SOUTHWEST MINNESOTA
Farm Business Management Association

2024 ANNUAL REPORT

IN COOPERATION WITH:
Center for Farm Financial Management · Department of Applied Economics
University of Minnesota
Extension College of Food, Agricultural and Natural Resource Sciences
University of Minnesota

STAFF PAPER #P25-03
Department of Applied Economics
University of Minnesota
Saint Paul, MN 55108
April 2025

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About this Report

Authors: Pauline A. Van Nurden, Katie L. Wantoch, Katie Wilts Johnson, and Dale W. Nordquist[1]; Garen J. Paulson, Tonya L. Knorr, and Nick Sandager[2].

This report provides a comprehensive summary of the individual farm records of the members of the Southwest Minnesota Farm Business Management Association (SWFBMA) for the year 2024. It includes whole-farm information as well as enterprise costs and returns. The year-end analysis of individual farms was conducted by Association field staff using FINPACK software from the Center for Financial Management (CFFM). The results were then summarized by CFFM economists using RankEm Central. The report presents averages for all farms, as well as for high and low-income groups.

The tables in this report are categorized into four major sections: whole-farm information, crop enterprises, livestock enterprises, and summary information. The summary section includes historical trends and information categorized by farm size, type of farm, debt to asset ratio, and operator age.

Out of the 123 farms in SWFBMA, the data for 118 farms are included in this report. The remaining farms were excluded due to incomplete records at the time of preparation. In addition to this report, members receive an annual farm business analysis; on-farm instructional visits; year-end income tax planning and preparation; periodic meetings, tours, and seminars; a monthly newsletter; and other managerial and educational support. Each member pays an annual fee that covers a portion of these services, with the remaining costs defrayed by the University of Minnesota Extension along with grants[3] and research programs of the University of Minnesota.

The livestock enterprise summaries include data from both SWFBMA farms and Minnesota State Farm Business Management (FBM) program farms, providing a larger dataset for more accurate benchmarking. The MN State FBM programs span the state and include over 2,400 participating farms. We extend our gratitude to the MN State FBM program and participating producers for contributing to this report.

For those interested in further exploring the data from this report or farm finances in general, FINBIN (www.finbin.umn.edu) is a publicly accessible benchmarking database offering extensive farm financial and production information. Numerous whole-farm, crop/livestock enterprise, and panel reports are available. The data has multiple integrity and quality checks before being aggregated in FINBIN.

[1] Van Nurden, Wantoch, Wilts Johnson, and Nordquist are Extension Economists with the Center for Farm Financial Management, University of Minnesota, Twin Cities.

[2] Paulson is an Extension Educator, Agriculture Business Management and Lead Field Staff for SWFBMA; and Knorr and Sandager are Field Staff and financial analysts for SWFBMA.

[3]This report was partially funded by a Farm Business Management and Benchmarking Grant from the U.S. Department of Agriculture's National Institute of Food and Agriculture.

About SWFBMA

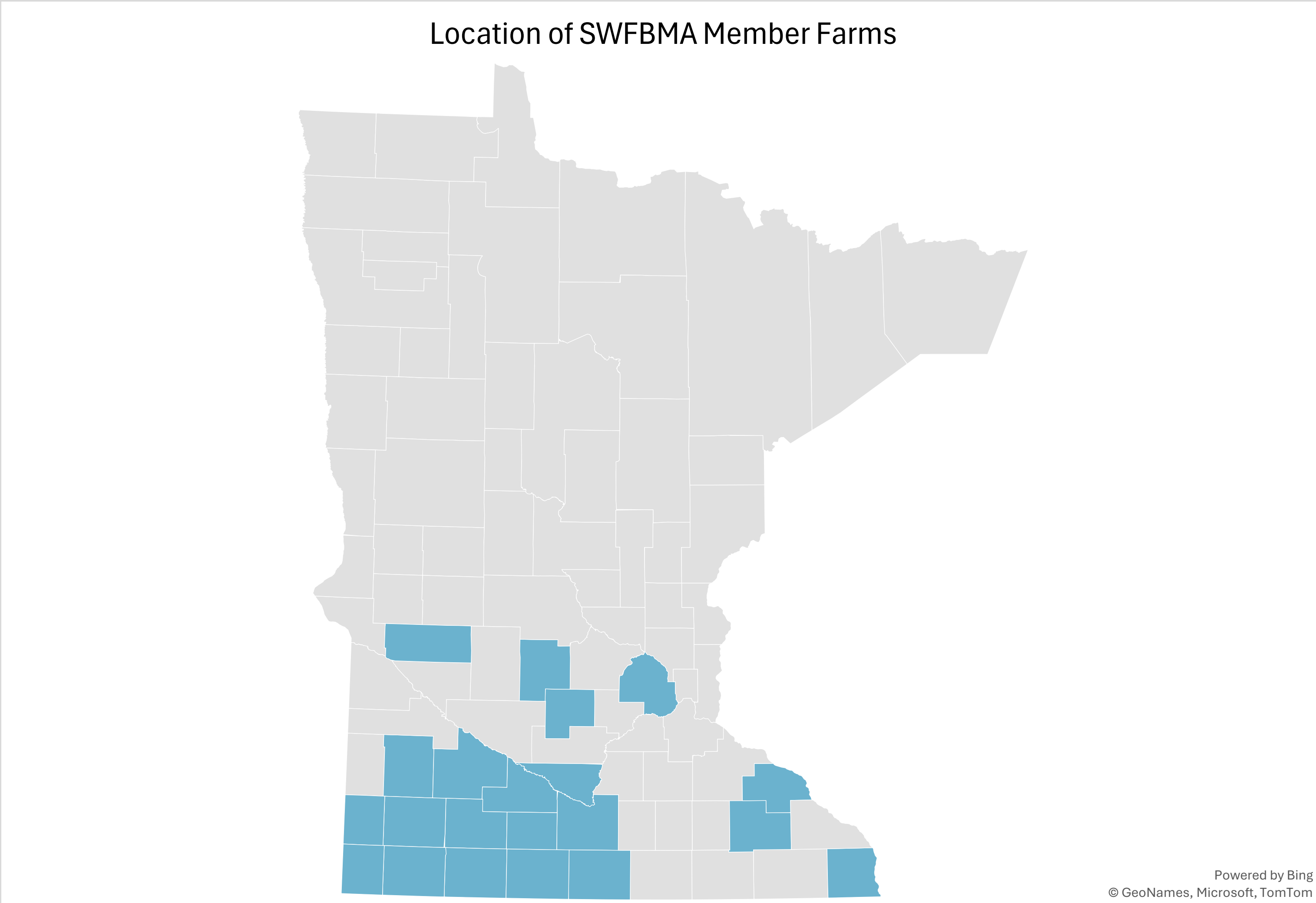

Figure 1: Location of SWFBMA Member Farms

Southwest Minnesota Farm Business Management Association (SWFBMA)

Contact Information:
Southwest Research and Outreach Center
23669 130th Street
Lamberton, MN 56152
507-752-7372 Ext: 2008

Garen Paulson – Extension Educator & Field Staff
Tonya Knorr – Field Staff
Nick Sandager – Field Staff
Gretchen Thillen – Staff Support

<u>2024-2025 Association Officers</u>
President: Ryan Larson
Vice-President: Matt Grussing
Secretary/Treasurer: Jeffrey Leuthold

<u>2024-2025 Association Directors</u>
Hope Hicks, Matt Lund, Jesse Nantkes, Jason Tibodeau, Ramont Harder Schrock, and Matt Surprenant

SW MN FARM BUSINESS MANAGEMENT ASSOCIATION
ADD POWER TO YOUR FARM MANAGEMENT DECISIONS

The Southwest Minnesota Farm Business Management Association (SWFBMA) is a member-driven farm organization dedicated to improving its members' farm financial management skills, knowledge, and success. The association offers services such as financial analysis, confidential peer farm benchmarking, personalized consultations, and access to university research and expertise.

Founded in 1939 by a group of farmers aiming to improve farm management practices and record-keeping, the SWFBMA is based out of the Southwest Research & Outreach Center and is affiliated with University of Minnesota Extension Agricultural Business Management and the Center for Farm Financial Management (CFFM).

Distribution of Membership

COUNTY	# Farm Units	# Analysis Records Submitted
BROWN	2	2
COTTONWOOD	15	14
FARIBAULT	2	2
HENNEPIN	2	2
JACKSON	18	17
LYON	4	4
MURRAY	18	18
NOBLES	19	18
PIPESTONE	11	12
REDWOOD	9	8
ROCK	5	5
WATONWAN	6	4
OTHERS	12	12
	123	**118**

Acknowledgements

This report was partially funded by a Farm Business Management and Benchmarking Grant from the United States Department of Agriculture (USDA) National Institute of Food and Agriculture (NIFA).

Special thanks to the following individuals for their invaluable assistance with this report:

- The producers of the Southwest Minnesota Farm Business Management Association.
- Gretchen Thillen, Support Staff for SWFBMA.
- Rebecca Groos, Event Coordinator for UMN Extension Ag Business Management.
  CFFM staff: Rann Loppnow, Software Developer; Lauren Pritchard, Graphic and Web Designer; Megan Engel, Communications Specialist; and Katie Nichols, Event and Administrative Associate.

2024 Annual Report of the Southwest Minnesota Farm Business Management Association

Executive Summary

The 2024 Annual Report of the Southwest Minnesota Farm Business Management Association (SMFBMA) includes 118 member farms. Highlights of the association's financial results for 2024 include:

- 2024 marked another reduction in farm income for association farms. This was the lowest net farm income for farms in the association this century. Crop farms experienced the brunt of the challenges, given lower crop prices, limited opportunities for marketing grain, and widespread yield issues stemming from a difficult spring. Livestock farms saw improved profits in 2024 as they experienced higher commodity prices and lower input costs, especially for feed.
- In 2024, the median net farm income was $18,630 for association farms. This compares to an average net farm income of $28,648. This further speaks to the challenging profitability of association farms this past year. In 2024, the average net farm income was skewed a bit higher by the higher profits of larger livestock farms.
- Typically, incomes vary widely around the average, and 2024 was no exception. The average net farm income for the most profitable 20% of association farms was $293,402. This compares to the least profitable 20% of farms that had a net farm loss of ($219,546) for the year. Again, this is a stark contrast from 2022, when farms of all profitability levels experienced positive earnings.
- Gross cash farm income was down $161,690 or 13% in 2024. Total cash expenses were also down $59,659 or 6% for the year. The major impact on net farm income was a decrease in corn and soybean prices, which impacted cash farm income and led to decreased crop inventory values for the year. The total inventory change for crops and feed was down $153,977 in 2024, which was 30% decrease from the previous year.
- Crops accounted for 41% of the revenue of association farms in 2024. Livestock equated to 37%, government payments 1%, and other farm income sources 22%. Livestock income was up on average for association farms, and crop income was down for the year.
- The average farm had a rate of return on assets of 0.3% and a rate of return on equity of -2.4% with assets valued at adjusted cost or book value. These are similar rates of return as seen by association farms in 2023.
- Analyzing the cost value balance sheet reveals the average farm had limited earned net worth growth from earnings in 2024, totaling $2,850 for the year. However, association farms saw an overall net worth increase of $181,838, primarily driven by the rising market value of assets like land. As a result, members' balance sheets remained strong for the year, with an average market value-based debt to asset ratio of 38%, including deferred liabilities.
- The average farm's working capital decreased by over $116,000 in 2024. This is not a surprise given the challenging profitability and major impact of crop inventory change for the year. Liquidity remained strong for member farms, though, with working capital to gross revenue of 46% and a current ratio of 2.19 on average.

- Debt repayment capacity was weak in 2024 for association farms. The debt coverage ratio was 0.84, well below the desired threshold of 1.25. This marks the second consecutive year that the average farm in the association had a debt coverage ratio below 1.0. In such situations, farms rely on working capital reserves to meet scheduled debt payments.
- Leveraging debt did not pay dividends in 2024. Unfortunately, the low income year multiplied the losses for those farms with higher debt levels. The 72 farms with debt to asset ratios of under 40% experienced a rate of return on equity of -1%, whereas the more highly leveraged farms (those with debt to asset ratios over 60%) had rates of return on equity of -11%.
- In 2024, the 20 farms whose principal operator was between 41 and 50 years of age realized the highest overall level of net farm income and profitability for the year. The youngest group of farmers, those under the age of 31, had the strongest repayment capacity. Finally, the most seasoned age group of producers, those over 60 years of age, endured the most challenging finances for the year. This group of producers had the lowest profitability and repayment capacity performance for the year and lost the most dollars of working capital.

2024 SWFBMA Farm Analysis Summary Overview

Metric	Average	Median
Gross Crop Income	$427,035	$263,697
Gross Livestock Income	382,664	0
Government Payments	8,813	0
Other Farm Income	225,530	24,881
Gross Farm Income (accrual)	$1,044,042	$523,488
Total Operating Expense	969,200	425,744
Total Interest Expense	58,577	16,162
Total Expenses (accrual)	$1,027,777	$515,298
Net Farm Income from Operations	$16,265	$57,534
Gain/Loss on Capital Sales	$12,383	$0
Net farm Income	$28,648	$18,630
Total Crop Acres	834	591 acres
Number of Operators	1.2	1 operator
Operator Age (years)	51.8	54 years
Years Farming (years)	27.2	32 years

Average = the sum of all values divided by the number of farms in the data set.
Median = the middle value for each metric of the data set.

Figure 2: 2024 SWFBMA Farm Analysis Summary

Net Farm Income in 2024

The 2024 Southwest Minnesota Farm Business Management Association (SWFBMA) Annual Report indicates that the average net farm income for the farms included is $28,648. This figure marks an 18% decline compared to the average net farm income in 2023. The reduction in income is mainly due to lower prices for corn and soybeans sold. Figure 3 below illustrates the average accrual net farm income for SWFBMA farms over time, presented in both inflation-adjusted and nominal dollars.

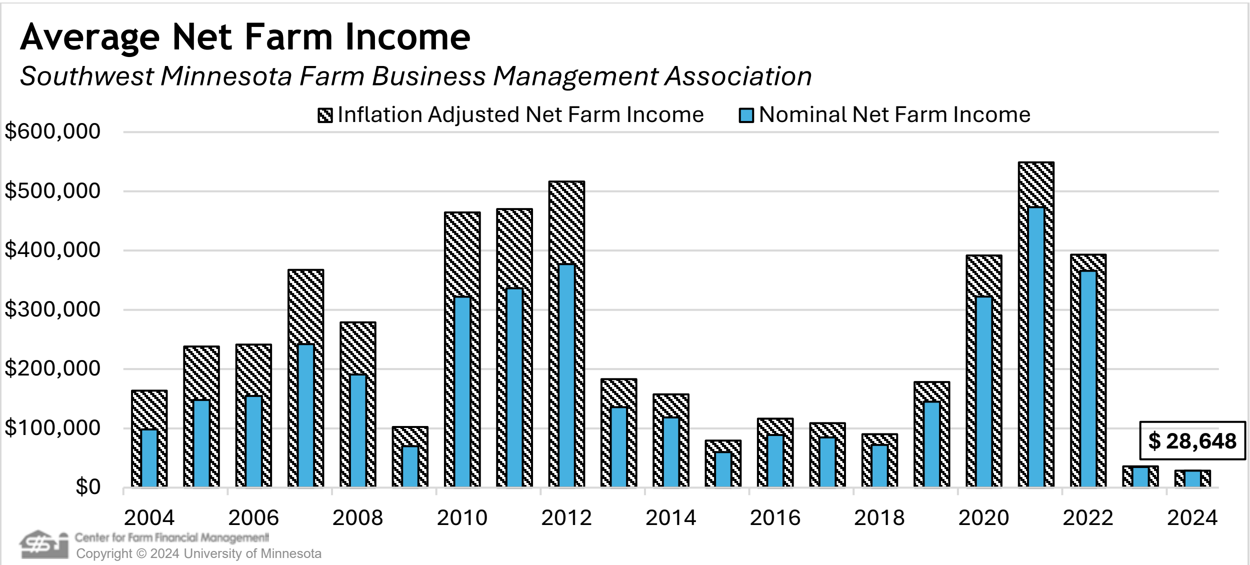

Figure 3: Average Accrual Net Farm Income Over Time

The median net farm income, or the income reported by the middle farm in the association, was lower at $18,360. This indicates the average was skewed upward by larger gains reported by farms, particularly those larger livestock operations.

$28,648

Average net farm income in 2024

-18%

Change in average net income from 2023 to 2024

$18,360

Median net farm income in 2024

-65%

Change in median net income from 2023 to 2024

Benchmarking 2024 Farm Profitability

The net farm income ratio is a key metric for assessing the strength of farm finances. It indicates the portion of each dollar earned by the business that remains after accounting for farm expenses, excluding unpaid operator labor and management.

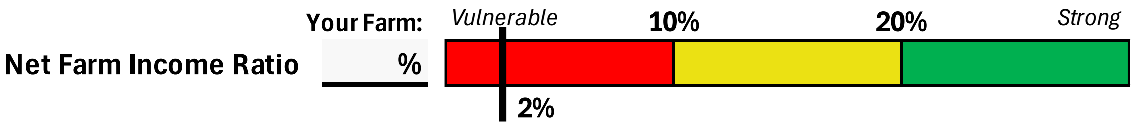

Figure 4: Net Farm Income Ratio Stoplight Chart

The net farm income ratio for 2024 is 2%, as illustrated in Figure 4 above. This means that for every dollar of gross income earned, the farm retained only $0.02 after covering expenses. A net farm income ratio of 2% is considered vulnerable. The ratio for association farms was also 2% in 2023.

Rates of Return on Assets and Equity

Rate of return on assets (ROA) and rate of return on equity (ROE) are two additional measures for evaluating farm profitability.

ROA represents the return earned on the farm's assets. It can be thought of as the interest rate earned on investments by both the farm *and* its creditors. ROE, on the other hand, reflects the return earns on the farm's equity. In other words, it is the interest rate earned on investments made solely by the farm.

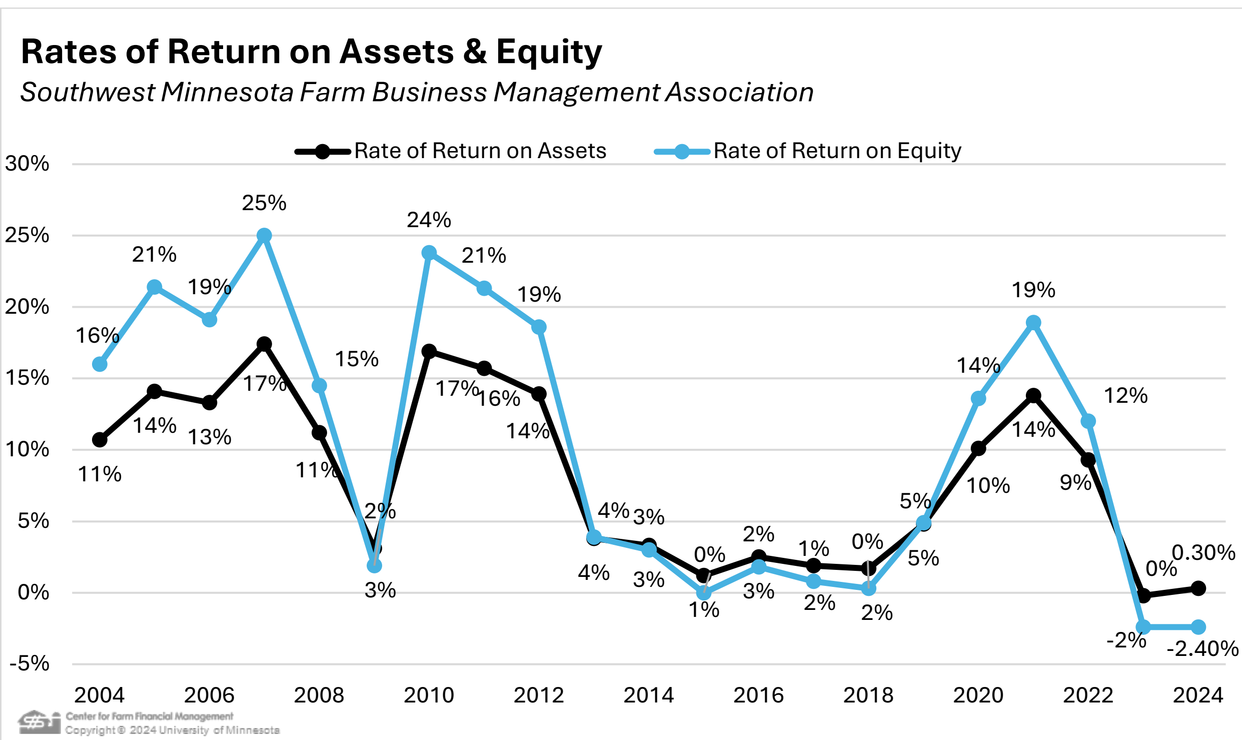

Figure 5: Relationship of Rates of Return on Assets and Equity Over Time

The relationship between ROA and ROE provides insight into the farm finances over the year. If ROA is greater than ROE, the average producer lost money on borrowed capital. Conversely, when ROE is greater than ROA, it means borrowed capital earned more than its cost. In other words, ROA was higher than the interest rate paid on borrowed capital. In 2024, ROA and ROE were virtually unchanged from the previous year at 0 and -2%, respectively. Since ROA was higher than ROE, the average producer lost money on borrowed capital in 2024.

0.30% average ROA in 2024

Increase from **0%** ROA in 2023

-2.4% average ROE in 2024

Down from **-2.0%** ROE in 2023

Below is the specific benchmark comparison for ROA for SWFBMA in 2024. This profitability measure was also rated as vulnerable for the average Association farm in 2024.

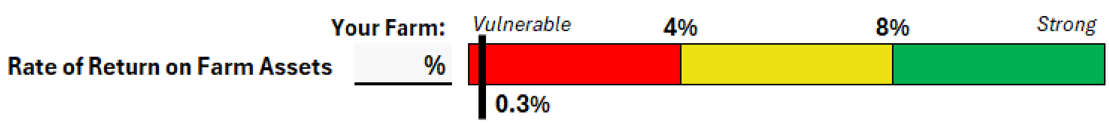

Figure 6: Rate of Return on Farm Assets Ratio Stoplight Chart

Profitability Drivers for 2024

Net farm income is influenced by farm production, commodity prices, and operating expenses. The table below provides an overview of 2024 with the previous 5-year average (2019-2023). In 2024, corn and soybean yields fell below recent trends, and there was a slight decline in beef cow-calf and sheep production. However, gains were observed in beef finishing, dairy and hog production. The average market prices received by producers last year were higher, except for corn. Notably, beef sales in both cow-calf and finishing operations saw increased prices compared to the 5-year average. Unfortunately, producers faced higher production costs for all commodities in 2024 compared to the previous 5-year average.

	Average Production			Average Price			Average Cost of Production*		
	2024	Prev. 5-Yr. Avg	% Diff.	2024	Prev. 5-Yr. Avg	% Chg-Avg	2024	Prev. 5-Yr. Avg	% Chg-Avg
Corn (bu./acre and $/bu)**	182.3	192.5	- 5%	$4.47	4.80	- 7%	$4.57	$4.18	+ 9%
Soybeans (bu./acre and $/bu)**	46.7	54.3	- 14%	$11.47	$11.39	+ 1%	$12.56	$11.21	+ 12%
Beef Cow-Calf (weaning weight and $/cwt)***	519	528.2	- 2%	$293.89	$172.02	+ 71%	$252.56	$210.85	+ 20%
Beef Finishing (sales weight and $/cwt)***	1,450	1,418.4	+ 2%	$188.56	$133.76	+ 41%	$173.26	$131.34	+ 32%
Dairy (lbs. milk/cow and $/cwt. milk)***	26,047	24,921.4	+ 5%	$21.44	$20.19	+ 6%	$19.52	$19.04	+ 3%
Hogs - Wean to Finish (carcass weight and $/cwt carcass)**	210	206.6	+ 2%	$84.13	$80.49	+ 5%	$82.14	$80.44	+ 2%
Sheep - Mkt. Lamb Production (sales weight and $/cwt)***	137	138.2	- 1%	$186.42	$177.42	+ 5%	$214.65	$213.24	+ 1%

* cost of production includinding labor and management charge
** crop cost of production for cash rented acres
*** indicates MN statewide information

Figure 7: Crop and Livestock Production, Price, and Cost of Production Trends

Farm Income and Expenses

Gross cash farm income decreased $161,690 in 2024 compared to 2023, representing a 13% year over year reduction. The largest declines in cash income came from crop sales, particularly corn and soybeans, as well as reduced sales of finished beef and hogs. Dairy was one of the only commodities with increased revenue from 2023.

Total cash farm expenses were 7% lower in 2024 compared to 2023, dropping from $1,007,374 (2024 inflation-adjusted dollars) to $916,635. The chart below highlights the largest cash expenses for the average producer in SWFBMA, with the percentage change from the previous year indicated above the chart.

The figure below shows gross cash farm income and expenses over time. All income and expense information has been adjusted for inflation.

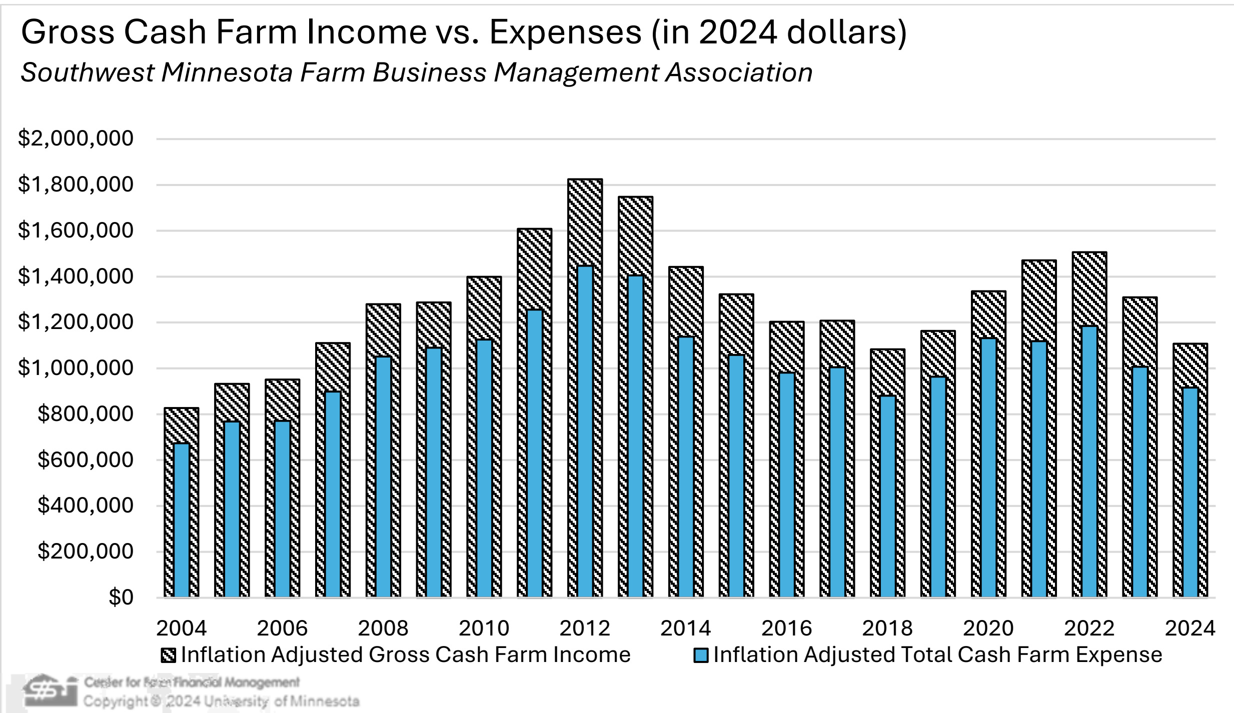

Figure 8: Gross Cash Farm Income and Expenses Over Time

$1,107,490

Gross cash farm income in 2024

-13%

Change in gross cash farm income from 2023 to 2024

$916,635

Total cash farm expenses in 2024

-7%

Change in total cash farm expenses from 2023 to 2024

In 2024, many individual cash farm expense categories for association farms saw a decrease. Significant percentage drops were noted for fertilizer, hired labor, purchased feed, chemicals, land rent, seed, and repair costs. However, contract production expenses sharply increased (200%) compared to 2023. As expected, interest expenses were notably higher (30%) than in 2023. Feeder livestock expenses experienced a modest year over year increase of 5%.

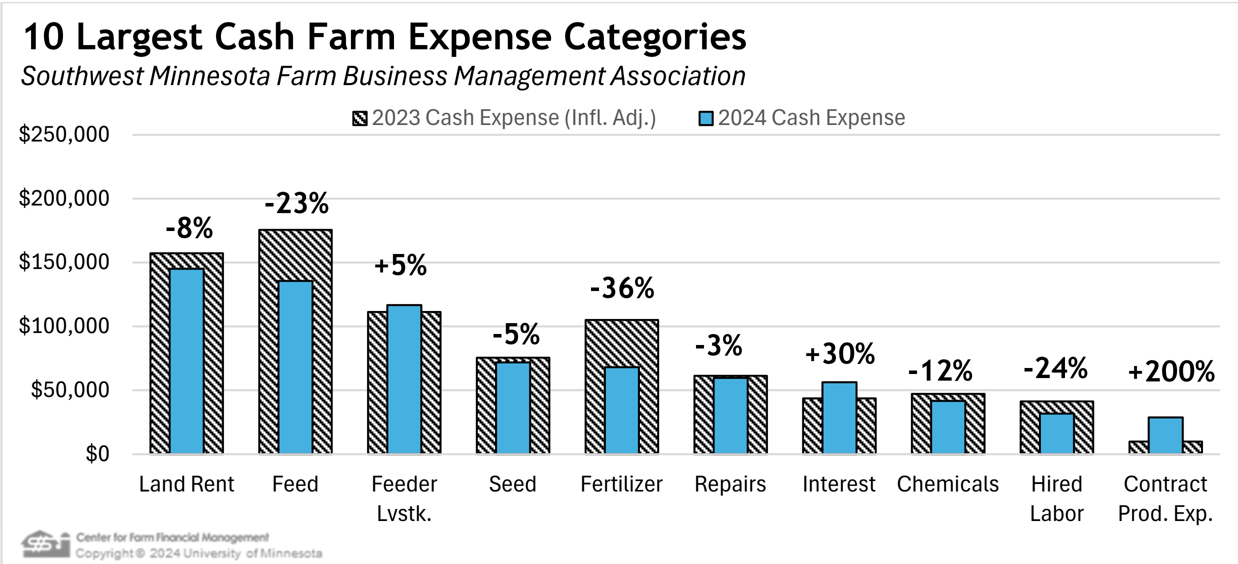

Figure 9: Largest Cash Farm Expense Categories

Benchmarking 2024 Expenses

The chart below shows the operating expense ratio stoplight analysis. This ratio shows the portion of farm income that is used to pay operating expenses (excluding interest and depreciation).

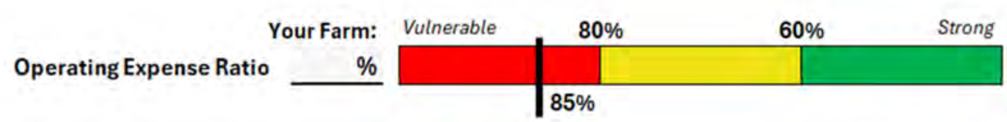

Figure 10: Operating Expense Ratio Stoplight Chart

The stoplight chart above indicates that, on average, producers had an operating expense ratio of 85%, placing them in the vulnerable range. This means that for every dollar earned, producers spent an average of $0.85 on operating expenses. In 2023, this ratio was 87%. This highlights the impact of decreased operating expenses on farm profitability changes between 2023 and 2024.

Farm Balance Sheet

The table below illustrates the changes in the average farm balance sheet for association farms over time. The figures are adjusted for inflation and reflect the market valuation of assets.

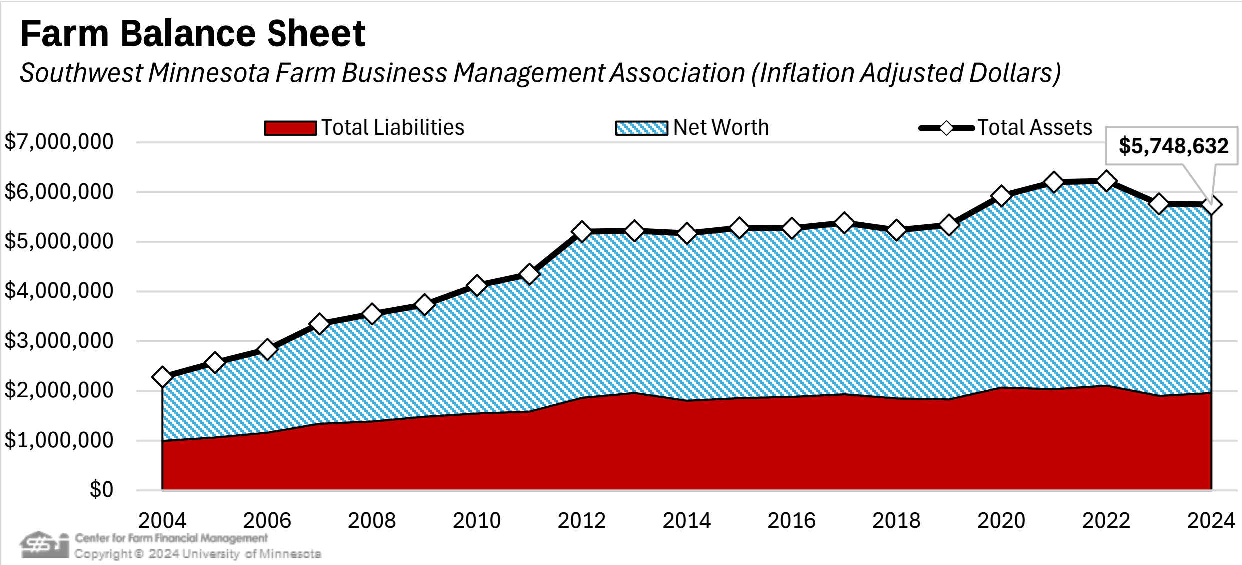

Figure 11: Farm Market Balance Sheet Over Time

In 2024, the average farm concluded the year with $5,748,632 in total assets, reflecting a 0.2% decrease compared to the same period in 2023, using inflation-adjusted dollars. This slight decrease in total assets was primarily due to a reduction in current assets, such as prepaid expenses and crop inventories, which was offset by increases in machinery and equipment and farmland values.

The average farm ended the year with total liabilities of $1,960,632, marking a 3% increase from 2023. Total farm liabilities rose across all categories, with an overall increase of $60,071 by the end of 2024. The net worth for these farms was $3,788,001 in 2024, representing an almost 2% decrease from 2023, using inflation-adjusted dollars.

Association farms experienced a minimal gain of $2,850 in retained earnings (or earned net worth) to the previous year's cost value balance sheet in nominal dollars. The change in total market value based net worth was more positive for the year. Total net worth in nominal dollars increased by 5%, or $181,838, as the rise in total assets was offset by the increase in total liabilities. Most of the net worth change reported was based on changes in the estimated market value of farm assets and not from farm earnings.

-$73,013

Change in net worth from 2023 to 2024 for the average farm, using inflation-adjusted dollars

+$2,850

Change in retained earnings (or earned net worth) from 2023 to 2024 for the average farm, using nominal dollars

Benchmarking 2024 Farm Solvency

Solvency refers to a farm's ability to meet all its debt obligations if all assets were sold at the current point in time. One way to assess a farm's solvency position is through the debt-to-asset ratio, which compares total farm liabilities to total farm assets. A higher ratio indicates that the farm is more highly leveraged, signifying greater financial risk and reduced borrowing capacity.

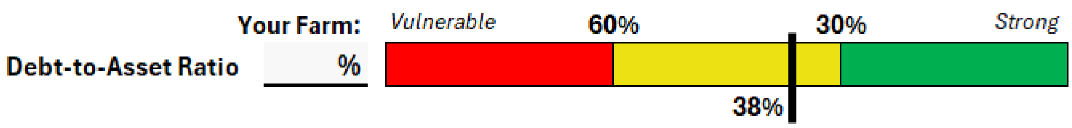

Figure 12: Debt-to-Asset Ratio Stoplight Chart

In 2024, the average farm in the association had a farm debt-to-asset ratio of 38%, which is deemed acceptable according to the stoplight chart above. This ratio is consistent with recent years, with the farm debt-to-asset ratio being 38% in 2020, 36% in 2021, 37% in 2022 and 36% in 2023.

Benchmarking Other Financial Performance in 2024

Farm Liquidity

Liquidity refers to a farm's ability to meet its short-term financial obligations, such as bills, loans, and family living expenses. One way to assess farm liquidity is through the working capital to gross revenue (WCGR) ratio, which represents working capital as a percentage of gross farm revenue. A higher percentage indicates a better capacity for the farm to cover short-term needs without requiring additional financing.

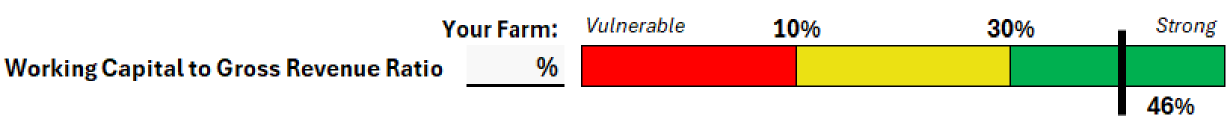

Figure 13: Working Capital to Gross Revenue Ratio Stoplight Chart

In 2024, the average farm in the association had a WCGR ratio of 46%, which is deemed strong according to the stoplight chart above. This represents a 10% decrease from 2023, when the average WCGR ratio was 56% for association farms. Overall, association farms maintain a strong liquidity position and are well-prepared to endure a potential profitability downturn.

Repayment Capacity

Repayment capacity refers to a borrower's ability to repay debts on time, including nonfarm income. One way to assess a farm's repayment capacity is by using the debt coverage ratio. This ratio indicates whether the farm generated sufficient income to cover current interest expenses and all intermediate and long-term debt payments.

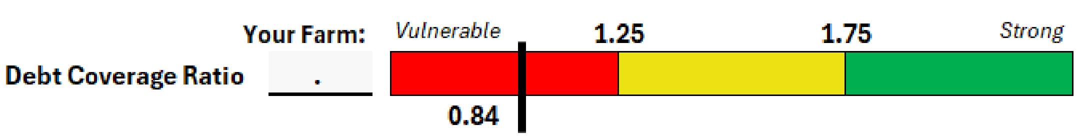

Figure 14: Debt Coverage Ratio Stoplight Chart

In 2024, the debt coverage ratio was 0.84, indicating a vulnerable level. This means that the average farm had $0.84 to cover every $1.00 of debt payments last year. This was a slight improvement from 2023, which had a debt coverage ratio of 0.65. Notably, these are the first years since 2015 that the ratio fell below 1.0 and 2023 was the first time since 2019 that it dropped below 1.25. In such situations, farms rely on working capital reserves to meet scheduled debt payments.

Financial Efficiency

Financial efficiency offers insight into the overall financial efficiency of the farm business. This set of ratios detail how each dollar of farm income is allocated within the operation. It includes the operating expense ratio, interest expense ratio, depreciation expense ratio, and net farm income ratio. To maximize the net farm income ratio, it is desirable to keep the operating expense, depreciation expense, and interest expense ratios low.

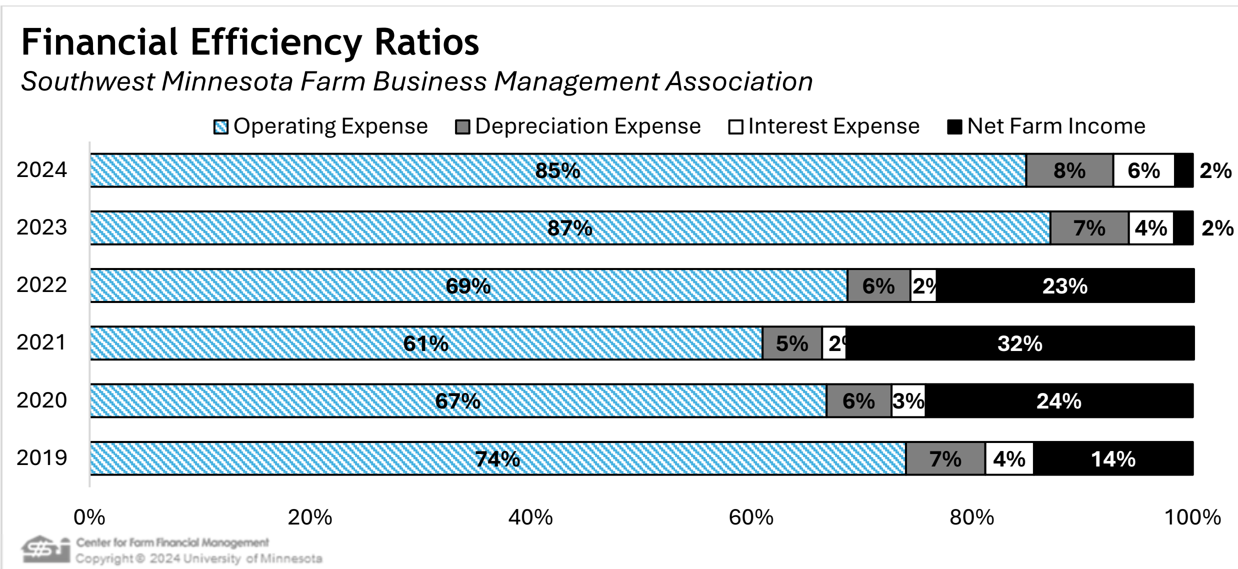

Figure 15: Financial Efficiency Ratio Trends Over Time

The graph above compares the financial efficiency ratios over recent years, highlighting the significant increase in operating expenses and the resulting limitation on net farm income over the past two years. The operating expense ratio reached its highest levels for association farms in 2023 and 2024. In previous challenging years, such as 2009, 2013, and 2015, operating expense ratios also exceeded 80%, which producers may recall as difficult periods for their farming operations.

85%	8%	6%	2%
Operating Expense Ratio in 2024	Depreciation Expense Ratio in 2024	Interest Expense Ratio in 2024	Net Farm Income Ratio in 2024

Benchmarking 2024 Financial Efficiency

The chart below outlines the recommended benchmarks for the four financial efficiency ratios. Combined, these ratios total 100% and represent how each dollar generated by the farming operation is allocated within the farm business.

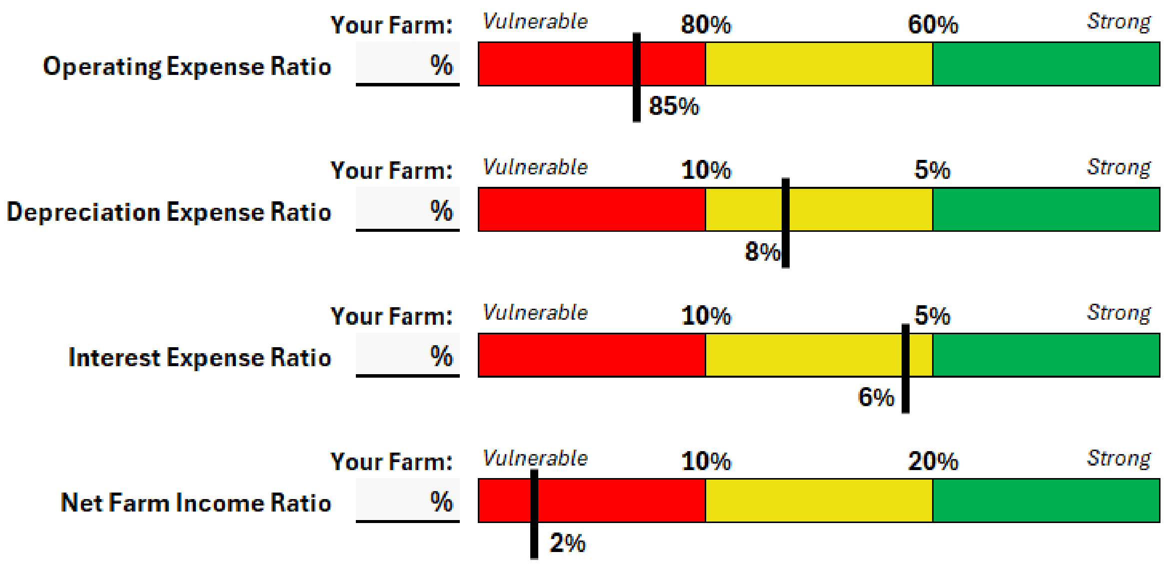

Figure 16: Financial Efficiency Ratios Stoplight Charts

The interest expense ratio for association farms, which was strong at 4% in 2023, increased to 6% in 2024. This ratio reflects the portion of gross farm income used to pay interest on borrowed capital. The depreciation expense ratio was considered adequate at 8% in 2024, indicating capital utilization by the farm. However, both the operating expense ratio and net farm income ratio were rated as vulnerable in 2024, similar to 2023.

Farm Demographics

Evaluating the average farm offers a general understanding of the financial status of SWFBMA farms. However, it is important to acknowledge the significant variation around this average. The chart below presents an overview of the distribution of association farms in 2024 across different groupings.

Group Category			***Category Groups***			
Gross Farm Revenue	**< $250K**	**$250-$500K**	**$500K-$1M**	**$1-2M**	**> $2M**	
# of Farms	21	29	38	22	8	
% of All Farms	18%	25%	32%	19%	7%	
Dollars of Farm Assets	**< $500K**	**$500K-$1M**	**$1-2M**	**$2-5M**	**> $5M**	
# of Farms	14	7	19	38	40	
% of All Farms	12%	6%	16%	32%	34%	
Farm Type*	**Crop**	**Livestock**	**Diversified****			
# of Farms	88	10	20			
% of All Farms	75%	8%	17%			
Crop Acres	**< 100 acres**	**101-250 ac.**	**250-500 ac.**	**500-1,000 ac.**	**1,000-1,500 ac.**	**> 1,500 ac.**
# of Farms	8	14	24	42	19	11
% of All Farms	7%	12%	20%	36%	16%	9%
Debt to Asset Ratio	**< 20%**	**20%-40%**	**40%-60%**	**> 60%**		
# of Farms	32	40	33	13		
% of All Farms	27%	34%	28%	11%		
Operator Age	**< 31 years**	**31-40 years**	**41-50 years**	**51-60 years**	**> 60 years**	
# of Farms	12	22	20	17	47	
% of All Farms	10%	19%	17%	14%	40%	
Years Farming	**10 or less yrs**	**11-20 years**	**21-30 years**	**31-40 years**	**> 40 years**	
# of Farms	27	22	8	14	47	
% of All Farms	23%	19%	7%	12%	40%	

** farm type is determined by an enterprise having 70% or greater of gross farm revenue*
*** Diversified farm type is farms that are a mix of enterprises, none of which meet the 70% threshold*

Figure 17: Distribution of Farms in the Report Across Various Groupings

Crop producers are the most common type of producer in the Association. Therefore, analyzing the performance of this group based on farm size can offer insights into how size affected the financial performance over the past year. The graph below displays profitability information for the average association crop farm on the left. This data is further categorized by farm size, showing net farm income and rate of return on assets for each size group based on gross farm income.

