

# 2022

# FARM

# ANALYSIS

# REPORT OF

# MOORHEAD

47<sup>th</sup> Edition

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**NORTHLAND**  
COMMUNITY & TECHNICAL COLLEGE

**Farm Business Management Program**

**[www.NorthlandFBM-Moorhead.com](http://www.NorthlandFBM-Moorhead.com)**

March 10, 2023

## INTRODUCTION

This is the 47<sup>th</sup> edition of this report published by the Northland College-Moorhead MN. Farm Business Management Department. The original numbers for this report came from pages of the account book and/or from computerized records kept by each farm family enrolled in the farm management education program provided by Northland Community and Technical College, Thief River Falls, MN. After a closeout procedure to check the accuracy of the records, the analysis is generated for each individual enrollee.

We use the FINPACK and RANKEM software system developed by the Center for Farm Financial Management, University of Minnesota Extension, to do our year-end analysis. This is an excellent farm financial computer package because it incorporates the year-end analysis with a farmer's beginning and ending Balance Sheet and with their projected Cash Flow.

Use your imagination and figure out ways to use the tables. There are many factors that can affect a farm operations' profitability. We encourage you to look and compare your numbers to the averages and see where you could fine-tune your farming operation. Please feel free to contact Ron or Josh to schedule a review meeting with them before spring planting.

Information about our Farm Business Management program and other financial reports can be found at our website: [www.NorthlandFBM-Moorhead.com](http://www.NorthlandFBM-Moorhead.com)

We wish you a Successful and Prosperous year!

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# Recommended Farm Financial Ratios

Explanations of the FFSC recommended measures on the scorecard and where to find the information for each measure

## Measures from the Balance Sheet

The *balance sheet* provides information on both a business's both **liquidity** and **solvency** positions. **Liquidity** is the ability of the farm business to meet financial obligations as they came due, or to generate enough cash to pay for family living expenses, taxes, and to make on-time debt payments. **Solvency** is the ability of the farm business to meet all of its debts if it were sold at the current point in time.

### Recommended Liquidity Ratios

- Current Ratio  
Measures the extent to which current farm assets, if sold tomorrow, would pay off the farm's current liabilities.
- Working Capital as % of Gross Revenue  
Measures the operating capital available against the size of the business.
- Working Capital as % of Operating Expense\*  
Measures the operating capital available against the amount of the business's operating expenses.

### Recommended Solvency Ratios

- Debt-to-Asset Ratio  
Is the bank's share of the farm business. Compares total farm debt to total farm assets. A higher ratio indicates greater financial risk & lower borrowing capacity.
- Equity-to-Asset Ratio\*  
Is the farmer's share of the business. Compares total farm equity to total farm assets. *Debt-to-Asset ratio + Equity-to-Asset ratio must = 100%*.
- Debt-to-Equity Ratio\*  
Compares the creditor's investment to the farm owner's investment. It also indicates how much the farmer has leveraged their equity in the business.

## Measures from the Income Statement

The *income statement* is a financial statement which provides information regarding the **profitability** of the farm business. **Profitability** is the difference between the value of goods produced and the cost of the resources used in their production.

### Recommended Profitability Measures

- Rate of Return on Assets  
Can be thought of as the average interest rate being earned on all (yours and the creditor's) investments in the farm.
- Rate of Return on Equity  
Represents the interest rate being earned by your investment in the farm. This interest rate or return can be compared to returns available if your equity were invested elsewhere, such as a Certificate of Deposit or the stock market.
- Operating Profit Margin Ratio  
Shows the operating efficiency of the farm business. If expenses are low relative to the value of farm production, or revenue, the business will have a healthy operating profit margin. A low profit margin ratio can be caused by low product prices, high operating expenses, or inefficient production.
- Asset Turnover Ratio  
Measures efficiency in using capital. You could think of it as a measure of capital productivity. Generating a high level of production with a low level of capital investment will show as a high asset turnover rate. If, on the other hand, the turnover is low you will want to explore methods to use the capital invested more efficiently or sell some low-return investments. It could mean getting rid of that swampy parcel on the back 40 and getting something that produces income.

# Recommended Farm Financial Ratios (cont.)

Explanations of the FFSC recommended measures on the scorecard and where to find the information for each measure

## Measures from the Cash-Flow Statement

The *cash-flow statement* provides information on a business's **repayment capacity**. **Repayment capacity** shows the borrower's (i.e. your) ability to repay debts on time. It includes non-farm income and as such is **not** a measure of business performance alone.

### Recommended Repayment Capacity

- Debt Coverage Ratio  
Indicates whether your business generated enough income to cover current interest expense and all intermediate and long-term debt payments.
- Replacement Coverage Ratio  
A ratio of less than 1.0 indicates that you did not generate enough income to cover debt payments and unfunded capital purchases.
- Term Debt & Finance Lease Coverage Ratio\*  
Indicates whether your business generated enough income to cover all intermediate and long-term debt payments. A ratio of less than 1.0 indicates the business had to liquidate inventories, run up open accounts, borrow additional funds, or sell assets to make scheduled payments.

## Measures from *all* the Financial Statements

Using all the financial statements can provide valuable insight into the **financial efficiency** of a farm business. These measures show where each dollar of income generated is spent.

### Recommended Financial Efficiency

- Operating Expense Ratio  
Shows the proportion of farm income that is used to pay operating expenses, excluding depreciation and interest expense.
- Interest Expense Ratio  
Shows how much of gross farm income is used to pay for interest on borrowed capital.
- Depreciation & Amortization Expense Ratio  
Indicates how fast the business wears out capital. It tells what proportion of gross farm income is needed to maintain the capital used by the business. It is important to note that a depreciation expense ratio of less than 3% **could** indicate the operation is not replacing inefficient assets and may have higher repair expenses.
- Net Farm Income (Income from Operations) Ratio  
Compares profit to gross revenue. It shows how much is left after all farm expenses, except for unpaid labor and management, are paid.

# Other Important Farm Financial Measures

Other important measures (and their calculations) that are utilized in the scorecard

## Working Capital

Measures the operating capital available in the short-term from within the business.

Total Current Farm Assets  
(-) Total Current Farm Liabilities  
**= Working Capital**

## Net Farm Income (NFI)

Represents the return to three things that you have invested in the farm business:

- 1) Your labor
- 2) Your management, and
- 3) Your equity.

NFI is the reward for investing your unpaid family labor, management, and money in the farm instead of elsewhere. Anything left in the business and not taken out to pay for family living expenses or taxes, will increase the net worth of the farm.

Gross Accrual Farm Revenue  
(-) Total Accrual Operating Expense (including Depreciation & Amortization Expense)  
**= Income from Operations**  
(-) Farm Interest Expense  
**= Net Farm Income**

## Value of Farm Production (VFP)

VFP is a measure of the value a farm operation has added to products sold.

