

<b><u>Year at a Glance</u></b>				<b>Your</b>	<b>Your</b>
<i>Data for the Average Farm</i>	<b>Northern Minnesota</b>	<b>State FBM Data</b>	<b>Local Area</b>	<b>Farm Data</b>	<b>Farm Goal</b>
	<b>541</b>	<b>2154</b>			
	<b><u>Farms</u></b>	<b><u>Farms</u></b>			
<b><u>Income Statement</u></b>					
Gross Cash Farm Income	\$995,003	\$1,092,140	_____	_____	_____
Total Cash Operating Expense	\$813,509	\$893,176	_____	_____	_____
Net Cash Farm Income	\$181,494	\$198,964	_____	_____	_____
Net Operating Profit	\$296,658	\$362,113	_____	_____	_____
Net Farm Income	\$243,910	\$311,252	_____	_____	_____
Median Farm Income	\$135,642	\$176,616	_____	_____	_____
<b><u>Balance Sheet (Market)</u></b>					
Total Assets - 12/31	\$3,177,907	\$3,791,346	_____	_____	_____
Total Liabilities - 12/31	\$1,372,057	\$1,552,675	_____	_____	_____
Net Worth - 12/31	\$1,805,850	\$2,238,672	_____	_____	_____
Change in Net Worth	\$245,330	\$294,250	_____	_____	_____
<b><u>Financial Standards Measures</u></b>					
Working Capital - 12/31	\$411,782	\$566,754	_____	_____	_____
Debt to Asset Ratio - 12/31	43%	43%	_____	_____	_____
Rate of Return on Farm Assets - Cost	9.4%	10.7%	_____	_____	_____
Rate of Return on Farm Equity - Cost	13.7%	15.8%	_____	_____	_____
Term Debt Coverage Ratio	2.79	3.54	_____	_____	_____
Asset Turnover Rate	33.4%	41.5%	_____	_____	_____
Operating Expense Ratio	69.4%	67.5%	_____	_____	_____
Interest Expense Ratio	3.5%	3.1%	_____	_____	_____
<b><u>Operator Information</u></b>					
Average Age of the Farmer	46.4	47.2	_____	_____	_____
Average Years Farming	22.3	23.0	_____	_____	_____
<b><u>Personal Spending &amp; Income</u></b>					
Total Cash Family Living Expense	\$69,652	\$72,170	_____	_____	_____
Total Non Farm Income	\$36,341	\$42,436	_____	_____	_____

Net Farm Income dollars are used to pay for family living, social security and income tax, retirement accounts, medical and health expenses, and loan principle payments. A positive balance indicates revenue for other uses, while a negative balance indicates a need for revenue from other sources.

The following list shows expenses for the year:

		<u>Northern Minnesota</u>	<u>State Data</u>
Net Farm Income	(+)	\$243,910	\$311,252
Depreciation	(+)	\$58,105	\$61,470
Family Living (Excl Health/Med)	(-)	\$45,794	\$62,168
Social Security and Income Tax	(-)	\$8,812	\$17,381
Health and Medical Expense	(-)	\$9,588	\$10,002
Retirement Accounts	(-)	\$11,708	\$12,745
Principal Payments	(-)	\$77,880	\$72,467
Balance	(=)	\$148,233	\$197,959

## How does your Farm Stack Up?

### Northern Minnesota Farm Business Management Data

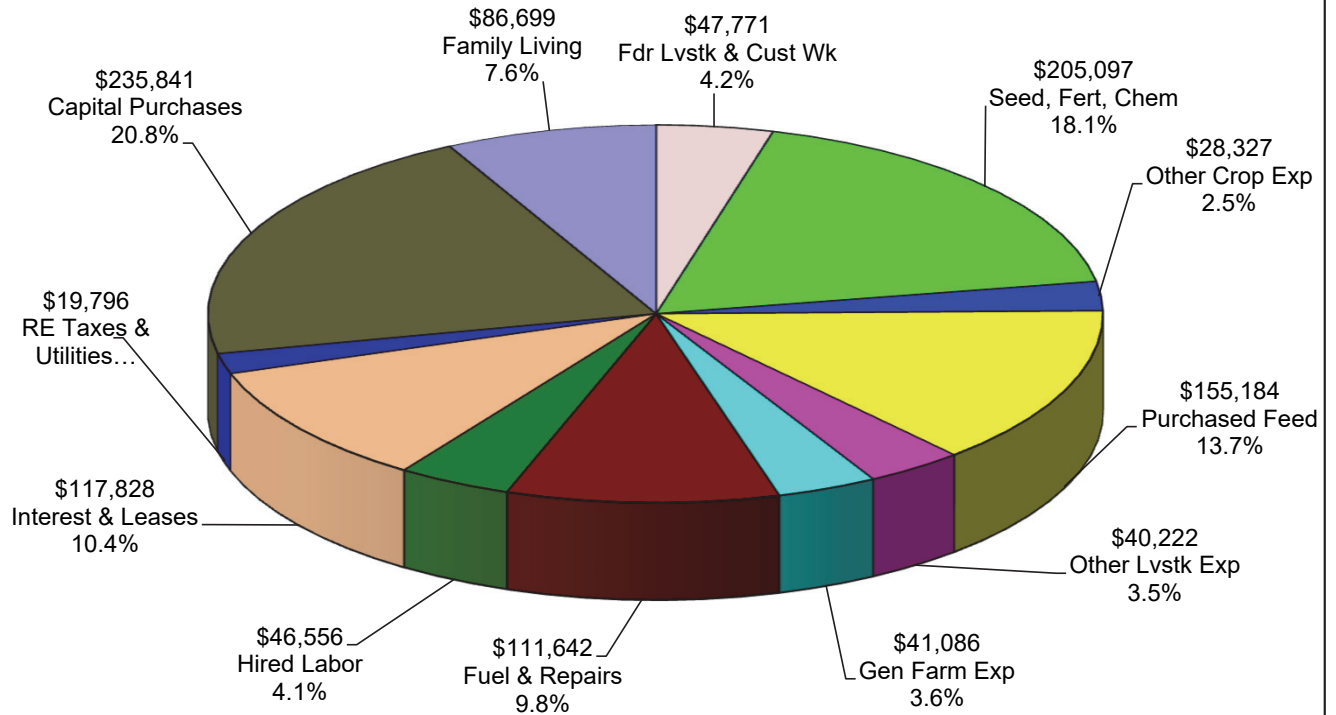
Below is a summary of the low, average, and high farms using the Financial Standards Measures. The numbers listed below are intended to provide a general overview of the farm situation for the current year and over a five year period. The current year data provides a snapshot of the conditions that represent the present while the five year data provides a longer term look at these factors to enable their use in potential decision making activities.