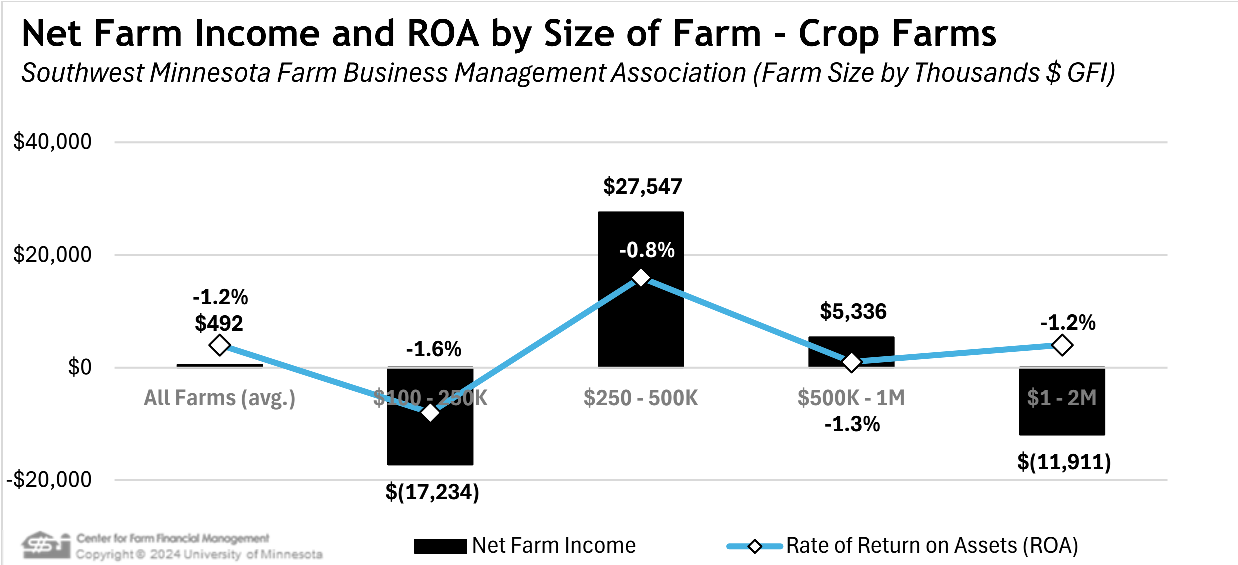

Figure 18: Median Net Farm Income and ROA by Size of Operation for Crop Farms

This chart highlights profitability challenges across all crop farm sizes in 2024. Mid-size crop operations were the most profitable, achieving the highest net farm income among all groups. The rate of return on assets was negative for crop farms of all sizes in 2024.

Nonfarm Income and Expenses in 2024

The chart below illustrates trends in nonfarm income over time for all Association members. In 2024, producers received an average nonfarm income of $72,203. The majority of this nonfarm income came from personal wages earned off-farm. Other sources of nonfarm income included personal business income, personal interest income, personal cash dividends, tax refunds, and various other nonfarm income streams.

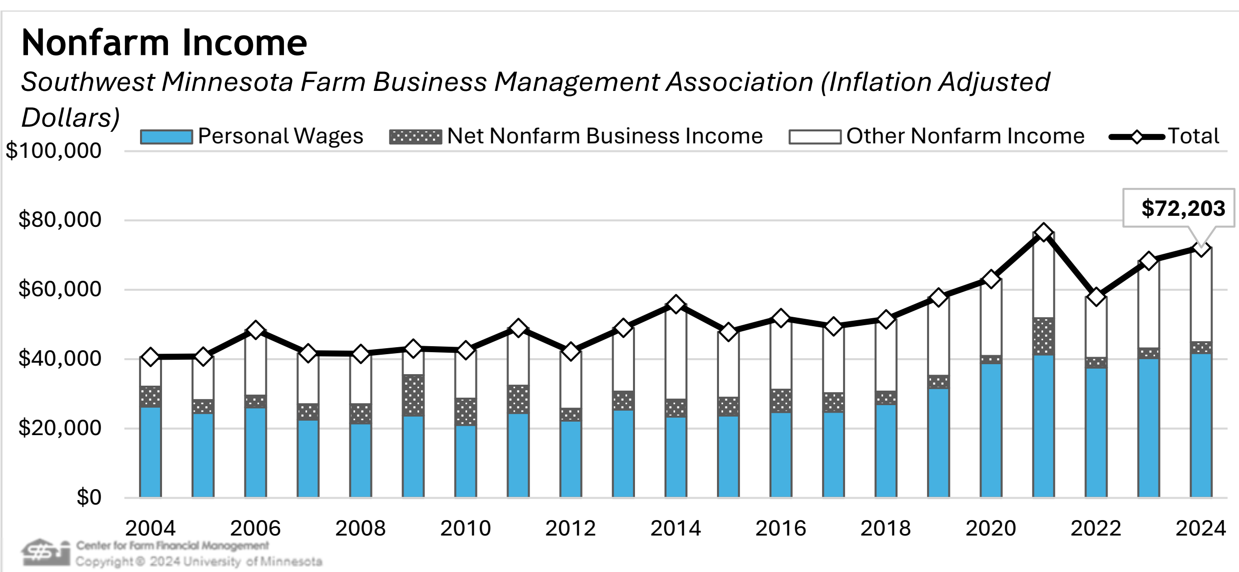

Figure 19: Nonfarm Income Over Time

Total nonfarm expenses amounted to $142,367 in 2024 for all Association members. This included $78,382 for family living expenses, such as food, medical expenses, and clothing, $47,887 for income taxes, and $16,098 for other personal, non-real estate capital expenses.

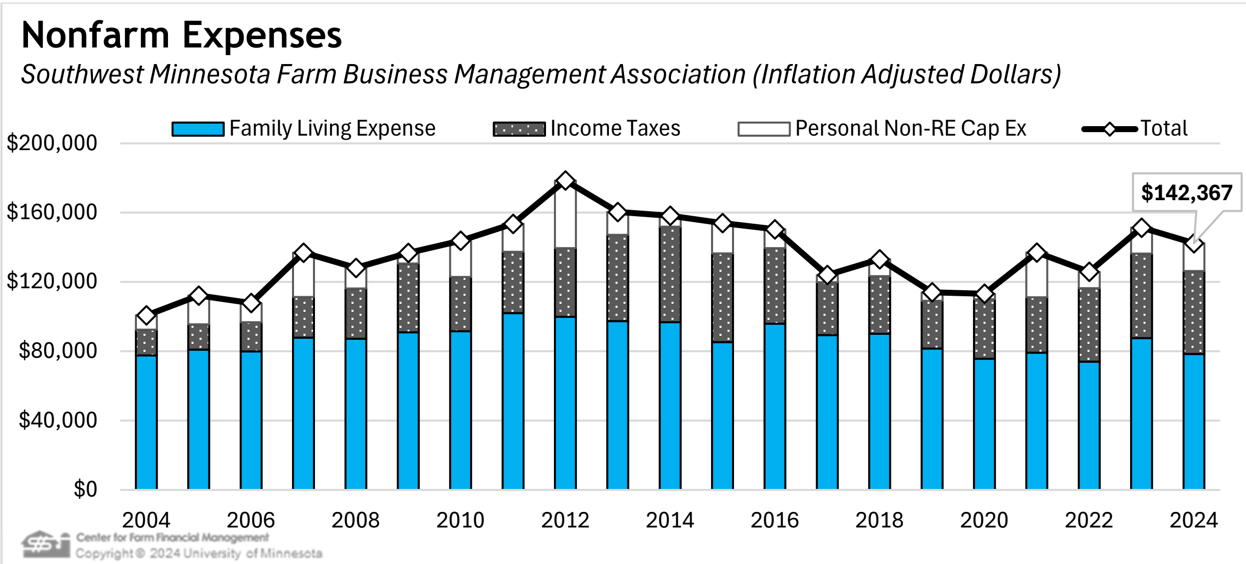

Figure 20: Nonfarm Expenses Over Time

$72,203	**+6%**	**$142,367**	**-6%**
Total nonfarm income for SWFBMA farms	Change in nonfarm income from 2023 to 2024	Average nonfarm expenses for SWFBMA farms	Change in nonfarm expenses from 2023 to 2024

Whole Farm Reports

The whole-farm reports provide a summary of the financial performance of member farms for the year 2024. Each table includes the average of the 118 farms included in the report, as well as the averages for the top 20% and bottom 20% of farms based on Net Farm Income. Appendix I provides detail on how the whole-farm measures are calculated. Below is a brief overview of the whole farm reports.

Financial Summary

The Financial Summary report offers an overview of the key financial measures and ratios featured in the detailed whole farm reports. All measures of profitability and repayment capacity are based on accrual adjusted net farm income.

Financial Standards Measures

The Farm Financial Standards Council recommends farms to adopt these 13 measures as the standard for evaluating farm financial performance. Many of these measures are repeated from the Profitability, Liquidity, and Balance Sheet tables. For a complete description, please refer to the Financial Guidelines for Agricultural Producers available on the Farm Financial Standards Council website.[4]

Farm Income Statement

The Income Statement calculates the accrual Net Farm Income generated by the average farm for the year 2024. This figure is reported based on accrual adjustments to the cash income and expenses reported for the year. Net Farm Income is the income earned before any compensation for owner labor and management. To ensure uniformity across all farms, any owner compensation included in farm expenses has been excluded here. Net Farm Income represents the return to the operator's labor, management, and equity capital (net worth). It reflects the amount the farm contributed to owner family living, income taxes, and net worth growth, excluding any asset appreciation, debt forgiveness, or asset repossessions.

In 2024, various government programs provided payments to farm operations. The detailed income statement report includes several categories of government payment income, including the following:

- Crop government payments – Agriculture Risk Coverage (ARC); Price Loss Coverage (PLC).
- CRP payments – Conservation Reserve Program (CRP).
- Livestock government payments – Dairy Margin Coverage (DMC); Emergency Assistance for Livestock, Honeybees, & Farm-Raised Fish (ELAP); Emergency Livestock Relief (ELRP); Livestock Forage Disaster (LFP); Livestock Indemnity Program (LIP); Organic Dairy Marketing Assistance (ODMAP); and Milk Loss Program (MLP).

[4] https://ffsc.org/

- Other government payments – Inflation Reduction Act: Section 22006 & 22007; Emergency Relief Program (ERP); Food Safety Certification for Specialty Crops Program (FSCSC) ; and Tree Assistance Program (TAP).
- Conservation government payments – Environmental Quality Incentives Program (EQIP) payments for annual production expenses; Conservation Stewardship Program (CSP); Soil Health & Income Protection Program (SHIPP); and Grassland Reserve Program (GRP).
- Livestock insurance income – Livestock Gross Margin (LGM) insurance, Livestock Risk Protection (LRP) insurance, and Dairy Revenue Protection (DRP) insurance.
- The American Relief Act passed at the end of 2024 was enacted to provide economic assistance intended to offset part of the loss producers currently face due to lower crop prices and production challenges for 21 main commodity crops.
    - The estimated value of these payments was included in the 2024 analysis as accounts receivable on the ending balance sheet. Therefore, the expected income for these payments is included in the 2024 analysis as an accrual adjustment.
    - The estimated Emergency Commodity Assistance Program (ECAP) program payment was included in the respective crop enterprise analysis for 2024. This payment is listed as a government payment for eligible crop enterprises.
    - The disaster portion of this program was unknown as the 2024 farm financial analysis was completed. Therefore, any income that may be received from this portion of the act was not included in the 2024 whole farm or enterprise analysis.

Accrual Net Farm Income

This report emphasizes accrual net farm income figures rather than cash net farm income. Accrual adjustments account for changes in inventories, depreciation, and capital sales, providing a more accurate measure of annual revenue and production costs. The calculation of accrual net farm income is detailed below.

Gross Cash Farm Income
<u>(-) Total Cash Farm Expense</u>

= Cash Net Farm Income

Cash Net Farm Income (+/-
) Changes in Inventory
(-) Depreciation & Capital Adjustments
<u>(+/-) Gain or Loss on Capital Sales</u>
= Accrual Net Farm Income

Accrual Adjustments

Profitability Measures

Profitability measures are calculated using both the cost value and market value of assets. When based on the market value, these measures can be compared to interest rates and returns from alternative investments. When based on cost value, they more accurately reflect the actual returns from investment. (Note that cost values do not represent the tax basis of farm assets; instead, they use a depreciation method that estimates economic depreciation over the useful life of the assets.)

The *Rate of Return on Assets* (ROA) represents the interest rate earned by all investments in the farm assets. *Rate of Return on Equity* (ROE) indicates the rate earned on the operator's equity or net worth in the farm business. If ROE exceeds ROA, it means that borrowed funds have generated returns greater than their interest costs. The *Operating Profit Margin* measures the efficiency of farm operations, with a higher margin indicating more farm income remained in the pockets of the farm operator. The *Asset Turnover Rate* measures the efficiency of capital use, with a higher rate being preferable. Farms with significant investment in fixed assets typically have a lower turnover rate compared to those that lease a major share of their capital.

Liquidity and Repayment Capacity Measures

Liquidity measures a farm's ability to meet its financial obligations on time. The *Current Ratio* is calculated by dividing current farm assets by current farm liabilities. *Working Capital* is the difference between current farm assets and current farm liabilities. Farms with higher working capital are generally in a better position to handle short-term financial challenges or production issues. *Working Capital to Gross Revenue Ratio* measures liquidity relative to the size of the farm business. *Working Capital to Operating Expense Ratio* compares available operating capital to the amount of the business's operating expenses.

Repayment capacity measures the farm's ability to meet debt payments and replace capital assets. The *Debt Coverage Ratio* indicates the farm's ability to cover current interest expenses and all scheduled term debt payments. The *Term Debt Coverage Ratio* specifically measures the ability to meet scheduled debt payments. Ratios greater than 1.0 for both debt coverage and term debt coverage suggest that the farm generated sufficient earnings to meet its scheduled debt payments. The *Replacement Coverage Ratio* includes the need for capital replacement with a ratio greater than 1.0, indicating that the farm produced more than enough earnings to cover its payments and replace depreciable assets.

Balance Sheets

Balance sheet reports are included for both the cost and market value of assets. Current assets are consistent across both tables, with crop and livestock inventories typically valued at market value, in line with the Farm Financial Standards Council's recommendations. In the cost table, intermediate and long-term assets are shown at their depreciated value using estimated economic depreciation rather than tax depreciation. In the market table, assets are valued at their estimated market value.

Liabilities are identical in the cost and market tables, except for the inclusion of deferred liabilities in the market statements. Deferred liabilities represent the estimated taxes that would be paid if assets were liquidated at their market values.

Net Worth Change in the cost value table reflects the amount of earned net worth growth or loss for the year. In the market value table, Net Worth Change includes both earned growth and changes in the market valuation of capital assets.

Statement of Owner's Equity

The Statement of Owner's Equity shows the total change in net worth for the year. The *Change in Retained Earnings* includes net farm income and personal income, minus family living expenses, owner withdrawals, income taxes paid, and adjustments to other nonfarm asset accounts. This also includes any cash discrepancies noted in the report. The *Change in Contributed Capital accounts* for capital contributions and distributions, gifts and inheritances received or given, as well as debt forgiveness and asset repossessions. The *Change in Market Valuation* includes the change in market value of capital assets and the change in deferred liabilities.

Statement of Cash Flows

The Statement of Cash Flows outlines the sources and uses of cash throughout the year. *Cash From Operating Activities* includes cash flows related to regular farm operations. *Cash From Investing Activities* reflects cash used for the purchase or sale of capital assets. *Cash From Financing Activities* includes cash flows from borrowed funds and non-farm activities.

Crop Production and Marketing

This table provides information on farm size in acres, average crop yields for major commodities, and average crop sales prices for the calendar year. Yields and prices are reported for the average of all farms in a broader range of commodities than those included in the High and Low columns, as a minimum of five farms is required to report the yield or price for any group.

Household and Personal Expenses

This table details family living expenses and other non-farm expenditures. It includes only sole proprietors maintaining comprehensive family living records.

Operator and Labor Information

All previous tables present results on a per farm basis, regardless of the number of families or operators involved in the operation. This report reiterates several measures from earlier tables on a *Per Operator* basis. It also provides a summary of estimated labor hours and labor performance.

Non-farm Summary

This table summarizes non-farm earnings for the average farm and details non-farm assets and liabilities.

Projected Profitability

Based on the past year's results and the authors' estimates of changes in next year's production, prices, and costs, this page projects the financial performance of these farms in the coming year.

Financial Summary Including Deferred Liabilities
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	*Low 20%*	*High 20%*
Number of farms	118	23	24
Income Statement			
Gross cash farm income	1,107,490	1,484,784	2,246,079
Total cash farm expense	916,635	1,371,540	1,880,790
Net cash farm income	190,854	113,245	365,289
Inventory change	-91,655	-219,880	31,673
Depreciation	-82,934	-114,834	-131,458
Net farm income from operations	16,265	-221,469	265,504
Gain or loss on capital sales	12,383	1,924	27,898
Average net farm income	28,648	-219,546	293,402
Median net farm income	18,360	-131,127	261,242
Profitability (cost)			
Rate of return on assets	0.3 %	-3.9 %	4.6 %
Rate of return on equity	-2.4 %	-11.3 %	4.3 %
Operating profit margin	1.1 %	-18.0 %	15.4 %
Asset turnover rate	24.9 %	21.9 %	30.1 %
Profitability (market)			
Rate of return on assets	3.2 %	1.2 %	4.3 %
Rate of return on equity	3.1 %	-0.7 %	4.7 %
Operating profit margin	18.9 %	8.4 %	20.1 %
Asset turnover rate	16.9 %	14.7 %	21.5 %
Liquidity & Repayment (end of year)			
Current assets	884,004	1,394,908	1,470,853
Current liabilities	403,112	827,474	482,498
Current ratio	2.19	1.69	3.05
Working capital	480,892	567,434	988,355
Change in working capital	-116,703	-329,046	41,124
Working capital to gross revenue	46.1 %	41.3 %	43.7 %
Working capital to oper expense	54.3 %	41.6 %	55.2 %
Debt coverage ratio	0.84	-0.19	2.50
Term debt coverage ratio	0.80	-0.54	3.00
Replacement coverage ratio	0.59	-0.15	1.70
Term debt to EBITDA	4.23	118.87	1.35
Solvency (end of year at cost)			
Number of farms	118	23	24
Total assets	3,854,039	5,466,746	6,040,080
Total liabilities	1,286,464	2,359,992	1,431,475
Net worth	2,567,575	3,106,754	4,608,605
Net worth change	2,850	-260,947	196,353
Farm debt to asset ratio	37 %	47 %	26 %
Total debt to asset ratio	33 %	43 %	24 %
Change in earned net worth %	0 %	-8 %	4 %
Solvency (end of year at market)			
Number of farms	118	23	24
Total assets	5,748,632	8,126,809	8,789,528
Total liabilities	1,960,632	3,319,635	2,400,501
Net worth	3,788,001	4,807,174	6,389,027
Total net worth change	181,838	46,389	336,169
Farm debt to asset ratio	38 %	44 %	31 %
Total debt to asset ratio	34 %	41 %	27 %
Change in total net worth %	5 %	1 %	6 %
Nonfarm Information			
Net nonfarm income	72,202	77,137	62,680
Farms reporting living expenses	34	6	5
Total family living expense	78,801	68,865	86,121
Total living, invest, cap. purch	153,922	82,027	324,356
Crop Acres			
Total crop acres	834	1,484	1,081
Total crop acres owned	224	374	285
Total crop acres cash rented	581	1,110	706
Total crop acres share rented	29	-	90
Machinery value per crop acre	1,032	918	1,002

Financial Summary -- Trend
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)

	2020	2021	2022	2023	2024
Number of farms	108	110	111	116	118
Income Statement					
Gross cash farm income	1,099,964	1,268,240	1,402,893	1,269,180	1,107,490
Total cash farm expense	931,696	964,451	1,103,396	976,294	916,635
Net cash farm income	168,268	303,789	299,497	292,886	190,854
Inventory change	221,729	230,258	140,788	-194,542	-91,655
Depreciation	-76,433	-78,109	-86,655	-79,695	-82,934
Net farm income from operations	313,564	455,938	353,631	18,649	16,265
Gain or loss on capital sales	8,838	17,247	12,215	16,107	12,383
Average net farm income	322,402	473,185	365,846	34,756	28,648
Median net farm income	189,658	310,771	270,911	52,653	18,360
Profitability (cost)					
Rate of return on assets	10.1 %	13.8 %	9.3 %	-0.2 %	0.3 %
Rate of return on equity	13.6 %	18.9 %	12.0 %	-2.4 %	-2.4 %
Operating profit margin	28.4 %	35.3 %	26.2 %	-0.8 %	1.1 %
Asset turnover rate	35.7 %	39.2 %	35.7 %	26.5 %	24.9 %
Profitability (market)					
Rate of return on assets	6.2 %	11.8 %	8.0 %	3.2 %	3.2 %
Rate of return on equity	8.5 %	17.6 %	11.5 %	3.4 %	3.1 %
Operating profit margin	24.9 %	42.7 %	32.2 %	17.3 %	18.9 %
Asset turnover rate	25.1 %	27.7 %	25.0 %	18.3 %	16.9 %
Liquidity & Repayment (end of year)					
Current assets	1,023,693	1,188,111	1,298,031	1,008,792	884,004
Current liabilities	422,580	350,644	390,936	382,131	403,112
Current ratio	2.42	3.39	3.32	2.64	2.19
Working capital	601,113	837,467	907,095	626,662	480,892
Change in working capital	190,371	275,797	103,030	-214,596	-116,703
Working capital to gross revenue	46.3 %	57.8 %	59.7 %	55.8 %	46.1 %
Working capital to aper expense	69.3 %	94.8 %	86.9 %	64.1 %	54.3 %
Debt coverage ratio	3.77	5.72	3.79	0.65	0.84
Term debt coverage ratio	4.15	6.31	4.19	0.60	0.80
Replacement coverage ratio	2.58	3.68	2.58	0.45	0.59
Term debt to EBITDA	1.33	0.99	1.26	4.49	4.23
Solvency (end of year at cost)					
Number of farms	108	110	111	116	118
Total assets	3,433,838	3,688,110	4,037,488	3,784,759	3,854,039
Total liabilities	1,102,126	1,046,355	1,178,482	1,133,124	1,286,464
Net worth	2,331,712	2,641,756	2,859,006	2,651,634	2,567,575
Net worth change	305,090	460,009	307,167	-9,291	2,850
Farm debt to asset ratio	35%	30 %	31 %	33 %	37 %
Total debt to asset ratio	32%	28 %	29%	30 %	33 %
Change in earned net worth %	15%	21 %	12%	0%	0%
Solvency (end of year at market)					
Number of farms	108	110	111	116	118
Total assets	4,877,687	5,345,938	5,795,869	5,583,816	5,748,632
Total liabilities	1,703,515	1,756,842	1,961,018	1,841,924	1,960,632
Net worth	3,174,172	3,589,097	3,834,851	3,741,892	3,788,001
Total net worth change	293,984	603,044	363,383	154,187	181,838
Farm debt to asset ratio	38%	36 %	37%	36 %	38 %
Total debt to asset ratio	35%	33 %	34%	33 %	34 %
Change in total net worth %	10%	20 %	10%	4%	5%
Nonfarm Information					
Net nonfarm income	51,952	66,037	53,971	66,243	72,202
Farms reporting living expenses	35	35	29	39	34
Total family living expense	62,504	68,562	69,517	85,495	78,801
Total living, invest, cap. purch	100,287	148,162	163,829	202,819	153,922
Crop Acres					
Total crop acres	906	883	863	855	834
Total crop acres owned	237	222	226	230	224
Total crop acres cash rented	629	625	595	575	581
Total crop acres share rented	40	36	42	50	29
Machinery value per crop acre	748	806	895	944	1,032

Financial Standards Measures Including Deferred Liabilities
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Liquidity			
Current ratio	2.19	1.69	3.05
Working capital to gross revenue	46.1 %	41.3 %	43.7 %
Working capital to oper expense	54.3 %	41.6 %	55.2 %
Solvency (market)			
Farm debt to asset ratio	38 %	44 %	31 %
Farm equity to asset ratio	62 %	56 %	69 %
Farm debt to equity ratio	0.61	0.77	0.46
Profitability (cost)			
Rate of return on farm assets	0.3 %	-3.9 %	4.6 %
Rate of return on farm equity	-2.4 %	-11.3 %	4.3 %
Operating profit margin	1.1 %	-18.0 %	15.4 %
Asset turnover rate	24.9 %	21.9 %	30.1 %
Repayment Capacity			
Debt coverage ratio	0.84	-0.19	2.50
Term debt coverage ratio	0.80	-0.54	3.00
Replacement coverage ratio	0.59	-0.15	1.70
Efficiency			
Operating expense ratio	84.9 %	99.2 %	79.2 %
Depreciation expense ratio	7.9 %	8.4 %	5.8 %
Interest expense ratio	5.6 %	8.5 %	3.2 %
Net farm income ratio	1.6 %	-16.1 %	11.7 %

Financial Standards Measures – Trend

Southwest Minnesota Farm Business Management Association

(Farms Sorted By Years)

	2020	*2021*	*2022*	*2023*	*2024*
Number of farms	108	110	111	116	118
Liquidity					
Current ratio	2.42	3.39	3.32	2.64	2.19
Working capital to gross revenue	46.3 %	57.8 %	59.7 %	55.8 %	46.1 %
Working capital to oper expense	69.3 %	94.8 %	86.9 %	64.1 %	54.3 %
Solvency (market)					
Farm debt to asset ratio	38 %	36 %	37 %	36 %	38 %
Farm equity to asset ratio	62 %	64 %	63 %	64 %	62 %
Farm debt to equity ratio	0.62	0.56	0.59	0.57	0.61
Profitability (cost)					
Rate of return on farm assets	10.1 %	13.8 %	9.3 %	-0.2 %	0.3 %
Rate of return on farm equity	13.6 %	18.9 %	12.0 %	-2.4 %	-2.4 %
Operating profit margin	28.4 %	35.3 %	26.2 %	-0.8 %	1.1 %
Asset turnover rate	35.7 %	39.2 %	35.7 %	26.5 %	24.9 %
Repayment Capacity					
Debt coverage ratio	3.77	5.72	3.79	0.65	0.84
Term debt coverage ratio	4.15	6.31	4.19	0.60	0.80
Replacement coverage ratio	2.58	3.68	2.58	0.45	0.59
Efficiency					
Operating expense ratio	66.8 %	61.0 %	68.7 %	87.1 %	84.9 %
Depreciation expense ratio	5.9 %	5.4 %	5.7 %	7.1 %	7.9 %
Interest expense ratio	3.1 %	2.2 %	2.4 %	4.1 %	5.6 %
Net farm income ratio	24.2 %	31.5 %	23.3 %	1.7 %	1.6 %

Summary Farm Income Statement
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Crop sales	581,011	1,024,138	696,777
Crop inventory change	-153,977	-285,220	-115,726
Gross crop income	427,035	738,918	581,052
Livestock sales	351,303	259,602	1,219,576
Livestock inventory change	31,361	124,178	10,495
Gross livestock income	382,664	383,781	1,230,071
Market channel income	-	-	-
Government payments	8,813	13,151	9,108
Other cash farm income	166,362	187,893	320,617
Change in accounts receivable	52,410	54,794	75,540
Gain or loss on hedging accounts	6,007	-561	32,039
Change in other assets	3,804	99	19,342
Gain or loss on breeding lvst	-3,053	-4,942	-7,352
Gross farm income	1,044,042	1,373,133	2,260,418
Cash operating expenses	860,361	1,267,308	1,805,419
Change in prepaids and supplies	18,055	61,226	-28,230
Change in growing crops	19	-	-744
Change in accounts payable	7,831	34,106	14,305
Depreciation	82,934	114,834	131,458
Total operating expense	969,200	1,477,475	1,922,208
Interest paid	56,274	104,232	75,371
Change in accrued interest	2,302	12,895	-2,665
Total interest expense	58,577	117,127	72,706
Total expenses	1,027,777	1,594,602	1,994,914
Net farm income from operations	16,265	-221,469	265,504
Gain or loss on capital sales	12,383	1,924	27,898
Net farm income	28,648	-219,546	293,402

Summary Farm Income Statement – Trend

Southwest Minnesota Farm Business Management Association

(Farms Sorted By Years)

	2020	2021	2022	2023	2024
Number of farms	108	110	111	116	118
Crop sales	377,506	638,903	768,032	706,879	581,011
Crop inventory change	189,247	170,699	79,071	-118,555	-153,977
Gross crop income	566,754	809,602	847,103	588,325	427,035
Livestock sales	432,380	434,594	487,316	403,858	351,303
Livestock inventory change	26,536	17,986	23,787	-33,358	31,361
Gross livestock income	458,916	452,580	511,103	370,500	382,664
Market channel income					
Government payments	178,798	66,229	17,480	11,541	8,813
Other cash farm income	111,281	128,513	130,065	146,901	166,362
Change in accounts receivable	-23,825	-10,262	8,270	22,066	52,410
Gain or loss on hedging accounts	-7,382	1,006	6,658	88	6,007
Change in other assets	10,170	1,521	4,783	-10,436	3,804
Gain or loss on breeding lvst	2,455	-446	-4,877	-6,212	-3,053
Gross farm income	1,297,167	1,448,744	1,520,585	1,122,773	1,044,042
Cash operating expenses	888,553	932,424	1,072,408	933,978	860,361
Change in prepaids and supplies	-16,123	-37,993	-32,233	25,891	18,055
Change in growing crops	4	-69	-186	-99	19
Change in accounts payable	-5,631	-11,013	4,041	18,462	7,831
Depreciation	76,433	78,109	86,655	79,695	82,934
Total operating expense	943,235	961,458	1,130,685	1,057,927	969,200
Interest paid	43,143	32,027	30,988	42,316	56,274
Change in accrued interest	-2,775	-679	5,281	3,881	2,302
Total interest expense	40,368	31,348	36,269	46,196	58,577
Total expenses	983,603	992,805	1,166,954	1,104,124	1,027,777
Net farm income from operations	313,564	455,938	353,631	18,649	16,265
Gain or loss on capital sales	8,838	17,247	12,215	16,107	12,383
Net farm income	322,402	473,185	365,846	34,756	28,648

Farm Income Statement
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Cash Farm Income			
Alfalfa Seed	281	-	1,383
Canola	1,103	5,659	-
Corn	341,131	687,956	354,465
Corn Silage	10,729	-	50,141
Hay, Alfalfa	445	282	1,030
Oats	435	2,232	-
Rye	559	127	2,003
Sorghum Silage	817	-	4,018
Soybeans	217,890	307,090	273,685
Sugar Beets	4,041	20,733	-
Sweet Corn, Processing	1,278	-	6,285
Hay	1,341	59	721
Miscellaneous crop income	9,841	-	46,715
Beef, Sales from all related enterprises	78,706	249,669	1,170
Dairy, Sales from all related enterprises	115,252	-	543,813
Hogs, Sales from all related enterprises	150,549	-	674,594
Sheep, Sales from all related enterprises	3,260	9,915	-
Cull breeding livestock	3,023	1,889	3,012
Misc. livestock income	5,686	17	2,250
Crop government payments	277	174	913
CRP payments	661	1,098	385
Livestock govt payments	365	207	338
Conservation govt payment	3,195	4,142	3,740
Other government payments	4,316	7,530	3,733
Custom work income	26,820	9,448	71,713
Patronage dividends, cash	15,809	20,742	26,176
Crop insurance income	49,413	103,707	49,455
Property insurance income	86	439	-
Sale of resale items	11,521	-	56,646
Contract livestock income	23,237	-	35,592
Renewable energy income	1,833	5,732	993
Farm rental income	5,860	978	12,263
Other farm income	17,729	44,957	18,851
Gross Cash Farm Income	1,107,490	1,484,784	2,246,079

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Cash Farm Expense			
Seed and plants	71,786	114,085	103,207
Fertilizer	68,063	89,104	102,065
Crop chemicals	41,588	78,352	46,017
Crop insurance	17,593	27,265	22,065
Drying expense	2,233	2,776	2,492
Storage	623	1,092	289
Crop miscellaneous	303	601	289
Crop consultants	2,709	8,708	846
Feeder livestock purchase	116,643	282,038	212,288
Purchased feed	135,647	45,224	544,185
Breeding fees	1,591	58	6,567
Veterinary	6,620	3,512	21,049
Supplies	7,268	1,655	26,204
Contract production exp.	28,728	-	141,243
Livestock insurance	148	-	644
Bedding	180	148	741
Livestock consultants	586	-	2,807
Interest	56,274	104,232	75,371
Fuel & oil	24,882	40,552	40,682
Repairs	59,695	99,242	89,992
Custom hire	16,084	18,468	25,098
Hired labor	31,744	41,652	88,260
Land rent	145,109	296,875	187,850
Machinery leases	16,495	33,801	36,794
Building leases	3,286	1,080	540
Real estate taxes	11,922	18,596	16,094
Farm insurance	17,103	27,115	22,656
Utilities	10,382	10,094	22,218
Hauling and trucking	3,748	215	17,261
Marketing	4,429	8,916	9,113
Dues & professional fees	5,594	7,122	7,945
Purchase of resale items	1,956	-	-
Miscellaneous	5,621	8,962	7,918
Total cash expense	916,635	1,371,540	1,880,790
Net cash farm income	190,854	113,245	365,289
Inventory Changes			
Prepaids and supplies	-18,055	-61,226	28,230
Accounts receivable	52,410	54,794	75,540
Hedging accounts	6,007	-561	32,039
Other current assets	2,828	-	15,194
Crops and feed	-153,977	-285,220	-115,726
Market livestock	31,361	124,178	10,495
Breeding livestock	-3,053	-4,942	-7,352
Other assets	957	99	4,892
Accounts payable	-7,831	-34,106	-14,305
Accrued interest	-2,302	-12,895	2,665
Total inventory change	-91,655	-219,880	31,673
Net operating profit	99,199	-106,635	396,962
Depreciation			
Machinery and equipment	-58,367	-80,521	-88,557
Titled vehicles	-4,884	-9,877	-5,904
Buildings and improvements	-19,683	-24,436	-36,997
Total depreciation	-82,934	-114,834	-131,458
Net farm income from operations	16,265	-221,469	265,504
Gain or loss on capital sales	12,383	1,924	27,898
Net farm income	28,648	-219,546	293,402

Profitability Measures
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Profitability (assets valued at cost)			
Net farm income from operations	16,265	-221,469	265,504
Rate of return on assets	0.3 %	-3.9 %	4.6 %
Rate of return on equity	-2.4 %	-11.3 %	4.3 %
Operating profit margin	1.1 %	-18.0 %	15.4 %
Asset turnover rate	24.9 %	21.9 %	30.1 %
Farm interest expense	58,577	117,127	72,706
Value of operator lbr and mgmt.	66,415	83,777	105,891
Return on farm assets	8,427	-188,118	232,319
Average farm assets	3,167,679	4,768,381	4,999,318
Return on farm equity	-50,150	-305,246	159,613
Average farm equity	2,049,650	2,692,836	3,731,710
Value of farm production	789,795	1,045,870	1,503,945

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Profitability (assets valued at market)			
Net farm income from operations	157,409	54,376	335,762
Rate of return on assets	3.2 %	1.2 %	4.3 %
Rate of return on equity	3.1 %	-0.7 %	4.7 %
Operating profit margin	18.9 %	8.4 %	20.1 %
Asset turnover rate	16.9 %	14.7 %	21.5 %
Farm interest expense	58,577	117,127	72,706
Value of operator lbr and mgmt.	66,415	83,777	105,891
Return on farm assets	149,571	87,726	302,577
Average farm assets	4,659,752	7,100,740	6,999,879
Return on farm equity	90,994	-29,401	229,871
Average farm equity	2,927,325	4,078,315	4,844,223
Value of farm production	789,795	1,045,870	1,503,945

Liquidity & Repayment Capacity Measures

Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Liquidity			
Current ratio	2.19	1.69	3.05
Working capital	480,892	567,434	988,355
Change in working capital	-116,703	-329,046	41,124
Working capital to gross revenue	46.1 %	41.3 %	43.7 %
Working capital to oper expense	54.3 %	41.6 %	55.2 %
Current assets	884,004	1,394,908	1,470,853
Current liabilities	403,112	827,474	482,498
Gross revenues (accrual)	1,044,042	1,373,133	2,260,418
Total operating expenses	886,266	1,362,641	1,790,750
Repayment capacity			
Net farm income from operations	16,265	-221,469	265,504
Depreciation	82,934	114,834	131,458
Personal income	72,202	77,137	62,680
Family living/owner withdrawals	-84,550	-95,366	-92,618
Cash discrepancy	74	-43	385
Income taxes	-36,497	-43,232	-44,678
Interest expense	61,152	120,434	73,452
Debt repayment capacity	111,581	-47,704	396,183
Debt payments	132,873	247,934	158,330
Repayment margin	-21,292	-295,638	237,853
Cash replacement allowance	-55,506	-77,439	-75,023
Replacement margin	-76,798	-373,077	162,830
Debt coverage ratio	0.84	-0.19	2.50
Term debt coverage ratio	0.80	-0.54	3.00
Replacement coverage ratio	0.59	-0.15	1.70

Balance Sheet at Market Values
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	118		23		24	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets	71,805	71,666	120,422	129,907	132,748	110,744
Cash and checking balance						
Prepaid expenses & supplies	131,365	113,310	178,528	117,301	184,118	212,348
Growing crops	370	351	0	0	105	849
Accounts receivable	59,082	111,492	43,449	98,243	199,640	275,180
Hedging accounts	10,916	8,122	28,227	17,567	17,411	19,042
Crops held for sale or feed	593,755	439,778	1,079,968	794,748	719,954	604,228
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	104,957	136,318	112,964	237,142	223,383	233,878
Other current assets	119	2,966	0	0	133	14,583
Total current farm assets	972,369	884,004	1,563,557	1,394,908	1,477,493	1,470,853
Intermediate Farm Assets						
Breeding livestock	52,806	60,980	23,743	27,408	171,729	175,931
Machinery and equipment	814,530	852,738	1,255,556	1,256,956	1,085,234	1,161,567
Titled vehicles	49,696	49,502	106,868	104,203	53,723	58,734
Other intermediate assets	77,853	81,156	19,273	21,999	281,877	280,171
Total intermediate farm assets	994,885	1,044,377	1,405,440	1,410,565	1,592,563	1,676,404
Long Term Farm Assets						
Farm land	1,967,095	2,191,822	3,309,242	3,666,050	2,441,927	2,732,867
Buildings and improvements	564,358	596,408	648,709	705,780	1,137,816	1,193,532
Other long-term assets	52,743	51,442	48,174	49,055	146,723	129,582
Total long-term farm assets	2,584,196	2,839,672	4,006,125	4,420,885	3,726,465	4,055,981
Total Farm Assets	4,551,450	4,768,053	6,975,122	7,226,358	6,796,522	7,203,237
Total Nonfarm Assets	863,638	980,580	822,086	900,450	1,417,089	1,586,291
Total Assets	5,415,089	5,748,632	7,797,208	8,126,809	8,213,611	8,789,528
Liabilities						
Current Farm Liabilities						
Accrued interest	16,278	18,581	35,678	48,573	13,489	10,824
Accounts payable	46,261	54,092	49,027	83,134	138,073	152,378
Current notes	243,970	256,982	458,937	573,975	295,716	231,265
Government crop loans	0	0	0	0	0	0
Principal due on term debt	68,265	73,458	123,435	121,792	82,985	88,031
Total current farm liabilities	374,774	403,112	667,078	827,474	530,263	482,498
Total intermediate farm liabs	134,026	143,467	239,608	213,635	151,502	197,487
Total long term farm liabilities	533,301	647,378	1,007,586	1,195,710	484,638	688,828
Total farm liabilities	1,042,101	1,193,957	1,914,271	2,236,819	1,166,402	1,368,813
Total nonfarm liabilities	86,419	92,507	107,386	123,173	44,424	62,662
Total liabs excluding deferreds	1,128,520	1,286,464	2,021,658	2,359,992	1,210,826	1,431,475
Total deferred liabilities	680,406	674,168	1,014,766	959,643	949,926	969,026
Total liabilities	1,808,926	1,960,632	3,036,423	3,319,635	2,160,752	2,400,501
Retained earnings	2,564,725	2,567,575	3,367,700	3,106,754	4,412,252	4,608,605
Market valuation equity	1,041,438	1,220,426	1,393,085	1,700,420	1,640,607	1,780,422
Net worth (farm and nonfarm)	3,606,163	3,788,001	4,760,785	4,807,174	6,052,859	6,389,027
Net worth excluding deferreds	4,286,569	4,462,168	5,775,551	5,766,816	7,002,784	7,358,053
Net worth change		181,838		46,389		336,169
Percent net worth change		5 %		1 %		6 %
Ratio Analysis						
Current farm liabilities / assets	39 %	46 %	43 %	59 %	36 %	33 %
Intermediate farm liab. / assets	13 %	14 %	17 %	15 %	10 %	12 %
Long term farm liab. / assets	21 %	23 %	25 %	27 %	13 %	17 %
Total debt to asset ratio	33 %	34 %	39 %	41 %	26 %	27 %
Debt to assets excl deferreds	21 %	22 %	26 %	29 %	15 %	16 %

Balance Sheet at Market Values – Trend
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)

	2020	2021	2022	2023	2024
Number of farms	108	110	111	116	118
Assets					
Current Farm Assets					
Cash and checking balance	90,065	99,897	82,888	78,777	71,666
Prepaid expenses & supplies	111,078	147,245	175,930	131,751	113,310
Growing crops	49	105	290	377	351
Accounts receivable	43,023	33,877	45,421	61,925	111,492
Hedging accounts	11,261	9,425	12,881	11,140	8,122
Crops held for sale or feed	593,902	737,323	798,599	618,755	439,778
Crops under government loan	174,275	160,166	181,993	105,947	136,318
Market livestock held for sale					
Other current assets	40	73	29	121	2,966
Total current farm assets	1,023,693	1,188,111	1,298,031	1,008,792	884,004
Intermediate Farm Assets					
Breeding livestock	53,120	54,451	54,190	54,619	60,980
Machinery and equipment	688,993	748,264	812,797	823,392	852,738
Titled vehicles	37,188	41,656	46,159	50,173	49,502
Other intermediate assets	84,276	86,041	95,108	79,659	81,156
Total intermediate farm assets	863,578	930,413	1,008,254	1,007,842	1,044,377
Long Term Farm Assets					
Farm land	1,586,316	1,708,272	1,947,165	2,037,712	2,191,822
Buildings and improvements	596,671	584,876	617,691	583,550	596,408
Other long-term assets	61,087	57,600	55,884	55,442	51,442
Total long-term farm assets	2,244,074	2,350,748	2,620,740	2,676,704	2,839,672
Total Farm Assets	4,131,345	4,469,272	4,927,024	4,693,338	4,768,053
Total Nonfarm Assets	746,342	876,666	868,844	890,478	980,580
Total Assets	4,877,687	5,345,938	5,795,869	5,583,816	5,748,632
Liabilities					
Current Farm Liabilities					
Accrued interest	10,360	9,009	13,973	16,361	18,581
Accounts payable	34,004	22,921	26,244	42,507	54,092
Current notes	309,196	255,467	281,127	252,831	256,982
Government crop loans					
Principal due on term debt	69,020	63,247	69,592	70,432	73,458
Total current farm liabilities	422,580	350,644	390,936	382,131	403,112
Total intermediate farm liabs	130,557	133,349	145,634	136,985	143,467
Total long term farm liabilities	474,922	472,381	551,610	526,958	647,378
Total farm liabilities	1,028,058	956,373	1,088,180	1,046,073	1,193,957
Total nonfarm liabilities	74,068	89,981	90,303	87,051	92,507
Total liabs excluding deferreds	1,102,126	1,046,355	1,178,482	1,133,124	1,286,464
Total deferred liabilities	601,389	710,487	782,535	708,800	674,168
Total liabilities	1,703,515	1,756,842	1,961,018	1,841,924	1,960,632
Retained earnings	2,331,712	2,641,756	2,859,006	2,651,634	2,567,575
Market valuation equity	842,460	947,341	975,845	1,090,258	1,220,426
Net worth (farm and nonfarm)	3,174,172	3,589,097	3,834,851	3,741,892	3,788,001
Net worth excluding deferreds	3,775,561	4,299,584	4,617,386	4,450,692	4,462,168
Net worth change	293,984	603,044	363,383	154,187	181,838
Percent net worth change	10 %	20 %	10 %	4%	5%
Ratio Analysis					
Current farm liabilities / assets	41 %	30 %	30 %	38 %	46 %
Intermediate farm liab. / assets	15 %	14 %	14 %	14 %	14 %
Long term farm liab. / assets	21 %	20 %	21 %	20 %	23 %
Total debt to asset ratio	35 %	33 %	34 %	33 %	34 %
Debt to assets excl deferreds	23 %	20 %	20 %	20 %	22 %

