

FBM Student Analysis Worksheets

<u>Year at a Glance</u>	Northern Minnesota	State FBM Data	Local Area	Your Farm Data	Your Farm Goal
<i>Data for the Average Farm</i>					
	622	2164			
	<u>Farms</u>	<u>Farms</u>			
<u>Income Statement</u>					
Gross Cash Farm Income	\$562,001	\$735,140	_____	_____	_____
Total Cash Operating Expense	\$470,535	\$635,906	_____	_____	_____
Net Cash Farm Income	\$91,466	\$99,234	_____	_____	_____
Net Operating Profit	\$98,573	\$108,805	_____	_____	_____
Net Farm Income	\$54,021	\$59,543	_____	_____	_____
Median Farm Income	\$23,489	\$26,556	_____	_____	_____
<u>Balance Sheet (Market)</u>					
Total Assets - 12/31	\$2,231,661	\$2,955,907	_____	_____	_____
Total Liabilities - 12/31	\$973,963	\$1,261,663	_____	_____	_____
Net Worth - 12/31	\$1,257,698	\$1,694,244	_____	_____	_____
Change in Net Worth	\$49,963	\$63,209	_____	_____	_____
<u>Financial Standards Measures</u>					
Working Capital - 12/31	\$135,504	\$192,178	_____	_____	_____
Debt to Asset Ratio - 12/31	46%	45%	_____	_____	_____
Rate of Return on Farm Assets - Cost	2.5%	2.2%	_____	_____	_____
Rate of Return on Farm Equity - Cost	1.2%	0.6%	_____	_____	_____
Term Debt Coverage Ratio	1.18	1.10	_____	_____	_____
Asset Turnover Rate	30.1%	32.1%	_____	_____	_____
Operating Expense Ratio	77.5%	80.7%	_____	_____	_____
Interest Expense Ratio	5.3%	4.8%	_____	_____	_____
<u>Operator Information</u>					
Average Age of the Farmer	47.1	48.0	_____	_____	_____
Average Years Farming	22.2	24.1	_____	_____	_____
<u>Personal Spending & Income</u>					
Total Cash Family Living Expense	\$50,678	\$58,534	_____	_____	_____
Total Non Farm Income	\$28,846	\$33,090	_____	_____	_____

Net Farm Income dollars are used to pay for Family Living, Social Security and Income Tax, Retirement Accounts, Medical and Health expenses, and loan principle payments. A positive balance indicates revenue for other uses, while a negative balance indicates a need for revenue from other sources.

The following list shows expenses for the year:

		<u>Northern Minnesota</u>	<u>Your Data</u>
Net Farm Income	(+)	\$54,021	\$ _____
Depreciation	(+)	\$44,668	\$ _____
Family Living (Excl Health/Med)	(-)	\$38,677	\$ _____
Social Security and Income Tax	(-)	\$6,717	\$ _____
Health and Medical Expense	(-)	\$7,478	\$ _____
Retirement Accounts	(-)	\$653	\$ _____
Principal Payments	(-)	\$62,121	\$ _____
Balance	(=)	-\$16,957	\$ _____

How does your Farm Stack Up?

Northern Minnesota Farm Business Management Data

Below is a summary of the low, average, and high farms using the 21 Financial Standards Measures. The numbers listed below are intended to provide a general overview of the farm situation for the current year and over a five year period. The current year data provides a snapshot of the conditions that represent the present while the five year data provides a longer term look at these factors to enable their use in potential decision making activities.

For additional information, please see the back cover of this report. A "Financial Scorecard" is provided in color for your use.

Evaluation Chart	<u>Low Farms</u>		<u>Average</u>		<u>High Farms</u>		<u>Your Farm</u>	
	2017	5 Yr Ave	2017	5 Yr Ave	2017	5 Yr Ave	2017	5 Yr Ave
<u>Liquidity</u>								
Current Ratio	1.07	1.05	1.57	1.65	2.25	2.26		
Working Capital	\$ 23,705	19,552	135,504	144,150	457,424	466,034		
Working Capital to Gross Inc.	% 4.5%	3.6%	23.6%	25.3%	36.2%	35.1%		
<u>Solvency (Market)</u>								
Farm Debt to Asset Ratio	% 55%	56%	46%	45%	40%	39%		
Farm Equity to Asset Ratio	% 45%	44%	54%	55%	60%	61%		
Farm Debt to Equity Ratio	% 1.21	1.29	0.86	0.83	0.67	0.65		
<u>Profitability (Cost)</u>								
Rate of Return on Farm Assets	% -5.0%	-5.6%	2.5%	3.5%	8.2%	8.9%		
Rate of Return on Farm Equity	% -17.3%	-19.6%	1.2%	2.9%	10.6%	11.8%		
Operating Profit Margin	% -20.0%	-23.0%	8.4%	10.6%	22.9%	23.3%		
Net Farm Income	\$ -94,958	-87,048	54,021	68,004	276,989	311,937		
EBIDTA	\$ 4,189	-490	129,287	137,277	398,668	437,611		
<u>Repayment Capacity (Accrual)</u>								
Capital Debt Repayment Cap.	\$ -22,210	-26,224	95,471	98,982	316,745	344,575		
Capital Debt Repayment Margin	\$ -120,684	-117,531	14,485	20,741	187,539	203,417		
Replacement Margin	\$ -140,752	-131,299	-3,469	6,452	152,032	173,977		
Term Debt Coverage Ratio	-0.23	-0.30	1.18	1.27	2.45	2.42		
Replacement Coverage Ratio	-0.19	-0.26	0.96	1.08	1.92	2.01		
<u>Efficiency</u>								
Asset Turnover Rate (Cost)	% 24.7%	24.3%	30.1%	32.1%	35.8%	37.8%		
Operating Expense Ratio	% 99.2%	100.2%	77.5%	77.1%	68.5%	69.1%		
Depreciation Expense Ratio	% 9.9%	9.7%	7.8%	7.0%	6.4%	6.0%		
Interest Expense Ratio	% 8.9%	8.1%	5.3%	4.8%	3.3%	3.2%		
Net Farm Income Ratio	% -18.2%	-18.2%	9.4%	11.2%	21.9%	21.8%		

