

**Farm Income Statement**  
**2016 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	68	13	14	13	14	14
<b>Cash Farm Income</b>						
Barley	3,988	-	-	-	19,370	-
Barley, Malting	1,136	-	5,517	-	-	-
Beans, Black Turtle	1,552	-	-	-	-	7,537
Beans, Navy	1,630	-	-	-	7,916	-
Corn	150,321	108,533	22,965	147,448	221,289	248,180
Hay, Alfalfa	1,406	1,202	-	6,154	-	-
Rye	233	-	-	-	-	1,129
Soybeans	312,155	181,936	125,493	351,342	276,105	619,396
Soybeans Seed	17,542	22,346	3,530	41,881	22,037	-
Straw	1,420	1,348	638	1,658	299	3,170
Sugar Beets	228,435	102,008	70,183	143,015	363,701	448,134
Sunflowers	3,758	-	-	7,071	3,556	8,131
Wheat, Spring	140,837	79,701	67,799	126,003	237,127	188,131
Soybeans, Organic	998	5,222	-	-	-	-
Soybeans, Food	6,589	6,838	5,883	-	8,180	11,590
Oats, Organic	37	192	-	-	-	-
Rye, Organic	475	2,482	-	-	-	-
Corn, Blue, Organic	1,747	9,140	-	-	-	-
Beef Bulls	37	-	180	-	-	-
Beef Cow-Calf, Beef Calves	1,302	3,360	2,373	-	832	-
Beef Replacement Heifers	300	-	1,458	-	-	-
Beef Finishing	7,360	38,499	-	-	-	-
Hogs, Farrow To Finish, Raised Hog	21	108	-	-	-	-
Cull breeding livestock	108	365	185	-	-	-
Misc. livestock income	310	87	-	1,535	-	-
Crop government payments	19,022	13,719	2,831	13,793	27,548	36,465
CRP payments	711	170	1,206	448	1,473	200
Other government payments	4,574	-	33	-	11,905	10,281
Custom work income	5,852	504	80	5,313	2,985	19,955
Patronage dividends, cash	19,976	6,353	8,383	15,813	33,359	34,703
Crop insurance income	33,669	3,758	10,383	61,883	33,002	59,197
Property insurance income	1,960	124	-	340	8,704	386
Sale of resale items	833	-	-	-	787	3,261
Other farm income	41,138	23,977	17,497	23,003	65,820	72,872
<b>Gross Cash Farm Income</b>	<b>1,011,431</b>	<b>611,973</b>	<b>346,617</b>	<b>946,698</b>	<b>1,345,993</b>	<b>1,772,718</b>

**Farm Income Statement (continued)**  
**2016 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	68	13	14	13	14	14
<b>Cash Farm Expense</b>						
Seed	123,652	73,554	29,776	113,257	188,595	208,755
Fertilizer	98,357	68,690	36,536	86,187	135,663	161,722
Crop chemicals	68,178	32,301	24,277	62,418	99,314	119,604
Crop insurance	33,410	18,127	13,978	34,858	45,019	54,081
Drying expense	2,834	1,610	317	989	7,328	3,707
Storage	683	989	720	1,402	379	-
Crop custom hire	9,924	7,762	6,900	6,620	5,594	22,354
Crop hauling and trucking	4,553	975	711	8,916	2,831	9,389
Marketing	751	-	150	423	1,114	1,990
Crop miscellaneous	3,384	3,722	644	2,205	3,672	6,619
Consultants	3,124	1,668	2,552	3,113	7,172	1,010
Feeder livestock purchase	5,393	28,210	-	-	-	-
Purchased feed	494	1,290	1,189	14	-	-
Breeding fees	709	84	7	3,619	-	-
Veterinary	133	435	53	174	28	-
Supplies	81	329	88	-	-	-
Grazing fees	30	-	147	-	-	-
Livestock hauling and trucking	104	402	132	-	-	-
Interest	45,689	15,034	21,029	61,022	42,205	88,061
Fuel & oil	30,910	18,568	11,320	30,107	45,602	48,013
Repairs	64,977	48,140	25,976	63,346	86,973	99,130
Custom hire	315	-	-	-	1,528	-
Hired labor	48,778	46,616	10,568	31,847	76,245	77,251
Land rent	185,722	105,395	62,413	186,676	231,989	336,467
Stock/quota lease	17,423	-	7,047	13,312	23,190	42,026
Machinery leases	15,272	941	2,996	23,221	20,303	28,445
Building leases	4,202	140	3,152	7,250	5,385	5,011
Real estate taxes	13,209	7,593	5,727	11,741	13,852	26,626
Farm insurance	14,244	12,816	6,235	11,020	20,082	20,736
Utilities	8,779	7,783	3,735	12,312	9,917	10,327
Dues & professional fees	8,200	5,456	3,085	7,456	8,670	16,083
Organic certification	21	110	-	-	-	-
Purchase of resale items	800	-	-	-	618	3,269
Miscellaneous	8,548	6,307	4,342	9,036	14,398	8,533
Total cash expense	822,883	515,048	285,801	792,541	1,097,663	1,399,208
Net cash farm income	188,548	96,925	60,816	154,157	248,330	373,510
<b>Inventory Changes</b>						
Prepays and supplies	-1,722	11,119	3,192	-108	-9,163	-12,619
Accounts receivable	8,309	-8,960	61	11,371	38,829	-769
Hedging accounts	2,073	-572	-1,571	-1,284	3,971	9,391
Other current assets	494	68	1,907	-92	625	-111
Crops and feed	34,893	-29,986	9,074	-4,408	-25,408	217,753
Market livestock	-1,198	-2,126	-611	-3,000	-450	-
Breeding livestock	430	-604	922	1,938	-71	-
Other assets	5,376	1,621	5,263	5,509	4,951	9,278
Accounts payable	-1,802	-12,860	-459	11,378	36,297	-43,214
Accrued interest	-387	-2,873	-559	4,456	-294	-2,495
Total inventory change	46,467	-45,174	17,221	25,762	49,286	177,214
Net operating profit	235,014	51,751	78,036	179,918	297,616	550,724
<b>Depreciation</b>						
Machinery and equipment	-66,447	-43,457	-29,395	-57,625	-88,845	-110,639
Titled vehicles	-3,011	-5,143	-1,082	-2,071	-3,177	-3,669
Buildings and improvements	-7,193	-3,195	-2,591	-6,625	-7,282	-15,944
Total depreciation	-76,651	-51,795	-33,068	-66,321	-99,305	-130,253
Net farm income from operations	158,363	-44	44,968	113,597	198,311	420,471
Gain or loss on capital sales	55	-	-	-	268	-
Net farm income	158,418	-44	44,968	113,597	198,579	420,471

