.93	12.57
Miscellaneous	2.25	0.88	2.00	0.56
Total direct expenses per acre	470.61	468.59	445.64	471.98
Return over direct exp per acre	284.47	135.94	287.86	450.62
Overhead Expenses				
Custom hire	7.26	8.57	6.45	6.88
Hired labor	38.22	40.44	50.05	19.46
Machinery leases	6.01	13.84	5.53	3.26
Building leases	0.69	0.01	-	0.11
Farm insurance	7.05	9.34	5.59	6.88
Utilities	6.67	10.79	4.62	5.81
Dues & professional fees	7.54	7.94	8.77	5.00
Interest	21.40	39.13	22.22	12.33
Mach & bldg depreciation	56.85	64.64	51.30	47.39
Miscellaneous	7.35	6.91	6.24	6.80
Total overhead expenses per acre	159.04	201.61	160.77	113.93
Total dir & ovhd expenses per acre	629.66	670.20	606.42	585.90
Net return per acre	125.43	-65.67	127.08	336.70
Government payments	15.46	16.31	15.73	16.02
Net return with govt pmts ¹	40.89	-49.36	142.82	352.72
Labor & management charge	87.28	76.24	89.93	84.24
Net return over lbr & mgt	53.61	-125.60	52.88	268.47
Cost of Production				
Total direct expense per ton	25.42	35.14	24.10	21.90
Total dir & ovhd exp per ton	34.01	50.26	32.80	27.19
Less govt & other income	30.84	41.20	30.24	24.25
With labor & management	35.55	46.92	35.10	28.16

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Including Joint venture

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	106	19	24	27
Number of farms	71	14	14	15
Acres	161.43	200.82	125.62	109.56
Yield per acre (ton)	18.78	14.67	19.00	22.41
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	38.33	35.66	37.87	39.88
Total product return per acre	719.80	523.14	719.62	893.91
Miscellaneous income per acre	30.85	73.63	26.44	11.62
Gross return per acre	750.65	596.77	746.06	905.53
Direct Expenses				
Seed	51.12	52.53	50.81	51.12
Fertilizer	41.81	43.27	44.38	44.71
Crop chemicals	105.67	119.90	101.01	100.89
Crop insurance	16.06	13.89	15.26	16.68
Fuel & oil	51.48	53.47	46.01	49.75
Repairs	64.34	80.01	46.55	64.78
Custom hire	13.58	3.72	14.46	22.36
Hired labor	18.68	17.29	18.76	17.87
Land rent	69.41	66.13	72.77	77.34
Stock/quota lease	188.28	194.68	195.69	180.05
Machinery leases	0.80	0.30	3.30	0.88
Hauling and trucking	3.19	0.54	3.08	4.97
Operating interest	17.26	20.03	19.00	9.50
Miscellaneous	1.65	0.23	4.18	0.27
Total direct expenses per acre	643.34	665.99	635.26	641.16
Return over direct exp per acre	107.30	-69.22	110.80	264.37
Overhead Expenses				
Custom hire	4.09	5.81	2.65	5.01
Hired labor	31.95	37.10	34.09	17.54
Machinery leases	11.45	21.48	4.85	2.55
Building leases	0.29	0.91	0.13	0.09
Farm insurance	5.44	6.14	4.62	4.75
Utilities	5.71	6.36	3.72	4.43
Dues & professional fees	6.06	7.77	4.57	4.30
Interest	16.34	21.82	11.50	13.91
Mach & bldg depreciation	47.36	49.68	46.21	37.68
Miscellaneous	8.50	6.42	6.94	9.58
Total overhead expenses per acre	137.18	163.49	119.27	99.86
Total dir & ovhd expenses per acre	780.52	829.47	754.54	741.02
Net return per acre	-29.87	-232.70	-8.47	164.52
Government payments	14.83	16.44	15.97	15.77
Net return with govt pmts	-15.04	-216.26	7.50	180.29
Labor & management charge	75.95	64.99	76.75	79.75
Net return over lbr & mgt	-90.99	-281.25	-69.25	100.53
Cost of Production				
Total direct expense per ton	34.26	45.40	33.43	28.60
Total dir & ovhd exp per ton	41.57	56.55	39.70	33.06
Less govt & other income	39.13	50.41	37.47	31.84
With labor & management	43.18	54.84	41.51	35.40
Machinery cost per acre	208.03	232.81	174.83	196.41
Est. labor hours per acre	5.55	5.28	5.41	5.10

