

*Minnesota State Colleges and Universities*

# State Farm Business Management Program Database

*2031 Farms*

## *State Executive Summary - 2015*

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*Financial Summary for 2011-2015*  
*Financial Standards Measures for 2011-2015*  
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*Average Money Spent and Selected Financial Charts*

MnSCU Community and Technical Colleges with FBM programs providing data for this report:

Alexandria  
Central Lakes  
Minnesota West  
Northland

Ridgewater  
Riverland  
St. Cloud  
South Central

April, 2016



A MEMBER OF THE MINNESOTA STATE COLLEGES  
AND UNIVERSITIES SYSTEM

In Cooperation with the Center for Farm Financial Management University of Minnesota  
Compiled by DelRay Lecy

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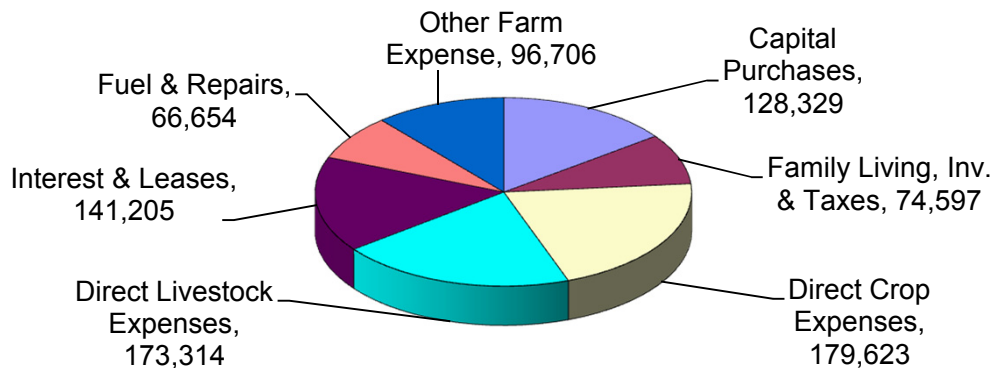
Visit the Farm Business Management Program Website at: [www.fbm.mnscu.edu](http://www.fbm.mnscu.edu)

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of farms	2306	2200	2077	2047	2031
<b>Farm Revenue</b>					
Crop sales	431,612	512,894	464,635	367,914	330,589
Crop inventory change	24,614	122,568	-98,251	-37,733	36,949
Gross crop income	456,226	635,462	366,384	330,182	367,538
Livestock sales	253,712	237,617	279,049	351,689	290,405
Livestock inventory change	5,417	3,853	10,636	20,355	-11,994
Gross livestock income	259,129	241,470	289,685	372,044	278,410
Government payments	16,576	21,250	19,607	8,268	32,682
Other cash income	84,707	84,197	110,033	139,656	112,729
Change in accounts receivable	8,920	4,861	22,982	14,063	-37,432
Gain or loss on hedging accounts	-1,121	-3,130	942	-1,248	4,047
Change in other assets	3,803	3,216	3,805	5,553	3,077
Gain or loss on breeding lvst	589	-601	-1,089	2,956	1,486
<b>Gross revenue</b>	<b>828,829</b>	<b>986,724</b>	<b>812,349</b>	<b>871,474</b>	<b>762,537</b>
<b>Farm Expenses</b>					
Cash operating expenses	583,452	629,931	653,148	685,344	625,111
Change in prepaid exp & supplies	-18,800	-14,451	-15	3,991	6,787
Change in growing crops	-46	-156	125	-222	-10
Change in accts pay & other inv.	296	22	3,465	-1,440	1,995
Depreciation	43,076	48,587	52,182	56,012	53,309
Total operating expense	607,978	663,933	708,904	743,685	687,192
Interest paid	31,247	31,691	31,624	32,688	32,394
Change in accrued interest	59	493	572	693	1,027
Total interest expense	31,306	32,184	32,196	33,381	33,422
<b>Total expense</b>	<b>639,284</b>	<b>696,117</b>	<b>741,100</b>	<b>777,067</b>	<b>720,613</b>
Net farm income from operations	189,545	290,607	71,249	94,408	41,924
Gain or loss on capital sales	976	1916	849	1333	953
<b>Net farm income</b>	<b>190,521</b>	<b>292,523</b>	<b>72,098</b>	<b>95,740</b>	<b>42,877</b>

