Farm Financial Scorecard

	This Year	5-Year Ave	Strong				Vulnerable
Liquidity							
Current ratio	1.79	2.01		2.0	X	1.3	
Working Capital to Gross Rev.	34.1%	35.4%	X	30%		10%	
*Working Capital to Oper. Exp.	46.8%	51.1%	X	40%		20%	
Solvency (market)	Note: These solvency ratios include deferred liabilities						
Farm debt/asset ratio	46%	45%		30%	X	60%	
Farm equity/asset ratio	54%	55%		70%	X	40%	
Farm debt/equity ratio	0.84	0.80		0.43	X	1.50	
Profitability (Cost)							
Rate of return on farm assets	6.0%	8.8%		8%	X	4%	
Rate of return on farm equity	6.6%	12.4%		10%	X	3%	
Operating profit margin	13.8%	18.1%		25%		15%	X
Asset Turnover Ratio	43.2%	47.1%		45%	X	30%	
Repayment Capacity (Accrual)							
*Debt Coverage Ratio	1.71	2.64		1.75	X	1.25	
Replacement Coverage Ratio	1.39	2.05		1.50	X	1.10	
Term-debt coverage ratio	1.89	2.97	X	1.75		1.25	
Financial Efficiency							
Operating-expense ratio	72.8%	70.1%		60%	X	80%	
Depreciation-expense ratio	5.8%	5.1%		5%	X	10%	
Interest-expense ratio	5.2%	3.9%		5%	X	10%	
Net farm income ratio	16.2%	20.9%		20%	X	10%	

*New recommended ratio from FFSC in 2022

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