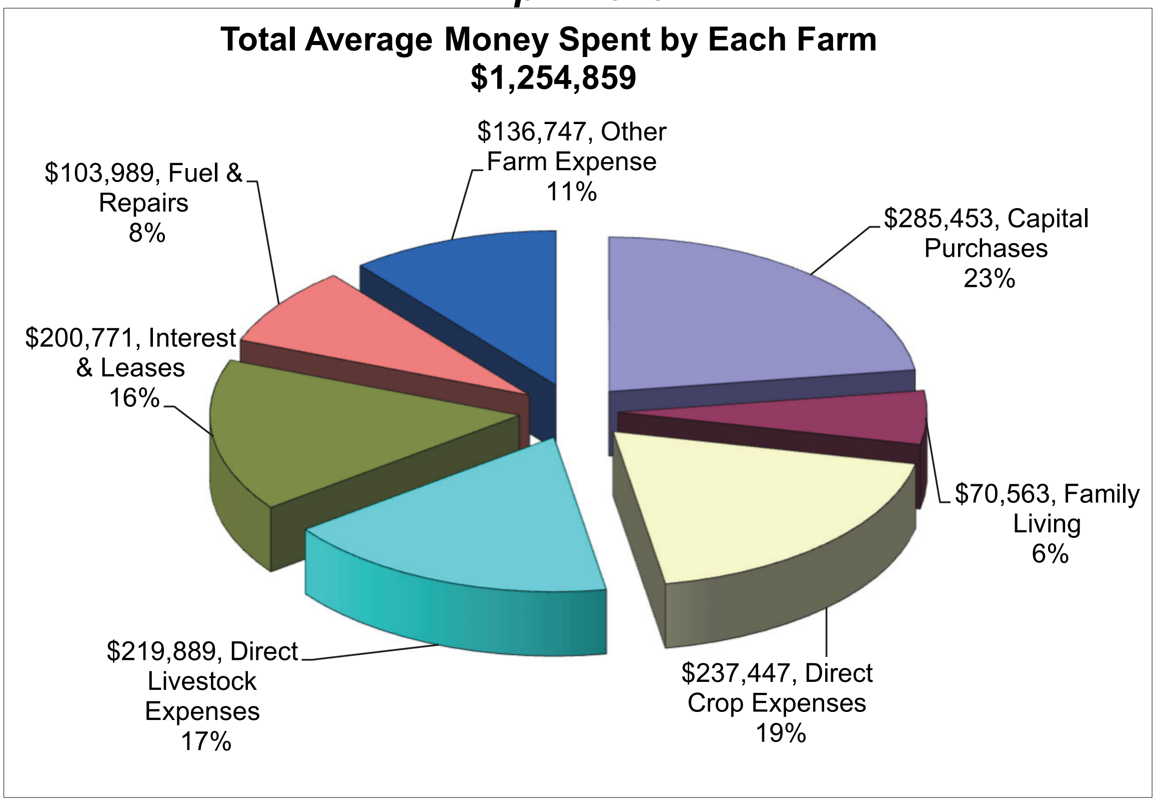
Farm Business Management Program Database
(2,223 Farms)

State Financial Summary - 2024

Financial Summaries & Financial Standards for 2021-2024
Current year data by Region, Farm Type, & Years Farming

April 2025



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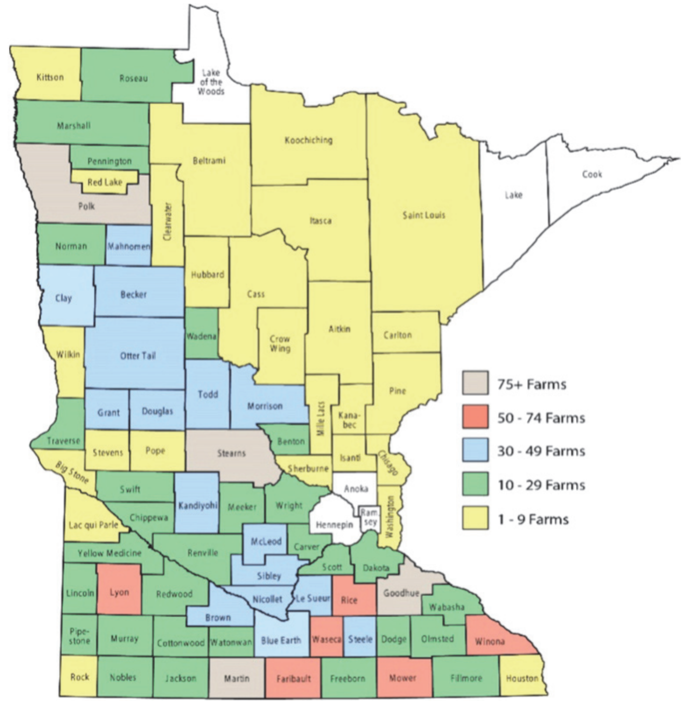
Farm Business Management Websites at: agcentric.org or centerofagriculture.org