**Average Money Spent by each Farm totals  
\$860,428**



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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of farms	2306	2200	2077	2047	2031
<b>Income Statement</b>					
Gross cash farm income	786,607	855,958	873,325	867,528	766,404
Total cash farm expense	614,698	661,622	684,772	718,033	657,505
Net cash farm income	171,909	194,335	188,553	149,495	108,899
Inventory change	60,713	144,858	-65,122	925	-13,666
Depreciation	-43,076	-48,587	-52,182	-56,012	-53,309
Net farm income from operations	189,545	290,607	71,249	94,408	41,924
Gain or loss on capital sales	976	1,916	849	1333	953
Average net farm income	190,521	292,523	72,098	95,740	42,877
Median net farm income	119,961	181,183	40,330	40,950	25,392
<b>Profitability (cost)</b>					
Rate of return on assets	11.1%	15.1%	2.7%	3.8%	1.2%
Rate of return on equity	16.2%	22.7%	1.6%	3.7%	-1.0%
Operating profit margin	24.0%	30.6%	7.5%	10.5%	3.6%
Asset turnover rate	46.4%	49.3%	35.3%	35.9%	32.3%
<b>Liquidity &amp; Repayment (end of year)</b>					
Current assets	551,590	692,272	573,717	580,389	541,336
Current liabilities	246,166	273,422	287,131	328,304	329,428
Current ratio	2.24	2.53	2.00	1.77	1.64
Working capital	305,424	418,851	286,586	252,084	211,908
Working capital to gross inc	36.9%	42.4%	35.3%	28.9%	27.8%
Term debt coverage ratio	2.89	3.93	1.00	1.30	0.83
Replacement coverage ratio	2.37	3.20	0.82	1.05	0.66
Term debt to EBITDA	-	-	-	2.94	4.09
<b>Solvency (end of year at market)</b>					
Number of farms	2,306	2,200	2,077	2,047	2,031
Total assets	2,312,517	2,720,524	2,779,004	2,899,931	2,816,577
Total liabilities	953,422	1,106,382	1,162,280	1,213,523	1,204,953
Net worth	1,359,095	1,614,143	1,616,724	1,686,407	1,611,624
Total Net worth change	177,152	277,534	86,140	88,652	35,430
Farm debt to asset ratio	43%	42%	40%	43%	45%
Total debt to asset ratio	41%	41%	42%	42%	43%
Change in total net worth %	-	-	-	6%	2%
<b>Nonfarm Information</b>					
Net nonfarm income	28,013	29,547	29,439	31,013	33,868
Farms reporting living expenses	554	511	518	505	470
Total family living expense	58,284	61,797	64,874	63,938	60,798
Total living, invest, & capital	91,271	102,160	109,868	103,691	97,314
<b>Crop Acres</b>					
Total crop acres	786	806	765	780	772
Total crop acres owned	222	232	232	232	224
Total crop acres cash rented	546	554	516	531	531
Total crop acres share rented	18	20	17	17	17
Machinery value per crop acre	-	-	-	745	749