**Inventory Changes**  
**2016 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	68	13	14	13	14	14
Net cash farm income	188,548	96,925	60,816	154,157	248,330	373,510
<b>Crops and Feed</b>						
Ending inventory	583,757	284,542	239,485	467,590	707,438	1,190,060
Beginning inventory	548,863	314,528	230,410	471,998	732,845	972,307
Inventory change	34,893	-29,986	9,074	-4,408	-25,408	217,753
<b>Market Livestock</b>						
Ending inventory	5,547	26,375	-	2,154	450	-
Beginning inventory	6,745	28,501	611	5,154	900	-
Inventory change	-1,198	-2,126	-611	-3,000	-450	-
<b>Accts Receivable</b>						
Ending inventory	43,878	10,311	14,293	25,731	78,420	86,942
Beginning inventory	35,569	19,271	14,231	14,360	39,592	87,710
Inventory change	8,309	-8,960	61	11,371	38,829	-769
<b>Prepaid Expenses and Supplies</b>						
Ending inventory	89,772	41,414	16,381	26,092	141,707	215,263
Beginning inventory	91,494	30,296	13,189	26,200	150,870	227,882
Inventory change	-1,722	11,119	3,192	-108	-9,163	-12,619
<b>Hedging Activities</b>						
Ending inventory	10,671	564	1,857	4,565	30,397	14,816
Withdrawals	6,541	8,284	-	-	2,400	21,679
Beginning inventory	11,587	4,243	2,571	4,747	23,721	21,640
Deposits	3,553	5,178	857	1,102	5,104	5,464
Gain or loss	2,073	-572	-1,571	-1,284	3,971	9,391
<b>Other Current Assets</b>						
Ending inventory	1,438	476	1,907	1,546	625	2,573
Beginning inventory	944	408	-	1,638	-	2,684
Inventory change	494	68	1,907	-92	625	-111
<b>Breeding Livestock</b>						
Ending inventory	4,482	8,311	11,221	2,508	500	-
Capital sales	441	-	-	2,308	-	-
Beginning inventory	3,805	6,035	9,636	2,877	571	-
Capital purchases	687	2,881	663	-	-	-
Depreciation, capital adjust	430	-604	922	1,938	-71	-
<b>Other Capital Assets</b>						
Ending inventory	291,655	174,948	60,577	178,547	501,221	526,567
Capital sales	16,069	364	-	-	72,306	5,404
Beginning inventory	287,228	170,075	55,315	165,477	539,426	488,783
Capital purchases	15,120	3,615	-	7,562	29,150	33,911
Depreciation, capital adjust	5,376	1,621	5,263	5,509	4,951	9,278
<b>Accounts Payable</b>						
Beginning inventory	25,677	3,848	5,258	39,817	69,406	9,507
Ending inventory	27,479	16,708	5,716	28,438	33,110	52,721
Inventory change	-1,802	-12,860	-459	11,378	36,297	-43,214
<b>Accrued Interest</b>						
Beginning inventory	20,454	5,871	11,124	32,838	21,138	31,144
Ending inventory	20,841	8,744	11,683	28,382	21,433	33,639
Inventory change	-387	-2,873	-559	4,456	-294	-2,495
Total inventory change	46,467	-45,174	17,221	25,762	49,286	177,214
Net operating profit	235,014	51,751	78,036	179,918	297,616	550,724

**Depreciation**  
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Number of farms	68	13	14	13	14	14
Net operating profit	235,014	51,751	78,036	179,918	297,616	550,724
<b>Machinery and Equipment</b>						
Ending inventory	651,715	418,248	287,867	586,568	860,857	1,083,703
Capital sales	8,070	1,315	1,786	9,705	4,722	22,459
Beginning inventory	666,567	436,212	294,539	598,407	892,212	1,090,144
Capital purchases	59,665	26,809	24,509	55,490	62,213	126,657
Depreciation, capital adjust.	-66,447	-43,457	-29,395	-57,625	-88,845	-110,639
<b>Titled Vehicles</b>						
Ending inventory	28,863	39,140	9,197	19,783	56,885	19,395
Capital sales	527	892	-	-	-	1,732
Beginning inventory	29,407	36,753	9,314	17,931	57,945	24,796
Capital purchases	2,994	8,422	964	3,923	2,117	-
Depreciation, capital adjust.	-3,011	-5,143	-1,082	-2,071	-3,177	-3,669
<b>Buildings and Improvements</b>						
Ending inventory	201,608	134,605	71,000	163,550	223,639	407,740
Capital sales	-	-	-	-	-	-
Beginning inventory	197,053	134,502	71,806	170,175	206,479	395,914
Capital purchases	11,748	3,297	1,786	-	24,443	27,770
Depreciation, capital adjust.	-7,193	-3,195	-2,591	-6,625	-7,282	-15,944
Total depreciation, capital adj.	-76,651	-51,795	-33,068	-66,321	-99,305	-130,253
Net farm income from operations	158,363	-44	44,968	113,597	198,311	420,471
Gain or loss on capital sales	55	-	-	-	268	-
Net farm income	158,418	-44	44,968	113,597	198,579	420,471

