

Farm Income Statement
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Cash Farm Income				
Barley	1,379	2,443	-	-
Barley, Malting	2,797	-	-	13,286
Beans, Black Turtle	3,688	-	-	17,516
Corn	220,359	148,732	138,764	373,937
Rye	709	-	-	3,367
Soybeans	241,612	196,628	130,981	362,201
Soybeans Seed	36,050	41,033	3,880	85,045
Sugar Beets	289,701	348,204	71,336	684,322
Wheat, Spring	172,454	196,474	60,877	300,991
Hay	3,289	807	-	6,234
Miscellaneous crop income	2,298	208	1,577	5,165
Beef Cow-Calf, Beef Calves	1,788	7,656	-	-
Beef Replacement Heifers	48	241	-	-
Beef Finishing	8,431	236	42,480	-
Beef Finish Yearlings	58	293	-	-
Bison Cow-Calf, Bison Calves	68	-	347	-
Bison Finishing	3,824	-	19,374	-
User Added Livestock, User Added	729	-	3,695	-
Cull breeding livestock	168	18	832	-
Misc. livestock income	69	92	-	-
Crop government payments	8,713	4,273	4,060	18,073
CRP payments	712	950	1,033	313
Other government payments	53,004	48,709	26,017	87,900
Custom work income	12,560	1,333	631	25,439
Patronage dividends, cash	30,074	32,000	9,770	63,807
Crop insurance income	14,726	16,545	4,917	26,498
Property insurance income	1,328	1,262	261	3,988
Livestock insurance inc	39	-	200	-
Other farm income	47,040	38,552	20,357	111,891
Gross Cash Farm Income	1,157,715	1,086,688	541,391	2,189,971

Farm Income Statement (continued)
2018 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>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Cash Farm Expense				
Seed and plants	136,480	108,931	54,571	275,035
Fertilizer	133,240	97,770	63,261	286,480
Crop chemicals	88,874	82,607	36,349	151,255
Crop insurance	34,454	38,778	13,729	53,027
Drying expense	3,007	2,617	1,695	4,577
Storage	1,259	1,459	1,889	1,797
Crop miscellaneous	7,232	3,898	1,360	8,659
Consultants	4,669	2,902	2,067	9,249
Feeder livestock purchase	4,407	-	22,329	-
Purchased feed	1,344	976	5,373	-
Breeding fees	83	423	-	-
Veterinary	199	398	175	-
Supplies	301	942	200	-
Grazing fees	163	827	-	-
Interest	54,592	56,783	33,436	90,608
Fuel & oil	50,166	50,312	17,888	93,502
Repairs	77,162	86,544	34,063	155,310
Custom hire	13,235	10,906	6,510	35,016
Hired labor	66,006	64,594	34,251	106,527
Land rent	204,180	191,009	101,636	353,611
Stock/quota lease	22,113	20,107	7,400	63,020
Machinery leases	24,445	11,232	9,924	20,358
Building leases	4,976	6,421	1,533	7,569
Real estate taxes	11,775	10,308	7,197	23,813
Farm insurance	15,168	20,437	8,028	24,975
Utilities	10,507	12,958	6,253	14,608
Hauling and trucking	4,933	4,081	1,518	14,502
Marketing	1,212	1,728	450	1,900
Dues & professional fees	7,806	7,208	4,591	11,655
Purchase of resale items	1,652	-	-	7,842
Miscellaneous	9,285	8,938	5,282	17,488
Total cash expense	994,925	906,095	482,959	1,832,381
Net cash farm income	162,790	180,592	58,432	357,590
Inventory Changes				
Prepays and supplies	19,834	-13,562	-141	84,000
Accounts receivable	-531	-15,253	9,630	52,780
Hedging accounts	7,790	-131	-400	31,088
Other current assets	19	990	-492	199
Crops and feed	27,326	-115,878	64,567	70,326
Market livestock	-1,199	-738	-5,448	-
Breeding livestock	865	-10	4,973	-
Other assets	11,117	4,447	4,567	20,445
Accounts payable	-6,627	-2,832	-22,843	-18,668
Accrued interest	-1,704	-605	2,096	-9,957
Total inventory change	56,892	-143,572	56,510	230,213
Net operating profit	219,681	37,020	114,942	587,803
Depreciation				
Machinery and equipment	-62,775	-81,832	-28,109	-113,835
Titled vehicles	-3,987	-5,283	-3,220	-6,041
Buildings and improvements	-9,458	-5,103	-2,906	-19,564
Total depreciation	-76,220	-92,218	-34,235	-139,440
Net farm income from operations	143,462	-55,198	80,707	448,363
Gain or loss on capital sales	1,038	2,415	-105	1,853
Net farm income	144,499	-52,783	80,602	450,217