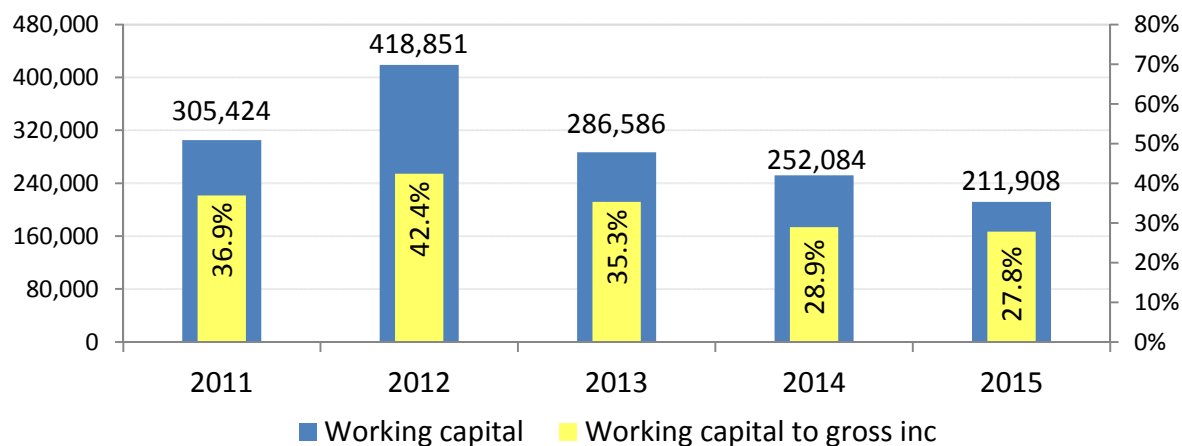
## Financial Standards Measures

### (Farms Sorted By Years)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of farms	2306	2200	2077	2047	2031
<b>Liquidity</b>					
Current ratio	2.24	2.53	2.00	1.77	1.64
Working capital	305,424	418,851	286,586	252,084	211,908
Working capital to gross inc	36.9%	42.4%	35.3%	28.9%	27.8%
<b>Solvency (market)</b>					
Farm debt to asset ratio	43%	42%	40%	43%	45%
Farm equity to asset ratio	57%	58%	60%	57%	55%
Farm debt to equity ratio	0.75	0.73	0.67	0.77	0.82
<b>Profitability (cost)</b>					
Rate of return on farm assets	11.1%	15.1%	2.7%	3.8%	1.20%
Rate of return on farm equity	16.2%	22.7%	1.6%	3.7%	-1.00%
Operating profit margin	24.0%	30.6%	7.5%	10.5%	3.6%
Net farm income	190,521	292,523	72,098	95,740	42,877
EBIDTA	263,927	371,377	155,626	183,801	128,655
<b>Repayment Capacity</b>					
Capital debt repayment capacity	211,225	312,116	89,028	121,650	76,187
Capital debt repayment margin	138,212	232,716	-105	28,372	-15,363
Replacement margin	122,030	214,558	-19,351	5,755	-39,205
Term debt coverage ratio	2.89	3.93	1.00	1.30	0.83
Replacement coverage ratio	2.37	3.20	0.82	1.05	0.66
<b>Efficiency</b>					
Asset turnover rate (cost)	46.4%	49.3%	35.3%	35.9%	32.3%
Operating expense ratio	68.2%	62.4%	80.8%	78.9%	83.1%
Depreciation expense ratio	5.2%	4.9%	6.4%	6.4%	7.0%
Interest expense ratio	3.8%	3.3%	4.0%	3.8%	4.4%
Net farm income ratio	23.0%	29.6%	8.9%	11.0%	5.6%