Brief Overview of 2024 in Production Agriculture

Farm Business Management Program Database

In 2024, Minnesota Farmers experienced a large decrease in net farm income from 2023. This is one of the key findings in the annual report developed by the Minnesota State Farm Business Management (FBM) Education program in cooperation with the University of Minnesota. The data in this report comes from 2,223 farmers representing 81 of 87 counties who participate in the Minnesota State FBM program.



These 2,223 farms spent $1,254,859 in their greater communities in 2024. The majority of this money is spent locally, including businesses and cooperatives, demonstrating the vital importance of farms on the economy of Minnesota.

Average Net Farm Income was $67,704, a decrease of 28% from 2023. The primary reasons for decrease include: lower prices for most crops sold, weather issues around the state and lower crop inventory values at year-end.

Yields across Minnesota were lower from 2023 in some areas, while some areas dealt with various weather challenges. Most farm types showed positive net farm income on an average basis and the median income was positive for the fifth time in the past five years for the state average of all farms. Livestock operations saw positive profitability due to livestock sales and/or livestock product prices in 2024.

Working capital decreased by $60,306 in 2024 while debt coverage, the ratio to show the ability of the farm to meet debt obligations, decreased to 1.05. Average investments on farms in 2024 was just over $3.0 million, with a 2.0% return on investment. Average nonfarm income for farms in 2024 was $47,465 compared to the average cash family living expense of $70,869.

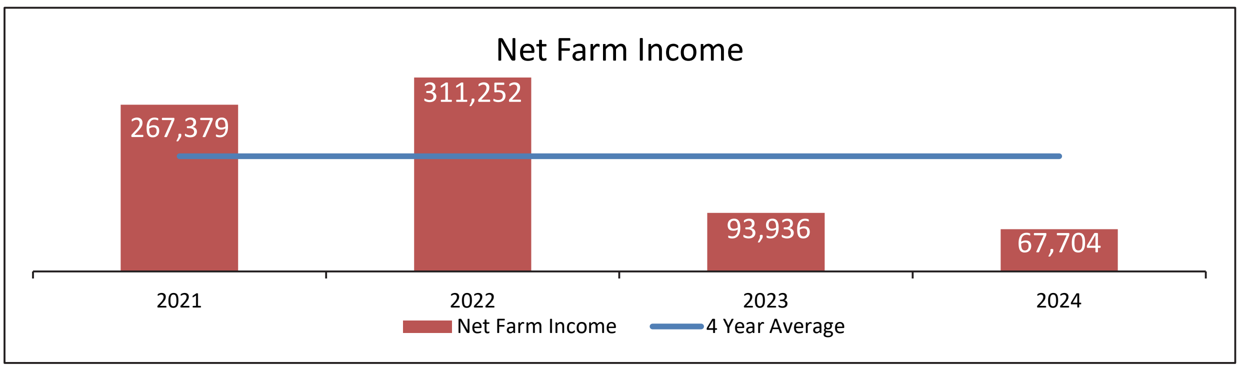
What is Net Farm Income used for?

