

Minnesota State Colleges and Universities

State
Farm Business Management Program
Database
2484 Farms

State Executive Summary (2003-2007)

Summary Income Statement & Average Money Spent
Financial Summary
Financial Standards Measures
Current year data by Region
Selected Financial Charts

Location of the Regional Program Center:

Minnesota Region:

Central Lakes Community and Technical College
Minnesota West Community and Technical College
Northland Community and Technical College
Ridgewater Community and Technical College
Riverland Community and Technical College
South Central College

Northeast and East Central
Southwestern
Northwestern & Red River Valley
Central and West Central
Southeastern
South Central

April, 2008



A MEMBER OF THE MINNESOTA STATE COLLEGES
AND UNIVERSITIES SYSTEM

In Cooperation with the Center for Farm Financial Management University of Minnesota

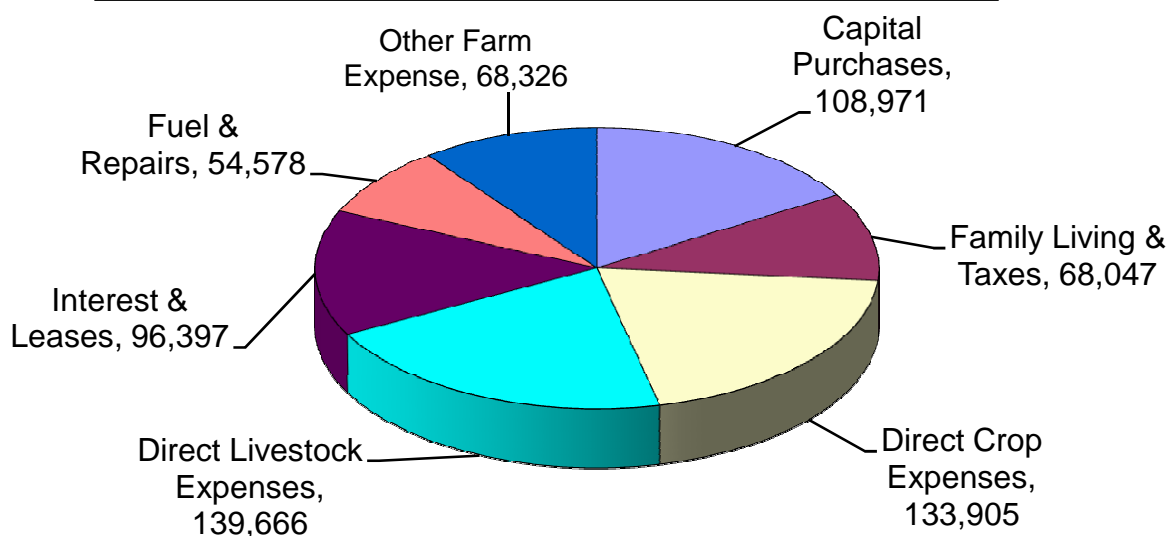
For more information, contact Dr. Richard Joerger at richard.joerger@so.mnscu.edu or
visit the Farm Business Management Program Website: www.mgt.org

Summary Farm Income Statement
(Farms Sorted By Years)
Minnesota State Colleges & Universities - Farm Business Management

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of farms	2484	2332	2247	2234	2266
Farm Revenue					
Crop sales	271,993	214,302	169,985	179,335	174,324
Change in crop and feed inventory	66,326	47,255	24,961	850	7,267
Livestock sales	251,152	206,067	208,743	198,421	152,215
Change in mkt livestock inventory	2,287	1,129	3,453	4,799	2,302
Government payments	15,721	27,139	49,788	23,762	28,172
Other cash income	47,801	40,884	39,857	36,840	29,312
Change in accounts receivable	8,957	979	-4308	9226	-144
Gross revenue	664,237	537,755	492,479	453,233	393,448
Farm Expenses					
Cash operating expenses	469,320	395,062	361,409	336,393	293,349
Change in prepaid exp & supplies	12,921	149	4,788	3,712	3,258
Change in accounts payable	8,232	6420	-4	586	-673
Depreciation & other capital adj	28,869	26,107	25,604	24,954	24,549
Total operating expense	477,036	414,600	382,229	357,049	315,313
Interest paid	23,552	21,630	24,997	22,932	23,369
Change in accrued interest	11,221	9553	1052	491	-111
Total expense	511,809	445,783	408,278	380,472	338,571
Net farm income	152,432	91,971	84,198	72,761	54,880

