

# Executive Summary Edition

## 2023

## Farm

## Analysis

## Report of

## Moorhead

This is the 48th edition of this report published by the Northland College-Moorhead MN. Farm Business Management Department. The 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 2023, 88 farms (with an equivalent of 99 full-time operators), located mainly in western Clay, Norman, and Wilkin counties in Minnesota, were included in the averages. The average farmer was 46.9 years old with 22.7 years of farming experience. Farms averaged 1,818 acres per farm with 326 acres of that owned. Sugarbeets generated the largest gross dollar amount per farm (\$498,822). Corn (\$395,220) moved up to 2nd ahead of Soybeans which dropped to 3rd (\$394,258). Wheat was fourth at (\$205,716). The largest single expense was land rent (\$266,041) per farm, which is 19.5% of total cash expenses. Fertilizer expense was 2nd at (\$213,140). Seed (\$189,756), Repairs (\$136,434) and Chemicals (\$123,292) were the next three expenses.*

*Net Farm Income (\$284,881) decreased by 53.2% from the 10 year high in 2022 of \$609,262. Most of the decrease in the net farm income was directly related to lower crop prices for old and new crop in 23. Many farms also better than expected yields and positive profitability even with greatly increased input costs.*

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

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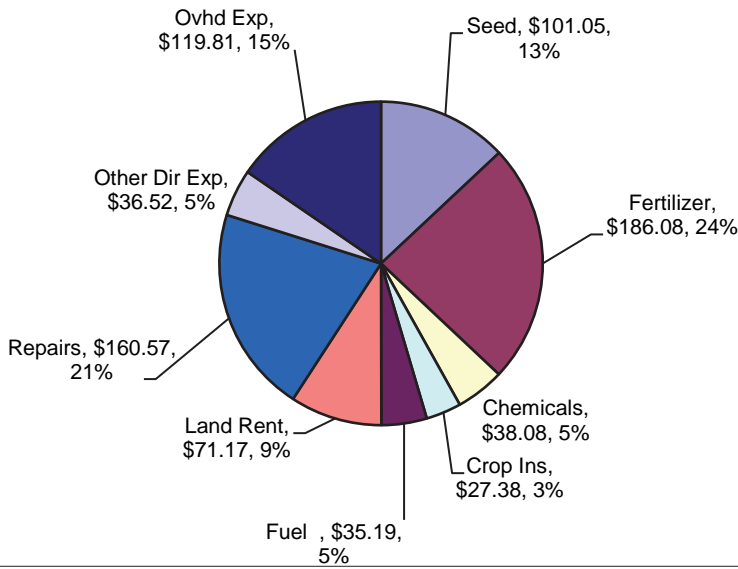


**NORTHLAND**  
COMMUNITY & TECHNICAL COLLEGE

## Statement of Cash Flows - Total of 88 Farms in Analysis Report

Soybeans	\$34,694,704	
Sugarbeets	\$43,896,336	
Corn	\$34,779,360	
Wheat	\$18,103,008	
Other Crops	\$7,666,912	
Government Pymts	\$799,216	
Remaining Farm Income (Ins, etc)	\$13,985,576	
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<b>Total Cash Farm Income</b>		<b>\$153,925,112</b>
Fertilizer	\$18,756,320	
Land Rent	\$23,411,608	
Seed	\$16,698,528	
Chemicals	\$10,849,696	
Repairs	\$12,006,192	
Fuel	\$5,453,888	
Crop Insurance	\$4,605,568	
Remaining Farm Expenses	\$28,587,680	
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<b>Total Farm Expense</b>		<b>(\$120,369,480)</b>
Net Cash from Hedging		\$233,728
Net Nonfarm Income		\$3,328,864
Apparent Family Living Income & SS Tax Paid		<b>(\$9,949,544)</b> <b>(\$3,429,448)</b>
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<b>Cash From Operating Activities</b>		<b>\$23,739,232</b>
Sale of Machinery	\$5,224,824	
Sale of Farm Land	\$1,773,552	
Sale of Other Farm Assets	\$564,696	
Sale of Nonfarm Assets	\$920,216	
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<b>Total Sales of Assets</b>		<b>\$8,483,288</b>
Purchase of Machinery	(\$24,293,280)	
Purchase of Farm Land	(\$14,483,832)	
Pur of Farm Bldgs/Tiling	(\$5,921,784)	
Pur of Other Farm Assets	(\$1,987,568)	
Pur of Nonfarm Assets	(\$6,034,072)	
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<b>Total Purchase of Assets</b>		<b>(\$52,720,536)</b>
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<b>Cash From Investing Activities</b>		<b>(\$44,237,248)</b>
Money Borrowed		\$82,234,680
Principal Payments		(\$60,984,704)
Gifts & Inheritances		\$1,286,472
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<b>Cash From Financing Activities</b>		<b>\$22,536,448</b>
	Net change in cash balance:	\$2,038,432
<b>Inventory Change:</b>	<b>(\$820,160)</b>	

