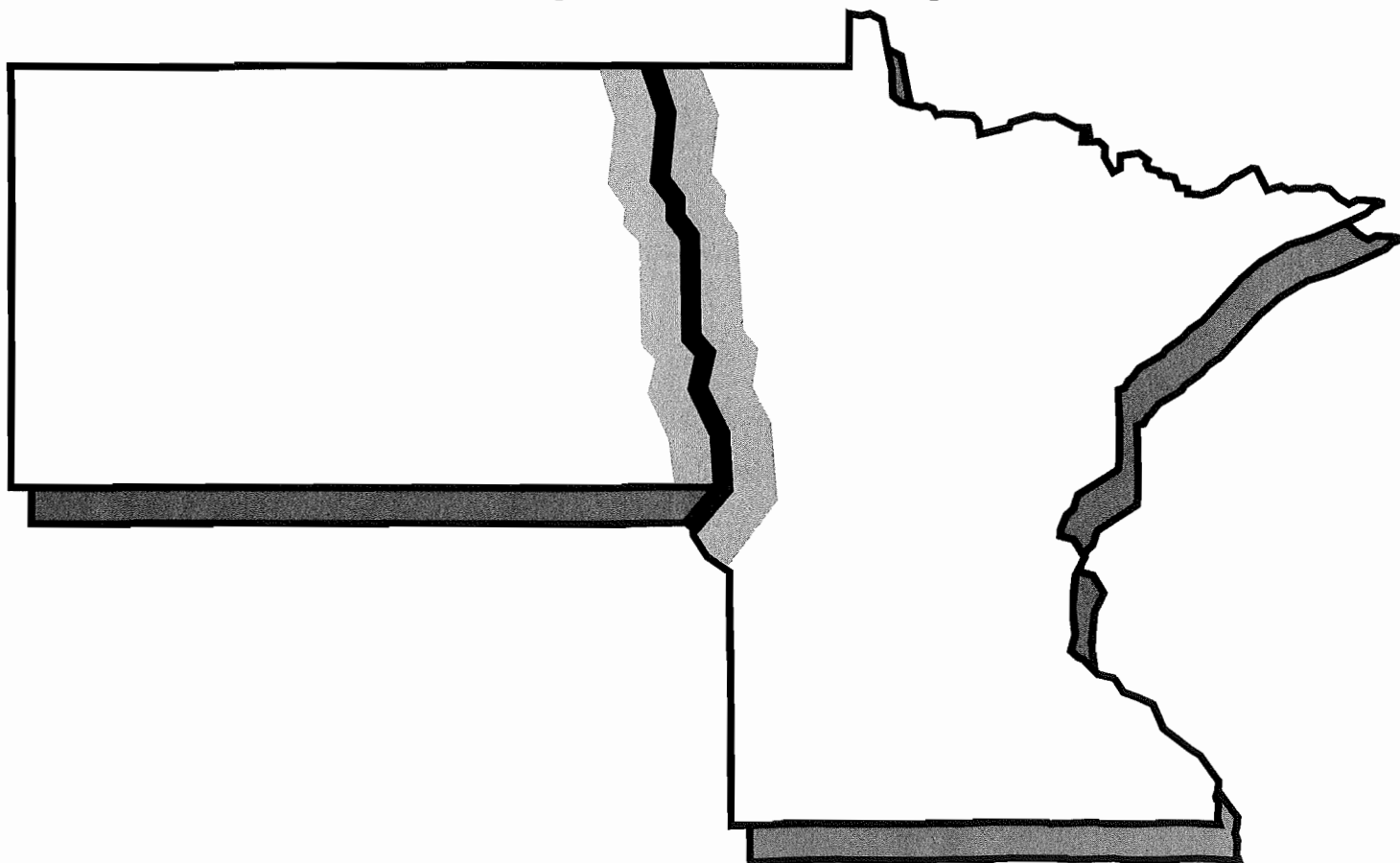


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2006 Red River Valley Report



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RED RIVER VALLEY AVERAGES
2006 ANNUAL REPORT

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2006 Red River Valley Report
Minnesota and North Dakota Farm Business Management Education

TABLE OF CONTENTS

Introduction	1
Explanatory Notes for the Farm Operators' Reports	2
Five-Year Trend of Financial measures.....	9
Farm Income Statement	10
Inventory Changes	12
Depreciation and Other Capital Adjustments	13
Profitability Measures	14
Liquidity Measures	15
Balance Sheet at Cost Values.....	16
Balance Sheet at Market Values	17
Statement of Cash Flows	18
Financial Standards Measures	19
Crop Production and Marketing Summary	20
Operator and Labor Information	21
Nonfarm Summary	22
Financial Summary (sorted by gross farm income)	23
Financial Summary (sorted by age of operator)	24
Financial Summary (sorted by county)	25
Explanatory Notes for Crop Tables	26
Five Year Crop History of Yields and Cost of Production.....	27
Five Year Crop History of Fuel and Fertilizer Costs per Acre	28
Beans, Black Turtle on Cash Rent	29
Beans, Navy on Cash Rent	30
Beans, Pinto on Cash Rent	31
Corn on Owned Land	32
Corn on Cash Rent	33
Corn on Share Rent	34
Soybeans on Owned Land	35
Soybeans on Cash Rent	36
Soybeans on Cash Rent (sorted by RoundUp Ready)	37
Soybeans on Share Rent	38
Soybeans, Food on Cash Rent	39
Sugar Beets on Owned Land, Excluding Joint venture	40
Sugar Beets on Owned Land, Including Joint venture	41
Sugar Beets on Cash Rent, Excluding Joint venture	42
Sugar Beets on Cash Rent, Including Joint venture	43
Sunflowers on Cash Rent	44
Sunflowers, Confectionary on Cash Rent	45
Wheat, Spring on Owned Land	46
Wheat, Spring on Cash Rent	47
Wheat, Spring on Share Rent	48

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 2006 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. 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, phone: (218) 681-0797, 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, phone: (701) 224-8390. A state average book for North Dakota farms 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.

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

This table shows profitability when capital assets are valued at cost. Various measures of performance are calculated. In the previous tables no opportunity costs are used. In this table, 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 complies with nearly all of the FFSTF recommendations for calculating the financial guidelines measures. The measures are calculated on an accrual basis. 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" is "Total current farm assets" divided by "Total current farm liabilities."

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

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" is "Total farm liabilities" divided by "Total farm assets."

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" is "Total farm assets" minus "Total farm liabilities," divided by "Total farm assets."

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" is "Total farm liabilities," divided by the result of "Total farm assets"

minus "Total farm liabilities."

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 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 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 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.

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

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" 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.

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" 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.

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

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

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

This ratio indicates the percent of the gross farm income which is used to cover the depreciation expense.

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

This ratio indicates the percent of the gross farm income which is used to pay farm interest expenses.

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

This ratio indicates the percent of the gross farm income which remains after all expenses.

Crop Production and Marketing Summary

This table contains three sections. The first section reports averages for total acres owned, crop land by tenure and total pasture acres. 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."

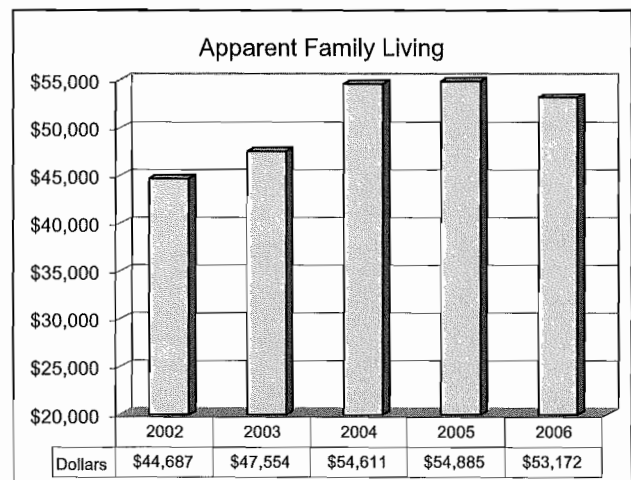
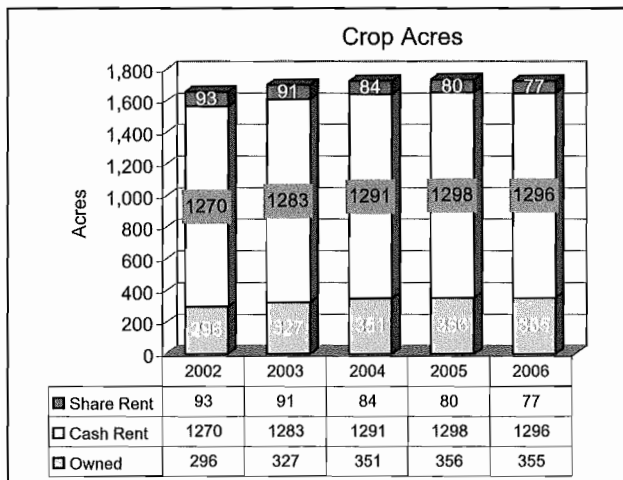
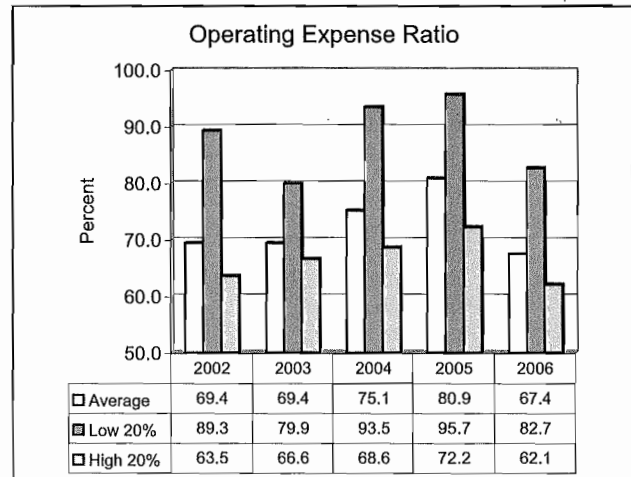
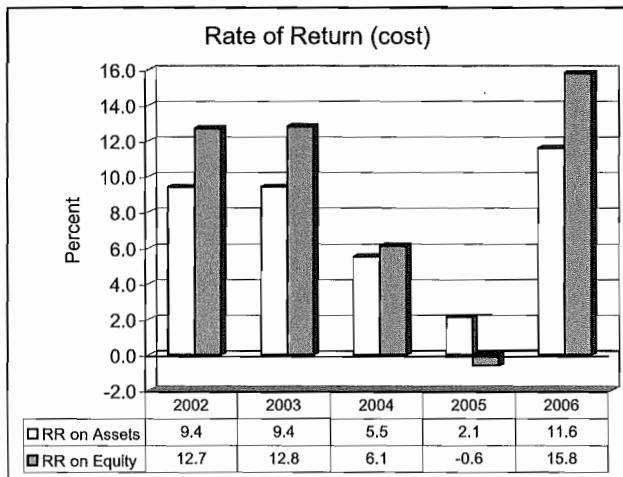
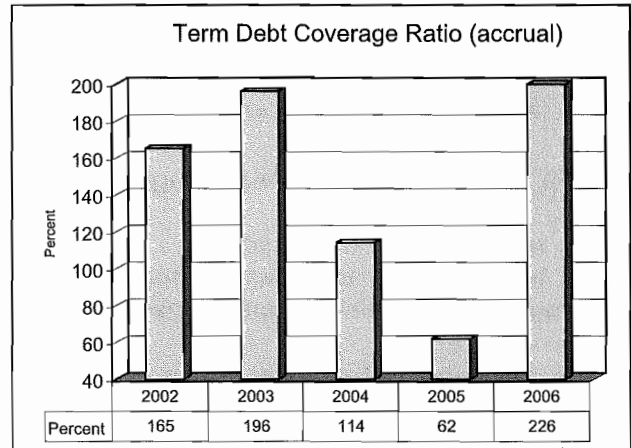
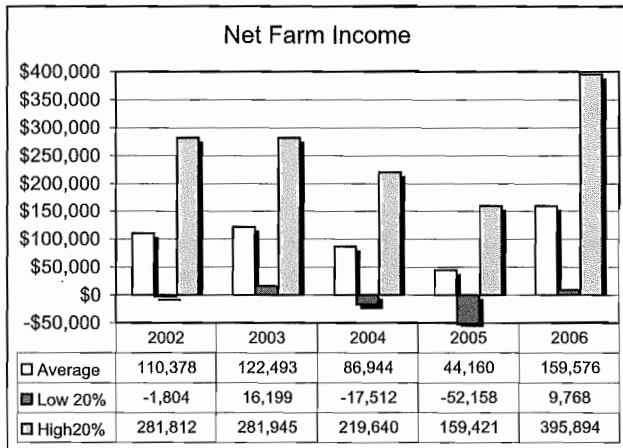
Operator and Labor Information

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.