**Profitability Measures**  
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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	68	13	14	13	14	14
<b>Profitability (assets valued at cost)</b>						
Net farm income from operations	158,363	-44	44,968	113,597	198,311	420,471
Rate of return on assets	4.6 %	-2.9 %	2.8 %	4.3 %	3.9 %	7.6 %
Rate of return on equity	5.1 %	-5.8 %	1.7 %	5.1 %	3.9 %	10.7 %
Operating profit margin	11.6 %	-7.4 %	8.3 %	9.4 %	10.4 %	18.7 %
Asset turnover rate	40.0 %	39.1 %	34.1 %	46.1 %	37.7 %	40.7 %
Farm interest expense	46,076	17,907	21,588	56,565	42,499	90,556
Value of operator lbr and mgmt.	82,129	57,767	36,577	79,889	98,914	135,600
Return on farm assets	122,310	-39,904	29,980	90,273	141,896	375,428
Average farm assets	2,639,773	1,387,561	1,057,623	2,076,263	3,623,960	4,923,762
Return on farm equity	76,234	-57,811	8,392	33,708	99,397	284,872
Average farm equity	1,487,217	998,029	494,475	662,715	2,523,383	2,663,646
Value of farm production	1,054,993	541,914	360,474	956,720	1,367,197	2,004,991
	<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	68	13	14	13	14	14
<b>Profitability (assets valued at market)</b>						
Net farm income from operations	149,785	4,133	45,543	117,509	231,706	337,323
Rate of return on assets	2.9 %	-1.5 %	1.8 %	2.9 %	3.4 %	4.2 %
Rate of return on equity	3.0 %	-3.3 %	0.9 %	2.6 %	3.9 %	5.3 %
Operating profit margin	10.8 %	-6.6 %	8.5 %	9.8 %	12.8 %	14.6 %
Asset turnover rate	26.9 %	23.4 %	20.8 %	29.0 %	26.5 %	28.7 %
Farm interest expense	46,076	17,907	21,588	56,565	42,499	90,556
Value of operator lbr and mgmt.	82,129	57,767	36,577	79,889	98,914	135,600
Return on farm assets	113,731	-35,727	30,555	94,185	175,291	292,280
Average farm assets	3,928,326	2,315,182	1,731,349	3,297,117	5,162,688	6,974,981
Return on farm equity	67,655	-53,634	8,967	37,620	132,792	201,724
Average farm equity	2,270,088	1,601,911	948,471	1,473,232	3,381,532	3,840,650
Value of farm production	1,054,993	541,914	360,474	956,720	1,367,197	2,004,991

**Liquidity & Repayment Capacity Measures**  
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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	68	13	14	13	14	14
<b>Liquidity</b>						
Current ratio	1.82	3.08	1.21	1.06	2.65	1.82
Working capital	353,663	268,275	47,349	29,485	704,951	689,002
Working capital to gross inc	33.3 %	46.9 %	13.1 %	3.1 %	51.5 %	34.3 %
Current assets	786,015	397,289	275,783	552,984	1,131,194	1,528,414
Current liabilities	432,352	129,013	228,434	523,499	426,243	839,412
Gross revenues (accrual)	1,061,680	571,414	361,663	956,734	1,367,815	2,008,260
<b>Repayment capacity</b>						
Net farm income from operations	158,363	-44	44,968	113,597	198,311	420,471
Depreciation	76,651	51,795	33,068	66,321	99,305	130,253
Personal income	30,152	19,331	44,613	23,654	26,544	35,384
Family living/owner withdrawals	-88,842	-52,192	-57,234	-96,491	-112,816	-123,407
Cash discrepancy	-109	-32	0	-197	-202	-112
Payments on personal debt	-7,884	-1,699	-5,743	-9,665	-5,586	-16,413
Income taxes paid	-19,048	-3,522	-5,051	-5,854	-27,118	-51,644
Interest on term debt	29,323	8,789	13,973	41,710	25,893	55,668
Capital debt repayment capacity	178,715	22,458	68,594	133,272	204,533	450,312
Scheduled term debt payments	-99,508	-51,376	-39,924	-108,249	-106,675	-188,504
Capital debt repayment margin	79,207	-28,918	28,670	25,024	97,858	261,808
Cash replacement allowance	-53,014	-30,191	-34,208	-46,815	-77,917	-73,866
Replacement margin	26,193	-59,109	-5,538	-21,791	19,941	187,942
Term debt coverage ratio	1.80	0.44	1.72	1.23	1.92	2.39
Replacement coverage ratio	1.17	0.28	0.93	0.86	1.11	1.72

