

How Did Farms Stack Up Historically?

Historical information for Southwest, South Central & Southeast Minnesota

The source of the green, yellow, and red credit risk rating is from "Weighing the Variables" by David M. Kohl. He considers the six (6) color coded factors below to be key indicators of financial credit quality.

Green	The farm business enjoys a competitive position
Early Yellow	The farm business has some early caution signs
Late Yellow	The farm business has some major caution signs
Red	The farm business could face some major obstacles



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current Ratio - Multiple-Enterprises											
Top 10 Percent	2.54	2.38	2.42	2.68	3.21	2.37	2.12	2.28	2.30	2.24	2.22
High 20 Percent	2.41	1.81	2.32	2.66	2.90	2.40	2.24	2.21	2.21	2.11	2.20
Average Farms	1.98	1.75	2.04	2.26	2.50	2.03	1.79	1.64	1.62	1.57	1.51
Low 20 Percent	1.45	1.15	1.27	1.37	1.48	1.60	1.23	1.23	1.19	1.12	1.07



Farm Debt to Asset Ratio (Market)											
Top 10 Percent	45%	39%	42%	39%	38%	39%	42%	38%	39%	40%	39%
High 20 Percent	44%	42%	43%	40%	40%	38%	40%	39%	40%	41%	39%
Average Farms	46%	45%	45%	43%	42%	40%	43%	45%	45%	45%	46%
Low 20 Percent	51%	54%	55%	50%	51%	46%	52%	54%	54%	53%	55%

Rate of Return on Farm Assets - Rent/Lease Majority of Assets (Cost)											
Top 10 Percent	19.0%	12.7%	16.9%	16.9%	17.9%	7.8%	12.5%	5.8%	5.8%	6.8%	5.9%
High 20 Percent	17.6%	11.6%	15.9%	15.8%	17.3%	7.4%	10.4%	5.2%	5.6%	6.3%	5.2%
Average Farms	10.8%	5.3%	11.5%	11.5%	13.7%	2.6%	3.7%	0.8%	1.4%	1.9%	1.0%
Low 20 Percent	-4.1%	-7.1%	0.3%	-0.6%	1.0%	-6.2%	-5.5%	-5.2%	-4.0%	-3.8%	-4.0%



Term Debt Coverage Ratio											
Top 10 Percent	443%	316%	448%	462%	540%	236%	336%	197%	199%	215%	233%
High 20 Percent	401%	285%	408%	429%	491%	218%	297%	178%	190%	203%	208%
Average Farms	245%	145%	278%	294%	363%	102%	133%	77%	90%	102%	91%
Low 20 Percent	-22%	-65%	66%	71%	94%	67%	47%	-46%	-20%	-13%	-21%

Operating Expense Ratio											
Top 10 Percent	62.1%	66.3%	61.6%	65.2%	57.6%	73.2%	73.3%	73.8%	72.7%	72.8%	72.7%
High 20 Percent	62.5%	67.2%	61.9%	65.5%	59.9%	72.5%	73.8%	74.5%	73.8%	74.2%	74.7%
Average Farms	71.1%	77.8%	66.9%	68.8%	64.7%	81.4%	79.8%	84.6%	83.0%	82.3%	84.3%
Low 20 Percent	96.3%	101.5%	86.9%	86.2%	86.3%	99.9%	99.2%	99.6%	96.2%	96.6%	97.4%



Interest Expense Ratio											
Top 10 Percent	3.6%	3.4%	3.2%	2.6%	2.5%	2.9%	2.2%	3.0%	3.3%	3.2%	3.9%
High 20 Percent	3.9%	3.8%	3.6%	2.8%	2.7%	3.1%	2.4%	3.2%	3.5%	3.4%	3.9%
Average Farms	4.8%	4.9%	4.5%	3.8%	3.4%	3.9%	3.7%	4.2%	4.6%	4.8%	5.4%
Low 20 Percent	5.0%	5.6%	6.7%	7.0%	5.4%	4.5%	6.1%	4.7%	5.4%	6.1%	6.6%

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