**For additional information, please see the back cover of this report. A "Financial Scorecard" is provided in color for your use.**

<b>Evaluation Chart</b>	<u>Low Farms</u>		<u>Average</u>		<u>High Farms</u>		<u>Your Farm</u>	
	2022	5 Yr Avg	2022	5 Yr Avg	2022	5 Yr Avg	2022	5 Yr Avg
<b><u>Liquidity</u></b>								
Current Ratio	1.28	1.18	2.38	1.90	2.54	2.23		
Working Capital to Gross Rev. %	15.5%	8.9%	37.5%	29.7%	39.7%	36.3%		
Working Capital to Oper Exp. * %	16.0%	14.9%	54.1%	49.4%	59.0%	57.3%		
<b><u>Solvency (Market)</u></b>								
Farm Debt to Asset Ratio %	53%	55%	45%	46%	44%	43%		
Farm Equity to Asset Ratio %	47%	45%	55%	54%	56%	57%		
Farm Debt to Equity Ratio %	1.13	1.22	0.83	0.87	0.80	0.76		
<b><u>Profitability (Cost)</u></b>								
Rate of Return on Farm Assets %	-5.1%	-4.7%	9.4%	6.4%	13.3%	10.5%		
Rate of Return on Farm Equity %	-18.4%	-17.6%	13.7%	8.2%	19.8%	14.8%		
Operating Profit Margin %	-23.0%	-21.8%	23.4%	17.8%	28.6%	25.9%		
Asset Turnover Rate (Cost) %	22.2%	21.3%	40.0%	34.7%	46.7%	40.2%		
<b><u>Repayment Capacity (Accrual)</u></b>								
Debt Coverage Ratio *	0.42	0.49	2.64	2.46	3.56	3.39		
Term Debt Coverage Ratio	0.36	0.21	2.79	2.10	3.83	3.12		
Replacement Coverage Ratio	0.34	0.18	2.13	1.64	2.84	2.37		
<b><u>Efficiency</u></b>								
Operating Expense Ratio %	96.8%	97.2%	69.4%	72.5%	67.4%	68.3%		
Depreciation Expense Ratio %	10.0%	10.3%	5.3%	6.3%	4.5%	5.4%		
Interest Expense Ratio %	8.4%	9.2%	3.5%	4.6%	2.7%	3.3%		
Net Farm Income Ratio %	-15.2%	-17.5%	21.7%	16.5%	25.4%	23.2%		

\* NOTE: The average data for these ratios is based on a 3-year history. The Farm Financial Standards Council modified the recommended standards so the full 5-year history is not currently available.

**Each farmer, on average, spent \$959,092 in the Greater Community in 2022**



**Average Money Spent by Each Farmer in the Greater Community: \$1,136,049**

**Average Money Spent by Each Farmer in a 40 Yr Career: \$45,441,960**

**Money Spent in Community by 541 Farmers: \$614,602,509**

**Your Goals based on current year Analysis**

*Short Term*

*Timeline*

1	_____
2	_____
3	_____
4	_____

*Intermediate and LongTerm*

*Timeline*

1	_____
2	_____
3	_____
4	_____

# Farm Financial Scorecard

Name \_\_\_\_\_

Year \_\_\_\_\_

Liquidity	This Year		5-Year Ave		Strong	Vulnerable
Current ratio					2.0	1.3
Working Capital to Gross Rev.					30%	10%
*Working Capital to Oper. Exp.					40%	20%
<b>Solvency (market)</b>						
	Note: These solvency ratios include deferred liabilities					
Farm debt/asset ratio					30%	60%
Farm equity/asset ratio					70%	40%
Farm debt/equity ratio					0.43	1.50
<b>Profitability (Cost)</b>						
Rate of return on farm assets					8%	4%
Rate of return on farm equity					10%	3%
Operating profit margin					25%	15%
Asset Turnover Ratio					45%	30%
<b>Repayment Capacity (Accrual)</b>						
*Debt Coverage Ratio					1.75	1.25
Replacement Coverage Ratio					1.50	1.10
Term-debt coverage ratio					1.75	1.25
<b>Financial Efficiency</b>						
Operating-expense ratio					60%	80%
Depreciation-expense ratio					5%	10%
Interest-expense ratio					5%	10%
Net farm income ratio					20%	10%

\*New recommended ratio from FFSC in 2022

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