**Balance Sheet at Cost Values**  
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	<i>Avg. Of All Farms</i>	<i>Low 20%</i>	<i>20 - 40%</i>	<i>40 - 60%</i>	<i>60 - 80%</i>	<i>High 20%</i>
Number of farms	68	13	14	13	14	14
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	50,952	33,606	1,860	25,306	172,158	18,761
Prepaid expenses & supplies	89,772	41,414	16,381	26,092	141,707	215,263
Growing crops	129	-	-	-	625	-
Accounts receivable	43,878	10,311	14,293	25,731	78,420	86,942
Hedging accounts	10,671	564	1,857	4,565	30,397	14,816
Crops held for sale or feed	583,757	284,542	239,485	467,590	707,438	1,190,060
Crops under government loan	-	-	-	-	-	-
Market livestock held for sale	5,547	26,375	-	2,154	450	-
Other current assets	1,309	476	1,907	1,546	-	2,573
Total current farm assets	786,015	397,289	275,783	552,984	1,131,194	1,528,414
<b>Intermediate Farm Assets</b>						
Breeding livestock	4,482	8,311	11,221	2,508	500	-
Machinery and equipment	651,715	418,248	287,867	586,568	860,857	1,083,703
Titled vehicles	28,863	39,140	9,197	19,783	56,885	19,395
Other intermediate assets	232,829	97,647	54,778	137,328	397,692	460,222
Total intermediate farm assets	917,888	563,346	363,064	746,187	1,315,934	1,563,320
<b>Long Term Farm Assets</b>						
Farm land	689,839	180,904	356,209	583,978	845,528	1,438,663
Buildings and improvements	201,608	134,605	71,000	163,550	223,639	407,740
Other long-term assets	58,826	77,301	5,799	41,219	103,529	66,345
Total long-term farm assets	950,273	392,809	433,008	788,747	1,172,696	1,912,748
Total Farm Assets	2,654,176	1,353,444	1,071,855	2,087,918	3,619,825	5,004,482
Total Nonfarm Assets	352,470	105,551	244,597	292,765	432,088	665,448
Total Assets	3,006,646	1,458,995	1,316,452	2,380,683	4,051,913	5,669,930
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	20,841	8,744	11,683	28,382	21,433	33,639
Accounts payable	27,479	16,708	5,716	28,438	33,110	52,721
Current notes	312,994	74,963	186,852	391,100	291,280	609,351
Government crop loans	-	-	-	-	-	-
Principal due on term debt	71,038	28,599	24,183	75,579	80,420	143,701
Total current farm liabilities	432,352	129,013	228,434	523,499	426,243	839,412
Total intermediate farm liabs	147,377	81,249	45,542	120,573	164,721	318,164
Total long term farm liabilities	560,015	163,194	298,340	759,946	464,581	1,099,952
Total farm liabilities	1,139,744	373,456	572,315	1,404,018	1,055,544	2,257,528
Total nonfarm liabilities	103,536	13,340	74,145	142,045	98,906	185,551
Total liabilities	1,243,280	386,796	646,460	1,546,064	1,154,451	2,443,079
Net worth (farm and nonfarm)	1,763,366	1,072,199	669,992	834,619	2,897,462	3,226,852
Net worth change	77,760	-30,107	23,178	47,395	64,825	273,637
Percent net worth change	5 %	-3 %	4 %	6 %	2 %	9 %
<b>Ratio Analysis</b>						
Current farm liabilities / assets	55 %	32 %	83 %	95 %	38 %	55 %
Intermediate farm liab. / assets	16 %	14 %	13 %	16 %	13 %	20 %
Long term farm liab. / assets	59 %	42 %	69 %	96 %	40 %	58 %
Total debt to asset ratio	41 %	27 %	49 %	65 %	28 %	43 %

**Balance Sheet at Market Values**  
**2016 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	68	13	14	13	14	14
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	50,952	33,606	1,860	25,306	172,158	18,761
Prepaid expenses & supplies	89,772	41,414	16,381	26,092	141,707	215,263
Growing crops	129	-	-	-	625	-
Accounts receivable	43,878	10,311	14,293	25,731	78,420	86,942
Hedding accounts	10,671	564	1,857	4,565	30,397	14,816
Crops held for sale or feed	583,757	284,542	239,485	467,590	707,438	1,190,060
Crops under government loan	-	-	-	-	-	-
Market livestock held for sale	5,547	26,375	-	2,154	450	-
Other current assets	1,309	476	1,907	1,546	-	2,573
Total current farm assets	786,015	397,289	275,783	552,984	1,131,194	1,528,414
<b>Intermediate Farm Assets</b>						
Breeding livestock	5,061	8,311	11,436	4,500	1,250	-
Machinery and equipment	886,408	545,065	491,140	809,441	1,150,769	1,405,744
Titled vehicles	41,100	45,331	11,812	31,012	85,103	31,826
Other intermediate assets	378,649	398,205	103,740	197,282	609,520	572,941
Total intermediate farm assets	1,311,218	996,913	618,127	1,042,236	1,846,642	2,010,510
<b>Long Term Farm Assets</b>						
Farm land	1,520,119	600,835	751,166	1,439,259	1,817,373	2,920,520
Buildings and improvements	249,438	190,894	91,519	225,010	263,122	470,720
Other long-term assets	80,378	87,294	13,869	57,340	124,619	117,617
Total long-term farm assets	1,849,935	879,022	856,554	1,721,610	2,205,114	3,508,857
Total Farm Assets	3,947,168	2,273,223	1,750,464	3,316,829	5,182,950	7,047,782
Total Nonfarm Assets	483,824	120,446	332,203	381,322	599,431	952,441
Total Assets	4,430,992	2,393,669	2,082,667	3,698,151	5,782,382	8,000,223
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	20,841	8,744	11,683	28,382	21,433	33,639
Accounts payable	27,479	16,708	5,716	28,438	33,110	52,721
Current notes	312,994	74,963	186,852	391,100	291,280	609,351
Government crop loans	-	-	-	-	-	-
Principal due on term debt	71,038	28,599	24,183	75,579	80,420	143,701
Total current farm liabilities	432,352	129,013	228,434	523,499	426,243	839,412
Total intermediate farm liab	147,377	81,249	45,542	120,573	164,721	318,164
Total long term farm liabilities	560,015	163,194	298,340	759,946	464,581	1,099,952
Total farm liabilities	1,139,744	373,456	572,315	1,404,018	1,055,544	2,257,528
Total nonfarm liabilities	103,536	13,340	74,145	142,045	98,906	185,551
Total liab excluding deferreds	1,243,280	386,796	646,460	1,546,064	1,154,451	2,443,079
Total deferred liabilities	540,255	316,300	240,237	432,751	722,266	966,044
Total liabilities	1,783,535	703,096	886,697	1,978,815	1,876,717	3,409,123
Retained earnings	1,763,366	1,072,199	669,992	834,619	2,897,462	3,226,852
Market valuation equity	884,091	618,373	525,978	884,717	1,008,203	1,364,248
Net worth (farm and nonfarm)	2,647,457	1,690,573	1,195,970	1,719,336	3,905,665	4,591,100
Net worth excluding deferreds	3,187,712	2,006,873	1,436,207	2,152,087	4,627,931	5,557,144
Net worth change	87,748	-27,594	32,986	56,455	126,633	239,787
Percent net worth change	3 %	-2 %	3 %	3 %	3 %	6 %
<b>Ratio Analysis</b>						
Current farm liabilities / assets	55 %	32 %	83 %	95 %	38 %	55 %
Intermediate farm liab. / assets	11 %	8 %	7 %	12 %	9 %	16 %
Long term farm liab. / assets	30 %	19 %	35 %	44 %	21 %	31 %
Total debt to asset ratio	40 %	29 %	43 %	54 %	32 %	43 %
Debt to assets excl deferreds	28 %	16 %	31 %	42 %	20 %	31 %