Balance Sheet at Cost Values
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	118		23		24	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	71,805	71,666	120,422	129,907	132,748	110,744
Prepaid expenses & supplies	131,365	113,310	178,528	117,301	184,118	212,348
Growing crops	370	351	0	0	105	849
Accounts receivable	59,082	111,492	43,449	98,243	199,640	275,180
Hedging accounts	10,916	8,122	28,227	17,567	17,411	19,042
Crops held for sale or feed	593,755	439,778	1,079,968	794,748	719,954	604,228
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	104,957	136,318	112,964	237,142	223,383	233,878
Other current assets	119	2,966	0	0	133	14,583
Total current farm assets	972,369	884,004	1,563,557	1,394,908	1,477,493	1,470,853
Intermediate Farm Assets						
Breeding livestock	46,318	45,422	21,196	18,583	156,123	145,692
Machinery and equipment	528,739	544,882	840,222	799,363	754,364	806,872
Titled vehicles	27,198	28,114	61,716	61,322	24,954	33,403
Other intermediate assets	68,499	75,392	19,242	21,913	256,337	275,842
Total intermediate farm assets	670,754	693,810	942,377	901,181	1,191,779	1,261,809
Long Term Farm Assets						
Farm land	1,057,886	1,202,830	1,746,621	1,954,128	1,303,644	1,567,084
Buildings and improvements	377,223	395,371	449,533	491,537	754,851	786,495
Other long-term assets	42,291	38,818	46,381	46,540	105,482	79,145
Total long-term farm assets	1,477,400	1,637,019	2,242,535	2,492,205	2,163,977	2,432,724
Total Farm Assets	3,120,524	3,214,834	4,748,469	4,788,293	4,833,249	5,165,387
Total Nonfarm Assets	572,721	639,206	640,889	678,452	789,829	874,693
Total Assets	3,693,245	3,854,039	5,389,358	5,466,746	5,623,078	6,040,080
Liabilities						
Current Farm Liabilities						
Accrued interest	16,278	18,581	35,678	48,573	13,489	10,824
Accounts payable	46,261	54,092	49,027	83,134	138,073	152,378
Current notes	243,970	256,982	458,937	573,975	295,716	231,265
Government crop loans	0	0	0	0	0	0
Principal due on term debt	68,265	73,458	123,435	121,792	82,985	88,031
Total current farm liabilities	374,774	403,112	667,078	827,474	530,263	482,498
Total intermediate farm liabs	134,026	143,467	239,608	213,635	151,502	197,487
Total long term farm liabilities	533,301	647,378	1,007,586	1,195,710	484,638	688,828
Total farm liabilities	1,042,101	1,193,957	1,914,271	2,236,819	1,166,402	1,368,813
Total nonfarm liabilities	86,419	92,507	107,386	123,173	44,424	62,662
Total liabilities	1,128,520	1,286,464	2,021,658	2,359,992	1,210,826	1,431,475
Net worth (farm and nonfarm)	2,564,725	2,567,575	3,367,700	3,106,754	4,412,252	4,608,605
Net worth change		2,850		-260,947		196,353
Percent net worth change		0 %		-8 %		4 %
Ratio Analysis						
Current farm liabilities / assets	39 %	46 %	43 %	59 %	36 %	33 %
Intermediate farm liab. / assets	20 %	21 %	25 %	24 %	13 %	16 %
Long term farm liab. / assets	36 %	40 %	45 %	48 %	22 %	28 %
Total debt to asset ratio	31 %	33 %	38 %	43 %	22 %	24 %

Balance Sheet at Cost Values – Trend

Southwest Minnesota Farm Business Management Association

(Farms Sorted By Years)

	2020	2021	2022	2023	2024
Number of farms	108	110	111	116	118
Assets					
Current Farm Assets					
Cash and checking balance	90,065	99,897	82,888	78,777	71,666
Prepaid expenses & supplies	111,078	147,245	175,930	131,751	113,310
Growing crops	49	105	290	377	351
Accounts receivable	43,023	33,877	45,421	61,925	111,492
Hedging accounts	11,261	9,425	12,881	11,140	8,122
Crops held for sale or feed	593,902	737,323	798,599	618,755	439,778
Crops under government loan					
Market livestock held for sale	174,275	160,166	181,993	105,947	136,318
Other current assets	40	73	29	121	2,966
Total current farm assets	1,023,693	1,188,111	1,298,031	1,008,792	884,004
Intermediate Farm Assets					
Breeding livestock	46,745	47,723	47,961	47,661	45,422
Machinery and equipment	440,609	479,643	516,626	527,234	544,882
Titled vehicles	20,139	24,043	25,692	27,406	28,114
Other intermediate assets	82,511	83,576	89,602	70,144	75,392
Total intermediate farm assets	590,003	634,986	679,881	672,445	693,810
Long Term Farm Assets					
Farm land	884,117	880,337	1,035,274	1,079,381	1,202,830
Buildings and improvements	387,010	385,918	400,956	385,117	395,371
Other long-term assets	56,450	47,031	42,369	44,307	38,818
Total long-term farm assets	1,327,578	1,313,286	1,478,599	1,508,806	1,637,019
Total Farm Assets	2,941,274	3,136,383	3,456,511	3,190,043	3,214,834
Total Nonfarm Assets	492,564	551,727	580,977	594,716	639,206
Total Assets	3,433,838	3,688,110	4,037,488	3,784,759	3,854,039
Liabilities					
Current Farm Liabilities					
Accrued interest	10,360	9,009	13,973	16,361	18,581
Accounts payable	34,004	22,921	26,244	42,507	54,092
Current notes	309,196	255,467	281,127	252,831	256,982
Government crop loans					
Principal due on term debt	69,020	63,247	69,592	70,432	73,458
Total current farm liabilities	422,580	350,644	390,936	382,131	403,112
Total intermediate farm liabs	130,557	133,349	145,634	136,985	143,467
Total long term farm liabilities	474,922	472,381	551,610	526,958	647,378
Total farm liabilities	1,028,058	956,373	1,088,180	1,046,073	1,193,957
Total nonfarm liabilities	74,068	89,981	90,303	87,051	92,507
Total liabilities	1,102,126	1,046,355	1,178,482	1,133,124	1,286,464
Net worth (farm and nonfarm)	2,331,712	2,641,756	2,859,006	2,651,634	2,567,575
Net worth change	305,090	460,009	307,167	-9,291	2,850
Percent net worth change	15 %	21 %	12 %	0%	0%
Ratio Analysis					
Current farm liabilities / assets	41 %	30 %	30 %	38 %	46 %
Intermediate farm liab. / assets	22 %	21 %	21 %	20 %	21 %
Long term farm liab. / assets	36 %	36 %	37 %	35 %	40 %
Total debt to asset ratio	32 %	28 %	29 %	30 %	33 %

Statement Of Owner's Equity
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Beginning net worth	3,606,163	4,760,785	6,052,859
Net farm income	28,648	-219,546	293,402
Personal income	72,202	77,137	62,680
Family living/owner withdrawals	-84,550	-95,366	-92,618
Discrepancy	19	-49	129
Dividends paid	-	-	-
Income taxes (accrued)	-36,497	-43,232	-44,678
Change in personal assets	382	18,075	-15,344
Change in nonfarm accounts payable	48	406	-192
Total change in retained earnings	-19,693	-262,567	203,635
Captial contributions	8,283	856	36,074
Gifts and inheritances received	24,812	1,698	7,629
Debts forgiven	-	-	-
Gifts given	-10,498	-926	-50,728
Capital distributions	-	-	-
Total change in contributed capital	22,597	1,627	-7,025
Chg in mkt value of capital assets	172,749	252,212	158,916
Change in deferred liabilities (-)	6,238	55,123	-19,100
Total change in market valuation	178,987	307,335	139,815
Total change in net worth	181,892	46,395	336,425
Ending net worth	3,788,001	4,807,174	6,389,027

Statement Of Owner's Equity -- Trend
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)

	2020	2021	2022	2023	2024
Number of farms	108	110	111	116	118
Beginning net worth	2,880,188	2,986,052	3,471,468	3,587,705	3,606,163
Net farm income	322,402	473,185	365,846	34,756	28,648
Personal income	51,952	66,037	53,971	66,243	72,202
Family living/owner withdrawals	-74,690	-84,384	-95,742	-98,421	-84,550
Discrepancy	18	9	131	-257	19
Dividends paid					
Income taxes (accrued)	-25,099	-32,317	-46,980	-39,702	-36,497
Change in personal assets	13,624	11,167	9,959	-2,901	382
Change in nonfarm accounts payable	860	-346	-97	242	48
Total change in retained earnings	289,068	433,358	287,092	-40,075	-19,693
Captial contributions	3,433	6,084	12,209	4,194	8,283
Gifts and inheritances received	17,123	26,114	13,563	36,077	24,812
Debts forgiven			765	45	
Gifts given	-1,516	-3,033	-4,559	-8,572	-10,498
Capital distributions	-3,019	-2,508	-1,897	-996	
Total change in contributed capital	16,022	26,657	20,079	30,749	22,597
Chg in mkt value of capital assets	78,156	282,275	132,065	156,454	172,749
Change in deferred liabilities(-)	-89,262	-139,239	-75,849	7,024	6,238
Total change in market valuation	-11,106	143,036	56,216	163,478	178,987
Total change in net worth	293,983	603,051	363,388	154,152	181,892
Ending net worth	3,174,172	3,589,097	3,834,851	3,741,892	3,788,001

Statement Of Cash Flows
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Beginning cash (farm & nonfarm)	99,165	148,050	156,865
Cash Provided By Operating Activities			
Gross cash farm income	1,107,490	1,484,784	2,246,079
Total cash farm expense	-916,635	-1,371,540	-1,880,790
Net cash from hedging transactions	8,800	10,099	30,409
Cash provided by operating	199,655	123,344	395,698
Cash Provided By Investing Activities			
Sale of breeding livestock	4,828	641	23,125
Sale of machinery & equipment	37,634	55,910	76,082
Sale of titled vehicles	2,906	6,603	2,500
Sale of farm land	7,873	-	38,083
Sale of farm buildings	256	-	6
Sale of other farm assets	13,013	122	33,297
Sale of nonfarm assets	33,529	36,152	63,883
Purchase of breeding livestock	-6,985	-2,970	-20,046
Purchase of machinery & equip.	-104,205	-94,555	-206,638
Purchase of titled vehicles	-7,606	-15,180	-15,023
Purchase of farm land	-151,198	-207,507	-293,715
Purchase of farm buildings	-37,941	-66,439	-68,647
Purchase of other farm assets	-13,955	-2,852	-14,098
Purchase of nonfarm assets	-91,029	-52,416	-136,714
Cash provided by investing	-312,881	-342,491	-517,903
Cash Provided By Financing Activities			
Money borrowed	595,488	1,332,665	601,446
Principal payments	-448,424	-1,047,049	-398,814
Personal income	72,202	77,137	62,680
Family living/owner withdrawals	-84,550	-95,366	-92,618
Income and social security tax	-35,698	-37,115	-38,475
Capital contributions	8,283	856	36,074
Capital distributions	-	-	-
Dividends paid	-	-	-
Cash gifts and inheritances	24,812	1,698	7,629
Gifts given	-10,498	-926	-50,728
Other cash flows	-	-	-
Cash provided by financing	121,616	231,899	127,195
Net change in cash balance	8,390	12,752	4,989
Ending cash (farm & nonfarm)	107,629	160,759	162,239
Discrepancy	-74	43	-385

Statement Of Cash Flows – Trend

Southwest Minnesota Farm Business Management Association

(Farms Sorted By Years)

	2020	2021	2022	2023	2024
Number of farms	108	110	111	116	118
Beginning cash (farm & nonfarm)	92,057	105,356	95,259	104,098	99,165
Cash Provided By Operating Activities					
Gross cash farm income	1,099,964	1,268,240	1,402,893	1,269,180	1,107,490
Total cash farm expense	-931,696	-964,451	-1,103,396	-976,294	-916,635
Net cash from hedging transactions	-5,592	1,127	2,833	1,118	8,800
Cash provided by operating	162,676	304,916	302,330	294,004	199,655
Cash Provided By Investing Activities					
Sale of breeding livestock	3,420	3,703	1,926	953	4,828
Sale of machinery & equipment	23,833	42,617	30,982	39,105	37,634
Sale of titled vehicles	440	2,036	1,130	1,770	2,906
Sale of farm land	8,413	8,943	16,478	8,703	7,873
Sale of farm buildings	5,220	4,961	14,614	5,308	256
Sale of other farm assets	2,103	568	2,727	22,636	13,013
Sale of nonfarm assets	13,102	24,205	18,115	37,611	33,529
Purchase of breeding livestock	-3,058	-6,040	-6,559	-7,320	-6,985
Purchase of machinery & equip.	-90,815	-134,547	-151,282	-139,436	-104,205
Purchase of titled vehicles	-4,758	-11,095	-7,579	-9,370	-7,606
Purchase of farm land	-87,321	-86,522	-182,376	-110,643	-151,198
Purchase of farm buildings	-34,884	-51,942	-54,613	-48,935	-37,941
Purchase of other farm assets	-763	-6,512	-2,356	-27,005	-13,955
Purchase of nonfarm assets	-31,865	-82,656	-47,955	-71,143	-91,029
Cash provided by investing	-196,932	-292,279	-366,748	-297,767	-312,881
Cash Provided By Financing Activities					
Money borrowed	655,581	564,844	598,951	580,221	595,488
Principal payments	-580,495	-552,410	-467,460	-531,204	-448,424
Personal income	51,952	66,037	53,971	66,243	72,202
Family living/owner withdrawals	-74,690	-84,384	-95,742	-98,421	-84,550
Income and social security tax	-21,354	-24,460	-36,760	-44,414	-35,698
Capital contributions	3,433	6,084	12,209	4,194	8,283
Capital distributions	-3,019	-2,508	-1,897	-996	
Dividends paid					
Cash gifts and inheritances	17,123	26,114	13,563	36,077	24,812
Gifts given	-1,516	-3,033	-4,559	-8,572	-10,498
Other cash flows					
Cash provided by financing	47,016	-3,716	72,274	3,128	121,616
Net change in cash balance	12,760	8,921	7,856	-635	8,390
Ending cash (farm & nonfarm)	104,834	114,293	103,251	103,170	107,629
Discrepancy	-17	-16	-135	293	-74

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Acreage Summary			
Total acres owned	279	444	373
Total crop acres	834	1,484	1,081
Crop acres owned	224	374	285
Crop acres cash rented	581	1,110	706
Crop acres share rented	29	-	90
Total pasture acres	15	38	-
Percent crop acres owned	27 %	25 %	26 %
Mach invest/crop acre cost	657	594	683
Mach invest/crop acre market	1,032	918	1,002
Average Price Received (Cash Sales Only)			
Soybeans per bushel	11.47	11.60	11.27
Corn per bushel	4.47	4.27	4.79
Hay, Grass per ton	124.44	-	-
Hay, Alfalfa per ton	120.86	-	-
Corn Silage per ton	44.71	-	44.28
Rye per bushel	7.82	-	-
Average Yield Per Acre			
Soybeans (bushel)	46.74	45.91	48.80
Corn (bushel)	182.31	178.94	190.31
Corn Silage (ton)	20.03	-	19.61
Hay, Alfalfa (ton)	4.76	-	4.76
Hay, Grass (ton)	2.96	-	-
Sorghum Silage (ton)	25.44	-	25.32
Barley Silage (ton)	6.68	-	-

Crop Production and Marketing Summary – Trend
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)

	2020	**2021**	**2022**	**2023**	**2024**
Number of farms	108	110	111	116	118
Acreage Summary					
Total acres owned	226	276	282	281	279
Total crop acres	906	883	863	855	834
Crop acres owned	237	222	226	230	224
Crop acres cash rented	629	625	595	575	581
Crop acres share rented	40	36	42	50	29
Total pasture acres	11	12	15	15	15
Percent crop acres owned	26 %	25 %	26 %	27 %	27 %
Mach invest/crop acre cost	474	508	561	594	657
Mach invest/crop acre market	748	806	895	944	1,032
Average Price Received (Cash Sales Only)					
Soybeans per bushel	9.08	11.59	13.97	13.86	11.47
Corn per bushel	3.37	4.84	6.06	6.17	4.47
Ha Alfalfu per ton			142.11	139.08	
Hay, Grass per ton		109.64			
Average Yield Per Acre					
Corn (bushel)	201.42	200.49	197.78	198.98	182.31
Soybeans (bushel)	57.58	57.55	53.14	53.84	46.74
Corn Silage (lon)	21.09	25.68	23.31	23.85	20.03
Hay, Alfalfa (lon)	4.38	5.34	5.83	4.82	4.76
Hay, Grass (ton)	2.63	2.12	2.29	2.46	2.96
Oats (bushel)	86.56		67.22		

Household and Personal Expenses
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	34	6	5
Average family size	2.9	2.7	2.4
Family Living Expenses			
Food and meals expense	10,270	9,523	5,006
Medical care	5,968	4,458	8,590
Health insurance	5,675	5,404	7,617
Cash donations	7,454	5,405	17,027
Household supplies	10,957	8,615	12,406
Clothing	2,439	2,257	1,635
Personal care	2,272	995	3,368
Child / Dependent care	2,157	-	-
Alimony and child support	-	-	-
Gifts	3,897	3,781	1,957
Education	1,646	1,009	1,514
Recreation	7,460	9,764	14,223
Utilities (household share)	3,400	3,704	2,337
Personal vehicle operating exp	4,512	6,999	4,708
Household real estate taxes	1,351	2,433	713
Dwelling rent	162	-	-
Household repairs	839	19	30
Personal interest	2,315	72	-
Disability / Long term care ins	530	71	81
Life insurance payments	1,984	2,114	1,027
Personal property insurance	841	1,099	140
Miscellaneous	2,252	1,142	3,743
Total cash family living expense	78,382	68,865	86,121
Family living from the farm	419	-	-
Total family living	78,801	68,865	86,121
Other Nonfarm Expenditures			
Income taxes	47,887	59,311	63,200
Furnishing & appliance purchases	-	-	-
Nonfarm vehicle purchases	1,606	1,999	8,300
Nonfarm real estate purchases	6,698	-	-
Other nonfarm capital purchases	14,492	-2,493	171,170
Nonfarm savings & investments	4,857	-45,656	-4,435
Total other nonfarm expenditures	75,540	13,162	238,235
Total cash family living investment & nonfarm capital purch	153,922	82,027	324,356

Household and Personal Expenses – Trend
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)

	2020	*2021*	*2022*	*2023*	*2024*
Number of farms	35	35	29	39	34
Average family size	2.5	2.8	2.8	3.2	2.9
Family Living Expenses					
Food and meals expense	9,346	10,728	10,817	11,609	10,270
Medical care	5,801	5,145	5,389	7,098	5,968
Health insurance	5,798	5,035	4,995	3,578	5,675
Cash donations	3,992	3,476	6,301	4,839	7,454
Household supplies	6,217	6,408	9,297	12,314	10,957
Clothing	1,313	1,648	2,851	2,269	2,439
Personal care	2,864	2,578	1,992	3,358	2,272
Child / Dependent care	678	942	1,021	1,037	2,157
Alimony and child support		114			
Gifts	3,267	3,727	4,940	6,872	3,897
Education	286	611	452	1,379	1,646
Recreation	3,500	5,297	5,990	7,736	7,460
Utilities (household share)	3,014	3,590	3,312	3,497	3,400
Personal vehicle operating exp	3,273	3,835	3,796	5,523	4,512
Household real estate taxes	918	963	860	1,615	1,351
Dwelling rent	186	379	76	56	162
Household repairs	1,694	1,552	1,154	2,871	839
Personal interest	1,068	1,458	742	2,529	2,315
Disability / Long term care ins	453	239	652	145	530
Life insurance payments	2,615	2,301	2,154	2,786	1,984
Personal property insurance	258	598	812	829	841
Miscellaneous	5,712	7,622	1,264	2,891	2,252
Total cash family living expense	62,254	68,245	68,865	84,830	78,382
Family living from the farm	251	316	652	665	419
Total family living	62,504	68,562	69,517	85,495	78,801
Other Nonfarm Expenditures					
Income taxes	28,347	27,518	39,474	47,331	47,887
Furnishing & appliance purchases		-87	50	-31	
Nonfarm vehicle purchases	2,325	1,161	3,034	5,645	1,606
Nonfarm real estate purchases	295	9,661	3,923	19,182	6,698
Other nonfarm capital purchases	249	21,087	5,749	8,824	14,492
Nonfarm savings & investments	6,817	20,578	42,734	37,038	4,857
Total other nonfarm expenditures	38,034	79,916	94,964	117,989	75,540
Total cash family living investment & nonfarm capital purch	100,287	148,162	163,829	202,819	153,922

Operator and Labor Information
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Operator Information			
Average number of operators	1.2	1.1	1.3
Average age of operators	51.8	57.5	52.9
Average number of years farming	27.2	34.0	29.9
Results Per Operator			
Working capital	417,245	501,961	741,266
Total assets (market)	4,987,784	7,189,100	6,592,146
Total liabilities	1,701,136	2,936,600	1,800,376
Net worth (market)	3,286,648	4,252,500	4,791,770
Net worth excl deferred liabs	3,871,587	5,101,414	5,518,540
Gross farm income	905,860	1,214,694	1,695,314
Total farm expense	891,748	1,410,609	1,496,186
Net farm income from operations	14,112	-195,915	199,128
Net nonfarm income	62,646	68,237	47,010
Family living & tax withdrawals	104,962	122,643	102,683
Total acres owned	242.0	392.6	279.7
Total crop acres	723.7	1,312.8	810.9
Crop acres owned	194.6	331.0	213.6
Crop acres cash rented	504.2	981.8	529.6
Crop acres share rented	24.9	-	67.8
Total pasture acres	12.8	33.3	-
Labor Analysis			
Number of farms	118	23	24
Total unpaid labor hours	1,901	2,396	2,612
Total hired labor hours	1,044	1,122	3,139
Total labor hours per farm	2,945	3,518	5,751
Unpaid hours per operator	1,650	2,119	1,959
Value of farm production / hour	268.17	297.31	261.51
Net farm income / unpaid hour	8.55	-92.45	101.66
Average hourly hired labor wage	30.93	32.65	30.36
Partnerships & LLCs			
Number of farms	10	3	3
Number of operators	2.1	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Operator and Labor Information – Trend
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)

	2020	*2021*	*2022*	*2023*	*2024*
Number of farms	108	110	111	116	118
Operator Information					
Average number of operators	1.2	1.2	1.2	1.1	1.2
Average age of operators	53.4	52.9	52.9	52.0	51.8
Average number of years farming	29.2	28.5	28.6	27.5	27.2
Results Per Operator					
Working capital	503,258	708,626	774,519	550,703	417,245
Total assets (market)	4,083,645	4,523,486	4,948,780	4,906,990	4,987,784
Total liabilities	1,426,199	1,486,558	1,674,407	1,618,661	1,701,136
Net worth (market)	2,657,446	3,036,928	3,274,373	3,288,329	3,286,648
Net worth excl deferred liabs	3,160,935	3,638,109	3,942,538	3,911,214	3,871,587
Gross farm income	1,086,000	1,225,860	1,298,346	986,679	905,860
Total farm expense	823,481	840,066	996,399	970,291	891,748
Net farm income from operations	262,519	385,794	301,946	16,388	14,112
Net nonfarm income	43,495	55,877	46,083	58,213	62,646
Family living & tax withdrawals	83,530	98,733	121,747	121,638	104,962
Total acres owned	189.1	233.6	241.2	247.0	242.0
Total crop acres	758.8	747.4	736.6	751.2	723.7
Crop acres owned	198.5	187.7	193.3	202.3	194.6
Crop acres cash rented	526.7	529.1	507.7	505.3	504.2
Crop acres share rented	33.6	30.7	35.7	43.7	24.9
Total pasture acres	9.6	10.3	12.5	13.1	12.8
Labor Analysis					
Number of farms	108	110	111	116	118
Total unpaid labor hours	2,062	2,008	1,998	1,946	1,901
Total hired labor hours	997	949	1,288	1,145	1,044
Total labor hours per farm	3,059	2,957	3,286	3,091	2,945
Unpaid hours per operator	1,726	1,699	1,706	1,710	1,650
Value of farm production / hour	323.36	389.30	353.05	272.45	268.17
Net farm income / unpaid hour	152.08	227.01	177.03	9.58	8.55
Average hourly hired labor wage	30.73	31.65	32.56	37.06	30.93
Partnerships & LLCs					
Number of farms	12	12	11	9	10
Number of operators	2.3	2.3	2.3		2.1
Owner withdrawals per farm					
Withdrawals per operator					
Corporations					
Number of farms	3	3	3	3	3
Number of operators					

Nonfarm Summary
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	118	23	24
Nonfarm Income			
Personal wages & salary	41,766	37,765	27,284
Net nonfarm business income	3,090	3,966	5,817
Personal rental income	3,570	5,671	1,761
Personal interest income	3,244	2,935	3,632
Personal cash dividends	1,173	756	2,858
Tax refunds	3,241	7,844	3,068
Other nonfarm income	16,119	18,201	18,260
Total nonfarm income	72,202	77,137	62,680
Gifts and inheritances	24,812	1,698	7,629
Nonfarm Assets (market)			
Checking & savings	35,963	30,852	51,495
Stocks & bonds	63,151	64,321	162,522
Other current assets	20,120	42,066	8,950
Furniture & appliances	10,410	7,007	6,727
Nonfarm vehicles	28,612	34,409	22,281
Cash value of life ins.	19,841	28,817	11,353
Retirement accounts	278,588	333,379	319,840
Other intermediate assets	115,447	8,888	489,891
Nonfarm real estate	286,361	265,001	205,525
Personal bus. investment	59,505	-	268,065
Other long term assets	62,582	85,711	39,643
Total nonfarm assets	980,580	900,450	1,586,291
Nonfarm Liabilities			
Accrued interest	436	476	216
Accounts payable	28,309	36,298	35,162
Current notes	7,409	-	-
Princ due on term debt	4,456	9,828	2,167
Total current liabilities	40,610	46,603	37,545
Intermediate liabilities	4,165	10,765	-
Long term liabilities	47,733	65,806	25,116
Total nonfarm liabilities	92,507	123,173	62,662
Nonfarm net worth	888,072	777,277	1,523,629
Nonfarm debt to asset ratio	9 %	14 %	4 %

Nonfarm Summary – Trend

Southwest Minnesota Farm Business Management Association

(Farms Sorted By Years)

	2020	2021	2022	2023	2024
Number of farms	108	110	111	116	118
Nonfarm Income					
Personal wages & salary	31,964	35,645	35,017	39,089	41,766
Net nonfarm business income	1,717	9,013	2,553	2,678	3,090
Personal rental income	5,045	4,341	3,772	3,651	3,570
Personal interest income	1,416	934	1,423	3,449	3,244
Personal cash dividends	175	135	249	1,283	1,173
Tax refunds	1,000	3,490	1,392	1,876	3,241
Other nonfarm income	10,636	12,479	9,565	14,217	16,119
Total nonfarm income	51,952	66,037	53,971	66,243	72,202
Gifts and inheritances	17,123	26,114	13,563	36,077	24,812
Nonfarm Assets (market)					
Checking & savings	14,769	14,396	20,363	24,393	35,963
Stocks & bonds	54,409	56,529	56,693	60,067	63,151
Other current assets	4,751	5,031	14,802	16,460	20,120
Furniture & appliances	10,428	10,070	10,324	10,243	10,410
Nonfarm vehicles	22,288	25,220	26,795	29,143	28,612
Cash value of life ins.	22,047	22,148	20,364	18,591	19,841
Retirement accounts	194,015	234,026	195,718	222,792	278,588
Other intermediate assets	101,566	135,636	143,531	132,553	115,447
Nonfarm real estate	200,291	230,236	237,098	257,723	286,361
Personal bus. investment	66,566	75,555	80,061	61,858	59,505
Other long term assets	55,212	67,819	63,096	56,653	62,582
Total nonfarm assets	746,342	876,666	868,844	890,478	980,580
Nonfarm Liabilities					
Accrued interest	170	541	508	508	436
Accounts payable	22,001	28,621	35,010	28,549	28,309
Current notes	144	2,877	2,829	4,802	7,409
Prine due on term debt	2,958	3,767	3,692	3,344	4,456
Total current liabilities	25,272	35,806	42,040	37,204	40,610
Intermediate liabilities	5,274	6,667	6,207	5,195	4,165
Long term liabilities	43,521	47,508	42,056	44,653	47,733
Total nonfarm liabilities	74,068	89,981	90,303	87,051	92,507
Nonfarm net worth	672,274	786,685	778,542	803,427	888,072
Nonfarm debt to asset ratio	10 %	10 %	10 %	10 %	9%

Projected Profitability

The Projected Profitability report displays the actual financial results for Minnesota farms in 2024, along with the projected financial outcomes for 2025. These projections are based on the authors' estimates of changes in revenue, operating expenses, interest rates, and asset values. The assumptions used for these projections are detailed at the bottom of this section. The calculations include both SWFBMA farms and those farms enrolled in MN State FBM programs.

- **2024 All Farms Actual** – Average financial results for all 2,390 farms in 2024. Balance sheet measures reflect the average position of farms in MN FBM programs at the end of the year.
- **2024 Improved Margin Management** – Potential impacts of small changes in farm performance. If MN program farms had, on average, improved sales by 5% and cut costs by 5%, the net farm income of the average farm would have increased by 173% in 2024.
- **2024 Statewide Crop Farms Actual** – Average financial results for the 1,377 crop farms in MN farm management programs in 2024.
- **2025 Statewide Crop Farms Projected** – Crop prices are expected to continue declining, and when combined with higher anticipated yields, this leads to a slight decrease in profitability for crop farms in 2025. Operating expenses are projected to decrease slightly, while interest rates are expected to rise marginally. As a result, Minnesota crop producers are likely to face reduced profitability.
- **2024 Statewide Dairy Farms Actual** – Average financial results for the 293 dairy and crop and dairy farms in MN farm management programs in 2024.
- **2025 Statewide Dairy Farms Projected** – Milk prices are projected to remain the same as 2024. However, a decrease in operating expenses is expected to enhance profitability levels for the year. Consequently, Minnesota dairy producers are anticipated to achieve higher net farm incomes in 2025.
- **2024 Statewide Hog Farms Actual** – Average financial results for the 40 hog and crop and hog farms in MN farm management programs in 2024.
- **2025 Statewide Hog Farms Projected** – Pork prices are anticipated to rise, while operating expenses are expected to decrease for the year. Given this outlook, the state's hog farms are projected to achieve higher profitability levels in 2025.
- **2024 Statewide Beef Farms Actual** – Average financial results for the 218 beef and crop and beef farms in MN farm management programs in 2024.
- **2025 Statewide Beef Farms Projected** – Beef prices are projected to stay relatively strong in the coming year, while operating expenses are expected to increase slightly. Given this outlook, the state's beef farms are anticipated to maintain adequate financial performance again in 2025.

The assumptions behind these projections are subjective. The authors offer these forecasts as the most likely scenario to help members make informed management decisions during a period of tightening margins. Predicting outcomes is especially challenging now due to inflationary pressures on input costs, rising interest rates, and current global market uncertainties.

Results for All Minnesota Farms	2024 Actual Analysis Results	2024 Improv. Margin Mgmt.	2024 Crop Farms Actual	2025 Crop Farms Projected	2024 Dairy Farms Actual	2025 Dairy Farms Projected	2024 Hog Farms Actual	2025 Hog Farms Projected	2024 Beef Farms Actual	2025 Beef Farms Projected
Liquidity										
Current Ratio	1.9	2.0	1.9	1.9	2.2	2.2	2.1	2.1	1.8	1.8
Work. Capital to Gross Rev.	36%	38%	47%	46%	20%	19%	25%	24%	39%	38%
Solvency[1]										
Debt to Asset Ratio	34%	33%	32%	32%	34%	34%	35%	35%	44%	44%
Debt to Equity Ratio	0.51	0.50	0.48	0.48	0.52	0.52	0.54	0.54	0.77	0.77
Profitability										
Rate of Ret. on Assets	2%	4%	0%	1%	5%	6%	4%	8%	4%	4%
Oper. Profit Margin	7%	17%	1%	4%	14%	18%	12%	22%	16%	19%
Asset Turnover Rate	24%	26%	22%	22%	35%	36%	32%	35%	22%	23%
Net Farm Income	$59,037	$161,000	$11,445	$9,100	$212,530	$237,000	$213,219	$377,000	$80,890	$89,000
Repayment Capacity										
Debt Coverage Ratio	1.1	1.8	0.7	0.7	1.8	2	1.5	2.2	1.5	1.6
Replacement Coverage Ratio	0.8	1.4	0.1	0.6	1.5	1.6	1.3	1.9	1.3	1.3
Efficiency										
Oper. Expense Ratio	83%	75%	85%	82%	82%	79%	91%	87%	82%	81%
Net Worth Growth[1]										
Net Worth Change	6%	9%	4%	4%	11%	11%	7%	12%	9%	9%

Changes Used in Forecasts		Improv. Margin		Crop Projected		Dairy Projected		Hog Projected		Beef Projected
Gross Income	-	+ 5%	-	-2%	-	0%	-	+ 2%	-	+3%
Operating Expenses	-	- 5%	-	-5%	-	-3%	-	-3%	-	+1%
Interest Rates	-	0%	-	+ 2%	-	+ 2%	-	+ 2%	-	+ 2%
Current Assets	-	+ 5%	-	-2%	-	-2%	-	0%	-	0%
Noncurrent Assets	-	0%	-	0%	-	0%	-	0%	-	0%

[1] *Assets at estimated market values*

Figure 21: Projected Profitability Results for MN Farms

Crop Reports

The Crop Enterprise Analysis tables present average production, gross return, direct costs, overhead costs, and net returns per acre. There are potentially three tables for each crop, depending on land tenure: owned, cash rented, and share rented land. Farms are classified into the lowest 20% or highest 20% based on net return per acre, with the classification done separately for each table.

Gross Return per Acre includes the value of the crop produced plus any other income directly associated with crop production, such as hedging gains or losses and crop insurance payments. It does not include government payments (see Net Return with Government Payments). The only government payments included as other income in 2024 crop enterprise analysis reports include EQIP or CSP payments received to offset annual production expenses.

The *Value per Unit* is determined by the producer. For cash crops, this value is based on the actual sales price for production sold or contracted before year-end and the inventory value for crops still in inventory at year-end. The local harvest-time price is used for forages and other feed crops.

Net Return per Acre represents the amount contributed toward operator labor, management, and equity capital. Any wages and benefits paid to the operator are excluded from labor costs (and added to *Labor and Management Charge*) to ensure uniformity across all farms. Land costs include land rent on the rented land pages, but only actual interest paid and real estate taxes on owned land. Therefore, net returns from owned and rented land should not be compared.

Net Return with Government Payments is the net return per acre after adding decoupled government payments such as ARC and PLC payments. These payments are generally allocated evenly per acre across all crops except vegetables and pasture. In 2024, the estimated Emergency Commodity Assistance Program (ECAP) payments for eligible crops are also included in the government payment income.

Net Return Over Labor and Management is the return, including government payments, remaining after deducting an opportunity cost for unpaid operator labor and management. This is the per acre return to equity capital.

Cost of Production shows the average cost per unit produced in each cost category. *Total Direct and Overhead Expense per Unit* is the breakeven price needed to cover cash costs and depreciation. *Less Government and Other Income* is the breakeven price if government payments and any miscellaneous income are used to offset some expenses. *With Labor and Management* is the breakeven price to provide a labor and management return for the operator(s).

Machinery Cost per Acre includes fuel and oil, repairs, custom hire, machinery lease payments, machinery depreciation, and interest on intermediate debt.

Note: These government payments received by producers were not included in the crop analysis as they did not directly relate to 2024 crop production: Inflation Reduction Act (IRA) Section 22006 debt forgiveness for distressed borrowers; IRA 22007 discrimination financial assistance.

Corn on Owned Land

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	63	12	13
Acres	170.43	176.09	118.44
Yield per acre (bu.)	172.69	175.51	182.59
Operators share of yield %	100.00	100.00	100.00
Value per bu.	4.34	4.26	4.34
Total product return per acre	750.12	748.04	792.46
Hedging gains/losses per acre	2.13	4.44	-
Crop insurance per acre	88.00	52.16	113.31
Other crop income per acre	5.26	0.51	8.69
Gross return per acre	845.51	805.14	914.46
Direct Expenses			
Seed and plants	137.05	122.78	139.99
Fertilizer	162.99	189.05	145.96
Crop chemicals	45.81	49.22	45.10
Crop insurance	20.87	21.16	24.22
Drying expense	4.91	1.76	7.63
Storage	0.15	0.61	0.20
Fuel & oil	25.63	25.57	26.61
Repairs	62.01	75.65	59.38
Custom hire	13.65	5.98	23.01
Hired labor	0.61	1.56	-
Machinery leases	2.03	-	1.54
Hauling and trucking	1.30	-	0.27
Marketing	3.29	4.42	1.01
Operating interest	19.21	23.67	5.53
Miscellaneous	3.46	4.09	4.83
Total direct expenses per acre	502.97	525.52	485.30
Return over direct exp per acre	342.54	279.62	429.16
Overhead Expenses			
Hired labor	13.66	21.80	6.60
Machinery leases	8.02	37.68	0.07
RE & pers. property taxes	39.23	42.18	29.71
Farm insurance	17.87	13.76	19.41
Utilities	7.80	6.14	12.82
Dues & professional fees	6.47	11.11	4.13
Interest	118.95	221.31	35.33
Mach & bldg depreciation	87.75	84.85	98.97
Miscellaneous	5.76	2.14	4.79
Total overhead expenses per acre	305.51	440.98	211.82
Total dir & ovhd expenses per acre	808.48	966.50	697.12
Net return per acre	37.03	-161.35	217.34
Government payments	43.72	44.34	43.46
Net return with govt pmts	80.75	-117.02	260.79
Labor & management charge	60.71	57.11	81.14
Net return over lbr & mgt	20.04	-174.12	179.65
Cost of Production			
Total direct expense per bu.	2.91	2.99	2.66
Total dir & ovhd exp per bu.	4.68	5.51	3.82
Less govt & other income	3.88	4.93	2.91
With labor & management	4.23	5.25	3.36
Net value per unit	4.36	4.29	4.34
Machinery cost per acre	189.08	228.63	199.25
Est. labor hours per acre	2.41	1.98	2.86

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Corn on Cash Rent

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	86	17	18
Acres	386.66	573.37	279.44
Yield per acre (bu.)	184.78	183.35	193.02
Operators share of yield %	100.00	100.00	100.00
Value per bu.	4.30	4.20	4.34
Other product return per acre	0.52	-	-
Total product return per acre	794.41	769.17	838.32
Hedging gains/losses per acre	11.58	0.83	48.99
Crop insurance per acre	63.95	34.51	58.06
Other crop income per acre	3.23	0.57	15.80
Gross return per acre	873.16	805.07	961.16
Direct Expenses			
Seed and plants	130.62	128.49	129.37
Fertilizer	165.48	195.24	132.44
Crop chemicals	45.97	34.43	49.76
Crop insurance	26.02	19.59	24.10
Drying expense	5.26	5.60	6.31
Storage	1.14	1.27	0.30
Fuel & oil	26.05	32.01	19.36
Repairs	56.73	61.28	50.01
Custom hire	14.56	7.23	23.07
Hired labor	1.68	3.48	1.71
Land rent	254.35	284.16	214.05
Machinery leases	3.74	2.24	2.04
Hauling and trucking	2.05	0.04	-
Marketing	2.28	4.47	1.23
Operating interest	17.37	16.12	3.07
Miscellaneous	3.81	6.16	2.22
Total direct expenses per acre	757.13	801.82	659.03
Return over direct exp per acre	116.04	3.25	302.14
Overhead Expenses			
Hired labor	16.96	35.52	6.14
Machinery leases	14.52	21.42	12.88
Farm insurance	15.54	17.34	10.14
Utilities	6.11	5.31	3.66
Dues & professional fees	6.07	5.79	6.37
Interest	7.62	9.37	4.58
Mach & bldg depreciation	73.68	71.49	69.52
Miscellaneous	5.34	2.45	4.06
Total overhead expenses per acre	145.83	168.69	117.34
Total dir & ovhd expenses per acre	902.96	970.51	776.37
Net return per acre	-29.80	-165.44	184.80
Government payments	43.94	43.27	44.88
Net return with govt pmts	14.15	-122.17	229.68
Labor & management charge	64.50	58.70	74.99
Net return over lbr & mgt	-50.35	-180.87	154.69
Cost of Production			
Total direct expense per bu.	4.10	4.37	3.41
Total dir & ovhd exp per bu.	4.89	5.29	4.02
Less govt & other income	4.22	4.86	3.15
With labor & management	4.57	5.18	3.54
Net value per unit	4.36	4.20	4.60
Machinery cost per acre	186.55	194.80	170.02
Est. labor hours per acre	2.43	2.40	2.30

Corn on Share Rent

	Avg. Of All Farms
Number of farms	6
Acres	163.01
Yield per acre (bu.)	151.14
Operators share of yield %	54.75
Value per bu.	4.37
Total product return per acre	361.99
Hedging gains/losses per acre	0.73
Crop insurance per acre	66.19
Other crop income per acre	20.80
Gross return per acre	449.71
Direct Expenses	
Seed and plants	77.42
Fertilizer	106.62
Crop chemicals	17.68
Crop insurance	14.89
Drying expense	4.45
Storage	3.15
Fuel & oil	12.18
Repairs	69.74
Custom hire	6.54
Utilities	4.04
Operating interest	1.14
Miscellaneous	1.07
Total direct expenses per acre	318.91
Return over direct exp per acre	130.80
Overhead Expenses	
Hired labor	1.72
Machinery leases	0.66
Farm insurance	6.10
Utilities	1.68
Dues & professional fees	2.73
Interest	5.52
Mach & bldg depreciation	93.60
Miscellaneous	7.05
Total overhead expenses per acre	119.07
Total dir & ovhd expenses per acre	437.98
Net return per acre	11.73
Government payments	24.04
Net return with govt pmts	35.77
Labor & management charge	51.47
Net return over lbr & mgt	-15.70
Cost of Production	
Total direct expense per bu.	3.85
Total dir & ovhd exp per bu.	5.29
Less govt & other income	3.94
With labor & management	4.56
Net value per unit	4.38
Machinery cost per acre	173.87
Est. labor hours per acre	1.80

Corn

	Owned Land	*Cash Rent*	*Share Rent*
Number of farms	63	86	6
Acres	170.43	386.66	163.01
Yield per acre (bu.)	172.69	184.78	151.14
Operators share of yield %	100.00	100.00	54.75
Value per bu.	4.34	4.30	4.37
Other product return per acre	-	0.52	-
Total product return per acre	750.12	794.41	361.99
Hedging gains/losses per acre	2.13	11.58	0.73
Crop insurance per acre	88.00	63.95	66.19
Other crop income per acre	5.26	3.23	20.80
Gross return per acre	845.51	873.16	449.71
Direct Expenses			
Seed and plants	137.05	130.62	77.42
Fertilizer	162.99	165.48	106.62
Crop chemicals	45.81	45.97	17.68
Crop insurance	20.87	26.02	14.89
Drying expense	4.91	5.26	4.45
Storage	0.15	1.14	3.15
Fuel & oil	25.63	26.05	12.18
Repairs	62.01	56.73	69.74
Custom hire	13.65	14.56	6.54
Hired labor	0.61	1.68	-
Land rent	-	254.35	-
Machinery leases	2.03	3.74	-
Utilities	-	0.00	4.04
Hauling and trucking	1.30	2.05	-
Marketing	3.29	2.28	0.24
Operating interest	19.21	17.37	1.14
Miscellaneous	3.46	3.80	0.83
Total direct expenses per acre	502.97	757.13	318.91
Return over direct exp per acre	342.54	116.04	130.80
Overhead Expenses			
Hired labor	13.66	16.96	1.72
Machinery leases	8.02	14.52	0.66
RE & pers. property taxes	39.23	-	-
Farm insurance	17.87	15.54	6.10
Utilities	7.80	6.11	1.68
Dues & professional fees	6.47	6.07	2.73
Interest	118.95	7.62	5.52
Mach & bldg depreciation	87.75	73.68	93.60
Miscellaneous	5.76	5.34	7.05
Total overhead expenses per acre	305.51	145.83	119.07
Total dir & ovhd expenses per acre	808.48	902.96	437.98
Net return per acre	37.03	-29.80	11.73
Government payments	43.72	43.94	24.04
Net return with govt pmts	80.75	14.15	35.77
Labor & management charge	60.71	64.50	51.47
Net return over lbr & mgt	20.04	-50.35	-15.70
Cost of Production			
Total direct expense per bu.	2.91	4.10	3.85
Total dir & ovhd exp per bu.	4.68	4.89	5.29
Less govt & other income	3.88	4.22	3.94
With labor & management	4.23	4.57	4.56
Net value per unit	4.36	4.36	4.38
Machinery cost per acre	189.08	186.55	173.87
Est. labor hours per acre	2.41	2.43	1.80

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)