Inventory Changes
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	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Net cash farm income	162,790	180,592	58,432	357,590
Crops and Feed				
Ending inventory	629,189	510,859	348,800	1,258,920
Beginning inventory	601,863	626,737	284,233	1,188,594
Inventory change	27,326	-115,878	64,567	70,326
Market Livestock				
Ending inventory	13,040	2,156	60,756	-
Beginning inventory	14,239	2,894	66,204	-
Inventory change	-1,199	-738	-5,448	-
Accts Receivable				
Ending inventory	58,981	35,299	24,259	152,107
Beginning inventory	59,512	50,552	14,630	99,327
Inventory change	-531	-15,253	9,630	52,780
Prepaid Expenses and Supplies				
Ending inventory	121,401	37,573	30,517	333,037
Beginning inventory	101,567	51,135	30,658	249,037
Inventory change	19,834	-13,562	-141	84,000
Hedging Activities				
Ending inventory	10,669	1,010	-	40,282
Withdrawals	10,963	55	-	42,648
Beginning inventory	13,151	901	400	49,430
Deposits	691	295	-	2,413
Gain or loss	7,790	-131	-400	31,088
Other Current Assets				
Ending inventory	956	2,130	-	2,545
Beginning inventory	938	1,140	492	2,346
Inventory change	19	990	-492	199
Breeding Livestock				
Ending inventory	14,266	17,837	46,133	-
Capital sales	1,639	3,667	-	-
Beginning inventory	14,376	21,347	40,893	-
Capital purchases	664	167	267	-
Depreciation, capital adjust	865	-10	4,973	-
Other Capital Assets				
Ending inventory	387,416	376,035	100,362	1,041,589
Capital sales	789	-	-	3,468
Beginning inventory	346,682	371,589	91,546	895,743
Capital purchases	30,405	-	4,250	128,869
Depreciation, capital adjust	11,117	4,447	4,567	20,445
Accounts Payable				
Beginning inventory	35,895	39,403	36,829	55,714
Ending inventory	42,522	42,235	59,672	74,382
Inventory change	-6,627	-2,832	-22,843	-18,668
Accrued Interest				
Beginning inventory	23,644	22,164	12,591	36,909
Ending inventory	25,348	22,769	10,495	46,866
Inventory change	-1,704	-605	2,096	-9,957
Total inventory change	56,892	-143,572	56,510	230,213
Net operating profit	219,681	37,020	114,942	587,803

Depreciation
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Number of farms	76	15	15	16
Net operating profit	219,681	37,020	114,942	587,803
Machinery and Equipment				
Ending inventory	658,734	742,095	286,667	1,275,348
Capital sales	21,740	22,608	5,133	63,150
Beginning inventory	641,408	787,797	294,107	1,160,540
Capital purchases	101,840	58,737	25,803	291,793
Depreciation, capital adjust.	-62,775	-81,832	-28,109	-113,835
Titled Vehicles				
Ending inventory	36,005	45,766	20,709	58,983
Capital sales	411	-	533	1,452
Beginning inventory	34,118	46,599	23,512	46,654
Capital purchases	6,284	4,450	950	19,821
Depreciation, capital adjust.	-3,987	-5,283	-3,220	-6,041
Buildings and Improvements				
Ending inventory	262,808	213,317	92,707	508,848
Capital sales	289	1,467	-	-
Beginning inventory	256,672	211,168	95,613	485,192
Capital purchases	15,884	8,719	-	43,220
Depreciation, capital adjust.	-9,458	-5,103	-2,906	-19,564
Total depreciation, capital adj.	-76,220	-92,218	-34,235	-139,440
Net farm income from operations	143,462	-55,198	80,707	448,363
Gain or loss on capital sales	1,038	2,415	-105	1,853
Net farm income	144,499	-52,783	80,602	450,217