**Statement Of Cash Flows**  
**2016 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Net Farm Income)**

	<u>Avg. Of</u> <u>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	68	13	14	13	14	14
Beginning cash (farm & nonfarm)	102,609	70,553	11,932	65,459	217,351	142,805
<b>Cash Provided By Operating Activities</b>						
Gross cash farm income	1,011,431	611,973	346,617	946,698	1,345,993	1,772,718
Total cash farm expense	-822,883	-515,048	-285,801	-792,541	-1,097,663	-1,399,208
Net cash from hedging transactions	2,988	3,106	-857	-1,102	-2,704	16,214
Cash provided by operating	191,536	100,031	59,959	153,055	245,626	389,724
<b>Cash Provided By Investing Activities</b>						
Sale of breeding livestock	441	-	-	2,308	-	-
Sale of machinery & equipment	8,108	1,315	1,786	9,705	4,904	22,459
Sale of titled vehicles	545	892	-	-	86	1,732
Sale of farm land	-	-	-	-	-	-
Sale of farm buildings	-	-	-	-	-	-
Sale of other farm assets	16,069	364	-	-	72,306	5,404
Sale of nonfarm assets	5,525	115	5,714	15,095	2,218	4,781
Purchase of breeding livestock	-687	-2,881	-663	-	-	-
Purchase of machinery & equip.	-59,665	-26,809	-24,509	-55,490	-62,213	-126,657
Purchase of titled vehicles	-2,994	-8,422	-964	-3,923	-2,117	-
Purchase of farm land	-37,633	-	-20,357	-59,923	-64,929	-41,861
Purchase of farm buildings	-11,748	-3,297	-1,786	-	-24,443	-27,770
Purchase of other farm assets	-15,120	-3,615	-	-7,562	-29,150	-33,911
Purchase of nonfarm assets	-15,141	-5,689	-12,840	-13,208	-8,977	-34,175
Cash provided by investing	-112,300	-48,028	-53,620	-112,999	-112,314	-229,998
<b>Cash Provided By Financing Activities</b>						
Money borrowed	504,237	209,024	233,869	592,621	529,872	941,026
Principal payments	-553,050	-259,151	-218,190	-602,523	-587,867	-1,080,061
Personal income	30,152	19,331	44,613	23,654	26,544	35,384
Family living/owner withdrawals	-87,740	-52,192	-57,234	-96,491	-107,459	-123,407
Income and social security tax	-17,736	-3,223	-3,179	-8,840	-23,338	-48,427
Capital contributions	-	-	-	-	-	-
Capital distributions	-	-	-	-	-	-
Dividends paid	-1,103	-	-	-	-5,357	-
Cash gifts and inheritances	3,446	2,395	-	15,385	-	229
Gifts given	-16	-8	-	-77	-	-
Other cash flows	-	-	-	-	-	-
Cash provided by financing	-121,809	-83,824	-121	-76,273	-167,606	-275,257
Net change in cash balance	-42,573	-31,820	6,218	-36,216	-34,295	-115,530
Ending cash (farm & nonfarm)	59,927	38,700	18,150	29,046	182,855	27,163
Discrepancy	109	32	0	197	202	112