Corn on Cash Rent -- Trend + 2025 Projection

	2020	2021	2022	2023	2024	2025F*
Number of farms	88	89	85	89	86	
Acres	377.55	393.38	384.29	38508	386.66	
Yield per acre (bu.)	201.03	197.43	197.75	197.76	184.78	200.00
Operators share of yield %	100.00	100.00	100.00	100.00	100.00	100.00
Value per bu.	4.25	5.59	6.66	4.66	4.30	4.20
Other product return per acre	0.11	0.07	0.22	1.08	0.52	-
Total product return per acre	854.95	1,103.89	1,317.94	922.29	794.41	840.00
Hedging gains/losses per acre	-12.40	-4.05	0.26	6.60	11.58	-
Crop insurance per acre	7.19	11.53	5.71	45.98	63.95	-
Other crop income per acre	49.74	2.28	4.41	5.92	3.23	-
Gross return per acre	899.47	1,113.65	1,328.32	980.79	873.16	840.00
Direct Expenses						
Seed	103.61	104.59	112.28	119.37	130.62	135.00
Fertilizer	104.28	119.11	164.83	235.63	165.48	135.00
Crop chemicals	31.74	35.39	52.05	46.26	45.97	50.00
Crop insurance	17.93	25.93	32.96	31.26	26.02	32.00
Drying expense	7.40	7.91	10.61	9.22	5.26	12.00
Storage	0.87	0.76	0.51	0.56	1.14	-
Fuel & oil	20.67	24.75	33.35	29.73	26.05	25.00
Repairs	43.62	52.42	59.13	55.47	56.73	50.00
Custom hire	8.89	14.12	17.11	21.68	14.56	18.00
Hired labor	3.28	3.78	4.49	3.86	1.68	-
Land rent	202.78	223.99	244.57	265.33	254.35	275.00
Machinery leases	2.84	8.09	1.35	10.12	3.74	-
Hauling and trucking	0.59	0.31	0.28	0.17	2.05	-
Marketing	2.27	1.64	1.56	2.41	2.28	-
Operating interest	12.98	6.09	8.61	13.55	17.37	17.00
Miscellaneous	3.68	4.04	2.81	3.22	3.81	-
Total direct expenses per acre	567.43	632.94	746.50	847.85	757.13	749.00
Return over direct exp per acre	332.04	480.71	581.82	132.93	116.04	91.00
Overhead Expenses						
Hired labor	11.58	13.86	13.66	13.69	16.96	15.00
Machinery leases	12.12	7.36	15.14	5.34	14.52	15.00
Building leases	0.84	0.70	0.61	0.75	0.49	-
Farm insurance	11.00	11.56	13.74	12.50	15.54	14.00
Utilities	5.24	4.88	6.17	5.62	6.11	13.00
Dues & professional fees	5.98	6.01	6.01	7.07	6.07	-
Interest	4.80	4.57	4.78	6.66	7.62	6.00
Mach & bldg depreciation	58.05	59.36	61.51	6608	73.68	66.00
Miscellaneous	6.64	4.20	6.18	4.69	4.85	-
Total overhead expenses per acre	116.24	112.50	127.80	122.40	145.83	129.00
Total dir & ovhd expenses per acre	683.67	745.44	874.30	970.25	902.96	878.00
Net return per acre	215.80	368.21	454.02	10.54	-29.80	-38.00
Government payments	50.63	0.02			43.94	0.00
Net return with govt pmts	266.43	368.23	454.02	10.54	14.15	-38.00
Labor & management charge	58.84	68.76	78.11	67.88	64.50	50.00
Net return over lbr & mgt	207.58	299.47	375.91	-57.34	-50.35	-88.00
Cost of Production						
Total direct expense per bu.	2.82	3.21	3.77	4.29	4.10	3.75
Total dir & ovhd exp per bu.	3.40	3.78	4.42	4.91	4.89	4.39
Less govt & other income	2.93	3.73	4.37	4.60	4.22	4.39
With labor & management	3.22	4.07	4.76	4.95	4.57	4.64
Net value per unit	4.19	5.57	6.66	4.69	4.36	4.20
Machinery cost per acre	141.88	161.86	181.90	185.49	186.55	170.00
Est. labor hours per acre	2.04	2.06	2.36	2.34	2.43	

2025 information is a forecast

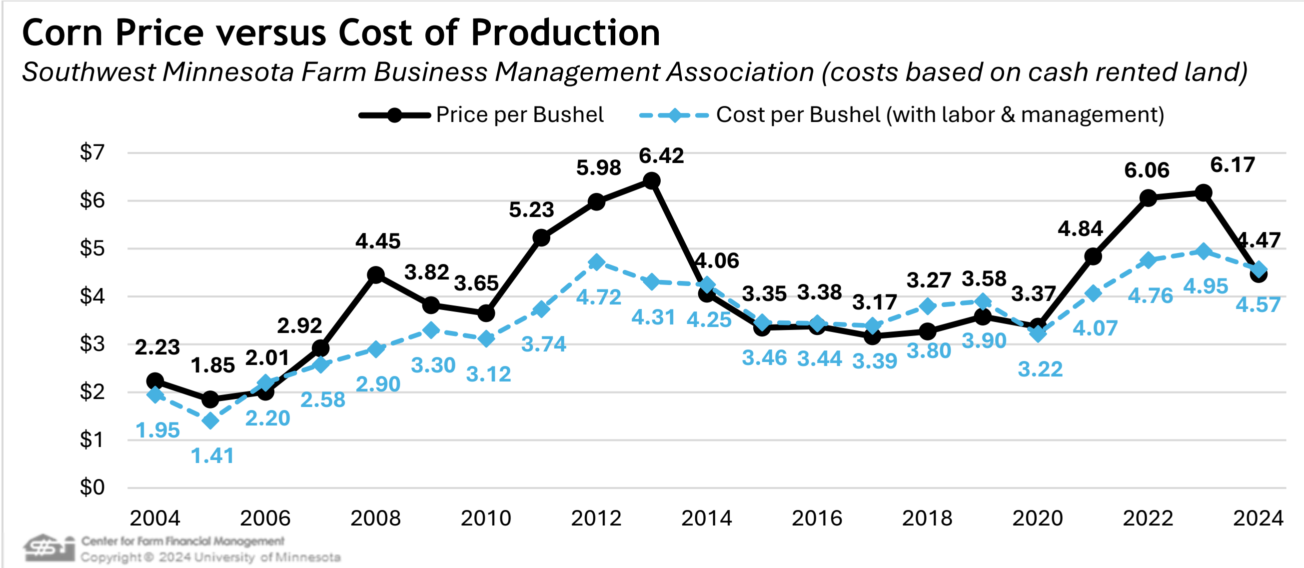

Figure 21: Corn Price versus Cost of Production Trend

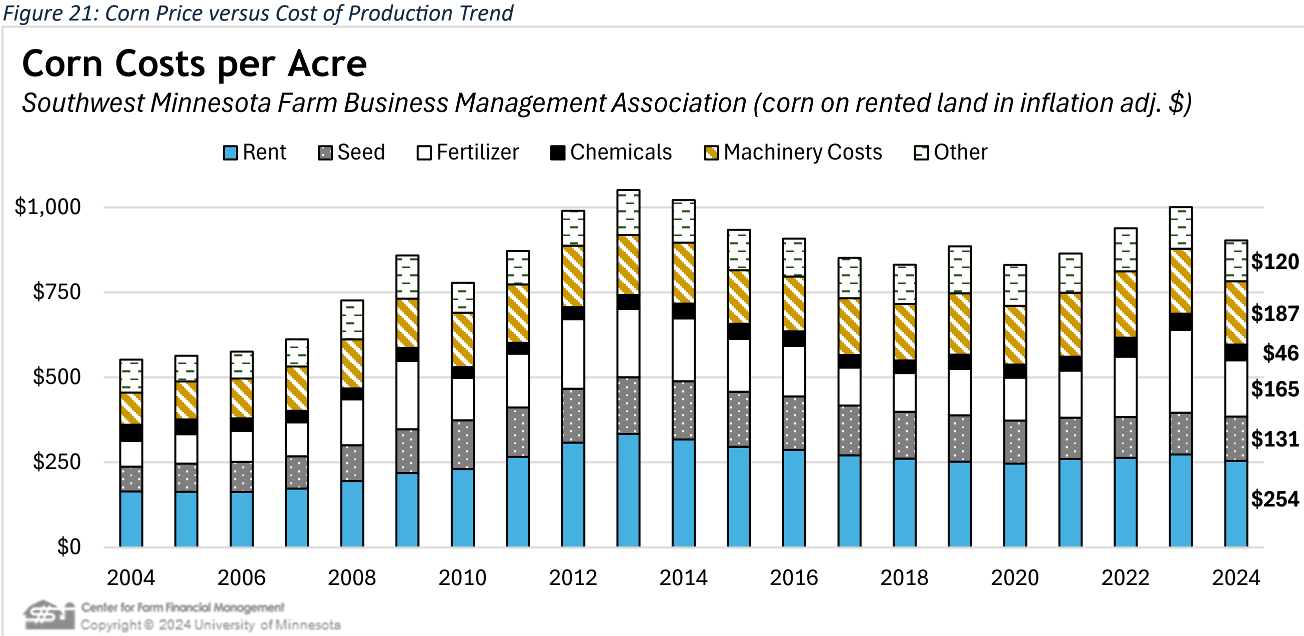

Figure 22: Major Corn Input Costs per Acre Over Time

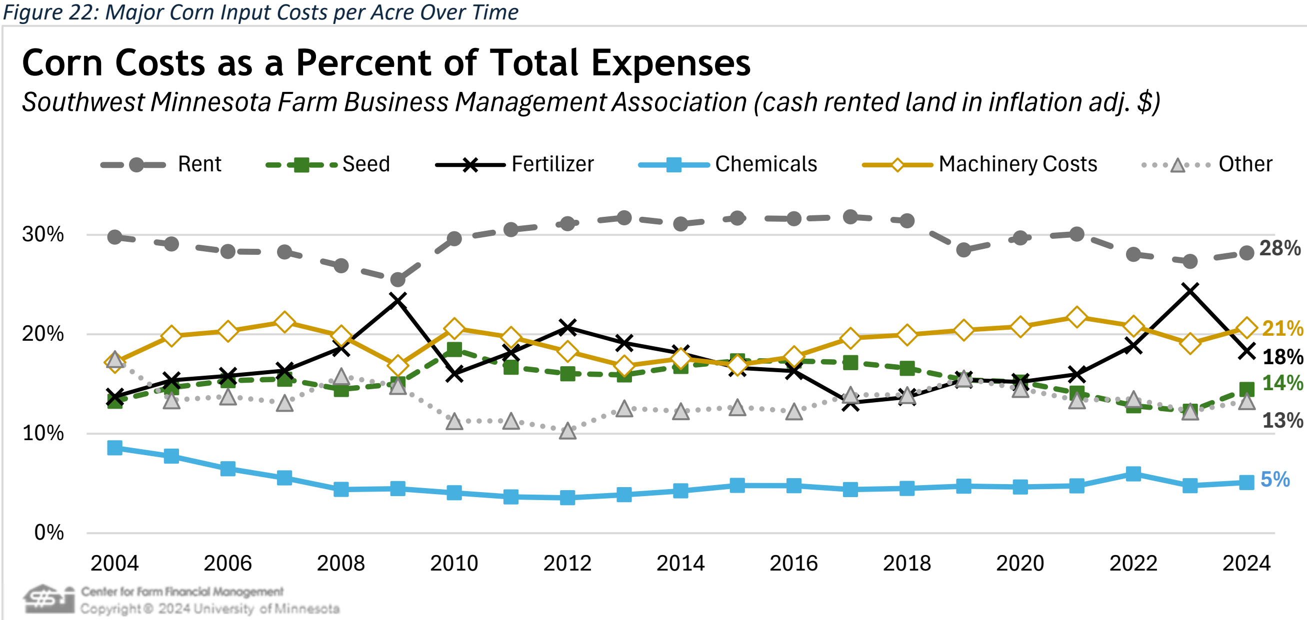

Figure 23: Major Corn Input Costs as a Percentage of Total Expenses Over Time

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Soybeans on Owned Land

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	63	12	13
Acres	166.09	155.20	137.52
Yield per acre (bu.)	47.22	44.35	50.96
Operators share of yield %	100.00	100.00	100.00
Value per bu.	9.53	9.57	9.37
Total product return per acre	449.85	424.59	477.44
Hedging gains/losses per acre	0.64	0.41	0.71
Crop insurance per acre	96.58	49.59	132.39
Other crop income per acre	1.91	-	0.19
Gross return per acre	548.98	474.59	610.73
Direct Expenses			
Seed and plants	61.41	58.05	57.66
Fertilizer	48.66	58.86	37.32
Crop chemicals	69.97	81.55	60.96
Crop insurance	19.74	11.11	24.28
Fuel & oil	19.98	18.30	12.71
Repairs	44.67	33.82	38.08
Custom hire	15.07	11.14	15.13
Machinery leases	1.93	5.99	3.74
Marketing	2.86	2.52	0.31
Operating interest	11.38	9.74	2.51
Miscellaneous	3.55	4.33	2.65
Total direct expenses per acre	299.22	295.41	255.34
Return over direct exp per acre	249.76	179.18	355.39
Overhead Expenses			
Hired labor	11.36	19.54	5.97
Machinery leases	4.82	9.16	0.13
Building leases	0.18	0.09	0.74
RE & pers. property taxes	45.10	38.09	35.09
Farm insurance	13.53	13.25	10.94
Utilities	6.79	3.45	8.82
Dues & professional fees	5.05	5.42	3.16
Interest	104.20	256.06	30.46
Mach & bldg depreciation	77.75	67.22	81.76
Miscellaneous	5.85	6.97	3.79
Total overhead expenses per acre	274.63	419.25	180.85
Total dir & ovhd expenses per acre	573.85	714.66	436.19
Net return per acre	-24.87	-240.07	174.54
Government payments	30.75	30.68	31.78
Net return with govt pmts	5.89	-209.39	206.32
Labor & management charge	50.57	40.80	58.02
Net return over lbr & mgt	-44.68	-250.19	148.30
Cost of Production			
Total direct expense per bu.	6.34	6.66	5.01
Total dir & ovhd exp per bu.	12.15	16.11	8.56
Less govt & other income	9.40	14.29	5.32
With labor & management	10.47	15.21	6.46
Net value per unit	9.54	9.58	9.38
Machinery cost per acre	156.62	138.96	145.82
Est. labor hours per acre	2.00	1.76	1.95

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Soybeans on Cash Rent

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	94	18	19
Acres	343.39	292.55	251.49
Yield per acre (bu.)	46.69	42.26	48.57
Operators share of yield %	100.00	100.00	100.00
Value per bu.	9.74	9.67	10.00
Total product return per acre	454.58	408.77	485.66
Hedging gains/losses per acre	7.21	7.54	8.68
Crop insurance per acre	85.55	77.53	88.14
Other crop income per acre	2.51	0.44	3.59
Gross return per acre	549.85	494.27	586.07
Direct Expenses			
Seed and plants	55.87	66.81	47.55
Fertilizer	47.38	52.93	28.66
Crop chemicals	64.46	77.45	52.81
Crop insurance	20.41	22.15	19.56
Storage	0.55	1.82	0.33
Fuel & oil	19.56	19.65	16.52
Repairs	45.74	64.16	33.92
Custom hire	10.50	9.44	7.95
Hired labor	1.40	6.50	0.06
Land rent	256.92	267.55	218.90
Machinery leases	3.87	18.67	3.62
Marketing	2.26	2.01	1.23
Operating interest	13.16	23.51	8.24
Miscellaneous	3.64	1.38	3.04
Total direct expenses per acre	545.73	634.04	442.41
Return over direct exp per acre	4.12	-139.76	143.66
Overhead Expenses			
Hired labor	13.99	14.87	0.93
Machinery leases	12.41	5.36	9.36
Building leases	0.41	2.00	-
Farm insurance	11.95	16.76	8.22
Utilities	4.30	5.28	3.05
Dues & professional fees	4.70	6.45	4.74
Interest	5.70	9.62	3.20
Mach & bldg depreciation	59.16	68.06	34.90
Miscellaneous	3.38	5.28	4.10
Total overhead expenses per acre	116.01	133.69	68.50
Total dir & ovhd expenses per acre	661.74	767.72	510.91
Net return per acre	-111.90	-273.45	75.16
Government payments	30.39	31.43	29.87
Net return with govt pmts	-81.50	-242.02	105.03
Labor & management charge	50.21	49.08	54.84
Net return over lbr & mgt	-131.71	-291.10	50.19
Cost of Production			
Total direct expense per bu.	11.69	15.00	9.11
Total dir & ovhd exp per bu.	14.17	18.17	10.52
Less govt & other income	11.48	15.40	7.84
With labor & management	12.56	16.56	8.96
Net value per unit	9.89	9.85	10.18
Machinery cost per acre	148.63	183.54	103.72
Est. labor hours per acre	1.83	2.14	1.99

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Net Return)

Soybeans on Share Rent

	Avg. Of All Farms
Number of farms	13
Acres	156.86
Yield per acre (bu.)	44.21
Operators share of yield %	54.90
Value per bu.	9.78
Total product return per acre	237.34
Hedging gains/losses per acre	1.33
Crop insurance per acre	66.05
Other crop income per acre	15.84
Gross return per acre	320.56
Direct Expenses	
Seed and plants	41.04
Fertilizer	20.83
Crop chemicals	41.14
Crop insurance	11.71
Fuel & oil	13.75
Repairs	45.81
Custom hire	8.64
Marketing	1.32
Operating interest	3.03
Miscellaneous	1.15
Total direct expenses per acre	188.42
Return over direct exp per acre	132.14
Overhead Expenses	
Hired labor	9.89
Machinery leases	10.34
Farm insurance	6.47
Utilities	1.99
Dues & professional fees	2.60
Interest	3.44
Mach & bldg depreciation	54.11
Miscellaneous	6.22
Total overhead expenses per acre	95.06
Total dir & ovhd expenses per acre	283.48
Net return per acre	37.08
Government payments	15.14
Net return with govt pmts	52.22
Labor & management charge	53.42
Net return over lbr & mgt	-1.20
Cost of Production	
Total direct expense per bu.	7.76
Total dir & ovhd exp per bu.	11.68
Less govt & other income	7.63
With labor & management	9.83
Net value per unit	9.84
Machinery cost per acre	127.91
Est. labor hours per acre	1.85

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

Soybeans

	Owned Land	*Cash Rent*	*Share Rent*
Number of farms	63	94	13
Acres	166.09	343.39	156.86
Yield per acre (bu.)	47.22	46.69	44.21
Operators share of yield %	100.00	100.00	54.90
Value per bu.	9.53	9.74	9.78
Total product return per acre	449.85	454.58	237.34
Hedging gains/losses per acre	0.64	7.21	1.33
Crop insurance per acre	96.58	85.55	66.05
Other crop income per acre	1.91	2.51	15.84
Gross return per acre	548.98	549.85	320.56
Direct Expenses			
Seed and plants	61.41	55.87	41.04
Fertilizer	48.66	47.38	20.83
Crop chemicals	69.97	64.46	41.14
Crop insurance	19.74	20.41	11.71
Storage	0.15	0.55	0.07
Fuel & oil	19.98	19.56	13.75
Repairs	44.67	45.74	45.81
Custom hire	15.07	10.50	8.64
Hired labor	0.04	1.40	-
Land rent	-	256.92	-
Machinery leases	1.93	3.87	-
Marketing	2.86	2.26	1.32
Operating interest	11.38	13.16	3.03
Miscellaneous	3.35	3.64	1.09
Total direct expenses per acre	299.22	545.73	188.42
Return over direct exp per acre	249.76	4.12	132.14
Overhead Expenses			
Hired labor	11.36	13.99	9.89
Machinery leases	4.82	12.41	10.34
RE & pers. property taxes	45.10	-	-
Farm insurance	13.53	11.95	6.47
Utilities	6.79	4.30	1.99
Dues & professional fees	5.05	4.70	2.60
Interest	104.20	5.70	3.44
Mach & bldg depreciation	77.75	59.16	54.11
Miscellaneous	6.03	3.79	6.22
Total overhead expenses per acre	274.63	116.01	95.06
Total dir & ovhd expenses per acre	573.85	661.74	283.48
Net return per acre	-24.87	-111.90	37.08
Government payments	30.75	30.39	15.14
Net return with govt pmts	5.89	-81.50	52.22
Labor & management charge	50.57	50.21	53.42
Net return over lbr & mgt	-44.68	-131.71	-1.20
Cost of Production			
Total direct expense per bu.	6.34	11.69	7.76
Total dir & ovhd exp per bu.	12.15	14.17	11.68
Less govt & other income	9.40	11.48	7.63
With labor & management	10.47	12.56	9.83
Net value per unit	9.54	9.89	9.84
Machinery cost per acre	156.62	148.63	127.91
Est. labor hours per acre	2.00	1.83	1.85

Crop Enterprise Analysis

Southwest Minnesota Farm Business Management Association

(Farms Sorted By Years)

Soybeans on Cash Rent -- Trend + 2025 Projection

	2020	2021	2022	2023	2024	2025F*
Number of farms	85	82	85	85	94	
Acres	352.89	379.36	350.58	350.42	343.39	
Yield per acre (bu.)	57.12	56.89	52.23	54.11	46.69	58.00
Operators share of yield %	100.00	100.00	100.00	100.00	100.00	100.00
Value per bu.	11.01	12.93	14.14	12.72	9.74	9.50
Total product return per acre	629.21	735.76	738.39	688.30	454.58	580.00
Hedging gains/losses per acre	-31.08	-2.17	4.15	3.32	7.21	-
Crop insurance per acre	5.97	2.09	8.35	18.28	85.55	-
Other crop income per acre	22.00	2.68	1.85	7.91	2.51	-
Gross return per acre	626.10	738.35	752.73	717.82	549.85	551.00
Direct Expenses						
Seed	48.62	49.41	55.10	55.26	55.87	56.00
Fertilizer	30.36	35.47	50.75	65.47	47.38	30.00
Crop chemicals	47.41	42.96	68.42	70.72	64.46	70.00
Crop insurance	15.24	24.27	28.55	25.95	20.41	20.00
Storage	0.29	0.31	0.28	0.71	0.55	-
Fuel & oil	15.67	19.25	27.46	24.64	19.56	20.00
Repairs	33.17	39.58	51.26	44.45	45.74	46.00
Custom hire	7.06	10.09	13.47	13.84	10.50	12.00
Hired labor	2.96	4.01	3.86	4.61	1.40	-
Land rent	210.25	224.55	243.24	26409	256.92	275.00
Machinery leases	2.88	8.03	1.39	9.72	3.87	-
Hauling and trucking	0.51	0.29	0.18	0.11	0.29	-
Marketing	2.40	1.30	1.63	2.46	2.26	-
Operating interest	9.01	4.30	6.35	10.14	13.16	10.00
Miscellaneous	2.75	4.00	2.99	3.17	3.36	-
Total direct expenses per acre	428.58	467.82	554.94	595.33	545.73	539.00
Return over direct exp per acre	197.52	270.53	197.79	122.48	4.12	12.00
Overhead Expenses						
Hired labor	11.44	9.84	13.31	11.02	13.99	15.00
Machinery leases	12.47	6.93	14.02	5.36	12.41	12.00
Building leases	0.82	0.45	0.49	0.70	0.41	-
Farm insurance	8.01	8.33	9.64	10.20	11.95	14.00
Utilities	3.81	3.88	4.38	4.80	4.30	13.00
Dues & professional fees	3.64	4.18	3.75	5.08	4.70	-
Interest	3.34	3.16	3.50	5.20	5.70	6.00
Mach & bldg depreciation	41.96	50.47	48.58	55.55	59.16	66.00
Miscellaneous	4.99	2.93	4.74	3.60	3.38	-
Total overhead expenses per acre	90.47	90.17	102.41	101.51	116.01	126.00
Total dir & ovhd expenses per acre	519.05	557.99	657.35	696.84	661.74	665.00
Net return per acre	107.05	180.36	95.38	20.97	-111.90	-114.00
Government payments	47.08	0.01			30.39	-
Net return with govt pmts	154.13	180.37	95.38	20.97	-81.50	-114.00
Labor & management charge	46.39	55.79	60.80	55.20	50.21	50.00
Net return over lbr & mgt	107.74	124.58	34.58	-34.22	-131.71	-164.00
Cost of Production						
Total direct expense per bu.	7.50	8.22	10.62	11.00	11.69	9.29
Total dir & ovhd exp per bu.	9.09	9.81	12.58	12.88	14.17	11.47
Less govt & other income	8.32	9.76	12.31	12.33	11.48	11.47
With labor & management	9.13	10.74	13.47	13.35	12.56	12.33
Net value per unit	10.47	12.90	14.22	12.78	9.89	9.50
Machinery cost per acre	109.89	130.47	151.73	150.37	148.63	152.00
Est. labor hours per acre	1.64	1.67	1.79	1.89	1.83	

Trend Information is FINBIN Report number 848550

2025 information is a forecast

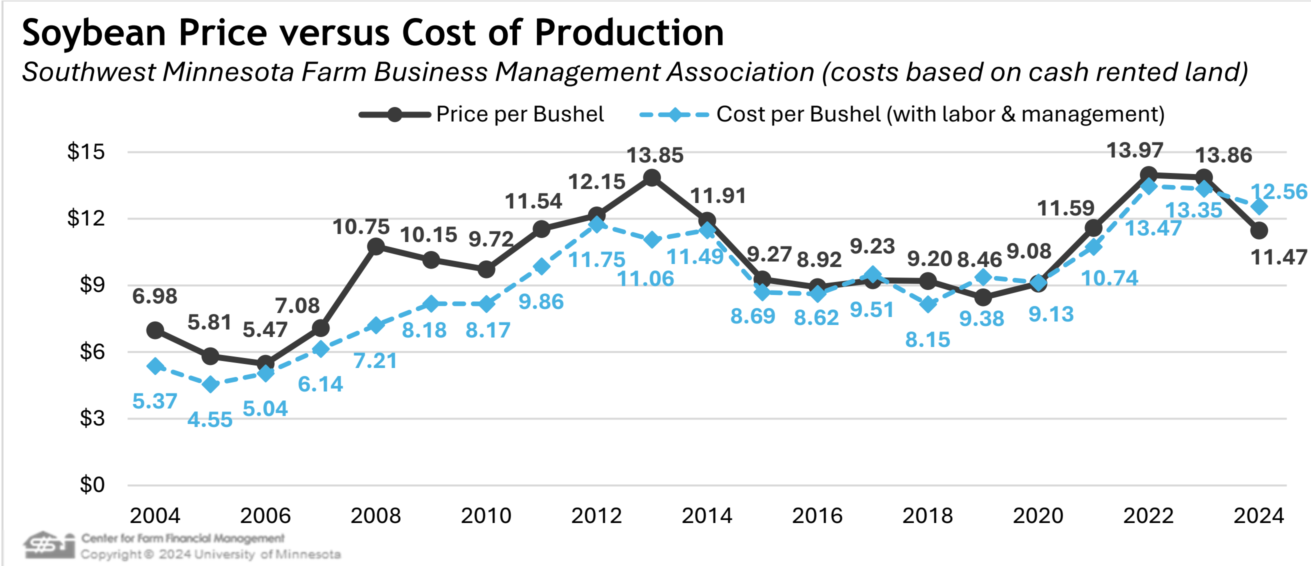

Figure 24: Soybean Prices versus Cost of Production Trend

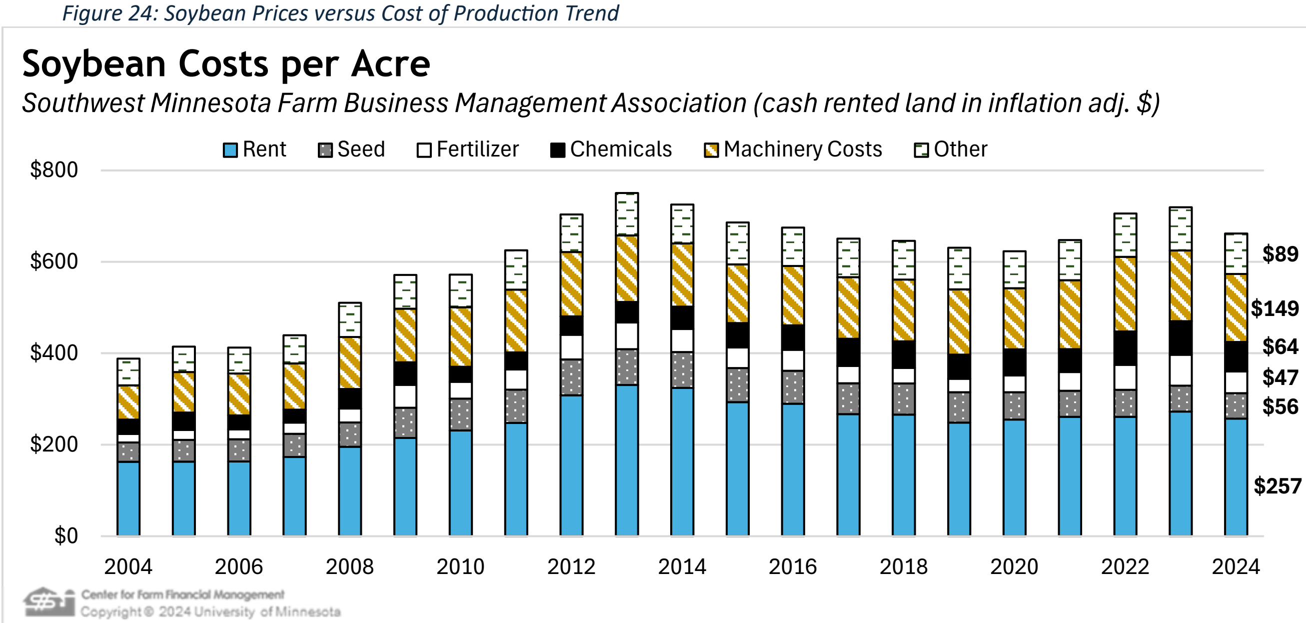

Figure 25: Major Soybean Input Costs Over Time

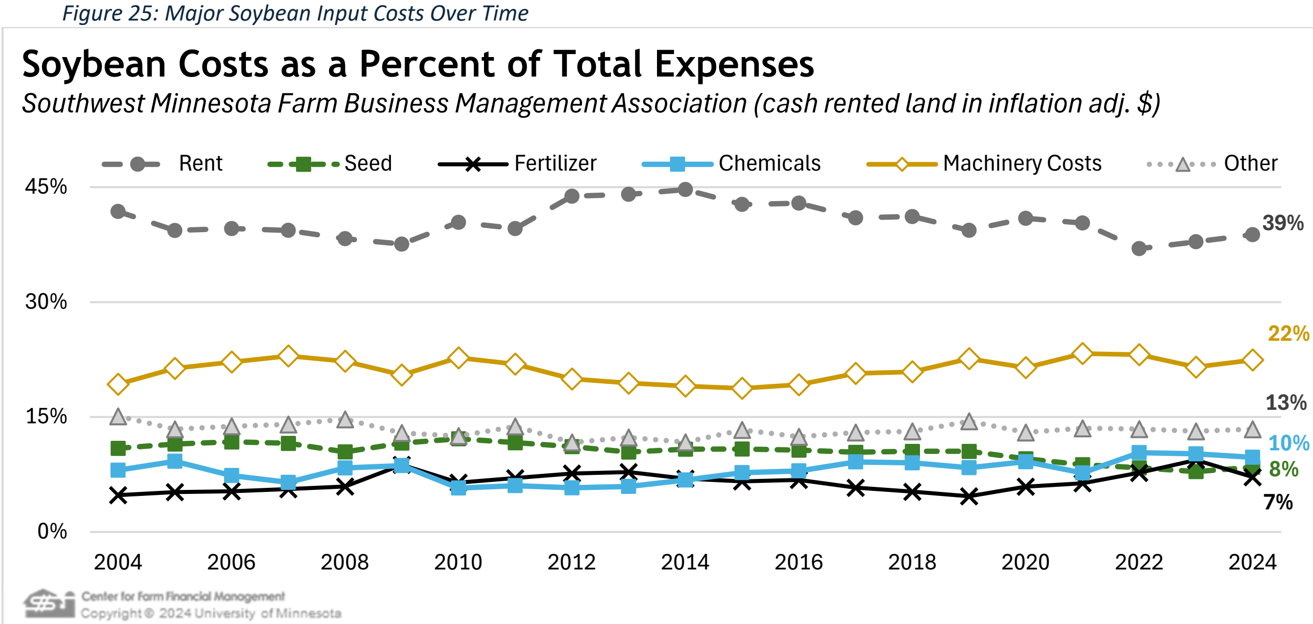

Figure 26: Major Soybean Input Costs as a Percent of Total Expenses Over Time

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

Corn Silage

	Owned Land	Cash Rent
Number of farms	5	8
Acres	270.99	57.30
Yield per acre (ton)	19.77	20.68
Operators share of yield %	100.00	100.00
Value per ton	34.96	41.81
Total product return per acre	691.00	864.35
Hedging gains/losses per acre	-	35.27
Crop insurance per acre	88.44	12.28
Gross return per acre	779.43	911.90
Direct Expenses		
Seed and plants	111.87	119.25
Fertilizer	242.65	114.50
Crop chemicals	31.03	56.96
Crop insurance	11.28	30.55
Packaging and supplies	-	3.27
Fuel & oil	9.72	33.86
Repairs	29.91	86.51
Custom hire	1.59	70.16
Hired labor	-	0.80
Land rent	-	218.74
Operating interest	10.72	25.51
Miscellaneous	0.43	5.50
Total direct expenses per acre	449.21	765.61
Return over direct exp per acre	330.23	146.29
Overhead Expenses		
Hired labor	2.30	12.83
Machinery leases	0.33	15.27
Building leases	0.02	0.81
RE & pers. property taxes	48.25	-
Farm insurance	3.09	12.96
Utilities	2.76	11.61
Dues & professional fees	1.89	7.62
Interest	198.77	6.99
Mach & bldg depreciation	142.99	103.44
Miscellaneous	4.40	2.42
Total overhead expenses per acre	404.80	173.94
Total dir & ovhd expenses per acre	854.01	939.55
Net return per acre	-74.57	-27.65
Government payments	47.41	45.10
Net return with govt pmts	-27.17	17.45
Labor & management charge	47.52	83.57
Net return over lbr & mgt	-74.69	-66.12
Cost of Production		
Total direct expense per ton	22.72	37.03
Total dir & ovhd exp per ton	43.20	45.44
Less govt & other income	36.33	40.96
With labor & management	38.73	45.00
Net value per unit	34.96	43.51
Machinery cost per acre	182.82	299.80
Est. labor hours per acre	1.18	2.82

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)
Corn Silage on Cash Rent -- Trend

	2020	2021	2022	2023	2024
Number of farms	9	6	10	9	8
Acres	76.01	104.27	42.60	69.72	57.30
Yield per acre (ton)	20.61	27.13	23.23	24.59	20.68
Operators share of yield %	100.00	100.00	100.00	100.00	100.00
Value per ton	33.68	47.93	62.10	43.56	41.81
Total product return per acre	694.22	1,300.49	1,442.35	1,071.39	864.35
Hedging gains/losses per acre	-	-	-14.22	-0.76	35.27
Crop insurance per acre	12.81	-	27.32	4.43	12.28
Other crop income per acre	64.81	17.53	-	-	-
Gross return per acre	771.84	1,318.02	1,455.45	1,075.05	911.90
Direct Expenses					
Seed	101.06	99.84	103.35	110.38	119.25
Fertilizer	98.50	134.24	166.44	164.86	114.50
Crop chemicals	37.10	29.51	45.54	34.59	56.96
Cover crop expense	8.13	-	-	-	-
Crop insurance	11.96	16.96	34.03	18.45	30.55
Packaging and supplies	-	-	-	-	3.27
Fuel & oil	10.73	13.31	36.63	19.83	33.86
Repairs	29.71	26.26	54.98	33.55	86.51
Custom hire	13.92	9.96	73.49	45.40	70.16
Hired labor	0.36	0.01	0.82	0.42	0.80
Land rent	217.75	291.23	230.63	258.17	218.74
Marketing	1.11	-	-	0.15	-
Operating interest	7.40	1.08	10.06	7.30	25.51
Miscellaneous	3.22	0.10	1.51	1.68	5.50
Total direct expenses per acre	540.94	622.49	757.48	694.79	765.61
Return over direct exp per acre	230.90	695.53	697.97	380.26	146.29
Overhead Expenses					
Hired labor	3.90	8.57	2.83	6.73	12.83
Machinery leases	14.84	20.29	15.64	0.00	15.27
Building leases	0.02	0.01	-	-	0.81
Farm insurance	4.54	3.20	7.51	4.79	12.96
Utilities	7.33	6.92	6.99	5.32	11.61
Dues & professional fees	2.09	1.33	2.60	2.21	7.62
Interest	5.34	2.30	5.68	3.06	6.99
Mach & bldg depreciation	84.79	64.16	64.90	94.78	103.44
Miscellaneous	4.49	4.00	4.28	2.67	2.42
Total overhead expenses per acre	127.32	110.79	110.44	119.57	173.94
Total dir & ovhd expenses per acre	668.27	733.28	867.92	814.36	939.55
Net return per acre	103.57	584.74	587.53	260.69	-27.65
Government payments	60.91	0.00	-	-	45.10
Net return with govt pmts	164.48	584.74	587.53	260.69	17.45
Labor & management charge	72.29	72.95	77.37	49.31	83.57
Net return over lbr & mgt	92.20	511.79	510.16	211.38	-66.12
Cost of Production					
Total direct expense per ton	26.24	22.94	32.61	28.25	37.03
Total dir & ovhd exp per ton	32.42	27.03	37.37	33.11	45.44
Less govt & other income	25.70	26.38	36.80	32.96	40.96
With labor & management	29.20	29.07	40.13	34.97	45.00
Net value per unit	33.68	47.93	61.49	43.53	43.51
Machinery cost per acre	141.37	128.54	239.88	185.46	299.80
Est. labor hours per acre	2.12	2.01	2.32	1.64	2.82

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

Hay, Alfalfa

	Owned Land	Cash Rent
Number of farms	8	5
Acres	87.88	21.40
Yield per acre (ton)	4.77	5.04
Operators share of yield %	100.00	100.00
Value per ton	129.03	99.07
Total product return per acre	615.14	499.56
Crop insurance per acre	1.22	-
Gross return per acre	616.37	499.56
Direct Expenses		
Fertilizer	95.92	56.95
Fuel & oil	11.29	13.07
Repairs	30.84	35.64
Custom hire	3.17	25.69
Land rent	-	173.68
Operating interest	10.75	2.91
Miscellaneous	1.59	-
Total direct expenses per acre	153.58	307.93
Return over direct exp per acre	462.79	191.63
Overhead Expenses		
Hired labor	1.58	0.04
RE & pers. property taxes	45.06	-
Farm insurance	4.58	9.11
Utilities	3.13	5.64
Dues & professional fees	2.11	1.09
Interest	196.58	0.34
Mach & bldg depreciation	136.40	57.90
Miscellaneous	3.60	0.73
Total overhead expenses per acre	393.03	74.85
Total dir & ovhd expenses per acre	546.61	382.78
Net return per acre	69.76	116.78
Government payments	-	-
Net return with govt pmts	69.76	116.78
Labor & management charge	45.59	46.74
Net return over lbr & mgt	24.17	70.04
Cost of Production		
Total direct expense per ton	32.21	61.07
Total dir & ovhd exp per ton	114.65	75.91
Less govt & other income	114.40	75.91
With labor & management	123.96	85.18
Net value per unit	129.03	99.07
Machinery cost per acre	179.59	124.92
Est. labor hours per acre	1.17	2.56

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Years)
Hay, Alfalfa on Cash Rent -- Trend

	2020	2021	2022	2023	2024
Number of farms	8	8	6	6	5
Acres	79.56	35.18	20.28	22.29	21.40
Yield per acre (ton)	4.84	5.84	5.21	4.25	5.04
Operators share of yield %	100.00	100.00	100.00	100.00	100.00
Value per ton	118.82	175.59	194.29	169.61	99.07
Total product return per acre	575.31	1,025.43	1,011.28	720.94	499.56
Crop insurance per acre	-	-	12.74	4.22	-
Other crop income per acre	13.88	-	-	-	-
Gross return per acre	589.19	1,025.43	1,024.02	725.16	499.56
Direct Expenses					
Fertilizer	58.79	56.06	15.94	130.71	56.95
Crop chemicals	4.80	2.41	-	10.05	-
Crop insurance	4.32	2.04	13.68	15.25	-
Fuel & oil	11.66	20.82	47.97	29.36	13.07
Repairs	31.24	47.49	63.33	54.69	35.64
Custom hire	6.79	9.85	14.27	15.66	25.69
Hired labor	6.96	5.15	12.82	-	-
Land rent	212.33	188.02	206.68	189.28	173.68
Machinery leases	-	2.19	-	22.43	-
Marketing	0.50	-	-	-	-
Operating interest	4.18	2.76	4.25	10.57	2.91
Miscellaneous	2.42	2.63	-	-	-
Total direct expenses per acre	344.01	339.43	378.95	478.01	307.93
Return over direct exp per acre	245.18	686.00	645.07	247.15	191.63
Overhead Expenses					
Hired labor	0.31	1.87	11.41	11.16	0.04
Machinery leases	4.78	2.22	5.09	0.00	0.10
Farm insurance	7.38	7.73	16.12	11.19	9.11
Utilities	4.39	4.33	10.97	9.52	5.64
Dues & professional fees	1.21	2.13	3.46	2.18	1.09
Interest	3.18	2.46	2.83	2.10	0.34
Mach & bldg depreciation	77.36	74.77	72.91	49.10	57.90
Miscellaneous	2.97	1.78	2.33	5.12	0.63
Total overhead expenses per acre	101.57	97.30	125.12	90.36	74.85
Total dir & ovhd expenses per acre	445.58	436.74	504.07	568.37	382.78
Net return per acre	143.60	588.69	519.95	156.79	116.78
Government payments	50.37	0.00	-	-	-
Net return with govt pmts	193.97	588.70	519.95	156.79	116.78
Labor & management charge	67.43	79.99	92.79	94.90	46.74
Net return over lbr & mgt	126.54	508.71	427.17	61.89	70.04
Cost of Production					
Total direct expense per ton	71.05	58.12	72.80	112.46	61.07
Total dir & ovhd exp per ton	92.03	74.78	96.84	133.72	75.91
Less govt & other income	78.76	74.78	94.39	132.73	75.91
With labor & management	92.68	88.48	112.22	155.05	85.18
Net value per unit	118.82	175.59	194.29	169.61	99.07
Machinery cost per acre	123.19	149.07	192.45	156.83	124.92
Est. labor hours per acre	2.01	1.93	4.37	4.55	2.56

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

CRP

	Owned Land
Number of farms	11
Acres	42.82
Gross return per acre	193.38
Direct Expenses	
Fuel & oil	4.03
Repairs	5.57
Land rent	-
Operating interest	1.47
Total direct expenses per acre	11.06
Return over direct exp per acre	182.32
Overhead Expenses	
Hired labor	1.51
Machinery leases	2.02
RE & pers. property taxes	28.45
Farm insurance	1.88
Utilities	1.22
Dues & professional fees	1.60
Interest	57.01
Mach & bldg depreciation	9.58
Miscellaneous	0.49
Total overhead expenses per acre	103.78
Total dir & ovhd expenses per acre	114.84
Net return per acre	78.54
Government payments	-
Net return with govt pmts	78.54
Labor & management charge	7.83
Net return over lbr & mgt	70.71
Machinery cost per acre	20.20
Est. labor hours per acre	0.27

Crop Enterprise Analysis
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Crop Tenure Type)

Pasture

	Owned Land	Cash Rent
Number of farms	5	5
Acres	137.80	211.60
Yield per acre (aum)	2.55	2.12
Operators share of yield %	100.00	100.00
Value per aum	28.86	32.90
Other product return per acre	-	5.82
Total product return per acre	73.70	75.62
Crop insurance per acre	-	2.90
Gross return per acre	73.70	78.52
Direct Expenses		
Crop chemicals	2.04	3.63
Fuel & oil	2.59	2.81
Repairs	3.22	4.30
Land rent	-	68.75
Operating interest	2.75	3.20
Miscellaneous	-	0.12
Total direct expenses per acre	10.60	82.81
Return over direct exp per acre	63.09	-4.29
Overhead Expenses		
Hired labor	1.09	0.41
RE & pers. property taxes	7.99	-
Farm insurance	1.44	1.28
Interest	64.58	0.88
Mach & bldg depreciation	2.56	4.08
Miscellaneous	1.51	1.05
Total overhead expenses per acre	79.17	7.70
Total dir & ovhd expenses per acre	89.77	90.51
Net return per acre	-16.08	-11.99
Government payments	-	-
Net return with govt pmts	-16.08	-11.99
Labor & management charge	3.38	2.80
Net return over lbr & mgt	-19.45	-14.79
Cost of Production		
Total direct expense per aum	4.15	39.03
Total dir & ovhd exp per aum	35.16	42.66
Less govt & other income	35.16	38.55
With labor & management	36.48	39.87
Net value per unit	28.86	32.90
Machinery cost per acre	9.13	10.50
Est. labor hours per acre	0.17	0.11

Double Crop Cover crop mix

	Cash Rent
Number of farms	5
Acres	290.62
Gross return per acre	12.39
Direct Expenses	
Seed and plants	30.01
Fuel & oil	2.62
Repairs	6.88
Custom hire	2.66
Operating interest	6.12
Total direct expenses per acre	48.28
Return over direct exp per acre	-35.89
Overhead Expenses	
Machinery leases	2.30
Farm insurance	1.32
Dues & professional fees	0.93
Interest	2.81
Mach & bldg depreciation	6.15
Miscellaneous	1.18
Total overhead expenses per acre	14.68
Total dir & ovhd expenses per acre	62.96
Net return per acre	-50.57
Government payments	-
Net return with govt pmts	-50.57
Labor & management charge	10.22
Net return over lbr & mgt	-60.79
Machinery cost per acre	22.50
Est. labor hours per acre	0.27

Double Crop Cover crop rye mix

	Cash Rent
Number of farms	5
Acres	189.76
Gross return per acre	59.55
Direct Expenses	
Seed and plants	18.05
Fuel & oil	2.09
Repairs	5.84
Custom hire	8.72
Operating interest	1.29
Total direct expenses per acre	35.99
Return over direct exp per acre	23.56
Overhead Expenses	
Machinery leases	2.33
Farm insurance	1.60
Utilities	0.53
Dues & professional fees	0.72
Interest	0.32
Mach & bldg depreciation	11.75
Miscellaneous	1.28
Total overhead expenses per acre	18.54
Total dir & ovhd expenses per acre	54.53
Net return per acre	5.03
Government payments	-
Net return with govt pmts	5.03
Labor & management charge	6.95
Net return over lbr & mgt	-1.92
Machinery cost per acre	29.44
Est. labor hours per acre	0.26

