

Farm Income Statement
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Cash Farm Income						
Barley, Malting	4,343	-	-	-	-	20,712
Beans, Black Turtle	223	-	1,152	-	-	-
Beans, Navy	1,400	7,232	-	-	-	-
Canola	504	-	-	2,405	-	-
Corn	198,756	387,457	114,579	51,723	179,076	267,470
Hay, Alfalfa	3,041	-	705	-	4,667	9,545
Soybeans	354,644	445,801	279,791	216,775	332,949	497,487
Sugar Beets	204,625	202,019	118,182	144,659	160,003	387,979
Sunflowers	2,060	8,146	-	-	2,499	-
Wheat, Spring	140,778	120,751	86,036	84,015	185,598	225,184
Wheat, Winter	1,068	-	5,518	-	-	-
Soybeans, Food	17,800	-	-	-	-	84,894
Miscellaneous crop income	27	-	-	-	138	-
Beef Cow-Calf, Beef Calves	498	-	-	-	2,572	-
Beef Replacement Heifers	106	-	-	508	-	-
Beef Backgrounding	78	-	-	-	405	-
Beef Finishing	8,974	-	-	299	691	41,864
Crop government payments	6,277	13,418	943	1,755	9,767	5,910
CRP payments	929	1,287	274	940	725	1,379
Other government payments	7,850	10,080	8,795	1,679	280	18,080
Custom work income	7,042	15,011	1,521	3,857	2,747	11,930
Patronage dividends, cash	29,871	37,494	16,905	12,082	28,446	53,910
Crop insurance income	47,083	78,572	13,415	7,887	39,960	94,864
Property insurance income	3,092	106	444	3,404	11,693	42
Other farm income	24,198	26,190	15,013	9,304	23,089	46,757
Gross Cash Farm Income	1,065,268	1,353,563	663,273	541,295	985,303	1,768,007

Farm Income Statement (continued)
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	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Cash Farm Expense						
Seed	130,552	174,730	92,602	69,090	102,010	212,611
Fertilizer	111,387	137,662	59,067	59,955	125,184	174,123
Crop chemicals	56,455	70,543	38,310	31,088	57,907	84,228
Crop insurance	36,826	47,951	31,497	22,180	35,399	47,437
Drying expense	4,767	6,133	4,835	840	4,476	7,639
Storage	382	428	1,033	16	48	416
Crop custom hire	10,237	8,417	10,514	11,800	5,163	14,782
Crop hauling and trucking	1,855	256	975	-	3,416	4,558
Marketing	641	209	46	725	1,156	1,027
Crop miscellaneous	11,154	9,448	7,868	11,516	7,327	18,933
Consultants	4,273	6,746	3,562	1,842	3,909	5,411
Feeder livestock purchase	7,336	-	-	-	-	34,987
Purchased feed	444	1,511	-	-	92	639
Veterinary	90	417	-	-	47	-
Livestock hauling and trucking	25	-	-	-	-	120
Interest	42,676	43,909	35,755	32,156	26,104	73,745
CCC buyback	3,148	-	5,411	-	10,856	-
Fuel & oil	56,811	89,139	37,828	27,608	48,351	81,503
Repairs	65,143	102,168	45,482	26,682	48,227	103,191
Custom hire	182	-	-	-	938	-
Hired labor	46,430	87,806	16,967	15,244	31,160	80,714
Land rent	200,671	283,888	126,702	92,001	191,771	309,021
Stock/quota lease	8,466	18,574	2,022	8,428	10,893	2,882
Machinery leases	8,541	14,469	8,935	2,383	1,477	15,386
Building leases	1,933	1,939	150	4,694	631	2,013
Real estate taxes	12,404	13,734	10,506	6,364	5,394	25,440
Farm insurance	13,945	22,940	8,859	6,807	12,557	18,756
Utilities	10,912	16,221	8,239	5,696	7,803	16,564
Dues & professional fees	7,116	10,365	5,704	3,836	6,706	9,078
Purchase of resale items	1,062	-	-	-	-	5,063
Miscellaneous	11,702	8,887	13,447	7,957	9,631	18,344
Total cash expense	867,564	1,178,489	576,315	448,910	758,631	1,368,611
Net cash farm income	197,703	175,074	86,958	92,385	226,672	399,396
Inventory Changes						
Prepays and supplies	1,243	-31,278	-19,677	10,711	4,775	37,843
Accounts receivable	413	24,391	9,729	805	-5,871	-24,909
Hedging accounts	8,799	19,826	-3,055	-	13,177	14,322
Other current assets	5,409	7,679	19,679	175	242	143
Crops and feed	-106,393	-251,343	-51,999	-24,736	-88,238	-121,219
Market livestock	4,063	-	-	146	-3,210	22,195
Breeding livestock	560	-	-	-231	2,677	431
Other assets	-5,191	-16,144	-1,850	1,624	-22,153	10,677
Accounts payable	-6,905	-33,436	-6,429	-12,607	16,534	1,212
Accrued interest	295	342	-69	7,124	-1,864	-4,246
Total inventory change	-97,707	-279,965	-53,671	-16,989	-83,932	-63,551
Net operating profit	99,996	-104,891	33,287	75,396	142,740	335,846
Depreciation						
Machinery and equipment	-72,593	-112,828	-50,522	-45,875	-62,548	-91,815
Titled vehicles	-4,492	-3,789	-4,029	-1,234	-9,275	-4,412
Buildings and improvements	-8,630	-16,892	-3,417	-6,391	-3,212	-13,055
Total depreciation	-85,715	-133,509	-57,968	-53,500	-75,035	-109,282
Net farm income from operations	14,282	-238,400	-24,681	21,896	67,705	226,563
Gain or loss on capital sales	7,708	2,162	100	-	15,689	20,191
Net farm income	21,990	-236,238	-24,581	21,896	83,394	246,754

