

*Minnesota State Colleges and Universities*

**State**  
**Farm Business Management Program**  
**Database**  
*2318 Farms*

***State Executive Summary (2004-2008)***

*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, 2009



A MEMBER OF THE MINNESOTA STATE COLLEGES  
AND UNIVERSITIES SYSTEM

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

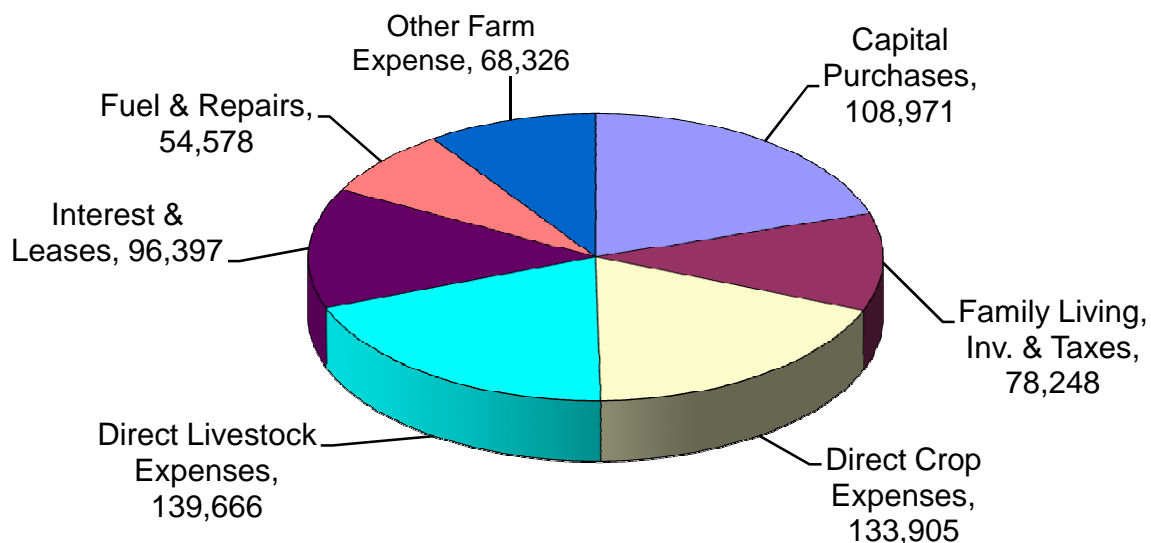
For more information, contact Dr. Richard Joerger at [richard.joerger@so.mnscu.edu](mailto:richard.joerger@so.mnscu.edu) or  
visit the Farm Business Management Program Website: [www.mgt.org](http://www.mgt.org)

**Summary Farm Income Statement  
(Farms Sorted By Years)**

**Minnesota State Colleges & Universities - Farm Business Management**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of farms	2318	2484	2332	2247	2234
<b>Farm Revenue</b>					
Crop sales	351,329	271,993	214,302	169,985	179,335
Change in crop and feed inventory	23,223	66,326	47,255	24,961	850
Livestock sales	237,586	251,152	206,067	208,743	198,421
Change in mkt livestock inventory	(3,103)	2,287	1,129	3,453	4,799
Government payments	19,262	15,721	27,139	49,788	23,762
Other cash income	57,428	47,801	40,884	39,857	36,840
Change in accounts receivable	12,681	8,957	979	(4,308)	9,226
<b>Gross revenue</b>	<b>698,406</b>	<b>664,237</b>	<b>537,755</b>	<b>492,479</b>	<b>453,233</b>
<b>Farm Expenses</b>					
Cash operating expenses	513,859	469,320	395,062	361,409	336,393
Change in prepaid exp & supplies	23,542	12,921	149	4,788	3,712
Change in accts pay & other inv.	(921)	8,232	6,420	(4)	586
Depreciation & capital adj.	34,303	28,869	26,107	25,604	24,954
Total operating expense	525,541	477,036	414,600	382,229	357,049
Interest paid	34,087	23,552	21,630	24,997	22,932
Change in accrued interest	(121)	11,221	9,553	1,052	491
<b>Total expense</b>	<b>559,507</b>	<b>511,809</b>	<b>445,783</b>	<b>408,278</b>	<b>380,472</b>
<b>Net farm income from Oper.</b>	<b>138,898</b>	<b>152,432</b>	<b>91,971</b>	<b>84,198</b>	<b>72,761</b>