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sunflowers on Owned Land

	Avg. Of All Farms
Number of fields	9
Number of farms	8
Acres	84.10
Yield per acre (cwt.)	15.48
Operators share of yield %	100.00
Value per cwt.	13.93
Total product return per acre	215.59
Miscellaneous income per acre	7.18
Gross return per acre	222.78
Direct Expenses	
Seed	23.41
Fertilizer	24.18
Crop chemicals	15.08
Crop insurance	8.16
Drying fuel	0.80
Fuel & oil	10.31
Repairs	10.50
Custom hire	1.52
Operating interest	3.08
Miscellaneous	0.01
Total direct expenses per acre	97.04
Return over direct exp per acre	125.74
Overhead Expenses	
Custom hire	10.65
Hired labor	6.13
Machinery leases	1.51
RE & pers. property taxes	7.91
Farm insurance	3.59
Utilities	2.94
Dues & professional fees	0.78
Interest	35.25
Mach & bldg depreciation	11.70
Miscellaneous	2.38
Total overhead expenses per acre	82.85
Total dir & ovhd expenses per acre	179.88
Net return per acre	42.90
Government payments	15.93
Net return with govt pmts	58.82
Labor & management charge	22.67
Net return over lbr & mgt	36.15
Cost of Production	
Total direct expense per cwt.	6.27
Total dir & ovhd exp per cwt.	11.62
Less govt & other income	10.13
With labor & management	11.60
Machinery cost per acre	48.69
Est. labor hours per acre	1.52

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sunflowers on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	26
Number of farms	20
Acres	137.88
Yield per acre (cwt.)	15.07
Operators share of yield %	100.00
Value per cwt.	14.12
Total product return per acre	212.72
Miscellaneous income per acre	9.89
Gross return per acre	222.61
Direct Expenses	
Seed	21.57
Fertilizer	25.62
Crop chemicals	16.07
Crop insurance	8.91
Drying fuel	0.17
Fuel & oil	14.74
Repairs	17.55
Custom hire	2.36
Land rent	55.41
Hauling and trucking	0.17
Operating interest	4.03
Miscellaneous	0.12
Total direct expenses per acre	166.72
Return over direct exp per acre	55.89
Overhead Expenses	
Custom hire	2.33
Hired labor	5.28
Machinery leases	2.37
Building leases	0.15
Farm insurance	3.72
Utilities	2.88
Dues & professional fees	1.50
Interest	3.34
Mach & bldg depreciation	14.47
Miscellaneous	3.39
Total overhead expenses per acre	39.44
Total dir & ovhd expenses per acre	206.16
Net return per acre	16.45
Government payments	16.29
Net return with govt pmts	32.74
Labor & management charge	22.48
Net return over lbr & mgt	10.26
Cost of Production	
Total direct expense per cwt.	11.06
Total dir & ovhd exp per cwt.	13.68
Less govt & other income	11.94
With labor & management	13.44
Machinery cost per acre	56.17
Est. labor hours per acre	1.49

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sunflowers, Confectionary on Owned Land

	Avg. Of All Farms
Number of fields	5
Number of farms	5
Acres	131.34
Yield per acre (cwt.)	16.39
Operators share of yield %	100.00
Value per cwt.	17.78
Total product return per acre	291.41
Miscellaneous income per acre	5.30
Gross return per acre	296.71
Direct Expenses	
Seed	22.13
Fertilizer	33.06
Crop chemicals	17.28
Crop insurance	14.06
Fuel & oil	13.31
Repairs	15.63
Custom hire	2.66
Operating interest	4.46
Total direct expenses per acre	122.60
Return over direct exp per acre	174.11
Overhead Expenses	
Custom hire	2.36
Hired labor	4.07
Machinery leases	0.27
Building leases	0.17
RE & pers. property taxes	9.67
Farm insurance	5.03
Utilities	2.54
Dues & professional fees	3.64
Interest	44.10
Mach & bldg depreciation	20.67
Miscellaneous	4.53
Total overhead expenses per acre	97.06
Total dir & ovhd expenses per acre	219.66
Net return per acre	77.05
Government payments	14.32
Net return with govt pmts	91.37
Labor & management charge	21.01
Net return over lbr & mgt	70.36
Cost of Production	
Total direct expense per cwt.	7.48
Total dir & ovhd exp per cwt.	13.40
Less govt & other income	12.21
With labor & management	13.49
Machinery cost per acre	59.87
Est. labor hours per acre	1.24