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, 2006
(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	241	48	48	49
Cash Farm Income				
Barley	1,006	75	1,268	3,149
Beans, Black Turtle	940	1,412	988	561
Beans, Dark Red Kidney	593	-	-	2,534
Beans, Navy	3,059	774	479	6,025
Beans, Pink	476	-	-	2,340
Beans, Pinto	3,642	344	2,206	10,305
Beans, Small Red	287	748	448	-
Corn	55,513	45,836	38,816	83,382
Corn Silage	263	-	1,322	-
Flax	29	-	126	18
Hay, Alfalfa	1,241	1,600	-	2,641
Millet	124	-	288	-
Oats	116	543	-	37
Potatoes	9,685	6,485	6,657	-
Potatoes, Seed	286	-	1,435	-
Soybeans	120,771	59,506	129,404	177,368
Straw	1,132	29	63	183
Sugar Beets	202,073	22,847	155,562	518,799
Sunflowers	5,711	7,058	4,895	6,707
Sunflowers, Confectionary	3,127	-	1,147	7,589
Wheat, Spring	103,862	40,709	111,511	170,059
Wheat, Winter	499	-	690	-
Corn, Blue	223	843	-	-
Soybeans, Organic	2,748	4,313	1,937	-
Soybeans, Food	170	-	853	-
Barley, Organic	135	188	484	-
Corn, Organic	101	505	-	-
Hay, Alfalfa, Organic	1,102	2,383	-	-
Oats, Organic	330	1,601	-	-
Rye, Organic	160	802	-	-
Wheat, Spring, Organic	594	-	-	-
Other crops	427	1,115	-	1,007
Miscellaneous crop income	144	40	-	-
Beef, Background Beef	147	-	-	724
Beef, Finish Beef Calves	1,002	-	-	-
Dairy Heifers (for sale)	67	-	-	327
Dairy Steer Finishing	202	-	-	245
Hogs, Farrow-Fin, Raised Hogs	2,623	-	-	3,238
CCC market loan gain	8	-	-	37
Misc. livestock income	218	308	48	-
LDP payments	1,053	595	502	2,517
Direct & CC govt payments	26,122	13,683	23,432	43,559
CRP payments	765	860	505	1,035
Other government payments	1,173	2,519	658	1,048
Custom work income	7,645	3,327	15,982	4,822
Patronage dividends, cash	5,783	1,249	3,143	14,318
Insurance income	11,969	14,587	8,450	12,456
Cash from hedging accts	380	42	81	642
Other farm income	24,925	19,492	15,143	48,743
Gross Cash Farm Income	604,651	256,416	528,521	1,126,414

Farm Income Statement (Continued)
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Farm Income)

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	241	48	48	49
Cash Farm Expense				
Seed	51,147	24,984	44,925	86,462
Fertilizer	56,560	26,847	52,378	102,250
Crop chemicals	51,814	20,066	49,779	98,779
Crop insurance	21,746	11,845	21,358	34,094
Drying fuel	1,697	1,550	708	3,278
CCC buyback	10,924	5,161	8,801	15,645
Crop custom hire	260	-	-	-
Crop hauling and trucking	969	286	503	1,653
Marketing	1,314	93	308	4,441
Crop miscellaneous	3,908	1,626	1,398	7,362
Feeder livestock purchase	979	6	132	231
Purchased feed	1,391	44	190	2,004
Breeding fees	48	-	-	124
Veterinary	93	23	15	252
Supplies	162	5	16	67
Livestock hauling and trucking	74	-	-	156
Interest	35,781	22,130	29,423	58,791
Fuel & oil	38,888	18,892	36,301	67,462
Repairs	40,764	22,050	34,968	71,205
Custom hire	12,341	10,919	12,550	15,816
Hired labor	27,491	8,802	19,654	63,384
Land rent	88,966	43,623	77,652	156,065
Stock/quota lease	19,779	3,912	21,718	44,564
Machinery leases	7,955	4,856	5,800	9,616
Building leases	922	6	1,128	1,094
Real estate taxes	4,725	2,407	3,541	8,368
Farm insurance	8,720	4,644	6,694	14,779
Utilities	5,519	3,563	4,627	8,235
Dues & professional fees	4,972	2,202	3,236	10,373
Organic certification	59	153	16	-
Hedging account deposits	3,227	2,289	2,175	7,494
Miscellaneous	5,519	3,338	4,417	7,710
Total cash expense	508,716	246,321	444,410	901,755
Net cash farm income	95,935	10,095	84,110	224,659
Inventory Changes				
Crops and feed	75,696	22,671	41,267	178,721
Market livestock	456	-143	-177	1,683
Accounts receivable	10,591	-1,886	10,052	23,134
Prepaid expenses and supplies	7,222	-5,469	10,235	20,862
Accounts payable	-3,540	-724	232	-6,864
Total inventory change	90,424	14,449	61,609	217,536
Net operating profit	186,359	24,544	145,719	442,195
Depreciation and Other Capital Adjustments				
Breeding livestock	91	21	726	105
Machinery and equipment	-31,563	-14,580	-27,640	-61,951
Buildings and improvements	-1,442	-698	-1,423	-1,866
Other farm capital	6,131	481	5,168	17,411
Total depr. and other capital adj	-26,783	-14,776	-23,169	-46,302
Net farm income	159,576	9,768	122,551	395,894

Inventory Changes
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Net cash farm income	95,935	10,095	84,110	224,659
Crops and Feed				
Ending inventory	301,882	83,385	230,305	663,488
Beginning inventory	226,186	60,714	189,038	484,767
Inventory change	75,696	22,671	41,267	178,721
Market Livestock				
Ending inventory	2,232	68	167	4,731
Beginning inventory	1,777	210	344	3,048
Inventory change	456	-143	-177	1,683
Accts Receivable & Other Current Assets				
Ending inventory	49,286	24,344	35,872	83,792
Beginning inventory	38,695	26,230	25,820	60,658
Inventory change	10,591	-1,886	10,052	23,134
Prepaid Expenses and Supplies				
Ending inventory	41,917	6,812	39,854	89,136
Beginning inventory	34,696	12,281	29,618	68,273
Inventory change	7,222	-5,469	10,235	20,862
Accounts Payable & Accrued Expenses				
Beginning inventory	36,485	23,004	30,763	56,644
Ending inventory	40,025	23,728	30,531	63,508
Inventory change	-3,540	-724	232	-6,864
Total inventory change	90,424	14,449	61,609	217,536
Net operating profit	186,359	24,544	145,719	442,195

Depreciation and Other Capital Adjustments
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Net operating profit	186,359	24,544	145,719	442,195
Breeding Livestock				
Ending inventory	1,004	83	1,877	2,091
Capital sales	43	-	-	213
Beginning inventory	957	63	1,151	2,199
Capital purchases	-	-	-	-
Depreciation, capital adjust.	91	21	726	105
Machinery and Equipment				
Ending inventory	334,908	156,695	299,991	632,522
Capital sales	5,462	11,860	3,290	6,823
Beginning inventory	318,038	165,359	273,480	599,267
Capital purchases	53,896	17,777	57,442	102,029
Depreciation, capital adjust.	-31,563	-14,580	-27,640	-61,951
Buildings and Improvements				
Ending inventory	58,140	28,305	53,870	101,174
Capital sales	-	-	-	-
Beginning inventory	55,417	25,748	52,434	93,430
Capital purchases	4,165	3,255	2,859	9,610
Depreciation, capital adjust.	-1,442	-698	-1,423	-1,866
Other Capital Assets				
Ending inventory	213,546	31,937	165,726	533,878
Capital sales	6,555	1,185	3,724	6,967
Beginning inventory	211,309	30,455	160,957	519,905
Capital purchases	2,661	2,188	3,325	3,530
Depreciation, capital adjust.	6,131	481	5,168	17,411
Total depreciation, capital adj.	-26,783	-14,776	-23,169	-46,302
Net farm income	159,576	9,768	122,551	395,894

Profitability Measures
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Profitability (assets valued at cost)				
Net farm income	159,576	9,768	122,551	395,894
Labor and management earnings	117,688	-752	88,086	300,045
Rate of return on assets	11.6 %	1.3 %	10.2 %	14.8 %
Rate of return on equity	15.8 %	-9.5 %	13.4 %	19.7 %
Operating profit margin	21.7 %	2.4 %	18.7 %	28.3 %
Asset turnover rate	53.6 %	53.4 %	54.6 %	52.3 %
Interest on farm net worth	41,888	10,520	34,464	95,849
Farm interest expense	38,753	23,252	31,577	61,603
Value of operator lbr and mgmt.	49,099	26,254	45,432	81,407
Return on farm assets	149,230	6,767	108,696	376,090
Average farm assets	1,285,267	519,165	1,062,082	2,538,560
Return on farm equity	110,477	-16,486	77,119	314,487
Average farm equity	697,290	173,146	574,346	1,597,475
Value of farm production	689,114	277,029	580,067	1,327,822

Liquidity Measures
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Liquidity (cash)				
Net cash farm income	95,935	10,095	84,110	224,659
Net nonfarm income	16,006	22,129	17,400	10,123
Family living and taxes	65,457	35,239	59,636	103,198
Principal due on long term debt	12,089	6,593	10,684	21,696
Cash available for interm. debt	34,395	-9,608	31,190	109,888
Average intermediate debt	169,935	84,652	149,073	311,669
Years to turnover interm. debt	4.9	**	4.8	2.8
Expense as a % of income	84 %	96 %	84 %	80 %
Interest as a % of income	6 %	9 %	6 %	5 %
Working capital to gross income	25 %	0 %	22 %	39 %
Liquidity (accrual)				
Total accrual farm income	691,394	277,058	579,662	1,329,953
Total accrual operating expense	505,035	252,514	433,943	887,757
Net accrual operating income	186,359	24,544	145,719	442,195
Net nonfarm income	16,006	22,129	17,400	10,123
Family living and taxes	65,457	35,239	59,636	103,198
Principal due on long term debt	12,089	6,593	10,684	21,696
Available for intermediate debt	124,818	4,841	92,799	327,424
Average intermediate debt	169,935	84,652	149,073	311,669
Years to turnover interm. debt	1.4	17.5	1.6	1.0
Expense as a % of income	73 %	91 %	75 %	67 %
Interest as a % of income	6 %	8 %	5 %	5 %
Working capital to gross income	22 %	0 %	20 %	33 %

** Income insufficient to meet debt servicing requirements

Balance Sheet at Cost Values
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Farm Income)

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	206	46	43	31
Assets				
Current Farm Assets				
Cash and checking balance	13,120	8,470	11,238	34,195
Prepaid expenses & supplies	37,726	7,000	38,772	91,771
Growing crops	148	-	-	-
Accounts receivable	35,571	21,259	34,057	50,351
Hedging accounts	1,706	916	490	5,876
Crops held for sale or feed	220,228	59,892	200,205	499,713
Crops under government loan	34,264	23,764	36,599	51,676
Market livestock held for sale	2,028	71	186	3,601
Other current assets	710	611	-	3,070
Total current farm assets	345,501	121,982	321,547	740,253
Intermediate Farm Assets				
Breeding livestock	1,060	87	2,095	2,545
Machinery and equipment	264,973	118,717	278,446	529,564
Titled vehicles	16,683	13,710	17,369	27,128
Other intermediate assets	139,718	22,869	125,908	393,248
Total intermediate farm assets	422,434	155,384	423,818	952,486
Long Term Farm Assets				
Farm land	314,768	170,496	281,195	549,674
Buildings and improvements	52,183	22,731	59,713	97,755
Other long-term assets	27,867	8,872	26,284	64,570
Total long-term farm assets	394,819	202,099	367,192	711,999
Total Farm Assets	1,162,753	479,465	1,112,557	2,404,738
Total Nonfarm Assets	193,804	112,794	187,270	359,414
Total Assets	1,356,557	592,259	1,299,826	2,764,152
Liabilities				
Current Farm Liabilities				
Accrued interest	14,258	9,465	11,592	21,249
Accounts payable	17,545	11,754	16,961	26,729
Current notes	135,891	64,785	118,805	216,682
Government crop loans	23,050	16,699	24,226	36,060
Principal due on term debt	38,737	18,667	38,790	77,553
Total current farm liabilities	229,481	121,370	210,374	378,273
Total intermediate farm liabs	120,082	65,816	125,595	236,935
Total long term farm liabilities	194,047	148,064	182,679	268,231
Total farm liabilities	543,610	335,250	518,648	883,439
Total nonfarm liabilities	48,528	23,202	47,264	89,285
Total liabilities	592,138	358,452	565,912	972,724
Net worth (farm and nonfarm)	764,419	233,807	733,914	1,791,428
Net worth change	96,816	3,988	89,292	282,352
Ratio Analysis				
Current farm liabilities / assets	66 %	99 %	65 %	51 %
Curr. & interm farm liab. / assets	46 %	67 %	45 %	36 %
Long term farm liab. / assets	49 %	73 %	50 %	38 %
Total debt to asset ratio	44 %	61 %	44 %	35 %