Profitability Measures
2018 Moorhead Farm Business Management Annual Report
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	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Profitability (assets valued at cost)				
Net farm income from operations	143,462	-55,198	80,707	448,363
Rate of return on assets	3.6 %	-3.3 %	4.7 %	6.8 %
Rate of return on equity	3.1 %	-10.2 %	4.8 %	8.5 %
Operating profit margin	9.0 %	-9.6 %	11.0 %	17.1 %
Asset turnover rate	40.4 %	34.2 %	42.7 %	39.7 %
Farm interest expense	56,296	57,388	31,340	100,565
Value of operator lbr and mgmt.	92,119	94,146	46,894	145,981
Return on farm assets	107,638	-91,956	65,153	402,947
Average farm assets	2,955,760	2,802,960	1,385,558	5,932,203
Return on farm equity	51,342	-149,344	33,813	302,382
Average farm equity	1,643,256	1,462,535	697,391	3,546,919
Value of farm production	1,195,362	957,222	591,087	2,356,967
	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Profitability (assets valued at market)				
Net farm income from operations	106,789	-40,490	35,984	330,877
Rate of return on assets	1.7 %	-1.8 %	0.9 %	3.5 %
Rate of return on equity	0.6 %	-5.5 %	-0.9 %	4.0 %
Operating profit margin	5.9 %	-8.1 %	3.5 %	12.1 %
Asset turnover rate	27.9 %	22.1 %	26.6 %	29.2 %
Farm interest expense	56,296	57,388	31,340	100,565
Value of operator lbr and mgmt.	92,119	94,146	46,894	145,981
Return on farm assets	70,966	-77,249	20,430	285,461
Average farm assets	4,282,687	4,339,419	2,218,447	8,071,830
Return on farm equity	14,670	-134,637	-10,910	184,896
Average farm equity	2,415,732	2,455,629	1,225,695	4,626,182
Value of farm production	1,195,362	957,222	591,087	2,356,967

Liquidity & Repayment Capacity Measures
2018 Moorhead Farm Business Management Annual Report
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	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Liquidity				
Current ratio	1.47	1.27	1.44	1.63
Working capital	288,430	140,681	147,479	726,839
Working capital to gross inc	24.0 %	14.7 %	23.8 %	30.7 %
Current assets	899,073	659,840	486,042	1,878,794
Current liabilities	610,643	519,159	338,563	1,151,955
Gross revenues (accrual)	1,202,764	958,198	618,788	2,364,809
Repayment capacity				
Net farm income from operations	143,462	-55,198	80,707	448,363
Depreciation	76,220	92,218	34,235	139,440
Personal income	33,413	6,702	23,861	34,235
Family living/owner withdrawals	-88,503	-82,528	-61,092	-132,712
Cash discrepancy	-68	-171	-154	-19
Payments on personal debt	-7,708	-4,648	-5,850	-12,803
Income taxes paid	-20,783	-15,659	-7,146	-54,521
Interest on term debt	32,607	38,231	17,796	56,289
Capital debt repayment capacity	168,638	-21,053	82,357	478,272
Scheduled term debt payments	-109,988	-107,801	-62,244	-192,307
Capital debt repayment margin	58,650	-128,854	20,113	285,964
Cash replacement allowance	-53,538	-76,591	-19,191	-99,823
Replacement margin	5,112	-205,445	922	186,142
Term debt coverage ratio	1.53	-0.20	1.32	2.49
Replacement coverage ratio	1.03	-0.11	1.01	1.64

