

Minnesota State Colleges and Universities

State Farm Business Management Program Database

2047 Farms

State Executive Summary - 2014

Summary Income Statement for 2010-2014
Financial Summary for 2010-2014
Financial Standards Measures for 2010-2014
Current year data by Region, Farm Type, & Years Farming
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, 2015



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

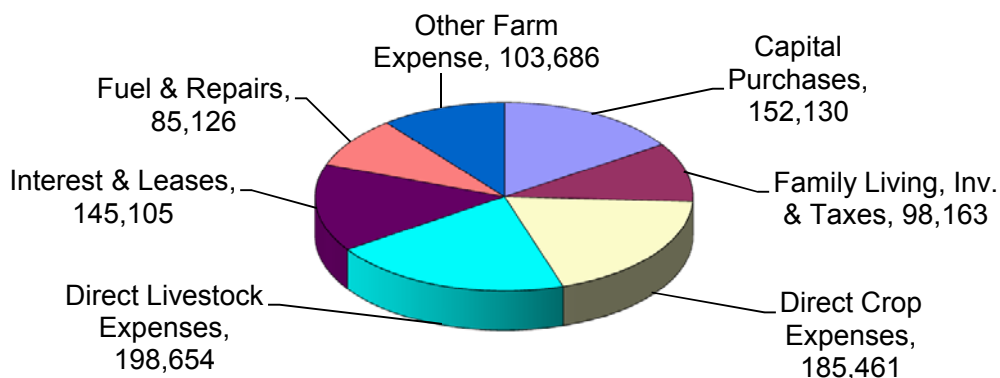
For more information, contact Keith Olander @ kolander@clcmn.edu or visit the Farm Business Management Program Website at: www.fbm.mnscu.edu

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

Minnesota State Colleges & Universities - Farm Business Management

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Number of farms	2047	2077	2200	2306	2336
Farm Revenue					
Crop sales	367,914	464,635	512,894	431,612	374,470
Crop inventory change	-37,733	-98,251	122,568	24,614	81,773
Gross crop income	330,182	366,384	635,462	456,226	456,260
Livestock sales	351,689	279,049	237,617	253,712	199,384
Livestock inventory change	20,355	10,636	3,853	5,417	7,598
Gross livestock income	372,044	289,685	241,470	259,129	206,981
Government payments	8,268	19,607	21,250	16,576	19,771
Other cash income	139,656	110,033	84,197	84,707	61,340
Change in accounts receivable	14,063	22,982	4,861	8,920	1,070
Gain or loss on hedging accounts	-1,248	942	-3,130	-1,121	-6,624
Change in other assets	5,553	3,805	3,216	3,803	2,745
Gain or loss on breeding lvst	2,956	-1,089	-601	589	357
Gross revenue	871,474	812,349	986,724	828,829	741,901
Farm Expenses					
Cash operating expenses	685,344	653,148	629,931	583,452	500,463
Change in prepaid exp & supplies	3,991	-15	-14,451	-18,800	-14,314
Change in growing crops	-222	125	-156	-46	-143
Change in accts pay & other inv.	-1,440	3,465	22	296	-3,289
Depreciation	56,012	52,182	48,587	43,076	39,764
Total operating expense	743,685	708,904	663,933	607,978	522,481
Interest paid	32,688	31,624	31,691	31,247	32,652
Change in accrued interest	693	572	493	59	-26
Total interest expense	33,381	32,196	32,184	31,306	32,626
Total expense	777,067	741,100	696,117	639,284	555,108
Net farm income from operations	94,408	71,249	290,607	189,545	186,793
Gain or loss on capital sales	1333	849	1916	976	1088
Net farm income	95,740	72,098	292,523	190,521	187,881

**Average Money Spent by each Farm totals
\$968,325**



Financial Summary
(Farms Sorted By Years)