Inventory Changes
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Net cash farm income	197,703	175,074	86,958	92,385	226,672	399,396
Crops and Feed						
Ending inventory	495,800	519,348	283,634	271,848	423,680	960,435
Beginning inventory	602,193	770,692	335,633	296,584	511,918	1,081,653
Inventory change	-106,393	-251,343	-51,999	-24,736	-88,238	-121,219
Market Livestock						
Ending inventory	11,409	-	-	577	365	53,499
Beginning inventory	7,346	-	-	431	3,575	31,303
Inventory change	4,063	-	-	146	-3,210	22,195
Accts Receivable						
Ending inventory	51,823	70,572	36,704	45,658	24,828	79,557
Beginning inventory	51,410	46,181	26,975	44,853	30,699	104,466
Inventory change	413	24,391	9,729	805	-5,871	-24,909
Prepaid Expenses and Supplies						
Ending inventory	132,278	161,649	39,429	63,182	95,080	294,308
Beginning inventory	131,036	192,927	59,106	52,471	90,304	256,466
Inventory change	1,243	-31,278	-19,677	10,711	4,775	37,843
Hedging Activities						
Ending inventory	17,106	21,737	11,246	-	26,331	26,830
Withdrawals	11,589	23,750	-	-	21,667	13,346
Beginning inventory	13,964	22,828	13,209	-	13,664	20,719
Deposits	5,931	2,833	1,092	-	21,157	5,136
Gain or loss	8,799	19,826	-3,055	-	13,177	14,322
Other Current Assets						
Ending inventory	8,028	15,498	21,938	175	567	3,033
Beginning inventory	2,619	7,820	2,258	-	325	2,890
Inventory change	5,409	7,679	19,679	175	242	143
Breeding Livestock						
Ending inventory	766	-	-	615	108	2,938
Capital sales	833	-	-	-	4,302	-
Beginning inventory	1,039	-	-	846	1,733	2,508
Capital purchases	-	-	-	-	-	-
Depreciation, capital adjust	560	-	-	-231	2,677	431
Other Capital Assets						
Ending inventory	312,852	420,173	156,506	131,696	218,168	626,662
Capital sales	10,168	-	1,333	-	13,618	34,692
Beginning inventory	299,716	403,713	159,026	116,688	243,360	568,634
Capital purchases	28,495	32,604	664	13,385	10,579	82,043
Depreciation, capital adjust	-5,191	-16,144	-1,850	1,624	-22,153	10,677
Accounts Payable						
Beginning inventory	21,550	17,742	6,470	7,581	42,115	33,971
Ending inventory	28,455	51,179	12,899	20,188	25,580	32,758
Inventory change	-6,905	-33,436	-6,429	-12,607	16,534	1,212
Accrued Interest						
Beginning inventory	17,499	20,985	21,781	16,149	12,757	16,054
Ending inventory	17,205	20,643	21,858	9,025	14,621	20,300
Inventory change	295	342	-69	7,124	-1,864	-4,246
Total inventory change	-97,707	-279,965	-53,671	-16,989	-83,932	-63,551
Net operating profit	99,996	-104,891	33,287	75,396	142,740	335,846

Depreciation
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Number of farms	62	12	12	13	12	13
Net operating profit	99,996	-104,891	33,287	75,396	142,740	335,846
Machinery and Equipment						
Ending inventory	728,934	1,120,680	455,175	473,067	635,239	962,380
Capital sales	12,335	11,281	24,898	7,538	7,342	11,119
Beginning inventory	736,068	1,135,272	494,561	458,938	654,397	943,022
Capital purchases	77,794	109,517	36,033	67,542	50,732	122,292
Depreciation, capital adjust.	-72,593	-112,828	-50,522	-45,875	-62,548	-91,815
Titled Vehicles						
Ending inventory	31,709	33,349	25,381	7,407	47,116	46,115
Capital sales	21	-	-	-	106	-
Beginning inventory	32,937	36,929	27,743	8,641	46,080	46,211
Capital purchases	3,284	208	1,667	-	10,417	4,316
Depreciation, capital adjust.	-4,492	-3,789	-4,029	-1,234	-9,275	-4,412
Buildings and Improvements						
Ending inventory	235,196	428,398	70,849	140,073	158,452	374,523
Capital sales	3,385	-	-	1,066	16,333	-
Beginning inventory	235,994	436,544	73,474	146,039	148,954	371,190
Capital purchases	11,216	8,746	791	1,491	29,043	16,388
Depreciation, capital adjust.	-8,630	-16,892	-3,417	-6,391	-3,212	-13,055
Total depreciation, capital adj.	-85,715	-133,509	-57,968	-53,500	-75,035	-109,282
Net farm income from operations	14,282	-238,400	-24,681	21,896	67,705	226,563
Gain or loss on capital sales	7,708	2,162	100	-	15,689	20,191
Net farm income	21,990	-236,238	-24,581	21,896	83,394	246,754