**Average Money Spent by each Farm totals \$714,356**



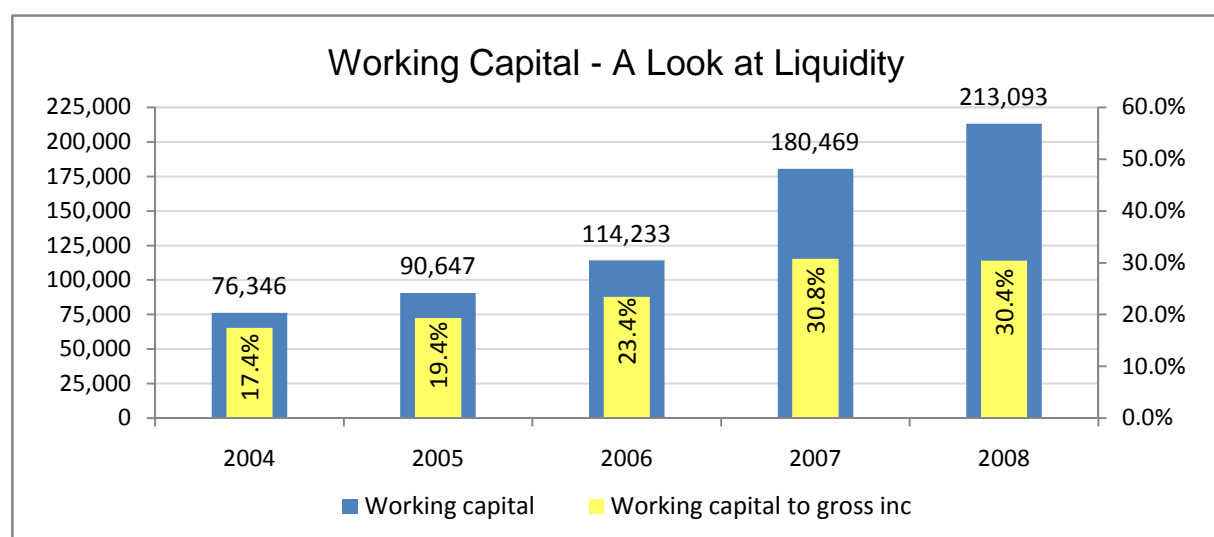
**Financial Summary**  
**(Farms Sorted By Years)**  
**Minnesota State Colleges & Universities - Farm Business Management**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of farms	2318	2484	2332	2247	2234
<b>Income Statement</b>					
Gross cash farm income	665,602	586,667	488,392	468,370	438,358
Total cash farm expense	547,945	492,867	416,694	386,406	359,325
Net cash farm income	117,657	93,800	71,698	81,964	79,033
Inventory change	55,544	87,502	46,380	27,839	18,682
Depreciation and capital adjust	-34,304	-28,869	-26,107	-25,604	-24,954
Average net farm income from opr.	138,898	152,432	91,971	84,198	72,761
Median net farm income from opr.	88,173	101,803			
<b>Profitability (cost)</b>					
Rate of return on assets	10.50%	13.8%	9.1%	8.5%	8.0%
Rate of return on equity	14.60%	20.7%	11.8%	11.5%	10.9%
Operating profit margin	21.70%	26.8%	19.7%	18.5%	17.6%
Asset turnover rate	48.30%	51.4%	46.1%	46.1%	45.6%
<b>Liquidity</b>					
Current assets	448,301	391,748	316,051	263,916	235,631
Current liabilities	235,191	211,280	201,819	173,269	159,285
Ending current ratio	1.91	1.85	1.57	1.52	1.48
Ending working capital	213,110	180,469	114,233	90,647	76,346
End working capital to gross inc	30.40%	30.8%	23.4%	19.4%	17.4%
Term debt coverage ratio	2.37	2.63	1.78	1.74	1.63
Replacement coverage ratio	2.04				
<b>Solvency (market)</b>					
Number of farms	2,318	2,484	2,332	2,247	2,234
Total farm assets	1,712,759	1,533,932	1,378,353	1,256,228	1,132,961
Total farm liabilities	624,923	720,970	662,952	604,441	560,354
Total assets	1,887,932	1,710,221	1,548,641	1,412,415	1,273,818
Total liabilities	848,675	764,987	703,945	639,662	590,327
Net worth	1,039,257	945,235	844,696	772,753	683,491
Net worth change	104,306	139,936	90,504	89,850	74,211
Farm debt to asset ratio	36%	47%	48%	48%	49%
Total debt to asset ratio	45%	45%	45%	45%	46%
<b>Nonfarm Information</b>					
Net nonfarm income	24,834	24,532	24,249	23,678	21,589
Farms reporting living expenses	701	957	893	873	924
Total family living expense	51,019	43,517	41,399	39,162	38,616
Total living, invest, & capital	81,684	65,882	66,293	59,573	57,656
<b>Crop Acres</b>					
Total acres owned	266	269	273	275	275
Total crop acres	787	777	782	761	754
Total crop acres owned	220	211	217	218	222
Total crop acres cash rented	546	545	541	520	505
Total crop acres share rented	21	22	23	24	27