### Working Capital - A Look at Liquidity

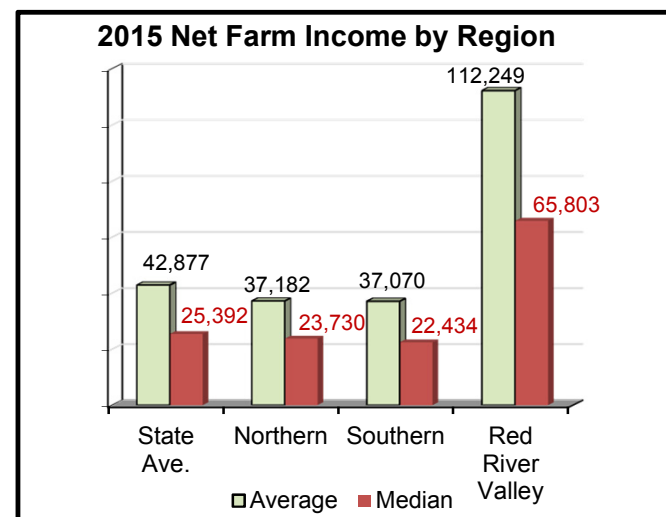
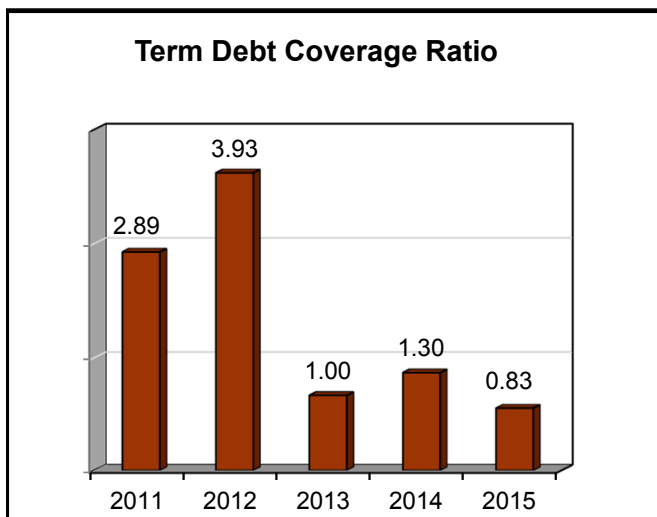
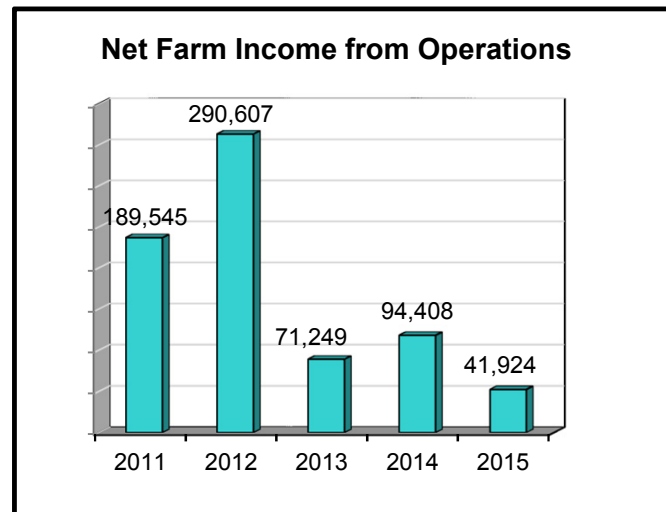
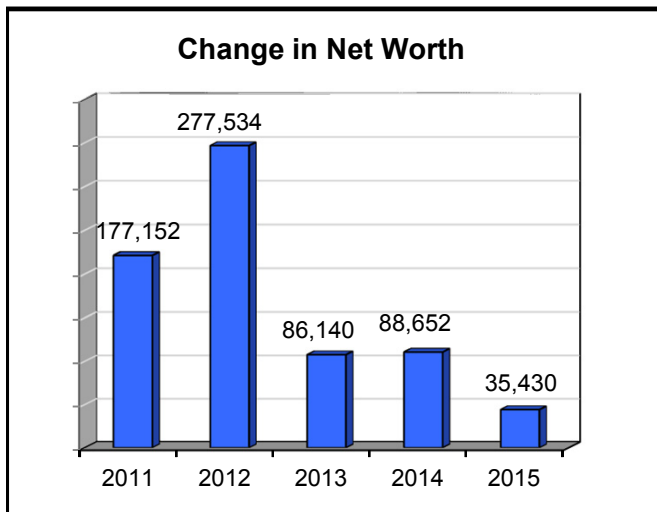
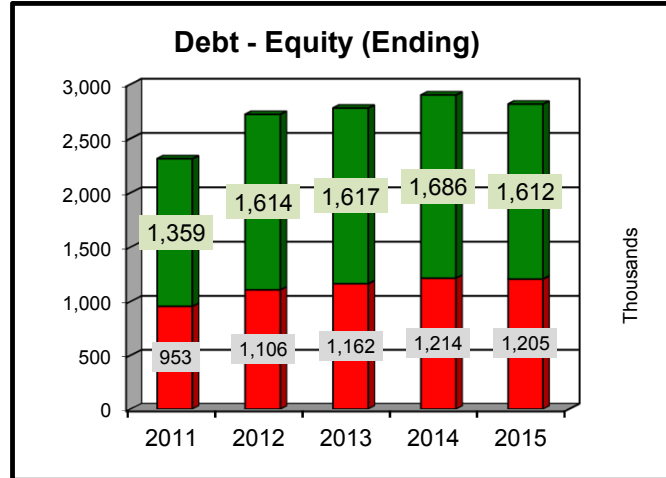
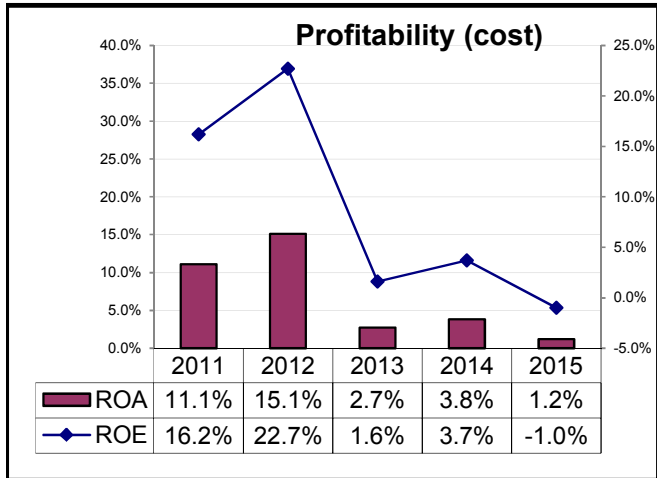