Balance Sheet at Market Values
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	206	46	43	31
Assets				
Current Farm Assets				
Cash and checking balance	13,120	8,470	11,238	34,195
Prepaid expenses & supplies	37,726	7,000	38,772	91,771
Growing crops	148	-	-	-
Accounts receivable	35,571	21,259	34,057	50,351
Hedding accounts	1,706	916	490	5,876
Crops held for sale or feed	220,228	59,892	200,205	499,713
Crops under government loan	34,264	23,764	36,599	51,676
Market livestock held for sale	2,028	71	186	3,601
Other current assets	710	611	-	3,070
Total current farm assets	345,501	121,982	321,547	740,253
Intermediate Farm Assets				
Breeding livestock	1,073	117	2,095	2,545
Machinery and equipment	338,655	144,929	336,984	687,137
Titled vehicles	18,974	14,028	18,548	33,663
Other intermediate assets	188,725	21,757	147,130	590,170
Total intermediate farm assets	547,427	180,831	504,757	1,313,516
Long Term Farm Assets				
Farm land	425,835	244,042	439,822	686,719
Buildings and improvements	64,589	25,897	81,092	112,473
Other long-term assets	30,848	8,805	31,586	71,977
Total long-term farm assets	521,272	278,743	552,500	871,168
Total Farm Assets	1,414,199	581,557	1,378,803	2,924,937
Total Nonfarm Assets	227,121	133,913	216,432	439,806
Total Assets	1,641,320	715,471	1,595,235	3,364,743
Liabilities				
Current Farm Liabilities				
Accrued interest	14,258	9,465	11,592	21,249
Accounts payable	17,545	11,754	16,961	26,729
Current notes	135,891	64,785	118,805	216,682
Government crop loans	23,050	16,699	24,226	36,060
Principal due on term debt	38,737	18,667	38,790	77,553
Total current farm liabilities	229,481	121,370	210,374	378,273
Total intermediate farm liabs	120,082	65,816	125,595	236,935
Total long term farm liabilities	194,047	148,064	182,679	268,231
Total farm liabilities	543,610	335,250	518,648	883,439
Total nonfarm liabilities	48,528	23,202	47,264	89,285
Total liabs excluding deferreds	592,138	358,452	565,912	972,724
Total deferred liabilities	126,447	32,060	107,096	316,167
Total liabilities	718,585	390,512	673,008	1,288,891
Retained earnings	764,419	233,807	733,914	1,791,428
Market valuation equity	158,316	91,151	188,313	284,424
Net worth (farm and nonfarm)	922,736	324,958	922,227	2,075,852
Net worth excluding deferreds	1,049,182	357,019	1,029,323	2,392,019
Net worth change	114,251	26,870	96,968	313,684
Ratio Analysis				
Current farm liabilities / assets	66 %	99 %	65 %	51 %
Curr. & interm farm liab. / assets	39 %	62 %	41 %	30 %
Long term farm liab. / assets	37 %	53 %	33 %	31 %
Total debt to asset ratio	44 %	55 %	42 %	38 %
Debt to assets excl deferreds	36 %	50 %	35 %	29 %

Statement Of Cash Flows
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Beginning cash (farm & nonfarm)	21,437	26,222	10,334	38,817
Cash From Operating Activities				
Gross cash farm income	604,651	256,416	528,521	1,126,414
Net nonfarm income	16,006	22,129	17,400	10,123
Total cash farm expense	-508,716	-246,321	-444,410	-901,755
Apparent family living expense	-53,172	-30,784	-51,457	-76,591
Income and social security tax	-10,995	-4,455	-8,179	-20,260
Cash from operations	47,774	-3,015	41,874	137,932
Cash From Investing Activities				
Sale of breeding livestock	43	-	-	213
Sale of machinery & equipment	4,528	11,254	2,445	4,374
Sale of titled vehicles	933	606	846	2,449
Sale of farm land	2,111	3,002	-	4,893
Sale of farm buildings	-	-	-	-
Sale of other farm assets	6,498	1,185	3,724	6,967
Sale of nonfarm assets	1,746	2,390	1,481	1,858
Purchase of breeding livestock	-	-	-	-
Purchase of machinery & equip.	-50,086	-16,198	-51,643	-97,360
Purchase of titled vehicles	-3,810	-1,579	-5,799	-4,669
Purchase of farm land	-13,683	-10,854	-8,115	-18,404
Purchase of farm buildings	-4,165	-3,255	-2,859	-9,610
Purchase of other farm assets	-2,661	-2,188	-3,325	-3,530
Purchase of nonfarm assets	-10,935	-5,425	-5,336	-18,599
Cash from investing activities	-69,480	-21,060	-68,582	-131,419
Cash From Financing Activities				
Money borrowed	348,160	222,380	309,405	516,063
Cash gifts and inheritances	2,063	767	5,815	1,931
Principal payments	-326,323	-203,532	-283,561	-515,405
Dividends paid	-1,290	-	-	-6,347
Gifts given	-209	-46	-	-816
Cash from financing activities	22,400	19,569	31,659	-4,573
Net change in cash balance	695	-4,506	4,951	1,939
Ending cash (farm & nonfarm)	22,131	21,716	15,285	40,756

Financial Standards Measures
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Liquidity				
Current ratio	1.55	1.01	1.51	1.95
Working capital	152,956	824	114,534	442,223
Solvency (market)				
Farm debt to asset ratio	47 %	63 %	45 %	41 %
Farm equity to asset ratio	53 %	37 %	55 %	59 %
Farm debt to equity ratio	89 %	169 %	82 %	69 %
Profitability (cost)				
Rate of return on farm assets	11.6 %	1.3 %	10.2 %	14.8 %
Rate of return on farm equity	15.8 %	-9.5 %	13.4 %	19.7 %
Operating profit margin	21.7 %	2.4 %	18.7 %	28.3 %
Net farm income	159,576	9,768	122,551	395,894
Repayment Capacity				
Term debt coverage ratio	226 %	66 %	204 %	311 %
Capital replacement margin	89,385	-12,717	63,542	261,789
Efficiency				
Asset turnover rate (cost)	53.6 %	53.4 %	54.6 %	52.3 %
Operating expense ratio	67.4 %	82.7 %	69.4 %	62.1 %
Depreciation expense ratio	3.9 %	5.3 %	4.0 %	3.5 %
Interest expense ratio	5.6 %	8.4 %	5.4 %	4.6 %
Net farm income ratio	23.1 %	3.5 %	21.1 %	29.8 %

Crop Production and Marketing Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Acreage Summary				
Total acres owned	394	241	392	557
Total crop acres	1,727	994	1,587	2,818
Crop acres owned	355	217	336	528
Crop acres cash rented	1,296	695	1,183	2,204
Crop acres share rented	77	82	69	86
Total pasture acres	2	-	-	10
Average Price Received (Cash Sales Only)				
Soybeans per bushel	5.48	5.44	5.24	5.61
Wheat, Spring per bushel	3.96	4.03	4.07	3.93
Corn per bushel	2.07	2.05	2.12	2.05
Sunflowers per cwt	13.08	14.56	-	-
Beans, Navy per cwt	18.10	-	-	18.37
Sunflowers, Confectionary per cwt	18.40	-	-	-
Beans, Pinto per cwt	16.15	-	-	-
Sugar Beets per ton	40.55	-	-	-
Barley per bushel	2.09	-	-	2.33
Soybeans, Organic per bushel	14.22	-	-	-
Beans, Black Turtle per cwt	17.74	-	-	-
Straw per ton	19.96	-	-	-
Hay, Alfalfa per ton	62.78	-	-	-
Average Yield Per Acre				
Soybeans (bushel)	38.10	31.48	36.98	39.81
Wheat, Spring (bushel)	52.93	43.79	52.54	55.61
Sugar Beets (ton)	24.34	22.15	23.27	24.68
Corn (bushel)	138.11	124.20	132.30	142.09
CRP (\$)	55.42	59.11	57.07	63.21
Sunflowers (cwt)	20.06	24.09	22.21	-
Rented Out (\$)	81.57	90.65	-	84.93
Beans, Pinto (cwt)	15.33	-	-	15.01
Beans, Navy (cwt)	14.41	-	-	-
Soybeans, Food (bushel)	30.75	-	-	-
Sunflowers, Confectionary (cwt)	17.57	-	-	17.89
Soybeans, Organic (bushel)	14.20	14.10	-	-
Beans, Black Turtle (cwt)	17.33	-	-	-
Hay, Alfalfa (ton)	3.10	-	-	-
Wheat, Winter (bushel)	58.29	-	-	-
Barley (bushel)	72.20	-	-	-

Operator and Labor Information
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Operator Information				
Average number of operators	1.1	0.9	1.1	1.4
Average age of operators	44.3	41.6	42.5	47.8
Average number of years farming	21.3	18.1	18.6	25.4
Results Per Operator				
Working capital	134,978	901	103,729	309,556
Total assets (market)	1,626,901	844,574	1,435,171	2,512,623
Total liabilities	724,366	472,595	611,538	989,770
Net worth (market)	902,536	371,979	823,633	1,522,853
Net worth excl deferred liabs	1,038,880	411,681	920,119	1,784,532
Gross farm income	610,128	302,934	524,977	930,967
Total farm expense	469,309	292,254	413,988	653,841
Net farm income	140,819	10,680	110,989	277,125
Net nonfarm income	14,125	24,195	15,759	7,086
Family living & tax withdrawals	57,764	38,530	54,010	72,239
Total acres owned	348.0	263.0	354.9	390.2
Total crop acres	1,524.3	1,086.4	1,437.6	1,972.7
Crop acres owned	313.3	237.1	304.6	369.7
Crop acres cash rented	1,143.2	759.5	1,071.0	1,542.9
Crop acres share rented	67.8	89.8	62.1	60.1
Total pasture acres	1.8	-	-	6.9
Labor Analysis				
Number of farms	241	48	48	49
Total unpaid labor hours	1,916	1,385	1,992	2,479
Total hired labor hours	1,616	506	1,110	3,948
Total labor hours per farm	3,531	1,891	3,102	6,427
Unpaid hours per operator	1,690	1,514	1,804	1,735

Nonfarm Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Nonfarm Income				
Nonfarm wages & salary	12,155	15,426	14,013	7,492
Net nonfarm business income	541	1,988	648	-950
Nonfarm rental income	646	3,087	100	21
Nonfarm interest income	411	254	712	315
Nonfarm cash dividends	118	20	-	72
Tax refunds	169	233	323	2
Other nonfarm income	1,965	1,120	1,604	3,172
Total nonfarm income	16,006	22,129	17,400	10,123
Gifts and inheritances	2,063	767	5,815	1,931

Financial Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	6	13	35	71	73	43
Income Statement							
Gross cash farm income	604,651	33,694	75,900	183,685	367,796	712,688	1,394,497
Total cash farm expense	508,716	31,142	65,343	175,009	301,492	589,859	1,185,425
Net cash farm income	95,935	2,552	10,558	8,676	66,304	122,828	209,072
Inventory change	90,424	5,531	16,691	54,818	53,570	100,348	197,547
Depreciation and capital adjust	-26,783	-2,610	-3,877	-11,038	-20,082	-31,365	-53,185
Net farm income	159,576	5,473	23,371	52,456	99,792	191,811	353,435
Profitability (cost)							
Labor and management earnings	117,688	2,917	16,420	39,530	73,573	139,143	264,351
Rate of return on assets	11.6 %	1.7 %	9.7 %	9.5 %	10.8 %	11.5 %	12.5 %
Rate of return on equity	15.8 %	-1.3 %	12.4 %	13.9 %	14.7 %	15.5 %	17.1 %
Operating profit margin	21.7 %	4.5 %	21.7 %	18.5 %	20.9 %	22.5 %	21.7 %
Asset turnover rate	53.6 %	38.0 %	44.8 %	51.5 %	51.7 %	51.0 %	57.7 %
Liquidity							
Ending current ratio	1.51	1.13	2.39	1.43	1.57	1.53	1.42
Ending working capital	99,171	3,471	33,647	51,242	90,923	134,885	124,331
End working capital to gross inc	16.4 %	10.3 %	44.3 %	27.9 %	24.7 %	18.9 %	8.9 %
Term debt coverage ratio	226.1 %	103.4 %	265.1 %	212.5 %	225.6 %	225.1 %	229.3 %
Expense as a percent of income	73.0 %	81.3 %	70.9 %	73.8 %	71.4 %	72.4 %	74.2 %
Interest as a percent of income	5.6 %	5.9 %	6.3 %	6.5 %	5.6 %	5.6 %	5.5 %
Solvency (market)							
Number of sole proprietors	206	6	13	35	68	62	22
Ending farm assets	1,414,199	132,462	297,454	630,819	1,088,450	1,946,160	3,177,645
Ending farm liabilities	663,111	77,573	121,491	343,079	493,156	870,717	1,592,235
Ending total assets	1,641,320	172,835	392,792	819,108	1,264,391	2,242,380	3,558,810
Ending total liabilities	718,585	84,663	138,903	381,617	537,044	948,729	1,682,635
Ending net worth	922,736	88,172	253,889	437,491	727,347	1,293,651	1,876,174
Net worth change	114,251	10,393	28,707	31,085	81,402	161,004	295,209
Ending farm debt to asset ratio	47 %	59 %	41 %	54 %	45 %	45 %	50 %
Beg total debt to asset ratio	45 %	50 %	36 %	45 %	43 %	44 %	50 %
End total debt to asset ratio	44 %	49 %	35 %	47 %	42 %	42 %	47 %
Nonfarm Information							
Net nonfarm income	16,006	19,647	22,096	27,312	17,697	14,454	4,296
Crop Acres							
Total acres owned	394	55	121	212	348	501	568
Total crop acres	1,727	186	290	828	1,266	2,020	3,374
Total crop acres owned	355	48	73	186	313	428	567
Total crop acres cash rented	1,296	53	190	577	873	1,516	2,712
Total crop acres share rented	77	85	28	65	80	76	96