Gross Cash Farm Revenue  
(-) Feeder Livestock Purchased  
(-) Purchased Feed  
(+/-) Changes in Inventories  
**= Value of Farm Production**

## Repayment and Replacement Capacity Calculations

Income from Operations  
(+/-) Miscellaneous Revenue / Expenses  
(+) Non-farm Income  
(+) Depreciation / Amortization Expenses  
(-) Income Tax Expense  
(-) Owner Withdrawals  
**= Repayment and Replacement Capacity<sup>1</sup>**

Repayment and Replacement Capacity  
(-) Interest Expense on Current Debt  
**= Term Debt Repayment & Replacement Capacity**

Prior Year Current Portion of Long-Term Debt  
(+) Prior Year Current Portion of Finance Leases  
(+) Interest Expense on Term Debt  
(+) Interest Expense on Finance Leases  
**= Total Principal & Interest on Term Debt and Finance Leases**

Total Principal & Interest on Term Debt and Finance Leases  
(+) Interest Expense on Current Debt  
(+) Payment on Unpaid Operating Debt from Prior Period (loss carryover)  
(+) Annual Payments on Personal Liabilities  
**= Total Debt Repayment**

Repayment & Replacement Capacity  
(-) Total Debt Repayment  
**= Repayment Margin**

Repayment Margin  
(-) Unfunded Capital Expenditures<sup>2</sup>  
**= Replacement Margin**

**1** = Measures the amount generated from farm and non-farm sources, to cover debt repayment and capital replacement.

**2** = Portion of depreciable capital asset purchases not funded by term debt and finance leases. This measure is the amount of internally generated funds used for investing activities related to depreciable capital assets.

# Financial Standards Measures

## Moorhead Farm Business Management Program - Northland College

	<u>5-yr Average</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Number of Farms</b>	80.2	79	80	87	79	76
* New FFSC Ratio in 2022.						
<b>Liquidity</b>						
Current Ratio	1.82	2.46	2.01	1.76	1.38	1.47
Working Cap/Gross Revenue	30.5%	40.4%	34.2%	32.5%	21.6%	24.0%
*Working Cap/Oper Expense	53.5%	64.4%	51.7%	44.5%		
<b>Solvency (market)</b>						
Farm Debt to Asset	44%	43%	45%	45%	44%	45%
Farm Equity to Asset	56%	57%	55%	55%	56%	55%
Farm Debt to Equity	0.80	0.75	0.83	0.80	0.80	0.80
<b>Profitability (cost)</b>						
Rate of Return on Assets	7.0%	15.0%	10.6%	6.3%	-0.3%	3.6%
Rate of Return on Equity	9.5%	23.5%	16.5%	8.2%	-3.8%	3.1%
Operating Profit Margin	14.4%	26.7%	22.1%	15.0%	-0.8%	9.0%
Asset Turnover Rate	44.8%	56.3%	48.1%	41.6%	37.5%	40.4%
<b>Repayment Capacity</b>						
*Debt Coverage ratio	3.21	4.24	3.26	2.14		
Term Debt Coverage Ratio	2.57	4.70	3.77	2.46	0.40	1.53
Replacement Coverage Ratio	1.74	3.13	2.58	1.70	0.26	1.03
<b>Efficiency</b>						
Operating Exp Ratio	73.1%	62.7%	66.1%	73.0%	86.1%	77.7%
Depreciation Exp Ratio	5.5%	4.4%	4.9%	5.1%	6.7%	6.3%
Interest Exp Ratio	4.0%	2.8%	3.3%	4.2%	4.9%	4.7%
Net Farm Inc Ratio	17.4%	30.1%	25.6%	17.0%	2.3%	12.0%

**Farm Income Statement**  
**2022 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	79	15	16	16
<b>Cash Farm Income</b>				
Barley	3,008	-	-	343
Beans, Black Turtle	29,962	-	1,127	138,899
Beans, Pinto	1,860	-	-	9,185
Corn	379,860	39,005	463,389	805,205
Corn Silage	6,513	-	32,159	-
Hay, Alfalfa	10,395	8,884	6,164	27,726
Soybeans	437,870	100,206	369,230	928,900
Sugar Beets	428,042	67,458	333,230	988,131
Sunflowers	1,798	2,695	-	-
Wheat, Spring	196,131	65,759	64,837	559,058
Hay	412	1,026	214	-
Miscellaneous crop income	4,280	4,206	3,033	9,482
Livestock income	9,092	26,148	11,136	8,806
Crop government payments	106	135	45	103
CRP payments	1,288	41	800	4,319
Livestock govt payments	513	1,834	517	-
Conservation govt payment	1,586	5,359	153	-
Other government payments	77,419	10,274	47,396	191,463
Custom work income	16,773	1,111	31,462	25,420
Patronage dividends, cash	21,999	2,396	8,277	63,113
Crop insurance income	28,591	5,016	13,124	73,835
Sale of resale items	290	-	-	-
Farm rental income	40,351	5,182	10,563	131,176
Other farm income	46,243	1,999	33,880	53,080
<b>Gross Cash Farm Income</b>	<b>1,744,383</b>	<b>348,733</b>	<b>1,430,733</b>	<b>4,018,242</b>

**Farm Income Statement (continued)**  
**2022 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	79	15	16	16
<b>Cash Farm Expense</b>				
Seed and plants	201,748	28,548	184,818	498,351
Fertilizer	228,494	38,456	223,013	531,541
Crop chemicals	155,782	34,698	139,960	313,612
Crop insurance	50,365	9,438	43,951	103,230
Drying expense	4,333	328	4,116	10,690
Storage	1,338	551	682	4,073
Irrigation energy	623	-	-	3,075
Packaging and supplies	150	789	-	-
Crop miscellaneous	4,852	4,223	1,340	13,442
Consultants	5,079	1,432	5,947	8,352
Feeder livestock purchase	708	984	2,326	-
Purchased feed	3,098	9,008	1,945	3,859
Veterinary	266	675	437	-
Supplies	227	565	365	-
Contract production exp.	142	-	-	702
Interest	49,929	12,800	41,303	118,242
Fuel & oil	74,179	17,719	68,022	156,634
Repairs	115,190	27,625	100,169	245,625
Custom hire	18,774	3,770	12,627	32,438
Hired labor	62,991	22,871	52,664	154,524
Land rent	246,205	54,694	224,455	556,911
Stock/quota lease	37,349	-	37,351	64,133
Machinery leases	20,172	1,350	8,952	69,752
Building leases	1,930	287	2,917	2,856
Real estate taxes	13,881	2,355	6,058	34,602
Farm insurance	18,828	7,413	10,793	42,686
Utilities	9,160	4,605	6,050	16,928
Hauling and trucking	6,440	1,723	4,452	7,755
Marketing	1,900	987	2,913	2,288
Dues & professional fees	9,042	2,716	6,984	17,121
Purchase of resale items	838	-	-	3,283
Miscellaneous	13,755	1,845	8,070	10,920
Advertising & promotion	131	-	-	355
Total cash expense	1,357,900	292,453	1,202,678	3,027,979
Net cash farm income	386,483	56,280	228,055	990,263
<b>Inventory Changes</b>				
Prepays and supplies	47,312	8,417	122,382	159,554
Accounts receivable	4,502	-2,289	-5,001	6,472
Hedging accounts	-17,431	-	-2,108	-24,996
Other current assets	-174	-37	-1,491	665
Crops and feed	282,556	39,428	274,774	529,443
Market livestock	-4,077	-12,275	-1,433	-6,993
Breeding livestock	1,208	12,122	-5,402	-
Other assets	9,808	12,994	15,645	9,922
Accounts payable	-6,442	-5,609	-95,098	49,259
Accrued interest	-7,634	53	-6,039	-30,006
Total inventory change	309,627	52,803	296,229	693,320
Net operating profit	696,110	109,083	524,284	1,683,583
<b>Depreciation</b>				
Machinery and equipment	-71,050	-17,146	-40,042	-170,978
Titled vehicles	-5,159	-1,643	-4,108	-12,189
Buildings and improvements	-12,468	-2,015	-4,590	-34,999
Total depreciation	-88,677	-20,805	-48,741	-218,166
Net farm income from operations	607,433	88,278	475,544	1,465,418
Gain or loss on capital sales	1,829	-1,351	626	8,137
Net farm income	609,262	86,927	476,170	1,473,555



