

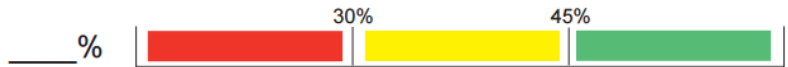


## Financial Efficiency Measures

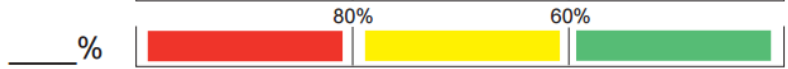
Ratios measuring how effectively farm assets generate income. Coming from all financial statements, these include:

### Financial efficiency

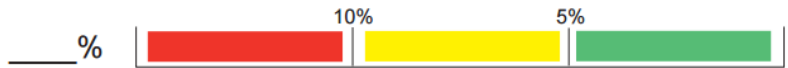
17. Asset-turnover rate \_\_\_\_\_ %



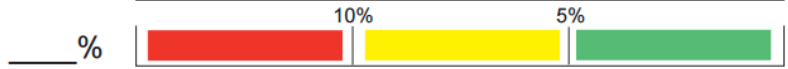
18. Operating-expense ratio \_\_\_\_\_ %



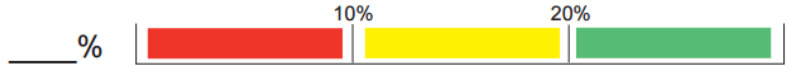
19. Depreciation-expense ratio \_\_\_\_\_ %



20. Interest-expense ratio \_\_\_\_\_ %



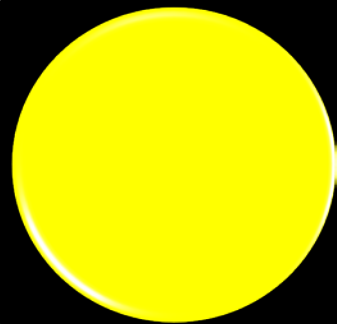
21. Net farm income ratio \_\_\_\_\_ %



Below are tips you can consider as you evaluate the financial efficiency of your operation.



- Maximize Operational Efficiency – Scrutinize Costs, Increase Revenue, Manage Assets.
- Sell Unneeded Assets, Reduce Debt with Funds.
- Restructure Debt to Reduce Interest Expense.
- Maximize Profits. Generate Additional Income.



- Fully Employ Farm Assets.
- Decrease Operating Expenses & Income Taxes.
- Increase Receipts with Increased Prices or Yields.
- Carefully Consider New Debt Obligations.



- Maintain Farm Revenues.
- Monitor Operating Expenses & Keep In Check.
- Invest in Productive, Profitable Assets for the Farm.