Financial Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Age Of Operator)

	<u>Avg. Of All Farms</u>	<u>Less than 31</u>	<u>31 - 40</u>	<u>41 - 50</u>	<u>51 - 60</u>	<u>Over 60</u>
Number of farms	241	34	42	90	60	15
Income Statement						
Gross cash farm income	604,651	271,448	563,448	756,279	599,434	586,384
Total cash farm expense	508,716	238,366	477,687	643,939	490,755	468,897
Net cash farm income	95,935	33,082	85,761	112,340	108,679	117,488
Inventory change	90,424	56,432	73,552	105,279	98,124	94,785
Depreciation and capital adjust	-26,783	-8,735	-18,282	-31,392	-35,064	-30,726
Net farm income	159,576	80,780	141,031	186,226	171,739	181,547
Profitability (cost)						
Labor and management earnings	117,688	70,201	113,328	136,590	116,843	127,495
Rate of return on assets	11.6 %	15.4 %	13.3 %	11.2 %	10.9 %	11.2 %
Rate of return on equity	15.8 %	31.0 %	20.4 %	15.4 %	13.5 %	14.6 %
Operating profit margin	21.7 %	22.0 %	20.5 %	20.5 %	23.5 %	25.7 %
Asset turnover rate	53.6 %	70.2 %	64.7 %	54.9 %	46.3 %	43.6 %
Liquidity						
Ending current ratio	1.51	1.34	1.68	1.41	1.72	1.20
Ending working capital	99,171	37,818	113,979	105,174	131,995	29,453
End working capital to gross inc	16.4 %	13.9 %	20.2 %	13.9 %	22.0 %	5.0 %
Term debt coverage ratio	226.1 %	242.5 %	217.7 %	204.6 %	262.1 %	255.5 %
Expense as a percent of income	73.0 %	72.9 %	74.1 %	74.7 %	70.2 %	69.3 %
Interest as a percent of income	5.6 %	5.5 %	5.2 %	5.6 %	5.5 %	6.6 %
Solvency (market)						
Number of sole proprietors	206	33	36	73	54	10
Ending farm assets	1,414,199	525,101	1,145,036	1,749,204	1,677,949	1,447,428
Ending farm liabilities	663,111	339,911	570,339	866,164	650,490	649,514
Ending total assets	1,641,320	588,836	1,266,732	2,027,674	2,013,224	1,634,377
Ending total liabilities	718,585	372,477	634,686	930,875	705,022	686,303
Ending net worth	922,736	216,359	632,046	1,096,800	1,308,202	948,074
Net worth change	114,251	58,350	98,740	141,037	119,946	128,271
Ending farm debt to asset ratio	47 %	65 %	50 %	50 %	39 %	45 %
Beg total debt to asset ratio	45 %	66 %	52 %	48 %	35 %	46 %
End total debt to asset ratio	44 %	63 %	50 %	46 %	35 %	42 %
Nonfarm Information						
Net nonfarm income	16,006	13,260	13,273	15,615	19,202	19,445
Crop Acres						
Total acres owned	394	119	226	442	536	637
Total crop acres	1,727	820	1,519	2,164	1,684	1,922
Total crop acres owned	355	139	176	435	427	577
Total crop acres cash rented	1,296	647	1,300	1,633	1,167	1,236
Total crop acres share rented	77	34	42	96	89	109

Financial Summary
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By County)

	<u>Avg. Of All Farms</u>	<u>Clay</u>	<u>Marshall</u>	<u>Norman</u>	<u>Polk</u>	<u>Wilkin</u>	<u>Cass</u>	<u>Richland</u>
Number of farms	241	52	12	30	41	40	15	31
Income Statement								
Gross cash farm income	604,651	718,913	474,960	666,832	710,017	546,752	439,512	528,726
Total cash farm expense	508,716	585,840	479,385	575,528	589,289	445,284	368,759	454,664
Net cash farm income	95,935	133,073	-4,425	91,305	120,728	101,468	70,753	74,062
Inventory change	90,424	118,061	140,757	71,886	103,702	70,024	65,862	83,316
Depreciation and capital adjust	-26,783	-22,895	-34,242	-20,151	-31,013	-30,488	-28,642	-32,678
Net farm income	159,576	228,239	102,090	143,040	193,417	141,003	107,973	124,701
Profitability (cost)								
Labor and management earnings	117,688	183,330	71,601	104,484	140,294	102,392	83,026	70,520
Rate of return on assets	11.6 %	16.0 %	8.5 %	10.2 %	11.0 %	11.1 %	13.3 %	7.9 %
Rate of return on equity	15.8 %	23.2 %	11.4 %	14.3 %	14.7 %	15.2 %	19.1 %	8.8 %
Operating profit margin	21.7 %	26.7 %	16.5 %	18.8 %	21.7 %	21.6 %	20.7 %	18.3 %
Asset turnover rate	53.6 %	60.0 %	51.4 %	54.2 %	50.9 %	51.6 %	64.0 %	43.0 %
Liquidity								
Ending current ratio	1.51	1.51	1.53	1.31	1.31	1.54	1.33	1.85
Ending working capital	99,171	116,081	65,317	91,370	34,048	111,015	69,787	161,693
End working capital to gross inc	16.4 %	16.1 %	13.8 %	13.7 %	4.8 %	20.3 %	15.9 %	30.6 %
Term debt coverage ratio	226.1 %	263.7 %	165.4 %	178.3 %	224.4 %	215.4 %	332.5 %	218.4 %
Expense as a percent of income	73.0 %	69.2 %	77.7 %	78.2 %	72.3 %	72.4 %	72.2 %	74.3 %
Interest as a percent of income	5.6 %	5.4 %	7.0 %	6.5 %	5.6 %	5.8 %	4.2 %	5.1 %
Solvency (market)								
Number of sole proprietors	206	46	9	28	25	39	14	27
Ending farm assets	1,414,199	1,797,624	1,132,437	1,644,222	894,072	1,455,694	963,881	1,555,049
Ending farm liabilities	663,111	819,011	580,601	837,713	519,287	647,450	498,268	603,221
Ending total assets	1,641,320	2,142,289	1,320,576	1,887,826	1,046,106	1,634,829	1,145,170	1,783,396
Ending total liabilities	718,585	928,810	612,880	902,474	576,592	685,177	531,926	621,154
Ending net worth	922,736	1,213,479	707,696	985,352	469,515	949,652	613,244	1,162,241
Net worth change	114,251	183,452	63,732	126,259	53,739	120,947	70,134	76,939
Ending farm debt to asset ratio	47 %	46 %	51 %	51 %	58 %	44 %	52 %	39 %
Beg total debt to asset ratio	45 %	46 %	49 %	49 %	55 %	43 %	45 %	33 %
End total debt to asset ratio	44 %	43 %	46 %	48 %	55 %	42 %	46 %	35 %
Nonfarm Information								
Net nonfarm income	16,006	16,504	14,539	19,099	7,191	16,975	20,510	15,647
Crop Acres								
Total acres owned	394	393	561	499	349	395	203	424
Total crop acres	1,727	1,754	1,759	2,014	1,927	1,454	1,585	1,714
Total crop acres owned	355	320	475	410	404	348	142	392
Total crop acres cash rented	1,296	1,390	1,279	1,554	1,485	998	1,392	1,075
Total crop acres share rented	77	44	6	50	37	108	51	248

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 may be classified into the low 20%, the mid 20%, or the 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 20% 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.

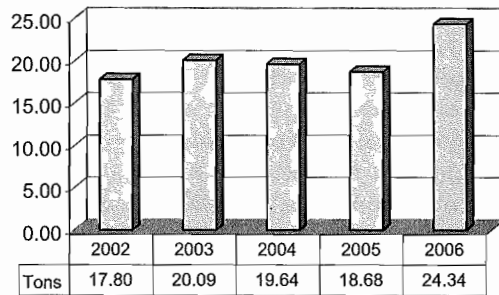
"Total direct expense per unit" and "Total dir & ovhd exp per unit" are calculated by dividing "Total direct expense per acre" and "Total dir & ovhd expenses per acre," respectively, by "Yield per acre." "With labor & management" is the breakeven yield after direct, overhead and a labor and management 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.

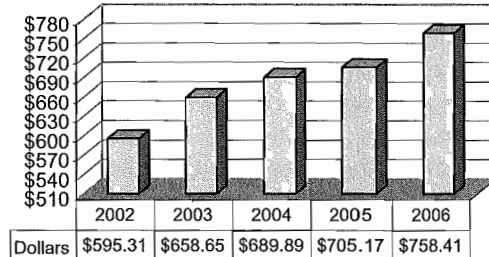
Rounding of individual items for the report may have caused minor discrepancies with the calculated totals.

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

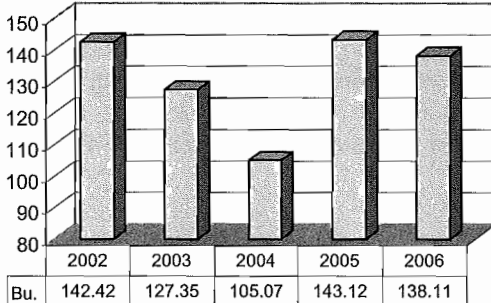
Sugar Beet Yields



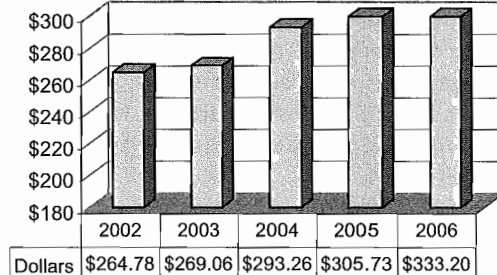
**Sugar Beet Total Listed Cost
(cash rented land)**



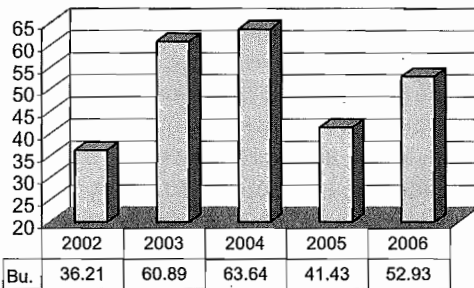
Corn Yields



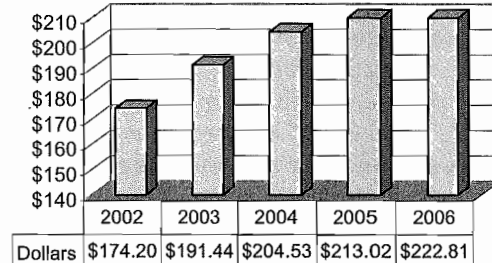
**Corn Total Listed Cost
(cash rented land)**



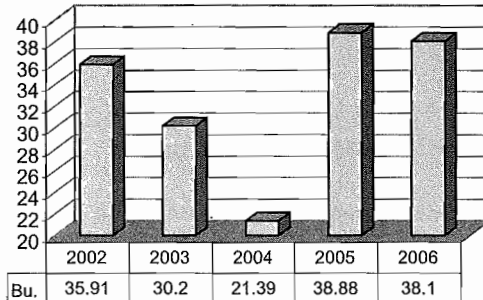
Spring Wheat Yields



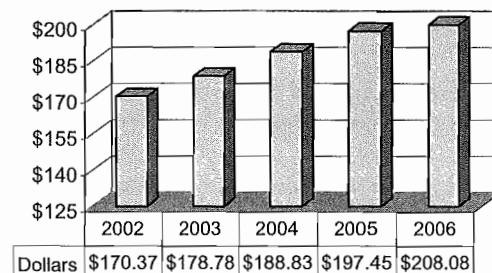
**Spring Wheat Total Listed Cost
(cash rented land)**