**Financial Standards Measures**  
**2016 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	68	13	14	13	14	14
<b>Liquidity</b>						
Current ratio	1.82	3.08	1.21	1.06	2.65	1.82
Working capital	353,663	268,275	47,349	29,485	704,951	689,002
Working capital to gross inc	33.3 %	46.9 %	13.1 %	3.1 %	51.5 %	34.3 %
<b>Solvency (market)</b>						
Farm debt to asset ratio	42 %	30 %	46 %	55 %	34 %	45 %
Farm equity to asset ratio	58 %	70 %	54 %	45 %	66 %	55 %
Farm debt to equity ratio	0.72	0.43	0.84	1.22	0.51	0.82
<b>Profitability (cost)</b>						
Rate of return on farm assets	4.6 %	-2.9 %	2.8 %	4.3 %	3.9 %	7.6 %
Rate of return on farm equity	5.1 %	-5.8 %	1.7 %	5.1 %	3.9 %	10.7 %
Operating profit margin	11.6 %	-7.4 %	8.3 %	9.4 %	10.4 %	18.7 %
Net farm income	158,418	-44	44,968	113,597	198,579	420,471
EBITDA	281,090	69,658	99,625	236,484	340,115	641,280
<b>Repayment Capacity</b>						
Capital debt repayment capacity	178,715	22,458	68,594	133,272	204,533	450,312
Capital debt repayment margin	79,207	-28,918	28,670	25,024	97,858	261,808
Replacement margin	26,193	-59,109	-5,538	-21,791	19,941	187,942
Term debt coverage ratio	1.80	0.44	1.72	1.23	1.92	2.39
Replacement coverage ratio	1.17	0.28	0.93	0.86	1.11	1.72
<b>Efficiency</b>						
Asset turnover rate (cost)	40.0 %	39.1 %	34.1 %	46.1 %	37.7 %	40.7 %
Operating expense ratio	73.5 %	87.8 %	72.5 %	75.3 %	75.1 %	68.1 %
Depreciation expense ratio	7.2 %	9.1 %	9.1 %	6.9 %	7.3 %	6.5 %
Interest expense ratio	4.3 %	3.1 %	6.0 %	5.9 %	3.1 %	4.5 %
Net farm income ratio	14.9 %	0.0 %	12.4 %	11.9 %	14.5 %	20.9 %

**Crop Production and Marketing Summary**  
**2016 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	68	13	14	13	14	14
<b>Acreage Summary</b>						
Total acres owned	466	231	237	409	570	861
Total crop acres	1,843	1,070	765	1,805	2,212	3,306
Crop acres owned	407	203	224	402	449	743
Crop acres cash rented	1,398	800	508	1,375	1,764	2,500
Crop acres share rented	38	67	34	27	-	63
Total pasture acres	6	8	10	5	8	-
Percent crop acres owned	22 %	19 %	29 %	22 %	20 %	22 %
Mach invest/crop acre cost	373	435	393	339	422	335
Mach invest/crop acre market	510	560	657	468	567	445
<b>Average Price Received (Cash Sales Only)</b>						
Soybeans per bushel	8.84	8.77	8.71	8.79	8.59	9.03
Wheat, Spring per bushel	4.70	4.84	4.69	4.60	4.65	4.79
Corn per bushel	3.27	3.09	2.97	3.35	3.47	3.17
Soybeans Seed per bushel	11.03	-	-	-	-	-
<b>Average Yield Per Acre</b>						
Soybeans (bushel)	45.58	42.04	41.64	43.19	46.91	48.02
Wheat, Spring (bushel)	69.76	61.92	67.59	67.87	70.03	74.12
Corn (bushel)	182.10	186.04	181.43	182.60	187.19	178.31
Sugar Beets (ton)	34.16	-	35.30	34.13	33.78	35.14
CRP (\$)	70.51	-	60.43	-	60.65	-
Rented Out (\$)	212.32	-	-	-	-	-
Soybeans Seed (bushel)	46.53	-	-	-	-	-
Soybeans, Food (bushel)	36.57	-	-	-	-	-

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**Household and Personal Expenses**  
**2016 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Net Farm Income)**

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	<u>Avg. Of All Farms</u>
Number of farms	6
Average family size	4.2
<b>Family Living Expenses</b>	
Food and meals expense	16,213
Medical care	10,645
Health insurance	5,148
Cash donations	1,532
Household supplies	4,626
Clothing	6,985
Personal care	2,477
Child / Dependent care	388
Alimony and child support	-
Gifts	2,130
Education	6,307
Recreation	12,143
Utilities (household share)	5,862
Personal vehicle operating exp	6,581
Household real estate taxes	742
Dwelling rent	835
Household repairs	4,097
Personal interest	3,978
Disability / Long term care ins	513
Life insurance payments	1,064
Personal property insurance	302
Miscellaneous	16,997
Total cash family living expense	109,562
Family living from the farm	-
Total family living	109,562
<b>Other Nonfarm Expenditures</b>	
Income taxes	10,427
Furnishing & appliance purchases	-
Nonfarm vehicle purchases	6,663
Nonfarm real estate purchases	-21,781
Other nonfarm capital purchases	164
Nonfarm savings & investments	11,602
Total other nonfarm expenditures	7,074
Total cash family living investment & nonfarm capital purch	116,636