Profitability Measures
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13

Profitability (assets valued at cost)

Net farm income from operations	14,282	-238,400	-24,681	21,896	67,705	226,563
Rate of return on assets	-0.5 %	-7.5 %	-2.5 %	0.4 %	1.3 %	4.2 %
Rate of return on equity	-3.2 %	-13.1 %	-9.0 %	-2.2 %	0.2 %	4.3 %
Operating profit margin	-1.5 %	-24.7 %	-7.3 %	1.4 %	3.6 %	12.1 %
Asset turnover rate	33.6 %	30.3 %	34.5 %	31.9 %	36.4 %	34.8 %

Farm interest expense	42,381	43,567	35,824	25,032	27,967	77,992
Value of operator lbr and mgmt.	70,621	86,008	56,170	39,811	63,884	106,784
Return on farm assets	-13,958	-280,841	-45,027	7,117	31,789	197,771
Average farm assets	2,861,910	3,747,392	1,783,681	1,624,251	2,421,934	4,683,619
Return on farm equity	-56,339	-324,408	-80,851	-17,915	3,822	119,779
Average farm equity	1,738,026	2,477,344	898,167	833,168	1,698,762	2,771,938
Value of farm production	960,240	1,136,460	616,097	518,903	881,833	1,628,959

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13

Profitability (assets valued at market)

Net farm income from operations	117,048	6,941	51,242	65,665	129,442	319,372
Rate of return on assets	2.1 %	-0.7 %	1.1 %	2.0 %	3.1 %	4.1 %
Rate of return on equity	1.8 %	-2.2 %	-0.3 %	1.8 %	3.3 %	5.1 %
Operating profit margin	9.2 %	-3.1 %	5.0 %	9.8 %	10.6 %	17.8 %
Asset turnover rate	22.9 %	20.8 %	22.5 %	20.3 %	29.0 %	23.0 %

Farm interest expense	42,381	43,567	35,824	25,032	27,967	77,992
Value of operator lbr and mgmt.	70,621	86,008	56,170	39,811	63,884	106,784
Return on farm assets	88,808	-35,500	30,895	50,886	93,525	290,580
Average farm assets	4,195,008	5,456,106	2,741,990	2,556,156	3,042,079	7,075,258
Return on farm equity	46,427	-79,067	-4,928	25,854	65,558	212,588
Average farm equity	2,539,817	3,539,096	1,525,213	1,441,038	1,981,508	4,168,104
Value of farm production	960,240	1,136,460	616,097	518,903	881,833	1,628,959

Liquidity & Repayment Capacity Measures
2014 Moorhead Farm Business Management Annual Report
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Number of farms	62	12	12	13	12	13
Liquidity						
Current ratio	1.72	1.47	1.03	1.24	2.62	2.18
Working capital	342,136	277,897	13,790	81,817	523,306	797,605
Working capital to gross inc	35.3 %	24.4 %	2.2 %	15.8 %	59.3 %	47.8 %
Current assets	814,768	874,514	430,877	424,462	846,255	1,475,220
Current liabilities	472,632	596,617	417,087	342,645	322,949	677,615
Gross revenues (accrual)	969,082	1,137,971	616,097	518,903	881,926	1,669,648
Repayment capacity						
Net farm income from operations	14,282	-238,400	-24,681	21,896	67,705	226,563
Depreciation	85,715	133,509	57,968	53,500	75,035	109,282
Personal income	27,505	27,688	28,661	59,814	14,976	5,525
Family living/owner withdrawals	-94,906	-89,179	-73,693	-69,081	-120,577	-121,905
Cash discrepancy	35	-	-	2	-	163
Payments on personal debt	-5,811	-6,959	-5,445	-4,643	-4,773	-7,216
Income taxes paid	-36,151	-27,217	-12,675	-13,745	-41,279	-83,741
Interest on term debt	23,729	27,588	25,452	14,777	15,718	34,923
Capital debt repayment capacity	14,361	-172,970	-4,413	62,517	6,805	163,431
Scheduled term debt payments	-123,796	-161,805	-85,611	-65,193	-90,899	-212,925
Capital debt repayment margin	-109,434	-334,775	-90,024	-2,676	-84,095	-49,494
Cash replacement allowance	-41,989	-55,692	-27,896	-28,821	-33,203	-63,629
Replacement margin	-151,424	-390,467	-117,920	-31,497	-117,298	-113,123
Term debt coverage ratio	0.12	-1.07	-0.05	0.96	0.07	0.77
Replacement coverage ratio	0.09	-0.80	-0.04	0.66	0.05	0.59

