

Executive Summary Edition

2020

Farm

Analysis

Report of

Moorhead

This is the 45th edition of this report published by the Northland College-Moorhead MN. Farm Business Management Department. The numbers for this report came from records kept by each farm family enrolled in the farm management education program provided by Northland Community and Technical College, Thief River Falls, MN.

In 2020, 87 farms (with an equivalent of 96 full-time operators), located mainly in western Clay, Norman, and Wilkin, Minnesota, were included in the averages. The average farmer was 47.6 years old with 24.9 years of farming experience. Farms averaged 2,145 acres per farm with 404 acres of that owned. Sugarbeets generated the largest gross dollar amount per farm (\$289,131). Soybeans (\$280,152) stayed 2nd ahead of Corn (\$203,699). Wheat was fourth at (\$152,137). The largest single expense was land rent (\$225,861) per farm, which is 20.4% of total cash expenses. Seed expense stayed in 2nd at (\$173,050). Fertilizer (\$134,644), Chemicals (\$107,410) and Repairs(\$87,926) were the next three expenses.

Net Farm Income (\$237,943) was the highest it has been in the past five years which was 760.5% higher than 2019. Most of the increase in the net farm income was directly related to better production in 2020, less harvest issues, governmental income for a variety of program and higher prices at year end. .

Information about our Farm Business Management program and other financial reports can be found at our website: **www.NorthlandFBM-Moorhead.com**

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NORTHLAND
COMMUNITY & TECHNICAL COLLEGE

Statement of Cash Flows - Total of 87 Farms in Analysis Report

Soybeans	\$24,373,224
Sugarbeets	\$25,154,397
Corn	\$17,721,813
Wheat	\$13,235,919
Other Crops	\$5,881,809
Government Pymts	\$12,047,847
Remaining Farm Income (Ins, etc)	\$16,971,786

Total Cash Farm Income \$115,386,795

Fertilizer	\$11,714,028
Land Rent	\$19,649,907
Seed	\$15,055,350
Chemicals	\$9,344,670
Repairs	\$7,649,562
Fuel	\$3,632,250
Crop Insurance	\$3,398,046
Remaining Farm Expenses	\$25,770,357

Total Farm Expense (\$96,214,170)

Net Cash from Hedging (\$410,988)

Net Nonfarm Income \$3,073,275

**Apparent Family Living
Income & SS Tax Paid** (\$7,351,239)
(\$1,663,962)

Cash From Operating Activities **\$12,819,711**

Sale of Machinery	\$2,065,467
Sale of Farm Land	\$3,389,781
Sale of Other Farm Assets	\$752,811
Sale of Nonfarm Assets	\$1,217,826

Total Sales of Assets \$7,425,885

Purchase of Machinery	(\$11,084,844)
Purchase of Farm Land	(\$5,630,379)
Pur of Farm Bldgs/Tiling	(\$2,676,207)
Pur of Other Farm Assets	(\$754,464)
Pur of Nonfarm Assets	(\$1,541,205)

Total Purchase of Assets (\$21,687,099)

Cash From Investing Activities **(\$14,261,214)**

Money Borrowed	\$85,542,837
Principal Payments	(\$80,810,385)
Gifts & Inheritances	\$4,089

Cash From Financing Activities **\$4,736,541**

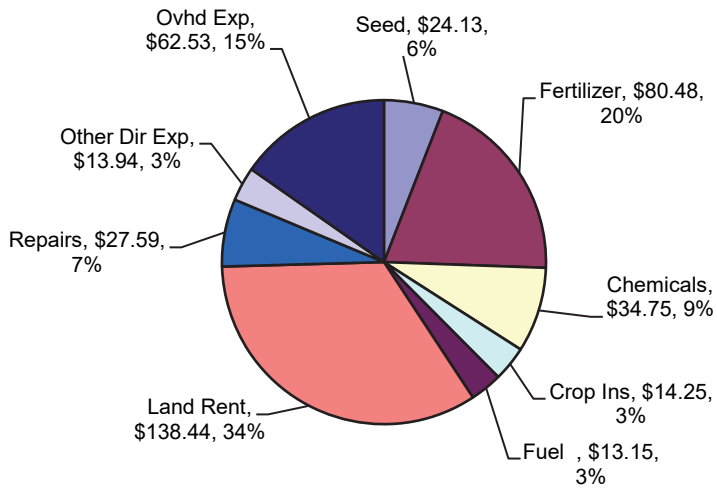
Net change in cash balance: \$3,295,038

Inventory Change: **\$6,923,634**

Farm Financial Scorecard

	This Year		5-Year Ave		Strong		Vulnerable	
					2.0	1.3		
Liquidity								
Current ratio	1.76	1.59						
Working capital	\$428,138	\$317,421						
Working cap to gross revenue	32.5%	27.1%						
Solvency (market)	Note: These solvency ratios include deferred liabilities							
Farm debt/asset ratio	45%	43%						
Farm equity/asset ratio	55%	57%						
Farm debt/equity ratio	0.80	0.76						
Profitability (Cost)								
Rate of return on farm assets	6.3%	3.4%						
Rate of return on farm equity	8.2%	2.8%						
Operating profit margin	15.0%	8.2%						
Net farm income	\$237,943	\$136,148						
EBITDA	\$355,799	\$260,579						
Repayment Capacity (Accrual)								
Capital debt repay capacity	\$259,445	\$156,588						
Capital debt repay margin	\$153,868	\$51,999						
Replacement margin	\$107,225	-\$601						
Term-debt coverage ratio	2.46	1.49						
Replacement margin ratio	1.70	1.00						
Financial Efficiency								
Asset-turnover rate (market)	41.6%	39.9%						
Operating-expense ratio	73.0%	77.9%						
Depreciation-expense ratio	5.1%	6.4%						
Interest-expense ratio	4.2%	4.5%						
Net farm income ratio	17.6%	11.2%						