### Corn - Cash Rented (Avg of all Farms)



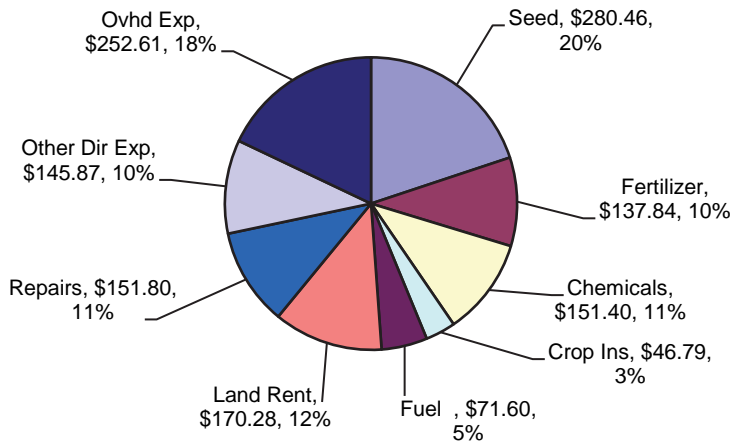
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2018	2019	2020	2021	2023
Yield	161.57	164.58	131.27	175.58	164.71
**Total Costs/Acre	\$593.68	\$591.32	\$601.35	\$769.01	\$775.83
Total Costs/Bu	\$3.67	\$3.59	\$4.58	\$4.38	\$4.71

	My Farm
Yield	
Costs/A.	
Costs/Bu.	

\*\*-does not include principal pymts or personal draw

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



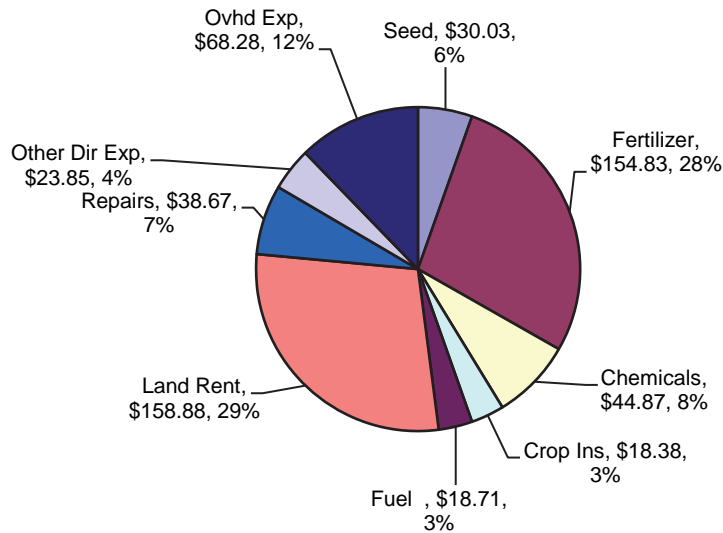
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2018	2019	2020	2021	2023
Yield	19.57	25.49	29.20	26.35	28.44
**Total Costs/Acre	\$1,107.22	\$1,092.87	\$1,143.00	\$1,320.17	\$1,408.65
Total Costs/Ton	\$56.58	\$42.87	\$39.14	\$50.10	\$49.53

	My Farm
Yield	
Costs/A.	
Costs/T.	