**Inventory Changes**  
**2022 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	79	15	16	16
Net cash farm income	386,483	56,280	228,055	990,263
<b>Crops and Feed</b>				
Ending inventory	934,736	187,717	714,533	2,023,342
Beginning inventory	652,181	148,289	439,759	1,493,899
Inventory change	282,556	39,428	274,774	529,443
<b>Market Livestock</b>				
Ending inventory	6,261	25,351	6,559	-
Beginning inventory	10,337	37,626	7,992	6,993
Inventory change	-4,077	-12,275	-1,433	-6,993
<b>Accts Receivable</b>				
Ending inventory	61,383	9,404	27,742	123,790
Beginning inventory	56,880	11,694	32,743	117,319
Inventory change	4,502	-2,289	-5,001	6,472
<b>Prepaid Expenses and Supplies</b>				
Ending inventory	253,186	21,608	237,722	687,766
Beginning inventory	205,874	13,191	115,339	528,212
Inventory change	47,312	8,417	122,382	159,554
<b>Hedging Activities</b>				
Ending inventory	23,514	-	5,915	85,659
Withdrawals	29,802	-	938	136,158
Beginning inventory	20,346	-	3,832	66,708
Deposits	50,402	-	5,129	180,105
Gain or loss	-17,431	-	-2,108	-24,996
<b>Other Current Assets</b>				
Ending inventory	16,704	-	3,972	3,922
Beginning inventory	16,878	37	5,462	3,257
Inventory change	-174	-37	-1,491	665
<b>Breeding Livestock</b>				
Ending inventory	12,718	57,013	8,536	-
Capital sales	598	3,150	-	-
Beginning inventory	12,097	48,042	13,938	-
Capital purchases	12	-	-	-
Depreciation, capital adjust	1,208	12,122	-5,402	-
<b>Other Capital Assets</b>				
Ending inventory	399,367	75,245	230,694	970,273
Capital sales	2,772	-	4,209	-
Beginning inventory	387,594	61,331	216,659	953,028
Capital purchases	4,737	920	2,600	7,323
Depreciation, capital adjust	9,808	12,994	15,645	9,922
<b>Accounts Payable</b>				
Beginning inventory	65,660	18,103	67,794	92,677
Ending inventory	72,101	23,712	162,892	43,418
Inventory change	-6,442	-5,609	-95,098	49,259
<b>Accrued Interest</b>				
Beginning inventory	24,652	5,445	24,389	50,064
Ending inventory	32,287	5,392	30,428	80,070
Inventory change	-7,634	53	-6,039	-30,006
Total inventory change	309,627	52,803	296,229	693,320
Net operating profit	696,110	109,083	524,284	1,683,583

**Depreciation**  
**2022 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	79	15	16	16
Net operating profit	696,110	109,083	524,284	1,683,583
<b>Machinery and Equipment</b>				
Ending inventory	779,450	187,438	502,120	1,905,966
Capital sales	31,593	4,411	15,301	102,724
Beginning inventory	701,460	197,760	397,098	1,680,525
Capital purchases	180,634	11,235	160,366	499,143
Depreciation, capital adjust.	-71,050	-17,146	-40,042	-170,978
<b>Titled Vehicles</b>				
Ending inventory	54,057	22,683	33,575	117,192
Capital sales	2,171	-	-	5,791
Beginning inventory	46,402	20,459	31,340	103,061
Capital purchases	14,985	3,867	6,344	32,110
Depreciation, capital adjust.	-5,159	-1,643	-4,108	-12,189
<b>Buildings and Improvements</b>				
Ending inventory	321,534	40,716	151,373	869,261
Capital sales	273	87	956	-
Beginning inventory	292,772	41,120	147,410	730,713
Capital purchases	41,503	1,699	9,509	173,547
Depreciation, capital adjust.	-12,468	-2,015	-4,590	-34,999
Total depreciation, capital adj.	-88,677	-20,805	-48,741	-218,166
Net farm income from operations	607,433	88,278	475,544	1,465,418
Gain or loss on capital sales	1,829	-1,351	626	8,137
Net farm income	609,262	86,927	476,170	1,473,555

**Profitability Measures**  
**2022 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	79	15	16	16
<b>Profitability (assets valued at cost)</b>				
Net farm income from operations	607,433	88,278	475,544	1,465,418
Rate of return on assets	15.0 %	7.5 %	18.2 %	16.1 %
Rate of return on equity	23.5 %	10.2 %	35.9 %	26.0 %
Operating profit margin	26.7 %	15.9 %	23.4 %	30.1 %
Asset turnover rate	56.3 %	47.0 %	77.8 %	53.5 %
Farm interest expense	57,563	12,747	47,342	148,247
Value of operator lbr and mgmt.	126,803	39,103	123,939	249,782
Return on farm assets	538,193	61,922	398,947	1,363,883
Average farm assets	3,578,788	827,673	2,187,172	8,456,176
Return on farm equity	480,630	49,175	351,605	1,215,635
Average farm equity	2,048,092	482,492	978,615	4,681,166
Value of farm production	2,016,143	388,721	1,702,069	4,525,020
	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	79	15	16	16
<b>Profitability (assets valued at market)</b>				
Net farm income from operations	534,304	95,014	380,104	1,289,404
Rate of return on assets	8.4 %	4.8 %	9.8 %	9.2 %
Rate of return on equity	13.1 %	6.2 %	17.6 %	14.8 %
Operating profit margin	23.1 %	17.7 %	17.8 %	26.3 %
Asset turnover rate	36.6 %	27.0 %	55.2 %	35.0 %
Farm interest expense	57,563	12,747	47,342	148,247
Value of operator lbr and mgmt.	126,803	39,103	123,939	249,782
Return on farm assets	465,064	68,658	303,507	1,187,870
Average farm assets	5,506,839	1,440,718	3,082,333	12,930,017
Return on farm equity	407,501	55,911	256,165	1,039,622
Average farm equity	3,111,613	897,157	1,451,551	7,023,320
Value of farm production	2,016,143	388,721	1,702,069	4,525,020