**Operator and Labor Information**  
**2016 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	68	13	14	13	14	14
<b>Operator Information</b>						
Average number of operators	1.0	0.9	0.7	1.0	1.2	1.2
Average age of operators	47.7	41.3	43.9	47.6	54.4	49.6
Average number of years farming	24.6	19.4	20.6	23.5	30.5	27.7
<b>Results Per Operator</b>						
Working capital	352,316	307,005	66,958	29,485	580,548	567,413
Total assets (market)	4,414,115	2,739,234	2,945,186	3,698,151	4,761,961	6,588,419
Total liabilities	1,776,741	804,599	1,253,915	1,978,815	1,545,531	2,807,513
Net worth (market)	2,637,373	1,934,634	1,691,271	1,719,336	3,216,430	3,780,906
Net worth excl deferred liabs	3,175,570	2,296,598	2,031,000	2,152,087	3,811,237	4,576,472
Gross farm income	1,057,636	653,906	511,442	956,734	1,126,436	1,653,861
Total farm expense	899,876	653,957	447,850	843,136	963,121	1,307,591
Net farm income from operations	157,760	-51	63,592	113,597	163,315	346,270
Net nonfarm income	30,037	22,121	63,089	23,654	21,859	29,140
Family living & tax withdrawals	107,588	63,794	88,080	102,543	115,406	144,252
Total acres owned	464.0	264.0	335.6	408.6	469.5	709.4
Total crop acres	1,836.1	1,224.4	1,082.2	1,804.6	1,821.7	2,722.4
Crop acres owned	405.5	231.8	316.5	402.3	369.4	612.1
Crop acres cash rented	1,392.8	915.5	718.1	1,375.0	1,452.3	2,058.7
Crop acres share rented	37.8	77.1	47.7	27.3	-	51.6
Total pasture acres	6.0	8.8	13.7	4.6	6.8	-
<b>Labor Analysis</b>						
Number of farms	68	13	14	13	14	14
Total unpaid labor hours	1,598	1,027	1,150	1,669	2,071	2,034
Total hired labor hours	2,419	1,875	560	1,893	3,645	4,044
Total labor hours per farm	4,016	2,902	1,710	3,562	5,716	6,078
Unpaid hours per operator	1,591	1,175	1,626	1,669	1,706	1,675
Value of farm production / hour	262.69	186.75	210.86	268.57	239.17	329.86
Net farm income / unpaid hour	99.13	-0.04	39.10	68.05	95.74	206.69
Average hourly hired labor wage	22.91	36.25	18.86	20.73	20.92	20.48

**Nonfarm Summary**  
**2016 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	68	13	14	13	14	14
<b>Nonfarm Income</b>						
Personal wages & salary	21,069	15,252	28,505	15,037	18,413	27,291
Net nonfarm business income	1,238	-	5,143	-	219	652
Personal rental income	88	-	-	-	429	-
Personal interest income	269	11	1	21	20	1,258
Personal cash dividends	6	-	-	1	27	-
Tax refunds	889	328	1,178	709	370	1,805
Other nonfarm income	6,593	3,740	9,786	7,885	7,066	4,378
Total nonfarm income	30,152	19,331	44,613	23,654	26,544	35,384
Gifts and inheritances	3,446	2,395	-	15,385	-	229
<b>Nonfarm Assets (market)</b>						
Checking & savings	8,975	5,094	16,290	3,740	10,697	8,402
Stocks & bonds	43,456	9,122	36,827	-	8,014	157,760
Other current assets	7,982	154	1,429	2,038	2,115	33,189
Furniture & appliances	14,023	9,885	12,957	15,123	12,291	19,643
Nonfarm vehicles	30,785	14,015	31,153	25,634	36,441	45,113
Cash value of life ins.	12,162	4,822	11,495	20,212	12,785	11,545
Retirement accounts	137,540	33,693	106,049	99,950	278,102	159,805
Other intermediate assets	5,106	5,044	1,175	5,970	9,079	4,318
Nonfarm real estate	185,811	38,615	114,828	208,069	210,564	348,054
Personal bus. investment	19,929	-	-	-	-	96,796
Other long term assets	18,056	-	-	587	19,343	67,815
Total nonfarm assets	483,824	120,446	332,203	381,322	599,431	952,441
<b>Nonfarm Liabilities</b>						
Accrued interest	222	5	64	416	318	308
Accounts payable	1,120	308	36	769	4,405	-
Current notes	658	82	919	-	393	1,809
Princ due on term debt	6,871	1,310	6,629	10,140	5,226	10,888
Total current liabilities	25,729	5,210	10,950	19,987	38,005	52,619
Intermediate liabilities	6,788	1,530	10,111	10,560	5,946	5,688
Long term liabilities	71,018	6,600	53,083	111,499	54,955	127,244
Total nonfarm liabilities	103,536	13,340	74,145	142,045	98,906	185,551
Nonfarm net worth	380,288	107,106	258,058	239,276	500,525	766,890
Nonfarm debt to asset ratio	21 %	11 %	22 %	37 %	17 %	19 %