Minnesota State Colleges & Universities - Farm Business Management

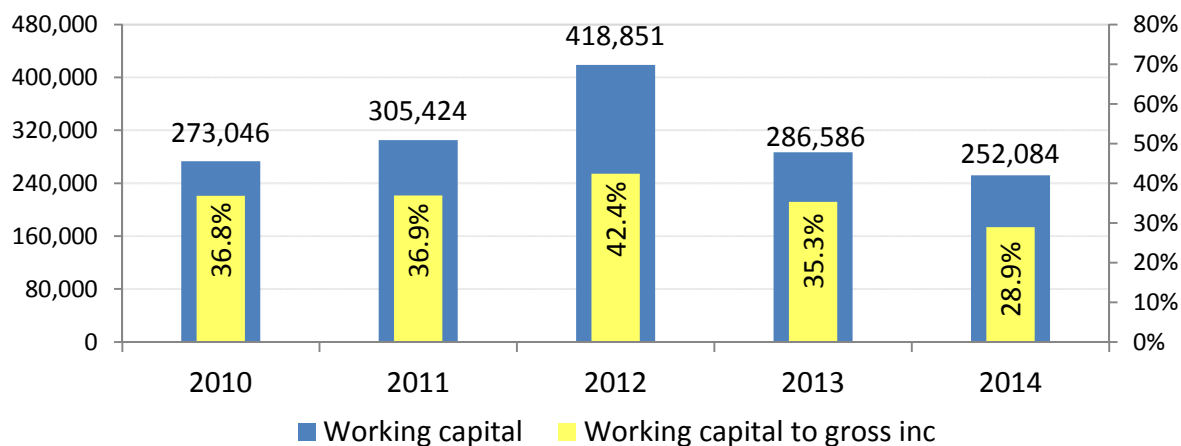
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Number of farms	2047	2077	2200	2306	2336
Income Statement					
Gross cash farm income	867,528	873,325	855,958	786,607	654,983
Total cash farm expense	718,033	684,772	661,622	614,698	533,116
Net cash farm income	149,495	188,553	194,335	171,909	121,867
Inventory change	925	-65,122	144,858	60,713	104,690
Depreciation	-56,012	-52,182	-48,587	-43,076	-39,764
Net farm income from operations	94,408	71,249	290,607	189,545	186,793
Gain or loss on capital sales	1333	849	1,916	976	1,088
Average net farm income	95,740	72,098	292,523	190,521	187,881
Median net farm income	40,950	40,330	181,183	119,961	116,518
Profitability (cost)					
Rate of return on assets	3.8%	2.7%	15.1%	11.1%	12.2%
Rate of return on equity	3.7%	1.6%	22.7%	16.2%	18.6%
Operating profit margin	10.5%	7.5%	30.6%	24.0%	26.6%
Asset turnover rate	35.9%	35.3%	49.3%	46.4%	46.1%
Liquidity & Repayment (end of year)					
Current assets	580,389	573,717	692,272	551,590	526,212
Current liabilities	328,304	287,131	273,422	246,166	253,166
Ending current ratio	1.77	2.00	2.53	2.24	2.08
Ending working capital	252,084	286,586	418,851	305,424	273,046
End working capital to gross inc	28.90%	35.30%	42.4%	36.9%	36.8%
Term debt coverage ratio	1.30	1.00	3.93	2.89	2.93
Replacement coverage ratio	1.05	0.82	3.20	2.37	2.42
Term debt to EBITDA	2.94	-	-	-	-
Solvency (end of year at market)					
Number of farms	2,047	2,077	2,200	2,306	2,336
Total assets	2,899,931	2,779,004	2,720,524	2,312,517	2,174,196
Total liabilities	1,213,523	1,162,280	1,106,382	953,422	941,077
Net worth	1,686,407	1,616,724	1,614,143	1,359,095	1,233,119
Total Net worth change	88,652	86,140	277,534	177,152	169,796
Farm debt to asset ratio	43%	40%	42%	43%	45%
Total debt to asset ratio	42%	42%	41%	41%	43%
Change in total net worth %	6%	-	-	-	-
Nonfarm Information					
Net nonfarm income	31,013	29,439	29,547	28,013	27,972
Farms reporting living expenses	505	518	511	554	618
Total family living expense	63,938	64,874	61,797	58,284	53,985
Total living, invest, & capital	103,691	109,868	102,160	91,271	78,783
Crop Acres					
Total crop acres	780	765	806	786	812
Total crop acres owned	232	232	232	222	226
Total crop acres cash rented	531	516	554	546	565
Total crop acres share rented	17	17	20	18	21
Total acres owned	745	-	-	-	-