Balance Sheet at Cost Values
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	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Assets				
Current Farm Assets				
Cash and checking balance	64,836	70,813	21,710	91,903
Prepaid expenses & supplies	121,401	37,573	30,517	333,037
Growing crops	378	1,917	-	-
Accounts receivable	58,981	35,299	24,259	152,107
Hedging accounts	10,669	1,010	-	40,282
Crops held for sale or feed	629,189	510,859	348,800	1,258,920
Crops under government loan	-	-	-	-
Market livestock held for sale	13,040	2,156	60,756	-
Other current assets	578	213	-	2,545
Total current farm assets	899,073	659,840	486,042	1,878,794
Intermediate Farm Assets				
Breeding livestock	14,266	17,837	46,133	-
Machinery and equipment	658,734	742,095	286,667	1,275,348
Titled vehicles	36,005	45,766	20,709	58,983
Other intermediate assets	334,233	302,768	71,822	938,214
Total intermediate farm assets	1,043,238	1,108,466	425,331	2,272,545
Long Term Farm Assets				
Farm land	783,003	669,304	390,704	1,436,041
Buildings and improvements	262,808	213,317	92,707	508,848
Other long-term assets	53,183	73,267	28,540	103,375
Total long-term farm assets	1,098,994	955,889	511,951	2,048,264
Total Farm Assets	3,041,305	2,724,194	1,423,324	6,199,603
Total Nonfarm Assets	364,380	193,812	189,565	788,333
Total Assets	3,405,685	2,918,006	1,612,889	6,987,936
Liabilities				
Current Farm Liabilities				
Accrued interest	25,348	22,769	10,495	46,866
Accounts payable	42,522	42,235	59,672	74,382
Current notes	466,587	383,960	229,054	882,631
Government crop loans	-	-	-	-
Principal due on term debt	76,187	70,195	39,342	148,077
Total current farm liabilities	610,643	519,159	338,563	1,151,955
Total intermediate farm liab	173,060	160,434	78,926	329,486
Total long term farm liabilities	590,437	652,777	291,402	1,055,312
Total farm liabilities	1,374,140	1,332,371	708,890	2,536,753
Total nonfarm liabilities	122,170	53,486	104,457	217,717
Total liabilities	1,496,310	1,385,857	813,347	2,754,470
Net worth (farm and nonfarm)	1,909,375	1,532,149	799,541	4,233,466
Net worth change	59,799	-155,708	21,655	285,409
Percent net worth change	3 %	-9 %	3 %	7 %
Ratio Analysis				
Current farm liabilities / assets	68 %	79 %	70 %	61 %
Intermediate farm liab. / assets	17 %	14 %	19 %	14 %
Long term farm liab. / assets	54 %	68 %	57 %	52 %
Total debt to asset ratio	44 %	47 %	50 %	39 %

Balance Sheet at Market Values
2018 Moorhead Farm Business Management Annual Report
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	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Assets				
Current Farm Assets				
Cash and checking balance	64,836	70,813	21,710	91,903
Prepaid expenses & supplies	121,401	37,573	30,517	333,037
Growing crops	378	1,917	-	-
Accounts receivable	58,981	35,299	24,259	152,107
Hedging accounts	10,669	1,010	-	40,282
Crops held for sale or feed	629,189	510,859	348,800	1,258,920
Crops under government loan	-	-	-	-
Market livestock held for sale	13,040	2,156	60,756	-
Other current assets	578	213	-	2,545
Total current farm assets	899,073	659,840	486,042	1,878,794
Intermediate Farm Assets				
Breeding livestock	14,731	17,837	46,133	-
Machinery and equipment	894,232	1,033,577	375,100	1,679,729
Titled vehicles	51,927	59,684	35,924	77,706
Other intermediate assets	473,779	719,774	117,297	1,087,492
Total intermediate farm assets	1,434,669	1,830,871	574,454	2,844,927
Long Term Farm Assets				
Farm land	1,597,211	1,398,934	1,037,608	2,806,948
Buildings and improvements	345,037	264,737	123,720	629,443
Other long-term assets	90,620	99,653	31,411	179,798
Total long-term farm assets	2,032,869	1,763,324	1,192,739	3,616,189
Total Farm Assets	4,366,610	4,254,035	2,253,235	8,339,909
Total Nonfarm Assets	520,212	301,289	276,740	1,118,450
Total Assets	4,886,823	4,555,323	2,529,975	9,458,360
Liabilities				
Current Farm Liabilities				
Accrued interest	25,348	22,769	10,495	46,866
Accounts payable	42,522	42,235	59,672	74,382
Current notes	466,587	383,960	229,054	882,631
Government crop loans	-	-	-	-
Principal due on term debt	76,187	70,195	39,342	148,077
Total current farm liabilities	610,643	519,159	338,563	1,151,955
Total intermediate farm liab	173,060	160,434	78,926	329,486
Total long term farm liabilities	590,437	652,777	291,402	1,055,312
Total farm liabilities	1,374,140	1,332,371	708,890	2,536,753
Total nonfarm liabilities	122,170	53,486	104,457	217,717
Total liab excluding deferreds	1,496,310	1,385,857	813,347	2,754,470
Total deferred liabilities	601,861	553,796	339,426	1,186,365
Total liabilities	2,098,171	1,939,653	1,152,773	3,940,835
Retained earnings	1,909,375	1,532,149	799,541	4,233,466
Market valuation equity	879,276	1,083,521	577,660	1,284,059
Net worth (farm and nonfarm)	2,788,651	2,615,670	1,377,202	5,517,525
Net worth excluding deferreds	3,390,513	3,169,466	1,716,627	6,703,890
Net worth change	32,347	-138,436	-11,646	187,093
Percent net worth change	1 %	-5 %	-1 %	4 %
Ratio Analysis				
Current farm liabilities / assets	68 %	79 %	70 %	61 %
Intermediate farm liab. / assets	12 %	9 %	14 %	12 %
Long term farm liab. / assets	29 %	37 %	24 %	29 %
Total debt to asset ratio	43 %	43 %	46 %	42 %
Debt to assets excl deferreds	31 %	30 %	32 %	29 %