Average Money Spent by each Farm in 2007 totals

\$669,890



**Financial Summary
(Farms Sorted By Years)**

Minnesota State Colleges & Universities - Farm Business Management

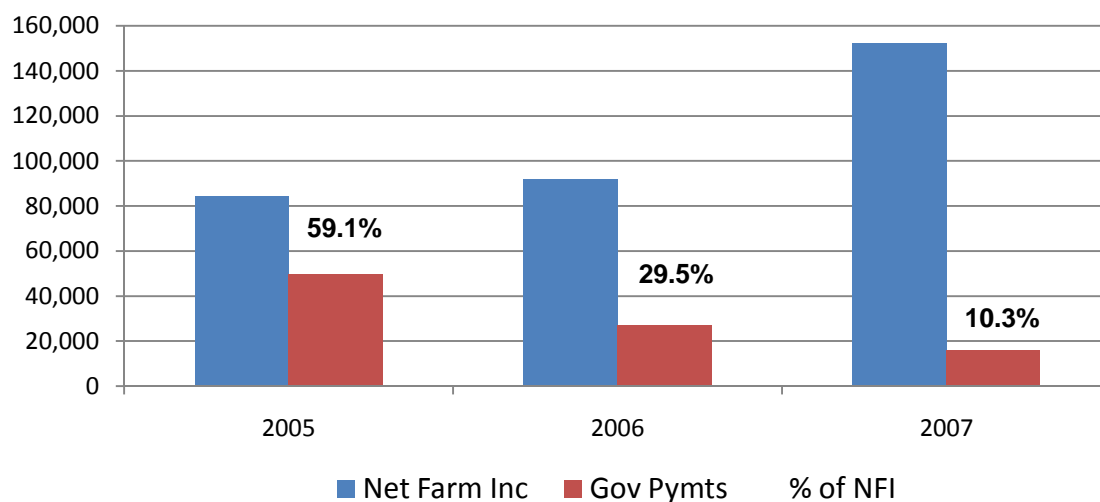
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of farms	2484	2332	2247	2234	2266
Income Statement					
Gross cash farm income	586,667	488,392	468,370	438,358	384,026
Total cash farm expense	492,867	416,694	386,406	359,325	316,718
Net cash farm income	93,800	71,698	81,964	79,033	67,308
Inventory change	87,502	46,380	27,839	18,682	12,121
Depreciation and capital adjust	-28,869	-26,107	-25,604	-24,954	-24,549
Net farm income	152,432	91,971	84,198	72,761	54,880
Median Net farm income	101,803				
Profitability (cost)					
Labor and management earnings	119,063	62,570	57,722	49,125	33,716
Rate of return on assets	13.8%	9.1%	8.5%	8.0%	6.5%
Rate of return on equity	20.7%	11.8%	11.5%	10.9%	7.4%
Operating profit margin	26.8%	19.7%	18.5%	17.6%	14.9%
Asset turnover rate	51.4%	46.1%	46.1%	45.6%	43.8%
Liquidity					
Ending current ratio	1.85	1.57	1.52	1.48	1.43
Ending working capital	180,469	114,233	90,647	76,346	62,873
End working capital to gross inc	30.8%	23.4%	19.4%	17.4%	16.4%
Term debt coverage ratio	263.4%	178.3%	174.3%	162.8%	140.8%
Expense as a percent of income	72.7%	78.0%	77.7%	78.4%	79.8%
Interest as a percent of income	5.2%	5.8%	5.3%	5.2%	5.9%
Solvency (market)					
Number of sole proprietors	2,484	2,332	2,247	2,234	2,266
Ending farm assets	1,533,932	1,378,353	1,256,228	1,132,961	1,011,283
Ending farm liabilities	720,970	662,952	604,441	560,354	514,391
Ending total assets	1,710,221	1,548,641	1,412,415	1,273,818	1,143,305
Ending total liabilities	764,987	703,945	639,662	590,327	543,310
Ending net worth	945,235	844,696	772,753	683,491	599,994
Net worth change	139,936	90,504	89,850	74,211	61,192
Ending farm debt to asset ratio	47%	48%	48%	49%	51%
Beg total debt to asset ratio	46%	46%	46%	48%	49%
End total debt to asset ratio	45%	45%	45%	46%	48%
Nonfarm Information					
Net nonfarm income	24,532	24,249	23,678	21,589	21,602
Farms reporting living expenses	957	893	873	924	981
Total family living expense	43,517	41,399	39,162	38,616	34,941
Total living, invest, & capital	65,882	66,293	59,573	57,656	51,755
Crop Acres					
Total acres owned	269	273	275	275	270
Total crop acres	777	782	761	754	734
Total crop acres owned	211	217	218	222	212
Total crop acres cash rented	545	541	520	505	493
Total crop acres share rented	22	23	24	27	29