**Liquidity & Repayment Capacity Measures**  
**2022 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	79	15	16	16
<b>Liquidity</b>				
Current ratio	2.46	2.83	2.10	2.26
Working capital	815,592	192,661	569,979	1,655,575
Change in working capital	302,039	12,179	273,824	643,233
Working capital to gross revenue	40.4 %	48.3 %	33.4 %	36.5 %
Working capital to oper expense	64.4 %	69.6 %	50.2 %	61.3 %
Current assets	1,374,816	298,200	1,088,525	2,969,168
Current liabilities	559,225	105,539	518,547	1,313,593
Gross revenues (accrual)	2,020,787	398,713	1,706,340	4,532,162
Total operating expenses	1,267,114	276,883	1,134,714	2,700,331
<b>Repayment capacity</b>				
Net farm income from operations	607,433	88,278	475,544	1,465,418
Depreciation	88,677	20,805	48,741	218,166
Personal income	37,949	40,533	42,627	25,529
Family living/owner withdrawals	-107,240	-53,644	-98,221	-189,990
Cash discrepancy	-97	-26	7	-343
Income taxes	-36,101	-5,860	-39,927	-65,413
Interest expense	57,563	12,747	47,342	148,247
Debt repayment capacity	652,402	105,121	481,375	1,609,931
Debt payments	153,786	40,986	122,827	366,825
Repayment margin	498,616	64,135	358,548	1,243,106
Cash replacement allowance	-54,331	-14,627	-19,992	-134,980
Replacement margin	444,285	49,509	338,556	1,108,126
Debt coverage ratio	4.24	2.56	3.92	4.39
Term debt coverage ratio	4.70	2.72	4.39	4.91
Replacement coverage ratio	3.13	1.89	3.37	3.21

**Balance Sheet at Cost Values**  
**2022 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	79	15	16	16
<b>Assets</b>				
<b>Current Farm Assets</b>				
Cash and checking balance	79,032	54,120	92,083	44,689
Prepaid expenses & supplies	253,186	21,608	237,722	687,766
Growing crops	320	-	987	594
Accounts receivable	61,383	9,404	27,742	123,790
Hedging accounts	23,514	-	5,915	85,659
Crops held for sale or feed	934,736	187,717	714,533	2,023,342
Crops under government loan	-	-	-	-
Market livestock held for sale	6,261	25,351	6,559	-
Other current assets	16,384	-	2,985	3,328
Total current farm assets	1,374,816	298,200	1,088,525	2,969,168
<b>Intermediate Farm Assets</b>				
Breeding livestock	12,718	57,013	8,536	-
Machinery and equipment	779,450	187,438	502,120	1,905,966
Titled vehicles	54,057	22,683	33,575	117,192
Other intermediate assets	344,458	65,562	205,835	862,553
Total intermediate farm assets	1,190,683	332,695	750,066	2,885,711
<b>Long Term Farm Assets</b>				
Farm land	898,231	204,893	466,504	2,212,131
Buildings and improvements	321,534	40,716	151,373	869,261
Other long-term assets	54,909	9,684	24,859	107,720
Total long-term farm assets	1,274,673	255,293	642,737	3,189,113
Total Farm Assets	3,840,173	886,189	2,481,328	9,043,992
Total Nonfarm Assets	454,281	184,527	404,298	905,633
Total Assets	4,294,454	1,070,716	2,885,626	9,949,625
<b>Liabilities</b>				
<b>Current Farm Liabilities</b>				
Accrued interest	32,287	5,392	30,428	80,070
Accounts payable	72,101	23,712	162,892	43,418
Current notes	358,043	52,026	258,743	953,475
Government crop loans	-	-	-	-
Principal due on term debt	96,794	24,408	66,484	236,630
Total current farm liabilities	559,225	105,539	518,547	1,313,593
Total intermediate farm liabs	226,935	70,559	261,662	494,731
Total long term farm liabilities	770,934	197,743	544,330	1,974,448
Total farm liabilities	1,557,094	373,841	1,324,539	3,782,773
Total nonfarm liabilities	139,773	62,043	120,347	333,965
Total liabilities	1,696,867	435,885	1,444,885	4,116,737
Net worth (farm and nonfarm)	2,597,587	634,831	1,440,741	5,832,888
Net worth change	500,219	69,952	376,385	1,230,145
Percent net worth change	24 %	12 %	35 %	27 %
<b>Ratio Analysis</b>				
Current farm liabilities / assets	41 %	35 %	48 %	44 %
Intermediate farm liab. / assets	19 %	21 %	35 %	17 %
Long term farm liab. / assets	60 %	77 %	85 %	62 %
Total debt to asset ratio	40 %	41 %	50 %	41 %