Spring Wheat - Cash Rented (Ave of all Farms)



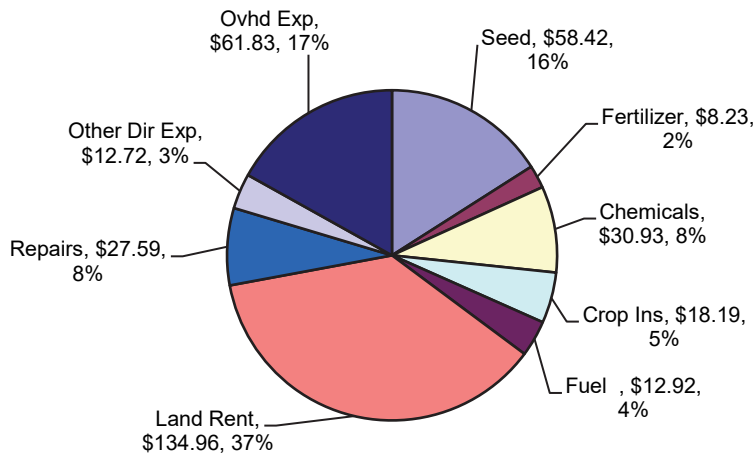
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2016	2017	2018	2019	2020
Yield	69.20	73.41	63.11	61.25	63.47
**Total Costs/Acre	\$388.92	\$388.20	\$393.45	\$417.42	\$415.63
Total Costs/Bu	\$5.62	\$5.29	\$6.23	\$6.82	\$6.55

	My Farm	
Yield		
Costs/A.		
Costs/bu.		

**-does not include principal pymts or personal draw

Soybeans - Cash Rented (Ave of all Farms)



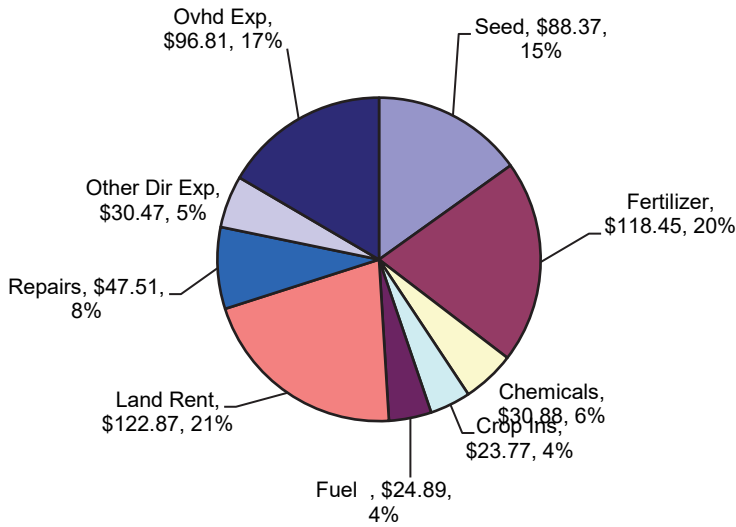
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2016	2017	2018	2019	2020
Yield	46.00	36.59	45.36	38.72	37.30
**Total Costs/Acre	\$365.12	\$378.22	\$372.10	\$371.35	\$368.66
Total Costs/Bu	\$7.94	\$10.34	\$8.20	\$9.59	\$9.88

	My Farm	
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Corn - Cash Rented (Ave of all Farms)



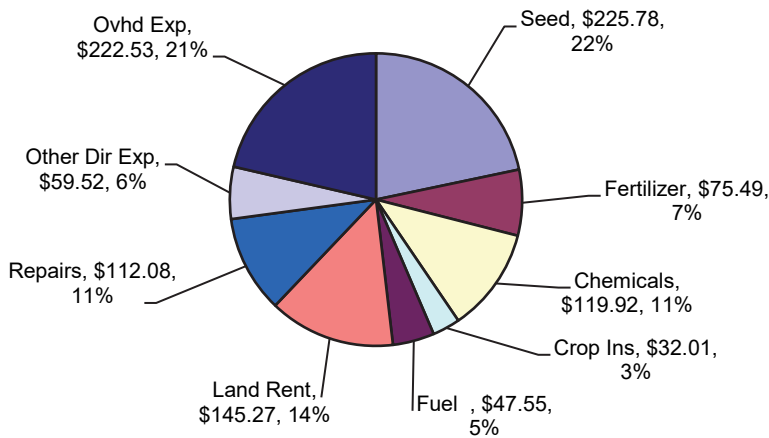
	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2016	2017	2018	2019	2020
Yield	182.04	168.11	184.43	161.57	164.58
**Total Costs/Acre	\$558.31	\$560.04	\$576.32	\$593.68	\$591.32
Total Costs/Bu	\$3.07	\$3.33	\$3.12	\$3.67	\$3.59

	My Farm	
	\$/A.	%
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Sugarbeets-Cash Rented excluding Joint Venture (Ave of all Farms)



	My Farm	
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2016	2017	2018	2019	2020
Yield	33.10	31.47	29.66	19.57	25.49
**Total Costs/Acre	\$1,086.40	\$1,038.63	\$1,058.83	\$1,107.22	\$1,092.87
Total Costs/Ton	\$32.82	\$33.00	\$35.70	\$56.58	\$42.87

	My Farm	
	\$/A.	%
Yield		
Costs/A.		
Costs/T.		

**-does not include principal pymts or personal draw