MyFarm Financial Scorecard

Year:

Name:

Liquidity

	This Year	5-Year Ave	Strong	Vulnerable
Current ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	1.7	1.1
Working capital	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Working cap to gross revenue	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	25%	10%

Solvency (market)

Note: These solvency ratios include deferred liabilities

Farm debt/asset ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	30%	60%
Farm equity/asset ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	70%	40%
Farm debt/equity ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	0.43	1.50

Profitability (Cost)

Rate of return on farm assets	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	8%	4%
Rate of return on farm equity	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	10%	3%
Operating profit margin	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	25%	15%
Net farm income	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
EBITDA	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		

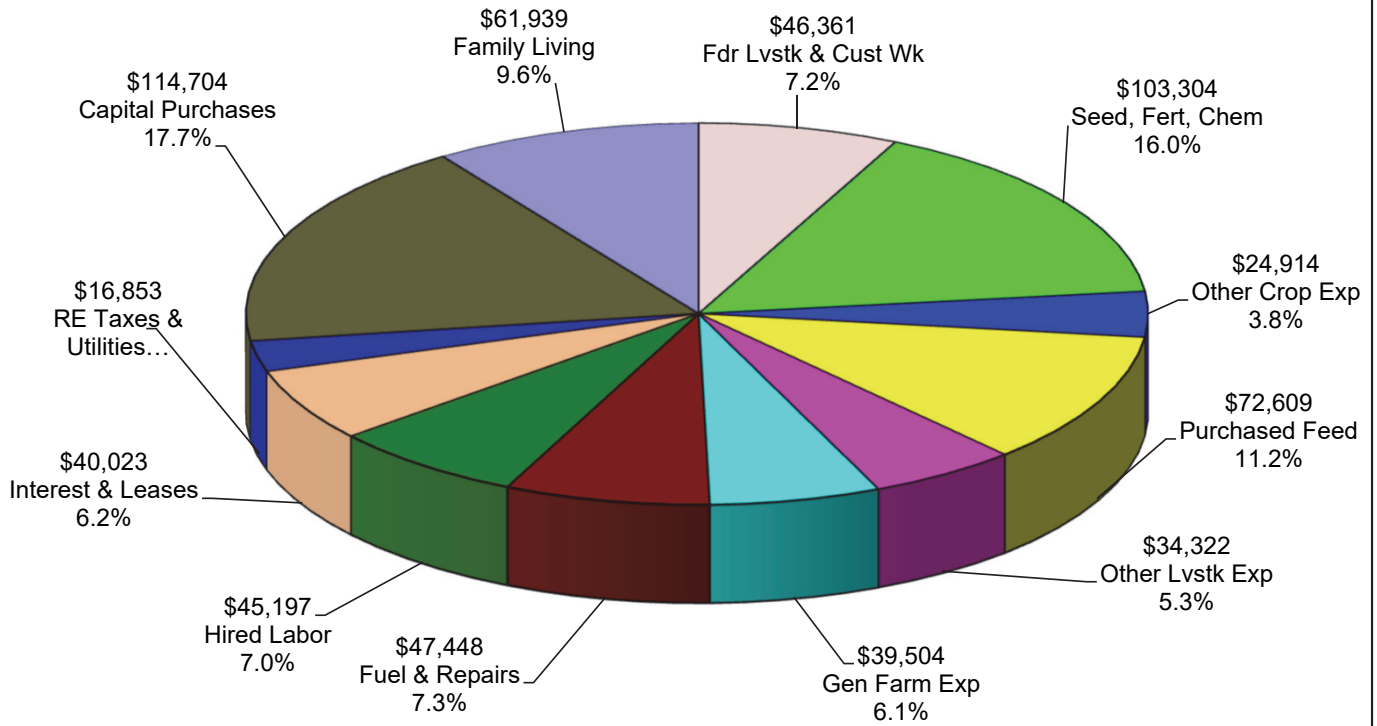
Repayment Capacity (Accrual)

Capital debt repay capacity	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Capital debt repay margin	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Replacement margin	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Term-debt coverage ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	1.50	1.20
Replacement margin ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	1.40	1.10

Financial Efficiency

Asset-turnover rate (market)	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	45%	30%
Operating-expense ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	60%	80%
Depreciation-expense ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	5%	15%
Interest-expense ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	5%	10%
Net farm income ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	20%	10%

Each farmer, on average, spent \$647,178 in the Greater Community in 2017



Average Money Spent by Each Farmer in the Greater Community: \$647,178

Average Money Spent by Each Farmer in a 40 Yr Career: \$25,887,120

Money Spent in Community by 622 Farmers: \$402,544,716

Your Goals based on current year Analysis

Short Term

Timeline

1	_____
2	_____
3	_____
4	_____

Intermediate and LongTerm

Timeline

1	_____
2	_____
3	_____
4	_____