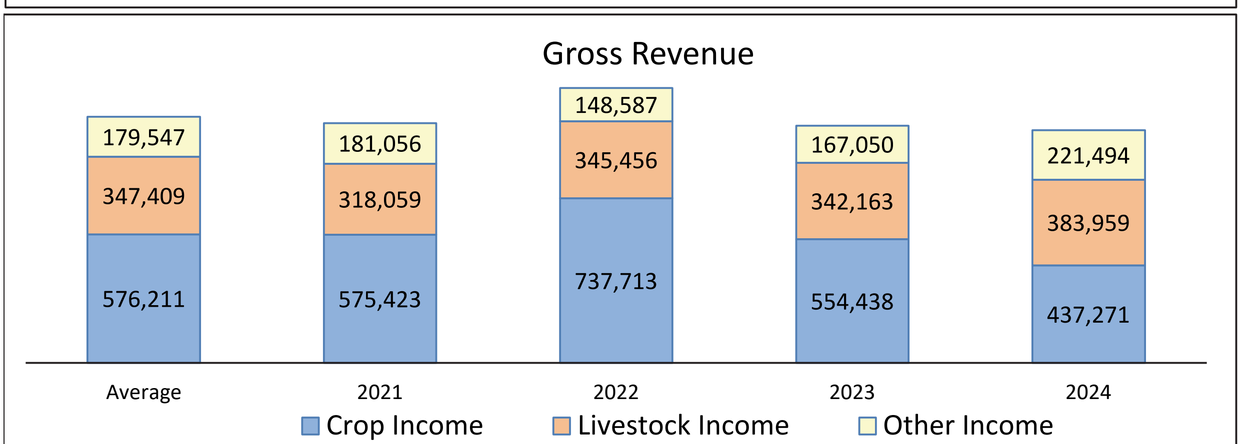
Net Farm Income dollars are used to pay for family living, social security and income tax, retirement accounts, Medical and Health expenses, and loan principal payments.
A positive balance indicates that there is revenue available for other uses, while a negative balance indicates there is a need for revenue from other sources.

		2024	2023	2022	2021
Average Net Farm Income		$67,704	$93,936	$311,252	$267,379
Depreciation	(plus)	$70,869	$66,032	$61,470	$55,493
Total Cash Family Living	(minus)	$70,563	$77,476	$72,170	$65,250
Social Security and Income Tax	(minus)	$15,164	$21,360	$17,381	$15,453
Retirement Accounts	(minus)	$5,346	$22,731	$12,745	$9,437
Principal Payments	(minus)	$85,067	$80,237	$72,467	$67,903
Balance		-$37,567	-$41,836	$197,959	$164,829

Summary Farm Income Statement
(Farms sorted by years)

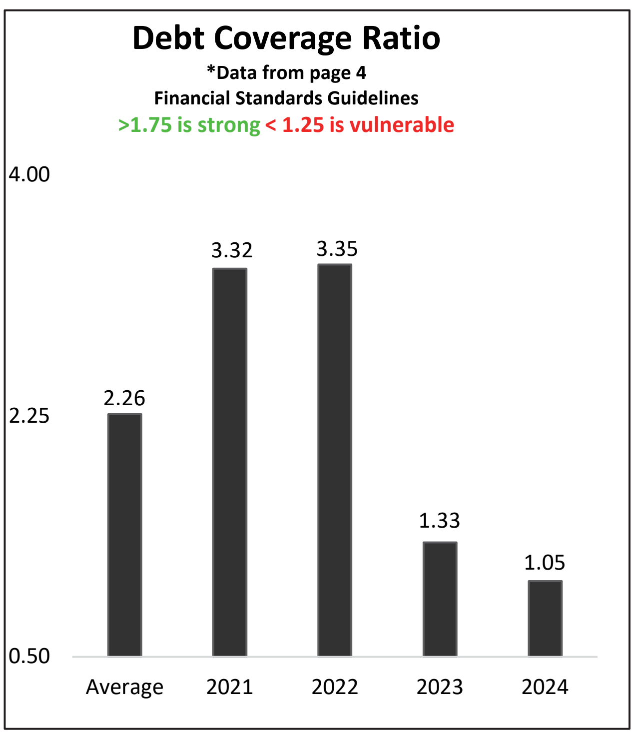
	Average	2021	2022	2023	2024
Number of farms	2,247	2,293	2,154	2,317	2,223
Farm Revenue					
Crop sales	548,999	468,446	607,954	611,435	508,162
Crop inventory change	27,212	106,977	129,759	-56,997	-70,892
Gross crop income	576,211	575,423	737,713	554,438	437,271
Livestock sales	333,893	310,291	334,348	325,729	365,204
Livestock inventory change	13,516	7,768	11,108	16,434	18,755
Gross livestock income	347,409	318,059	345,456	342,163	383,959
Government payments	31,703	62,864	28,422	22,927	12,597
Other cash income	137,615	118,423	121,355	139,553	171,128
Other accrual changes	10,230	-231	-1,190	4,570	37,769
Gross Revenue	**1,106,392**	**1,074,537**	**1,231,816**	**1,076,492**	**1,042,724**
Farm Expenses					
Cash operating expenses	826,456	742,674	857,308	860,706	845,136
Inventory Changes	-6,143	-22,936	-25,407	13,986	9,784
Depreciation	63,466	55,493	61,470	66,032	70,869
Total operating expense	883,779	775,230	893,371	940,724	925,789
Interest paid	42,063	34,883	35,868	43,794	53,707
Change in accrued interest	2,301	39	1,935	2,985	4,246
Total interest expense	44,364	34,922	37,803	46,779	57,953
Total Expense	**928,143**	**810,152**	**931,174**	**987,503**	**983,742**
Net farm income from operations	178,250	264,386	300,643	88,988	58,982
Gain or loss on capital sales	6,818	2,993	10,610	4,948	8,722
Net Farm Income	**185,068**	**267,379**	**311,252**	**93,936**	**67,704**