**Balance Sheet at Market Values**  
**2022 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	79	15	16	16
<b>Assets</b>				
<b>Current Farm Assets</b>				
Cash and checking balance	79,032	54,120	92,083	44,689
Prepaid expenses & supplies	253,186	21,608	237,722	687,766
Growing crops	320	-	987	594
Accounts receivable	61,383	9,404	27,742	123,790
Hedging accounts	23,514	-	5,915	85,659
Crops held for sale or feed	934,736	187,717	714,533	2,023,342
Crops under government loan	-	-	-	-
Market livestock held for sale	6,261	25,351	6,559	-
Other current assets	16,384	-	2,985	3,328
<b>Total current farm assets</b>	<b>1,374,816</b>	<b>298,200</b>	<b>1,088,525</b>	<b>2,969,168</b>
<b>Intermediate Farm Assets</b>				
Breeding livestock	12,975	58,267	8,536	-
Machinery and equipment	1,072,232	252,418	636,016	2,622,698
Titled vehicles	75,538	25,786	45,599	159,994
Other intermediate assets	517,939	278,921	299,844	1,087,919
<b>Total intermediate farm assets</b>	<b>1,678,684</b>	<b>615,391</b>	<b>989,995</b>	<b>3,870,610</b>
<b>Long Term Farm Assets</b>				
Farm land	2,250,130	522,739	1,107,887	5,411,072
Buildings and improvements	412,808	56,137	186,656	1,112,089
Other long-term assets	90,561	12,992	29,235	220,725
<b>Total long-term farm assets</b>	<b>2,753,499</b>	<b>591,869</b>	<b>1,323,778</b>	<b>6,743,886</b>
<b>Total Farm Assets</b>	<b>5,807,000</b>	<b>1,505,460</b>	<b>3,402,297</b>	<b>13,583,664</b>
<b>Total Nonfarm Assets</b>	<b>648,573</b>	<b>225,847</b>	<b>656,993</b>	<b>1,137,086</b>
<b>Total Assets</b>	<b>6,455,573</b>	<b>1,731,307</b>	<b>4,059,291</b>	<b>14,720,750</b>
<b>Liabilities</b>				
<b>Current Farm Liabilities</b>				
Accrued interest	32,287	5,392	30,428	80,070
Accounts payable	72,101	23,712	162,892	43,418
Current notes	358,043	52,026	258,743	953,475
Government crop loans	-	-	-	-
Principal due on term debt	96,794	24,408	66,484	236,630
<b>Total current farm liabilities</b>	<b>559,225</b>	<b>105,539</b>	<b>518,547</b>	<b>1,313,593</b>
<b>Total intermediate farm liabs</b>	<b>226,935</b>	<b>70,559</b>	<b>261,662</b>	<b>494,731</b>
<b>Total long term farm liabilities</b>	<b>770,934</b>	<b>197,743</b>	<b>544,330</b>	<b>1,974,448</b>
<b>Total farm liabilities</b>	<b>1,557,094</b>	<b>373,841</b>	<b>1,324,539</b>	<b>3,782,773</b>
<b>Total nonfarm liabilities</b>	<b>139,773</b>	<b>62,043</b>	<b>120,347</b>	<b>333,965</b>
<b>Total liabs excluding deferreds</b>	<b>1,696,867</b>	<b>435,885</b>	<b>1,444,885</b>	<b>4,116,737</b>
<b>Total deferred liabilities</b>	<b>981,179</b>	<b>205,626</b>	<b>548,273</b>	<b>2,337,179</b>
<b>Total liabilities</b>	<b>2,678,046</b>	<b>641,511</b>	<b>1,993,159</b>	<b>6,453,916</b>
<b>Retained earnings</b>	<b>2,597,587</b>	<b>634,831</b>	<b>1,440,741</b>	<b>5,832,888</b>
<b>Market valuation equity</b>	<b>1,179,940</b>	<b>454,965</b>	<b>625,391</b>	<b>2,433,947</b>
<b>Net worth (farm and nonfarm)</b>	<b>3,777,527</b>	<b>1,089,796</b>	<b>2,066,132</b>	<b>8,266,834</b>
<b>Net worth excluding deferreds</b>	<b>4,758,706</b>	<b>1,295,422</b>	<b>2,614,405</b>	<b>10,604,013</b>
<b>Net worth change</b>	<b>403,205</b>	<b>88,908</b>	<b>235,228</b>	<b>1,045,428</b>
<b>Percent net worth change</b>	<b>12 %</b>	<b>9 %</b>	<b>13 %</b>	<b>14 %</b>
<b>Ratio Analysis</b>				
Current farm liabilities / assets	41 %	35 %	48 %	44 %
Intermediate farm liab. / assets	14 %	11 %	26 %	13 %
Long term farm liab. / assets	28 %	33 %	41 %	29 %
Total debt to asset ratio	41 %	37 %	49 %	44 %
Debt to assets excl deferreds	26 %	25 %	36 %	28 %

**Statement Of Cash Flows**  
**2022 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	79	15	16	16
Beginning cash (farm & nonfarm)	99,972	82,741	112,767	87,276
<b>Cash Provided By Operating Activities</b>				
Gross cash farm income	1,744,383	348,733	1,430,733	4,018,242
Total cash farm expense	-1,357,900	-292,453	-1,202,678	-3,027,979
Net cash from hedging transactions	-20,600	-	-4,191	-43,946
Cash provided by operating	365,883	56,280	223,864	946,317
<b>Cash Provided By Investing Activities</b>				
Sale of breeding livestock	598	3,150	-	-
Sale of machinery & equipment	32,486	3,060	14,983	109,854
Sale of titled vehicles	2,739	-	-	6,798
Sale of farm land	20,611	-	-	25,099
Sale of farm buildings	465	87	1,900	-
Sale of other farm assets	2,772	-	4,209	-
Sale of nonfarm assets	7,903	2,687	8,656	9,213
Purchase of breeding livestock	-12	-	-	-
Purchase of machinery & equip.	-180,634	-11,235	-160,366	-499,143
Purchase of titled vehicles	-14,985	-3,867	-6,344	-32,110
Purchase of farm land	-81,106	-81,743	-68,319	-114,914
Purchase of farm buildings	-41,503	-1,699	-9,509	-173,547
Purchase of other farm assets	-4,737	-920	-2,600	-7,323
Purchase of nonfarm assets	-47,696	-12,097	-25,882	-141,254
Cash provided by investing	-303,096	-102,577	-243,270	-817,328
<b>Cash Provided By Financing Activities</b>				
Money borrowed	761,884	175,930	636,809	1,799,188
Principal payments	-720,425	-121,632	-520,854	-1,717,086
Personal income	37,949	40,533	42,627	25,529
Family living/owner withdrawals	-107,240	-53,644	-98,221	-189,990
Income and social security tax	-30,992	-5,498	-31,693	-67,602
Capital contributions	289	1,524	-	-
Capital distributions	-331	-	-	-1,386
Dividends paid	-	-	-	-
Cash gifts and inheritances	2,516	333	-	6,113
Gifts given	-2,374	-59	-1,875	-7,793
Other cash flows	-	-	-	-
Cash provided by financing	-58,724	37,487	26,793	-153,028
Net change in cash balance	4,063	-8,809	7,387	-24,040
Ending cash (farm & nonfarm)	103,938	73,905	120,161	62,893
Discrepancy	97	26	-7	343

**Financial Standards Measures**  
**2022 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	79	15	16	16
<b>Liquidity</b>				
Current ratio	2.46	2.83	2.10	2.26
Working capital to gross revenue	40.4 %	48.3 %	33.4 %	36.5 %
Working capital to oper expense	64.4 %	69.6 %	50.2 %	61.3 %
<b>Solvency (market)</b>				
Farm debt to asset ratio	43 %	38 %	54 %	45 %
Farm equity to asset ratio	57 %	62 %	46 %	55 %
Farm debt to equity ratio	0.75	0.62	1.15	0.81
<b>Profitability (cost)</b>				
Rate of return on farm assets	15.0 %	7.5 %	18.2 %	16.1 %
Rate of return on farm equity	23.5 %	10.2 %	35.9 %	26.0 %
Operating profit margin	26.7 %	15.9 %	23.4 %	30.1 %
Asset turnover rate	56.3 %	47.0 %	77.8 %	53.5 %
<b>Repayment Capacity</b>				
Debt coverage ratio	4.24	2.56	3.92	4.39
Term debt coverage ratio	4.70	2.72	4.39	4.91
Replacement coverage ratio	3.13	1.89	3.37	3.21
<b>Efficiency</b>				
Operating expense ratio	62.7 %	69.4 %	66.5 %	59.6 %
Depreciation expense ratio	4.4 %	5.2 %	2.9 %	4.8 %
Interest expense ratio	2.8 %	3.2 %	2.8 %	3.3 %
Net farm income ratio	30.1 %	22.1 %	27.9 %	32.3 %