Balance Sheet at Cost Values
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Number of farms	62	12	12	13	12	13
Assets						
Current Farm Assets						
Cash and checking balance	90,448	85,708	23,629	34,560	258,182	57,558
Prepaid expenses & supplies	132,278	161,649	39,429	63,182	95,080	294,308
Growing crops	4,283	-	21,938	175	-	-
Accounts receivable	51,823	70,572	36,704	45,658	24,828	79,557
Hedging accounts	17,106	21,737	11,246	-	26,331	26,830
Crops held for sale or feed	493,652	519,348	285,462	263,386	419,917	960,435
Crops under government loan	10,024	-	12,470	16,923	20,987	-
Market livestock held for sale	11,409	-	-	577	365	53,499
Other current assets	3,745	15,498	-	-	567	3,033
Total current farm assets	814,768	874,514	430,877	424,462	846,255	1,475,220
Intermediate Farm Assets						
Breeding livestock	766	-	-	615	108	2,938
Machinery and equipment	728,934	1,120,680	455,175	473,067	635,239	962,380
Titled vehicles	31,709	33,349	25,381	7,407	47,116	46,115
Other intermediate assets	236,681	296,780	97,210	113,814	180,419	484,751
Total intermediate farm assets	998,091	1,450,808	577,766	594,903	862,883	1,496,185
Long Term Farm Assets						
Farm land	704,448	708,059	618,381	457,108	506,254	1,210,850
Buildings and improvements	235,196	428,398	70,849	140,073	158,452	374,523
Other long-term assets	76,170	123,393	59,296	17,882	37,749	141,911
Total long-term farm assets	1,015,814	1,259,850	748,525	615,063	702,455	1,727,284
Total Farm Assets	2,828,673	3,585,172	1,757,168	1,634,428	2,411,592	4,698,689
Total Nonfarm Assets	323,361	311,654	299,620	206,867	317,501	477,985
Total Assets	3,152,034	3,896,826	2,056,787	1,841,296	2,729,093	5,176,673
Liabilities						
Current Farm Liabilities						
Accrued interest	17,208	20,643	21,873	9,025	14,621	20,300
Accounts payable	28,455	51,179	12,899	20,188	25,580	32,758
Current notes	333,306	395,408	327,881	254,067	210,937	473,183
Government crop loans	6,457	-	7,376	10,892	14,187	-
Principal due on term debt	87,206	129,387	47,058	48,472	57,624	151,372
Total current farm liabilities	472,632	596,617	417,087	342,645	322,949	677,615
Total intermediate farm liabs	166,302	289,552	158,449	109,280	129,135	151,114
Total long term farm liabilities	486,173	345,415	334,891	352,595	289,594	1,070,787
Total farm liabilities	1,125,108	1,231,584	910,426	804,519	741,678	1,899,516
Total nonfarm liabilities	108,776	112,412	68,968	81,284	78,627	197,487
Total liabilities	1,233,884	1,343,996	979,394	885,803	820,305	2,097,003
Net worth (farm and nonfarm)	1,918,149	2,552,830	1,077,393	955,492	1,908,789	3,079,671
Net worth change	-54,909	-232,618	-95,972	-3,112	-17,735	60,924
Percent net worth change	-3 %	-8 %	-8 %	0 %	-1 %	2 %
Ratio Analysis						
Current farm liabilities / assets	58 %	68 %	97 %	81 %	38 %	46 %
Intermediate farm liab. / assets	17 %	20 %	27 %	18 %	15 %	10 %
Long term farm liab. / assets	48 %	27 %	45 %	57 %	41 %	62 %
Total debt to asset ratio	39 %	34 %	48 %	48 %	30 %	41 %

Balance Sheet at Market Values
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Number of farms	62	12	12	13	12	13
Assets						
Current Farm Assets						
Cash and checking balance	90,448	85,708	23,629	34,560	258,182	57,558
Prepaid expenses & supplies	132,278	161,649	39,429	63,182	95,080	294,308
Growing crops	4,283	-	21,938	175	-	-
Accounts receivable	51,823	70,572	36,704	45,658	24,828	79,557
Hedging accounts	17,106	21,737	11,246	-	26,331	26,830
Crops held for sale or feed	493,652	519,348	285,462	263,386	419,917	960,435
Crops under government loan	10,024	-	12,470	16,923	20,987	-
Market livestock held for sale	11,409	-	-	577	365	53,499
Other current assets	3,745	15,498	-	-	567	3,033
Total current farm assets	814,768	874,514	430,877	424,462	846,255	1,475,220
Intermediate Farm Assets						
Breeding livestock	1,605	-	-	2,115	250	5,308
Machinery and equipment	986,778	1,454,427	633,260	617,479	812,677	1,411,434
Titled vehicles	45,283	39,920	33,756	9,666	63,006	80,132
Other intermediate assets	401,980	618,132	195,524	183,041	287,967	717,212
Total intermediate farm assets	1,435,646	2,112,479	862,540	812,302	1,163,900	2,214,085
Long Term Farm Assets						
Farm land	1,577,538	1,713,301	1,291,000	1,173,848	839,780	2,801,413
Buildings and improvements	290,022	522,131	101,701	156,992	172,173	491,416
Other long-term assets	88,761	166,556	66,426	22,865	38,249	150,090
Total long-term farm assets	1,956,321	2,401,987	1,459,127	1,353,706	1,050,202	3,442,920
Total Farm Assets	4,206,736	5,388,981	2,752,543	2,590,470	3,060,357	7,132,225
Total Nonfarm Assets	429,136	407,748	380,678	291,562	396,220	661,567
Total Assets	4,635,872	5,796,729	3,133,221	2,882,032	3,456,578	7,793,791
Liabilities						
Current Farm Liabilities						
Accrued interest	17,208	20,643	21,873	9,025	14,621	20,300
Accounts payable	28,455	51,179	12,899	20,188	25,580	32,758
Current notes	333,306	395,408	327,881	254,067	210,937	473,183
Government crop loans	6,457	-	7,376	10,892	14,187	-
Principal due on term debt	87,206	129,387	47,058	48,472	57,624	151,372
Total current farm liabilities	472,632	596,617	417,087	342,645	322,949	677,615
Total intermediate farm liabs	166,302	289,552	158,449	109,280	129,135	151,114
Total long term farm liabilities	486,173	345,415	334,891	352,595	289,594	1,070,787
Total farm liabilities	1,125,108	1,231,584	910,426	804,519	741,678	1,899,516
Total nonfarm liabilities	108,776	112,412	68,968	81,284	78,627	197,487
Total liabs excluding deferreds	1,233,884	1,343,996	979,394	885,803	820,305	2,097,003
Total deferred liabilities	545,530	638,140	346,759	340,868	349,117	1,029,493
Total liabilities	1,779,414	1,982,136	1,326,153	1,226,671	1,169,422	3,126,496
Retained earnings	1,918,149	2,552,830	1,077,393	955,492	1,908,789	3,079,671
Market valuation equity	938,308	1,261,763	729,675	699,868	378,367	1,587,625
Net worth (farm and nonfarm)	2,856,457	3,814,593	1,807,068	1,655,360	2,287,156	4,667,295
Net worth excluding deferreds	3,401,987	4,452,733	2,153,827	1,996,229	2,636,273	5,696,789
Net worth change	67,832	28,916	4,764	71,839	56,722	168,218
Percent net worth change	2 %	1 %	0 %	5 %	3 %	4 %
Ratio Analysis						
Current farm liabilities / assets	58 %	68 %	97 %	81 %	38 %	46 %
Intermediate farm liab. / assets	12 %	14 %	18 %	13 %	11 %	7 %
Long term farm liab. / assets	25 %	14 %	23 %	26 %	28 %	31 %
Total debt to asset ratio	38 %	34 %	42 %	43 %	34 %	40 %
Debt to assets excl deferreds	27 %	23 %	31 %	31 %	24 %	27 %