**Financial Summary  
(Farms Sorted By Region)**

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

	<u>State Ave.</u>	<u>Northern</u>	<u>Southern</u>	<u>Red River Valley</u>
Number of farms	2031	588	1287	156
<b>Income Statement</b>				
Gross cash farm income	766,404	551,703	840,341	965,687
Total cash farm expense	657,505	469,847	724,501	812,113
Net cash farm income	108,899	81,857	115,840	153,574
Inventory change	-13,666	-5,368	-23,760	38,330
Depreciation	-53,309	-40,070	-56,164	-79,654
Net farm income from operations	41,924	36,419	35,915	112,249
Gain or loss on capital sales	953	763	1,155	-
Average net farm income	42,877	37,182	37,070	112,249
Median net farm income	25,392	23,730	22,434	65,803
<b>Profitability (cost)</b>				
Rate of return on assets	1.2%	1.40%	0.80%	2.7%
Rate of return on equity	-1.0%	-0.9%	-1.7%	2.0%
Operating profit margin	3.6%	4.7%	2.5%	8.0%
Asset turnover rate	32.3%	29.8%	33.0%	33.5%
<b>Liquidity &amp; Repayment (end of year)</b>				
Current assets	541,336	362,417	578,379	910,117
Current liabilities	329,428	223,790	353,033	532,866
Current ratio	1.64	1.62	1.64	1.71
Working capital	211,908	138,627	225,346	377,251
Working capital to gross inc	27.8%	24.7%	27.4%	36.6%
Term debt coverage ratio	0.83	0.88	0.77	1.10
Replacement coverage ratio	0.66	0.76	0.60	0.82
Term debt to EBITDA	4.09	4.33	4.26	2.94
<b>Solvency (end of year at cost)</b>				
Number of farms	2,031	588	1,287	156
Total assets	2,161,824	1,665,278	2,231,561	3,458,182
Total liabilities	929,990	726,975	969,543	1,368,884
Net worth	1,231,834	938,303	1,262,018	2,089,298
Net worth change	7,413	14,662	-1,123	50,602
Farm debt to asset ratio	45%	46%	46%	41%
Total debt to asset ratio	43%	44%	43%	40%
Change in earned net worth %	1%	2%	0%	2%
<b>Solvency (end of year at market)</b>				
Number of farms	2,031	588	1,287	156
Total assets	2,816,577	2,003,026	2,987,149	4,475,817
Total liabilities	1,204,953	895,016	1,271,496	1,368,884
Net worth	1,611,624	1,108,011	1,715,654	3,106,933
Total net worth change	35,430	30,645	34,810	70,618
Farm debt to asset ratio	45%	47%	45%	31%
Total debt to asset ratio	43%	45%	43%	31%
Change in total net worth %	2%	3%	2%	2%
<b>Nonfarm Information</b>				
Net nonfarm income	33,868	28,964	36,528	30,397
Farms reporting living expenses	470	76	368	26
Total family living expense	60,798	48,783	62,829	67,165
Total living, invest, & capital	97,314	74,687	101,316	106,801
<b>Crop Acres</b>				
Total crop acres	772	688	683	1,819
Total acres owned	224	248	184	462
Total crop acres cash rented	531	428	483	1,315
Total crop acres share rented	17	12	16	43
Machinery value per crop acre	749	542	879	544