Financial Summary
(Farms Sorted By Years)

Minnesota State Colleges & Universities - Farm Business Management

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Number of farms	2047	2077	2200	2306	2336
Liquidity					
Current ratio	1.77	2.00	2.53	2.24	2.08
Working capital	252,084	286,586	418,851	305,424	273,046
Working capital to gross inc	28.9%	35.3%	42.4%	36.9%	36.8%
Solvency (market)					
Farm debt to asset ratio	43%	40%	42%	43%	45%
Farm equity to asset ratio	57%	60%	58%	57%	55%
Farm debt to equity ratio	0.77	0.67	0.73	0.75	0.82
Profitability (cost)					
Rate of return on farm assets	3.8%	2.7%	15.1%	11.1%	12.2%
Rate of return on farm equity	3.7%	1.6%	22.7%	16.2%	18.6%
Operating profit margin	10.5%	7.5%	30.6%	24.0%	26.6%
Net farm income	95,740	72,098	292,523	190,521	187,881
EBIDTA	183,801	155,626	371,377	263,927	259,184
Repayment Capacity					
Capital debt repayment capacity	121,650	89,028	312,116	211,225	210,055
Capital debt repayment margin	28,372	-105	232,716	138,212	138,470
Replacement margin	5,755	-19,351	214,558	122,030	123,343
Term debt coverage ratio	1.30	1.00	3.93	2.89	2.93
Replacement coverage ratio	1.05	0.82	3.20	2.37	2.42
Efficiency					
Asset turnover rate (cost)	35.9%	35.3%	49.3%	46.4%	46.1%
Operating expense ratio	78.9%	80.8%	62.4%	68.2%	65.1%
Depreciation expense ratio	6.4%	6.4%	4.9%	5.2%	5.4%
Interest expense ratio	3.8%	4.0%	3.3%	3.8%	4.4%
Net farm income ratio	11.0%	8.9%	29.6%	23.0%	25.3%