**Crop Production and Marketing Summary**  
**2022 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	79	15	16	16
<b>Acreage Summary</b>				
Total acres owned	477	98	227	1,136
Total crop acres	1,897	497	1,750	3,964
Crop acres owned	324	78	202	702
Crop acres cash rented	1,525	416	1,529	3,233
Crop acres share rented	48	3	18	29
Total pasture acres	30	131	25	-
Percent crop acres owned	17 %	16 %	12 %	18 %
Mach invest/crop acre cost	392	431	275	439
Mach invest/crop acre market	522	563	349	566
<b>Average Price Received (Cash Sales Only)</b>				
Soybeans per bushel	13.55	13.07	13.32	13.56
Corn per bushel	5.91	5.57	5.76	5.95
Wheat, Spring per bushel	9.23	9.47	9.03	9.13
Soybeans Seed per bushel	15.29	-	-	-
Hay, Alfalfa per ton	155.58	-	-	-
Straw per ton	70.03	-	-	-
<b>Average Yield Per Acre</b>				
Soybeans (bushel)	44.36	43.44	44.40	45.98
Sugar Beets (ton)	26.63	21.43	28.17	26.60
Corn (bushel)	176.79	160.73	174.42	174.23
Wheat, Spring (bushel)	70.19	65.41	64.80	72.27
Soybeans Seed (bushel)	46.95	-	-	46.97
Hay, Alfalfa (ton)	2.97	2.45	-	-
Barley (bushel)	92.25	-	-	-
Soybeans, Food (bushel)	35.53	34.99	-	-
Hay, Grass (ton)	3.19	-	-	-
Sunflowers (cwt)	23.60	-	-	-

**Household and Personal Expenses**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Net Farm Income)**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>
Number of farms	27	6
Average family size	2.5	2.3
Family Living Expenses		
Food and meals expense	18,069	10,036
Medical care	5,511	1,675
Health insurance	6,043	2,026
Cash donations	2,866	800
Household supplies	4,720	2,967
Clothing	3,213	1,676
Personal care	2,377	1,654
Child / Dependent care	962	2,091
Alimony and child support	-	-
Gifts	3,155	1,320
Education	2,654	216
Recreation	9,539	4,666
Utilities (household share)	4,704	4,790
Personal vehicle operating exp	5,298	5,339
Household real estate taxes	2,203	1,407
Dwelling rent	1,584	833
Household repairs	3,503	1,963
Personal interest	5,272	4,363
Disability / Long term care ins	466	-
Life insurance payments	2,974	307
Personal property insurance	791	1,137
Miscellaneous	9,564	2,118
Total cash family living expense	95,468	51,382
Family living from the farm	-	-
Total family living	95,468	51,382
Other Nonfarm Expenditures		
Income taxes	33,644	9,211
Furnishing & appliance purchases	171	354
Nonfarm vehicle purchases	11,322	1,433
Nonfarm real estate purchases	4,407	2,150
Other nonfarm capital purchases	-5,371	-
Nonfarm savings & investments	17,752	-4,543
Total other nonfarm expenditures	61,925	8,606
Total cash family living investment & nonfarm capital purch	157,393	59,987

**Statement Of Owner's Equity**  
**2022 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	79	15	16	16
Beginning net worth	3,374,322	1,000,888	1,830,904	7,221,406
Net farm income	609,262	86,927	476,170	1,473,555
Personal income	37,949	40,533	42,627	25,529
Family living/owner withdrawals	-107,240	-53,644	-98,221	-189,990
Discrepancy	-99	-26	8	-357
Dividends paid	-	-	-	-
Income taxes (accrued)	-36,101	-5,860	-39,927	-65,413
Change in personal assets	-3,553	94	-2,662	-10,206
Change in nonfarm accounts payable	-98	130	265	93
Total change in retained earnings	500,122	68,154	378,260	1,233,225
Capital contributions	289	1,524	-	-
Gifts and inheritances received	2,516	333	-	6,113
Debts forgiven	-	-	-	-
Gifts given	-2,374	-59	-1,875	-7,793
Capital distributions	-331	-	-	-1,386
Total change in contributed capital	100	1,798	-1,875	-3,067
Chg in mkt value of capital assets	48,102	25,310	5,788	121,482
Change in deferred liabilities (-)	-145,117	-6,354	-146,945	-306,199
Total change in market valuation	-97,015	18,956	-141,157	-184,717
Total change in net worth	403,208	88,909	235,228	1,045,442
Ending net worth	3,777,527	1,089,796	2,066,132	8,266,834

**Operator and Labor Information**  
**2022 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	79	15	16	16
<b>Operator Information</b>				
Average number of operators	1.1	0.7	1.0	1.6
Average age of operators	47.6	43.5	40.9	50.0
Average number of years farming	23.6	18.6	17.3	27.7
<b>Results Per Operator</b>				
Working capital	755,089	279,760	569,979	1,018,815
Total assets (market)	5,976,682	2,513,998	4,059,291	9,058,923
Total liabilities	2,479,382	931,526	1,993,159	3,971,641
Net worth (market)	3,497,300	1,582,472	2,066,132	5,087,283
Net worth excl deferred liabs	4,405,693	1,881,058	2,614,405	6,525,546
Gross farm income	1,870,880	578,963	1,706,340	2,789,023
Total farm expense	1,308,508	450,776	1,230,797	1,887,227
Net farm income from operations	562,372	128,187	475,544	901,796
Net nonfarm income	35,134	58,857	42,627	15,710
Family living & tax withdrawals	132,797	86,443	138,140	157,382
Total acres owned	441.2	142.0	226.8	699.0
Total crop acres	1,755.8	722.0	1,750.0	2,439.4
Crop acres owned	299.9	113.3	202.3	432.1
Crop acres cash rented	1,411.9	603.9	1,529.3	1,989.5
Crop acres share rented	44.1	4.8	18.4	17.9
Total pasture acres	27.7	190.2	25.0	-
<b>Labor Analysis</b>				
Number of farms	77	15	16	16
Total unpaid labor hours	1,747	998	1,938	2,500
Total hired labor hours	2,691	708	2,274	6,812
Total labor hours per farm	4,438	1,706	4,211	9,312
Unpaid hours per operator	1,614	1,449	1,938	1,538
Value of farm production / hour	457.22	227.82	404.20	485.96
Net farm income / unpaid hour	347.95	88.47	245.44	586.17
Average hourly hired labor wage	28.18	36.63	22.87	29.68
<b>Partnerships &amp; LLCs</b>				
Number of farms	8	1	-	5
Number of operators	1.9	-	-	2.2
Owner withdrawals per farm	-	-	-	-
Withdrawals per operator	-	-	-	-
<b>Corporations</b>				
Number of farms	5	1	-	-
Number of operators	1.2	-	-	-