\*\*-does not include principal pymts or personal draw

### Spring Wheat - Cash Rented (Avg of all Farms)



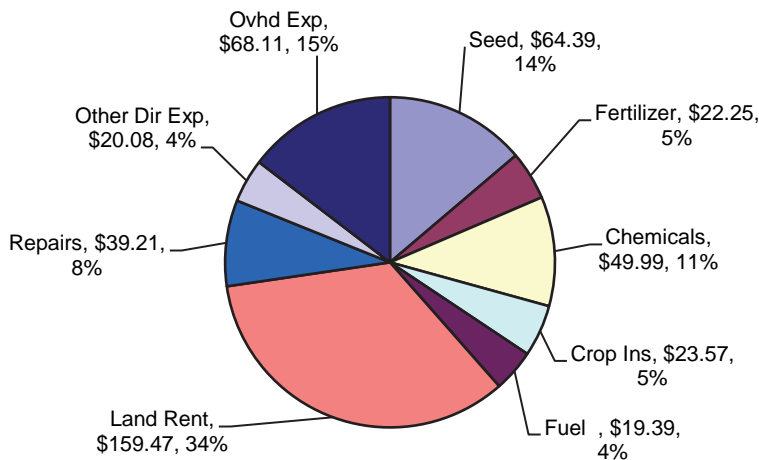
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2018	2019	2020	2021	2023
Yield	61.25	63.47	58.08	70.30	71.55
**Total Costs/Acre	\$417.42	\$415.63	\$405.32	\$544.65	\$557.51
Total Costs/Bu	\$6.82	\$6.55	\$6.98	\$7.75	\$7.79

\*\*-does not include principal pymts or personal draw

	My Farm	
Yield		
Costs/A.		
Costs/bu.		

### Soybeans - Cash Rented (Avg of all Farms)



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

	2018	2019	2020	2021	2023
Yield	38.72	37.30	31.07	44.17	39.73
**Total Costs/Acre	\$371.35	\$368.66	\$380.23	\$432.59	\$466.47
Total Costs/Bu	\$9.59	\$9.88	\$12.24	\$9.79	\$11.74

\*\*-does not include principal pymts or personal draw

	My Farm	
Yield		
Costs/A.		
Costs/Bu.		

## Farm Financial Scorecard

	This Year		5-Year Ave		Strong		Vulnerable	
<b>Liquidity</b>								
Current ratio	2.01	1.92	2.0	1.3				
Working Capital to Gross Rev.	36.0%	32.9%	30%	10%				
*Working Capital to Oper. Exp.	47.9%	52.1%	40%	20%				
<b>Solvency (market)</b>	Note: These solvency ratios include deferred liabilities							
Farm debt/asset ratio	44%	44%	30%	60%				
Farm equity/asset ratio	56%	56%	70%	40%				
Farm debt/equity ratio	0.79	0.79	0.43	1.50				
<b>Profitability (Cost)</b>								
Rate of return on farm assets	6.0%	7.5%	8%	4%				
Rate of return on farm equity	7.2%	10.3%	10%	3%				
Operating profit margin	13.0%	15.2%	25%	15%				
Asset Turnover Ratio	46.4%	46.0%	45%	30%				
<b>Repayment Capacity (Accrual)</b>								
*Debt Coverage Ratio	1.87	2.88	1.75	1.25				
Replacement Coverage Ratio	1.44	1.82	1.50	1.10				
Term-debt coverage ratio	2.05	2.68	1.75	1.25				
<b>Financial Efficiency</b>								
Operating-expense ratio	75.2%	72.6%	60%	80%				
Depreciation-expense ratio	5.0%	5.2%	5%	10%				
Interest-expense ratio	4.0%	3.8%	5%	10%				
Net farm income ratio	15.8%	18.2%	20%	10%				

\*New recommended ratio from FFSC in 2022

Developed by: University of Vermont Extension and Center for Farm Financial Mgt, University of Minnesota

Updated by: Josh Tjosaas, Farm Business Mgt Program, Northland College