Working Capital - A Look at Liquidity

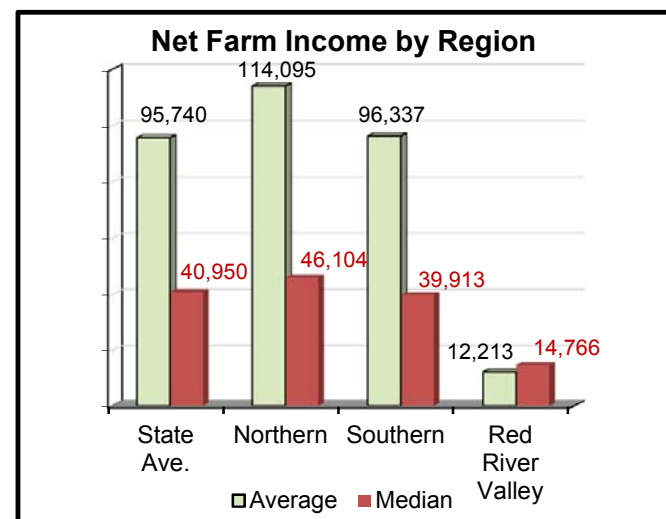
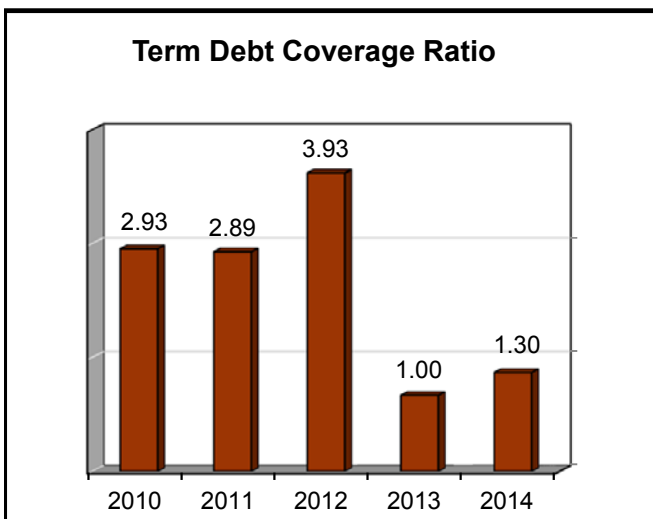
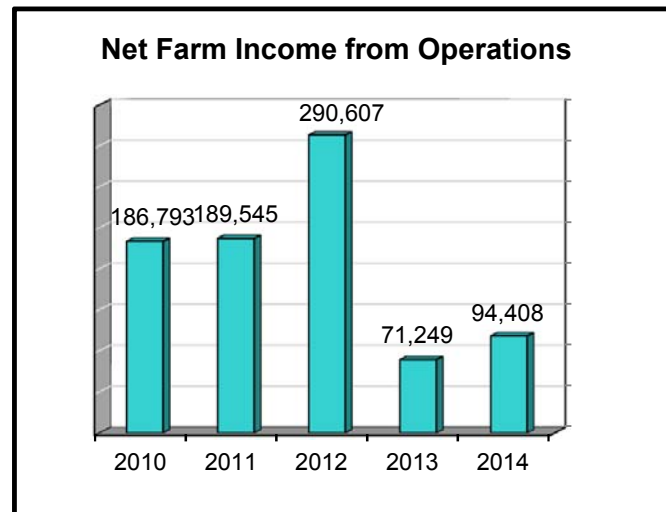
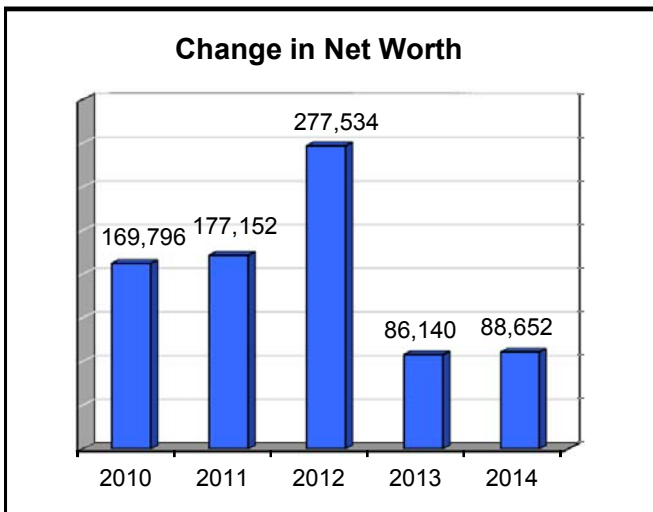
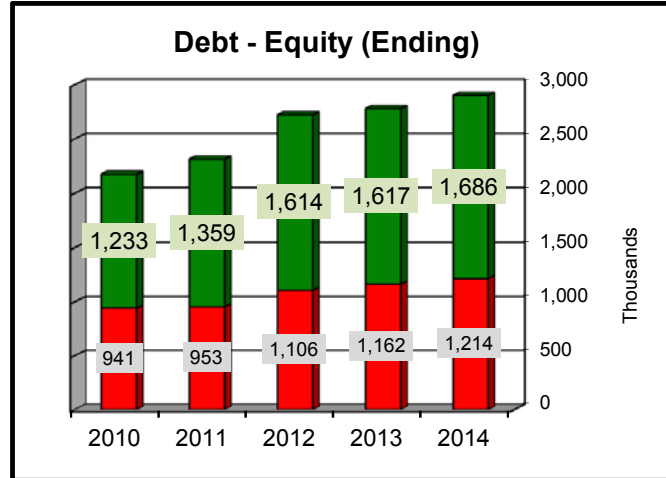
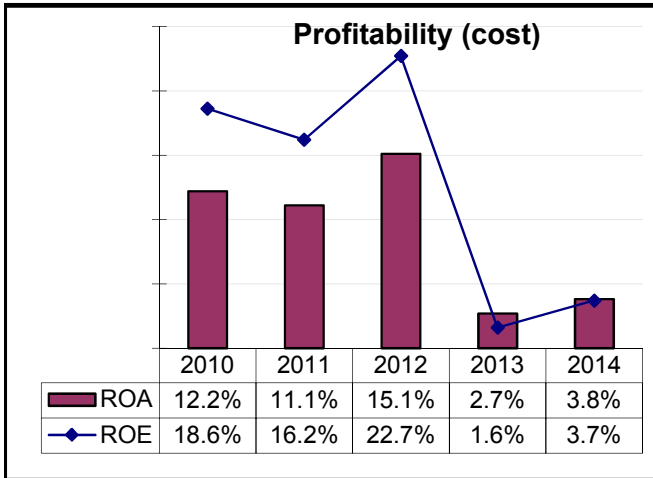