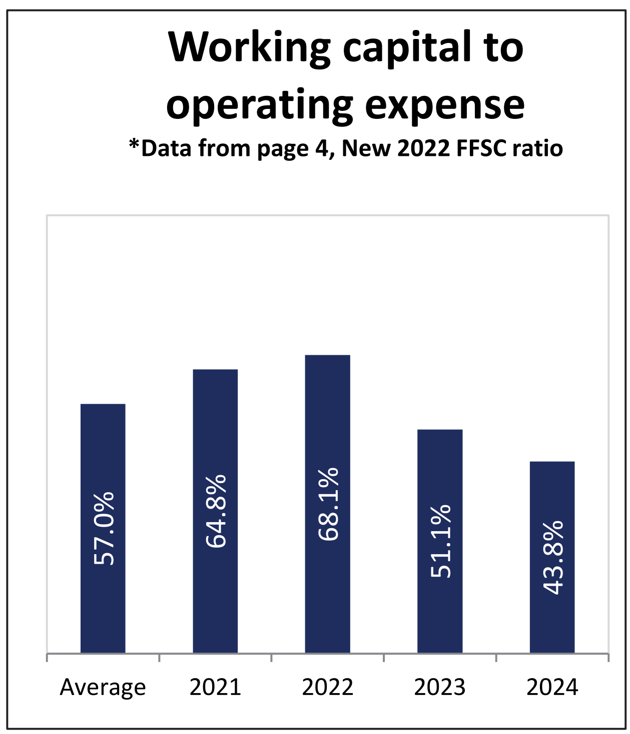




Financial Summary
(Farms sorted by years)

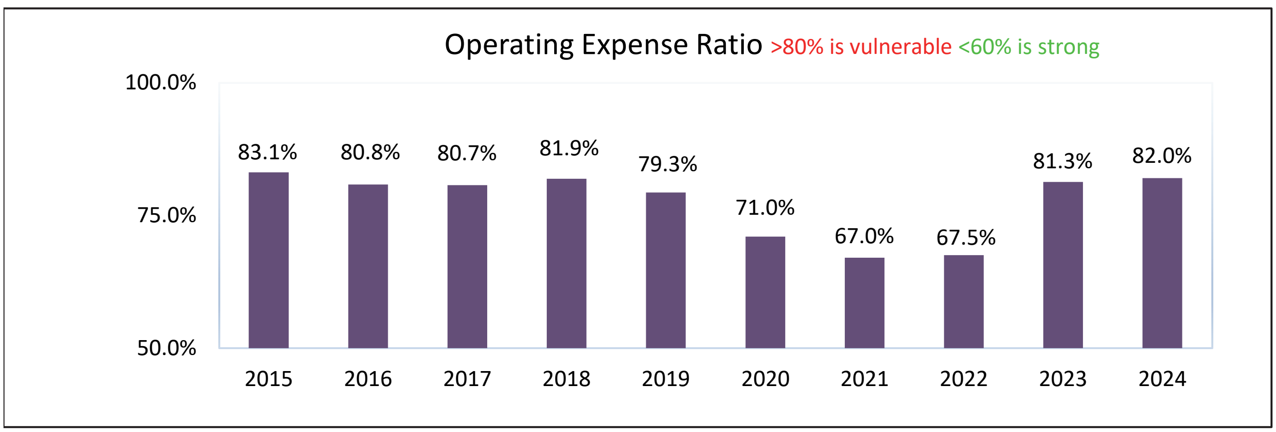
	Average	2021	2022	2023	2024
Number of farms	2,247	2,293	2,154	2,317	2,223
Income Statement					
Gross cash farm income	1,052,267	960,023	1,092,140	1,099,812	1,057,092
Total cash farm expense	868,519	777,556	893,176	904,500	898,843
Net cash farm income	183,748	182,467	198,964	195,312	158,250
Inventory Change	57,968	137,411	163,149	-40,291	-28,398
Depreciation	-63,466	-55,493	-61,470	-66,032	-70,869
Average net farm income	185,068	267,379	311,252	93,936	67,704
Median net farm income	100,245	158,294	176,616	44,596	21,473
Liquidity & Repayment (end of year)					
Current Assets	809,845	732,596	905,475	815,375	785,935
Current Liabilities	357,114	309,494	338,722	368,498	411,740
Change in working capital	38,192	150,763	146,155	-83,845	-60,306
Solvency (end of year at market)					
Total assets	3,605,197	2,656,385	3,791,346	3,889,238	4,083,817
Total liabilities	1,385,762	1,075,506	1,552,675	1,601,661	1,313,204
Net worth	2,219,435	1,580,880	2,238,672	2,287,576	2,770,613
Net worth change	215,223	263,340	294,250	155,883	147,417
Change in net worth %	12%	20%	15%	7%	6%
Nonfarm Information					
Net nonfarm income	44,929	44,586	42,436	45,228	47,465
Farms reporting living expenses	351	362	357	367	319
Total family living expense	72,465	65,537	72,453	77,936	73,933
Total living, invest, & capital	119,033	102,923	117,813	145,543	109,852
Total Crop Acres	805	781	808	800	830
Machinery value per crop acre	829	733	799	880	905