Cover Crop Analysis
Southern Minnesota Farms

Corn on Owned Land - Cover Crop Impact

	No Cover Crop	Grown after Cover Crop	Cover Crop Enterprise	Combined with Cover Crop
Number of farms	729	15	15	15
Acres	163.18	107.79	107.79	107.79
Yield per acre (bu.)	183.16	166.78	-	-
Operators share of yield %	100.00	100.00	-	-
Value per bu.	4.41	4.47	-	-
Other product return per acre	0.32	3.47	-	3.47
Total product return per acre	808.24	748.27	8.50	756.77
Hedging gains/losses per acre	1.51	-	-	-
Crop insurance per acre	92.22	138.58	-	138.58
Other crop income per acre	2.44	31.33	6.92	38.25
Gross return per acre	904.42	918.18	15.42	933.60
Direct Expenses				
Seed and plants	129.65	113.39	20.14	133.53
Fertilizer	191.97	184.59	0.88	185.46
Crop chemicals	54.37	58.13	-	58.13
Crop insurance	30.25	27.24	-	27.24
Drying expense	10.56	5.26	-	5.26
Storage	1.83	0.00	-	0.00
Packaging and supplies	0.01	-	0.81	0.81
Fuel & oil	30.19	23.34	3.89	27.23
Repairs	67.24	62.60	8.65	71.25
Custom hire	18.80	29.28	0.98	30.26
Hired labor	3.30	0.03	-	0.03
Machinery leases	1.82	-	-	-
Utilities	1.25	0.15	-	0.15
Hauling and trucking	5.18	-	-	-
Marketing	1.75	3.55	-	3.55
Operating interest	21.26	9.06	2.06	11.12
Miscellaneous	3.54	0.99	-	0.99
Total direct expenses per acre	572.94	517.62	37.40	555.02
Return over direct exp per acre	331.47	400.56	-21.99	378.57
Overhead Expenses				
Hired labor	15.11	16.85	3.57	20.42
Machinery leases	2.26	1.24	0.31	1.54
Building leases	1.13	0.07	0.02	0.08
RE & pers. property taxes	45.68	35.19	0.18	35.37
Farm insurance	20.98	24.89	3.34	28.23
Utilities	7.58	8.07	1.51	9.58
Dues & professional fees	6.49	8.60	1.14	9.74
Interest	119.22	87.51	1.92	89.43
Mach & bldg depreciation	87.47	74.83	12.12	86.94
Miscellaneous	9.02	3.58	0.71	4.29
Total overhead expenses per acre	314.93	260.82	24.81	285.63
Total dir & ovhd expenses per acre	887.87	778.44	62.21	840.65
Net return per acre	16.54	139.74	-46.79	92.94
Government payments	42.36	44.59	0.43	45.02
Net return with govt pmts	58.90	184.33	-46.36	137.97
Labor & management charge	63.98	61.24	9.83	71.07
Net return over lbr & mgt	-5.07	123.09	-56.19	66.90
Cost of Production				
Total direct expense per bu.	3.13	3.10	-	3.32
Total dir & ovhd exp per bu.	4.85	4.67	-	5.03
Less govt & other income	4.09	3.36	-	3.68
With labor & management	4.44	3.73	-	4.10
Net value per unit	4.42	4.47	-	4.50
Machinery cost per acre	202.95	188.53	26.07	214.60
Est. labor hours per acre	2.76	3.48	0.59	4.08

Cover Crop Analysis
Southern Minnesota Farms

Corn on Cash Rent - Cover Crop Impact

	No Cover Crop	Grown after Cover Crop	Cover Crop Enterprise	Combined with Cover Crop
Number of farms	1097	21	21	21
Acres	369.86	130.39	130.39	130.39
Yield per acre (bu.)	182.33	181.34	-	-
Operators share of yield %	100.00	100.00	-	-
Value per bu.	4.45	4.31	-	-
Other product return per acre	0.24	-	1.58	1.58
Total product return per acre	811.86	780.78	2.49	783.27
Hedging gains/losses per acre	2.25	10.58	-	10.58
Crop insurance per acre	92.24	97.91	-	97.91
Other crop income per acre	1.94	17.05	22.19	39.24
Gross return per acre	908.29	906.32	24.69	931.00
Direct Expenses				
Seed and plants	127.43	128.04	18.11	146.15
Fertilizer	191.76	178.37	0.35	178.72
Crop chemicals	53.51	57.12	-	57.12
Crop insurance	29.83	33.77	-	33.77
Drying expense	9.33	9.31	-	9.31
Storage	2.88	3.41	-	3.41
Fuel & oil	28.74	24.42	4.38	28.80
Repairs	60.82	46.85	9.14	55.99
Custom hire	19.34	15.06	3.52	18.58
Hired labor	5.11	0.02	0.02	0.04
Land rent	257.81	239.93	-	239.93
Machinery leases	4.00	0.01	-	0.01
Utilities	1.32	0.25	-	0.25
Hauling and trucking	3.37	0.37	-	0.37
Marketing	1.83	1.83	-	1.83
Operating interest	20.67	23.90	5.03	28.94
Miscellaneous	3.00	0.10	0.10	0.20
Total direct expenses per acre	820.75	762.75	40.66	803.41
Return over direct exp per acre	87.54	143.56	-15.97	127.59
Overhead Expenses				
Hired labor	15.29	12.67	2.62	15.29
Machinery leases	4.18	19.15	2.15	21.30
Building leases	2.18	0.80	0.22	1.02
Farm insurance	15.99	11.72	2.18	13.90
Utilities	5.74	6.10	1.21	7.31
Dues & professional fees	6.11	5.94	1.25	7.19
Interest	9.80	5.43	1.40	6.83
Mach & bldg depreciation	66.07	47.84	9.13	56.97
Miscellaneous	7.68	4.42	0.76	5.18
Total overhead expenses per acre	133.05	114.08	20.92	135.00
Total dir & ovhd expenses per acre	953.80	876.83	61.58	938.41
Net return per acre	-45.51	29.49	-36.89	-7.40
Government payments	42.45	47.07	-	47.07
Net return with govt pmts	-3.06	76.56	-36.89	39.67
Labor & management charge	57.73	68.67	12.30	80.98
Net return over lbr & mgt	-60.80	7.88	-49.19	-41.31
Cost of Production				
Total direct expense per bu.	4.50	4.21	-	4.43
Total dir & ovhd exp per bu.	5.23	4.84	-	5.17
Less govt & other income	4.47	3.88	-	4.09
With labor & management	4.78	4.26	-	4.54
Net value per unit	4.46	4.36	-	4.37
Machinery cost per acre	183.80	152.77	28.66	181.42
Est. labor hours per acre	2.63	2.61	0.51	3.12

Cover Crop Analysis
Southern Minnesota Farms

Soybeans on Owned Land - Cover Crop Impact

	No Cover Crop	Grown after Cover Crop	Cover Crop Enterprise	Combined with Cover Crop
Number of farms	634	18	18	18
Acres	139.23	74.59	74.59	74.59
Yield per acre (bu.)	52.21	51.47	-	-
Operators share of yield %	100.00	100.00	-	-
Value per bu.	10.01	10.19	-	-
Other product return per acre	0.00	1.11	-	1.11
Total product return per acre	522.77	525.60	31.97	557.57
Hedging gains/losses per acre	1.12	0.97	-	0.97
Crop insurance per acre	70.46	54.18	-	54.18
Other crop income per acre	1.39	14.17	4.20	18.36
Gross return per acre	595.75	594.91	36.16	631.08
Direct Expenses				
Seed and plants	57.69	64.64	15.76	80.40
Fertilizer	40.57	49.86	0.68	50.54
Crop chemicals	67.27	63.16	-	63.16
Crop insurance	26.24	29.29	-	29.29
Storage	1.21	0.87	-	0.87
Fuel & oil	19.13	15.61	5.42	21.03
Repairs	43.69	49.04	17.14	66.18
Custom hire	17.47	20.92	7.11	28.03
Hired labor	2.27	2.52	2.38	4.90
Machinery leases	1.75	0.33	0.16	0.49
Utilities	0.63	0.26	-	0.26
Hauling and trucking	2.38	0.52	-	0.52
Marketing	1.77	3.01	-	3.01
Operating interest	12.67	9.43	5.79	15.21
Miscellaneous	3.16	2.31	0.07	2.39
Total direct expenses per acre	297.89	311.77	54.50	366.27
Return over direct exp per acre	297.85	283.14	-18.34	264.80
Overhead Expenses				
Hired labor	10.15	8.68	3.29	11.97
Machinery leases	1.31	0.86	0.39	1.25
Building leases	0.94	0.26	0.15	0.41
RE & pers. property taxes	44.64	39.64	0.77	40.40
Farm insurance	14.39	16.27	4.80	21.07
Utilities	5.37	5.26	1.82	7.08
Dues & professional fees	4.42	5.84	1.48	7.32
Interest	101.10	87.00	3.93	90.93
Mach & bldg depreciation	56.78	51.18	17.19	68.37
Miscellaneous	6.25	2.21	0.86	3.07
Total overhead expenses per acre	245.36	217.20	34.67	251.88
Total dir & ovhd expenses per acre	543.26	528.97	89.17	618.15
Net return per acre	52.49	65.94	-53.01	12.93
Government payments	30.38	30.40	-	30.40
Net return with govt pmts	82.87	96.34	-53.01	43.33
Labor & management charge	42.82	38.14	12.76	50.90
Net return over lbr & mgt	40.05	58.19	-65.77	-7.58
Cost of Production				
Total direct expense per bu.	5.71	6.06	-	6.98
Total dir & ovhd exp per bu.	10.41	10.28	-	11.77
Less govt & other income	8.43	8.32	-	9.77
With labor & management	9.25	9.06	-	10.74
Net value per unit	10.03	10.21	-	10.62
Machinery cost per acre	137.45	134.30	46.55	180.85
Est. labor hours per acre	1.83	2.09	0.74	2.83

Cover Crop Analysis
Southern Minnesota Farms

Soybeans on Cash Rent - Cover Crop Impact

	No Cover Crop	Grown after Cover Crop	Cover Crop Enterprise	Combined with Cover Crop
Number of farms	1018	27	27	27
Acres	321.58	128.30	128.30	128.30
Yield per acre (bu.)	51.31	46.21	-	-
Operators share of yield %	100.00	100.00	-	-
Value per bu.	10.08	9.97	-	-
Other product return per acre	0.01	-	-	-
Total product return per acre	517.02	460.71	22.68	483.39
Hedging gains/losses per acre	1.40	0.64	-	0.64
Crop insurance per acre	69.60	77.40	-	77.40
Other crop income per acre	1.52	11.78	22.31	34.09
Gross return per acre	589.55	550.54	44.99	595.53
Direct Expenses				
Seed and plants	57.06	57.26	18.73	75.99
Fertilizer	41.39	46.89	1.21	48.10
Crop chemicals	65.27	58.37	-	58.37
Crop insurance	26.04	28.98	-	28.98
Storage	1.33	3.29	-	3.29
Fuel & oil	18.26	14.20	4.70	18.90
Repairs	39.79	40.37	14.56	54.93
Custom hire	14.70	15.95	8.11	24.06
Hired labor	3.98	1.37	0.95	2.32
Land rent	258.11	231.04	-	231.04
Machinery leases	3.88	0.06	0.06	0.12
Utilities	0.73	0.15	-	0.15
Hauling and trucking	1.65	0.09	-	0.09
Marketing	1.56	1.28	-	1.28
Operating interest	12.66	9.49	5.10	14.59
Miscellaneous	3.05	1.49	0.20	1.69
Total direct expenses per acre	549.46	510.29	53.61	563.91
Return over direct exp per acre	40.09	40.24	-8.62	31.62
Overhead Expenses				
Hired labor	8.80	3.80	1.40	5.20
Machinery leases	2.77	5.71	0.94	6.65
Building leases	1.33	0.28	0.14	0.42
Farm insurance	10.61	9.78	3.14	12.92
Utilities	3.67	4.36	1.72	6.08
Dues & professional fees	4.00	4.03	1.12	5.15
Interest	6.17	3.50	1.25	4.75
Mach & bldg depreciation	42.45	47.48	13.48	60.97
Miscellaneous	5.00	2.91	0.81	3.71
Total overhead expenses per acre	84.79	81.84	24.01	105.85
Total dir & ovhd expenses per acre	634.25	592.14	77.62	669.76
Net return per acre	-44.71	-41.60	-32.63	-74.23
Government payments	29.92	30.88	-	30.88
Net return with govt pmts	-14.79	-10.72	-32.63	-43.35
Labor & management charge	38.59	45.21	14.70	59.91
Net return over lbr & mgt	-53.38	-55.93	-47.33	-103.26
Cost of Production				
Total direct expense per bu.	10.71	11.04	-	11.64
Total dir & ovhd exp per bu.	12.36	12.81	-	13.82
Less govt & other income	10.36	10.20	-	10.87
With labor & management	11.12	11.18	-	12.11
Net value per unit	10.10	9.98	-	9.99
Machinery cost per acre	122.23	121.87	41.33	163.21
Est. labor hours per acre	1.66	1.88	0.64	2.52

Cover Crop Analysis
Southern Minnesota Farms

Corn Silage on Owned Land, Cash Rent - Cover Crop Impact

	No Cover Crop	Grown after Cover Crop	Cover Crop Enterprise	Combined with Cover Crop
Number of farms	203	6	6	6
Acres	128.88	36.71	36.71	36.71
Yield per acre (ton)	21.68	19.76	-	-
Operators share of yield %	100.00	100.00	-	-
Value per ton	43.00	42.59	-	-
Total product return per acre	932.38	841.49	50.95	892.45
Hedging gains/losses per acre	0.39	-	-	-
Crop insurance per acre	44.96	44.42	-	44.42
Other crop income per acre	2.18	-	-	-
Gross return per acre	979.91	885.91	50.95	936.87
Direct Expenses				
Seed and plants	128.73	114.17	32.87	147.03
Fertilizer	150.68	164.15	-	164.15
Crop chemicals	61.09	58.00	-	58.00
Crop insurance	23.15	19.55	-	19.55
Storage	0.13	4.40	-	4.40
Packaging and supplies	9.70	5.93	5.93	11.86
Fuel & oil	35.17	25.04	8.12	33.16
Repairs	69.39	64.54	18.08	82.62
Custom hire	89.20	179.79	12.29	192.08
Hired labor	8.42	-	-	-
Land rent	166.20	156.45	-	156.45
Machinery leases	1.84	-	-	-
Utilities	0.89	-	-	-
Hauling and trucking	0.94	-	-	-
Operating interest	13.20	30.79	9.28	40.07
Miscellaneous	5.54	3.93	-	3.93
Total direct expenses per acre	764.27	826.72	86.57	913.29
Return over direct exp per acre	215.63	59.19	-35.62	23.57
Overhead Expenses				
Hired labor	20.09	4.96	1.17	6.12
Machinery leases	3.40	3.96	1.98	5.93
Building leases	4.49	1.70	0.36	2.06
RE & pers. property taxes	10.18	11.45	-	11.45
Farm insurance	13.62	18.26	6.32	24.58
Utilities	5.51	3.88	1.53	5.41
Dues & professional fees	4.97	8.00	1.93	9.93
Interest	45.81	15.48	1.41	16.89
Mach & bldg depreciation	64.46	52.90	17.23	70.14
Miscellaneous	9.43	11.05	4.20	15.26
Total overhead expenses per acre	181.95	131.64	36.13	167.77
Total dir & ovhd expenses per acre	946.22	958.36	122.70	1,081.06
Net return per acre	33.68	-72.45	-71.74	-144.19
Government payments	42.34	51.02	-	51.02
Net return with govt pmts	76.02	-21.43	-71.74	-93.17
Labor & management charge	45.06	43.32	13.45	56.78
Net return over lbr & mgt	30.96	-64.75	-85.20	-149.95
Cost of Production				
Total direct expense per ton	35.25	41.85	-	42.51
Total dir & ovhd exp per ton	43.64	48.51	-	50.32
Less govt & other income	39.49	43.68	-	45.87
With labor & management	41.57	45.87	-	48.52
Net value per unit	43.02	42.59	-	41.54
Machinery cost per acre	262.92	327.60	57.17	384.77
Est. labor hours per acre	3.58	3.79	1.03	4.82

Livestock Reports

The Livestock Enterprise Analysis tables present the average physical production, gross margin over purchase costs, direct costs, overhead costs, and net returns per unit.

The livestock enterprise summaries include data from both Southwest Minnesota Farm Management Association farms and Minnesota State Farm Business Management (FBM) program farms, providing a larger dataset for more accurate benchmarking. The Minnesota State FBM programs span the state and include over 2,400 participating farms. We extend gratitude to the Minnesota State FBM program and participating producers for contributing this data.

The "Dairy" table, if included, contains information solely for the milking herd (including dry cows). "Dairy Replacement Heifers" are those kept for replacement into the milking herd. The "Dairy and Replacement Heifers" table covers the whole herd, including those farms in the "Dairy" and "Dairy Replacement Heifers" tables, but excludes "Dairy Steers."

Gross Margin represents the accrual gross value added by the enterprise, including income from the sale of offspring and livestock products, cull income, non-cash transfers to other enterprises, and the value of production used at home or for feed. It also accounts for inventory changes from the beginning to the end of the year. The cost of livestock purchased and value of animals transferred in are deducted. Additional income sources, such as government payments, are included in the gross margin calculation.

Government program payments for eligible livestock in the 2024 analysis include: Dairy Margin Coverage (DMC); Livestock Indemnity Program (LIP); Organic Dairy Marketing Assistance Program (ODMAP); Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) payments for dairy herds impacted by the H5N1 virus; and EQIP and/or CSP funds received for annual production expenses. Livestock insurance income from programs like livestock gross margin (LGM), livestock revenue protection (LRP), and dairy revenue protection (DRP) is included.

Net Return is the amount contributed by the enterprise toward operator labor, management, and equity capital. Any wages and benefits paid to the operator are excluded from labor costs (and added to *Labor and Management Charge*) to ensure uniformity across all farms.

Net Return Over Labor and Management is the return remaining after deducting an opportunity cost for unpaid labor and management, representing the return to equity capital.

Cost of Production shows the average cost per unit sold in each cost category. *Total Direct and Overhead Expense per Unit* is the breakeven price needed to cover cash costs and depreciation. For grow/finish enterprises, this includes the purchase cost or transfer in value of the animal. *With Other Revenue Adjustments* is the breakeven price adjusted for cull sales, other offspring sales, the cost of replacement stock, and any other miscellaneous income, assuming some costs can be covered by these income sources. *With Labor and Management* is the final breakeven price to provide a labor and management return for the operator(s).

Other Information contains both economic and technical efficiency measures for each enterprise.

The rounding of individual items may cause minor discrepancies with the calculated totals. If fewer than five farms have a certain livestock enterprise, that information is not reported. If there are fewer than 25 farms, the high and low groups are not reported.

Note: The following government payments received by livestock producers were not included in the enterprise analysis.

- Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) payments that may have been received for droughts from previous years.
- Emergency Relief Program (ERP) – These payments were received to cover losses due to natural disaster events in 2022.
- Other government program payments not directly related to 2024 livestock production: Inflation Reduction Act (IRA) Section 22006 debt forgiveness for distressed borrowers; IRA 22007 discrimination financial assistance.
- Any livestock payments that may be received from the American Relieve Act of 2024.

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Hogs, Finish Feeder Pigs -- Average Per Head

	Avg. Of All Farms	
Number of farms		8
	Quantity	Value
Finish Hogs sold (lb)	279.5	175.28
Insurance income		0.23
Other income		2.08
Purchased (lb)	-48.5	-76.91
Inventory change (lb)	-4.2	-0.73
Gross margin		99.94
Direct Expenses		
Protein Vit Minerals (lb.)	99.9	23.36
Complete Ration (lb.)	102.2	12.62
Corn (bu.)	6.9	30.59
DDGS, dry (lb.)	30.4	2.65
Other feed stuffs (lb)	13.3	1.71
Veterinary		1.67
Supplies		4.38
Contract production exp.		1.41
Repairs		2.37
Hauling and trucking		2.67
Operating interest		2.24
Miscellaneous		4.43
Total direct expenses		90.12
Return over direct expense		9.82
Overhead Expenses		
Building leases		2.27
RE & pers. property taxes		0.65
Farm insurance		2.29
Mach & bldg depreciation		3.19
Miscellaneous		3.87
Total overhead expenses		12.26
Total dir & ovhd expenses		102.38
Net return		-2.44
Labor & management charge		6.23
Net return over lbr & mgt		-8.67
Cost of Production/Cwt. Carcass Sold		
Total direct expense per unit		80.74
Total dir& ovhd expense per unit		86.65
With other revenue adjustments		85.56
With labor and management		88.56
Est. labor hours per unit		0.45
Other Information		
No. purchased or trans in		5,384
Number sold or trans out		5,067
Percentage death loss		4.5
Percent substandard hogs		1
Avg. daily gain (lb.)		1.63
Lb. of feed / lb. of gain		2.79
Feed cost per cwt. of gain		31.27
Feed cost per head		70.94
Hired labor per head		2.38
Average purchase weight		47
Avg wgt / Finish Hogs sold		286
Avg purch price / head		73.95
Avg sales price / cwt.		62.71
Average carcass weight		214
Average price / cwt. carcass		84.01

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Hogs, Finish Feeder Pigs -- Average Per Cwt. Carcass Sold

	Avg. Of All Farms	
Number of farms		8
	Quantity	Value
Finish Hogs sold (lb)	134.57	84.39
Insurance income		0.11
Other income		1.00
Purchased (lb)	-23.36	-37.03
Inventory change (lb)	-2.04	-0.35
Gross margin		48.12
Direct Expenses		
Protein Vit Minerals (lb.)	48.10	11.25
Complete Ration (lb.)	49.23	6.08
Corn (bu.)	3.33	14.73
DDGS, dry (lb.)	14.66	1.28
Other feed stuffs (lb)	6.39	0.82
Veterinary		0.81
Supplies		2.11
Contract production exp.		0.68
Repairs		1.14
Hauling and trucking		1.29
Operating interest		1.08
Miscellaneous		2.13
Total direct expenses		43.39
Return over direct expense		4.73
Overhead Expenses		
Building leases		1.09
RE & pers. property taxes		0.31
Farm insurance		1.10
Mach & bldg depreciation		1.53
Miscellaneous		1.86
Total overhead expenses		5.91
Total dir & ovhd expenses		49.29
Net return		-1.18
Labor & management charge		3.00
Net return over lbr & mgt		-4.18
Cost of Production/Cwt. Carcass Sold		
Total direct expense per unit		80.74
Total dir& ovhd expense per unit		86.65
With other revenue adjustments		85.56
With labor and management		88.56
Est. labor hours per unit		0.21
Other Information		
No. purchased or trans in		5,384
Number sold or trans out		5,067
Percentage death loss		4.5
Percent substandard hogs		1
Avg. daily gain (lb.)		1.63
Lb. of feed / lb. of gain		2.79
Feed cost per cwt. of gain		31.27
Feed cost per head		70.94
Hired labor per head		2.38
Average purchase weight		47
Avg wgt / Finish Hogs sold		286
Avg purch price / head		73.95
Avg sales price / cwt.		62.71
Average carcass weight		214
Average price / cwt. carcass		84.01

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Hogs, Weaning to Finish -- Average Per Head

	Avg. Of All Farms		High 20%	
Number of farms	21		5	
	Quantity	Value	Quantity	Value
Wean-Fin Pig sold (lb)	281.2	176.59	284.6	181.25
Transferred out (lb)	1.9	2.03	0.0	-
Cull sales (lb)	0.2	0.05	0.9	0.28
Insurance income		1.02		2.48
Government payments		0.00		-
Other income		0.15		-0.94
Purchased (lb)	-13.0	-42.92	-16.0	-52.88
Transferred in (lb)	-3.6	-10.49	-1.9	-1.26
Inventory change (lb)	-1.1	9.23	0.9	14.39
Gross margin		135.67		143.30
Direct Expenses				
Protein Vit Minerals (lb.)	140.6	32.00	126.4	30.43
Complete Ration (lb.)	109.9	14.08	51.3	6.66
Corn (bu.)	7.7	34.91	7.9	34.69
DDGS, dry (lb.)	54.6	4.82	83.3	7.46
Other feed stuffs (lb)	2.2	0.31	10.7	1.26
Veterinary		3.12		2.39
Contract production exp.		8.94		3.84
Repairs		2.26		1.94
Custom hire		2.25		3.19
Hired labor		3.08		0.82
Hauling and trucking		2.32		1.96
Operating interest		1.90		0.14
Miscellaneous		4.64		2.14
Total direct expenses		114.63		96.93
Return over direct expense		21.04		46.37
Overhead Expenses				
Hired labor		1.15		2.71
Building leases		3.58		5.35
Mach & bldg depreciation		2.66		1.28
Miscellaneous		3.41		3.88
Total overhead expenses		10.80		13.22
Total dir & ovhd expenses		125.42		110.15
Net return		10.24		33.15
Labor & management charge		2.36		2.01
Net return over lbr & mgt		7.88		31.14
Cost of Production/Cwt. Carcass Sold				
Total direct expense per unit		76.36		64.60
Total dir& ovhd expense per unit		81.55		70.86
With other revenue adjustments		81.00		70.15
With labor and management		82.14		71.10
Est. labor hours per unit		0.31		0.29
Other Information				
No. purchased or trans in		37,164		29,002
Number sold or trans out		32,560		25,429
Percentage death loss		6.1		4.7
Percent substandard hogs		2		1
Avg. daily gain (lb.)		1.72		1.59
Lb. of feed / lb. of gain		2.78		2.67
Feed cost per cwt. of gain		32.43		29.99
Feed cost per head		86.13		80.51
Hired labor per head		4.23		3.52
Average purchase weight		15		15
Avg wgt / Wean-Fin Pig sold		277		275
Avg purch price / head		49.28		50.96
Avg sales price / cwt.		62.81		63.69
Average carcass weight		210		206
Average price / cwt. carcass		84.13		85.59

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Hogs, Weaning to Finish -- Average Per Cwt. Carcass Sold

	Avg. Of All Farms		High 20%	
Number of farms		21		5
	Quantity	Value	Quantity	Value
Wean-Fin Pig sold (lb)	135.25	84.95	134.80	85.85
Transferred out (lb)	0.91	0.98	0.00	-
Cull sales (lb)	0.08	0.03	0.42	0.13
Insurance income		0.49		1.17
Government payments		0.00		-
Other income		0.07		-0.45
Purchased (lb)	-6.24	-20.65	-7.60	-25.05
Transferred in (lb)	-1.75	-5.05	-0.92	-0.60
Inventory change (lb)	-0.51	4.44	0.43	6.82
Gross margin		65.27		67.88
Direct Expenses				
Protein Vit Minerals (lb.)	67.65	15.39	59.88	14.41
Complete Ration (lb.)	52.85	6.77	24.28	3.16
Corn (bu.)	3.70	16.80	3.76	16.43
DDGS, dry (lb.)	26.26	2.32	39.47	3.54
Other feed stuffs (lb)	1.07	0.15	5.09	0.60
Veterinary		1.50		1.13
Contract production exp.		4.30		1.82
Repairs		1.09		0.92
Custom hire		1.08		1.51
Hired labor		1.48		0.39
Hauling and trucking		1.11		0.93
Operating interest		0.91		0.07
Miscellaneous		2.23		1.01
Total direct expenses		55.14		45.91
Return over direct expense		10.12		21.97
Overhead Expenses				
Hired labor		0.55		1.28
Building leases		1.72		2.54
Mach & bldg depreciation		1.28		0.61
Miscellaneous		1.64		1.84
Total overhead expenses		5.19		6.26
Total dir & ovhd expenses		60.34		52.18
Net return		4.93		15.70
Labor & management charge		1.14		0.95
Net return over lbr & mgt		3.79		14.75
Cost of Production/Cwt. Carcass Sold				
Total direct expense per unit		76.36		64.60
Total dir& ovhd expense per unit		81.55		70.86
With other revenue adjustments		81.00		70.15
With labor and management		82.14		71.10
Est. labor hours per unit		0.15		0.14
Other Information				
No. purchased or trans in		37,164		29,002
Number sold or trans out		32,560		25,429
Percentage death loss		6.1		4.7
Percent substandard hogs		2		1
Avg. daily gain (lb.)		1.72		1.59
Lb. of feed / lb. of gain		2.78		2.67
Feed cost per cwt. of gain		32.43		29.99
Feed cost per head		86.13		80.51
Hired labor per head		4.23		3.52
Average purchase weight		15		15
Avg wgt / Wean-Fin Pig sold		277		275
Avg purch price / head		49.28		50.96
Avg sales price / cwt.		62.81		63.69
Average carcass weight		210		206
Average price / cwt. carcass		84.13		85.59

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Years)

Hogs, Weaning to Finish -- Average Per Head -- Trend

	2020	2021	2022	2023	2024
Number of farms	20	23	21	19	21
Wean-Fin Pig sold	130.88	197.02	190.36	170.67	176.59
Transferred out	0.00	0.49	-	0.86	2.03
Cull sales	0.16	0.25	0.11	0.01	0.05
Insurance income	0.23	-	0.01	1.12	1.02
Government payments	19.56	0.06	0.02	0.00	0.00
Other income	5.01	-4.19	0.67	4.92	0.15
Purchased	-40.04	-46.33	-54.94	-42.77	-42.92
Transferred in	-1.22	-5.35	-5.44	-6.64	-10.49
Inventory change	4.31	9.81	13.10	-5.57	9.23
Gross margin	118.89	151.76	143.88	122.59	135.67
Direct Expenses					
Protein Vit Minerals	23.93	28.80	28.05	35.72	32.00
Complete Ration	5.59	15.08	30.20	14.67	14.08
Corn	27.88	36.53	41.51	40.44	34.91
DDGS, dry	5.93	9.03	5.57	9.11	4.82
Other feed stuffs	4.89	3.01	2.60	0.14	0.31
Veterinary	3.43	3.95	3.32	3.59	3.12
Contract production exp.	11.86	4.24	5.05	5.38	8.94
Repairs	1.45	2.88	2.11	2.31	2.26
Custom hire	2.00	2.42	1.66	3.64	2.25
Hired labor	1.46	2.18	0.76	1.95	3.08
Hauling and trucking	1.47	1.86	3.30	2.27	2.32
Operating interest	1.41	1.00	1.50	1.49	1.90
Miscellaneous	2.09	3.88	3.40	4.06	4.64
Total direct expenses	93.40	114.85	129.03	124.76	114.63
Return over direct expense	25.49	36.90	14.85	-2.16	21.04
Overhead Expenses					
Hired labor	0.95	1.29	3.61	3.61	1.15
Building leases	2.82	9.19	6.93	4.32	3.58
Mach & bldg depreciation	2.45	2.38	2.03	2.54	2.66
Miscellaneous	2.82	4.30	3.29	2.37	3.41
Total overhead expenses	9.04	17.16	15.86	12.85	10.80
Total dir & ovhd expenses	102.43	132.02	144.89	137.60	125.42
Net return	16.45	19.74	-1.01	-15.01	10.24
Labor & management charge	2.77	5.59	2.82	2.84	2.36
Net return over lbr & mgt	13.68	14.16	-3.83	-17.85	7.88
Cost of Production/Cwt. Carcass Sold					
Total direct expense per unit	64.69	74.98	89.70	84.87	76.36
Total dir& ovhd expense per unit	69.18	83.21	97.78	90.94	81.55
With other revenue adjustments	56.86	85.22	97.49	88.10	81.00
With labor and management	58.24	87.90	98.92	89.44	82.14
Est. labor hours per unit	0.21	0.30	0.27	0.31	0.31
Other Information					
No. purchased or trans in	25,402	28,557	23,216	31,290	37,164
Number sold or trans out	23,634	24,192	19,706	30,092	32,560
Percentage death loss	4.4	5.8	5.2	4.9	6.1
Percent substandard hogs	2	2	2	2	2
Avg. daily gain (lb.)	1.55	1.34	1.55	1.74	1.72
Lb. of feed / lb. of gain	2.74	2.76	2.75	2.64	2.78
Feed cost per cwt. of gain	25.53	34.57	40.79	36.81	32.43
Feed cost per head	68.22	92.45	107.93	100.08	86.13
Hired labor per head	2.40	3.47	4.36	5.56	4.23
Average purchase weight	14	14	14	14	15
Avg wgt / Wean-Fin Pig sold	278	269	276	279	277
Avg purch price / head	39.13	41.83	54.29	46.76	49.28
Avg sales price / cwt.	47.90	69.88	71.52	59.64	62.81
Average carcass weight	209	202	207	211	210
Average price / cwt. carcass	64.68	93.88	96.39	80.00	84.13

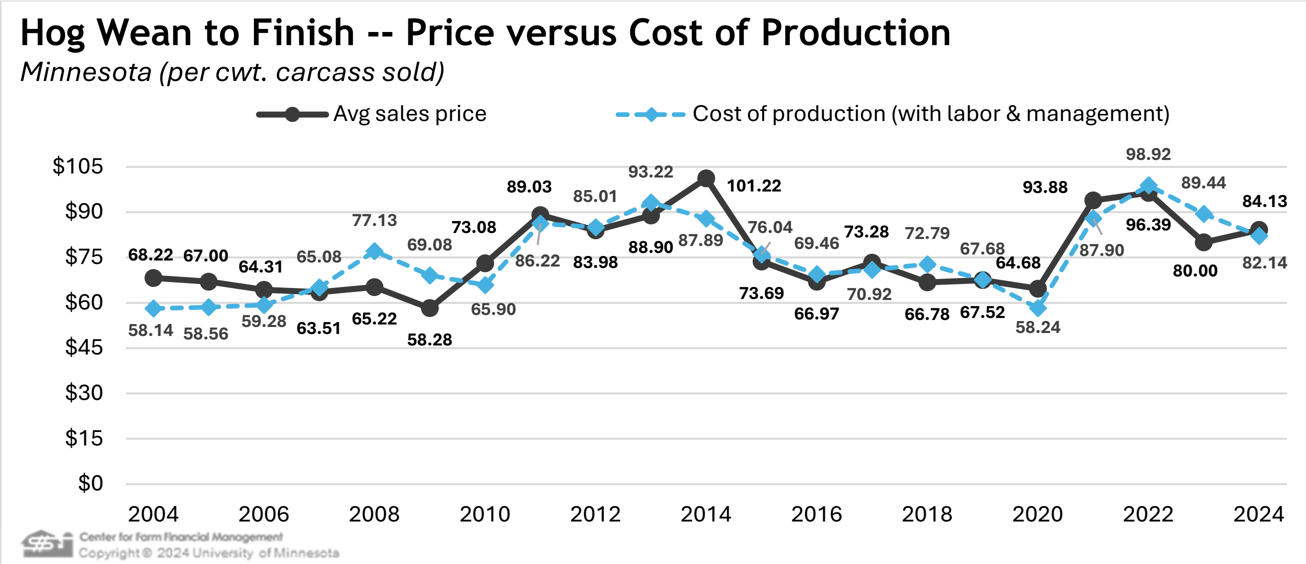

Figure 27: Hog Wean to Finish Prices versus Cost of Production Trend

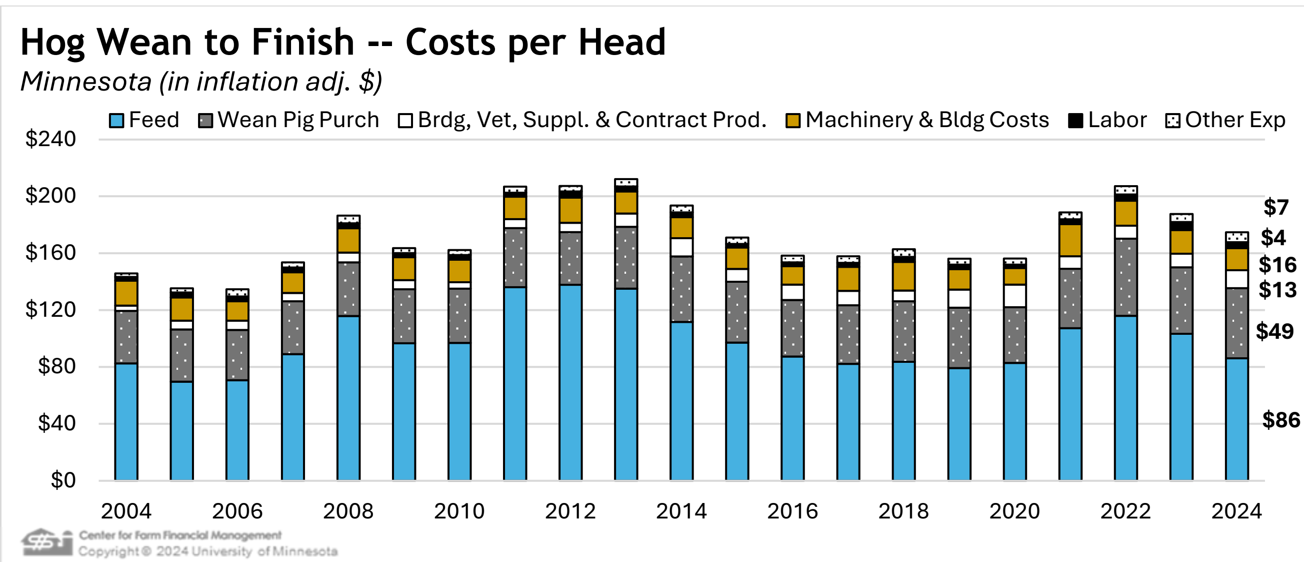

Figure 28: Major Hog Wean to Finish Input Costs Over Time

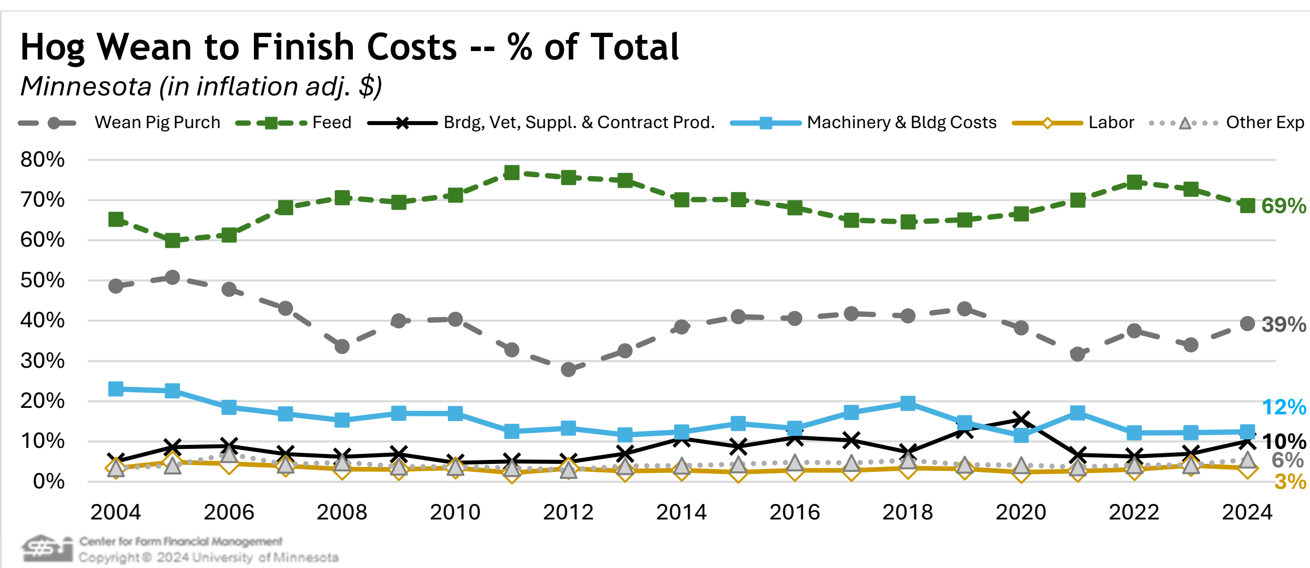

Figure 29: Major Hog Wean to Finish Input Costs as a Percent of Total Expenses Over Time

Hogs, Farrow to Weaning -- Average Per Litter

	Avg. Of All Farms	
Number of farms		7
	Quantity	Value
Weaning Pigs sold (hd)	1.8	86.38
Transferred out (hd)	10.2	367.47
Cull sales (hd)	0.2	43.98
Other income		1.00
Purchased (hd)	0.1	-33.12
Transferred in (hd)	0.2	-71.48
Inventory change (hd)	0.2	29.81
Gross margin		424.04
Direct Expenses		
Protein Vit Minerals (lb.)	186.6	60.53
Complete Ration (lb.)	526.3	63.06
Corn (bu.)	6.5	28.15
Other feed stuffs (lb)	39.8	3.00
Breeding fees		23.80
Veterinary		36.61
Supplies		10.18
Fuel & oil		4.40
Repairs		9.41
Hired labor		82.87
Utilities		4.59
Operating interest		5.59
Miscellaneous		5.37
Total direct expenses		337.57
Return over direct expense		86.47
Overhead Expenses		
Hired labor		12.84
Building leases		7.26
Farm insurance		6.49
Utilities		9.04
Interest		9.66
Mach & bldg depreciation		14.97
Miscellaneous		3.10
Total overhead expenses		63.37
Total dir & ovhd expenses		400.94
Net return		23.10
Labor & management charge		18.79
Net return over lbr & mgt		4.31
Cost of Production Per Head Sold/Trans		
Total direct expense per unit		28.10
Total dir& ovhd expense per unit		33.38
With other revenue adjustments		35.88
With labor and management		37.45
Est. labor hours per unit		2.03
Other Information		
Average number of sows		1,168.4
Litters farrowed		2,719
Litters per sow		2.33
Litters per crate		12.05
Pigs born per litter		14.62
Pigs weaned per litter		12.63
Pigs weaned per sow		28.00
Number sold per litter		1.77
Feed cost per litter		154.74
Hired labor per sow		222.75
Avg wgt/Weaning Pigs sold		14
Avg price / head		48.84

Hogs, Farrow to Weaning -- Average Per Head Sold/Trans

	Avg. Of All Farms	
Number of farms	7	
	Quantity	Value
Weaning Pigs sold (hd)	0.15	7.19
Transferred out (hd)	0.85	30.59
Cull sales (hd)	0.02	3.66
Other income		0.08
Purchased (hd)	0.01	-2.76
Transferred in (hd)	0.02	-5.95
Inventory change (hd)	0.01	2.48
Gross margin		35.30
Direct Expenses		
Protein Vit Minerals (lb.)	15.53	5.04
Complete Ration (lb.)	43.81	5.25
Corn (bu.)	0.54	2.34
Other feed stuffs (lb)	3.32	0.25
Breeding fees		1.98
Veterinary		3.05
Supplies		0.85
Fuel & oil		0.37
Repairs		0.78
Hired labor		6.90
Utilities		0.38
Operating interest		0.47
Miscellaneous		0.45
Total direct expenses		28.10
Return over direct expense		7.20
Overhead Expenses		
Hired labor		1.07
Building leases		0.60
Farm insurance		0.54
Utilities		0.75
Interest		0.80
Mach & bldg depreciation		1.25
Miscellaneous		0.26
Total overhead expenses		5.28
Total dir & ovhd expenses		33.38
Net return		1.92
Labor & management charge		1.56
Net return over lbr & mgt		0.36
Cost of Production Per Head Sold/Trans		
Total direct expense per unit		28.10
Total dir& ovhd expense per unit		33.38
With other revenue adjustments		35.88
With labor and management		37.45
Est. labor hours per unit		0.17
Other Information		
Average number of sows		1,168.4
Litters farrowed		2,719
Litters per sow		2.33
Litters per crate		12.05
Pigs born per litter		14.62
Pigs weaned per litter		12.63
Pigs weaned per sow		28.00
Number sold per litter		1.77
Feed cost per litter		154.74
Hired labor per sow		222.75
Avg wgt/Weaning Pigs sold		14
Avg price / head		48.84

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Hogs, Finish Feeder Pigs (Contract Grower) -- Average Per Pig Space

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms		55		11		11
	Quantity	Value	Quantity	Value	Quantity	Value
Contract Income		35.53		32.25		44.64
Other income		5.67		5.15		3.55
Gross margin		41.20		37.40		48.19
Direct Expenses						
Supplies		1.40		2.25		2.71
Contract production exp.		0.04		-		0.23
Fuel & oil		1.58		1.98		0.83
Repairs		3.72		6.33		1.67
Custom hire		1.30		2.63		1.82
Hired labor		0.84		2.37		0.23
Utilities		0.86		0.95		0.75
Operating interest		0.35		0.08		0.59
Miscellaneous		0.05		0.09		-
Total direct expenses		10.12		16.69		8.83
Return over direct expense		31.08		20.71		39.36
Overhead Expenses						
Hired labor		2.94		8.03		1.75
Building leases		1.82		3.84		-
RE & pers. property taxes		0.81		0.94		0.72
Farm insurance		3.18		4.02		2.30
Utilities		2.42		3.05		1.11
Dues & professional fees		0.51		0.65		0.17
Interest		4.22		3.62		2.87
Mach & bldg depreciation		8.19		8.09		8.76
Miscellaneous		0.81		0.60		0.38
Total overhead expenses		24.91		32.84		18.07
Total dir & ovhd expenses		35.03		49.53		26.90
Net return		6.17		-12.13		21.29
Labor & management charge		5.73		6.76		8.00
Net return over lbr & mgt		0.44		-18.90		13.29
Cost of Production Per Pig Space						
Total direct expense per unit		10.12		16.69		8.83
Total dir& ovhd expense per unit		35.03		49.53		26.90
Est. labor hours per unit		0.40		0.38		0.41
Other Information						
Number of pigs		8,329		7,712		6,735
Pigs per pig space (per year)		2.52		2.60		2.53
Pigs per 100 sq. ft. (per yr)		31.46		31.81		33.63
Net return per 100 sq. ft.		77.12		-148.65		282.39
Net return per labor hour		15.58		-32.01		51.95
Square feet per pig space		8.00		8.16		7.54

Hogs, Weaning to Feeder (Contract Grower) -- Average Per Pig Space

	Avg. Of All Farms	
Number of farms	13	
	Quantity	Value
Contract Income		35.71
Other income		1.43
Gross margin		37.14
Direct Expenses		
Supplies		0.38
Fuel & oil		1.10
Repairs		2.34
Custom hire		0.94
Hired labor		0.26
Utilities		0.55
Miscellaneous		0.25
Total direct expenses		5.82
Return over direct expense		31.32
Overhead Expenses		
Hired labor		3.08
Building leases		0.98
RE & pers. property taxes		0.48
Farm insurance		1.90
Utilities		1.57
Dues & professional fees		0.31
Interest		3.94
Mach & bldg depreciation		5.68
Miscellaneous		0.22
Total overhead expenses		18.16
Total dir & ovhd expenses		23.98
Net return		13.16
Labor & management charge		6.18
Net return over lbr & mgt		6.99
Cost of Production Per Pig Space		
Total direct expense per unit		5.82
Total dir& ovhd expense per unit		23.98
Est. labor hours per unit		0.33
Other Information		
Number of pigs		23,408
Pigs per pig space (per year)		5.88
Pigs per 100 sq. ft. (per yr)		155.60
Net return per 100 sq. ft.		348.14
Net return per labor hour		40.19
Square feet per pig space		3.78

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Hogs, Weaning to Finish (Contract Grower) -- Average Per Pig Space