**Financial Standards Measures
(Farms Sorted By Years)**

Minnesota State Colleges & Universities - Farm Business Management

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of farms	2484	2332	2247	2234	2266
Liquidity					
Current ratio	1.85	1.57	1.52	1.48	1.43
Working capital	180,469	114,233	90,647	76,346	62,873
Solvency (market)					
Farm debt to asset ratio	47%	48%	48%	49%	51%
Farm equity to asset ratio	53%	52%	52%	51%	49%
Farm debt to equity ratio	89%	93%	93%	98%	104%
Profitability (cost)					
Rate of return on farm assets	13.8%	9.1%	8.5%	8.0%	6.5%
Rate of return on farm equity	20.7%	11.8%	11.5%	10.9%	7.4%
Operating profit margin	26.8%	19.7%	18.5%	17.6%	14.9%
Net farm income	152,432	91,971	84,198	72,761	54,880
Repayment Capacity					
Term debt coverage ratio	263%	178%	174%	163%	141%
Capital replacement margin	105,629	47,929	43,951	35,569	22,456
Efficiency					
Asset turnover rate (cost)	51.4%	46.1%	46.1%	45.6%	43.8%
Operating expense ratio	67.5%	72.2%	72.4%	73.3%	73.9%
Depreciation expense ratio	4.3%	4.9%	5.2%	5.5%	6.2%
Interest expense ratio	5.2%	5.8%	5.3%	5.2%	5.9%
Net farm income ratio	22.9%	17.1%	17.1%	16.1%	13.9%

Government Payments as percent of Net Farm Income



Financial Summary
(Farms Sorted By Report Region)
Minnesota State Colleges & Universities - Farm Business Management

	<u>NC&NW</u>	<u>Valley</u>	<u>WC&C</u>	<u>SW&SC</u>	<u>SE</u>
Number of farms	494	248	560	850	464
Income Statement					
Gross cash farm income	398,086	729,735	554,242	615,123	694,815
Total cash farm expense	330,462	602,429	454,110	520,827	596,786
Net cash farm income	67,624	127,305	100,133	94,295	98,030
Inventory change	65,953	142,528	83,927	86,966	88,357
Depreciation and capital adjust	-22,563	-30,248	-25,346	-31,322	-34,409
Net farm income	111,015	239,585	158,714	149,940	151,978
Median Net farm income	54,712	174,001	112,739	109,507	98,272
Profitability (cost)					
Labor and management earnings	89,145	190,518	122,348	118,231	113,722
Rate of return on assets	13.5%	15.8%	13.9%	14.2%	12.1%
Rate of return on equity	21.6%	22.8%	20.4%	21.7%	17.2%
Operating profit margin	27.4%	26.7%	28.5%	26.9%	24.2%
Asset turnover rate	49.2%	59.0%	48.9%	52.6%	50.1%
Liquidity					
Ending current ratio	1.63	1.84	1.91	1.87	1.92
Ending working capital	86,342	256,649	181,580	198,825	208,565
End working capital to gross inc	21.7%	35.2%	32.8%	32.3%	30.0%
Term debt coverage ratio	241.2%	339.6%	261.6%	269.3%	248.8%
Expense as a percent of income	70.7%	68.2%	70.6%	73.9%	76.0%
Interest as a percent of income	6.0%	4.7%	5.2%	5.1%	5.2%
Solvency (cost)					
Number of sole proprietors	494	248	560	850	464
Ending farm assets	846,850	1,562,619	1,208,353	1,152,452	1,333,917
Ending farm liabilities	442,354	653,073	547,221	570,901	645,034
Ending total assets	944,057	1,739,157	1,331,823	1,319,186	1,513,119
Ending total liabilities	467,082	702,602	579,687	619,375	673,038
Ending net worth	476,975	1,036,556	752,135	699,810	840,081
Net worth change	93,950	197,359	127,290	126,151	135,481
Ending farm debt to asset ratio	52%	42%	45%	50%	48%
Beg total debt to asset ratio	53%	44%	46%	50%	47%
End total debt to asset ratio	49%	40%	44%	47%	44%
Solvency (market)					
Number of sole proprietors	494	248	560	850	464
Ending farm assets	1,025,765	1,874,203	1,484,061	1,584,436	1,838,535
Ending farm liabilities	527,429	851,632	669,048	746,436	853,283
Ending total assets	1,134,923	2,080,832	1,627,273	1,795,930	2,047,798
Ending total liabilities	554,555	906,787	705,695	804,137	890,491
Ending net worth	580,369	1,174,045	921,579	991,793	1,157,307
Net worth change	92,050	193,120	152,445	132,537	159,150
Ending farm debt to asset ratio	51%	45%	45%	47%	46%
Beg total debt to asset ratio	51%	45%	45%	46%	45%
End total debt to asset ratio	49%	44%	43%	45%	43%
Nonfarm Information					
Net nonfarm income	21,920	16,637	22,662	29,338	23,045
Farms reporting living expenses	107	36	160	477	195
Total family living expense	28,508	42,680	44,588	48,753	37,617
Total living, invest, & capital	42,106	73,221	68,476	72,328	58,182
Crop Acres					
Total acres owned	359	397	262	207	243
Total crop acres	752	1742	828	682	591
Total crop acres owned	243	336	227	171	181
Total crop acres cash rented	492	1338	582	482	399
Total crop acres share rented	16	68	18	29	12

Five Year History of Selected Financial Measures