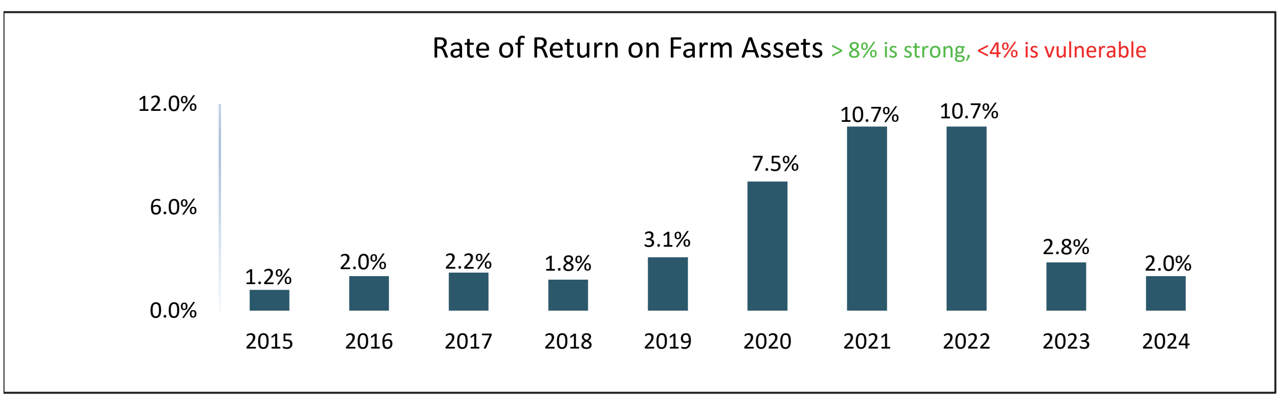




Financial Standards Measures
(Farms sorted by years)