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Sunflowers, Confectionary on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	21
Number of farms	19
Acres	206.35
Yield per acre (cwt.)	15.65
Operators share of yield %	100.00
Value per cwt.	17.99
Total product return per acre	281.59
Miscellaneous income per acre	6.78
Gross return per acre	288.37
Direct Expenses	
Seed	26.44
Fertilizer	27.89
Crop chemicals	19.60
Crop insurance	11.77
Drying fuel	0.52
Fuel & oil	15.10
Repairs	14.96
Custom hire	7.37
Land rent	62.65
Operating interest	5.29
Total direct expenses per acre	191.59
Return over direct exp per acre	96.77
Overhead Expenses	
Custom hire	3.66
Hired labor	7.13
Machinery leases	2.58
Building leases	0.15
Farm insurance	4.32
Utilities	2.59
Dues & professional fees	2.46
Interest	4.25
Mach & bldg depreciation	13.45
Miscellaneous	2.18
Total overhead expenses per acre	42.77
Total dir & ovhd expenses per acre	234.37
Net return per acre	54.00
Government payments	14.87
Net return with govt pmts	68.87
Labor & management charge	22.89
Net return over lbr & mgt	45.98
Cost of Production	
Total direct expense per cwt.	12.24
Total dir & ovhd exp per cwt.	14.97
Less govt & other income	13.59
With labor & management	15.05
Machinery cost per acre	60.71
Est. labor hours per acre	1.42

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Wheat, Spring on Owned Land

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	158	24	32	44
Number of farms	122	24	25	25
Acres	170.23	206.70	144.41	134.45
Yield per acre (bu.)	41.51	38.15	42.14	47.01
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	3.63	3.41	3.61	3.73
Total product return per acre	150.77	129.96	152.22	175.28
Miscellaneous income per acre	7.86	10.87	1.97	8.43
Gross return per acre	158.63	140.82	154.19	183.71
Direct Expenses				
Seed	12.39	12.87	12.70	12.29
Fertilizer	40.56	44.16	42.35	36.77
Crop chemicals	19.82	25.69	15.87	21.26
Crop insurance	9.01	10.00	7.46	9.42
Fuel & oil	11.12	11.61	10.89	10.68
Repairs	14.26	15.66	13.74	13.21
Custom hire	3.41	4.74	4.00	2.26
Operating interest	3.10	2.95	3.94	2.08
Miscellaneous	0.74	0.92	0.99	0.45
Total direct expenses per acre	114.42	128.60	111.95	108.41
Return over direct exp per acre	44.21	12.23	42.24	75.30
Overhead Expenses				
Custom hire	1.68	1.42	1.30	1.48
Hired labor	6.66	7.68	5.56	4.52
Machinery leases	1.26	1.86	0.76	1.48
RE & pers. property taxes	10.40	12.91	10.92	9.09
Farm insurance	5.20	5.88	5.10	5.91
Utilities	2.30	2.42	2.40	1.97
Dues & professional fees	2.00	2.11	2.13	1.82
Interest	30.43	46.71	34.26	13.86
Mach & bldg depreciation	11.69	13.42	11.60	10.79
Miscellaneous	1.90	1.74	2.41	1.27
Total overhead expenses per acre	73.50	96.14	76.44	52.19
Total dir & ovhd expenses per acre	187.93	224.74	188.39	160.60
Net return per acre	-29.30	-83.91	-34.20	23.11
Government payments	15.81	17.19	15.48	16.26
Net return with govt pmts	-13.49	-66.72	-18.72	39.37
Labor & management charge	16.74	17.07	16.98	17.79
Net return over lbr & mgt	-30.23	-83.78	-35.70	21.58
Cost of Production				
Total direct expense per bu.	2.76	3.37	2.66	2.31
Total dir & ovhd exp per bu.	4.53	5.89	4.47	3.42
Less govt & other income	3.96	5.15	4.06	2.89
With labor & management	4.36	5.60	4.46	3.27
Machinery cost per acre	46.12	52.64	44.53	41.95
Est. labor hours per acre	1.21	1.11	1.16	1.30