**Nonfarm Summary**  
**2022 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	79	15	16	16
<b>Nonfarm Income</b>				
Personal wages & salary	22,410	33,146	26,200	7,087
Net nonfarm business income	5,576	305	9,499	5,663
Personal rental income	2,096	-	3,365	6,385
Personal interest income	165	121	0	378
Personal cash dividends	589	45	-	1,679
Tax refunds	1,041	1,816	500	214
Other nonfarm income	6,071	5,099	3,063	4,124
Total nonfarm income	37,949	40,533	42,627	25,529
Gifts and inheritances	2,516	333	-	6,113
<b>Nonfarm Assets (market)</b>				
Checking & savings	24,905	19,785	28,078	18,204
Stocks & bonds	57,282	7,754	237,699	4,075
Other current assets	14,966	3,700	41,746	4,695
Furniture & appliances	11,029	6,775	6,781	14,469
Nonfarm vehicles	34,506	12,986	28,703	51,968
Cash value of life ins.	15,698	13,051	11,161	19,692
Retirement accounts	158,581	45,034	48,543	174,897
Other intermediate assets	22,629	3,253	88,734	14,010
Nonfarm real estate	242,828	74,575	159,121	577,424
Personal bus. investment	16,932	-	5,711	75,861
Other long term assets	49,217	38,933	718	181,792
Total nonfarm assets	648,573	225,847	656,993	1,137,086
<b>Nonfarm Liabilities</b>				
Accrued interest	278	60	448	588
Accounts payable	709	77	922	188
Current notes	512	1,059	-	-
Princ due on term debt	9,313	3,918	12,737	18,712
Total current liabilities	39,551	8,894	38,982	70,895
Intermediate liabilities	9,240	3,521	21,217	6,779
Long term liabilities	90,982	49,629	60,148	256,292
Total nonfarm liabilities	139,773	62,043	120,347	333,965
Nonfarm net worth	508,800	163,803	536,646	803,121
Nonfarm debt to asset ratio	22 %	27 %	18 %	29 %

**Financial Summary Excluding Deferred Liabilities**  
**2022 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	79	15	16	16
<b>Income Statement</b>				
Gross cash farm income	1,744,383	348,733	1,430,733	4,018,242
Total cash farm expense	1,357,900	292,453	1,202,678	3,027,979
Net cash farm income	386,483	56,280	228,055	990,263
Inventory change	309,627	52,803	296,229	693,320
Depreciation	-88,677	-20,805	-48,741	-218,166
Net farm income from operations	607,433	88,278	475,544	1,465,418
Gain or loss on capital sales	1,829	-1,351	626	8,137
Average net farm income	609,262	86,927	476,170	1,473,555
Median net farm income	487,409	67,208	481,515	1,289,650
<b>Profitability (cost)</b>				
Rate of return on assets	15.0 %	7.5 %	18.2 %	16.1 %
Rate of return on equity	23.5 %	10.2 %	35.9 %	26.0 %
Operating profit margin	26.7 %	15.9 %	23.4 %	30.1 %
Asset turnover rate	56.3 %	47.0 %	77.8 %	53.5 %
<b>Profitability (market)</b>				
Rate of return on assets	8.4 %	4.8 %	9.8 %	9.2 %
Rate of return on equity	10.6 %	5.4 %	14.6 %	11.8 %
Operating profit margin	23.1 %	17.7 %	17.8 %	26.3 %
Asset turnover rate	36.6 %	27.0 %	55.2 %	35.0 %
<b>Liquidity &amp; Repayment (end of year)</b>				
Current assets	1,374,816	298,200	1,088,525	2,969,168
Current liabilities	559,225	105,539	518,547	1,313,593
Current ratio	2.46	2.83	2.10	2.26
Working capital	815,592	192,661	569,979	1,655,575
Change in working capital	302,039	12,179	273,824	643,233
Working capital to gross revenue	40.4 %	48.3 %	33.4 %	36.5 %
Working capital to oper expense	64.4 %	69.6 %	50.2 %	61.3 %
Debt coverage ratio	4.24	2.56	3.92	4.39
Term debt coverage ratio	4.70	2.72	4.39	4.91
Replacement coverage ratio	3.13	1.89	3.37	3.21
Term debt to EBITDA	1.30	1.80	1.23	1.37
<b>Solvency (end of year at cost)</b>				
Number of farms	79	15	16	16
Total assets	4,294,454	1,070,716	2,885,626	9,949,625
Total liabilities	1,696,867	435,885	1,444,885	4,116,737
Net worth	2,597,587	634,831	1,440,741	5,832,888
Net worth change	500,219	69,952	376,385	1,230,145
Farm debt to asset ratio	41 %	42 %	53 %	42 %
Total debt to asset ratio	40 %	41 %	50 %	41 %
Change in earned net worth %	24 %	12 %	35 %	27 %
<b>Solvency (end of year at market)</b>				
Number of farms	79	15	16	16
Total assets	6,455,573	1,731,307	4,059,291	14,720,750
Total liabilities	1,696,867	435,885	1,444,885	4,116,737
Net worth	4,758,706	1,295,422	2,614,405	10,604,013
Total net worth change	548,322	95,262	382,173	1,351,627
Farm debt to asset ratio	27 %	25 %	39 %	28 %
Total debt to asset ratio	26 %	25 %	36 %	28 %
Change in total net worth %	13 %	8 %	17 %	15 %
<b>Nonfarm Information</b>				
Net nonfarm income	37,949	40,533	42,627	25,529
Farms reporting living expenses	27	6	4	3
Total family living expense	95,468	51,382	-	-
Total living, invest, cap. purch	157,393	59,987	-	-
<b>Crop Acres</b>				
Total crop acres	1,897	497	1,750	3,964
Total crop acres owned	324	78	202	702
Total crop acres cash rented	1,525	416	1,529	3,233
Total crop acres share rented	48	3	18	29
Machinery value per crop acre	522	563	349	566