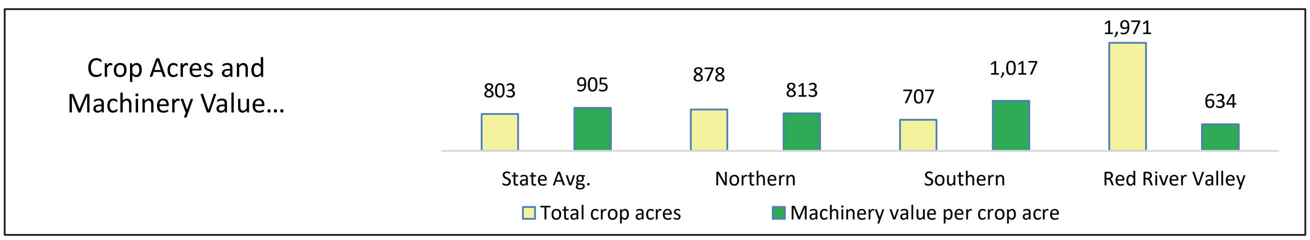
	Average	2021	2022	2023	2024
Number of farms	2,247	2,293	2,154	2,317	2,223
Liquidity					
Current ratio	2.29	2.37	2.67	2.21	1.91
Working capital to gross revenue	40.7%	39.4%	46.0%	41.5%	35.9%
Working capital to oper expense	57.0%	64.8%	68.1%	51.1%	43.8%
Solvency (market)					
Farm debt to asset ratio	44%	44%	43%	44%	44%
Farm equity to asset ratio	54%	46%	57%	56%	56%
Farm debt to equity ratio	0.78	0.79	0.76	0.77	0.79
Profitability (cost)					
Rate of return on farm assets	6.6%	10.7%	10.7%	2.8%	2.0%
Rate of return on farm equity	8.4%	16.4%	15.8%	1.7%	-0.2%
Operating profit margin	16.7%	26.3%	25.7%	8.2%	6.4%
Asset turnover rate	36.7%	40.8%	41.5%	33.6%	30.8%
Repayment Capacity					
Debt coverage ratio	2.26	3.32	3.35	1.33	1.05
Term debt coverage ratio	2.36	3.46	3.54	1.38	1.06
Replacement coverage ratio	1.74	2.53	2.55	1.03	0.83
Efficiency					
Operating expense ratio	74.5%	67.0%	67.5%	81.3%	82.0%
Depreciation expense ratio	5.8%	5.2%	5.0%	6.1%	6.8%
Interest expense ratio	4.1%	3.2%	3.1%	4.3%	5.6%
Net farm income ratio	15.8%	24.6%	24.4%	8.3%	5.7%

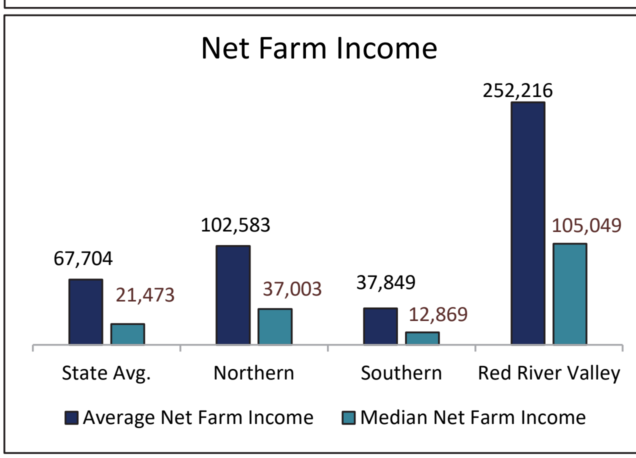


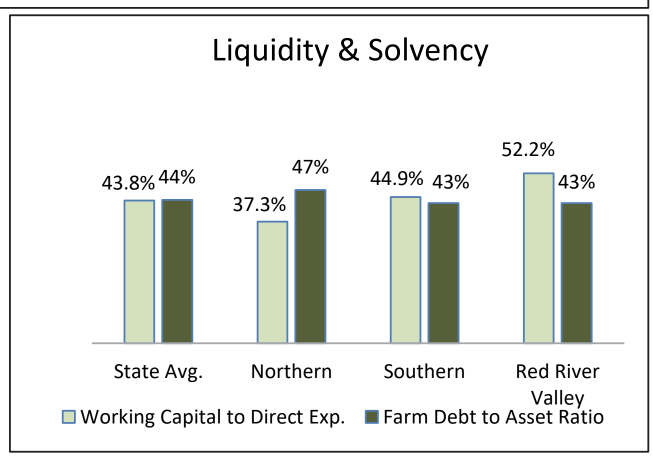


Financial Summary
(Farms sorted by region)

	State Avg.	Northern	Southern	Red River Valley
Number of farms	2,223	555	1,526	142
Income Statement				
Gross cash farm income	1,057,092	987,625	1,030,889	1,610,196
Total cash farm expense	898,843	843,088	881,177	1,306,600
Net cash farm income	158,250	144,537	149,712	303,595
Average net farm income	67,704	102,583	37,849	252,216
Median net farm income	21,473	37,003	12,869	105,049
Profitability (cost)				
Rate of return on assets	2.0%	3.7%	0.9%	5.0%
Rate of return on equity	-0.2%	2.6%	-1.9%	5.3%
Operating profit margin	6.4%	11.4%	3.2%	13.5%
Asset turnover rate	30.8%	32.4%	29.2%	37.3%
Liquidity & Repayment (end of year)				
Current ratio	1.91	1.76	1.97	1.86
Working capital to gross revenue	35.9%	29.2%	38.0%	38.5%
Working capital to oper expense	43.8%	37.3%	44.9%	52.2%
Debt coverage ratio	1.05	1.3	0.87	1.58
Solvency (end of year at market)				
Total assets	3,174,489	2,920,629	3,084,812	5,130,402
Total liabilities	1,313,204	1,284,671	1,245,285	2,154,626
Net worth	1,861,285	1,635,958	1,839,528	2,975,776
Farm debt to asset ratio	44%	47%	43%	43%
Nonfarm Information				
Net nonfarm income	47,465	41,170	50,042	44,379
Farms reporting living expenses	319	43	261	15
Total family living expense	73,933	72,987	73,569	82,976
Total living, invest, & capital	109,852	102,776	110,564	117,745
Total crop acres	803	878	707	1,971
Machinery value per crop acre	905	813	1,017	634