Statement Of Cash Flows
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Beginning cash (farm & nonfarm)	95,218	151,967	12,885	45,534	237,789	36,916
Cash Provided By Operating Activities						
Gross cash farm income	1,065,268	1,353,563	663,273	541,295	985,303	1,768,007
Total cash farm expense	-867,564	-1,178,489	-576,315	-448,910	-758,631	-1,368,611
Net cash from hedging transactions	5,657	20,917	-1,092	-	510	8,211
Cash provided by operating	203,361	195,990	85,866	92,385	227,182	407,607
Cash Provided By Investing Activities						
Sale of breeding livestock	833	-	-	-	4,302	-
Sale of machinery & equipment	12,773	13,443	24,998	7,538	7,342	11,119
Sale of titled vehicles	35	-	-	-	183	-
Sale of farm land	27,928	-	-	-	-	133,193
Sale of farm buildings	3,385	-	-	1,066	16,333	-
Sale of other farm assets	12,786	-	1,333	-	29,229	32,769
Sale of nonfarm assets	5,631	-	233	-	7,908	19,339
Purchase of breeding livestock	-	-	-	-	-	-
Purchase of machinery & equip.	-77,794	-109,517	-36,033	-67,542	-50,732	-122,292
Purchase of titled vehicles	-3,284	-208	-1,667	-	-10,417	-4,316
Purchase of farm land	-43,006	-	-8,000	-15,945	-69,132	-117,963
Purchase of farm buildings	-11,216	-8,746	-791	-1,491	-29,043	-16,388
Purchase of other farm assets	-28,495	-32,604	-664	-13,385	-10,579	-82,043
Purchase of nonfarm assets	-26,211	-6,335	-22,480	-7,150	-71,309	-25,437
Cash provided by investing	-126,637	-143,967	-43,071	-96,907	-175,913	-172,020
Cash Provided By Financing Activities						
Money borrowed	639,741	489,056	443,710	341,675	254,209	1,613,730
Principal payments	-642,904	-606,119	-416,453	-323,093	-173,219	-1,639,259
Personal income	27,505	27,688	28,661	59,814	14,976	5,525
Family living/owner withdrawals	-94,906	-89,179	-73,693	-69,081	-120,577	-121,905
Income and social security tax	-31,987	-23,183	-12,100	-8,515	-37,431	-76,917
Capital contributions	1,962	1,402	-	-	-	8,064
Capital distributions	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Cash gifts and inheritances	22,979	84,798	433	-	33,495	-
Gifts given	-110	-45	-319	-	-	-188
Other cash flows	-	-	-	-	-	-
Cash provided by financing	-77,719	-115,581	-29,761	800	-28,547	-210,949
Net change in cash balance	-995	-63,558	13,035	-3,723	22,722	24,639
Ending cash (farm & nonfarm)	94,258	88,409	25,919	41,813	260,511	61,718
Discrepancy	-35	-	-	-2	-	-163