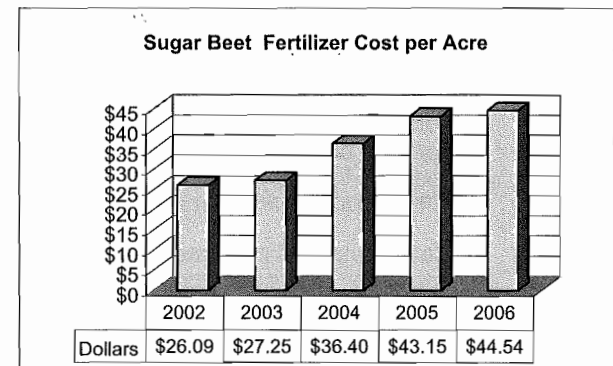
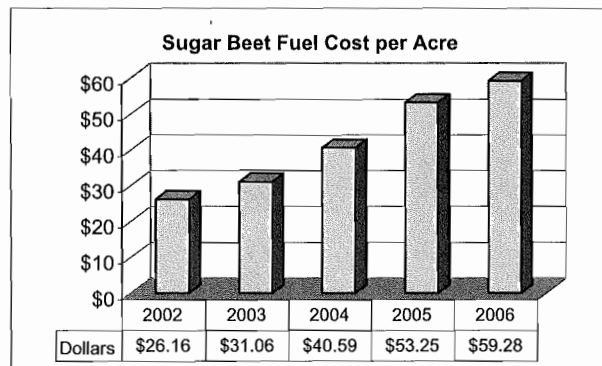
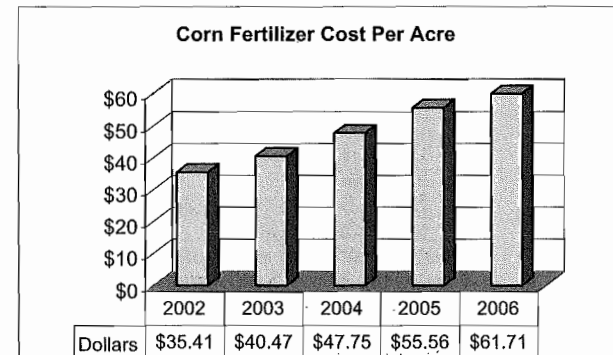
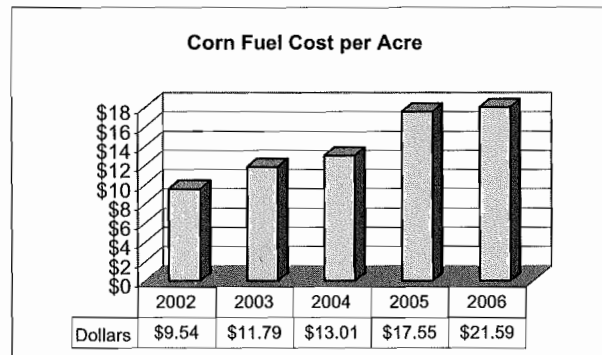
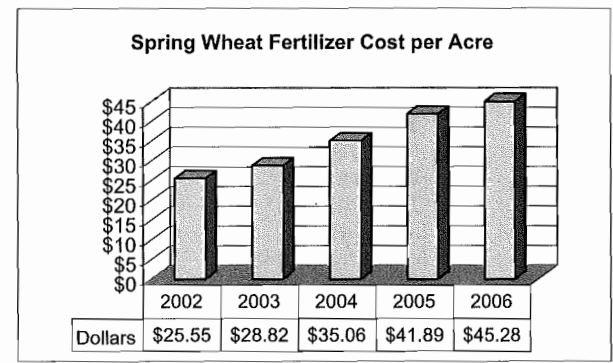
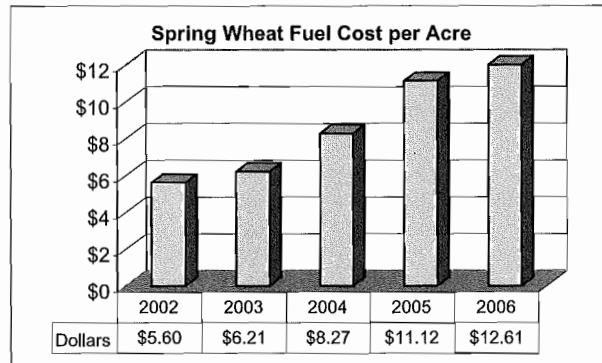
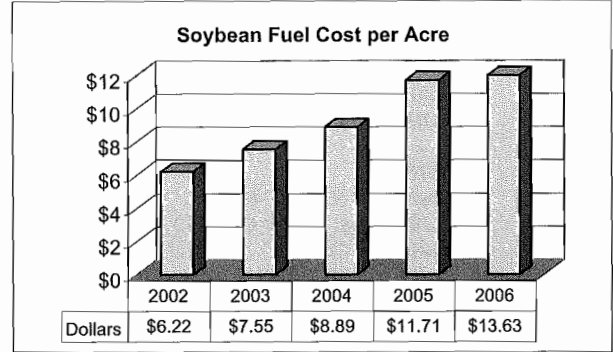
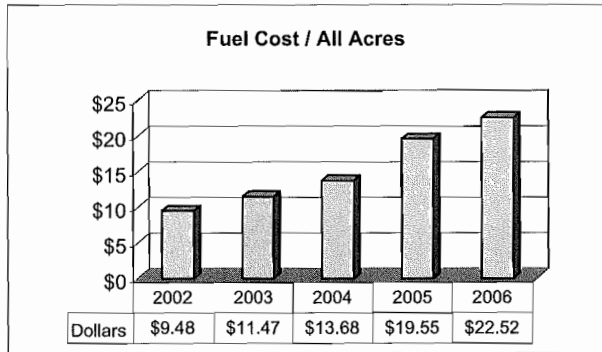
Soybeans Yields



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



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



Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Beans, Black Turtle on Cash Rent

	Avg. Of All Farms
Number of fields	8
Number of farms	7
Acres	92.50
Yield per acre (cwt.)	19.40
Operators share of yield %	100.00
Value per cwt.	19.02
Total product return per acre	368.84
Miscellaneous income per acre	2.55
Gross return per acre	371.40
Direct Expenses	
Seed	36.03
Fertilizer	38.90
Crop chemicals	25.85
Crop insurance	15.35
Drying fuel	0.74
Fuel & oil	20.97
Repairs	20.83
Custom hire	1.38
Land rent	64.95
Machinery leases	0.57
Operating interest	14.92
Total direct expenses per acre	240.49
Return over direct exp per acre	130.91
Overhead Expenses	
Custom hire	5.00
Hired labor	13.37
Machinery leases	1.42
Farm insurance	5.16
Utilities	3.51
Dues & professional fees	5.52
Interest	5.63
Mach & bldg depreciation	17.79
Miscellaneous	3.44
Total overhead expenses per acre	60.84
Total dir & ovhd expenses per acre	301.33
Net return per acre	70.07
Government payments	-
Net return with govt pmts	70.07
Labor & management charge	28.61
Net return over lbr & mgt	41.46
Cost of Production	
Total direct expense per cwt.	12.40
Total dir & ovhd exp per cwt.	15.53
Less govt & other income	15.40
With labor & management	16.88
Machinery cost per acre	71.93
Est. labor hours per acre	2.16

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Beans, Navy on Cash Rent

	Avg. Of All Farms
Number of fields	15
Number of farms	10
Acres	138.48
Yield per acre (cwt.)	15.11
Operators share of yield %	100.00
Value per cwt.	17.76
Total product return per acre	268.40
Miscellaneous income per acre	23.58
Gross return per acre	291.98
Direct Expenses	
Seed	32.77
Fertilizer	29.34
Crop chemicals	33.62
Crop insurance	18.79
Fuel & oil	20.51
Repairs	22.35
Custom hire	2.53
Hired labor	0.25
Land rent	65.07
Machinery leases	0.51
Operating interest	7.49
Miscellaneous	0.30
Total direct expenses per acre	233.52
Return over direct exp per acre	58.46
Overhead Expenses	
Custom hire	4.51
Hired labor	10.20
Machinery leases	1.02
Farm insurance	6.33
Utilities	3.19
Dues & professional fees	3.46
Interest	8.87
Mach & bldg depreciation	20.16
Miscellaneous	2.23
Total overhead expenses per acre	59.96
Total dir & ovhd expenses per acre	293.48
Net return per acre	-1.50
Government payments	
Net return with govt pmts	-1.50
Labor & management charge	26.14
Net return over lbr & mgt	-27.64
Cost of Production	
Total direct expense per cwt.	15.46
Total dir & ovhd exp per cwt.	19.42
Less govt & other income	17.86
With labor & management	19.59
Machinery cost per acre	80.31
Est. labor hours per acre	2.39

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Beans, Pinto on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	18
Number of farms	10
Acres	150.06
Yield per acre (cwt.)	15.35
Operators share of yield %	100.00
Value per cwt.	19.08
Total product return per acre	292.89
Miscellaneous income per acre	11.15
Gross return per acre	304.04
Direct Expenses	
Seed	29.72
Fertilizer	17.98
Crop chemicals	31.56
Crop insurance	18.01
Fuel & oil	21.12
Repairs	22.18
Custom hire	4.92
Land rent	71.72
Operating interest	4.49
Miscellaneous	0.64
Total direct expenses per acre	222.33
Return over direct exp per acre	81.71
Overhead Expenses	
Custom hire	8.43
Hired labor	11.72
Machinery leases	2.10
Farm insurance	3.85
Utilities	2.22
Dues & professional fees	2.09
Interest	4.17
Mach & bldg depreciation	18.10
Miscellaneous	2.27
Total overhead expenses per acre	54.96
Total dir & ovhd expenses per acre	277.30
Net return per acre	26.74
Government payments	-
Net return with govt pmts	26.74
Labor & management charge	32.34
Net return over lbr & mgt	-5.60
Cost of Production	
Total direct expense per cwt.	14.48
Total dir & ovhd exp per cwt.	18.06
Less govt & other income	17.34
With labor & management	19.44
Machinery cost per acre	80.90
Est. labor hours per acre	2.54

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	51	12	10	11
Number of farms	45	9	9	9
Acres	135.36	116.74	107.21	168.77
Yield per acre (bu.)	134.51	104.99	136.25	157.09
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	2.72	2.46	2.75	2.82
Total product return per acre	366.06	258.30	374.05	443.56
Miscellaneous income per acre	5.47	8.33	-	10.13
Gross return per acre	371.53	266.63	374.05	453.69
Direct Expenses				
Seed	44.70	42.65	47.99	41.23
Fertilizer	62.44	58.74	57.88	72.97
Crop chemicals	17.22	10.27	13.20	23.44
Crop insurance	13.34	13.97	15.09	11.92
Drying fuel	8.20	6.42	5.83	14.18
Fuel & oil	20.10	20.51	19.58	20.98
Repairs	21.73	24.77	19.44	21.32
Custom hire	2.90	4.73	3.82	1.76
Operating interest	7.53	7.47	6.96	5.02
Miscellaneous	0.18	-	0.20	0.03
Total direct expenses per acre	198.33	189.53	189.98	212.86
Return over direct exp per acre	173.19	77.11	184.07	240.83
Overhead Expenses				
Custom hire	1.38	1.84	3.37	0.05
Hired labor	10.00	14.02	8.37	11.02
Machinery leases	1.91	3.34	1.21	0.75
RE & pers. property taxes	11.71	9.81	10.45	15.14
Farm insurance	4.56	3.37	6.39	4.69
Utilities	3.78	3.60	4.83	3.69
Dues & professional fees	3.49	2.38	3.19	4.58
Interest	38.45	50.81	46.74	17.27
Mach & bldg depreciation	18.58	18.76	18.70	20.71
Miscellaneous	2.97	2.57	3.11	3.32
Total overhead expenses per acre	96.82	110.50	106.33	81.22
Total dir & ovhd expenses per acre	295.15	300.03	296.31	294.08
Net return per acre	76.38	-33.40	77.73	159.62
Government payments	15.36	15.58	16.43	15.61
Net return with govt pmts	91.74	-17.81	94.16	175.22
Labor & management charge	24.79	27.92	20.31	26.65
Net return over lbr & mgt	66.95	-45.73	73.85	148.57
Cost of Production				
Total direct expense per bu.	1.47	1.81	1.39	1.36
Total dir & ovhd exp per bu.	2.19	2.86	2.17	1.87
Less govt & other income	2.04	2.63	2.05	1.71
With labor & management	2.22	2.90	2.20	1.88
Machinery cost per acre	71.20	79.47	70.93	66.77
Est. labor hours per acre	1.71	1.84	1.14	2.04