Financial Summary
(Farms Sorted By Region)

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	2047	566	1347	134
Income Statement				
Gross cash farm income	867,528	658,798	925,932	1,162,085
Total cash farm expense	718,033	522,485	776,714	954,128
Net cash farm income	149,495	136,314	149,218	207,958
Inventory change	925	18,383	4,824	-112,016
Depreciation	-56,012	-40,880	-58,851	-91,391
Net farm income from operations	94,408	113,816	95,191	4,551
Gain or loss on capital sales	1,333	279	1,146	7,662
Average net farm income	95,740	114,095	96,337	12,213
Median net farm income	40,950	46,104	39,913	14,766
Profitability (cost)				
Rate of return on assets	3.8%	6.4%	3.7%	-0.7%
Rate of return on equity	3.7%	8.3%	3.5%	-3.6%
Operating profit margin	10.5%	17.8%	10.1%	-2.2%
Asset turnover rate	35.9%	36.2%	36.5%	31.8%
Liquidity & Repayment (end of year)				
Current assets	580,389	379,735	631,535	913,784
Current liabilities	328,304	208,684	351,898	596,388
Ending current ratio	1.77	1.82	1.79	1.53
Ending working capital	252,084	171,051	279,637	317,396
End working capital to gross inc	28.9%	25.40%	29.9%	29.9%
Term debt coverage ratio	1.30	1.75	1.33	0.12
Replacement coverage ratio	1.05	1.5	1.05	0.09
Term debt to EBITDA	2.94	2.45	2.97	5.22
Solvency (end of year at cost)				
Number of farms	2,047	566	1,347	134
Total assets	2,227,648	1,689,343	2,326,687	3,506,146
Total liabilities	931,304	704,669	974,167	1,457,712
Net worth	1,296,344	984,674	1,352,519	2,048,434
Net worth change	51,077	80,649	51,304	-75,777
Farm debt to asset ratio	44%	44%	44%	43%
Total debt to asset ratio	42%	42%	42%	42%
Change in earned net worth %	4%	9%	4%	-4%
Solvency (end of year at market)				
Number of sole proprietors	2,047	566	1,347	134
Total assets	2,899,931	2,032,113	3,089,636	4,658,524
Total liabilities	1,213,523	883,164	1,280,133	1,939,282
Net worth	1,686,407	1,148,949	1,809,503	2,719,241
Net worth change	88,652	111,833	86,583	11,596
Farm debt to asset ratio	43%	44%	43%	43%
Total debt to asset ratio	42%	43%	41%	42%
Change in earned net worth %	6%	11%	5%	0%
Nonfarm Information				
Net nonfarm income	31,013	25,050	34,228	23,877
Farms reporting living expenses	505	88	409	8
Total family living expense	63,938	51,248	66,073	94,410
Total living, invest, & capital	103,691	69,840	110,312	137,547
Crop Acres				
Total crop acres	780	697	697	1961
Total acres owned	232	253	198	491
Total crop acres cash rented	531	432	484	1423
Total crop acres share rented	17	12	16	47
Machinery value per crop acre	745	607	861	536