Statement Of Cash Flows
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(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Beginning cash (farm & nonfarm)	43,110	48,497	35,361	77,927
Cash Provided By Operating Activities				
Gross cash farm income	1,157,715	1,086,688	541,391	2,189,971
Total cash farm expense	-994,925	-906,095	-482,959	-1,832,381
Net cash from hedging transactions	10,272	-240	-	40,236
Cash provided by operating	173,062	180,352	58,432	397,826
Cash Provided By Investing Activities				
Sale of breeding livestock	1,639	3,667	-	-
Sale of machinery & equipment	22,351	22,780	5,028	65,080
Sale of titled vehicles	395	-	533	1,375
Sale of farm land	2,214	8,910	-	-
Sale of farm buildings	289	1,467	-	-
Sale of other farm assets	789	-	-	3,468
Sale of nonfarm assets	6,435	1,333	-	24,877
Purchase of breeding livestock	-664	-167	-267	-
Purchase of machinery & equip.	-101,840	-58,737	-25,803	-291,793
Purchase of titled vehicles	-6,284	-4,450	-950	-19,821
Purchase of farm land	-30,171	-	-17,800	-
Purchase of farm buildings	-15,884	-8,719	-	-43,220
Purchase of other farm assets	-30,405	-	-4,250	-128,869
Purchase of nonfarm assets	-40,197	-5,271	-30,874	-121,693
Cash provided by investing	-191,335	-39,187	-74,381	-510,596
Cash Provided By Financing Activities				
Money borrowed	646,481	516,414	314,325	1,362,451
Principal payments	-523,435	-536,696	-266,938	-1,070,568
Personal income	33,413	6,702	23,861	34,235
Family living/owner withdrawals	-88,503	-82,528	-61,092	-132,712
Income and social security tax	-16,600	-8,635	-5,840	-42,848
Capital contributions	-	-	-	-
Capital distributions	-	-	-	-
Dividends paid	-	-	-	-
Cash gifts and inheritances	2,551	267	2,021	9,974
Gifts given	-1,338	-	-	-6,356
Other cash flows	-	-	-	-
Cash provided by financing	52,568	-104,476	6,337	154,175
Net change in cash balance	34,294	36,689	-9,612	41,405
Ending cash (farm & nonfarm)	77,336	85,015	25,596	119,313
Discrepancy	68	171	154	19