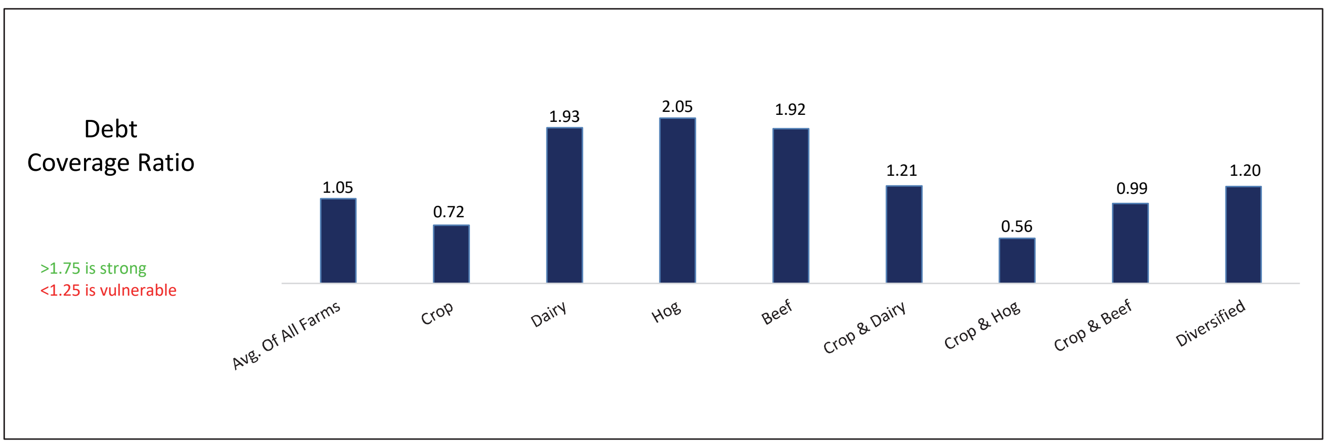


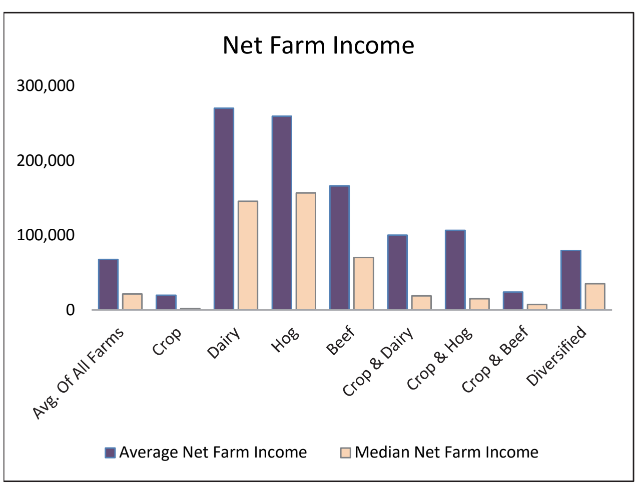


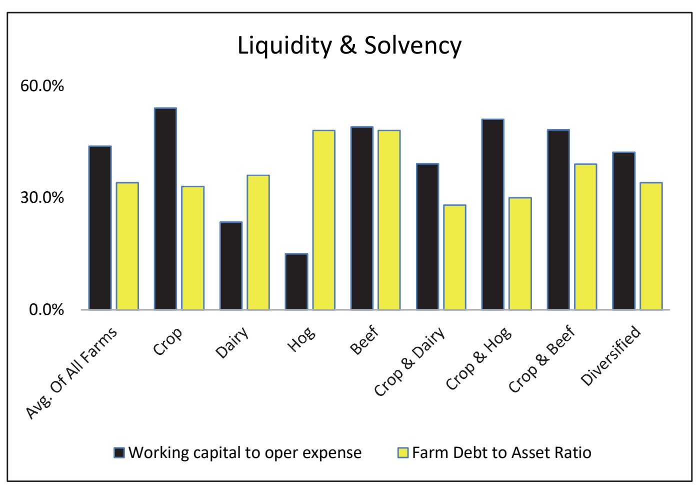


Financial Summary-Farm Type
(Determined by where 70% of gross cash farm income is received)