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 & Dairy</u>	<u>Crop & Hog</u>	<u>Crop & Beef</u>	<u>Other</u>
Number of farms	890	361	44	58	50	19	107	514
Income Statement								
Gross cash farm income	730,420	1,283,100	2,570,023	1,073,682	1,010,987	1,854,706	548,078	663,655
Total cash farm expense	583,843	1,063,746	2,173,540	1,041,102	814,982	1,577,519	505,238	552,592
Net cash farm income	146,578	219,354	396,483	32,579	196,005	277,188	42,841	111,064
Inventory change	-64,300	87,502	24,070	183,600	15,092	-10,582	60,734	17,436
Depreciation	-59,826	-57,251	-77,406	-31,960	-62,688	-105,475	-32,463	-52,119
Net farm income from operations	22,451	249,604	343,147	184,219	148,409	161,131	71,112	76,380
Gain or loss on capital sales	2,233	287	648	533	173	-1,316	31	1,173
Average net farm income	24,684	249,892	343,795	184,753	148,582	159,815	71,143	77,554
Median net farm income	13,908	142,280	237,985	44,827	113,244	113,152	37,724	30,988
Profitability (cost)								
Rate of return on assets	0.1%	11.6%	10.6%	9.8%	6.5%	3.8%	4.3%	3.8%
Rate of return on equity	-2.3%	17.2%	18.4%	18.5%	7.9%	3.6%	4.4%	3.7%
Operating profit margin	0.2%	23.3%	22.9%	30.0%	15.5%	10.8%	13.3%	11.3%
Asset turnover rate	31.5%	49.9%	46.2%	32.7%	41.8%	35.1%	31.9%	34.0%
Liquidity								
Current assets	655,364	400,154	1,192,536	987,970	429,519	1,229,381	491,218	490,881
Current liabilities	360,797	176,518	684,396	718,616	216,442	656,800	282,445	313,446
Ending current ratio	1.82	2.27	1.74	1.37	1.98	1.87	1.74	1.57
Ending working capital	294,567	223,636	508,140	269,354	213,077	572,580	208,772	177,435
End working capital to gross inc	43.00%	16.80%	19.70%	21.50%	21.00%	30.70%	34.10%	25.80%
Term debt coverage ratio	0.46	2.65	3.04	3.02	1.68	1.45	1.42	1.28
Replacement coverage ratio	0.34	2.37	2.54	2.67	1.46	1.09	1.13	1.05
Term debt to EBITDA	4.48	1.80	1.60	1.55	2.47	2.81	3.09	3.40
Solvency (end of year at cost)								
Number of farms	890	361	44	58	50	19	107	514
Total assets	2,437,969	2,115,013	3,063,214	2,146,718	2,122,844	4,073,657	1,612,913	1,958,112
Total liabilities	937,272	837,406	1,539,291	1,215,128	825,072	1,697,206	730,599	929,681
Net worth	1,500,697	1,277,607	1,523,923	931,591	1,297,772	2,376,451	882,314	1,028,431
Net worth change	-28,430	202,015	250,798	158,793	111,375	78,072	56,410	46,038
Ending farm debt to asset ratio	41%	41%	51%	59%	41%	44%	48%	50%
End total debt to asset ratio	38%	40%	50%	57%	39%	42%	45%	47%
Change in earned net worth %	-2%	19%	20%	21%	9%	3%	7%	5%
Solvency (market)								
Number of farms	890	361	44	58	50	19	107	514
Total assets	3,221,943	2,578,315	3,727,487	2,491,330	2,854,902	5,428,631	2,178,313	2,615,531
Total liabilities	1,265,763	1,044,277	1,943,158	1,465,526	1,072,259	2,335,199	942,670	1,184,259
Net worth	1,956,181	1,534,039	1,784,329	1,025,804	1,782,643	3,093,432	1,235,643	1,431,272
Net worth change	23,225	220,027	261,130	159,078	141,168	101,884	87,390	82,469
Farm debt to asset ratio	41%	41%	53%	61%	39%	45%	45%	47%
Total debt to asset ratio	39%	41%	52%	59%	38%	43%	43%	45%
Change in earned net worth %	1%	17%	17%	18%	9%	3%	8%	6%
Nonfarm Information								
Net nonfarm income	37,968	12,941	23,318	26,990	13,143	31,518	34,896	33,646
Farms reporting living expenses	253	54	13	14	12	8	25	123
Total family living expense	68,333	60,735	82,777	50,134	61,963	62,514	47,740	59,970
Total living, invest, & capital	118,680	71,902	165,187	67,888	80,257	146,764	75,386	90,773
Crop Acres								
Total crop acres	1,089	385	594	474	643	1,135	611	611
Total crop acres owned	312	140	133	140	201	352	200	183
Total crop acres cash rented	749	242	460	334	441	783	389	415
Total crop acres share rented	27	4	1	-	1	0	22	13
Machinery value per crop acre	645	1,180	937	674	942	907	663	836