Financial Standards Measures
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Liquidity				
Current ratio	1.47	1.27	1.44	1.63
Working capital	288,430	140,681	147,479	726,839
Working capital to gross inc	24.0 %	14.7 %	23.8 %	30.7 %
Solvency (market)				
Farm debt to asset ratio	45 %	44 %	46 %	44 %
Farm equity to asset ratio	55 %	56 %	54 %	56 %
Farm debt to equity ratio	0.80	0.78	0.85	0.78
Profitability (cost)				
Rate of return on farm assets	3.6 %	-3.3 %	4.7 %	6.8 %
Rate of return on farm equity	3.1 %	-10.2 %	4.8 %	8.5 %
Operating profit margin	9.0 %	-9.6 %	11.0 %	17.1 %
Net farm income	144,499	-52,783	80,602	450,217
EBITDA	275,977	94,408	146,282	688,368
Repayment Capacity				
Capital debt repayment capacity	168,638	-21,053	82,357	478,272
Capital debt repayment margin	58,650	-128,854	20,113	285,964
Replacement margin	5,112	-205,445	922	186,142
Term debt coverage ratio	1.53	-0.20	1.32	2.49
Replacement coverage ratio	1.03	-0.11	1.01	1.64
Efficiency				
Asset turnover rate (cost)	40.4 %	34.2 %	42.7 %	39.7 %
Operating expense ratio	77.1 %	90.1 %	76.4 %	70.9 %
Depreciation expense ratio	6.3 %	9.6 %	5.5 %	5.9 %
Interest expense ratio	4.7 %	6.0 %	5.1 %	4.3 %
Net farm income ratio	12.0 %	-5.5 %	13.0 %	19.0 %

Crop Production and Marketing Summary
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Acreage Summary				
Total acres owned	476	418	306	823
Total crop acres	2,017	1,729	1,128	3,464
Crop acres owned	416	320	282	662
Crop acres cash rented	1,572	1,399	846	2,786
Crop acres share rented	29	10	-	17
Total pasture acres	22	-	93	-
Percent crop acres owned	21 %	19 %	25 %	19 %
Mach invest/crop acre cost	340	469	277	367
Mach invest/crop acre market	469	650	371	491
Average Price Received (Cash Sales Only)				
Wheat, Spring per bushel	5.67	5.47	5.85	5.68
Soybeans per bushel	8.80	8.88	8.88	9.05
Corn per bushel	3.08	3.09	3.18	3.17
Soybeans Seed per bushel	10.49	-	-	10.62
Soybeans, Food per bushel	11.22	-	-	-
Average Yield Per Acre				
Soybeans (bushel)	45.10	42.37	41.50	45.95
Wheat, Spring (bushel)	62.88	60.37	61.33	66.63
Sugar Beets (ton)	29.80	28.00	28.58	31.21
Corn (bushel)	184.26	182.06	176.51	183.76
Soybeans Seed (bushel)	46.26	44.55	-	44.53
Soybeans, Food (bushel)	36.44	-	-	-
Hay, Alfalfa (ton)	2.55	-	-	-

Household and Personal Expenses
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms
Number of farms	9
Average family size	3.2
Family Living Expenses	
Food and meals expense	13,140
Medical care	5,804
Health insurance	7,076
Cash donations	2,675
Household supplies	4,458
Clothing	4,684
Personal care	3,163
Child / Dependent care	1,455
Alimony and child support	-
Gifts	2,769
Education	7,298
Recreation	10,083
Utilities (household share)	3,639
Personal vehicle operating exp	4,856
Household real estate taxes	572
Dwelling rent	-
Household repairs	5,087
Personal interest	1,655
Disability / Long term care ins	27
Life insurance payments	1,936
Personal property insurance	821
Miscellaneous	14,186
Total cash family living expense	95,382
Family living from the farm	-
Total family living	95,382
Other Nonfarm Expenditures	
Income taxes	16,790
Furnishing & appliance purchases	857
Nonfarm vehicle purchases	683
Nonfarm real estate purchases	12,699
Other nonfarm capital purchases	208
Nonfarm savings & investments	11,050
Total other nonfarm expenditures	42,287
Total cash family living investment & nonfarm capital purch	137,670