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	44		8		9	
	Quantity	Value	Quantity	Value	Quantity	Value
Contract Income		32.86		33.93		37.60
Other income		8.30		1.87		15.63
Gross margin		41.17		35.81		53.23
Direct Expenses						
Supplies		1.13		1.45		1.29
Contract production exp.		0.04		0.26		-
Fuel & oil		2.41		3.45		2.15
Repairs		4.88		9.48		3.73
Custom hire		0.66		0.50		0.81
Hired labor		1.68		1.73		2.60
Utilities		1.45		1.73		0.98
Operating interest		0.58		0.94		0.28
Miscellaneous		0.07		0.07		0.09
Total direct expenses		12.91		19.61		11.93
Return over direct expense		28.26		16.20		41.30
Overhead Expenses						
Hired labor		1.13		1.62		0.24
Building leases		1.74		0.22		-
RE & pers. property taxes		1.00		1.64		0.53
Farm insurance		3.60		3.47		4.66
Utilities		1.87		2.54		1.50
Dues & professional fees		0.42		0.45		0.41
Interest		4.22		3.64		5.34
Mach & bldg depreciation		8.38		9.07		11.67
Miscellaneous		0.68		0.59		0.52
Total overhead expenses		23.02		23.25		24.87
Total dir & ovhd expenses		35.93		42.86		36.79
Net return		5.23		-7.05		16.44
Labor & management charge		4.79		5.48		5.01
Net return over lbr & mgt		0.44		-12.53		11.43
Cost of Production Per Pig Space						
Total direct expense per unit		12.91		19.61		11.93
Total dir& ovhd expense per unit		35.93		42.86		36.79
Est. labor hours per unit		0.31		0.44		0.31
Other Information						
Number of pigs		8,451		7,642		10,111
Pigs per pig space (per year)		2.18		2.29		1.97
Pigs per 100 sq. ft. (per yr)		27.30		28.06		25.17
Net return per 100 sq. ft.		65.66		-86.43		209.83
Net return per labor hour		16.65		-15.95		53.09
Square feet per pig space		7.97		8.16		7.83

Hogs, Weaning to Finish (Contract Grower) -- Average Per Pig Space -- Trend

	2020	2021	2022	2023	2024
Number of farms	63	55	44	50	44
Wean-Fin Pig sold	6.37				
Transferred out	11.93	25.57	21.84	1.42	
Contract Income				36.09	32.86
Other income	22.76	17.20	21.79	4.32	8.30
Gross margin	41.06	42.77	43.63	41.83	41.17
Direct Expenses					
Other feed stuffs					
Supplies	1.10	1.36	1.43	1.65	1.13
Contract production exp.	1.38				0.04
Fuel & oil	1.57	2.27	2.77	2.66	2.41
Repairs	4.28	4.41	4.34	4.27	4.88
Custom hire	0.84	0.77	073	0.63	0.66
Hired labor	1.85	0.90	0.60	0.89	1.68
Livestock leases	0.11				
Utilities	0.87	1.41	0.66	0.53	1.45
Operating interest	0.44	0.21	0.26	0.29	0.58
Miscellaneous	0.11	0.15	0.05	0.05	0.07
Total direct expenses	12.53	11.46	10.83	10.96	12.91
Return over direct expense	28.53	31.31	32.80	30.87	28.26
Overhead Expenses					
Hired labor	0.85	1.29	1.52	1.79	1.13
Building leases	1.08	1.52	4.30	3.16	1.74
RE & pers. property taxes	0.79	0.82	0.87	0.93	1.00
Farm insurance	2 03	2.41	2.67	2.83	3.60
Utilities	1.93	1.95	3.24	2.64	1.87
Dues & professional fees	0.68	0.75	0.50	0.56	0.42
Interest	5 04	4.36	4.21	3.63	4.22
Mach & bldg depreciation	8.59	9.19	8.52	7.78	8.38
Miscellaneous	0.82	0.91	0.81	0.64	0.68
Total overhead expenses	21.80	23.20	26.63	23.97	23.02
Total dir & ovhd expenses	34.34	34.66	37.46	34.93	35.93
Net return	6.73	8.11	6.17	6.90	5.23
Labor & management charge	6.17	7.28	7.13	6.55	4.79
Net return over lbr & mgt	0.56	0.83	-0.96	0.35	0.44
Cost of Production Per Pig Space					
Total direct expense per unit	12.53	11.46	10.83	10.96	12.91
Total dir& ovhd expense per unit	34.34	34.66	37.46	34.93	35.93
Est. labor hours per unit	0.35	0.37	0.36	0.37	0.31
Other Information					
Number of pigs	7,817	7,475	7,547	9,446	8,451
Pigs per pig space (per year)	2.28	2.33	2.20	2.40	2.18
Pigs per 100 sq. ft. (per yr)	29.38	29.47	27.60	30.63	27.30
Net return per 100 sq. ft.	86.68	102.66	77.55	88.08	65.66
Net return per labor hour	19.22	21.78	17.36	18.83	16.65
Square feet per pig space	7.76	7.90	7.95	7.83	7.97

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Beef Cow-Calf -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	121		24		25	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	217.2	591.60	358.4	958.41	358.5	943.64
Transferred out (lb)	224.8	642.03	63.0	187.71	141.4	380.04
Cull sales (lb)	68.2	268.99	87.8	198.77	47.4	406.61
Insurance income		2.25		-		2.83
Government payments		2.66		4.31		9.78
Other income		20.49		28.13		37.76
Purchased (lb)	-11.6	-199.20	-22.8	-338.54	-18.6	-125.15
Transferred in (lb)	-20.5	-106.44	-1.3	-2.83	-0.5	-89.48
Inventory change (lb)	20.9	200.31	-21.6	11.48	68.8	268.55
Gross margin		1,422.69		1,047.44		1,834.59
Direct Expenses						
Protein Vit Minerals (lb.)	291.3	61.96	154.2	50.09	196.3	50.59
Complete Ration (lb.)	360.5	33.66	599.9	121.26	158.1	29.47
Corn Silage (lb.)	4,904.6	91.54	4,093.0	78.12	4,617.1	78.70
Hay, Alfalfa (lb.)	573.5	37.58	1,129.1	81.90	153.4	11.49
Hay, Grass (lb.)	1,798.0	84.15	1,372.5	79.27	1,134.8	57.31
Pasture (aum)	4.4	102.37	3.8	98.30	3.9	82.20
Hay (lb.)	3,584.0	154.50	3,283.1	144.40	6,163.8	266.34
Other feed stuffs (lb)	3,353.6	67.13	968.9	46.68	2,034.4	43.01
Veterinary		48.11		42.24		44.08
Fuel & oil		37.38		62.65		32.44
Repairs		78.88		195.66		51.43
Miscellaneous		107.24		133.71		77.24
Total direct expenses		904.49		1,134.28		824.30
Return over direct expense		518.20		-86.84		1,010.29
Overhead Expenses						
Farm insurance		22.51		49.10		18.09
Utilities		18.28		32.88		21.76
Interest		44.94		96.89		33.47
Mach & bldg depreciation		74.86		145.99		45.62
Miscellaneous		42.46		66.15		31.83
Total overhead expenses		203.04		391.01		150.77
Total dir & ovhd expenses		1,107.53		1,525.29		975.07
Net return		315.15		-477.85		859.51
Labor & management charge		137.81		241.77		137.69
Net return over lbr & mgt		177.34		-719.62		721.82
Cost of Production Per Cwt. Produced						
Total direct expense per unit		178.70		236.72		134.77
Total dir& ovhd expense per unit		218.81		318.33		159.42
With other revenue adjustments		207.71		343.40		129.29
With labor and management		234.94		393.86		151.80
Est. labor hours per unit		9.43		15.30		8.15
Other Information						
Number of cows		72.7		39.8		79.0
Pregnancy percentage		94.7		94.3		97.1
Pregnancy loss percentage		4.6		5.0		3.6
Culling percentage		15.3		12.7		20.7
Calving percentage		90.3		89.6		93.6
Weaning percentage		85.4		81.9		88.2
Calves sold per cow		0.78		0.79		0.76
Calf death loss percent		6.9		8.5		4.1
Cow death loss percent		3.1		6.5		3.0
Cows per FTE		296.8		183.0		343.7
Average weaning weight		525		512		555
Lb. weaned/exposed female		448		420		489
Feed cost per cow		632.88		700.02		619.11
Avg wgt/ Beef Calves sold		609		549		662
Avg price / cwt.		272.32		267.43		263.23

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Beef Cow-Calf -- Average Per Cwt. Produced

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	121		24		25	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	42.92	116.88	74.79	200.02	58.61	154.28
Transferred out (lb)	44.42	126.84	13.14	39.17	23.12	62.13
Cull sales (lb)	13.48	53.14	18.33	41.48	7.75	66.48
Insurance income		0.44		-		0.46
Government payments		0.53		0.90		1.60
Other income		4.05		5.87		6.17
Purchased (lb)	-2.30	-39.36	-4.76	-70.65	-3.04	-20.46
Transferred in (lb)	-4.05	-21.03	-0.26	-0.59	-0.08	-14.63
Inventory change (lb)	4.14	39.57	-4.52	2.40	11.25	43.91
Gross margin		281.07		218.60		299.94
Direct Expenses						
Protein Vit Minerals (lb.)	57.54	12.24	32.17	10.45	32.10	8.27
Complete Ration (lb.)	71.22	6.65	125.20	25.31	25.84	4.82
Corn Silage (lb.)	968.98	18.09	854.20	16.30	754.86	12.87
Hay, Alfalfa (lb.)	113.31	7.42	235.65	17.09	25.09	1.88
Hay, Grass (lb.)	355.22	16.63	286.45	16.54	185.52	9.37
Pasture (aum)	0.87	20.22	0.78	20.51	0.63	13.44
Hay (lb.)	708.08	30.52	685.19	30.14	1,007.72	43.54
Other feed stuffs (lb)	662.55	13.26	202.21	9.74	332.60	7.03
Veterinary		9.51		8.82		7.21
Fuel & oil		7.38		13.07		5.30
Repairs		15.58		40.83		8.41
Miscellaneous		21.19		27.90		12.63
Total direct expenses		178.70		236.72		134.77
Return over direct expense		102.38		-18.12		165.17
Overhead Expenses						
Farm insurance		4.45		10.25		2.96
Utilities		3.61		6.86		3.56
Interest		8.88		20.22		5.47
Mach & bldg depreciation		14.79		30.47		7.46
Miscellaneous		8.39		13.80		5.20
Total overhead expenses		40.11		81.60		24.65
Total dir & ovhd expenses		218.81		318.33		159.42
Net return		62.26		-99.73		140.52
Labor & management charge		27.23		50.46		22.51
Net return over lbr & mgt		35.04		-150.18		118.01
Cost of Production Per Cwt. Produced						
Total direct expense per unit		178.70		236.72		134.77
Total dir& ovhd expense per unit		218.81		318.33		159.42
With other revenue adjustments		207.71		343.40		129.29
With labor and management		234.94		393.86		151.80
Est. labor hours per unit		1.86		3.19		1.33
Other Information						
Number of cows		72.7		39.8		79.0
Pregnancy percentage		94.7		94.3		97.1
Pregnancy loss percentage		4.6		5.0		3.6
Culling percentage		15.3		12.7		20.7
Calving percentage		90.3		89.6		93.6
Weaning percentage		85.4		81.9		88.2
Calves sold per cow		0.78		0.79		0.76
Calf death loss percent		6.9		8.5		4.1
Cow death loss percent		3.1		6.5		3.0
Cows per FTE		296.8		183.0		343.7
Average weaning weight		525		512		555
Lb. weaned/exposed female		448		420		489
Feed cost per cow		632.88		700.02		619.11
Avg wgt/ Beef Calves sold		609		549		662
Avg price / cwt.		272.32		267.43		263.23

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Years)
Beef Cow-Calf -- Average Per Cow --Trend

	2020	2021	2022	2023	2024
Number of farms		101	85	79	72
Beef Calves sold	200.74	275.23	302.89	296.69	366.22
Transferred out	395.63	419.76	450.00	723.45	880.22
Cull sales	94.14	86.56	142.04	171.86	216.60
Insurance income	-	-	0.55	6.88	-
Government payments	105.30	17.40	3.84	9.89	0.89
Other income	12.64	14.98	16.39	12.18	17.17
Purchased	-65.38	-135.93	-69.12	-66.64	-264.48
Transferred in	-56.87	-42.71	-73.46	-117.29	-137.84
Inventory change	59.85	123.19	39.22	104.96	229.53
Gross margin	746.06	758.48	812.34	1,141.98	1,308.31
Direct Expenses					
Protein Vit Minerals	33.76	55.24	48.60	69.74	70.37
Corn Silage	70.35	83.57	111.42	94.61	97.40
Hay, Alfalfa	74.12	78.06	86.66	54.23	33.63
Hay, Grass	72.06	84.58	84.29	89.37	70.93
Pasture	51.12	61.76	76.87	92.04	105.06
Hay	61.62	98.44	150.90	148.77	135.13
Other feed stuffs	69.74	89.34	85.35	64.82	108.31
Veterinary	31.01	34.64	37.96	42.92	49.17
Supplies	11.79	24.56	18.54	16.93	22.59
Fuel & oil	23.43	27.99	44.70	32.90	31.42
Repairs	44.26	56.59	63.11	54.88	56.26
Marketing	4.28	4.63	8.09	5.09	24.69
Operating interest	24.94	12.01	15.29	30.03	30.92
Miscellaneous	36.18	39.77	38.42	44.09	40.61
Total direct expenses	608.65	751.18	870.22	840.42	876.48
Return over direct expense	137.41	7.30	-57.87	301.55	431.83
Overhead Expenses					
Interest	34.26	35.63	36.07	32.17	38.49
Mach & bldg depreciation	55.85	73.13	66.41	52.17	73.52
Miscellaneous	71.40	72.12	80.10	89.92	71.93
Total overhead expenses	161.51	180.88	182.58	174.26	183.94
Total dir & ovhd expenses	770.16	932.06	1,052.80	1,014.69	1,060.42
Net return	-24.10	-173.58	-240.45	127.29	247.89
Labor & management charge	98.72	110.07	138.70	120.11	129.74
Net return over lbr & mgt	-122.82	-283.64	-379.15	7.18	118.15
Cost of Production Per Cwt. Produced					
Total direct expense per unit	134.31	148.38	188.48	173.19	185.74
Total dir& ovhd expense per unit	169.95	184.11	228.03	209.11	224.72
With other revenue adjustments	149.05	185.32	217.97	203.76	225.06
With labor and management	170.84	207.07	248.01	228.51	252.56
Est. labor hours per unit	8.85	10.42	10.66	9.34	9.09
Other Information					
Number of cows	79.4	61.4	67.2	72.7	63.9
Pregnancy percentage	92.6	94.9	94.0	94.6	95.7
Pregnancy loss percentage	2.5	3.1	3.4	2.5	5.5
Culling percentage	10.7	9.8	11.5	13.7	13.1
Calving percentage	90.3	92.0	90.8	92.2	90.5
Weaning percentage	84.7	87.0	83.3	86.1	85.9
Calves sold per cow	0.74	0.80	0.80	0.79	0.83
Calf death loss percent	6.0	5.0	7.6	6.7	6.5
Cow death loss percent	3.0	2.8	2.6	3.0	2.8
Cows per FTE	316.5	268.6	262.7	299.8	308.0
Average weaning weight	529	527	534	518	519
Lb. weaned/exposed female	448	458	445	446	446
Feed cost per cow	432.76	550.99	644.09	613.57	620.82
Avg wgt/ Beef Calves sold	515	572	543	584	530
Avg price / cwt.	158.89	154.34	180.27	220.79	293.89

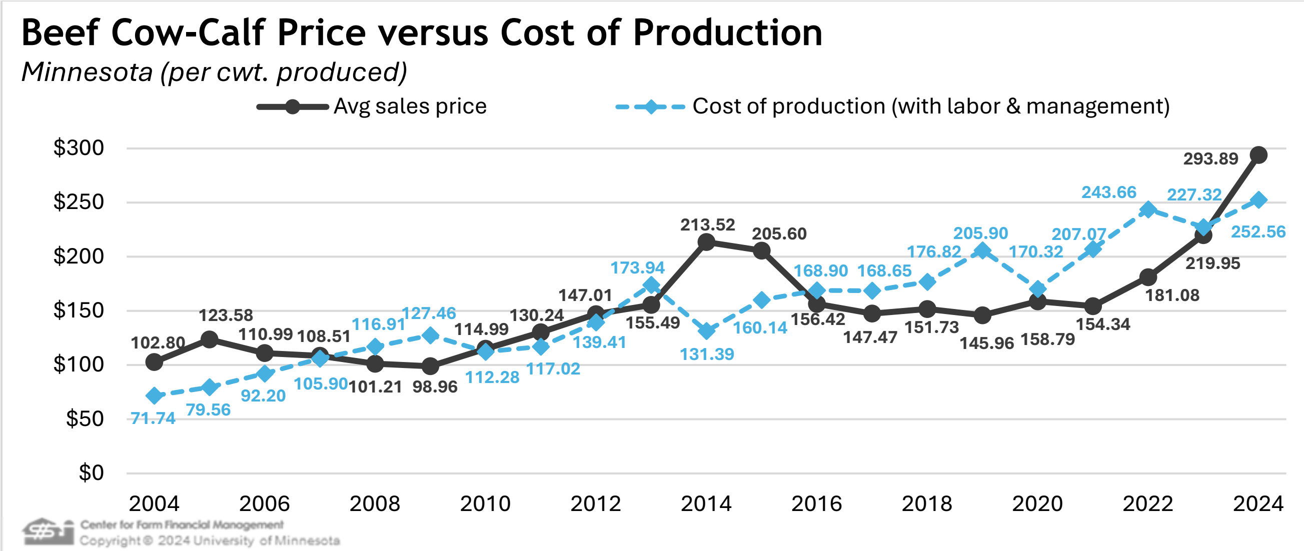

Figure 33: Beef Cow-Calf Prices versus Cost of Production Trend

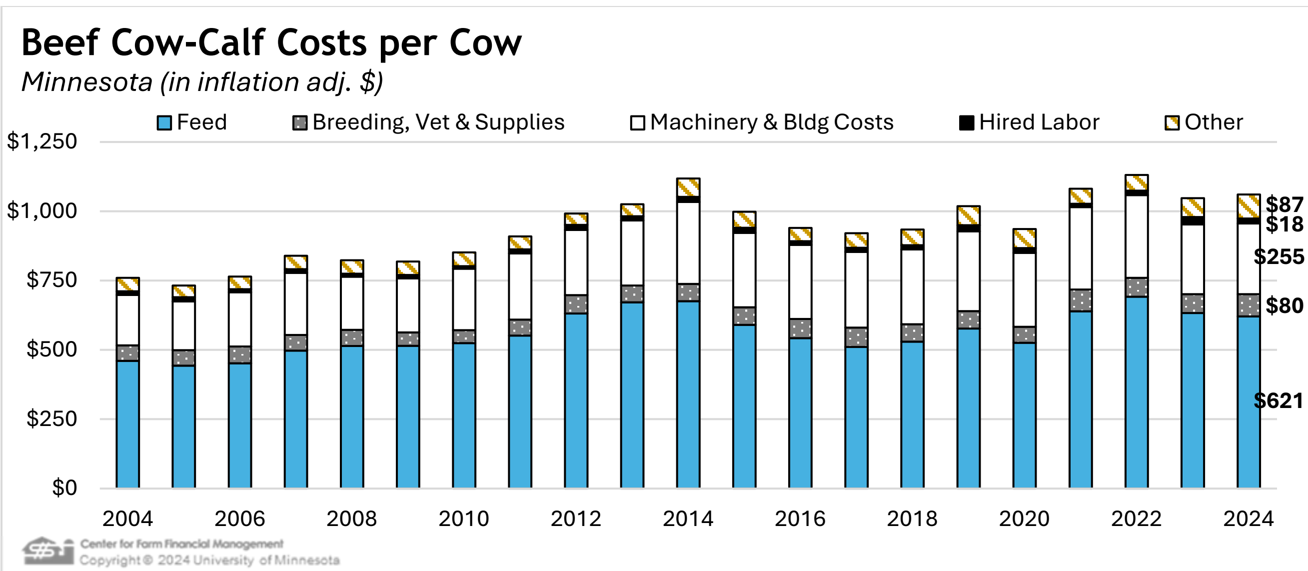

Figure 34: Major Beef Cow-Calf Input Costs Over Time

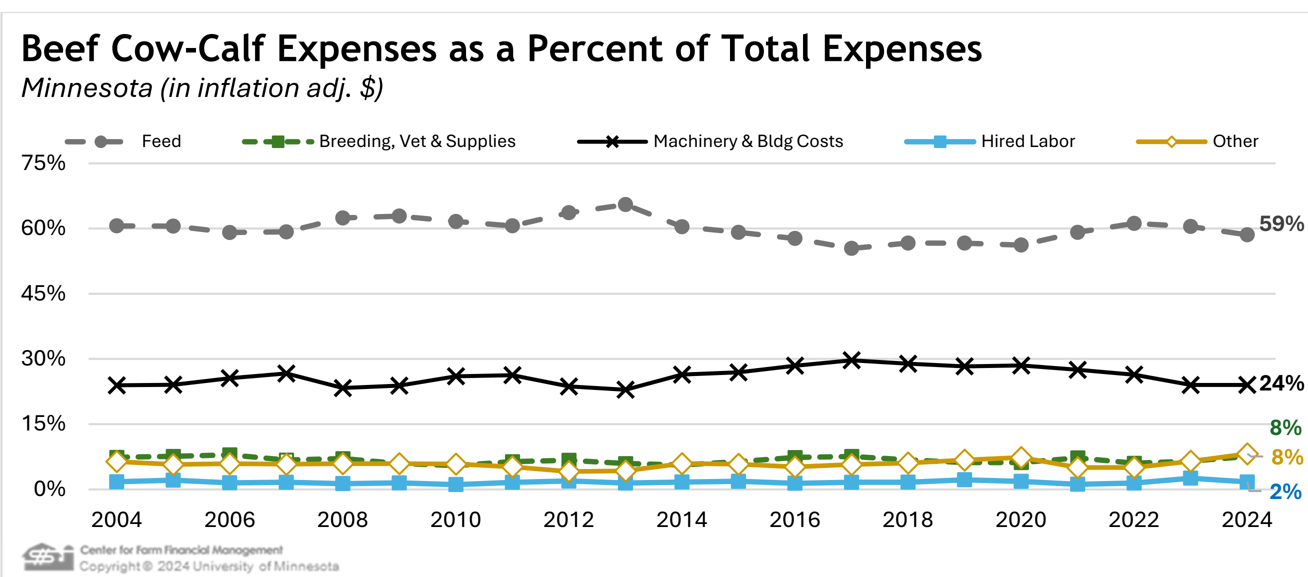

Figure 35: Major Beef Cow-Calf Input Costs as a Percent of Total Expenses Over Time

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Beef Cow-Calf (without backgrounding) -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	68		13		14	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	136.3	403.50	351.3	926.42	114.1	333.85
Transferred out (lb)	282.8	827.23	37.7	122.09	326.3	986.18
Cull sales (lb)	70.3	230.69	93.9	224.91	79.2	305.26
Government payments		6.18		11.33		25.10
Other income		20.83		15.43		34.34
Purchased (lb)	-13.8	-194.49	-33.9	-319.52	-	-68.24
Transferred in (lb)	-26.5	-168.53	-3.3	-7.44	-47.7	-194.34
Inventory change (lb)	28.1	189.06	-21.7	90.31	118.6	232.34
Gross margin		1,314.47		1,063.53		1,654.49
Direct Expenses						
Protein Vit Minerals (lb.)	279.1	65.36	233.0	73.20	412.4	95.12
Complete Ration (lb.)	74.7	15.86	397.3	100.30	39.0	4.55
Corn Silage (lb.)	3,867.9	83.45	6,685.0	136.23	3,375.9	72.78
Hay, Alfalfa (lb.)	533.2	33.16	984.0	56.56	316.4	21.85
Hay, Grass (lb.)	1,766.3	80.68	2,620.9	143.35	535.1	32.24
Pasture (aum)	4.1	98.66	2.1	50.26	3.7	79.64
Hay (lb.)	3,420.8	138.44	2,266.1	120.95	5,083.4	199.47
Other feed stuffs (lb)	3,817.3	108.90	538.9	64.73	2,848.9	69.81
Veterinary		42.83		51.42		33.55
Fuel & oil		36.51		65.45		29.84
Repairs		63.11		171.36		58.38
Miscellaneous		91.57		169.46		73.12
Total direct expenses		858.53		1,203.26		770.33
Return over direct expense		455.95		-139.72		884.16
Overhead Expenses						
Farm insurance		21.60		51.31		18.73
Utilities		19.73		45.77		27.90
Interest		37.72		98.21		25.10
Mach & bldg depreciation		73.80		185.51		83.27
Miscellaneous		41.18		86.57		20.66
Total overhead expenses		194.04		467.36		175.66
Total dir & ovhd expenses		1,052.57		1,670.62		945.99
Net return		261.91		-607.09		708.50
Labor & management charge		143.75		317.90		142.38
Net return over lbr & mgt		118.16		-924.99		566.12
Cost of Production Per Cwt. Produced						
Total direct expense per unit		178.21		278.33		129.14
Total dir& ovhd expense per unit		218.49		386.44		158.59
With other revenue adjustments		217.71		378.46		137.55
With labor and management		247.55		451.99		161.42
Est. labor hours per unit		10.68		19.07		9.26
Other Information						
Number of cows		55.7		27.9		54.9
Pregnancy percentage		95.1		94.2		97.2
Pregnancy loss percentage		4.4		4.1		15.1
Culling percentage		14.2		16.0		16.6
Calving percentage		90.9		90.3		82.5
Weaning percentage		87.1		78.5		90.1
Calves sold per cow		0.84		0.77		0.80
Calf death loss percent		6.6		11.2		4.1
Cow death loss percent		3.1		3.0		2.7
Cows per FTE		262.1		146.9		302.4
Average weaning weight		513		529		572
Lb. weaned/exposed female		447		415		515
Feed cost per cow		624.50		745.57		575.46
Avg wgt/ Beef Calves sold		525		554		559
Avg price / cwt.		296.14		263.75		292.67

Beef Cow-Calf (without backgrounding) -- Average Per Cwt. Produced

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	68		13		14	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	28.28	83.76	81.25	214.30	19.12	55.97
Transferred out (lb)	58.70	171.72	8.73	28.24	54.70	165.33
Cull sales (lb)	14.60	47.89	21.72	52.03	13.28	51.17
Government payments		1.28		2.62		4.21
Other income		4.32		3.57		5.76
Purchased (lb)	-2.87	-40.37	-7.84	-73.91	-	-11.44
Transferred in (lb)	-5.50	-34.98	-0.76	-1.72	-8.00	-32.58
Inventory change (lb)	5.83	39.25	-5.01	20.89	19.88	38.95
Gross margin		272.86		246.01		277.36
Direct Expenses						
Protein Vit Minerals (lb.)	57.93	13.57	53.90	16.93	69.14	15.95
Complete Ration (lb.)	15.51	3.29	91.90	23.20	6.54	0.76
Corn Silage (lb.)	802.90	17.32	1,546.35	31.51	565.94	12.20
Hay, Alfalfa (lb.)	110.67	6.88	227.62	13.08	53.04	3.66
Hay, Grass (lb.)	366.66	16.75	606.27	33.16	89.70	5.40
Pasture (aum)	0.85	20.48	0.48	11.63	0.62	13.35
Hay (lb.)	710.09	28.74	524.18	27.98	852.19	33.44
Other feed stuffs (lb)	792.40	22.61	124.65	14.97	477.60	11.70
Veterinary		8.89		11.89		5.62
Fuel & oil		7.58		15.14		5.00
Repairs		13.10		39.64		9.79
Miscellaneous		19.01		39.20		12.26
Total direct expenses		178.21		278.33		129.14
Return over direct expense		94.65		-32.32		148.22
Overhead Expenses						
Farm insurance		4.48		11.87		3.14
Utilities		4.10		10.59		4.68
Interest		7.83		22.72		4.21
Mach & bldg depreciation		15.32		42.91		13.96
Miscellaneous		8.55		20.02		3.46
Total overhead expenses		40.28		108.11		29.45
Total dir & ovhd expenses		218.49		386.44		158.59
Net return		54.37		-140.43		118.78
Labor & management charge		29.84		73.54		23.87
Net return over lbr & mgt		24.53		-213.96		94.91
Cost of Production Per Cwt. Produced						
Total direct expense per unit		178.21		278.33		129.14
Total dir& ovhd expense per unit		218.49		386.44		158.59
With other revenue adjustments		217.71		378.46		137.55
With labor and management		247.55		451.99		161.42
Est. labor hours per unit		2.22		4.41		1.55
Other Information						
Number of cows		55.7		27.9		54.9
Pregnancy percentage		95.1		94.2		97.2
Pregnancy loss percentage		4.4		4.1		15.1
Culling percentage		14.2		16.0		16.6
Calving percentage		90.9		90.3		82.5
Weaning percentage		87.1		78.5		90.1
Calves sold per cow		0.84		0.77		0.80
Calf death loss percent		6.6		11.2		4.1
Cow death loss percent		3.1		3.0		2.7
Cows per FTE		262.1		146.9		302.4
Average weaning weight		513		529		572
Lb. weaned/exposed female		447		415		515
Feed cost per cow		624.50		745.57		575.46
Avg wgt/ Beef Calves sold		525		554		559
Avg price / cwt.		296.14		263.75		292.67

Livestock Enterprise Analysis Minnesota Farms Statewide (Farms Sorted By Net Return)

Beef Backgrounding -- Average Per Head

	Avg. Of All Farms	
Number of farms	19	
	Quantity	Value
Backgnd Beef sold (lb)	673.9	1,660.98
Transferred out (lb)	73.1	137.67
Insurance income		11.85
Other income		0.64
Purchased (lb)	-310.8	-935.26
Transferred in (lb)	-111.8	-340.61
Inventory change (lb)	-1.9	56.89
Gross margin		592.15
Direct Expenses		
Protein Vit Minerals (lb.)	28.4	11.48
Complete Ration (lb.)	206.2	34.93
Corn (bu.)	8.0	31.82
Corn Silage (lb.)	2,487.8	50.16
Pasture (aum)	0.5	8.43
Hay (lb.)	1,406.5	58.16
Other feed stuffs (lb)	554.2	15.43
Livestock insurance		15.86
Fuel & oil		17.62
Repairs		34.93
Marketing		7.73
Operating interest		29.29
Miscellaneous		27.28
Total direct expenses		343.14
Return over direct expense		249.01
Overhead Expenses		
Farm insurance		5.78
Interest		11.89
Mach & bldg depreciation		19.10
Miscellaneous		21.93
Total overhead expenses		58.70
Total dir & ovhd expenses		401.84
Net return		190.31
Labor & management charge		47.00
Net return over lbr & mgt		143.31
Cost of Production Per Cwt. Produced		
Total direct expense per unit		209.12
Total dir& ovhd expense per unit		216.98
With other revenue adjustments		215.31
With labor and management		221.60
Est. labor hours per unit		3.06
Other Information		
No. purchased or trans in		131
Number sold or trans out		149
Percentage death loss		0.6
Avg. daily gain (lb.)		1.29
Lb. of conc / lb. of gain		3.13
Lb. of feed / lb. of gain		10.57
Feed cost per cwt. of gain		65.25
Feed cost per head		210.41
Hired labor per head		10.06
Average purchase weight		550
Avg wgt / Backgnd Beef sold		810
Avg purch price / cwt.		300.97
Avg sales price / cwt.		246.48

Beef Backgrounding -- Average Per Cwt. Produced

	Avg. Of All Farms	
Number of farms		19
	Quantity	Value
Backgnd Beef sold (lb)	208.97	515.08
Transferred out (lb)	22.68	42.69
Insurance income		3.67
Other income		0.20
Purchased (lb)	-96.36	-290.03
Transferred in (lb)	-34.68	-105.63
Inventory change (lb)	-0.60	17.64
Gross margin		183.63
Direct Expenses		
Protein Vit Minerals (lb.)	8.82	3.56
Complete Ration (lb.)	63.96	10.83
Corn (bu.)	2.47	9.87
Corn Silage (lb.)	771.47	15.55
Pasture (aum)	0.14	2.61
Hay (lb.)	436.15	18.04
Other feed stuffs (lb)	171.86	4.79
Livestock insurance		4.92
Fuel & oil		5.47
Repairs		10.83
Hauling and trucking		0.68
Marketing		2.40
Operating interest		9.08
Miscellaneous		7.78
Total direct expenses		106.41
Return over direct expense		77.22
Overhead Expenses		
Interest		3.69
Mach & bldg depreciation		5.92
Miscellaneous		8.59
Total overhead expenses		18.20
Total dir & ovhd expenses		124.61
Net return		59.02
Labor & management charge		14.58
Net return over lbr & mgt		44.44
Cost of Production Per Cwt. Produced		
Total direct expense per unit		209.12
Total dir& ovhd expense per unit		216.98
With other revenue adjustments		215.31
With labor and management		221.60
Est. labor hours per unit		0.95
Other Information		
No. purchased or trans in		131
Number sold or trans out		149
Percentage death loss		0.6
Avg. daily gain (lb.)		1.29
Lb. of conc / lb. of gain		3.13
Lb. of feed / lb. of gain		10.57
Feed cost per cwt. of gain		65.25
Feed cost per head		210.41
Hired labor per head		10.06
Average purchase weight		550
Avg wgt / Backgnd Beef sold		810
Avg purch price / cwt.		300.97
Avg sales price / cwt.		246.48

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Beef Finishing -- Average Per Head

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	96		19		20	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	1,448.2	2,728.14	1,291.2	2,353.05	1,428.8	2,795.18
Transferred out (lb)	4.6	10.81	-	-	6.5	18.40
Cull sales (lb)	0.0	0.82	-	-	-	-
Insurance income		1.88		0.10		-
Other income		7.50		6.84		20.59
Purchased (lb)	-659.3	-1,686.24	-629.1	-1,689.88	-580.5	-1,476.10
Transferred in (lb)	-42.9	-119.45	-32.2	-93.68	-30.1	-79.10
Inventory change (lb)	14.6	266.43	65.8	271.06	-42.0	229.03
Gross margin		1,209.89		847.50		1,508.00
Direct Expenses						
Protein Vit Minerals (lb.)	599.3	90.49	586.3	121.76	726.3	64.34
Complete Ration (lb.)	980.3	83.26	51.0	7.69	2,392.8	219.44
Corn (bu.)	51.1	219.58	45.2	199.91	47.1	199.16
Corn Silage (lb.)	2,188.0	47.25	2,031.2	45.13	927.6	22.36
Corn, Ear (lb.)	375.1	19.43	730.0	42.21	-	-
DDGS, wet (lb.)	908.8	37.08	1,182.9	55.53	1,229.1	29.50
Other feed stuffs (lb)	2,179.3	92.49	2,241.5	93.57	1,499.9	48.18
Veterinary		22.39		24.40		24.08
Contract production exp.		30.37		-		103.17
Fuel & oil		16.34		21.07		7.49
Repairs		43.08		61.13		19.24
Hauling and trucking		17.62		4.35		27.11
Operating interest		60.07		93.07		44.52
Miscellaneous		35.63		32.16		31.61
Total direct expenses		815.10		801.97		840.21
Return over direct expense		394.79		45.53		667.79
Overhead Expenses						
Interest		20.06		40.08		5.47
Mach & bldg depreciation		47.97		69.40		17.63
Miscellaneous		53.03		71.68		16.03
Total overhead expenses		121.06		181.16		39.13
Total dir & ovhd expenses		936.16		983.13		879.35
Net return		273.73		-135.63		628.66
Labor & management charge		52.36		66.99		24.73
Net return over lbr & mgt		221.37		-202.62		603.93
Cost of Production Per Cwt. Produced						
Total direct expense per unit		161.21		178.65		149.74
Total dir& ovhd expense per unit		169.55		192.68		152.47
With other revenue adjustments		169.69		192.74		152.23
With labor and management		173.29		197.93		153.95
Est. labor hours per unit		2.82		3.86		1.74
Other Information						
No. purchased or trans in		332		307		302
Number sold or trans out		323		266		325
Percentage death loss		1.8		4.6		1.7
Avg. daily gain (lb.)		2.69		2.55		2.59
Lb. of conc / lb. of gain		8.27		8.05		9.10
Lb. of feed / lb. of gain		10.35		10.18		10.28
Feed cost per cwt. of gain		76.41		80.83		73.66
Feed cost per head		589.58		565.80		583.00
Hired labor per head		18.14		18.66		9.54
Average purchase weight		699		607		653
Avg wgt / Finish Beef sold		1,452		1,364		1,409
Avg purch price / cwt.		253.66		268.60		254.27
Avg sales price / cwt.		188.38		182.24		195.64

Beef Finishing -- Average Per Cwt. Produced

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	96		19		20	
	Quantity	Value	Quantity	Value	Quantity	Value
Finish Beef sold (lb)	187.70	353.58	184.46	336.16	180.52	353.17
Transferred out (lb)	0.59	1.40	-	-	0.82	2.33
Cull sales (lb)	0.01	0.11	-	-	-	-
Insurance income		0.24		0.01		-
Other income		0.97		0.98		2.60
Purchased (lb)	-85.45	-218.55	-89.88	-241.42	-73.35	-186.50
Transferred in (lb)	-5.55	-15.48	-4.60	-13.38	-3.80	-9.99
Inventory change (lb)	1.89	34.53	9.40	38.72	-5.30	28.94
Gross margin		156.81		121.07		190.53
Direct Expenses						
Protein Vit Minerals (lb.)	77.68	11.73	83.77	17.39	91.77	8.13
Complete Ration (lb.)	127.06	10.79	7.29	1.10	302.33	27.73
Corn (bu.)	6.62	28.46	6.45	28.56	5.95	25.16
Corn Silage (lb.)	283.59	6.12	290.18	6.45	117.20	2.83
Corn, Ear (lb.)	48.61	2.52	104.30	6.03	-	-
DDGS, wet (lb.)	117.79	4.81	168.99	7.93	155.30	3.73
Other feed stuffs (lb)	282.46	11.99	320.23	13.37	189.51	6.09
Veterinary		2.90		3.49		3.04
Contract production exp.		3.94		-		13.03
Fuel & oil		2.12		3.01		0.95
Repairs		5.58		8.73		2.43
Hauling and trucking		2.28		0.62		3.43
Operating interest		7.79		13.30		5.62
Miscellaneous		4.62		4.59		3.99
Total direct expenses		105.64		114.57		106.16
Return over direct expense		51.17		6.50		84.37
Overhead Expenses						
Interest		2.60		5.73		0.69
Mach & bldg depreciation		6.22		9.91		2.23
Miscellaneous		6.87		10.24		2.02
Total overhead expenses		15.69		25.88		4.94
Total dir & ovhd expenses		121.33		140.45		111.10
Net return		35.48		-19.38		79.43
Labor & management charge		6.79		9.57		3.12
Net return over lbr & mgt		28.69		-28.95		76.31
Cost of Production Per Cwt. Produced						
Total direct expense per unit		161.21		178.65		149.74
Total dir& ovhd expense per unit		169.55		192.68		152.47
With other revenue adjustments		169.69		192.74		152.23
With labor and management		173.29		197.93		153.95
Est. labor hours per unit		0.37		0.55		0.22
Other Information						
No. purchased or trans in		332		307		302
Number sold or trans out		323		266		325
Percentage death loss		1.8		4.6		1.7
Avg. daily gain (lb.)		2.69		2.55		2.59
Lb. of conc / lb. of gain		8.27		8.05		9.10
Lb. of feed / lb. of gain		10.35		10.18		10.28
Feed cost per cwt. of gain		76.41		80.83		73.66
Feed cost per head		589.58		565.80		583.00
Hired labor per head		18.14		18.66		9.54
Average purchase weight		699		607		653
Avg wgt / Finish Beef sold		1,452		1,364		1,409
Avg purch price / cwt.		253.66		268.60		254.27
Avg sales price / cwt.		188.38		182.24		195.64

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Years)
Beef Finishing -- Average Per Head -- Trend

	2020	2021	2022	2023	2024
Number of farms	81	88	87	90	94
Finish Beef sold	1,470.82	1,984.29	1,895.27	2,400.73	2,736.05
Transferred out	5.99	3.62	11.28	8.70	11.04
Cull sales	-	-	-	-	0.84
Insurance income	-	-	-	0.37	1.92
Government payments	112.75	3.45	1.42	0.12	-
Other income	42.51	26.52	42.81	2.75	7.36
Purchased	-898.20	-1,090.74	-1,151.27	-1,222.94	-1,675.41
Transferred in	-87.79	-64.51	-87.12	-131.12	-122.04
Inventory change	-4.34	13.83	311.45	126.88	259.67
Gross margin	641.74	876.47	1,023.85	1,185.50	1,219.45
Direct Expenses					
Protein Vit Minerals	64.34	73.58	80.93	98.69	90.92
Complete Ration	27.69	57.45	87.12	88.41	85.06
Corn	181.59	269.21	314.45	264.20	219.25
Corn Silage	37.57	45.56	64.53	56.61	46.22
Hay, Alfalfa	17.04	16.21	29.13	14.61	11.79
DDGS, dry	17.99	19.33	27.43	25.67	21.47
DDGS, wet	19.39	40.83	41.64	33.91	36.11
Other feed stuffs	49.42	63.52	77.82	73.30	81.03
Veterinary	18.43	16.28	17.64	19.65	22.69
Contract production exp.	1.97	9.72	11.99	11.40	31.03
Fuel & oil	9.96	13.74	22.69	19.76	16.34
Repairs	23.62	27.96	36.77	37.45	43.30
Operating interest	21.72	17.67	21.69	39.72	60.42
Miscellaneous	34.65	51.84	44.37	55.94	54.19
Total direct expenses	525.40	722.92	878.20	839.33	819.82
Return over direct expense	116.34	153.55	145.65	346.17	399.63
Overhead Expenses					
Interest	14.63	11.86	14.49	19.80	20.42
Mach & bldg depreciation	24.95	31.31	35.83	44.33	48.80
Miscellaneous	39.49	43.02	53.69	54.10	53.71
Total overhead expenses	79.07	86.19	104.01	118.24	122.93
Total dir & ovhd expenses	604.47	809.11	982.21	957.56	942.75
Net return	37.27	67.36	41.64	227.94	276.70
Labor & management charge	31.46	40.90	51.98	47.53	51.65
Net return over lbr & mgt	5.81	26.46	-10.34	180.41	225.05
Cost of Production Per Cwt. Produced					
Total direct expense per unit	110.67	113.81	137.46	149.28	161.12
Total dir& ovhd expense per unit	116.49	119.10	145.42	157.87	169.57
With other revenue adjustments	105.93	117.80	142.80	158.35	169.71
With labor and management	108.24	120.31	146.78	161.80	173.26
Est. labor hours per unit	2.06	2.49	3.15	2.85	2.85
Other Information					
No. purchased or trans in	271	316	253	312	332
Number sold or trans out	257	324	230	318	323
Percentage death loss	1.1	1.2	1.3	1.2	1.9
Avg. daily gain (lb.)	2.67	2.50	2.63	2.66	2.68
Lb. of conc / lb. of gain	7.57	8.40	8.05	7.78	8.30
Lb. of feed / lb. of gain	10.01	10.30	10.39	9.66	10.37
Feed cost per cwt. of gain	58.57	80.82	97.91	87.89	76.51
Feed cost per head	415.04	585.70	723.05	655.41	591.85
Hired labor per head	12.40	19.81	19.10	21.87	18.54
Average purchase weight	723	719	696	641	698
Avg wgt / Finish Beef sold	1,435	1,458	1,391	1,424	1,450
Avg purch price / cwt.	140.12	148.89	175.09	223.21	253.39
Avg sales price / cwt.	108.67	121.86	145.96	174.95	188.56