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	434	316	380	567	350
Income Statement					
Gross cash farm income	427,283	734,547	1,025,133	1,077,219	1,022,679
Total cash farm expense	369,586	620,761	845,622	885,521	828,071
Net cash farm income	57,696	113,786	179,511	191,698	194,608
Inventory change	12,943	5,905	3,062	9,381	-34,495
Depreciation	-22,397	-47,439	-68,265	-75,204	-61,041
Net farm income from operations	48,242	72,253	114,308	125,875	99,072
Gain or loss on capital sales	7	2,343	1,363	658	3,125
Average net farm income	48,249	74,596	115,671	126,533	102,198
Median net farm income	21,599	36,003	62,236	50,619	44,989
Profitability (cost)					
Rate of return on assets	4.4%	3.6%	4.0%	3.9%	3.1%
Rate of return on equity	5.6%	3.3%	4.0%	3.9%	2.7%
Operating profit margin	10.9%	9.6%	11.0%	11.3%	9.0%
Asset turnover rate	40.3%	37.0%	36.7%	34.5%	35.1%
Liquidity & Repayment (end of year)					
Current assets	241,613	499,622	684,801	740,603	700,481
Current liabilities	175,791	315,276	418,950	391,838	327,843
Ending current ratio	1.37	1.58	1.63	1.89	2.14
Ending working capital	65,822	184,346	265,850	348,766	372,638
End working capital to gross inc	15.00%	24.90%	25.60%	32.10%	37.40%
Term debt coverage ratio	1.50	1.20	1.22	1.36	1.29
Replacement coverage ratio	1.36	1.01	1.00	1.07	0.94
Solvency (end of year at market)					
Number of farms	434	316	380	567	350
Total farm assets	1,002,306	2,107,511	3,084,245	3,557,535	3,182,548
Total farm liabilities	614,231	1,050,662	1,380,630	1,452,083	1,144,508
Total assets	1,140,919	2,339,002	3,382,352	3,869,315	3,493,369
Total liabilities	668,269	1,116,696	1,460,067	1,524,133	1,206,197
Net worth	472,650	1,222,306	1,922,285	2,345,182	2,287,172
Total Net worth change	61,771	78,378	92,187	114,483	85,574
Farm debt to asset ratio	61%	50%	45%	41%	36%
Total debt to asset ratio	59%	48%	43%	39%	35%
Nonfarm Information					
Net nonfarm income	33,643	33,340	25,722	31,821	30,083
Farms reporting living expenses	71	75	103	163	93
Total family living expense	47,742	63,562	71,726	68,460	60,055
Total living, invest, & capital	63,761	86,648	104,040	117,797	122,807
Crop Acres					
Total acres owned	68	175	259	395	390
Total crop acres	373	729	951	957	859
Total crop acres owned	62	173	250	334	313
Total crop acres cash rented	304	540	688	603	517
Total crop acres share rented	6	16	14	20	29