Operator and Labor Information
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Operator Information				
Average number of operators	1.1	1.1	0.8	1.3
Average age of operators	46.7	50.6	43.6	49.6
Average number of years farming	23.7	27.5	20.1	27.6
Results Per Operator				
Working capital	272,985	122,331	178,403	553,782
Total assets (market)	4,625,137	3,961,151	3,060,454	7,206,369
Total liabilities	1,985,816	1,686,655	1,394,484	3,002,541
Net worth (market)	2,639,321	2,274,496	1,665,970	4,203,828
Net worth excl deferred liabs	3,208,953	2,756,057	2,076,566	5,107,726
Gross farm income	1,138,357	833,216	748,534	1,801,759
Total farm expense	1,002,578	881,214	650,905	1,460,149
Net farm income from operations	135,779	-47,998	97,629	341,610
Net nonfarm income	31,624	5,828	28,864	26,084
Family living & tax withdrawals	103,499	85,529	82,732	142,668
Total acres owned	450.9	363.6	370.4	626.7
Total crop acres	1,909.2	1,503.4	1,364.6	2,639.6
Crop acres owned	393.3	278.4	340.8	504.2
Crop acres cash rented	1,488.3	1,216.2	1,023.8	2,122.8
Crop acres share rented	27.7	8.7	-	12.6
Total pasture acres	20.6	-	112.9	-
Labor Analysis				
Number of farms	76	15	15	16
Total unpaid labor hours	1,666	1,693	1,363	2,094
Total hired labor hours	3,452	2,728	1,429	5,289
Total labor hours per farm	5,118	4,421	2,792	7,383
Unpaid hours per operator	1,577	1,472	1,649	1,595
Value of farm production / hour	233.58	216.49	211.68	319.24
Net farm income / unpaid hour	86.12	-32.60	59.20	214.14
Average hourly hired labor wage	22.95	34.81	24.81	21.34
Partnerships & LLCs				
Number of farms	7	2	1	2
Number of operators	2.1	-	-	-
Owner withdrawals per farm	-	-	-	-
Withdrawals per operator	-	-	-	-

Nonfarm Summary
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Nonfarm Income				
Personal wages & salary	18,898	6,411	22,758	11,283
Net nonfarm business income	1,082	-	-163	369
Personal interest income	33	1	4	128
Tax refunds	2,485	93	704	8,754
Other nonfarm income	10,915	198	560	13,702
Total nonfarm income	33,413	6,702	23,861	34,235
Gifts and inheritances	2,551	267	2,021	9,974
Nonfarm Assets (market)				
Checking & savings	12,500	14,202	3,886	27,410
Stocks & bonds	48,476	3,692	3,903	191,319
Other current assets	8,836	-	2,536	34,321
Furniture & appliances	13,173	11,433	12,300	17,029
Nonfarm vehicles	25,796	15,406	16,645	45,362
Cash value of life ins.	17,482	9,362	21,471	30,345
Retirement accounts	132,348	110,750	61,386	200,177
Other intermediate assets	4,198	2,360	4,368	5,515
Nonfarm real estate	211,487	118,084	142,853	371,333
Personal bus. investment	18,226	-	-	86,572
Other long term assets	27,691	16,000	7,392	109,068
Total nonfarm assets	520,212	301,289	276,740	1,118,450
Nonfarm Liabilities				
Accrued interest	452	141	493	359
Accounts payable	409	1,354	333	78
Current notes	613	100	1,058	1,435
Princ due on term debt	7,904	4,309	7,697	12,341
Total current liabilities	27,073	19,904	16,515	62,847
Intermediate liabilities	6,506	2,748	2,747	8,315
Long term liabilities	88,591	30,834	85,196	146,555
Total nonfarm liabilities	122,170	53,486	104,457	217,717
Nonfarm net worth	398,042	247,802	172,282	900,734
Nonfarm debt to asset ratio	23 %	18 %	38 %	19 %