Financial Standards Measures
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Liquidity						
Current ratio	1.72	1.47	1.03	1.24	2.62	2.18
Working capital	342,136	277,897	13,790	81,817	523,306	797,605
Working capital to gross inc	35.3 %	24.4 %	2.2 %	15.8 %	59.3 %	47.8 %
Solvency (market)						
Farm debt to asset ratio	39 %	34 %	45 %	44 %	35 %	41 %
Farm equity to asset ratio	61 %	66 %	55 %	56 %	65 %	59 %
Farm debt to equity ratio	0.65	0.52	0.82	0.77	0.54	0.68
Profitability (cost)						
Rate of return on farm assets	-0.5 %	-7.5 %	-2.5 %	0.4 %	1.3 %	4.2 %
Rate of return on farm equity	-3.2 %	-13.1 %	-9.0 %	-2.2 %	0.2 %	4.3 %
Operating profit margin	-1.5 %	-24.7 %	-7.3 %	1.4 %	3.6 %	12.1 %
Net farm income	21,990	-236,238	-24,581	21,896	83,394	246,754
EBITDA	142,377	-61,324	69,110	100,428	170,707	413,837
Repayment Capacity						
Capital debt repayment capacity	14,361	-172,970	-4,413	62,517	6,805	163,431
Capital debt repayment margin	-109,434	-334,775	-90,024	-2,676	-84,095	-49,494
Replacement margin	-151,424	-390,467	-117,920	-31,497	-117,298	-113,123
Term debt coverage ratio	0.12	-1.07	-0.05	0.96	0.07	0.77
Replacement coverage ratio	0.09	-0.80	-0.04	0.66	0.05	0.59
Efficiency						
Asset turnover rate (cost)	33.6 %	30.3 %	34.5 %	31.9 %	36.4 %	34.8 %
Operating expense ratio	85.3 %	105.4 %	88.8 %	80.6 %	80.6 %	75.2 %
Depreciation expense ratio	8.8 %	11.7 %	9.4 %	10.3 %	8.5 %	6.5 %
Interest expense ratio	4.4 %	3.8 %	5.8 %	4.8 %	3.2 %	4.7 %
Net farm income ratio	2.3 %	-20.8 %	-4.0 %	4.2 %	9.5 %	14.8 %

Crop Production and Marketing Summary
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Acreage Summary						
Total acres owned	492	590	369	427	238	815
Total crop acres	1,826	2,351	1,286	1,041	1,638	2,797
Crop acres owned	417	572	380	357	240	531
Crop acres cash rented	1,357	1,695	827	648	1,367	2,232
Crop acres share rented	52	84	79	36	31	34
Total pasture acres	-	-	-	-	-	-
Percent crop acres owned	23 %	24 %	30 %	34 %	15 %	19 %
Mach invest/crop acre cost	403	468	390	455	370	357
Mach invest/crop acre market	543	600	526	591	467	529
Average Price Received (Cash Sales Only)						
Soybeans per bushel	10.98	10.55	11.12	10.92	10.55	11.63
Corn per bushel	3.73	3.59	3.62	3.42	3.69	4.09
Wheat, Spring per bushel	6.23	5.82	6.49	6.47	6.09	6.39
Average Yield Per Acre						
Soybeans (bushel)	40.06	38.28	38.97	40.92	40.05	41.65
Wheat, Spring (bushel)	69.38	67.98	60.90	68.58	80.08	67.18
Sugar Beets (ton)	23.31	20.80	23.16	24.14	24.11	24.33
Corn (bushel)	136.45	124.19	124.07	154.37	143.75	154.25
CRP (\$)	69.47	106.78	-	-	-	-
Rented Out (\$)	172.25	-	-	-	-	169.17
Soybeans, Food (bushel)	37.38	-	-	-	-	-

Household and Personal Expenses
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>
Number of farms	5
Average family size	4.0
Family Living Expenses	
Food and meals expense	16,567
Medical care	3,785
Health insurance	10,215
Cash donations	2,597
Household supplies	5,224
Clothing	3,931
Personal care	2,155
Child / Dependent care	3,802
Alimony and child support	-
Gifts	1,995
Education	7,212
Recreation	7,640
Utilities (household share)	3,915
Personal vehicle operating exp	5,767
Household real estate taxes	1,924
Dwelling rent	-
Household repairs	1,942
Personal interest	2,740
Disability / Long term care ins	727
Life insurance payments	4,056
Personal property insurance	259
Miscellaneous	8,431
Total cash family living expense	94,885
Family living from the farm	-
Total family living	94,885
Other Nonfarm Expenditures	
Income taxes	32,957
Furnishing & appliance purchases	120
Nonfarm vehicle purchases	3,065
Nonfarm real estate purchases	-
Other nonfarm capital purchases	-37,655
Nonfarm savings & investments	14,583
Total other nonfarm expenditures	13,070
Total cash family living investment & nonfarm capital purch	107,955