## Five Year History of Selected Financial Measures



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

	<u>Crop</u>	<u>Dairy</u>	<u>Hog</u>	<u>Beef</u>	<u>Crop &amp; Dairy</u>	<u>Crop &amp; Hog</u>	<u>Crop &amp; Beef</u>	<u>Other</u>
Number of farms	924	339	35	72	74	32	112	441
<b>Income Statement</b>								
Gross cash farm income	674,043	1,009,283	2,448,814	989,547	724,186	1,626,727	531,390	609,224
Total cash farm expense	573,265	866,650	2,264,940	933,511	626,771	1,421,063	458,174	502,444
Net cash farm income	100,778	142,633	183,873	56,037	97,415	205,664	73,216	106,780
Inventory change	3,729	-18,108	-117,391	-96,506	-13,396	-110,751	-40,111	-11,032
Depreciation	-56,175	-54,862	-77,851	-27,569	-49,341	-97,674	-38,520	-49,683
Net farm income from operations	48,332	69,664	-11,368	-68,037	34,678	-2,760	-5,414	46,065
Gain or loss on capital sales	1,045	440	6,682	-553	-485	-3,471	-34	1,761
Average net farm income	49,377	70,104	-4,686	-68,590	34,192	-6,231	-5,448	47,826
Median net farm income	24,294	42,043	17,981	-9,888	37,315	-8,794	-371	29,901
<b>Profitability (cost)</b>								
Rate of return on assets	1.4%	2.1%	-1.5%	-4.4%	0.6%	-0.6%	-1.2%	1.8%
Rate of return on equity	-0.4%	0.8%	-7.1%	-20.5%	-2.0%	-4.7%	-5.9%	0.0%
Operating profit margin	4.2%	5.5%	-5.0%	-25.4%	1.9%	-1.8%	-4.2%	6.5%
Asset turnover rate	33.0%	38.9%	29.9%	17.2%	34.9%	31.9%	27.7%	28.4%
<b>Liquidity</b>								
Current assets	628,896	327,095	1,132,855	663,219	378,010	1,089,178	427,630	473,622
Current liabilities	366,035	175,983	735,069	559,801	207,795	655,739	287,823	309,002
Current ratio	1.72	1.86	1.54	1.18	1.82	1.66	1.49	1.53
Working capital	262,861	151,112	397,786	103,418	170,215	433,439	139,807	164,620
Working capital to gross inc	38.2%	15.0%	17.2%	11.5%	23.7%	28.2%	27.5%	27.4%
Term debt coverage ratio	0.91	1.00	0.19	-0.43	0.73	0.43	0.43	0.94
Replacement coverage ratio	0.68	0.87	0.18	-0.37	0.60	0.36	0.33	0.76
Term debt to EBITDA	3.72	3.81	6.59	797.55	4.39	5.85	6.78	3.89
<b>Solvency (end of year at cost)</b>								
Number of farms	924	339	35	72	74	32	112	441
Total assets	2,356,271	2,000,394	3,090,329	1,707,282	1,878,523	3,753,832	1,617,505	1,952,649
Total liabilities	956,289	822,116	1,607,591	1,105,470	792,784	1,803,874	752,442	883,298
Net worth	1,399,983	1,178,278	1,482,738	601,812	1,085,739	1,949,958	865,063	1,069,350
Net worth change	16,284	16,393	-93,099	-87,791	-12,432	-32,156	-3,470	12,898
Ending farm debt to asset ratio	43%	43%	54%	69%	45%	49%	49%	48%
End total debt to asset ratio	41%	41%	52%	65%	42%	48%	47%	45%
Change in earned net worth %	1%	1%	-6%	-13%	-1%	-2%	0%	1%
<b>Solvency (end of year at market)</b>								
Number of farms	924	339	35	72	74	32	112	441
Total assets	3,126,692	2,414,806	3,823,106	2,123,875	2,540,438	4,937,673	2,171,028	2,569,427
Total liabilities	1,280,648	1,004,725	1,969,567	1,289,063	1,016,273	2,275,093	976,311	1,141,711
Net worth	1,846,044	1,410,081	1,853,538	834,812	1,524,165	2,662,579	1,194,717	1,427,716
Total net worth change	37,284	49,631	4,890	-44,970	15,346	65,395	47,547	32,795
Farm debt to asset ratio	43%	43%	54%	65%	42%	47%	47%	47%
Total debt to asset ratio	41%	42%	52%	61%	40%	46%	45%	44%
Change in total net worth %	2%	4%	0%	-5%	1%	3%	4%	2%
<b>Nonfarm Information</b>								
Net nonfarm income	40,928	14,688	30,137	36,577	17,828	36,563	36,969	35,424
Farms reporting living expenses	229	49	12	8	14	11	25	121
Total family living expense	61,568	53,492	81,841	43,773	62,818	73,047	59,862	60,464
Total living, invest, & capital	96,335	64,486	143,517	168,311	80,492	109,522	95,462	104,780
<b>Crop Acres</b>								
Total crop acres	1,088	360	613	438	575	1,147	664	527
Total crop acres owned	294	124	146	119	187	268	209	184
Total crop acres cash rented	769	234	466	312	388	874	428	329
Total crop acres share rented	25	3	1	6	-	5	28	14
Machinery value per crop acre	635	1,220	952	633	1,005	912	685	940