	Avg. Of All Farms	Crop	Dairy	Hog	Beef	Crop & Dairy	Crop & Hog	Crop & Beef	Diversified
Number of Farms	2,223	1,266	236	13	92	50	20	120	422
Income Statement									
Gross cash farm income	1,057,092	926,982	2,068,212	5,018,465	1,284,423	1,457,347	1,837,669	730,270	728,588
Total cash farm expense	898,843	768,185	1,779,617	4,828,740	1,203,957	1,251,063	1,621,859	658,183	610,999
Net cash farm income	158,250	158,797	288,595	189,725	80,466	206,284	215,810	72,088	117,588
Average net farm income	67,704	19,439	269,857	259,239	165,865	99,925	106,341	23,910	79,597
Median net farm income	21,473	1,705	145,484	156,510	70,234	18,931	15,099	7,129	34,973
Profitability (cost)									
Rate of return on assets	2.0%	0.3%	7.1%	8.9%	6.8%	2.3%	-0.2%	1.1%	3.3%
Rate of return on equity	-0.2%	-2.9%	8.9%	10.4%	8.3%	0.7%	-3.1%	-2.2%	1.9%
Operating profit margin	6.4%	0.9%	15.9%	18.6%	27.0%	6.9%	-0.9%	3.9%	12.4%
Asset turnover rate	30.8%	29.3%	44.8%	48.0%	25.3%	33.3%	25.4%	27.5%	26.4%
Liquidity									
Current ratio	1.91	1.87	2.27	1.68	1.71	2.41	2.26	1.86	1.95
Working capital to gross revenue	35.9%	45.3%	18.7%	13.7%	38.9%	32.0%	46.0%	40.9%	32.2%
Working capital to oper expense	43.8%	54.0%	23.5%	15.0%	49.0%	39.1%	51.0%	48.2%	42.2%
Debt coverage ratio	1.05	0.72	1.93	2.05	1.92	1.21	0.56	0.99	1.20
Solvency (end of year at market)									
Total assets	4,083,817	4,415,127	4,352,527	4,061,778	3,476,334	5,151,754	5,936,408	2,807,421	3,253,893
Total liabilities	1,313,204	1,363,510	1,526,658	1,892,262	1,590,715	1,305,346	1,662,916	1,027,889	1,040,477
Net worth	2,770,613	3,051,617	2,825,869	2,169,517	1,885,619	3,846,407	4,273,492	1,779,532	2,213,416
Farm debt to asset ratio	34%	33%	36%	48%	48%	28%	30%	39%	34%
Total crop acres	830	1,097	608	364	417	677	1,003	589	346
Machinery value per crop acre	905	799	1,301	1,154	1,102	1,455	890	946	1,316







Beginning Farmer Financial Summary
(Comparison by years farming)

	<10 years	11-30 years	> 30 years
Number of farms	654	726	843
Income Statement			
Gross cash farm income	451,296	1,150,256	1,446,837
Total cash farm expense	389,830	981,498	1,222,552
Net cash farm income	61,466	168,758	224,285
Average net farm income	44,627	101,203	56,757
Median net farm income	17,078	37,575	12,380
Profitability (cost)			
Rate of return on assets	3.3%	3.1%	0.9%
Rate of return on equity	1.8%	1.7%	-1.6%
Operating profit margin	9.4%	9.6%	3.3%
Asset turnover rate	35.0%	32.6%	28.7%
Liquidity & Repayment (end of year)			
Current ratio	1.93	1.84	1.96
Working capital to gross revenue	33.0%	33.7%	38.2%
Working capital to oper expense	41.8%	42.2%	45.3%
Debt coverage ratio	1.49	1.18	0.83
Solvency (end of year at market)			
Number of farms	654	726	843
Total assets	1,402,427	4,071,814	4,404,046
Total liabilities	739,285	1,490,121	1,606,090
Net worth	663,142	2,581,693	2,797,957
Farm debt to asset ratio	56%	38%	39%
Total crop acres	400	907	1,098
Machinery value per crop acre	622	829	1039