Operator and Labor Information
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Operator Information						
Average number of operators	1.0	1.4	1.0	0.7	1.0	1.1
Average age of operators	47.7	47.5	45.7	44.0	48.4	52.6
Average number of years farming	24.9	26.5	24.2	18.5	23.4	31.9
Results Per Operator						
Working capital	336,278	196,162	14,390	122,963	541,351	723,578
Total assets (market)	4,556,500	4,091,809	3,269,448	4,331,377	3,575,770	7,070,432
Total liabilities	1,748,949	1,399,154	1,383,812	1,843,553	1,209,746	2,836,319
Net worth (market)	2,807,551	2,692,654	1,885,636	2,487,825	2,366,023	4,234,113
Net worth excl deferred liabs	3,343,742	3,143,106	2,247,471	3,000,112	2,727,179	5,168,057
Gross farm income	952,490	803,274	642,884	779,854	912,337	1,514,684
Total farm expense	938,453	971,556	668,638	746,946	842,297	1,309,148
Net farm income from operations	14,037	-168,282	-25,754	32,907	70,040	205,536
Net nonfarm income	27,034	19,545	29,908	89,893	15,492	5,012
Family living & tax withdrawals	128,780	82,162	90,123	124,476	167,437	186,411
Total acres owned	483.6	416.4	385.0	642.3	245.9	739.3
Total crop acres	1,794.3	1,659.4	1,341.6	1,564.2	1,694.0	2,537.6
Crop acres owned	409.7	403.6	396.3	535.9	248.1	482.1
Crop acres cash rented	1,333.4	1,196.4	863.0	973.9	1,414.2	2,024.9
Crop acres share rented	51.2	59.3	82.2	54.4	31.6	30.6
Total pasture acres	-	-	-	-	-	-
Labor Analysis						
Number of farms	62	12	12	13	12	13
Total unpaid labor hours	1,587	1,708	1,479	1,021	1,579	2,146
Total hired labor hours	2,418	4,356	952	892	1,935	3,954
Total labor hours per farm	4,005	6,065	2,431	1,913	3,514	6,100
Unpaid hours per operator	1,560	1,206	1,543	1,535	1,634	1,947
Value of farm production / hour	239.78	187.40	253.39	271.21	250.94	267.04
Net farm income / unpaid hour	9.00	-139.55	-16.69	21.44	42.87	105.57
Average hourly hired labor wage	20.60	22.58	24.15	16.83	16.10	20.69
Partnerships & LLCs						
Number of farms	6	4	-	-	1	1
Number of operators	2.3	-	-	-	-	-
Owner withdrawals per farm	-	-	-	-	-	-
Withdrawals per operator	-	-	-	-	-	-

Nonfarm Summary
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Nonfarm Income						
Personal wages & salary	19,091	9,025	18,997	53,352	11,813	925
Net nonfarm business income	2,305	-374	8,286	1,213	580	1,940
Personal rental income	2,966	14,532	-	116	-	615
Personal interest income	98	245	49	127	1	69
Personal cash dividends	10	-	8	38	-	-
Tax refunds	1,002	3,467	313	1,004	129	168
Other nonfarm income	2,033	792	1,010	3,963	2,453	1,807
Total nonfarm income	27,505	27,688	28,661	59,814	14,976	5,525
Gifts and inheritances	22,979	84,798	433	-	33,495	-
Nonfarm Assets (market)						
Checking & savings	3,810	2,701	2,290	7,253	2,329	4,160
Stocks & bonds	34,689	17,996	49,117	3,338	77	100,083
Other current assets	6,533	29,167	833	-	645	2,867
Furniture & appliances	12,475	8,333	3,333	8,300	21,125	20,929
Nonfarm vehicles	32,776	30,518	41,187	28,936	36,123	27,848
Cash value of life ins.	12,715	8,273	9,497	7,755	4,974	31,891
Retirement accounts	125,360	98,578	123,990	112,280	154,872	137,185
Other intermediate assets	6,018	8,458	417	1,881	5,378	13,662
Nonfarm real estate	170,630	126,459	150,013	99,897	170,280	301,490
Personal bus. investment	2,280	-	-	-	-	10,875
Other long term assets	21,850	77,267	-	21,923	417	10,577
Total nonfarm assets	429,136	407,748	380,678	291,562	396,220	661,567
Nonfarm Liabilities						
Accrued interest	147	628	80	16	4	26
Accounts payable	446	-	417	-	1,241	599
Current notes	798	42	-	-	4,083	-
Princ due on term debt	6,178	7,593	5,502	4,536	5,130	8,105
Total current liabilities	29,600	20,838	13,448	13,552	21,347	76,262
Intermediate liabilities	6,838	16	9,545	3,534	6,506	14,248
Long term liabilities	72,338	91,558	45,974	64,197	50,775	106,977
Total nonfarm liabilities	108,776	112,412	68,968	81,284	78,627	197,487
Nonfarm net worth	320,360	295,336	311,710	210,278	317,593	464,080
Nonfarm debt to asset ratio	25 %	28 %	18 %	28 %	20 %	30 %