**Financial Summary**  
**(Farms Sorted By Number Of Years Farming)**

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

	10 or Less	11 - 20	21 - 30	31 - 40	Over 40
Number of farms	467	315	342	522	385
<b>Income Statement</b>					
Gross cash farm income	355,764	648,691	897,283	1,027,712	890,263
Total cash farm expense	317,080	562,124	778,995	866,860	756,701
Net cash farm income	38,685	86,567	118,288	160,851	133,563
Inventory change	11,154	-432	-10,969	-29,571	-35,434
Depreciation	-20,460	-41,229	-63,056	-76,531	-62,895
Net farm income from operations	29,379	44,906	44,263	54,750	35,233
Gain or loss on capital sales	483	534	1,634	744	1,542
Average net farm income	29,862	45,440	45,897	55,494	36,775
Median net farm income	17,809	36,429	28,652	26,371	28,375
<b>Profitability (cost)</b>					
Rate of return on assets	1.9%	2.0%	1.2%	1.2%	0.4%
Rate of return on equity	-0.5%	-0.1%	-1.3%	-0.8%	-1.7%
Operating profit margin	5.3%	5.6%	3.6%	3.8%	1.3%
Asset turnover rate	35.6%	36.4%	32.5%	30.8%	31.0%
<b>Liquidity &amp; Repayment (end of year)</b>					
Current assets	229,367	431,661	641,110	744,730	645,083
Current liabilities	158,117	293,854	418,671	429,501	351,374
Current ratio	1.45	1.47	1.53	1.73	1.84
Working capital	71,250	137,807	222,439	315,229	293,709
Working capital to gross inc	19.0%	21.0%	24.8%	31.2%	33.9%
Term debt coverage ratio	1.17	0.94	0.74	0.8	0.72
Replacement coverage ratio	1.05	0.77	0.61	0.62	0.52
<b>Solvency (end of year at market)</b>					
Number of farms	467	315	342	522	385
Total assets	1,104,559	2,117,679	3,300,695	3,946,975	3,502,367
Total liabilities	635,871	1,039,961	1,478,580	1,581,810	1,276,213
Net worth	468,688	1,077,718	1,822,115	2,365,166	2,226,154
Total net worth change	34,858	48,528	38,901	35,599	22,094
Farm debt to asset ratio	60%	51%	47%	42%	39%
Total debt to asset ratio	58%	49%	45%	40%	36%
Change in total net worth %	8%	5%	2%	2%	1%
<b>Nonfarm Information</b>					
Net nonfarm income	36,424	34,213	33,922	32,743	31,960
Farms reporting living expenses	84	73	89	127	97
Total family living expense	44,285	56,583	67,776	68,175	62,208
Total living, invest, & capital	65,119	77,535	105,854	118,823	104,080
<b>Crop Acres</b>					
Total crop acres	368	703	900	1,012	878
Total crop acres owned	62	142	242	337	317
Total crop acres cash rented	298	549	643	653	535
Total crop acres share rented	8	12	15	22	26
Machinery value per crop acre	473	637	787	816	823