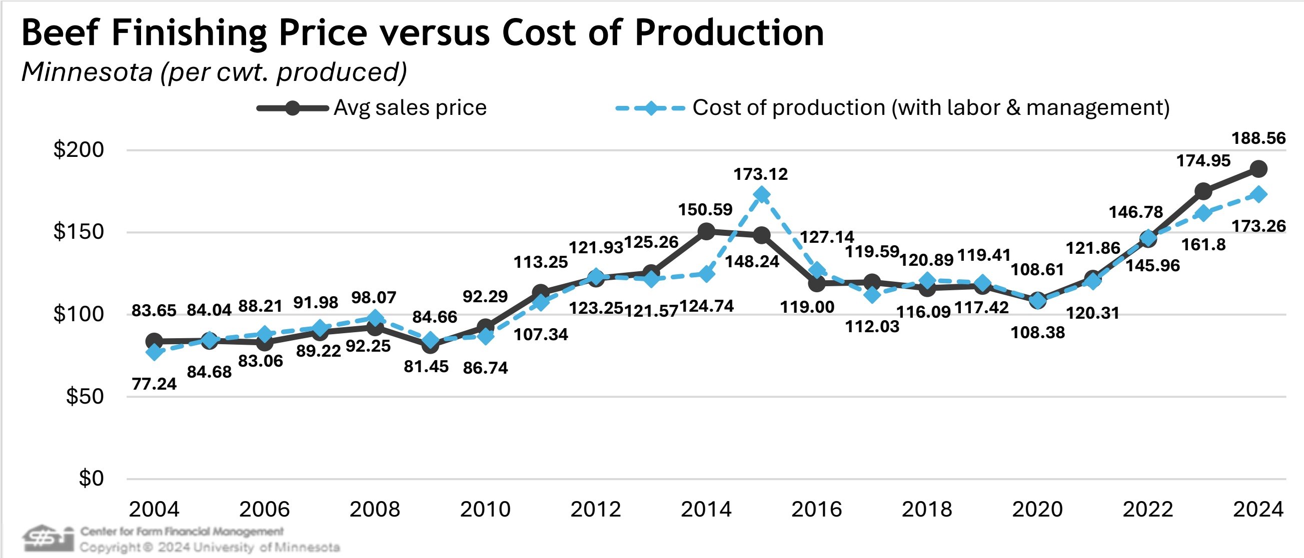

Figure 30: Beef Finishing Prices versus Cost of Production Trend

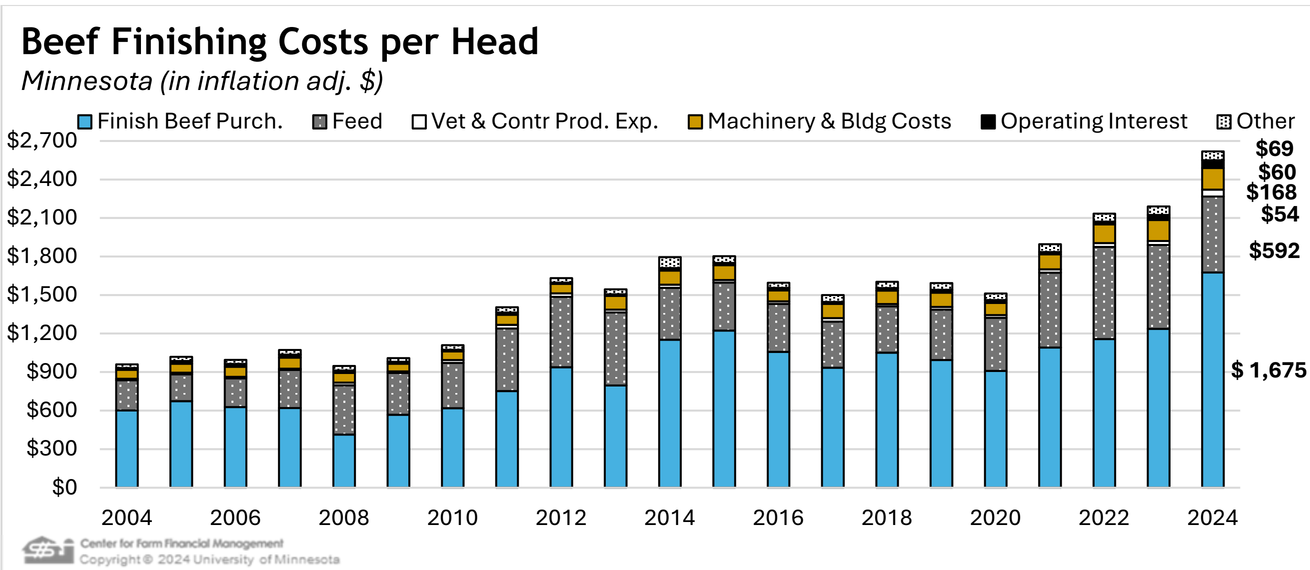

Figure 31: Major Beef Finishing Input Costs Over Time

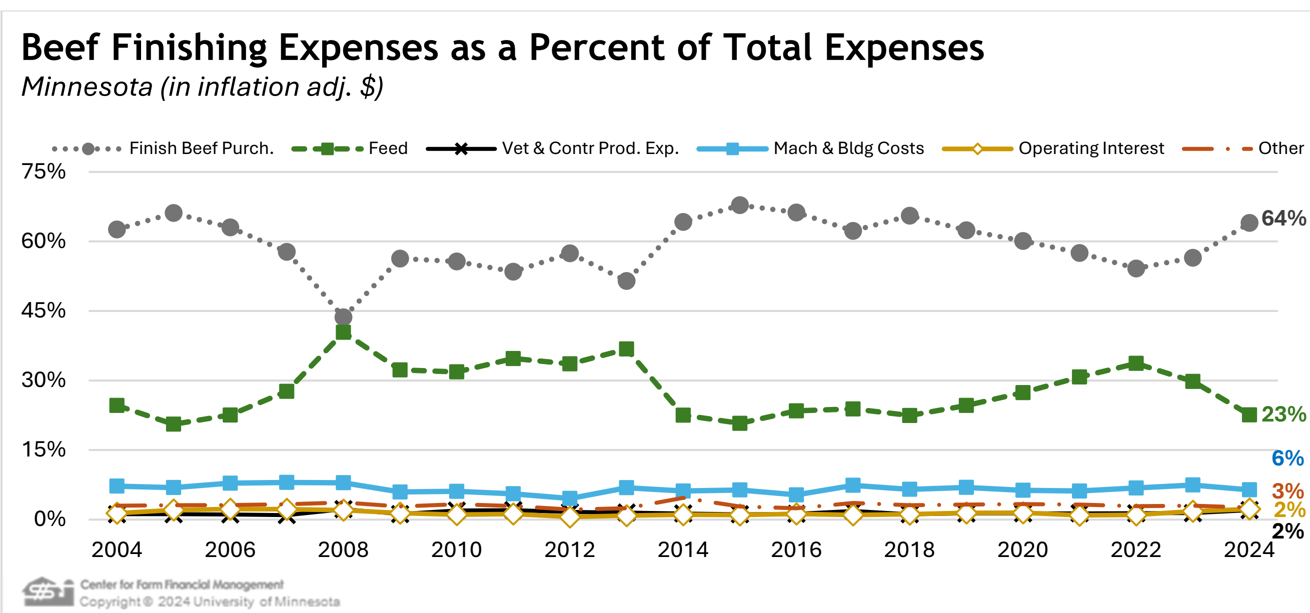

Figure 32: Major Beef Finishing Input Costs as a Percent of Total Expenses Over Time

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Dairy -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	243		48		49	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (hd)	25,925.0	5,556.60	22,539.1	4,541.74	27,018.1	6,130.50
Dairy Calves sold (hd)	0.4	235.96	0.3	129.66	0.6	302.00
Transferred out (hd)	0.6	62.20	0.7	52.73	0.5	61.54
Cull sales (hd)	0.3	420.64	0.3	383.12	0.3	403.15
Insurance income		41.17		12.00		50.30
Government payments		14.50		11.74		24.74
Other income		33.16		12.71		29.19
Purchased (hd)	0.0	-24.97	0.0	-75.96	0.0	-12.66
Transferred in (hd)	0.3	-40.39	0.3	-15.82	0.3	-31.46
Inventory change (hd)	0.0	23.07	0.0	-2.92	0.0	52.08
Dairy repl cost		-723.99		-759.37		-663.24
Gross margin		5,597.95		4,289.63		6,346.14
Direct Expenses						
Protein Vit Minerals (lb.)	4,231.8	901.97	4,379.3	799.21	4,478.7	673.09
Complete Ration (lb.)	1,112.1	526.54	1,949.1	513.92	727.6	601.06
Corn (bu.)	74.3	322.61	77.7	333.63	70.7	337.37
Corn Silage (lb.)	20,665.1	460.63	20,459.2	438.13	20,362.3	498.50
Hay, Alfalfa (lb.)	2,432.1	188.00	2,098.1	160.15	2,620.5	188.29
Hay (lb.)	1,279.2	91.16	1,225.5	88.10	1,717.2	122.71
Other feed stuffs (lb)	3,833.4	160.22	2,802.1	131.37	2,693.8	160.57
Breeding fees		55.66		60.15		42.67
Veterinary		108.14		101.89		93.93
Supplies		163.96		196.69		154.64
Fuel & oil		98.26		105.92		112.98
Repairs		233.18		236.04		216.91
Custom hire		91.00		51.06		107.53
Hired labor		412.32		404.55		364.37
Hauling and trucking		128.25		133.15		135.87
Miscellaneous		259.65		263.15		253.55
Total direct expenses		4,201.55		4,017.11		4,064.06
Return over direct expense		1,396.40		272.52		2,282.08
Overhead Expenses						
Hired labor		124.34		77.12		73.03
Interest		118.48		148.38		77.79
Mach & bldg depreciation		203.74		211.95		190.98
Miscellaneous		275.17		244.70		274.02
Total overhead expenses		721.73		682.15		615.82
Total dir & ovhd expenses		4,923.28		4,699.27		4,679.88
Net return		674.68		-409.64		1,666.26
Labor & management charge		197.19		209.25		234.31
Net return over lbr & mgt		477.49		-618.88		1,431.94
Cost of Production Per Cwt. Of Milk						
Total direct expense per unit		16.14		17.78		14.98
Total dir& ovhd expense per unit		18.91		20.80		17.25
With other revenue adjustments		18.81		21.95		16.50
With labor and management		19.56		22.88		17.36
Est. labor hours per unit		38.88		34.50		38.06
Other Information						
Number of cows		294.3		219.7		272.3
Milk produced per cow		26,032		22,589		27,128
Energy corrected milk per cow		28,539		24,330		30,314
Lbs of fat & protein per cow		1,939		1,650		2,084
Culling percentage		28.7		28.5		25.7
Turnover rate		34.4		37.5		31.3
Cows per milking unit		23		20		23
Feed cost per cwt. of milk		10.18		10.91		9.52
Feed cost per cow		2,651.13		2,464.52		2,581.59
Hired labor per cow		536.66		481.67		437.40
Avg. milk price per cwt.		21.43		20.15		22.69
Milk price / feed margin		11.25		9.24		13.17

Dairy -- Average Per Cwt. Of Milk

	Avg. Of All Farms		*Low 20%*		*High 20%*	
Number of farms	243		48		49	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (hd)	99.59	21.35	99.78	20.11	99.60	22.60
Dairy Calves sold (hd)	0.00	0.91	0.00	0.57	0.00	1.11
Transferred out (hd)	0.00	0.24	0.00	0.23	0.00	0.23
Cull sales (hd)	0.00	1.62	0.00	1.70	0.00	1.49
Insurance income		0.16		0.05		0.19
Government payments		0.06		0.05		0.09
Other income		0.13		0.06		0.11
Purchased (hd)	0.00	-0.10	0.00	-0.34	0.00	-0.05
Transferred in (hd)	0.00	-0.16	0.00	-0.07	0.00	-0.12
Inventory change (hd)	0.00	0.09	0.00	-0.01	0.00	0.19
Dairy repl cost		-2.78		-3.36		-2.44
Gross margin		21.50		18.99		23.39
Direct Expenses						
Protein Vit Minerals (lb.)	16.26	3.46	19.39	3.54	16.51	2.48
Complete Ration (lb.)	4.27	2.02	8.63	2.28	2.68	2.22
Corn (bu.)	0.29	1.24	0.34	1.48	0.26	1.24
Corn Silage (lb.)	79.38	1.77	90.57	1.94	75.06	1.84
Hay, Alfalfa (lb.)	9.34	0.72	9.29	0.71	9.66	0.69
Hay (lb.)	4.91	0.35	5.43	0.39	6.33	0.45
Other feed stuffs (lb)	14.73	0.62	12.40	0.58	9.93	0.59
Breeding fees		0.21		0.27		0.16
Veterinary		0.42		0.45		0.35
Supplies		0.63		0.87		0.57
Fuel & oil		0.38		0.47		0.42
Repairs		0.90		1.04		0.80
Custom hire		0.35		0.23		0.40
Hired labor		1.58		1.79		1.34
Hauling and trucking		0.49		0.59		0.50
Miscellaneous		1.00		1.16		0.93
Total direct expenses		16.14		17.78		14.98
Return over direct expense		5.36		1.21		8.41
Overhead Expenses						
Hired labor		0.48		0.34		0.27
Interest		0.46		0.66		0.29
Mach & bldg depreciation		0.78		0.94		0.70
Miscellaneous		1.06		1.08		1.01
Total overhead expenses		2.77		3.02		2.27
Total dir & ovhd expenses		18.91		20.80		17.25
Net return		2.59		-1.81		6.14
Labor & management charge		0.76		0.93		0.86
Net return over lbr & mgt		1.83		-2.74		5.28
Cost of Production Per Cwt. Of Milk						
Total direct expense per unit		16.14		17.78		14.98
Total dir& ovhd expense per unit		18.91		20.80		17.25
With other revenue adjustments		18.81		21.95		16.50
With labor and management		19.56		22.88		17.36
Est. labor hours per unit		0.15		0.15		0.14
Other Information						
Number of cows		294.3		219.7		272.3
Milk produced per cow		26,032		22,589		27,128
Energy corrected milk per cow		28,539		24,330		30,314
Lbs of fat & protein per cow		1,939		1,650		2,084
Culling percentage		28.7		28.5		25.7
Turnover rate		34.4		37.5		31.3
Cows per milking unit		23		20		23
Feed cost per cwt. of milk		10.18		10.91		9.52
Feed cost per cow		2,651.13		2,464.52		2,581.59
Hired labor per cow		536.66		481.67		437.40
Avg. milk price per cwt.		21.43		20.15		22.69
Milk price / feed margin		11.25		9.24		13.17

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Dairy Replacement Heifers -- Average Per Head

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	231		46		47	
	Quantity	Value	Quantity	Value	Quantity	Value
Replacements sold (hd)	0.1	103.82	0.1	81.36	0.0	51.79
Transferred out (hd)	0.4	624.08	0.4	510.87	0.4	926.62
Cull sales (hd)	0.0	13.45	0.0	14.88	0.0	19.74
Insurance income		0.07		0.31		-
Other income		0.72		-		1.78
Purchased (hd)	0.0	-11.79	0.0	-9.12	0.0	-2.40
Transferred in (hd)	0.6	-220.91	0.6	-257.60	0.6	-146.90
Inventory change (hd)	0.0	19.79	0.0	-46.24	0.0	54.60
Gross margin		529.24		294.45		905.22
Direct Expenses						
Protein Vit Minerals (lb.)	311.1	75.02	229.7	66.81	330.6	82.87
Milk Replacer (lb.)	19.4	27.50	34.2	49.39	12.6	18.63
Complete Ration (lb.)	488.0	97.22	786.4	106.15	271.0	67.52
Corn (bu.)	4.7	20.78	3.6	16.14	5.8	27.75
Corn Silage (lb.)	4,286.7	91.37	3,122.6	71.15	3,944.3	81.38
Hay, Alfalfa (lb.)	738.0	54.20	580.5	41.10	1,002.8	63.43
Hay (lb.)	508.6	31.86	280.1	18.78	296.9	16.79
Other feed stuffs (lb)	1,535.0	70.71	1,818.0	77.46	1,359.7	68.74
Breeding fees		23.95		36.56		21.77
Veterinary		20.17		25.22		21.44
Supplies		19.99		25.76		19.15
Contract production exp.		170.13		259.64		138.14
Repairs		40.04		37.23		46.06
Hired labor		60.34		127.90		23.07
Miscellaneous		52.74		58.30		42.85
Total direct expenses		856.02		1,017.59		739.60
Return over direct expense		-326.78		-723.13		165.62
Overhead Expenses						
Hired labor		21.84		16.72		34.32
Interest		21.81		29.19		23.50
Mach & bldg depreciation		35.66		32.05		34.33
Miscellaneous		49.14		54.96		38.39
Total overhead expenses		128.45		132.92		130.54
Total dir & ovhd expenses		984.48		1,150.51		870.14
Net return		-455.23		-856.05		35.08
Labor & management charge		40.27		26.48		42.54
Net return over lbr & mgt		-495.50		-882.53		-7.45
Cost of Production Per Head Per Day						
Total direct expense per unit		2.89		3.60		2.23
Total dir& ovhd expense per unit		3.24		3.97		2.59
With other revenue adjustments		3.24		3.97		2.58
With labor and management		3.35		4.04		2.70
Est. labor hours per unit		6.72		7.93		5.36
Other Information						
No. purchased or trans in		145		181		117
Number sold or trans out		122		163		95
Average number of head		234		283		203
Percentage death loss		4.5		5.3		4.1
Feed cost per average head		468.65		446.97		427.11
Hired labor per average head		82.18		144.62		57.39
Feed cost/head sold/trans		898.89		776.89		911.77
Total cost/head sold/trans		2,346.54		2,563.29		2,104.56
Feed cost per head per day		1.28		1.22		1.17
Avg. purchase weight		33		-		95
Avg. purch price / head		1,363.30		1,975.83		142.36
Avg. wgt / Replacements sold		29		22		266
Avg. sales price / head		958.22		601.79		1,234.99

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Dairy and Repl Heifers -- Average Per Cow

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	226		45		46	
	Quantity	Value	Quantity	Value	Quantity	Value
Milk sold (hd)	26,050.3	5,568.13	22,581.2	4,602.17	26,999.4	6,130.15
Dairy Calves sold (hd)	-	321.99	-	190.60	-	336.23
Transferred out (hd)	-	49.50	-	64.15	-	50.44
Cull sales (hd)	-	436.79	-	455.31	-	429.39
Insurance income		38.58		15.48		47.66
Government payments		14.24		15.96		23.38
Other income		35.55		15.08		32.04
Purchased (hd)	-	-30.28	-	-109.52	-	-7.58
Transferred in (hd)	-	-2.09	-	-3.44	-	-4.18
Inventory change (hd)	-	37.41	-	-10.88	-	44.43
Gross margin		6,469.81		5,234.91		7,081.95
Direct Expenses						
Protein Vit Minerals (lb.)	4,598.8	973.73	2,265.7	731.43	5,121.1	766.44
Complete Ration (lb.)	1,557.1	618.21	3,041.5	753.73	955.4	615.37
Corn (bu.)	79.6	345.65	76.8	337.91	79.0	375.99
Corn Silage (lb.)	24,294.9	538.54	24,444.0	539.64	23,301.6	563.12
Hay, Alfalfa (lb.)	3,114.6	238.57	2,493.6	173.84	3,426.8	239.69
Hay (lb.)	1,713.4	117.84	2,458.5	166.31	1,837.7	124.72
Other feed stuffs (lb)	4,852.0	225.05	5,368.0	271.86	3,590.2	206.18
Breeding fees		76.33		70.20		67.90
Supplies		176.18		207.00		167.22
Contract production exp.		164.85		89.79		84.45
Fuel & oil		111.55		122.40		131.96
Repairs		266.19		294.06		242.11
Hired labor		474.32		460.09		425.08
Hauling and trucking		135.88		136.87		144.01
Miscellaneous		507.21		521.94		491.39
Total direct expenses		4,970.12		4,877.07		4,645.63
Return over direct expense		1,499.69		357.84		2,436.32
Overhead Expenses						
Hired labor		133.25		101.20		93.61
Interest		135.78		202.68		91.61
Mach & bldg depreciation		226.01		229.49		200.34
Miscellaneous		315.67		316.32		329.21
Total overhead expenses		810.70		849.69		714.77
Total dir & ovhd expenses		5,780.82		5,726.75		5,360.40
Net return		688.99		-491.84		1,721.55
Labor & management charge		227.69		263.94		272.09
Net return over lbr & mgt		461.30		-755.78		1,449.46
Cost of Production Per Cwt. Of Milk						
Total direct expense per unit		19.00		21.54		17.13
Total dir& ovhd expense per unit		22.10		25.29		19.77
With other revenue adjustments		18.70		22.54		16.30
With labor and management		19.57		23.70		17.31
Est. labor hours per unit		44.63		46.10		43.34
Other Information						
Number of cows		294.1		178.4		266.4
Milk produced per cow		26,163		22,640		27,112
Energy corrected milk per cow		28,762		24,870		30,283
Lbs of fat & protein per cow		1,956		1,699		2,083
Culling percentage		28.9		30.1		25.8
Turnover rate		34.8		38.9		31.5
Cows per milking unit		23		17		23
Feed cost per cwt. of milk		11.69		13.14		10.67
Feed cost per cow		3,057.59		2,974.71		2,891.52
Hired labor per cow		607.57		561.29		518.68
Avg. milk price per cwt.		21.37		20.38		22.70
Milk price / feed margin		9.69		7.24		12.04

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Years)

Dairy and Repl Heifers -- Average Per Cow - - Trend

	2020	2021	2022	2023	2024
Number of farms	264	258	222	225	221
Milk sold	4,924.66	4,652.09	6,146.70	4,919.86	5,573.57
Dairy Calves sold	69.27	78.75	97.99	151.06	327.57
Transferred out	36.88	26.99	56.98	35.93	49.50
Cull sales	204.77	235.25	285.10	327.02	435.41
Insurance income	26.18	21.62	10.20	110.77	38.38
Government payments	586.61	243.95	29.19	249.66	14.31
Contract Income	-	-	-	1.16	-
Other income	28.64	45.93	-8.14	47.63	36.37
Purchased	-69.05	-86.57	-35.83	-75.77	-30.64
Transferred in	-3.29	-6.48	-4.82	-25.74	-2.14
Inventory change	98.92	117.56	42.39	78.95	39.62
Gross margin	5,903.60	5,329.09	6,619.75	5,820.53	6,481.95
Direct Expenses					
Protein Vit Minerals	813.08	868.82	1,039.08	972.37	985.37
Complete Ration	509.42	522.82	639.92	638.54	605.99
Corn	246.08	311.68	458.39	414.03	347.43
Corn Silage	414.32	484.58	569.69	553.90	537.37
Hay, Alfalfa	255.76	249.87	278.46	237.22	243.11
Other feed stuffs	336.68	366.56	360.24	341.91	339.97
Breeding fees	65.77	69.29	71.28	74.00	75.88
Veterinary	131.49	126.41	115.28	116.44	126.97
Supplies	154.97	139.37	174.83	179.98	177.53
Contract production exp.	140.30	190.86	165.45	158.35	166.84
Fuel & oil	77.08	85.00	140.54	122.91	111.77
Repairs	228.80	195.36	236.88	237.78	265.85
Hired labor	414.60	361.42	411.16	410.10	475.25
Hauling and trucking	89.65	87.74	121.39	119.25	132.00
Miscellaneous	338.96	288.94	361.59	371.49	376.44
Total direct expenses	4,216.99	4,348.72	5,144.19	4,948.26	4,967.76
Return over direct expense	1,686.61	980.37	1,475.56	872.27	1,514.19
Overhead Expenses					
Hired labor	124.14	185.51	143.46	187.28	133.21
Interest	106.70	93.90	106.66	120.58	136.73
Mach & bldg depreciation	214.95	206.08	237.45	224.55	226.84
Miscellaneous	260.75	259.97	264.02	286.27	312.84
Total overhead expenses	706.54	745.46	751.59	818.68	809.62
Total dir & ovhd expenses	4,923.52	5,094.18	5,895.78	5,766.94	5,777.39
Net return	980.08	234.91	723.97	53.59	704.56
Labor & management charge	216.39	195.12	229.66	217.35	228.42
Net return over lbr & mgt	763.69	39.79	494.31	-163.76	476.14
Cost of Production Per Cwt. Of Milk					
Total direct expense per unit	16.91	17.30	20.24	19.26	18.97
Total dir& ovhd expense per unit	19.75	20.27	23.20	22.45	22.07
With other revenue adjustments	15.91	17.64	21.41	18.99	18.65
With labor and management	16.77	18.41	22.32	19.84	19.52
Est. labor hours per unit	43.96	40.46	41.82	42.68	44.71
Other Information					
Number of cows	250.9	280.3	268.6	292.3	294.0
Milk produced per cow	24,934	25,136	25,410	25,692	26,182
Energy corrected milk per cow	26,680	27,393	28,175	28,802	29,476
Lbs of protein & fat per cow	1,741	1,801	1,858	1,912	1,957
Culling percentage	29.0	29.4	29.7	29.0	28.8
Turnover rate	35.2	35.7	36.6	34.6	34.6
Cows per milking unit	21	22	22	23	23
Feed cost per cwt. of milk	10.33	11.16	13.17	12.29	11.68
Feed cost per cow	2,575.35	2,804.33	3,345.78	3,157.97	3,059.24
Hired labor per cow	538.74	546.93	554.63	597.37	608.46
Avg. milk price per cwt.	19.87	18.60	24.33	19.22	21.38
Milk price / feed margin	9.54	7.44	11.17	6.93	9.69

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Dairy Finishing -- Average Per Head

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	81		16		17	
	Quantity	Value	Quantity	Value	Quantity	Value
Dairy Finish sold (lb)	1,340.9	2,303.60	1,287.5	2,206.43	1,447.0	2,611.43
Insurance income		0.14		-		-
Other income		9.80		4.23		36.76
Purchased (lb)	-377.0	-947.81	-582.4	-1,269.25	-147.9	-430.37
Transferred in (lb)	-65.9	-157.13	-3.1	-13.22	-202.7	-462.86
Inventory change (lb)	104.9	451.33	41.6	314.35	90.7	581.54
Gross margin		1,659.92		1,242.53		2,336.49
Direct Expenses						
Protein Vit Minerals (lb.)	504.5	148.17	297.7	88.50	325.9	117.35
Complete Ration (lb.)	614.6	73.37	394.2	132.26	1,242.1	30.00
Corn (bu.)	106.9	447.80	96.5	420.19	140.2	601.63
Corn Silage (lb.)	1,458.4	30.08	779.8	13.90	3,132.8	62.97
DDGS, wet (lb.)	438.0	10.58	-	-	690.8	29.44
Other feed stuffs (lb)	1,191.6	63.77	1,091.7	61.88	799.7	58.25
Veterinary		29.87		18.46		32.74
Repairs		46.53		38.28		46.22
Hired labor		11.33		15.76		24.59
Marketing		22.27		27.12		14.03
Operating interest		28.81		64.36		5.21
Miscellaneous		85.31		60.71		84.66
Total direct expenses		997.89		941.41		1,107.08
Return over direct expense		662.03		301.12		1,229.41
Overhead Expenses						
Hired labor		17.49		4.58		22.41
Farm insurance		19.44		22.14		15.82
Interest		29.10		38.98		16.77
Mach & bldg depreciation		48.00		56.16		35.39
Miscellaneous		28.33		25.59		24.16
Total overhead expenses		142.37		147.45		114.56
Total dir & ovhd expenses		1,140.26		1,088.86		1,221.64
Net return		519.66		153.67		1,114.85
Labor & management charge		56.88		58.76		50.46
Net return over lbr & mgt		462.78		94.91		1,064.39
Cost of Production Per Cwt. Produced						
Total direct expense per unit		122.44		147.99		95.55
Total dir& ovhd expense per unit		133.05		159.44		103.46
With other revenue adjustments		133.04		159.44		103.43
With labor and management		137.28		164.00		106.91
Est. labor hours per unit		4.31		3.66		4.79
Other Information						
No. purchased or trans in		221		190		98
Number sold or trans out		188		181		80
Percentage death loss		3.0		2.9		3.0
Avg. daily gain (lb.)		2.49		2.24		2.11
Lb. of conc / lb. of gain		7.88		8.47		8.38
Lb. of feed / lb. of gain		9.07		9.89		9.85
Feed cost per cwt. of gain		76.73		96.09		74.46
Feed cost per head		773.78		716.73		899.64
Hired labor per head		28.81		20.34		47.00
Average purchase weight		453		643		334
Avg wgt / Dairy Finish sold		1,460		1,458		1,377
Avg purch price / head		1,139.32		1,402.16		971.61
Avg sales price / cwt.		171.79		171.37		180.47

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Dairy Finishing -- Average Per Cwt. Produced

	Avg. Of All Farms		Low 20%		High 20%	
Number of farms	81		16		17	
	Quantity	Value	Quantity	Value	Quantity	Value
Dairy Finish sold (lb)	132.97	228.43	172.60	295.80	119.76	216.14
Insurance income		0.01		-		-
Other income		0.97		0.57		3.04
Purchased (lb)	-37.39	-93.99	-78.08	-170.16	-12.24	-35.62
Transferred in (lb)	-6.53	-15.58	-0.41	-1.77	-16.77	-38.31
Inventory change (lb)	10.40	44.76	5.57	42.14	7.51	48.13
Gross margin		164.60		166.58		193.38
Direct Expenses						
Protein Vit Minerals (lb.)	50.03	14.69	39.91	11.86	26.97	9.71
Complete Ration (lb.)	60.94	7.28	52.84	17.73	102.80	2.48
Corn (bu.)	10.60	44.41	12.94	56.33	11.61	49.79
Corn Silage (lb.)	144.62	2.98	104.54	1.86	259.29	5.21
Other feed stuffs (lb)	161.60	7.37	146.36	8.30	123.36	7.26
Veterinary		2.96		2.47		2.71
Repairs		4.61		5.13		3.83
Hired labor		1.12		2.11		2.03
Hauling and trucking		1.71		2.13		1.34
Marketing		2.21		3.64		1.16
Bedding		1.59		2.02		1.32
Operating interest		2.86		8.63		0.43
Miscellaneous		5.16		3.99		4.34
Total direct expenses		98.95		126.21		91.63
Return over direct expense		65.65		40.37		101.75
Overhead Expenses						
Farm insurance		1.93		2.97		1.31
Interest		2.89		5.23		1.39
Mach & bldg depreciation		4.76		7.53		2.93
Miscellaneous		4.54		4.04		3.85
Total overhead expenses		14.12		19.77		9.48
Total dir & ovhd expenses		113.07		145.98		101.11
Net return		51.53		20.60		92.27
Labor & management charge		5.64		7.88		4.18
Net return over lbr & mgt		45.89		12.72		88.09
Cost of Production Per Cwt. Produced						
Total direct expense per unit		122.44		147.99		95.55
Total dir& ovhd expense per unit		133.05		159.44		103.46
With other revenue adjustments		133.04		159.44		103.43
With labor and management		137.28		164.00		106.91
Est. labor hours per unit		0.43		0.49		0.40
Other Information						
No. purchased or trans in		221		190		98
Number sold or trans out		188		181		80
Percentage death loss		3.0		2.9		3.0
Avg. daily gain (lb.)		2.49		2.24		2.11
Lb. of conc / lb. of gain		7.88		8.47		8.38
Lb. of feed / lb. of gain		9.07		9.89		9.85
Feed cost per cwt. of gain		76.73		96.09		74.46
Feed cost per head		773.78		716.73		899.64
Hired labor per head		28.81		20.34		47.00
Average purchase weight		453		643		334
Avg wgt / Dairy Finish sold		1,460		1,458		1,377
Avg purch price / head		1,139.32		1,402.16		971.61
Avg sales price / cwt.		171.79		171.37		180.47

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Net Return)

Sheep, Market Lamb Prod -- Average Per Cwt. Produced

	Avg. Of All Farms	
Number of farms	12	
	Quantity	Value
Lambs sold (lb)	0.41	0.04
Mkt Lambs sold (lb)	92.87	184.94
Cull sales (lb)	5.22	13.44
Government payments		0.25
Other income		3.36
Purchased (lb)	-3.72	-14.50
Transferred in (lb)	-0.41	-0.48
Inventory change (lb)	5.02	14.38
Gross margin		201.43
Direct Expenses		
Protein Vit Minerals (lb.)	156.06	30.75
Complete Ration (lb.)	65.27	9.20
Corn (bu.)	5.59	23.03
Hay, Alfalfa (lb.)	304.74	20.85
Hay, Grass (lb.)	298.66	13.40
Other feed stuffs (lb)	640.72	22.93
Fuel & oil		4.88
Repairs		8.60
Operating interest		1.95
Miscellaneous		21.98
Total direct expenses		157.57
Return over direct expense		43.86
Overhead Expenses		
Hired labor		4.17
Farm insurance		4.25
Utilities		6.17
Interest		7.14
Mach & bldg depreciation		12.35
Miscellaneous		5.08
Total overhead expenses		39.16
Total dir & ovhd expenses		196.73
Net return		4.70
Labor & management charge		29.89
Net return over lbr & mgt		-25.19
Cost of Production Per Cwt. Produced		
Total direct expense per unit		157.57
Total dir& ovhd expense per unit		196.73
With other revenue adjustments		187.40
With labor and management		217.29
Est. labor hours per unit		1.92
Other Information		
Number of ewes		222.9
Pregnancy percentage		96.0
Pregnancy loss percentage		0.8
Female turnover rate		15.36
Lambs born / ewe exposed		1.58
Lambs born / ewe lambing		1.66
Lambs weaned/ewe exposed		1.48
Lambs sold per ewe		1.33
Lamb dth loss (died/born)		9.7
Ewe death loss percentage		4.4
Ewes per FTE		828.4
Average weaning weight		50
Lb. weaned/exposed female		74
Feed cost per ewe		211.32
Avg wgt/Mkt Lambs sold		124
Avg price / cwt.		199.14

Sheep, Market Lamb Prod -- Average Per Ewe

	Avg. Of All Farms	
Number of farms	12	
	Quantity	Value
Lambs sold (lb)	0.7	0.07
Mkt Lambs sold (lb)	163.3	325.25
Cull sales (lb)	9.2	23.64
Government payments		0.44
Other income		5.91
Purchased (lb)	-6.5	-25.50
Transferred in (lb)	-0.7	-0.84
Inventory change (lb)	8.8	25.30
Gross margin		354.25
Direct Expenses		
Protein Vit Minerals (lb.)	274.5	54.08
Complete Ration (lb.)	114.8	16.17
Corn (bu.)	9.8	40.49
Corn Silage (lb.)	925.6	18.81
Hay, Alfalfa (lb.)	535.9	36.68
Hay, Grass (lb.)	525.2	23.56
Hay (lb.)	75.2	5.24
Other feed stuffs (lb)	126.0	16.28
Fuel & oil		8.59
Repairs		15.13
Operating interest		3.44
Miscellaneous		38.65
Total direct expenses		277.12
Return over direct expense		77.13
Overhead Expenses		
Hired labor		7.34
Mach & bldg depreciation		21.71
Miscellaneous		39.82
Total overhead expenses		68.87
Total dir & ovhd expenses		345.99
Net return		8.26
Labor & management charge		52.57
Net return over lbr & mgt		-44.31
Cost of Production Per Cwt. Produced		
Total direct expense per unit		157.57
Total dir& ovhd expense per unit		196.73
With other revenue adjustments		187.40
With labor and management		217.29
Est. labor hours per unit		3.38
Other Information		
Number of ewes		222.9
Pregnancy percentage		96.0
Pregnancy loss percentage		0.8
Female turnover rate		15.36
Lambs born / ewe exposed		1.58
Lambs born / ewe lambing		1.66
Lambs weaned/ewe exposed		1.48
Lambs sold per ewe		1.33
Lamb dth loss (died/born)		9.7
Ewe death loss percentage		4.4
Ewes per FTE		828.4
Average weaning weight		50
Lb. weaned/exposed female		74
Feed cost per ewe		211.32
Avg wgt/Mkt Lambs sold		124
Avg price / cwt.		199.14

Livestock Enterprise Analysis
Minnesota Farms Statewide
(Farms Sorted By Years)

Sheep, Market Lamb Prod -- Average Per Ewe -- Trend

	2020	2021	2022	2023	2024
Number of farms	6	8	11	11	11
Lambs sold	1.85	3.38	0.91	0.55	0.09
Mkt Lambs sold	225.54	419.67	313.87	323.40	315.05
Transferred out	0.24	-	-	-	-
Cull sales	13.21	25.98	23.88	20.92	25.63
Government payments	38.68	1.93	0.90	3.50	0.54
Other income	0.28	0.75	2.63	8.55	7.21
Purchased	-4.83	-0.36	-25.10	-14.90	-30.55
Transferred in	-	-	-2.85	-0.92	-1.03
Inventory change	-28.76	24.80	-16.06	4.01	41.78
Gross margin	246.21	476.14	298.19	345.12	358.72
Direct Expenses					
Protein Vit Minerals	33.83	58.10	66.38	59.48	55.54
Complete Ration	18.73	28.03	20.97	21.38	19.75
Corn	27.94	55.27	72.71	38.59	46.01
Corn Silage	14.91	9.17	7.26	19.87	14.39
Hay, Alfalfa	18.65	43.56	42.82	46.02	35.49
Hay, Grass	7.34	27.20	27.89	20.93	28.78
Haylage, Alfalfa	18.35	1.80	-	5.71	1.03
Hay	3.83	4.87	18.07	3.13	6.40
Other feed stuffs	22.05	7.22	10.98	12.50	18.86
Supplies	11.02	17.74	15.23	9.28	12.31
Repairs	22.70	15.51	12.99	17.35	16.43
Miscellaneous	38.72	27.43	37.24	42.83	42.90
Total direct expenses	238.08	295.89	332.54	297.07	297.90
Return over direct expense	8.13	180.25	-34.35	48.06	60.82
Overhead Expenses					
Hired labor	0.50	25.21	23.81	9.02	7.06
Mach & bldg depreciation	25.16	27.70	25.30	20.73	22.76
Miscellaneous	20.90	28.07	35.13	33.95	38.75
Total overhead expenses	46.56	80.98	84.23	63.71	68.58
Total dir & ovhd expenses	284.64	376.87	416.77	360.77	366.48
Net return	-38.43	99.27	-118.58	-15.65	-7.76
Labor & management charge	57.90	78.95	73.37	65.88	52.34
Net return over lbr & mgt	-96.34	20.32	-191.95	-81.52	-60.10
Cost of Production Per Cwt. Produced					
Total direct expense per unit	143.28	151.70	162.75	165.20	158.27
Total dir& ovhd expense per unit	171.30	193.21	203.97	200.63	194.70
With other revenue adjustments	144.67	175.54	202.27	194.52	186.84
With labor and management	179.51	216.02	238.18	231.16	214.65
Est. labor hours per unit	4.02	5.78	5.61	3.66	3.33
Other Information					
Number of ewes	212.0	208.0	178.0	268.1	199.1
Pregnancy percentage	95.8	97.3	95.5	97.4	95.1
Pregnancy loss percentage	0.4	0.5	0.9	1.2	0.6
Female turnover rate	14.70	18.45	14.36	22.07	15.89
Lambs born / ewe exposed	1.62	1.76	1.68	1.85	1.70
Lambs born / ewe lambing	1.70	1.82	1.77	1.92	1.79
Lambs weaned/ewe exposed	1.44	1.66	1.48	1.58	1.62
Lambs sold per ewe	1.20	1.24	1.37	1.23	1.25
Lamb dth loss (died/born)	15.5	11.2	13.4	12.7	10.3
Ewe death loss percentage	10.9	9.4	7.3	6.7	4.9
Ewes per FTE	697.3	484.1	498.8	765.7	841.1
Average weaning weight	51	49	48	49	50
Lb. weaned/exposed female	74	82	71	78	80
Feed cost per ewe	165.63	235.21	267.08	227.61	226.26
Avg wgt/Mkt Lambs sold	134	145	139	136	137
Avg price / cwt.	141.12	232.25	163.92	194.16	186.42

Summary Tables

Financial Summary by Years

A clearer understanding of the current financial performance can be obtained by comparing this year to previous years in the *Summary by Years* table. All items are sourced from the annual report for each respective year. Monetary values are presented in nominal terms, unadjusted for inflation. The exception is the *Net Farm Income (Constant $),* which uses the Consumer Price Index (CPI-U) from the U. S. Department of Commerce to show changes in "buying power" for farmers compared to the current year. The CPI used is reported below.

Year	CPI-U (1982-84 = 100)	Year	CPI-U (1982-84 = 100)
2003	184.0	2014	236.7
2004	188.9	2015	237.0
2005	195.3	2016	240.0
2006	201.6	2017	245.1
2007	207.3	2018	251.1
2008	215.3	2019	255.7
2009	214.5	2020	258.8
2010	218.1	2021	271.0
2011	224.9	2022	292.7
2012	229.6	2023	304.7
2013	233.0	2024	314.4

Figure 36: Consumer Price Index (CPI-U) values used for inflation adjustments.

Financial Summary by Farm Size (Gross Farm Income)

This table summarizes whole-farm financial performance by size of farm. Farms are categorized based on gross farm income.

Financial Summary by Farm Type

This table summarizes whole-farm financial performance by type of farm. Farm type is assigned based on greater than 70 percent of sales from that commodity or combination of commodities.

Financial Summary by Debt to Asset Ratio

This table summarizes whole-farm financial performance by debt level. Farms are categorized based on total farm and non-farm debt to asset ratio.

Financial Summary by Age of Operator

This table summarizes whole-farm financial performance based on the age of the primary operator.

SUMMARY OF THE WHOLE FARM ANALYSIS BY YEARS

Southwest Minnesota Farm Business Management Association

(Overall averages for all farms reporting)

Row	Items	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1	**Number of Farms**	175	125	107	110	107	99	95	97	107	110
	Farm Income Statement										
2	Gross Cash Farm Income	504,022	496,771	579,201	609,886	731,897	876,375	878,404	970,471	1,150,686	1,332,519
3	Total Cash Farm Expense	400,605	404,743	477,476	494,409	592,841	720,364	743,487	781,053	898,752	1,057,018
4	Inventory Change	18,977	31,076	74,307	66,397	135,843	70,051	-21,159	178,977	136,582	157,209
5	Depr. & Cap. Adj.	-25,990	-24,741	-28,170	-27,176	-32,631	-39,437	-43,972	-48,085	-55,244	-66,085
6	Net Farm Income from Operations	96,404	98,362	147,862	154,698	242,267	186,625	69,787	320,310	333,272	366,624
7	Gain or Loss on Capital Sales	0	0	0	0	0	4,276	0	1,855	3,015	10,447
8	Net Farm Income	96,404	98,362	147,862	154,698	242,267	190,901	69,787	322,165	336,287	377,071
9	**Net Farm Income (Constant $)**	164,725	163,711	238,033	241,255	367,432	278,770	102,289	464,414	470,114	516,338
	Profitability*										
10	Rate of Return on Assets (%)	11	11	14	13	17	11	3	17	16	14
11	Rate of Return on Equity (%)	16	16	21	19	25	15	2	24	21	19
12	Operating Profit Margin (%)	24	23	28	28	35	26	9	36	35	30
13	Asset Turnover Rate (%)	44	46	51	48	50	43	37	47	46	46
14	Value of Farm Production	379,505	378,450	478,073	512,081	648,768	658,576	608,181	819,691	871,265	1,052,663
15	Farm Interest Paid	25,262	21,824	22,210	27,677	30,714	30,232	29,727	34,124	28,447	27,141
	Liquidity, Repayment and Efficiency										
16	Current Ratio	1.7	1.9	2.1	2.2	2.5	2.6	2.3	2.9	3.3	3.1
17	Working Capital	143,632	155,804	218,745	268,567	393,911	446,350	404,104	568,438	659,446	771,719
18	Working Capital to Gross Revenue (%)	28	30	34	40	46	49	45	50	52	52
19	Working Capital to Operating Expense (%)	39	42	49	58	72	69	54	78	78	75
20	Debt Coverage Ratio	2.0	2.0	2.7	2.7	3.6	2.7	1.1	4.6	5.0	4.3
21	Term Debt Coverage Ratio	2.1	2.0	2.9	3.0	4.0	2.9	1.1	5.1	5.4	4.5
22	Operating Expense Ratio (%)	71.5	72.1	69.2	68.7	64.1	71.6	83.6	64.8	66.9	69.1
23	Interest Expense Ratio (%)	4.8	4.2	3.5	4.3	3.7	3.3	3.3	3.0	2.3	1.8
	Solvency (Year-end, Sole Proprietors Only)*										
24	No. of Sole Proprietors	149	109	91	93	91	85	80	80	87	85
25	Total Assets	1,407,919	1,286,775	1,487,232	1,694,428	2,034,365	2,208,883	2,376,886	2,719,826	2,922,324	3,515,081
26	Total Liabilities	619,279	554,962	618,105	698,239	810,184	837,830	892,734	987,753	1,068,183	1,057,882
27	Net Worth	788,640	731,813	869,127	996,189	1,224,181	1,371,053	1,484,151	1,732,074	1,854,181	2,288,721
28	Debt to Asset Ratio (%)	44	43	42	41	40	38	38	36	37	35
	Acreage Information										
29	Total Acres Owned	263	236	241	243	241	249	250	240	232	216
30	Total Crop Acres Farmed	794	766	792	797	825	822	831	831	791	886
31	Crop Acres Owned	239	193	199	197	208	222	224	221	202	205
32	Crop Acres Cash Rented	489	494	532	526	546	536	555	550	532	617
33	Crop Acres Share Rented	67	79	61	74	71	64	52	61	57	63
	Crop Yields										
34	Corn per acre (bu.)	157	171	192	169	162	172	185	184	173	162
35	Soybeans per acre (bu.)	39	41	55	51	49	44	49	51	46	47
	Crop Prices Received (cash sales)										
36	Corn per Bushel ($)	2.07	2.28	1.89	2.04	3.00	4.51	3.83	3.67	5.29	6.27
37	Soybeans per Bushel ($)	5.73	7.17	5.88	5.57	7.14	10.83	10.15	9.72	11.58	13.07
	Household Information										
38	No. Farms Reporting HseHld Info	102	73	67	66	60	62	52	46	43	42
39	Average Family Size	3.4	3.4	3.4	3.3	3.1	3.0	3.3	3.0	3.0	2.9
40	Family living expense	43,383	48,371	50,608	51,569	56,229	59,939	62,182	63,848	73,704	73,904
41	Total Family Use of Cash	68,470	68,029	74,513	82,670	98,388	100,933	123,590	108,468	119,913	135,406
42	**Net Nonfarm Income**	22,480	23,733	24,774	31,059	25,164	28,456	29,369	29,543	35,042	30,841

SUMMARY OF THE WHOLE FARM ANALYSIS BY YEARS (continued)