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

**Minnesota State Colleges & Universities - Farm Business Management**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of farms	2318	2484	2332	2247	2234
<b>Liquidity</b>					
Current ratio	1.91	1.85	1.57	1.52	1.48
Working capital	213,093	180,469	114,233	90,647	76,346
Working capital to gross inc	30.4%	30.8%	23.4%	19.4%	17.4%
<b>Solvency (market)</b>					
Farm debt to asset ratio	47%	47%	48%	48%	49%
Farm equity to asset ratio	53%	53%	52%	52%	51%
Farm debt to equity ratio	0.88	0.89	0.93	0.93	0.98
<b>Profitability (cost)</b>					
Rate of return on farm assets	10.5%	13.8%	9.1%	8.5%	8.0%
Rate of return on farm equity	14.6%	20.7%	11.8%	11.5%	10.9%
Operating profit margin	21.7%	26.8%	19.7%	18.5%	17.6%
Net farm income	139,864	152,432	91,971	84,198	72,761
EBIDTA	207,167				
<b>Repayment Capacity</b>					
Capital debt repayment capacity	156,146				
Capital debt repayment margin	90,384	105,629	47,929	43,951	35,569
Replacement margin	79,505				
Term debt coverage ratio	2.37	2.63	1.78	1.74	1.63
Replacement coverage ratio	2.04				
<b>Efficiency</b>					
Asset turnover rate (cost)	48.3%	51.4%	46.1%	46.1%	45.6%
Operating expense ratio	70.4%	67.5%	72.2%	72.4%	73.3%
Depreciation expense ratio	4.9%	4.3%	4.9%	5.2%	5.5%
Interest expense ratio	4.9%	5.2%	5.8%	5.3%	5.2%
Net farm income ratio	20.0%	22.9%	17.1%	17.1%	16.1%



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

	<u>NC&amp;NW</u>	<u>Valley</u>	<u>WC&amp;C</u>	<u>SW&amp;S</u>	<u>SE</u>
Number of farms	398	143	550	815	453
<b>Income Statement</b>					
Gross cash farm income	446,183	989,526	614,197	709,766	794,872
Total cash farm expense	374,769	803,271	503,951	585,494	663,625
Net cash farm income	71,414	186,255	110,246	124,272	131,247
Inventory change	40,122	161,813	73,841	52,411	24,058
Depreciation and capital adjust	-24,346	-48,720	-32,396	-36,952	-36,321
Average net farm income from opr.	87,190	299,349	151,691	139,731	118,984
Median net farm income from opr.	39,821	214,459	95,038	97,866	79,240
<b>Profitability (cost)</b>					
Rate of return on assets	9.0%	14.4%	11.6%	10.8%	7.8%
Rate of return on equity	12.4%	20.4%	16.5%	15.3%	9.5%
Operating profit margin	19.4%	24.3%	24.1%	22.2%	17.4%
Asset turnover rate	46.2%	59.0%	48.1%	48.5%	44.9%
<b>Liquidity</b>					
Current assets	263,257	830,746	433,310	486,574	468,179
Current liabilities	155,677	418,273	218,167	245,781	259,259
Ending current ratio	1.69	1.99	1.99	1.98	1.81
Ending working capital	107,581	412,473	215,143	240,793	208,920
End working capital to gross inc	22.0%	37.1%	32.2%	32.9%	26.10%
Term debt coverage ratio	1.96	3.72	2.64	2.45	1.79
Replacement coverage ratio	1.77	3.17	2.23	2.06	1.55
<b>Solvency (cost)</b>					
Number of sole proprietors	398	143	550	815	453
Ending farm assets	940,905	2,056,646	1,312,976	1,316,754	1,500,417
Ending farm liabilities	479,214	831,004	590,852	627,177	741,611
Ending total assets	1,042,561	2,254,148	1,439,471	1,490,380	1,673,100
Ending total liabilities	507,257	898,375	626,619	673,272	771,194
Ending net worth	535,304	1,355,144	812,507	816,499	901,824
Net worth change	66,853	224,734	113,255	106,485	59,410
Ending farm debt to asset ratio	51%	40%	45%	48%	49%
End total debt to asset ratio	49%	40%	44%	45%	46%
<b>Solvency (market)</b>					
Number of sole proprietors	398	143	550	815	453
Ending farm assets	1,131,917	2,445,438	1,609,556	1,783,929	2,048,212
Ending farm liabilities	479,214	831,004	590,852	627,177	741,611
Ending total assets	1,244,165	2,674,273	1,754,027	1,992,879	2,249,974
Ending total liabilities	605,789	1,213,851	772,442	875,706	1,011,323
Ending net worth	638,376	1,460,422	981,586	1,117,173	1,238,651
Net worth change	70,627	191,575	121,354	107,392	87,375
Ending farm debt to asset ratio	42%	34%	37%	35%	36%
End total debt to asset ratio	49%	45%	44%	44%	45%
<b>Nonfarm Information</b>					
Net nonfarm income	22,911	15,461	20,794	30,631	25,366
Farms reporting living expenses	69	14	129	345	152
Total family living expense	34,275	58,849	51,440	54,566	49,654
Total living, invest, & capital	55,489	93,091	78,155	89,147	80,728
<b>Crop Acres</b>					
Total acres owned	347	441	249	219	249
Total crop acres	715	2,006	812	709	601
Total crop acres owned	243	407	224	187	195
Total crop acres cash rented	459	1,560	567	494	394
Total crop acres share rented	12	39	22	28	11

## Five Year History of Selected Financial Measures