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	96	23	17	21
Number of farms	72	14	15	15
Acres	280.58	266.18	256.64	205.34
Yield per acre (bu.)	138.31	133.58	135.77	149.49
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	2.76	2.75	2.75	2.86
Total product return per acre	381.39	366.85	372.85	427.54
Miscellaneous income per acre	3.33	0.64	4.17	0.58
Gross return per acre	384.71	367.49	377.02	428.13
Direct Expenses				
Seed	45.79	48.69	43.12	43.40
Fertilizer	61.71	66.08	55.70	59.26
Crop chemicals	16.74	17.00	14.68	14.68
Crop insurance	14.13	12.19	12.37	14.17
Drying fuel	7.17	8.66	1.57	7.96
Fuel & oil	21.59	26.63	22.08	17.30
Repairs	23.25	30.28	25.40	17.38
Custom hire	2.09	0.70	1.03	3.31
Land rent	71.31	90.58	61.29	66.23
Operating interest	9.34	12.25	11.47	4.29
Miscellaneous	1.75	5.74	0.47	1.04
Total direct expenses per acre	274.86	318.80	249.18	249.02
Return over direct exp per acre	109.85	48.69	127.84	179.10
Overhead Expenses				
Custom hire	2.60	2.68	2.08	4.97
Hired labor	9.90	10.59	14.40	6.66
Machinery leases	11.34	39.56	2.45	2.36
Farm insurance	4.82	4.92	4.74	4.71
Utilities	3.70	4.92	3.79	3.88
Dues & professional fees	2.80	3.11	4.09	2.28
Interest	5.28	3.03	4.95	5.56
Mach & bldg depreciation	15.20	9.03	22.40	12.74
Miscellaneous	2.69	1.81	3.00	3.23
Total overhead expenses per acre	58.34	79.64	61.91	46.40
Total dir & ovhd expenses per acre	333.20	398.45	311.09	295.42
Net return per acre	51.51	-30.95	65.93	132.70
Government payments	15.75	17.32	15.54	15.62
Net return with govt pmts	67.26	-13.63	81.47	148.32
Labor & management charge	25.67	32.00	25.94	21.70
Net return over lbr & mgt	41.59	-45.63	55.53	126.62
Cost of Production				
Total direct expense per bu.	1.99	2.39	1.84	1.67
Total dir & ovhd exp per bu.	2.41	2.98	2.29	1.98
Less govt & other income	2.27	2.85	2.15	1.87
With labor & management	2.46	3.09	2.34	2.01
Machinery cost per acre	80.64	111.50	77.78	63.70
Est. labor hours per acre	1.66	1.89	1.92	1.29

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Corn on Share Rent

	Avg. Of All Farms
Number of fields	12
Number of farms	8
Acres	124.55
Yield per acre (bu.)	151.09
Operators share of yield %	69.30
Value per bu.	2.95
Total product return per acre	308.66
Miscellaneous income per acre	4.96
Gross return per acre	313.62
Direct Expenses	
Seed	46.12
Fertilizer	57.80
Crop chemicals	18.93
Crop insurance	14.53
Drying fuel	12.72
Fuel & oil	21.85
Repairs	22.95
Custom hire	1.25
Hired labor	0.93
Operating interest	6.64
Miscellaneous	0.17
Total direct expenses per acre	203.89
Return over direct exp per acre	109.72
Overhead Expenses	
Hired labor	12.44
Machinery leases	0.42
Farm insurance	4.40
Utilities	3.80
Dues & professional fees	1.93
Interest	2.07
Mach & bldg depreciation	18.54
Miscellaneous	1.85
Total overhead expenses per acre	45.45
Total dir & ovhd expenses per acre	249.34
Net return per acre	64.28
Government payments	10.15
Net return with govt pmts	74.43
Labor & management charge	21.77
Net return over lbr & mgt	52.66
Cost of Production	
Total direct expense per bu.	1.95
Total dir & ovhd exp per bu.	2.38
Less govt & other income	2.24
With labor & management	2.45
Machinery cost per acre	66.34
Est. labor hours per acre	1.77

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Soybeans on Owned Land

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	163	33	29	35
Number of farms	123	24	24	25
Acres	181.08	171.99	204.35	201.71
Yield per acre (bu.)	36.70	26.18	38.72	42.51
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	6.05	5.82	5.89	6.28
Total product return per acre	222.23	152.24	228.16	267.01
Miscellaneous income per acre	8.85	16.89	10.33	8.37
Gross return per acre	231.08	169.13	238.48	275.38
Direct Expenses				
Seed	35.31	32.45	34.25	38.28
Fertilizer	4.82	3.66	6.52	5.54
Crop chemicals	16.15	15.25	18.58	15.14
Crop insurance	13.17	11.37	15.38	13.75
Fuel & oil	14.27	14.17	15.32	14.99
Repairs	14.71	17.35	13.43	13.57
Custom hire	2.45	3.43	3.98	1.85
Machinery leases	0.20	0.64	0.03	0.00
Operating interest	5.69	5.28	5.91	5.34
Miscellaneous	0.41	0.88	0.76	0.03
Total direct expenses per acre	107.17	104.48	114.17	108.49
Return over direct exp per acre	123.91	64.65	124.31	166.89
Overhead Expenses				
Custom hire	2.40	4.89	2.76	1.70
Hired labor	6.38	7.35	6.18	4.65
Machinery leases	1.37	1.39	1.32	0.79
RE & pers. property taxes	11.30	10.22	10.86	11.46
Farm insurance	4.54	6.19	3.58	3.76
Utilities	2.57	2.92	2.31	2.47
Dues & professional fees	2.09	1.84	2.39	2.10
Interest	36.46	47.56	38.20	24.70
Mach & bldg depreciation	12.56	11.85	12.35	13.74
Miscellaneous	2.52	2.71	2.92	1.32
Total overhead expenses per acre	82.18	96.93	82.88	66.69
Total dir & ovhd expenses per acre	189.35	201.40	197.05	175.19
Net return per acre	41.74	-32.28	41.43	100.19
Government payments	15.45	14.92	14.91	15.66
Net return with govt pmts	57.19	-17.36	56.35	115.86
Labor & management charge	18.95	17.25	19.49	21.24
Net return over lbr & mgt	38.24	-34.60	36.86	94.62
Cost of Production				
Total direct expense per bu.	2.92	3.99	2.95	2.55
Total dir & ovhd exp per bu.	5.16	7.69	5.09	4.12
Less govt & other income	4.50	6.48	4.44	3.56
With labor & management	5.01	7.14	4.94	4.06
Machinery cost per acre	51.26	59.00	52.12	48.72
Est. labor hours per acre	1.32	1.41	1.24	1.35

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Soybeans on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	300	69	61	48
Number of farms	176	35	35	36
Acres	339.08	278.66	340.76	388.30
Yield per acre (bu.)	38.33	34.14	38.17	43.67
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	5.96	5.67	5.89	6.25
Total product return per acre	228.41	193.63	224.86	273.10
Miscellaneous income per acre	5.79	5.47	6.67	4.16
Gross return per acre	234.20	199.11	231.53	277.26
Direct Expenses				
Seed	35.16	36.10	36.60	35.21
Fertilizer	3.50	2.83	3.36	3.60
Crop chemicals	16.29	16.90	16.01	15.61
Crop insurance	12.71	11.87	12.53	11.42
Fuel & oil	13.63	15.10	13.37	12.97
Repairs	14.04	16.67	12.81	14.61
Custom hire	2.02	2.93	2.07	1.50
Land rent	66.77	70.91	64.62	68.48
Machinery leases	0.31	0.93	0.20	0.13
Operating interest	5.53	5.64	6.07	5.71
Miscellaneous	0.67	1.84	0.46	0.18
Total direct expenses per acre	170.64	181.72	168.10	169.43
Return over direct exp per acre	63.55	17.39	63.43	107.83
Overhead Expenses				
Custom hire	2.06	2.38	1.99	1.13
Hired labor	6.23	7.20	5.33	5.69
Machinery leases	2.99	7.82	2.31	1.72
Farm insurance	3.88	5.18	3.14	3.80
Utilities	2.36	2.72	2.10	2.75
Dues & professional fees	2.22	1.66	1.86	2.50
Interest	3.86	4.71	4.12	3.74
Mach & bldg depreciation	11.37	11.35	11.46	11.66
Miscellaneous	2.45	2.01	2.22	1.91
Total overhead expenses per acre	37.44	45.04	34.55	34.88
Total dir & ovhd expenses per acre	208.08	226.75	202.64	204.31
Net return per acre	26.11	-27.65	28.88	72.94
Government payments	15.25	15.85	14.02	15.61
Net return with govt pmts	41.36	-11.80	42.90	88.55
Labor & management charge	17.94	16.79	18.29	17.57
Net return over lbr & mgt	23.42	-28.59	24.61	70.99
Cost of Production				
Total direct expense per bu.	4.45	5.32	4.40	3.88
Total dir & ovhd exp per bu.	5.43	6.64	5.31	4.68
Less govt & other income	4.88	6.02	4.77	4.23
With labor & management	5.35	6.51	5.25	4.63
Machinery cost per acre	49.75	61.62	47.96	46.82
Est. labor hours per acre	1.21	1.20	1.16	1.09

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By RoundUp Ready)

Soybeans on Cash Rent

	<u>Avg. Of All Farms</u>	<u>100% RR</u>	<u>No RR</u>	<u>No Answer</u>
Number of fields	300	203	14	83
Number of farms	176	128	13	43
Acres	339.08	360.14	353.65	285.12
Yield per acre (bu.)	38.33	38.10	40.58	38.58
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	5.96	5.95	5.91	6.01
Total product return per acre	228.41	226.54	240.06	231.76
Miscellaneous income per acre	5.79	6.70	0.89	4.00
Gross return per acre	234.20	233.23	240.94	235.76
Direct Expenses				
Seed	35.16	36.92	17.88	33.34
Fertilizer	3.50	3.71	4.41	2.67
Crop chemicals	16.29	15.69	20.81	17.21
Crop insurance	12.71	12.56	10.41	13.66
Fuel & oil	13.63	13.04	15.09	15.16
Repairs	14.04	13.62	13.87	15.35
Custom hire	2.02	1.79	2.49	2.61
Land rent	66.77	67.06	63.88	66.47
Operating interest	5.53	5.87	4.62	4.68
Miscellaneous	0.99	1.17	0.48	0.53
Total direct expenses per acre	170.64	171.44	153.93	171.68
Return over direct exp per acre	63.55	61.80	87.02	64.08
Overhead Expenses				
Custom hire	2.06	1.94	1.34	2.61
Hired labor	6.23	5.44	7.32	8.44
Machinery leases	2.99	3.00	0.43	3.48
Farm insurance	3.88	3.55	5.17	4.63
Utilities	2.36	2.27	2.40	2.61
Dues & professional fees	2.22	2.22	1.68	2.34
Interest	3.86	3.30	4.74	5.44
Mach & bldg depreciation	11.37	10.88	12.87	12.57
Miscellaneous	2.45	2.29	2.45	2.97
Total overhead expenses per acre	37.44	34.89	38.41	45.10
Total dir & ovhd expenses per acre	208.08	206.33	192.33	216.78
Net return per acre	26.11	26.90	48.61	18.98
Government payments	15.25	15.17	16.47	15.23
Net return with govt pmts	41.36	42.07	65.08	34.21
Labor & management charge	17.94	17.13	19.82	20.06
Net return over lbr & mgt	23.42	24.94	45.26	14.15
Cost of Production				
Total direct expense per bu.	4.45	4.50	3.79	4.45
Total dir & ovhd exp per bu.	5.43	5.42	4.74	5.62
Less govt & other income	4.88	4.84	4.31	5.12
With labor & management	5.35	5.29	4.80	5.64
Machinery cost per acre	49.75	47.37	50.36	56.97
Est. labor hours per acre	1.21	1.19	1.46	1.23