Financial Summary
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Income Statement				
Gross cash farm income	1,157,715	1,086,688	541,391	2,189,971
Total cash farm expense	994,925	906,095	482,959	1,832,381
Net cash farm income	162,790	180,592	58,432	357,590
Inventory change	56,892	-143,572	56,510	230,213
Depreciation	-76,220	-92,218	-34,235	-139,440
Net farm income from operations	143,462	-55,198	80,707	448,363
Gain or loss on capital sales	1,038	2,415	-105	1,853
Average net farm income	144,499	-52,783	80,602	450,217
Median net farm income	85,203	-41,355	76,527	359,254
Profitability (cost)				
Rate of return on assets	3.6 %	-3.3 %	4.7 %	6.8 %
Rate of return on equity	3.1 %	-10.2 %	4.8 %	8.5 %
Operating profit margin	9.0 %	-9.6 %	11.0 %	17.1 %
Asset turnover rate	40.4 %	34.2 %	42.7 %	39.7 %
Profitability (market)				
Rate of return on assets	1.7 %	-1.8 %	0.9 %	3.5 %
Rate of return on equity	0.6 %	-5.5 %	-0.9 %	4.0 %
Operating profit margin	5.9 %	-8.1 %	3.5 %	12.1 %
Asset turnover rate	27.9 %	22.1 %	26.6 %	29.2 %
Liquidity & Repayment (end of year)				
Current assets	899,073	659,840	486,042	1,878,794
Current liabilities	610,643	519,159	338,563	1,151,955
Current ratio	1.47	1.27	1.44	1.63
Working capital	288,430	140,681	147,479	726,839
Change in working capital	7,734	-102,058	15,851	19,606
Working capital to gross inc	24.0 %	14.7 %	23.8 %	30.7 %
Term debt coverage ratio	1.53	-0.20	1.32	2.49
Replacement coverage ratio	1.03	-0.11	1.01	1.64
Term debt to EBITDA	2.57	8.73	2.53	1.89
Solvency (end of year at cost)				
Number of farms	76	15	15	16
Total assets	3,405,685	2,918,006	1,612,889	6,987,936
Total liabilities	1,496,310	1,385,857	813,347	2,754,470
Net worth	1,909,375	1,532,149	799,541	4,233,466
Net worth change	59,799	-155,708	21,655	285,409
Farm debt to asset ratio	45 %	49 %	50 %	41 %
Total debt to asset ratio	44 %	47 %	50 %	39 %
Change in earned net worth %	3 %	-9 %	3 %	7 %
Solvency (end of year at market)				
Number of farms	76	15	15	16
Total assets	4,886,823	4,555,323	2,529,975	9,458,360
Total liabilities	2,098,171	1,939,653	1,152,773	3,940,835
Net worth	2,788,651	2,615,670	1,377,202	5,517,525
Total net worth change	32,347	-138,436	-11,646	187,093
Farm debt to asset ratio	45 %	44 %	46 %	44 %
Total debt to asset ratio	43 %	43 %	46 %	42 %
Change in total net worth %	1 %	-5 %	-1 %	4 %
Nonfarm Information				
Net nonfarm income	33,413	6,702	23,861	34,235
Farms reporting living expenses	9	2	1	1
Total family living expense	95,382	-	-	-
Total living, invest, cap. purch	137,670	-	-	-
Crop Acres				
Total crop acres	2,017	1,729	1,128	3,464
Total crop acres owned	416	320	282	662
Total crop acres cash rented	1,572	1,399	846	2,786
Total crop acres share rented	29	10	-	17
Machinery value per crop acre	469	650	371	491

Summary Farm Income Statement
2018 Moorhead Farm Business Management Annual Report
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	76	15	15	16
Crop sales	974,152	934,529	407,416	1,851,269
Crop inventory change	27,326	-115,878	64,567	70,326
Gross crop income	1,001,478	818,651	471,983	1,921,595
Livestock sales	14,964	8,518	65,896	-
Livestock inventory change	-1,199	-738	-5,448	-
Gross livestock income	13,765	7,780	60,448	-
Government payments	62,429	53,932	31,110	106,285
Other cash farm income	106,170	89,709	36,969	232,417
Change in accounts receivable	-531	-15,253	9,630	52,780
Gain or loss on hedging accounts	7,790	-131	-400	31,088
Change in other assets	10,798	3,520	4,075	20,644
Gain or loss on breeding lvst	865	-10	4,973	-
Gross farm income	1,202,764	958,198	618,788	2,364,809
Cash operating expenses	940,333	849,312	449,522	1,741,773
Change in prepaids and supplies	-19,834	13,562	141	-84,000
Change in growing crops	-338	-1,917	-	-
Change in accounts payable	6,627	2,832	22,843	18,668
Depreciation	76,220	92,218	34,235	139,440
Total operating expense	1,003,007	956,008	506,741	1,815,881
Interest paid	54,592	56,783	33,436	90,608
Change in accrued interest	1,704	605	-2,096	9,957
Total interest expense	56,296	57,388	31,340	100,565
Total expenses	1,059,303	1,013,396	538,081	1,916,446
Net farm income from operations	143,462	-55,198	80,707	448,363
Gain or loss on capital sales	1,038	2,415	-105	1,853
Net farm income	144,499	-52,783	80,602	450,217