Southwest Minnesota Farm Business Management Association

(Overall averages for all farms reporting)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Row
117	109	103	103	104	101	106	108	110	111	116	118	1
Farm Income Statement												
1,285,081	1,086,085	997,581	918,546	941,931	865,101	946,154	1,099,964	1,268,240	1,402,893	1,269,180	1,107,490	2
1,029,631	856,705	798,226	748,909	783,231	703,195	783,687	931,696	964,451	1,103,396	976,294	916,635	3
-53,364	-49,479	-68,430	-8,515	-7,784	-25,846	52,089	221,729	230,258	140,788	-194,542	-91,655	4
-69,322	-70,801	-73,028	-71,987	-74,624	-68,737	-71,520	-76,433	-78,109	-86,655	-79,695	-82,934	5
132,764	109,100	57,897	89,135	76,292	67,324	143,035	313,564	455,938	353,631	18,649	16,265	6
4,404	9,296	1,944	-418	8,475	4,732	1,969	8,838	17,247	12,215	16,107	12,383	7
137,168	118,396	59,841	88,717	84,767	72,056	145,004	322,402	473,185	365,846	34,756	28,648	8
185,088	157,261	79,384	116,219	108,734	90,221	178,292	391,666	548,964	392,969	35,862	28,648	9
Profitability*												
4	3	1	3	2	2	5	10	14	9	0	0	10
4	3	0	2	1	0	5	14	19	12	-2	-2	11
11	10	4	8	7	6	16	28	35	26	-1	1	12
34	34	31	31	30	29	31	36	39	36	27	25	13
819,449	790,270	729,443	738,186	735,601	716,296	772,867	989,072	1,151,305	1,160,076	842,143	789,795	14
27,405	26,239	27,225	30,723	35,049	37,490	43,563	40,368	31,348	36,269	46,196	56,274	15
Liquidity, Repayment and Efficiency												
2.7	2.6	2.2	1.9	1.8	1.9	2.1	2.4	3.4	3.3	2.6	2.2	16
646,719	562,147	455,840	395,033	367,795	364,975	419,247	601,113	837,467	907,095	626,662	480,892	17
53	54	49	42	39	42	42	46	58	60	56	46	18
65	68	58	53	49	52	57	69	95	87	64	54	19
1.7	1.4	0.9	1.4	1.2	1.2	2.0	3.8	5.7	3.8	0.7	0.8	20
1.7	1.4	0.9	1.4	1.3	1.2	2.2	4.2	6.3	4.2	0.6	0.8	21
81.4	80.0	83.0	79.0	80.1	80.1	74.0	66.8	61.0	69.0	87.1	84.9	22
2.2	2.6	3.0	3.0	3.8	4.3	4.4	3.1	2.2	2.4	4.1	5.6	23
Solvency (Year-end, Sole Proprietors Only)*												
89	84	81	81	83	80	85	90	92	94	101	102	24
3,667,344	3,670,892	3,953,187	3,994,222	4,126,516	4,140,478	4,275,004	4,396,884	4,953,705	5,317,361	5,170,473	5,357,697	25
1,271,925	1,241,969	1,283,940	1,297,771	1,329,095	1,313,213	1,306,029	1,357,861	1,506,174	1,669,413	1,601,001	1,735,429	26
2,395,419	2,428,924	2,669,246	2,696,451	2,797,420	2,827,265	2,968,975	3,039,023	3,447,531	3,647,948	3,569,472	3,622,268	27
35	34	32	32	32	32	31	31	34	35	31	32	28
Acreage Information												
211	208	210	210	226	240	235	226	276	282	281	279	29
845	902	940	939	940	947	940	906	883	863	855	834	30
203	208	226	236	233	233	233	237	222	226	230	224	31
592	626	661	651	661	665	659	629	625	595	575	581	32
50	67	53	53	46	48	48	40	36	42	50	29	33
Crop Yields												
175	167	204	207	204	175	164	201	200	198	199	182	34
52	48	58	62	55	53	49	58	58	53	54	47	35
6.48	4.35	3.63	3.38	3.17	3.27	3.58	3.37	4.84	6.06	6.17	4.47	36
13.97	12.73	10.12	8.92	9.23	9.20	8.46	9.08	11.59	13.97	13.86	11.47	37
Household Information												
32	41	32	44	45	34	39	35	35	29	39	34	38
3.0	2.8	3.1	3.0	2.6	2.6	2.9	2.5	2.8	2.8	3.2	2.9	39
72,592	73,073	64,621	73,384	69,964	72,096	66,585	62,504	68,562	69,517	85,495	78,382	40
159,539	140,853	158,913	125,223	116,348	110,123	99,802	100,287	148,162	163,829	202,819	153,922	41
35,723	42,073	36,083	39,590	38,552	41,141	47,034	51,952	66,037	53,971	66,243	72,202	42

Financial Summary Including Deferred Liabilities
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Gross Farm Income)

	Avg. Of All Farms	Less than 100,000	100,001 - 250,000	250,001 - 500,000	500,001 - 1,000,000	1,000,001- 2,000,000	Over 2,000,000
Number of farms	118	5	16	29	38	22	8
Income Statement							
Gross cash farm income	1,107,490	52,586	178,658	383,416	752,394	1,424,973	7,062,859
Total cash farm expense	916,635	56,635	157,025	277,217	560,741	1,117,623	6,429,031
Net cash farm income	190,854	-4,049	21,632	106,199	191,654	307,350	633,828
Inventory change	-91,655	8,474	-8,630	-40,447	-94,515	-227,985	-117,427
Depreciation	-82,934	-4,253	-19,855	-42,284	-85,221	-120,789	-290,658
Net farm income from operations	16,265	173	-6,853	23,468	11,917	-41,425	225,742
Gain or loss on capital sales	12,383	-	6,627	16,019	3,342	30,747	10,899
Average net farm income	28,648	173	-226	39,488	15,259	-10,677	236,641
Median net farm income	18,360	1,393	-3,373	31,281	38,113	31,100	363,169
Profitability (cost)							
Rate of return on assets	0.3 %	-0.3 %	-1.0 %	-0.3 %	-0.7 %	-0.8 %	2.4 %
Rate of return on equity	-2.4 %	-6.6 %	-5.5 %	-2.0 %	-2.7 %	-4.2 %	-0.2 %
Operating profit margin	1.1 %	-1.0 %	-5.0 %	-1.5 %	-2.6 %	-3.6 %	8.2 %
Asset turnover rate	24.9 %	26.0 %	20.1 %	23.5 %	24.9 %	21.6 %	29.1 %
Profitability (market)							
Rate of return on assets	3.2 %	5.1 %	0.3 %	2.2 %	3.4 %	2.8 %	4.3 %
Rate of return on equity	3.1 %	6.3 %	-1.6 %	2.2 %	3.9 %	2.6 %	4.1 %
Operating profit margin	18.9 %	21.5 %	2.5 %	16.3 %	22.1 %	20.3 %	17.8 %
Asset turnover rate	16.9 %	23.8 %	12.9 %	13.7 %	15.6 %	14.0 %	24.4 %
Liquidity & Repayment (end of year)							
Current assets	884,004	86,958	174,295	364,178	698,474	1,387,726	4,181,974
Current liabilities	403,112	15,447	40,035	133,820	219,844	656,218	2,522,214
Current ratio	2.19	5.63	4.35	2.72	3.18	2.11	1.66
Working capital	480,892	71,511	134,260	230,358	478,630	731,508	1,659,760
Change in working capital	-116,703	39,807	-25,236	-35,816	-128,421	-283,876	-175,281
Working capital to gross revenue	46.1 %	121.2 %	77.4 %	65.1 %	70.5 %	59.3 %	23.3 %
Working capital to oper expense	54.3 %	145.9 %	93.9 %	84.9 %	87.3 %	68.7 %	26.6 %
Debt coverage ratio	0.84	2.53	1.07	0.96	1.04	0.25	1.06
Term debt coverage ratio	0.80	2.46	1.09	0.96	1.04	0.04	1.09
Replacement coverage ratio	0.59	2.11	0.86	0.61	0.62	0.16	0.98
Term debt to EBITDA	4.23	11.22	10.48	3.01	3.72	6.21	3.47
Solvency (end of year at cost)							
Number of farms	118	5	16	29	38	22	8
Total assets	3,854,039	315,036	1,299,837	1,930,233	3,353,760	5,436,853	16,171,707
Total liabilities	1,286,464	145,213	521,873	495,907	845,530	1,889,682	6,830,280
Net worth	2,567,575	169,823	777,965	1,434,325	2,508,230	3,547,171	9,341,427
Net worth change	2,850	36,950	19,036	-11,050	-4,189	-48,337	173,754
Farm debt to asset ratio	37 %	51 %	48 %	28 %	29 %	38 %	46 %
Total debt to asset ratio	33 %	46 %	40 %	26 %	25 %	35 %	42 %
Change in earned net worth %	0 %	28 %	3 %	-1 %	0 %	-1 %	2 %
Solvency (end of year at market)							
Number of farms	118	5	16	29	38	22	8
Total assets	5,748,632	360,301	1,878,174	3,494,757	5,309,449	8,598,867	19,275,530
Total liabilities	1,960,632	155,515	688,852	874,666	1,508,052	3,148,861	8,451,138
Net worth	3,788,001	204,786	1,189,322	2,620,091	3,801,398	5,450,006	10,824,392
Total net worth change	181,838	53,000	33,689	84,871	202,848	262,517	588,492
Farm debt to asset ratio	38 %	49 %	41 %	30 %	31 %	39 %	47 %
Total debt to asset ratio	34 %	43 %	37 %	25 %	28 %	37 %	44 %
Change in total net worth %	5 %	35 %	3 %	3 %	6 %	5 %	6 %
Nonfarm Information							
Net nonfarm income	72,202	65,588	87,755	67,911	86,260	62,714	20,107
Farms reporting living expenses	34	2	7	10	9	6	-
Total family living expense	78,801	-	74,933	88,142	73,562	74,899	-
Total living, invest, cap. purch	153,922	-	133,097	246,795	80,597	156,522	-
Crop Acres							
Total crop acres	834	87	208	455	815	1,187	3,047
Total crop acres owned	224	12	54	121	212	393	667
Total crop acres cash rented	581	75	145	270	583	791	2,310
Total crop acres share rented	29	-	10	64	20	3	70
Machinery value per crop acre	1,032	455	642	1,039	1,165	1,233	707

	Avg. Of All Farms	Crop	All Livestock	Diverse
Number of farms	118	88	10	20
Income Statement				
Gross cash farm income	1,107,490	826,984	4,106,218	842,348
Total cash farm expense	916,635	639,267	3,949,045	620,853
Net cash farm income	190,854	187,718	157,173	221,495
Inventory change	-91,655	-121,766	66,592	-38,291
Depreciation	-82,934	-76,656	-125,075	-89,489
Net farm income from operations	16,265	-10,704	98,691	93,715
Gain or loss on capital sales	12,383	11,196	4,552	21,523
Average net farm income	28,648	492	103,242	115,239
Median net farm income	18,360	6,026	17,073	38,113
Profitability (cost)				
Rate of return on assets	0.3 %	-1.2 %	2.6 %	3.0 %
Rate of return on equity	-2.4 %	-3.9 %	-0.4 %	1.5 %
Operating profit margin	1.1 %	-4.6 %	8.3 %	17.7 %
Asset turnover rate	24.9 %	26.0 %	31.6 %	17.1 %
Profitability (market)				
Rate of return on assets	3.2 %	2.8 %	3.3 %	4.5 %
Rate of return on equity	3.1 %	2.9 %	1.8 %	4.9 %
Operating profit margin	18.9 %	17.0 %	13.4 %	35.1 %
Asset turnover rate	16.9 %	16.6 %	24.7 %	12.8 %
Liquidity & Repayment (end of year)				
Current assets	884,004	791,665	1,745,447	859,572
Current liabilities	403,112	274,132	1,277,083	533,638
Current ratio	2.19	2.89	1.37	1.61
Working capital	480,892	517,534	468,363	325,934
Change in working capital	-116,703	-148,683	96,583	-82,632
Working capital to gross revenue	46.1 %	70.1 %	11.2 %	39.8 %
Working capital to oper expense	54.3 %	81.9 %	12.3 %	59.2 %
Debt coverage ratio	0.84	0.62	1.21	1.10
Term debt coverage ratio	0.80	0.54	1.30	1.12
Replacement coverage ratio	0.59	0.39	1.02	0.93
Term debt to EBITDA	4.23	5.10	2.98	3.60
Solvency (end of year at cost)				
Number of farms	118	88	10	20
Total assets	3,854,039	3,378,043	5,887,134	4,931,875
Total liabilities	1,286,464	1,013,084	2,472,642	1,896,246
Net worth	2,567,575	2,364,959	3,414,492	3,035,629
Net worth change	2,850	-16,000	72,989	50,719
Farm debt to asset ratio	37 %	33 %	43 %	44 %
Total debt to asset ratio	33 %	30 %	42 %	38 %
Change in earned net worth %	0 %	-1 %	2 %	2 %
Solvency (end of year at market)				
Number of farms	118	88	10	20
Total assets	5,748,632	5,257,180	7,640,553	6,965,064
Total liabilities	1,960,632	1,711,643	3,098,047	2,487,472
Net worth	3,788,001	3,545,536	4,542,506	4,477,592
Total net worth change	181,838	174,384	186,483	212,312
Farm debt to asset ratio	38 %	35 %	42 %	43 %
Total debt to asset ratio	34 %	33 %	41 %	36 %
Change in total net worth %	5 %	5 %	4 %	5 %
Nonfarm Information				
Net nonfarm income	72,202	79,177	33,641	60,796
Farms reporting living expenses	34	26		5
Total family living expense	78,801	76,243		91,597
Total living, invest, cap. purch	153,922	121,505		314,631
Crop Acres				
Total crop acres	834	918	621	571
Total crop acres owned	224	216	285	229
Total crop acres cash rented	581	671	336	306
Total crop acres share rented	29	30	-	36
Machinery value per crop acre	1,032	956	1,073	1,545

Financial Summary Including Deferred Liabilities
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Debt to Asset Ratio)

	Avg. Of All Farms	Less than 20%	20% - 40%	40% - 60%	60% - 80%
Number of farms	118	32	40	33	11
Income Statement					
Gross cash farm income	1,107,490	616,021	1,167,950	1,637,820	798,220
Total cash farm expense	916,635	366,630	945,050	1,462,594	830,125
Net cash farm income	190,854	249,391	222,901	175,226	-31,905
Inventory change	-91,655	-158,635	-110,668	-57,699	55,882
Depreciation	-82,934	-59,100	-101,324	-102,367	-28,056
Net farm income from operations	16,265	31,656	10,909	15,160	-4,079
Gain or loss on capital sales	12,383	15,081	17,534	8,698	-889
Average net farm income	28,648	46,737	28,444	23,858	-4,969
Median net farm income	18,360	29,186	37,837	9,812	-11,256
Profitability (cost)					
Rate of return on assets	0.3 %	-0.6 %	-0.5 %	1.2 %	2.7 %
Rate of return on equity	-2.4 %	-0.9 %	-2.3 %	-3.8 %	-7.3 %
Operating profit margin	1.1 %	-2.7 %	-2.1 %	4.2 %	13.2 %
Asset turnover rate	24.9 %	22.0 %	23.6 %	28.2 %	20.8 %
Profitability (market)					
Rate of return on assets	3.2 %	2.1 %	2.5 %	4.7 %	4.2 %
Rate of return on equity	3.1 %	2.3 %	2.4 %	5.6 %	0.2 %
Operating profit margin	18.9 %	16.2 %	15.5 %	23.1 %	23.5 %
Asset turnover rate	16.9 %	12.7 %	15.9 %	20.6 %	17.9 %
Liquidity & Repayment (end of year)					
Current assets	884,004	668,219	924,940	1,168,478	562,231
Current liabilities	403,112	59,244	301,715	808,738	504,180
Current ratio	2.19	11.28	3.07	1.44	1.12
Working capital	480,892	608,976	623,225	359,739	58,052
Change in working capital	-116,703	-120,872	-110,880	-144,062	-51,470
Working capital to gross revenue	46.1 %	129.5 %	58.2 %	21.9 %	6.6 %
Working capital to oper expense	54.3 %	162.7 %	68.3 %	25.5 %	7.5 %
Debt coverage ratio	0.84	2.48	0.90	0.68	0.80
Term debt coverage ratio	0.80	2.66	0.89	0.57	0.68
Replacement coverage ratio	0.59	0.61	0.57	0.57	0.76
Term debt to EBITDA	4.23	0.54	4.10	5.30	6.49
Solvency (end of year at cost)					
Number of farms	118	32	40	33	11
Total assets	3,854,039	2,885,511	4,446,164	4,740,510	2,170,779
Total liabilities	1,286,464	154,736	1,075,011	2,504,883	1,535,580
Net worth	2,567,575	2,730,775	3,371,152	2,235,627	635,199
Net worth change	2,850	-14,711	52,270	-37,672	3,675
Farm debt to asset ratio	37 %	5 %	26 %	57 %	74 %
Total debt to asset ratio	33 %	5 %	24 %	53 %	71 %
Change in earned net worth %	0 %	-1 %	2 %	-2 %	1 %
Solvency (end of year at market)					
Number of farms	118	32	40	33	11
Total assets	5,748,632	5,033,398	6,737,636	6,484,551	2,520,447
Total liabilities	1,960,632	742,062	1,936,118	3,237,988	1,662,909
Net worth	3,788,001	4,291,336	4,801,518	3,246,562	857,538
Total net worth change	181,838	140,550	249,507	195,375	45,460
Farm debt to asset ratio	38 %	17 %	30 %	54 %	69 %
Total debt to asset ratio	34 %	15 %	29 %	50 %	66 %
Change in total net worth %	5 %	3 %	5 %	6 %	6 %
Nonfarm Information					
Net nonfarm income	72,202	87,110	75,736	54,283	71,020
Farms reporting living expenses	34	13	13	5	3
Total family living expense	78,801	84,662	69,964	97,956	-
Total living, invest, cap. purch	153,922	136,924	172,882	139,245	-
Crop Acres					
Total crop acres	834	580	925	1,165	292
Total crop acres owned	224	169	295	244	105
Total crop acres cash rented	581	371	600	901	168
Total crop acres share rented	29	40	31	20	20
Machinery value per crop acre	1,032	1,249	1,069	874	967

Financial Summary Including Deferred Liabilities
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Age of Operator)

	Avg. Of All Farms	Less Than 31	31 - 40	41 - 50	51 - 60	Over 60
Number of farms	118	12	22	20	17	47
Income Statement						
Gross cash farm income	1,107,490	368,405	795,204	871,007	1,026,924	1,572,140
Total cash farm expense	916,635	326,139	659,329	602,694	816,001	1,357,833
Net cash farm income	190,854	42,266	135,875	268,313	210,923	214,307
Inventory change	-91,655	19,156	-42,758	-122,153	-131,250	-115,536
Depreciation	-82,934	-30,733	-65,042	-89,406	-79,558	-103,104
Net farm income from operations	16,265	30,688	28,076	56,754	114	-4,334
Gain or loss on capital sales	12,383	1,324	2,655	5,806	4,123	25,547
Average net farm income	28,648	32,011	30,731	62,560	4,237	21,214
Median net farm income	18,360	9,915	38,279	51,732	-11,084	2,240
Profitability (cost)						
Rate of return on assets	0.3 %	1.8 %	0.7 %	1.9 %	-0.5 %	-0.2 %
Rate of return on equity	-2.4 %	-1.7 %	-2.5 %	-0.4 %	-4.4 %	-2.6 %
Operating profit margin	1.1 %	4.5 %	2.2 %	7.7 %	-1.7 %	-1.1 %
Asset turnover rate	24.9 %	40.2 %	32.8 %	24.7 %	30.2 %	20.9 %
Profitability (market)						
Rate of return on assets	3.2 %	5.3 %	5.3 %	4.8 %	4.5 %	2.0 %
Rate of return on equity	3.1 %	7.5 %	7.4 %	5.7 %	5.2 %	1.4 %
Operating profit margin	18.9 %	13.7 %	18.8 %	26.4 %	25.5 %	14.7 %
Asset turnover rate	16.9 %	38.3 %	28.0 %	18.1 %	17.7 %	13.4 %
Liquidity & Repayment (end of year)						
Current assets	884,004	277,940	726,674	737,363	854,987	1,185,284
Current liabilities	403,112	136,825	327,259	277,639	419,450	554,088
Current ratio	2.19	2.03	2.22	2.66	2.04	2.14
Working capital	480,892	141,114	399,415	459,724	435,536	631,196
Change in working capital	-116,703	6,996	-132,159	-118,791	-115,006	-140,776
Working capital to gross revenue	46.1 %	34.9 %	48.8 %	59.3 %	48.9 %	42.6 %
Working capital to oper expense	54.3 %	44.1 %	59.1 %	81.2 %	58.1 %	48.0 %
Debt coverage ratio	0.84	2.47	0.91	1.04	0.65	0.66
Term debt coverage ratio	0.80	2.78	0.90	1.06	0.51	0.56
Replacement coverage ratio	0.59	1.86	0.82	0.79	0.43	0.42
Term debt to EBITDA	4.23	4.02	5.52	4.05	3.86	3.95
Solvency (end of year at cost)						
Number of farms	118	12	22	20	17	47
Total assets	3,854,039	1,204,735	2,935,664	3,806,248	3,576,965	5,080,890
Total liabilities	1,286,464	684,335	1,462,633	1,464,408	1,165,593	1,325,735
Net worth	2,567,575	520,400	1,473,031	2,341,840	2,411,372	3,755,155
Net worth change	2,850	70,170	13,893	30,272	-31,369	-18,798
Farm debt to asset ratio	37 %	60 %	52 %	46 %	37 %	29 %
Total debt to asset ratio	33 %	57 %	50 %	38 %	33 %	26 %
Change in earned net worth %	0 %	16 %	1 %	1 %	-1 %	0 %
Solvency (end of year at market)						
Number of farms	118	12	22	20	17	47
Total assets	5,748,632	1,292,422	3,481,310	5,059,884	6,096,339	8,115,006
Total liabilities	1,960,632	756,808	1,754,577	1,972,705	2,065,325	2,321,436
Net worth	3,788,001	535,614	1,726,733	3,087,179	4,031,015	5,793,570
Total net worth change	181,838	107,638	157,753	181,265	241,907	190,573
Farm debt to asset ratio	38 %	62 %	53 %	45 %	38 %	32 %
Total debt to asset ratio	34 %	59 %	50 %	39 %	34 %	29 %
Change in total net worth %	5 %	25 %	10 %	6 %	6 %	3 %
Nonfarm Information						
Net nonfarm income	72,202	68,583	66,169	65,160	77,725	76,950
Farms reporting living expenses	34	-	8	5	-	21
Total family living expense	78,801	-	82,389	72,150	-	79,018
Total living, invest, cap. purch	153,922	-	145,698	168,829	-	153,506
Crop Acres						
Total crop acres	834	417	985	789	1,019	822
Total crop acres owned	224	29	102	180	205	357
Total crop acres cash rented	581	382	827	578	796	440
Total crop acres share rented	29	6	56	31	18	25
Machinery value per crop acre	1,032	567	578	1,111	931	1,360

Financial Summary Including Deferred Liabilities
Southwest Minnesota Farm Business Management Association
(Farms Sorted By Number of Years Farming)

	Avg. Of All Farms	10 or Less	11 - 20	21 - 30	31 - 40	Over 40
Number of farms	118	27	22	8	14	47
Income Statement						
Gross cash farm income	1,107,490	284,114	1,114,266	1,369,281	1,103,959	1,533,812
Total cash farm expense	916,635	245,252	863,319	1,049,397	884,046	1,314,389
Net cash farm income	190,854	38,862	250,947	319,885	219,913	219,422
Inventory change	-91,655	13,091	-119,441	-179,177	-123,601	-114,409
Depreciation	-82,934	-23,402	-101,697	-111,314	-90,746	-101,193
Net farm income from operations	16,265	28,550	29,809	29,394	5,566	3,820
Gain or loss on capital sales	12,383	2,149	-772	10,059	14,543	24,172
Average net farm income	28,648	30,699	29,037	39,453	20,109	27,992
Median net farm income	18,360	11,717	56,854	28,192	-15,043	27,091
Profitability (cost)						
Rate of return on assets	0.3 %	2.4 %	0.1 %	1.5 %	0.4 %	-0.2 %
Rate of return on equity	-2.4 %	-0.4 %	-2.7 %	-2.8 %	-3.6 %	-2.3 %
Operating profit margin	1.1 %	6.5 %	0.4 %	5.9 %	1.7 %	-0.8 %
Asset turnover rate	24.9 %	36.4 %	31.9 %	25.5 %	26.5 %	20.8 %
Profitability (market)						
Rate of return on assets	3.2 %	6.0 %	4.2 %	3.0 %	7.7 %	1.7 %
Rate of return on equity	3.1 %	9.0 %	5.2 %	1.9 %	10.3 %	1.1 %
Operating profit margin	18.9 %	17.9 %	16.1 %	16.8 %	48.9 %	12.9 %
Asset turnover rate	16.9 %	33.4 %	26.0 %	18.1 %	15.7 %	13.3 %
Liquidity & Repayment (end of year)						
Current assets	884,004	226,780	1,005,565	1,068,199	960,678	1,150,466
Current liabilities	403,112	91,983	414,046	571,191	539,794	507,404
Current ratio	2.19	2.47	2.43	1.87	1.78	2.27
Working capital	480,892	134,797	591,519	497,008	420,884	643,062
Change in working capital	-116,703	-12,390	-178,086	-152,297	-151,574	-131,449
Working capital to gross revenue	46.1 %	44.2 %	55.2 %	41.9 %	41.9 %	44.5 %
Working capital to oper expense	54.3 %	57.8 %	66.9 %	54.4 %	50.9 %	50.4 %
Debt coverage ratio	0.84	2.03	0.85	0.68	0.79	0.69
Term debt coverage ratio	0.80	2.22	0.83	0.53	0.71	0.61
Replacement coverage ratio	0.59	1.63	0.67	0.53	0.59	0.43
Term debt to EBITDA	4.23	4.48	4.73	4.88	3.94	3.82
Solvency (end of year at cost)						
Number of farms	118	27	22	8	14	47
Total assets	3,854,039	1,116,734	3,830,933	5,945,480	3,828,634	5,088,927
Total liabilities	1,286,464	609,909	1,596,544	2,691,888	1,368,543	1,266,309
Net worth	2,567,575	506,826	2,234,389	3,253,591	2,460,091	3,822,618
Net worth change	2,850	58,347	-6,669	-61,481	19,927	-18,712
Farm debt to asset ratio	37 %	59 %	44 %	54 %	41 %	28 %
Total debt to asset ratio	33 %	55 %	42 %	45 %	36 %	25 %
Change in earned net worth %	0 %	13 %	0 %	-2 %	1 %	0 %
Solvency (end of year at market)						
Number of farms	118	27	22	8	14	47
Total assets	5,748,632	1,240,345	4,796,242	7,882,185	6,624,622	8,160,208
Total liabilities	1,960,632	677,148	2,077,457	3,491,556	2,324,941	2,274,167
Net worth	3,788,001	563,197	2,718,785	4,390,629	4,299,681	5,886,041
Total net worth change	181,838	92,684	177,157	78,613	459,362	170,147
Farm debt to asset ratio	38 %	60 %	47 %	50 %	39 %	31 %
Total debt to asset ratio	34 %	55 %	43 %	44 %	35 %	28 %
Change in total net worth %	5 %	20 %	7 %	2 %	12 %	3 %
Nonfarm Information						
Net nonfarm income	72,202	68,147	84,756	18,012	77,796	76,213
Farms reporting living expenses	34	6	4	2	1	21
Total family living expense	78,801	78,596	-	-	-	79,018
Total living, invest, cap. purch	153,922	154,945	-	-	-	153,506
Crop Acres						
Total crop acres	834	333	1,254	1,210	994	814
Total crop acres owned	224	31	132	338	225	359
Total crop acres cash rented	581	290	1,057	854	770	423
Total crop acres share rented	29	12	65	19	-	31
Machinery value per crop acre	1,032	529	760	990	1,091	1,335

Appendix I: Whole Farm Analysis Procedures and Measures

The whole-farm reports include summary financial statements and measures for all farms included in this report. Rounding of individual items may have caused minor discrepancies between those items and the printed totals which are calculated before rounding.

Financial Summary

This table summarizes key measures reported in several of the following tables.

Income Statement

This section summarizes key totals from the Income Statement table. *Average Net Farm Income* is the mean or average farm earnings of the group calculated on an accrual adjusted basis. *Median Net Farm Income* is the farm earnings of the median or middle farm in the group. If it is lower than the average, the average earnings are skewed because some farms had much higher earnings than the rest of the group. If it is higher than the average, the average earnings are skewed because some farms had much lower earnings than the rest of the group.

Profitability

See the Profitability Measures section below for an explanation of these measures.

Liquidity and Repayment Capacity

See the Financial Standards Measures and Liquidity Measures sections below for an explanation of these measures.

Solvency

This section summarizes key measures from the Balance Sheet reports.

Non-Farm Information

This section summarizes non-farm earnings for all farms and family living withdrawals for those sole proprietors who kept accurate family living records. More detail is included on the Household and Personal Expenses and Non-Farm Summary pages.

Crop Acres

This section summarizes acres used for cropping from the Crop Production and Marketing table.

Financial Standards Measures

This table contains the Farm Financial Standards Council's 13 financial measures for evaluating a farm's financial position and performance. This table also includes four additional ratios FFSC denotes as acceptable alternate measures of farm financial position and performance.

Liquidity

Current Ratio is calculated by dividing the total current farm assets by the total current farm liabilities.

Working Capital is calculated by subtracting current farm liabilities from current farm assets.

Working Capital to Gross Revenue is *Working Capital* divided by *Gross Revenues* (accrual).

Working Capital to Operating Expenses is *Working Capital* divided by *Total Operating Expense* (accrual) minus *Depreciation* and *Amortization.*

Solvency

Farm Debt to Asset Ratio is calculated by dividing the total farm liabilities by the total farm assets. It measures the proportion of farm assets financed by debt capital.

Farm Equity to Asset Ratio is calculated by dividing farm equity or net worth by the total farm assets. It measures the proportion of the farm assets financed by the owner's equity as opposed to debt. This is the opposite of the debt to asset ratio. These two measures always add up to 100 percent because they describe how total farm assets are financed.

Farm Debt to Equity Ratio measures farm debt relative to farm equity. It is calculated by dividing the total farm liabilities by the total farm net worth. The debt to equity ratio measures the amount of borrowed capital being employed for every dollar of equity capital.

Profitability

Rate of Return on Farm Assets can be thought of as the average interest rate being earned on all investments in the farm or ranch business. If assets are valued at market value, the rate of return on assets can be looked at as the “opportunity cost” of farming versus alternate investments. If assets are valued at cost value, the rate of return on assets more closely represents the actual return on the average dollar invested in the farm. The rate of return on farm assets is calculated as follows: Rate of Return on Assets = Return on Farm Assets ÷ Average Farm Investment, where: Return on Farm Assets = Net Farm Income + Farm Interest - Value of Operator's Labor & Management, and Average Farm Investment = (Beginning Total Farm Assets + Ending Total Farm Assets) ÷ 2.

Rate of Return on Farm Equity represents the interest rate being earned on farm net worth. If assets are valued at market value, this return can be compared to returns available if the assets were liquidated and invested in alternate investments. If assets are valued at cost value, this more closely represents the actual return on the funds that have been invested or retained in the business. The rate of return on farm equity is calculated as follows: Rate of Return on Equity = Return on Farm Equity ÷ Average Farm Net Worth, where: Return on Farm Equity = Net Farm Income - Value of Operator's Labor & Management, and Average Farm Net Worth = (Beginning Farm Net Worth + Ending Farm Net Worth) ÷ 2.

Operating Profit Margin is a measure of the operating efficiency of the business. It is calculated as follows: Operating Profit Margin = Return to Farm Assets ÷ Value of Farm Production. If expenses are held in line relative to the value of output produced, the farm will have a healthy operating profit margin. A low net profit margin may be caused by low prices, high operating expenses, or inefficient production.

Asset Turnover Rate is a measure of efficiency in using capital. It is calculated as follows: Asset Turnover Rate = Value of Farm Production ÷ Total Farm Assets.

Repayment Capacity

Debt Coverage Ratio indicates whether the business generated enough income to cover current interest expense and all scheduled term debt payments. It is calculated by dividing repayment and replacement capacity by total debt repayment. Repayment and replacement capacity are the funds generated by the business for debt repayment (net cash farm income + non-farm income + interest expense - family living expense - income taxes). Total debt repayment includes the total term debt payments (annual scheduled principal and interest payments on intermediate and long term debt) plus interest expense on current debt. A ratio less than 1.0 indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 1.0 indicates the business generated enough cash to pay all term debt payments.

Term Debt Coverage Ratio measures whether the business generated enough income to cover term debt payments. It is calculated by dividing the funds generated by the business for debt repayment (net cash farm income + non-farm income + interest expense - family living expense - income taxes) by total term debt payments (annual scheduled principal and interest payments on intermediate and long term debt). A ratio less than 1.0 indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 1.0 indicates the business generated enough cash to pay all term debt payments.

Replacement Coverage Ratio measures whether the business generated enough income to cover scheduled term debt payments plus estimated cash capital replacement needs. A ratio less than 1.0 indicates that the business did not generate sufficient income to meet replacement needs. A ratio greater than 1.0 indicates the business generated enough income to pay all term debt payments and cover an allowance for capital replacement.

Financial Efficiency

These four ratios reflect the distribution of gross income to cover operating expenses and generate farm income. The sum of the operating expense ratio, depreciation expense ratio, and interest expense ratio equals the percent of gross income used to pay business expenses. The amount remaining is net farm income. Accrual gross farm income is used to calculate these ratios.

Operating Expense Ratio is calculated as (Total Farm Operating Expense - Farm Interest Expense) ÷ Gross Farm Income. This ratio indicates the percent of the gross farm income that was used to pay operating expenses. Total farm operating expense is the accrual total operating expense.

Depreciation Expense Ratio is calculated as *Depreciation* divided by *Gross Farm Income*. This ratio indicates the percentage of the gross farm income that was used to cover depreciation and other capital adjustments.

Interest Expense Ratio is calculated as *Farm Interest Expense* divided by *Gross Farm Income*. This ratio indicates the percentage of the gross farm income used for farm interest expenses. This is the same ratio as the accrual interest as a percent of income from the Liquidity table.

Net Farm Income Ratio is calculated as *Net Farm Income* divided by *Gross Farm Income*. This ratio indicates the percentage of the gross farm income that remained after all expenses.

Farm Income Statement

The Farm Income Statement is a summary of income, expenses, and resultant profit or loss from farming operations during the calendar year. The first section lists cash farm income from all sources. The second section lists cash expenses. “Interest” includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included. The difference between *Gross Cash Farm Income* and *Total Cash Expense* is the *Net Cash Farm Income*.

The third and fourth sections deal with noncash changes in the farm business. The *Inventory Changes* and *Depreciation* sections are used to convert the cash income statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The resulting “Net Farm Income” represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources which are owned by the farm family and, hence, not purchased or paid a wage. However, it does not include any asset appreciation, debt forgiveness or asset repossessions.

Profitability Measures

Profitability is measured using assets valued first at cost and then at market. The reports include five measures of profit followed by the values used to calculate the measures.

Net Farm Income is repeated from the Farm Income Statement report. When assets are valued at market, it includes the change in market valuation of capital for the year.

Rate of Return on Assets is the *Return to Farm Assets* divided by *Average Farm Assets*.

Rate of Return on Equity is the *Return to Farm Equity* divided by *Average Farm Equity*.

Operating Profit Margin is the *Return to Farm Assets* divided by *Value of Farm Production*.

Asset Turnover Rate is the *Value of Farm Production* divided by *Average Farm Assets*.

Farm Interest Expense is the accrued interest cost so it will be different from the cash interest paid shown in the Farm Income Statement.

Value of Operator's Labor and Management is its opportunity cost. It is assigned by farm within suggested guidelines.

Return on Farm Assets is calculated by adding *Farm Interest Expense* and *Net Farm Income* and then subtracting the *Value of Operator's Labor and Management*.

Average Farm Assets is the average of beginning and ending total farm assets for all farms, not just those included in the Balance Sheet report.

Return to Farm Equity is calculated by subtracting the *Value of Operator's Labor and Management* from *Net Farm Income*.

Average Farm Equity is the average of beginning and ending farm net worth.

Value of Farm Production is gross farm income minus feeder livestock and feed purchased and adjusted for inventory changes in crops, market livestock and breeding livestock.

Liquidity and Repayment Capacity Measures

Liquidity

Current Ratio is total *Current Assets* divided by total *Current Liabilities*.

Working Capital is total *Current Assets* minus total *Current Liabilities*.

Change in Working Capital is the change in *Working Capital* from beginning of the year to year end.

Working Capital to Gross Revenue is *Working Capital* divided by *Gross Revenues (accrual)*.

Working Capital to Operating Expenses is *Working Capital* divided by *Total Operating Expense* (accrual) minus *Depreciation* and *Amortization.*

Current Assets are taken from the ending balance sheet and include all assets that will be sold or used up in production within one business year.

Current Liabilities are taken from the ending balance sheet and include all loans and other debt due to be repaid within one business year. Principal due within twelve months on intermediate and long-term loans is included.

Gross Revenues (accrual) is gross cash farm income from the income statement adjusted for inventory changes in prepaid expenses, crops and feed, market livestock, accounts receivable, hedging accounts, breeding livestock and other income related inventories.

Total Operating Expenses (accrual) is total cash farm expenses from the income statement adjusted for inventory changes in accounts payable and accrued interest.

Repayment Capacity

Net Farm Income from Operations is from the Income Statement.

Depreciation is the total depreciation from the Income Statement. It is added as a source of repayment because it is a non-cash expense that was subtracted to arrive at Net *Farm Income From Operations*.

Personal Income is the average for all farms, not including *Gifts and Inheritances*.

Family Living/Owner Withdrawals is the amount of owner withdrawals for family living, partnership withdrawals, and corporate dividends.

Cash Discrepancy reports any discrepancy with actual cash disappearance.

Income Taxes Paid are total federal, state, and social security taxes paid during the year on farm and personal earnings.

Interest Expense is the amount of interest paid on current, intermediate and long-term loans during the year. Interest is added as a source of repayment because it was previously subtracted to arrive at *Net Farm Income from Operations.*

Debt Repayment Capacity is *Net Farm Income From Operations* plus *Depreciation*, *Personal Income*, and *Interest Expense* minus *Family Living/Owner Withdrawals*, and *Income Taxes Paid*.

Debt Payments is the scheduled amount of interest due on current debt plus the scheduled principal and interest payments due on intermediate and long-term loans from the beginning balance sheet.

Repayment Margin is *Debt Repayment Capacity* minus *Debt Payments*. This is the amount by which earnings available for debt repayment exceeded payments due.

Cash Replacement Allowance is the estimated amount of cash needed to cover the portion of capital replacement needs that normally come from cash flow. It is estimated for each operator based on their financial structure.

Replacement Margin is *Repayment Margin* minus *Cash Replacement Allowance*. This is the amount by which earnings available for debt repayment and replacement exceed payments due and cash replacement needs.

Debt Coverage Ratio is *Debt Repayment Capacity* divided by *Debt Payments*. This is how many times all debt payments are covered by repayment capacity.

Term Debt Coverage Ratio is *Debt Repayment Capacity* divided by *Scheduled Term Debt Payments*. This is how many times all current interest and scheduled payments are covered by repayment capacity.

Replacement Coverage Ratio is *Debt Repayment Capacity* divided by the total of *Debt Payments* and the *Cash Replacement Allowance*. This represents how many times scheduled payments and cash replacement needs are covered by repayment capacity.

Balance Sheets at Cost and Market Values

These tables include all farm and personal assets and liabilities reported by these farms on their beginning and ending balance sheets. Government crop loans are treated consistently as loans on these tables, meaning that the full asset value is included as an asset and total accrued interest and outstanding principal balances are included as liabilities. Capital assets are valued at original purchase price minus economic depreciation on the Cost Value table. Assets are valued at a conservative market value on the Market Value table. Deferred liabilities are included on the Market Value table. Deferred liabilities are an estimate of the taxes that would be due if the business was liquidated on the date of the balance sheet.

Statement of Owner's Equity

This table reports the total change in net worth for the year. It reports the *Total Change in Retained Earnings, Total Change in Contributed Capital, and Total Change in Market Valuation* for the year.

Statement of Cash Flows

This table reports the sources from which cash was available or obtained and where that cash was used or remains at the end of the year.

Crop Production and Marketing Summary

This table contains three sections. The first section reports average acreage by tenure and general use. The next two sections show average price received from cash sales and average yields for major crops.

Household and Personal Expenses

For those farms that kept records, the household and personal expenses are summarized in this table. Since not all farms keep these records, the number of farms may be different for each group. Averages are determined by the number of farms keeping these records.

Operator and Labor Information

This table has four sections. The first reports the averages for the number of operators per farm, the operator's age, and the number of years farming. The second section reports various measures and results per operator compared to per farm in other reports.

The third section reports the amount of labor used and the returns to that labor. *Total Unpaid Labor Hours* and *Total Hired Labor Hours* are based on farmers' estimates of labor use. No labor records are kept for unpaid labor. *Value of Farm Production/Hour* is the *Value of Farm Production* divided by *Total Labor Hours per Farm*. *Net Farm Income/Unpaid Hour* is *Net Farm Income* divided by *Total Unpaid Labor Hours*.

The fourth section reports the number of partnerships and withdrawals in each grouping.

Non-Farm Summary

This table reports the income from non-farm sources which is included in a farmer's total net income. Not all farms have non-farm income, but the figure reported is the average over all farms, not just those reporting non-farm income. Also reported are the beginning and ending values for non-farm assets for all farms (not just sole proprietors).

Appendix II: Crop Enterprise Analysis Procedures and Measures

The Crop Enterprise Analysis tables show the profitability of each crop enterprise produced by five or more farms.

Gross Return is the *Average Yield* multiplied by the *Value Per Unit* plus any other production or income related to the crop. *Value Per Unit* for cash crops is the average sales price for crops sold before the end of the year and the average ending inventory value for crops remaining unsold. For feed crops, it is the estimated harvest-time value. Other commodity-specific income is added to estimate the total value received for crop production.

Direct Expenses include expenses that are directly related to the production of the specific crop. Most direct expenses are directly assigned to production of the crop and simply divided by acres. Some, such as fuel and oil and repairs, which are difficult to assign directly to specific fields or crops, are determined by allocating the total annual expense across all enterprises using allocation factors entered for each crop.

Overhead Expenses are also determined by allocating the total annual expense across all enterprises using allocation factors entered for each crop.

Net Return per Acre is the *Gross Return per Acre* minus *Total Direct* and *Overhead Expenses*.

Net Return with Government Payments is *Net Return per Acre* plus *Government Payments*. *Government Payments* include any government payment received by the farm related to the current production year except those EQIP and CSP payments that offset annual production expenses. (Those payments are included in the *Gross Return* calculation.) Because direct government payments have been decoupled from actual production, these payments are generally allocated to all crops excluding vegetables and pasture. This is done for each farm by allocating the direct payments from the whole farm to these crops.

Net Return over Labor and Management is calculated by allocating the farmer's charge for unpaid labor and management across all enterprises and subtracting it from Net Return with Government Payments.

Cost of Production is calculated by dividing the total expense for each category by the yield per acre. *Total Expense Less Government and Other Income* is total expense minus government payments, income from secondary products, and other income, divided by yield per acre.

Machinery Cost Per Acre is the sum of fuel and oil, repairs, custom hire expense, machinery lease payments, machinery depreciation, and interest on intermediate debt divided by acres.

Estimated Labor Hours Per Acre is calculated by allocating the farmer's estimate of total operator and hired labor hours for the year across all enterprises.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals. If fewer than five farms have a certain crop enterprise, that information is not reported. If there are fewer than 25 farms, the high and low groups are not reported.

Appendix III: Livestock Enterprise Analysis Procedures and Measures

The Livestock Enterprise Analysis tables show the profitability of each livestock enterprise produced by five or more farms.

Gross Margin includes product and livestock sales, cull sales, the value of offspring transferred out of the enterprise, the value of inventory change from beginning to end of year, and any other income assigned to the enterprise. Livestock purchases and the value of animals transferred in from other enterprises are subtracted.

Direct Expenses include expenses that are directly related to the specific livestock enterprise. Feed and most other direct expenses are directly assigned based on farm records. Some, such as fuel and oil and repairs, which are difficult to assign directly to enterprises, are determined by allocating the total annual expense across all enterprises using allocation factors entered for each farm.

Overhead Expenses are also determined by allocating the total annual expense across all enterprises using allocation factors entered for each farm.

Net Return is the *Gross Return* minus *Total Direct* and *Overhead Expenses*.

Net Return over Labor and Management is calculated by allocating the farmer's charge for unpaid labor and management across all enterprises and subtracting it from Net Return.

Estimated Labor Hours is calculated by allocating the farmer's estimate of total operator and hired labor hours for the year across all enterprises.

Cost of Production is calculated by dividing the total expense for each category by total production. For grow/finish enterprises, the Purchases and Transfers In are included in direct expense. Cull sales, other offspring sales, and any other miscellaneous income are subtracted and replacement purchases and transfers in are added to arrive at the cost *with other revenue adjustments. With Labor and Management* is the cost with other revenue adjustments plus the producer’s charge for operator’s labor and management. This is the breakeven price for the primary product to provide a return for operator labor and management.

The last section of each livestock table contains both economic and technical efficiency measures. *Lbs. of feed per lbs. of grain* is the pounds of total feed divided by total production. For grains, these pounds per bushel are used: corn, 56; oats, 32; barley, 48; grain sorghum, 56; wheat, 60; and millet, 48. For these forages, the units are converted to pounds and then adjusted by these factors: alfalfa haylage, 0.5; corn silage, 0.33; oatlage, 0.5; sorghum silage, 0.33; and small grain silage, 0.33.

The calving and weaning percentages are calculated as the number of calves which are calved and weaned, respectively, divided by the number of cows which are supposed to bear young.

Rounding of individual items for the report may have caused minor discrepancies with the calculated totals. If fewer than five farms have a certain livestock enterprise, that information is not reported. If there are fewer than 25 farms, the high and low groups are not reported.

Appendix IV: Prices Used in the Analysis Report

Item	Beg. Inventory Value (1/1/2024)	Average for Year (Feed Fed Value)	End. Inventory Value (1/1/2025)
Corn/bu.	$4.57	$4.09	$4.34
Oats/bu.	$3.67	$3.39	$2.58
Wheat/bu.	$6.58	$5.77	$5.25
Soybeans/bu.	$12.60	$10.56	$9.25
Alfalfa Hay/ton	$178	$122	$100
Alfalfa Haylage/ton	$77	$52	$43
Grass/Mixed Hay/ton	$160	$114	$87
Corn Silage/ton	$37	$33	$35
Oat Straw – bale & ton	$3.75/bale - $125/ton	$3.25/bale - $110/ton	$3.00/bale - $100/ton
Cornstalks/ton	$50	$50	$45
Oatlage/ton	$29	$26	$28

Valuation Notes

Enterprise production (harvest price) is valued at the actual selling price if sold or contracted, inventory price for balance.

All commodities are valued on an as-fed moisture basis and corrected to standard test weight.

The values above are adjusted for quality based on the individual member's information.

Other Prices and Valuations Used

- Pasture costs - $66/acre. Adjusted for quality and carrying capacity, if needed.
- Value of milk fed to calves - $1.50/gallon.

Depreciation is calculated by using a five percent rate for buildings, ten percent for machinery, 20 percent for beef cattle and sheep, and 33 percent for breeding hogs and dairy cows. The economic depreciation is calculated by taking the beginning cost (book) value, plus new purchases (book), less book value of sold items multiplied by the appropriate percentage rate.

Value of unpaid operator's labor is calculated by using this formula:

- For sole proprietors and partnerships, labor and management is valued at $30,000 per operator plus five percent of the value of farm production, with a minimum of $35,000 for a full-time farm operator.

This value is used in calculating ROA, ROE, and other whole farm ratios and is also allocated as an opportunity cost to crop and livestock enterprises.

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USDA National Institute of Food and Agriculture
U.S. DEPARTMENT OF AGRICULTURE

This work is supported by the National Farm Business Management and Benchmarking Grant, project award no. 2023-38504-41022 and award no. 2024-38504-42666, from the U.S. Department of Agriculture's National Institute of Food and Agriculture.