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Soybeans on Share Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	48	9	12	10
Number of farms	34	6	7	7
Acres	157.94	144.50	159.68	199.26
Yield per acre (bu.)	40.36	32.56	37.12	46.55
Operators share of yield %	67.90	63.94	67.80	70.33
Value per bu.	6.04	5.65	6.25	6.13
Total product return per acre	165.54	117.59	157.33	200.77
Miscellaneous income per acre	2.02	4.58	1.57	0.76
Gross return per acre	167.56	122.17	158.89	201.53
Direct Expenses				
Seed	36.40	35.46	38.54	37.31
Fertilizer	1.26	0.44	1.22	0.31
Crop chemicals	16.91	17.17	17.30	16.74
Crop insurance	9.74	7.35	10.24	10.20
Fuel & oil	12.71	12.30	9.01	12.85
Repairs	14.82	20.98	11.16	13.63
Custom hire	1.45	1.14	1.64	-
Machinery leases	1.13	-	-	4.23
Operating interest	4.54	5.76	3.48	5.79
Miscellaneous	0.08	-	-	0.05
Total direct expenses per acre	99.05	100.61	92.59	101.11
Return over direct exp per acre	68.51	21.57	66.31	100.42
Overhead Expenses				
Custom hire	1.61	1.61	3.96	0.24
Hired labor	5.59	7.08	5.02	1.30
Machinery leases	0.57	0.33	0.99	0.92
Building leases	0.42	-	1.63	-
Farm insurance	4.45	3.83	6.69	2.50
Utilities	2.54	2.88	2.85	1.57
Dues & professional fees	2.16	2.26	2.94	1.48
Interest	4.40	3.30	5.56	4.74
Mach & bldg depreciation	11.71	15.42	7.70	9.56
Miscellaneous	2.86	3.43	3.74	2.87
Total overhead expenses per acre	36.31	40.15	41.09	25.19
Total dir & ovhd expenses per acre	135.36	140.76	133.68	126.29
Net return per acre	32.20	-18.58	25.21	75.23
Government payments	9.90	9.61	9.76	10.43
Net return with govt pmts	42.10	-8.97	34.98	85.66
Labor & management charge	17.14	17.06	11.65	18.66
Net return over lbr & mgt	24.97	-26.03	23.33	67.01
Cost of Production				
Total direct expense per bu.	3.61	4.83	3.68	3.09
Total dir & ovhd exp per bu.	4.94	6.76	5.31	3.86
Less govt & other income	4.50	6.08	4.86	3.52
With labor & management	5.13	6.90	5.32	4.09
Machinery cost per acre	48.05	54.59	39.60	46.12
Est. labor hours per acre	1.44	1.64	1.17	1.26

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Soybeans, Food on Cash Rent

	<u>Avg. Of All Farms</u>
Number of fields	10
Number of farms	8
Acres	166.84
Yield per acre (bu.)	31.15
Operators share of yield %	100.00
Value per bu.	8.12
Total product return per acre	252.91
Miscellaneous income per acre	7.83
Gross return per acre	260.74
Direct Expenses	
Seed	17.96
Fertilizer	3.01
Crop chemicals	32.42
Crop insurance	13.33
Fuel & oil	14.05
Repairs	14.67
Custom hire	0.40
Land rent	66.64
Machinery leases	1.66
Operating interest	5.67
Miscellaneous	0.41
Total direct expenses per acre	170.24
Return over direct exp per acre	90.51
Overhead Expenses	
Custom hire	1.09
Hired labor	3.85
Machinery leases	1.72
Farm insurance	2.02
Utilities	1.85
Dues & professional fees	3.82
Interest	2.29
Mach & bldg depreciation	10.10
Miscellaneous	2.08
Total overhead expenses per acre	28.84
Total dir & ovhd expenses per acre	199.08
Net return per acre	61.67
Government payments	15.30
Net return with govt pmts	76.96
Labor & management charge	19.22
Net return over lbr & mgt	57.75
Cost of Production	
Total direct expense per bu.	5.47
Total dir & ovhd exp per bu.	6.39
Less govt & other income	5.65
With labor & management	6.27
Machinery cost per acre	45.81
Est. labor hours per acre	1.21

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Excluding Joint venture

	Avg. Of All Farms	Low 20%	40 - 60%	High 20%
Number of fields	56	9	11	12
Number of farms	40	8	8	8
Acres	105.45	133.81	81.70	106.91
Yield per acre (ton)	23.81	21.45	24.11	25.25
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	40.12	37.70	39.05	40.16
Total product return per acre	955.05	808.88	941.76	1,014.10
Miscellaneous income per acre	6.36	8.71	8.23	11.10
Gross return per acre	961.41	817.59	949.98	1,025.20
Direct Expenses				
Seed	55.65	57.04	54.29	54.22
Fertilizer	44.07	46.77	51.23	37.40
Crop chemicals	94.36	108.56	87.23	95.22
Crop insurance	16.62	15.53	22.14	14.62
Fuel & oil	62.89	67.45	59.81	56.27
Repairs	64.54	68.90	57.48	55.80
Custom hire	16.78	13.91	15.01	17.16
Hired labor	31.07	30.96	31.91	33.75
Machinery leases	0.39	-	0.87	-
Hauling and trucking	6.82	4.65	0.06	4.44
Operating interest	27.84	39.08	27.52	17.23
Miscellaneous	2.00	2.45	0.36	0.10
Total direct expenses per acre	423.01	455.29	407.91	386.20
Return over direct exp per acre	538.40	362.30	542.07	639.00
Overhead Expenses				
Custom hire	6.42	8.36	4.83	3.41
Hired labor	32.29	30.58	23.37	18.38
Machinery leases	4.95	13.50	6.00	2.42
RE & pers. property taxes	13.70	18.31	13.90	12.79
Farm insurance	9.50	11.56	6.29	8.43
Utilities	6.21	4.05	4.11	5.46
Dues & professional fees	6.11	5.81	2.54	5.99
Interest	57.30	66.24	58.48	33.00
Mach & bldg depreciation	65.85	63.17	66.74	57.81
Miscellaneous	6.47	8.88	8.79	3.55
Total overhead expenses per acre	208.80	230.47	195.04	151.25
Total dir & ovhd expenses per acre	631.81	685.76	602.95	537.45
Net return per acre	329.60	131.83	347.03	487.75
Government payments	14.85	16.71	13.54	13.76
Net return with govt pmts	344.45	148.54	360.57	501.51
Labor & management charge	76.87	77.30	83.90	70.93
Net return over lbr & mgt	267.59	71.24	276.67	430.58
Cost of Production				
Total direct expense per ton	17.77	21.22	16.92	15.29
Total dir & ovhd exp per ton	26.54	31.97	25.00	21.28
Less govt & other income	25.65	30.78	24.10	20.30
With labor & management	28.88	34.38	27.58	23.11
Machinery cost per acre	240.44	249.36	226.49	201.93
Est. labor hours per acre	5.91	6.58	4.96	4.44

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Sugar Beets on Owned Land Including Joint venture

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	32	5	6	9
Number of farms	28	5	5	6
Acres	92.49	69.52	112.38	84.23
Yield per acre (ton)	24.42	19.75	21.63	28.16
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	40.59	38.28	42.57	41.08
Total product return per acre	991.18	755.90	920.62	1,156.71
Miscellaneous income per acre	11.03	21.73	5.95	25.04
Gross return per acre	1,002.21	777.63	926.57	1,181.75
Direct Expenses				
Seed	52.96	59.53	53.29	54.66
Fertilizer	44.85	46.00	36.75	48.85
Crop chemicals	98.49	118.93	84.86	88.25
Crop insurance	19.40	16.69	19.41	19.55
Fuel & oil	61.56	70.76	55.10	67.55
Repairs	68.08	62.29	56.44	79.19
Custom hire	15.65	18.01	13.02	22.75
Hired labor	34.49	9.68	49.15	40.59
Stock/quota lease	198.42	190.95	204.71	182.11
Hauling and trucking	0.72	-	-	2.83
Operating interest	18.98	18.26	12.06	11.72
Miscellaneous	2.15	-	5.02	2.54
Total direct expenses per acre	615.75	611.10	589.81	620.61
Return over direct exp per acre	386.46	166.53	336.76	561.15
Overhead Expenses				
Custom hire	5.45	15.54	10.56	1.36
Hired labor	21.81	31.34	32.19	15.72
Machinery leases	4.69	1.90	7.11	6.28
Building leases	0.30	0.50	0.68	0.32
RE & pers. property taxes	9.96	11.35	6.07	12.36
Farm insurance	7.26	15.73	8.11	6.69
Utilities	4.46	7.16	6.17	4.07
Dues & professional fees	3.18	5.18	3.43	1.60
Interest	46.82	38.55	45.66	41.46
Mach & bldg depreciation	52.65	48.39	52.67	62.88
Miscellaneous	5.61	3.06	3.86	4.06
Total overhead expenses per acre	162.19	178.69	176.50	156.81
Total dir & ovhd expenses per acre	777.94	789.79	766.31	777.42
Net return per acre	224.27	-12.16	160.26	404.34
Government payments	15.68	16.23	17.93	14.81
Net return with govt pmts	239.95	4.06	178.20	419.15
Labor & management charge	79.91	90.05	60.14	92.55
Net return over lbr & mgt	160.04	-85.98	118.06	326.61
Cost of Production				
Total direct expense per ton	25.21	30.95	27.27	22.04
Total dir & ovhd exp per ton	31.86	40.00	35.43	27.61
Less govt & other income	30.76	38.08	34.33	26.19
With labor & management	34.03	42.64	37.11	29.48
Machinery cost per acre	217.55	232.87	208.63	244.72
Est. labor hours per acre	5.60	6.62	5.67	4.86

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Excluding Joint venture

	Avg. Of All Farms	Low 20%	40 - 60%	High 20%
Number of fields	117	23	25	26
Number of farms	74	14	15	15
Acres	151.10	140.03	147.22	138.43
Yield per acre (ton)	24.58	21.90	25.42	26.76
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	40.65	40.02	39.74	41.01
Total product return per acre	999.29	876.34	1,010.24	1,097.49
Miscellaneous income per acre	11.31	19.00	10.99	1.56
Gross return per acre	1,010.60	895.34	1,021.23	1,099.05
Direct Expenses				
Seed	55.03	55.06	55.57	51.85
Fertilizer	45.28	42.99	54.32	41.33
Crop chemicals	92.72	87.84	97.35	90.67
Crop insurance	17.83	17.43	18.03	16.00
Fuel & oil	62.76	74.59	63.96	55.98
Repairs	67.93	78.15	64.89	63.53
Custom hire	10.88	9.88	13.98	11.37
Hired labor	31.54	27.55	37.91	30.55
Land rent	79.06	75.33	85.61	79.28
Machinery leases	0.24	0.94	-	-
Hauling and trucking	6.02	11.17	-	5.94
Operating interest	21.94	26.77	25.33	10.89
Miscellaneous	2.70	3.66	1.76	2.31
Total direct expenses per acre	493.94	511.35	518.72	459.71
Return over direct exp per acre	516.66	383.99	502.51	639.34
Overhead Expenses				
Custom hire	7.93	7.48	5.30	6.11
Hired labor	44.69	65.35	41.30	40.08
Machinery leases	11.75	45.79	7.68	3.67
Building leases	1.21	3.36	-	0.04
Farm insurance	9.75	11.17	6.39	7.24
Utilities	7.13	8.90	6.23	3.92
Dues & professional fees	8.37	12.58	6.73	6.43
Interest	20.47	34.51	14.49	10.50
Mach & bldg depreciation	57.90	50.30	56.66	55.60
Miscellaneous	6.62	3.64	6.65	10.91
Total overhead expenses per acre	175.81	243.06	151.42	144.50
Total dir & ovhd expenses per acre	669.75	754.41	670.14	604.20
Net return per acre	340.85	140.93	351.09	494.85
Government payments	16.05	18.17	15.31	14.97
Net return with govt pmts	356.90	159.10	366.40	509.82
Labor & management charge	89.14	85.69	77.69	92.79
Net return over lbr & mgt	267.76	73.41	288.71	417.03
Cost of Production				
Total direct expense per ton	20.09	23.35	20.40	17.18
Total dir & ovhd exp per ton	27.25	34.45	26.36	22.58
Less govt & other income	26.13	32.75	25.32	21.96
With labor & management	29.76	36.66	28.38	25.43
Machinery cost per acre	237.71	300.13	222.98	204.32
Est. labor hours per acre	6.87	7.02	6.02	7.87

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Sugar Beets on Cash Rent Including Joint venture

