

Farm Financial Scorecard

Using Recommended Measures from the Farm Financial Standards Council (FFSC)

	Your Farm:			Desired Trend		
Liquidity						
Current Ratio	_____ . _____	Vulnerable	1.3	2.0	Strong	↑
Working Capital as % of Gross Revenue	_____ %		10%	30%		↑
Working Capital as % of Operating Expense*	_____ %		20%	40%		↑
Solvency						
Debt-to-Asset Ratio	_____ %	Vulnerable	60%	30%	Strong	↓
Equity-to-Asset Ratio*	_____ %		40%	70%		↑
Debt-to-Equity Ratio*	_____ . _____		1.5	0.43		↓
Profitability						
Rate of Return on Assets	_____ %	Vulnerable	4%	8%	Strong	↑
Rate of Return on Equity	_____ %		3%	10%		↑
Operating Profit Margin Ratio	_____ %		15%	25%		↑
Asset Turnover Ratio	_____ %		30%	45%		↑
Repayment Capacity						
Debt Coverage Ratio	_____ . _____	Vulnerable	1.25	1.75	Strong	↑
Replacement Coverage Ratio	_____ . _____		1.1	1.5		↑
Term Debt & Finance Lease Coverage Ratio*	_____ . _____		1.25	1.75		↑
Financial Efficiency						
Operating Expense Ratio	_____ %	Vulnerable	80%	60%	Strong	↓
Depreciation Expense Ratio	_____ %		10%	5%		↓
Interest Expense Ratio	_____ %		10%	5%		↓
Net Farm Income Ratio	_____ %		10%	20%		↑

* Denotes Acceptable Alternate Measures of the FFSC (<https://ffsc.org/>)