

Executive Summary Edition

2017

Farm

Analysis

Report of

Moorhead

This is the 42nd edition of this report published by the Northland College-Moorhead MN. Farm Business Management Department. The original numbers for this report came from records kept by each farm family enrolled in the farm management education program provided by Northland Community and Technical College, Thief River Falls, MN.

In 2017, 74 farms (with an equivalent of 81 full-time operators), located mainly in western Clay and Norman counties, Minnesota, were included in the averages. The average farmer was 47.8 years old with 24.9 years of farming experience. Farms averaged 1857.7 acres per farm with 425.1 acres of that owned. Soybeans generated the largest gross dollar amount per farm (\$264,349). Sugarbeets (\$250,496) stayed in 2nd ahead of Wheat (\$204,847). Corn followed closely at (\$191,660). The largest single expense was land rent (\$195,301) per farm, up 5.2% from last year. Seed expense stayed in 2nd at (\$143,491). Fertilizer (\$102,696), Chemicals (\$92,508) and Hired Labor (\$75,993) were the next three expenses.

Net Farm Income (\$108,593) was 28.0% higher than the five year average, but 31.4% lower than 2016. Much of the profit was due to some better wheat yields and prices along with sugarbeet prices improving from 2016. On average, producers generated (\$28,879) above what their financial commitments (accrual farm expenses, family living draws and scheduled principal payments) were for 2017.

Information about our Farm Business Management program and other financial reports can be found at our website: **www.NorthlandFBM-Moorhead.com**

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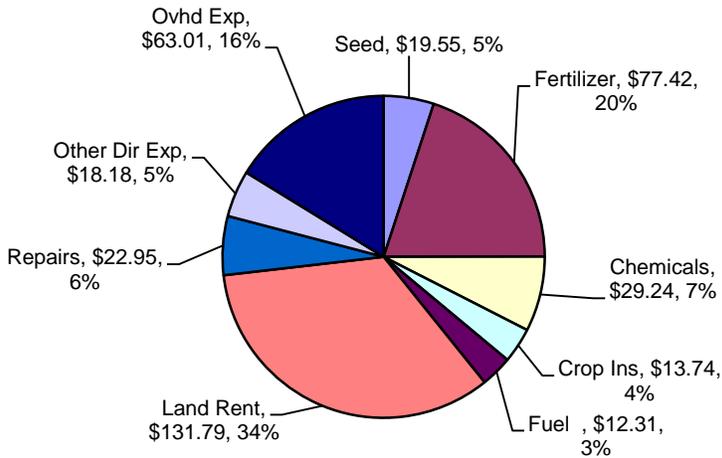
Statement of Cash Flows - Total of 74 Farms in Analysis Report

Soybeans	\$19,561,826	
Sugarbeets	\$18,436,704	
Corn	\$14,182,840	
Wheat	\$15,158,678	
Other Crops	\$4,599,988	
Government Pymts	\$1,574,572	
Remaining Farm Income	\$8,422,014	
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Total Cash Farm Income		\$81,936,622
Fertilizer	\$7,599,504	
Land Rent	\$14,452,274	
Seed	\$10,618,334	
Chemicals	\$6,845,592	
Repairs	\$5,479,256	
Fuel	\$2,767,600	
Crop Insurance	\$2,757,388	
Remaining Farm Expenses	\$18,914,548	
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Total Farm Expense		(\$69,434,496)
Net Cash from Hedging		\$66,526
Net Nonfarm Income		\$2,019,460
Apparent Family Living Income & SS Tax Paid		(\$6,314,420) (\$1,545,046)
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Cash From Operating Activities		\$6,728,646
Sale of Machinery	\$567,062	
Sale of Farm Land	\$642,246	
Sale of Other Farm Assets	\$150,294	
Sale of Nonfarm Assets	\$670,366	
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Total Sales of Assets		\$2,029,968
Purchase of Machinery	(\$6,816,954)	
Purchase of Farm Land	(\$3,734,484)	
Pur of Farm Bldgs/Tiling	(\$961,408)	
Pur of Other Farm Assets	(\$1,989,120)	
Pur of Nonfarm Assets	(\$1,902,836)	
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Total Purchase of Assets		(\$15,404,802)
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Cash From Investing Activities		(\$13,374,834)
Money Borrowed		\$41,527,172
Principal Payments		(\$36,079,070)
Gifts & Inheritances		\$264,994
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Cash From Financing Activities		\$5,713,096
	Net change in cash balance:	(\$933,092)
Inventory Change:	\$1,125,096	

Farm Financial Scorecard

	This Year	5-Year Ave	Strong	Vulnerable
Liquidity				
Current ratio	1.51	1.73	1.7	1.1
Working capital	\$272,718	\$344,256		
Working cap to gross revenue	24.1%	33.2%	25%	10%
Solvency (market)	Note: These solvency ratios include deferred liabilities			
Farm debt/asset ratio	41%	38%	30%	60%
Farm equity/asset ratio	59%	62%	70%	40%
Farm debt/equity ratio	0.69	0.63	0.43	1.50
Profitability (Cost)				
Rate of return on farm assets	2.6%	1.8%	8%	4%
Rate of return on farm equity	1.5%	0.5%	10%	3%
Operating profit margin	6.4%	4.5%	25%	15%
Net farm income	\$108,593	\$84,810		
EBITDA	\$233,153	\$207,104		
Repayment Capacity (Accrual)				
Capital debt repay capacity	\$136,321	\$93,097		
Capital debt repay margin	\$28,879	-\$20,254		
Replacement margin	-\$25,379	-\$66,651		
Term-debt coverage ratio	1.27	0.87	1.50	1.20
Replacement margin ratio	0.84	0.58	1.40	1.10
Financial Efficiency				
Asset-turnover rate (market)	40.2%	37.5%	45%	30%
Operating-expense ratio	79.4%	80.3%	60%	80%
Depreciation-expense ratio	6.8%	7.6%	5%	15%
Interest-expense ratio	4.2%	4.3%	5%	10%
Net farm income ratio	9.6%	7.9%	20%	10%