**Financial Summary**  
**2016 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	68	13	14	13	14	14
<b>Income Statement</b>						
Gross cash farm income	1,011,431	611,973	346,617	946,698	1,345,993	1,772,718
Total cash farm expense	822,883	515,048	285,801	792,541	1,097,663	1,399,208
Net cash farm income	188,548	96,925	60,816	154,157	248,330	373,510
Inventory change	46,467	-45,174	17,221	25,762	49,286	177,214
Depreciation	-76,651	-51,795	-33,068	-66,321	-99,305	-130,253
Net farm income from operations	158,363	-44	44,968	113,597	198,311	420,471
Gain or loss on capital sales	55	-	-	-	268	-
Average net farm income	158,418	-44	44,968	113,597	198,579	420,471
Median net farm income	111,397	4,615	46,373	95,468	191,043	372,217
<b>Profitability (cost)</b>						
Rate of return on assets	4.6 %	-2.9 %	2.8 %	4.3 %	3.9 %	7.6 %
Rate of return on equity	5.1 %	-5.8 %	1.7 %	5.1 %	3.9 %	10.7 %
Operating profit margin	11.6 %	-7.4 %	8.3 %	9.4 %	10.4 %	18.7 %
Asset turnover rate	40.0 %	39.1 %	34.1 %	46.1 %	37.7 %	40.7 %
<b>Profitability (market)</b>						
Rate of return on assets	2.9 %	-1.5 %	1.8 %	2.9 %	3.4 %	4.2 %
Rate of return on equity	3.0 %	-3.3 %	0.9 %	2.6 %	3.9 %	5.3 %
Operating profit margin	10.8 %	-6.6 %	8.5 %	9.8 %	12.8 %	14.6 %
Asset turnover rate	26.9 %	23.4 %	20.8 %	29.0 %	26.5 %	28.7 %
<b>Liquidity &amp; Repayment (end of year)</b>						
Current assets	786,015	397,289	275,783	552,984	1,131,194	1,528,414
Current liabilities	432,352	129,013	228,434	523,499	426,243	839,412
Current ratio	1.82	3.08	1.21	1.06	2.65	1.82
Working capital	353,663	268,275	47,349	29,485	704,951	689,002
Working capital to gross inc	33.3 %	46.9 %	13.1 %	3.1 %	51.5 %	34.3 %
Term debt coverage ratio	1.80	0.44	1.72	1.23	1.92	2.39
Replacement coverage ratio	1.17	0.28	0.93	0.86	1.11	1.72
Term debt to EBITDA	2.43	3.24	2.79	3.70	1.83	2.18
<b>Solvency (end of year at cost)</b>						
Number of farms	68	13	14	13	14	14
Total assets	3,006,646	1,458,995	1,316,452	2,380,683	4,051,913	5,669,930
Total liabilities	1,243,280	386,796	646,460	1,546,064	1,154,451	2,443,079
Net worth	1,763,366	1,072,199	669,992	834,619	2,897,462	3,226,852
Net worth change	77,760	-30,107	23,178	47,395	64,825	273,637
Farm debt to asset ratio	43 %	28 %	53 %	67 %	29 %	45 %
Total debt to asset ratio	41 %	27 %	49 %	65 %	28 %	43 %
Change in earned net worth %	5 %	-3 %	4 %	6 %	2 %	9 %
<b>Solvency (end of year at market)</b>						
Number of farms	68	13	14	13	14	14
Total assets	4,430,992	2,393,669	2,082,667	3,698,151	5,782,382	8,000,223
Total liabilities	1,783,535	703,096	886,697	1,978,815	1,876,717	3,409,123
Net worth	2,647,457	1,690,573	1,195,970	1,719,336	3,905,665	4,591,100
Total net worth change	87,748	-27,594	32,986	56,455	126,633	239,787
Farm debt to asset ratio	42 %	30 %	46 %	55 %	34 %	45 %
Total debt to asset ratio	40 %	29 %	43 %	54 %	32 %	43 %
Change in total net worth %	3 %	-2 %	3 %	3 %	3 %	6 %
<b>Nonfarm Information</b>						
Net nonfarm income	30,152	19,331	44,613	23,654	26,544	35,384
Farms reporting living expenses	6	-	1	4	1	-
Total family living expense	109,562	-	-	-	-	-
Total living, invest, cap. purch	116,636	-	-	-	-	-
<b>Crop Acres</b>						
Total crop acres	1,843	1,070	765	1,805	2,212	3,306
Total crop acres owned	407	203	224	402	449	743
Total crop acres cash rented	1,398	800	508	1,375	1,764	2,500
Total crop acres share rented	38	67	34	27	-	63
Machinery value per crop acre	510	560	657	468	567	445

**Summary Farm Income Statement**  
**2016 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Net Farm Income)**

	<u>Avg. Of</u> <u>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	68	13	14	13	14	14
Crop sales	874,258	520,948	302,009	824,572	1,159,578	1,535,397
Crop inventory change	34,893	-29,986	9,074	-4,408	-25,408	217,753
Gross crop income	909,151	490,962	311,083	820,164	1,134,171	1,753,150
Livestock sales	9,037	42,054	4,011	-	832	-
Livestock inventory change	-1,198	-2,126	-611	-3,000	-450	-
Gross livestock income	7,839	39,929	3,400	-3,000	382	-
Government payments	24,307	13,889	4,069	14,240	40,926	46,947
Other cash farm income	103,829	35,081	36,528	107,887	144,657	190,374
Change in accounts receivable	8,309	-8,960	61	11,371	38,829	-769
Gain or loss on hedging accounts	2,073	-572	-1,571	-1,284	3,971	9,391
Change in other assets	5,741	1,689	7,170	5,417	4,951	9,167
Gain or loss on breeding lvtst	430	-604	922	1,938	-71	-
Gross farm income	1,061,680	571,414	361,663	956,734	1,367,815	2,008,260
Cash operating expenses	777,194	500,014	264,772	731,520	1,055,458	1,311,147
Change in prepaids and supplies	1,722	-11,119	-3,192	108	9,163	12,619
Change in growing crops	-129	-	-	-	-625	-
Change in accounts payable	1,802	12,860	459	-11,378	-36,297	43,214
Depreciation	76,651	51,795	33,068	66,321	99,305	130,253
Total operating expense	857,241	553,551	295,106	786,571	1,127,005	1,497,233
Interest paid	45,689	15,034	21,029	61,022	42,205	88,061
Change in accrued interest	387	2,873	559	-4,456	294	2,495
Total interest expense	46,076	17,907	21,588	56,565	42,499	90,556
Total expenses	903,317	571,458	316,694	843,136	1,169,504	1,587,789
Net farm income from operations	158,363	-44	44,968	113,597	198,311	420,471
Gain or loss on capital sales	55	-	-	-	268	-
Net farm income	158,418	-44	44,968	113,597	198,579	420,471