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Wheat, Spring on Cash Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	261	41	48	57
Number of farms	168	33	33	34
Acres	338.84	315.68	339.21	279.47
Yield per acre (bu.)	41.76	33.75	40.91	49.52
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	3.65	3.53	3.69	3.72
Total product return per acre	152.56	119.19	150.80	184.08
Miscellaneous income per acre	9.98	9.71	7.63	9.43
Gross return per acre	162.53	128.90	158.43	193.51
Direct Expenses				
Seed	12.53	11.94	12.68	11.82
Fertilizer	41.89	44.57	42.51	40.29
Crop chemicals	20.61	17.68	16.98	22.19
Crop insurance	9.33	9.35	9.51	8.29
Fuel & oil	11.12	12.07	11.10	10.47
Repairs	12.90	15.26	12.85	12.55
Custom hire	3.71	3.58	4.09	4.23
Land rent	62.30	66.31	65.59	55.65
Machinery leases	0.19	-	0.55	0.46
Operating interest	3.22	3.91	2.78	2.88
Miscellaneous	0.79	0.69	1.17	0.27
Total direct expenses per acre	178.57	185.37	179.82	169.09
Return over direct exp per acre	-16.04	-56.46	-21.38	24.42
Overhead Expenses				
Custom hire	1.67	1.98	1.22	1.11
Hired labor	5.84	6.16	5.59	4.18
Machinery leases	1.81	4.11	1.41	1.51
Farm insurance	5.02	6.73	3.73	6.59
Utilities	2.06	2.56	2.03	2.50
Dues & professional fees	1.96	2.32	2.11	1.57
Interest	3.45	4.11	2.44	3.70
Mach & bldg depreciation	10.49	11.86	10.72	10.75
Miscellaneous	2.13	3.63	1.93	2.01
Total overhead expenses per acre	34.44	43.47	31.16	33.92
Total dir & ovhd expenses per acre	213.02	228.83	210.97	203.02
Net return per acre	-50.48	-99.93	-52.54	-9.51
Government payments	15.41	15.91	15.03	15.87
Net return with govt pmts	-35.07	-84.02	-37.51	6.36
Labor & management charge	18.28	17.59	19.20	19.03
Net return over lbr & mgt	-53.36	-101.61	-56.71	-12.66
Cost of Production				
Total direct expense per bu.	4.28	5.49	4.40	3.42
Total dir & ovhd exp per bu.	5.10	6.78	5.16	4.10
Less govt & other income	4.49	6.02	4.60	3.59
With labor & management	4.93	6.54	5.07	3.97
Machinery cost per acre	44.94	52.31	43.89	44.35
Est. labor hours per acre	1.17	1.24	1.21	1.15

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt. Education
Red River Valley, 2005
(Farms Sorted By Net Return)

Wheat, Spring on Share Rent

	Avg. Of All Farms	Low 20%	40 - 60%	High 20%
Number of fields	47	6	11	9
Number of farms	32	6	7	7
Acres	144.97	273.13	148.05	197.46
Yield per acre (bu.)	37.59	30.68	36.63	42.24
Operators share of yield %	65.67	64.02	63.74	66.40
Value per bu.	3.64	3.56	3.47	3.71
Total product return per acre	89.96	69.91	81.00	104.13
Miscellaneous income per acre	10.07	10.43	13.31	14.17
Gross return per acre	100.04	80.34	94.31	118.30
Direct Expenses				
Seed	11.84	10.04	9.78	11.49
Fertilizer	39.18	50.04	35.30	35.80
Crop chemicals	12.60	10.07	10.73	15.25
Crop insurance	6.45	8.20	6.62	5.81
Fuel & oil	11.42	9.46	12.34	10.79
Repairs	14.56	17.88	14.67	11.32
Custom hire	3.07	4.35	6.46	0.97
Operating interest	2.81	3.25	1.57	2.41
Miscellaneous	0.39	-	1.12	0.33
Total direct expenses per acre	102.31	113.30	98.60	94.19
Return over direct exp per acre	-2.28	-32.96	-4.29	24.11
Overhead Expenses				
Custom hire	1.93	3.87	1.60	0.44
Hired labor	6.39	5.87	9.37	3.20
Machinery leases	2.21	2.53	2.39	0.40
Farm insurance	4.91	3.70	4.55	4.11
Utilities	2.81	3.58	2.45	1.78
Dues & professional fees	2.21	2.62	2.84	1.05
Interest	2.66	1.86	3.22	2.57
Mach & bldg depreciation	11.22	12.53	13.63	6.75
Miscellaneous	2.96	4.27	2.01	1.29
Total overhead expenses per acre	37.29	40.82	42.06	21.60
Total dir & ovhd expenses per acre	139.60	154.12	140.66	115.79
Net return per acre	-39.56	-73.78	-46.35	2.51
Government payments	10.47	8.69	11.49	10.62
Net return with govt pmts	-29.09	-65.09	-34.87	13.13
Labor & management charge	17.75	13.39	18.12	19.45
Net return over lbr & mgt	-46.84	-78.48	-52.99	-6.33
Cost of Production				
Total direct expense per bu.	4.14	5.77	4.22	3.36
Total dir & ovhd exp per bu.	5.65	7.85	6.02	4.13
Less govt & other income	4.82	6.87	4.96	3.24
With labor & management	5.54	7.55	5.74	3.94
Machinery cost per acre	46.90	52.44	54.06	33.30
Est. labor hours per acre	1.25	1.40	1.07	1.26