	<u>Ava. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	114	23	23	20
Number of farms	74	14	15	15
Acres	196.16	172.48	261.50	149.71
Yield per acre (ton)	24.24	21.63	24.19	26.90
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	40.31	39.71	40.42	40.77
Total product return per acre	976.93	858.94	977.90	1,096.72
Miscellaneous income per acre	7.61	9.95	13.59	11.04
Gross return per acre	984.54	868.89	991.49	1,107.77
Direct Expenses				
Seed	55.39	52.80	57.44	53.31
Fertilizer	43.96	40.91	43.10	44.64
Crop chemicals	92.94	97.08	92.39	92.81
Crop insurance	18.77	16.28	23.39	17.70
Fuel & oil	56.54	70.79	54.48	46.68
Repairs	60.91	63.78	51.98	54.92
Custom hire	12.64	12.29	5.45	22.23
Hired labor	29.06	29.15	27.89	32.92
Land rent	78.70	73.59	84.56	72.80
Stock/quota lease	214.05	213.87	228.20	195.67
Machinery leases	1.72	-	-	1.60
Hauling and trucking	4.61	15.66	3.85	0.50
Operating interest	26.49	38.25	20.96	18.22
Miscellaneous	1.89	0.55	0.66	1.50
Total direct expenses per acre	697.64	724.99	694.35	655.49
Return over direct exp per acre	286.89	143.90	297.14	452.27
Overhead Expenses				
Custom hire	8.07	12.03	14.11	2.90
Hired labor	26.51	32.11	34.72	6.66
Machinery leases	9.20	13.89	13.51	2.41
Building leases	0.57	1.53	-	0.21
Farm insurance	6.89	6.82	5.90	8.43
Utilities	4.23	5.65	4.01	4.47
Dues & professional fees	5.03	5.09	2.77	5.28
Interest	15.94	21.67	13.73	11.78
Mach & bldg depreciation	47.16	53.46	40.71	47.24
Miscellaneous	7.25	8.25	9.79	4.48
Total overhead expenses per acre	130.87	160.50	139.24	93.86
Total dir & ovhd expenses per acre	828.51	885.49	833.60	749.35
Net return per acre	156.02	-16.60	157.89	358.41
Government payments	14.34	14.49	13.47	13.49
Net return with govt pmts	170.36	-2.12	171.37	371.91
Labor & management charge	71.53	74.09	70.23	66.06
Net return over lbr & mgt	98.84	-76.21	101.13	305.84
Cost of Production				
Total direct expense per ton	28.78	33.51	28.70	24.37
Total dir & ovhd exp per ton	34.18	40.93	34.46	27.86
Less govt & other income	33.28	39.80	33.34	26.94
With labor & management	36.23	43.23	36.24	29.40
Machinery cost per acre	211.25	246.79	193.87	189.08
Est. labor hours per acre	5.13	5.92	4.98	4.15

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Sunflowers on Cash Rent

	Avg. Of All Farms
Number of fields	16
Number of farms	14
Acres	155.71
Yield per acre (cwt.)	19.77
Operators share of yield %	100.00
Value per cwt.	14.47
Total product return per acre	286.12
Miscellaneous income per acre	-
Gross return per acre	286.12
Direct Expenses	
Seed	20.88
Fertilizer	28.94
Crop chemicals	19.77
Crop insurance	11.89
Drying fuel	0.10
Fuel & oil	16.55
Repairs	17.29
Custom hire	4.86
Hired labor	0.12
Land rent	56.63
Machinery leases	0.62
Operating interest	6.12
Miscellaneous	0.08
Total direct expenses per acre	183.85
Return over direct exp per acre	102.27
Overhead Expenses	
Custom hire	6.44
Hired labor	6.08
Machinery leases	2.30
Farm insurance	3.22
Utilities	2.84
Dues & professional fees	2.14
Interest	4.82
Mach & bldg depreciation	11.40
Miscellaneous	3.39
Total overhead expenses per acre	42.63
Total dir & ovhd expenses per acre	226.48
Net return per acre	59.64
Government payments	13.44
Net return with govt pmts	73.08
Labor & management charge	21.95
Net return over lbr & mgt	51.12
Cost of Production	
Total direct expense per cwt.	9.30
Total dir & ovhd exp per cwt.	11.46
Less govt & other income	10.78
With labor & management	11.89
Machinery cost per acre	63.84
Est. labor hours per acre	1.57

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Sunflowers, Confectionary on Cash Rent

	Avg. Of All Farms
Number of fields	9
Number of farms	7
Acres	210.24
Yield per acre (cwt.)	16.86
Operators share of yield %	100.00
Value per cwt.	16.33
Total product return per acre	275.28
Miscellaneous income per acre	9.71
Gross return per acre	284.98
Direct Expenses	
Seed	29.86
Fertilizer	31.73
Crop chemicals	28.84
Crop insurance	13.79
Fuel & oil	14.76
Repairs	17.35
Custom hire	6.98
Hired labor	0.44
Land rent	59.46
Operating interest	5.24
Miscellaneous	0.05
Total direct expenses per acre	208.49
Return over direct exp per acre	76.50
Overhead Expenses	
Custom hire	1.02
Hired labor	9.16
Machinery leases	0.41
Building leases	1.09
Farm insurance	4.12
Utilities	2.06
Dues & professional fees	2.73
Interest	4.61
Mach & bldg depreciation	16.86
Miscellaneous	3.38
Total overhead expenses per acre	45.43
Total dir & ovhd expenses per acre	253.92
Net return per acre	31.06
Government payments	13.90
Net return with govt pmts	44.97
Labor & management charge	20.39
Net return over lbr & mgt	24.58
Cost of Production	
Total direct expense per cwt.	12.37
Total dir & ovhd exp per cwt.	15.06
Less govt & other income	13.66
With labor & management	14.87
Machinery cost per acre	60.86
Est. labor hours per acre	1.46

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Wheat, Spring on Owned Land

	Avg. Of All Farms	Low 20%	40 - 60%	High 20%
Number of fields	140	25	31	34
Number of farms	110	22	22	22
Acres	170.14	225.72	159.04	135.30
Yield per acre (bu.)	51.30	41.98	51.43	58.52
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	4.40	4.23	4.42	4.50
Total product return per acre	225.93	177.46	227.50	263.36
Miscellaneous income per acre	4.92	7.33	4.10	4.34
Gross return per acre	230.85	184.79	231.60	267.69
Direct Expenses				
Seed	13.04	13.36	13.38	12.67
Fertilizer	45.49	47.23	43.55	42.31
Crop chemicals	17.12	16.65	16.79	14.86
Crop insurance	10.99	11.69	10.58	10.90
Fuel & oil	12.47	13.37	10.92	12.81
Repairs	13.21	12.97	12.94	13.35
Custom hire	3.84	5.30	2.75	4.37
Machinery leases	0.34	1.31	-	0.18
Operating interest	5.71	6.55	5.42	3.65
Miscellaneous	0.59	0.65	0.69	0.12
Total direct expenses per acre	122.80	129.10	117.03	115.21
Return over direct exp per acre	108.04	55.69	114.57	152.48
Overhead Expenses				
Custom hire	1.68	2.48	1.28	1.50
Hired labor	5.95	8.44	5.84	5.32
Machinery leases	1.03	1.09	0.92	0.29
RE & pers. property taxes	11.56	8.51	12.18	11.15
Farm insurance	4.52	5.99	4.12	4.14
Utilities	2.55	2.21	2.57	3.29
Dues & professional fees	2.05	1.88	2.34	2.21
Interest	37.00	47.26	41.56	17.76
Mach & bldg depreciation	11.86	12.46	11.29	10.99
Miscellaneous	2.76	3.07	2.67	3.48
Total overhead expenses per acre	80.95	93.40	84.77	60.14
Total dir & ovhd expenses per acre	203.75	222.50	201.80	175.35
Net return per acre	27.09	-37.71	29.80	92.34
Government payments	15.31	15.78	15.44	16.06
Net return with govt pmts	42.40	-21.93	45.24	108.40
Labor & management charge	17.13	15.42	16.18	21.91
Net return over lbr & mgt	25.27	-37.35	29.06	86.49
Cost of Production				
Total direct expense per bu.	2.39	3.07	2.28	1.97
Total dir & ovhd exp per bu.	3.97	5.30	3.92	3.00
Less govt & other income	3.58	4.75	3.54	2.65
With labor & management	3.91	5.12	3.86	3.02
Machinery cost per acre	47.85	53.76	43.40	44.54
Est. labor hours per acre	1.35	1.46	1.26	1.77

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	270	43	70	48
Number of farms	164	32	33	33
Acres	291.54	260.17	252.19	276.71
Yield per acre (bu.)	53.28	44.58	52.60	58.48
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	4.45	4.23	4.43	4.66
Total product return per acre	236.85	188.37	232.87	272.53
Miscellaneous income per acre	3.23	3.89	7.18	2.62
Gross return per acre	240.09	192.27	240.04	275.15
Direct Expenses				
Seed	12.87	13.09	12.67	12.14
Fertilizer	45.28	46.87	46.22	42.69
Crop chemicals	18.44	19.26	18.35	14.77
Crop insurance	10.93	10.87	11.75	10.17
Fuel & oil	12.61	13.23	12.87	11.83
Repairs	12.59	14.47	12.66	12.19
Custom hire	2.46	6.57	1.67	1.53
Land rent	66.30	64.91	64.40	64.73
Machinery leases	0.33	1.91	-	0.00
Operating interest	5.09	5.23	6.07	3.78
Miscellaneous	0.56	0.56	0.28	0.22
Total direct expenses per acre	187.46	196.96	186.92	174.04
Return over direct exp per acre	52.63	-4.70	53.12	101.11
Overhead Expenses				
Custom hire	2.13	1.94	2.77	1.49
Hired labor	6.18	5.86	5.08	8.48
Machinery leases	1.64	1.76	1.83	1.31
Farm insurance	3.89	5.31	3.33	2.71
Utilities	2.05	2.46	2.31	1.69
Dues & professional fees	2.22	2.74	2.05	2.37
Interest	3.92	3.92	4.68	2.63
Mach & bldg depreciation	10.88	11.51	10.87	10.73
Miscellaneous	2.45	3.27	2.39	2.27
Total overhead expenses per acre	35.36	38.79	35.31	33.67
Total dir & ovhd expenses per acre	222.81	235.75	222.24	207.71
Net return per acre	17.28	-43.48	17.81	67.44
Government payments	15.31	14.72	15.83	14.63
Net return with govt pmts	32.58	-28.77	33.64	82.07
Labor & management charge	17.00	17.09	17.43	17.55
Net return over lbr & mgt	15.58	-45.85	16.21	64.52
Cost of Production				
Total direct expense per bu.	3.52	4.42	3.55	2.98
Total dir & ovhd exp per bu.	4.18	5.29	4.23	3.55
Less govt & other income	3.83	4.87	3.79	3.26
With labor & management	4.15	5.25	4.12	3.56
Machinery cost per acre	46.12	55.02	47.15	41.27
Est. labor hours per acre	1.20	1.31	1.15	1.28

Crop Enterprise Analysis
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(Farms Sorted By Net Return)

Wheat, Spring on Share Rent

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of fields	40	5	11	11
Number of farms	27	5	6	6
Acres	112.82	180.24	84.48	103.64
Yield per acre (bu.)	55.37	45.54	55.58	63.97
Operators share of yield %	66.34	62.46	63.39	69.98
Value per bu.	4.39	4.28	4.25	4.28
Total product return per acre	161.40	121.69	149.67	191.46
Miscellaneous income per acre	6.77	3.33	11.74	14.61
Gross return per acre	168.17	125.02	161.41	206.08
Direct Expenses				
Seed	12.07	10.47	11.82	12.66
Fertilizer	44.71	48.15	45.24	39.18
Crop chemicals	13.41	10.43	15.10	13.96
Crop insurance	5.99	4.50	4.90	7.54
Fuel & oil	11.73	10.74	13.97	11.70
Repairs	14.46	18.48	17.53	11.53
Custom hire	1.08	3.33	0.68	-
Machinery leases	1.23	-	-	-
Operating interest	3.75	5.15	2.68	3.47
Miscellaneous	0.19	-	0.93	-
Total direct expenses per acre	108.62	111.27	112.85	100.05
Return over direct exp per acre	59.55	13.75	48.56	106.03
Overhead Expenses				
Custom hire	1.76	2.17	0.06	1.09
Hired labor	4.62	3.76	5.84	5.45
Machinery leases	0.54	-	0.22	0.72
Farm insurance	4.41	5.98	4.93	3.81
Utilities	2.81	3.19	2.88	2.99
Dues & professional fees	1.99	2.81	1.55	1.06
Interest	4.39	3.50	4.95	2.86
Mach & bldg depreciation	12.10	16.96	10.73	10.61
Miscellaneous	3.05	4.04	0.79	2.47
Total overhead expenses per acre	35.66	42.42	31.95	31.08
Total dir & ovhd expenses per acre	144.28	153.69	144.80	131.12
Net return per acre	23.89	-28.67	16.61	74.96
Government payments	9.56	10.35	8.34	10.12
Net return with govt pmts	33.45	-18.33	24.95	85.07
Labor & management charge	17.18	20.64	12.99	15.82
Net return over lbr & mgt	16.27	-38.96	11.96	69.25
Cost of Production				
Total direct expense per bu.	2.96	3.91	3.20	2.23
Total dir & ovhd exp per bu.	3.93	5.40	4.11	2.93
Less govt & other income	3.48	4.92	3.54	2.38
With labor & management	3.95	5.65	3.91	2.73
Machinery cost per acre	46.96	54.42	47.88	38.39
Est. labor hours per acre	1.38	1.85	1.04	1.26