Spring Wheat - Cash Rented (Ave of all Farms)



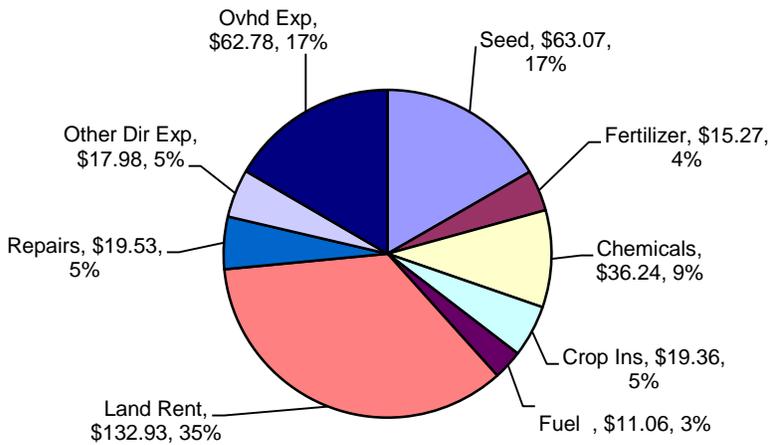
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2013	2014	2015	2016	2017
Yield	66.31	70.73	75.50	69.20	73.41
**Total Costs/Acre	\$425.55	\$438.94	\$409.59	\$388.92	\$388.20
Total Costs/Bu	\$6.42	\$6.21	\$5.43	\$5.62	\$5.29

My Farm		
Yield		
Costs/A.		
Costs/bu.		

**-does not include principal pymts or personal draw

Soybeans - Cash Rented (Ave of all Farms)



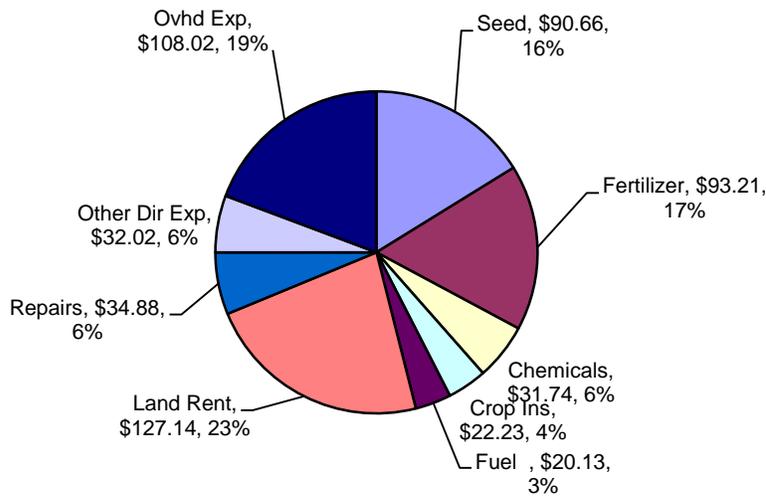
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2013	2014	2015	2016	2017
Yield	35.34	40.27	44.61	46.00	36.59
**Total Costs/Acre	\$370.90	\$393.39	\$368.74	\$365.12	\$378.22
Total Costs/Bu	\$10.50	\$9.77	\$8.27	\$7.94	\$10.34

My Farm		
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Corn - Cash Rented (Ave of all Farms)



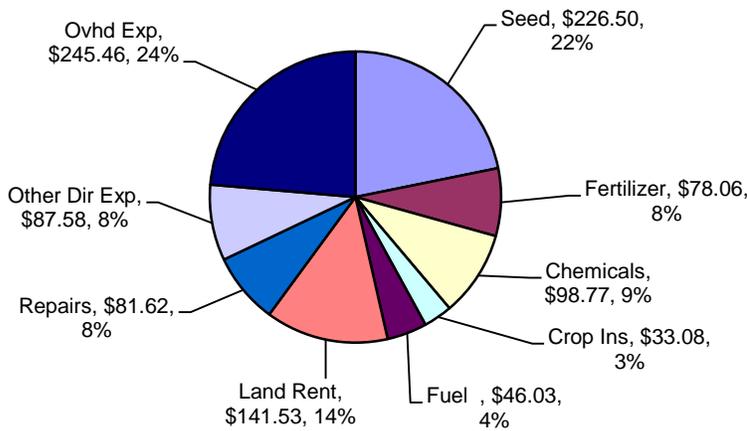
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2013	2014	2015	2016	2017
Yield	129.13	139.78	158.54	182.04	168.11
**Total Costs/Acre	\$626.80	\$644.96	\$596.65	\$558.31	\$560.04
Total Costs/Bu	\$4.85	\$4.61	\$3.76	\$3.07	\$3.33

My Farm		
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Sugarbeets-Cash Rented excluding Joint Venture (Ave of all Farms)



My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2013	2014	2015	2016	2017
Yield	25.45	22.56	28.69	33.10	31.47
**Total Costs/Acre	\$1,087.71	\$1,073.95	\$1,066.98	\$1,086.40	\$1,038.63
Total Costs/Ton	\$42.74	\$47.60	\$37.19	\$32.82	\$33.00

My Farm		
Yield		
Costs/A.		
Costs/T.		

**-does not include principal pymts or personal draw