Financial Summary
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Income Statement						
Gross cash farm income	1,065,268	1,353,563	663,273	541,295	985,303	1,768,007
Total cash farm expense	867,564	1,178,489	576,315	448,910	758,631	1,368,611
Net cash farm income	197,703	175,074	86,958	92,385	226,672	399,396
Inventory change	-97,707	-279,965	-53,671	-16,989	-83,932	-63,551
Depreciation	-85,715	-133,509	-57,968	-53,500	-75,035	-109,282
Net farm income from operations	14,282	-238,400	-24,681	21,896	67,705	226,563
Gain or loss on capital sales	7,708	2,162	100	-	15,689	20,191
Average net farm income	21,990	-236,238	-24,581	21,896	83,394	246,754
Median net farm income	22,171	-209,776	-21,753	20,436	82,410	209,000
Profitability (cost)						
Rate of return on assets	-0.5 %	-7.5 %	-2.5 %	0.4 %	1.3 %	4.2 %
Rate of return on equity	-3.2 %	-13.1 %	-9.0 %	-2.2 %	0.2 %	4.3 %
Operating profit margin	-1.5 %	-24.7 %	-7.3 %	1.4 %	3.6 %	12.1 %
Asset turnover rate	33.6 %	30.3 %	34.5 %	31.9 %	36.4 %	34.8 %
Profitability (market)						
Rate of return on assets	2.1 %	-0.7 %	1.1 %	2.0 %	3.1 %	4.1 %
Rate of return on equity	1.8 %	-2.2 %	-0.3 %	1.8 %	3.3 %	5.1 %
Operating profit margin	9.2 %	-3.1 %	5.0 %	9.8 %	10.6 %	17.8 %
Asset turnover rate	22.9 %	20.8 %	22.5 %	20.3 %	29.0 %	23.0 %
Liquidity & Repayment (end of year)						
Current assets	814,768	874,514	430,877	424,462	846,255	1,475,220
Current liabilities	472,632	596,617	417,087	342,645	322,949	677,615
Current ratio	1.72	1.47	1.03	1.24	2.62	2.18
Working capital	342,136	277,897	13,790	81,817	523,306	797,605
Working capital to gross inc	35.3 %	24.4 %	2.2 %	15.8 %	59.3 %	47.8 %
Term debt coverage ratio	0.12	-1.07	-0.05	0.96	0.07	0.77
Replacement coverage ratio	0.09	-0.80	-0.04	0.66	0.05	0.59
Term debt to EBITDA	4.43	-11.28	6.63	4.16	2.17	2.86
Solvency (end of year at cost)						
Number of farms	62	12	12	13	12	13
Total assets	3,152,034	3,896,826	2,056,787	1,841,296	2,729,093	5,176,673
Total liabilities	1,233,884	1,343,996	979,394	885,803	820,305	2,097,003
Net worth	1,918,149	2,552,830	1,077,393	955,492	1,908,789	3,079,671
Net worth change	-54,909	-232,618	-95,972	-3,112	-17,735	60,924
Farm debt to asset ratio	40 %	34 %	52 %	49 %	31 %	40 %
Total debt to asset ratio	39 %	34 %	48 %	48 %	30 %	41 %
Change in earned net worth %	-3 %	-8 %	-8 %	0 %	-1 %	2 %
Solvency (end of year at market)						
Number of farms	62	12	12	13	12	13
Total assets	4,635,872	5,796,729	3,133,221	2,882,032	3,456,578	7,793,791
Total liabilities	1,779,414	1,982,136	1,326,153	1,226,671	1,169,422	3,126,496
Net worth	2,856,457	3,814,593	1,807,068	1,655,360	2,287,156	4,667,295
Total net worth change	67,832	28,916	4,764	71,839	56,722	168,218
Farm debt to asset ratio	39 %	34 %	45 %	44 %	35 %	41 %
Total debt to asset ratio	38 %	34 %	42 %	43 %	34 %	40 %
Change in total net worth %	2 %	1 %	0 %	5 %	3 %	4 %
Nonfarm Information						
Net nonfarm income	27,505	27,688	28,661	59,814	14,976	5,525
Farms reporting living expenses	5	-	1	1	1	2
Total family living expense	94,885	-	-	-	-	-
Total living, invest, cap. purch	107,955	-	-	-	-	-
Crop Acres						
Total crop acres	1,826	2,351	1,286	1,041	1,638	2,797
Total crop acres owned	417	572	380	357	240	531
Total crop acres cash rented	1,357	1,695	827	648	1,367	2,232
Total crop acres share rented	52	84	79	36	31	34
Machinery value per crop acre	543	600	526	591	467	529

Summary Farm Income Statement
2014 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>20 - 40%</u>	<u>40 - 60%</u>	<u>60 - 80%</u>	<u>High 20%</u>
Number of farms	62	12	12	13	12	13
Crop sales	929,268	1,171,406	605,963	499,578	864,930	1,493,272
Crop inventory change	-106,393	-251,343	-51,999	-24,736	-88,238	-121,219
Gross crop income	822,875	920,062	553,964	474,842	776,692	1,372,053
Livestock sales	9,657	-	-	807	3,668	41,864
Livestock inventory change	4,063	-	-	146	-3,210	22,195
Gross livestock income	13,720	-	-	953	458	64,059
Government payments	15,056	24,784	10,012	4,374	10,771	25,369
Other cash farm income	111,286	157,373	47,298	36,535	105,934	207,503
Change in accounts receivable	413	24,391	9,729	805	-5,871	-24,909
Gain or loss on hedging accounts	8,799	19,826	-3,055	-	13,177	14,322
Change in other assets	-3,628	-8,465	-1,850	1,624	-21,911	10,820
Gain or loss on breeding lvst	560	-	-	-231	2,677	431
Gross farm income	969,082	1,137,971	616,097	518,903	881,926	1,669,648
Cash operating expenses	824,888	1,134,580	540,560	416,754	732,528	1,294,866
Change in prepaids and supplies	-1,243	31,278	19,677	-10,711	-4,775	-37,843
Change in growing crops	-3,846	-	-19,679	-175	-	-
Change in accounts payable	6,905	33,436	6,429	12,607	-16,534	-1,212
Depreciation	85,715	133,509	57,968	53,500	75,035	109,282
Total operating expense	912,420	1,332,804	604,955	471,975	786,253	1,365,092
Interest paid	42,676	43,909	35,755	32,156	26,104	73,745
Change in accrued interest	-295	-342	69	-7,124	1,864	4,246
Total interest expense	42,381	43,567	35,824	25,032	27,967	77,992
Total expenses	954,800	1,376,371	640,778	497,007	814,220	1,443,084
Net farm income from operations	14,282	-238,400	-24,681	21,896	67,705	226,563
Gain or loss on capital sales	7,708	2,162	100	-	15,689	20,191
Net farm income	21,990	-236,238	-24,581	21,896	83,394	246,754