**Summary Farm Income Statement**  
**2022 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	79	15	16	16
Crop sales	1,499,851	289,238	1,272,625	3,466,928
Crop inventory change	282,556	39,428	274,774	529,443
Gross crop income	1,782,407	328,666	1,547,399	3,996,372
Livestock sales	8,350	23,862	9,860	8,806
Livestock inventory change	-4,077	-12,275	-1,433	-6,993
Gross livestock income	4,274	11,587	8,426	1,813
Government payments	80,912	17,643	48,910	195,885
Other cash farm income	155,269	17,990	99,338	346,623
Change in accounts receivable	4,502	-2,289	-5,001	6,472
Gain or loss on hedging accounts	-17,431	-	-2,108	-24,996
Change in other assets	9,647	12,994	14,777	9,994
Gain or loss on breeding lvst	1,208	12,122	-5,402	-
Gross farm income	2,020,787	398,713	1,706,340	4,532,162
Cash operating expenses	1,307,972	279,654	1,161,375	2,909,737
Change in prepaids and supplies	-47,312	-8,417	-122,382	-159,554
Change in growing crops	13	37	623	-594
Change in accounts payable	6,442	5,609	95,098	-49,259
Depreciation	88,677	20,805	48,741	218,166
Total operating expense	1,355,791	297,688	1,183,455	2,918,497
Interest paid	49,929	12,800	41,303	118,242
Change in accrued interest	7,634	-53	6,039	30,006
Total interest expense	57,563	12,747	47,342	148,247
Total expenses	1,413,354	310,434	1,230,797	3,066,745
Net farm income from operations	607,433	88,278	475,544	1,465,418
Gain or loss on capital sales	1,829	-1,351	626	8,137
Net farm income	609,262	86,927	476,170	1,473,555

## Per Operator Information

Moorhead Farm Business Management Program - Northland College

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Number of Farms</b>	79	80	87	79	76
<b>Operator Information</b>					
Ave Age of Operator	47.6	47.5	47.6	47.2	46.7
Ave Years Farming	23.6	23.6	24.9	24.4	23.7
<b>Net Farm Income / Op</b>					
Net Non-farm Income	562,372	384,349	204,698	22,624	135,779
Family Living + Income Taxes	31,777	36,082	31,106	24,939	31,624
	109,508	120,231	91,386	99,626	103,499
<b>Crop Acres per Operator</b>					
Total Crop Acres	1,755.8	1,962.9	1,888.7	1,807.1	1,909.9
Crop Acres Owned	299.9	413.3	426.1	363.9	450.9
Crop Acres Cash Rented	1,411.9	1,546.0	1,487.9	1,405.5	1,488.3
Crop Acres Share Rented	44.1	40.2	44.8	37.6	27.7
<b>Labor Analysis</b>					
Total labor Hours per farm	4,438	5,058	5,163	5,271	5,118
Value of farm prod/hour	457.22	316.58	254.03	213.62	233.58
Net farm Income / unpaid hour	347.95	209.76	111.34	12.78	86.12



**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Corn on Owned Land**

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	28	5	5	6
Acres	248.15	446.58	273.73	208.00
Yield per acre (bu.)	176.59	166.54	179.41	198.50
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	6.22	6.21	6.17	6.46
Total product return per acre	1,098.06	1,034.13	1,106.39	1,282.45
Hedging gains/losses per acre	-16.94	-	-21.66	-66.98
Other crop income per acre	5.25	2.68	4.57	5.57
Gross return per acre	1,086.37	1,036.81	1,089.30	1,221.04
<b>Direct Expenses</b>				
Seed and plants	95.91	96.23	100.80	84.86
Fertilizer	210.16	228.12	212.58	180.02
Crop chemicals	39.49	59.44	27.25	26.78
Crop insurance	25.87	29.85	24.62	23.60
Drying expense	5.32	1.13	4.79	10.56
Storage	0.40	0.73	0.26	-
Fuel & oil	38.89	42.63	31.85	44.43
Repairs	74.56	77.35	72.59	85.24
Custom hire	3.90	4.94	1.82	4.53
Hired labor	1.50	-	-	6.71
Machinery leases	1.16	1.33	-	-
Hauling and trucking	1.82	0.13	7.64	0.17
Marketing	1.13	0.52	3.14	0.78
Operating interest	10.70	13.68	11.30	5.17
Miscellaneous	4.61	2.15	3.63	10.87
Total direct expenses per acre	515.44	558.23	502.26	483.73
Return over direct exp per acre	570.93	478.58	587.04	737.31
<b>Overhead Expenses</b>				
Hired labor	30.91	32.48	28.89	51.88
Machinery leases	3.08	3.97	-	1.43
RE & pers. property taxes	29.20	28.46	27.58	38.37
Farm insurance	9.67	8.96	11.32	8.85
Utilities	5.48	3.98	9.28	5.06
Dues & professional fees	4.64	2.80	3.37	5.45
Interest	89.63	141.46	74.87	35.51
Mach & bldg depreciation	47.36	49.84	22.76	57.07
Miscellaneous	5.98	5.47	6.20	4.85
Total overhead expenses per acre	225.95	277.42	184.26	208.46
Total dir & ovhd expenses per acre	741.40	835.65	686.52	692.19
Net return per acre	344.97	201.16	402.78	528.85
Government payments	0.02	-	-	0.04
Net return with govt pmts	344.99	201.16	402.78	528.89
Labor & management charge	70.02	67.10	85.32	47.57
Net return over lbr & mgt	274.97	134.06	317.46	481.31
<b>Cost of Production</b>				
Total direct expense per bu.	2.92	3.35	2.80	2.44
Total dir & ovhd exp per bu.	4.20	5.02	3.83	3.49
Less govt & other income	4.26	5.00	3.92	3.80
With labor & management	4.66	5.40	4.40	4.04
Net value per unit	6.12	6.21	6.05	6.12
Machinery cost per acre	164.72	181.71	127.00	180.30
Est. labor hours per acre	2.33	1.98	2.16	2.69

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Corn on Cash Rent**

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	49	9	10	10
Acres	459.59	621.61	330.11	326.23
Yield per acre (bu.)	175.58	155.45	183.10	192.69
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	6.11	5.85	6.23	6.40
Total product return per acre	1,073.69	910.11	1,140.08	1,233.30
Hedging gains/losses per acre	-14.71	-22.56	-38.14	-
Crop insurance per acre	0.51	-	-	2.05
Other crop income per acre	4.43	5.31	3.63	4.18
Gross return per acre	1,063.91	892.87	1,105.57	1,239.53
<b>Direct Expenses</b>				
Seed and plants	95.68	93.73	91.00	97.34
Fertilizer	205.23	212.70	193.77	197.72
Crop chemicals	37.82	36.05	28.72	37.93
Crop insurance	27.47	29.25	23.61	26.35
Drying expense	7.19	6.83	12.83	9.04
Storage	0.68	-	0.41	1.00
Fuel & oil	41.93	50.29	45.97	40.82
Repairs	66.73	61.47	85.02	48.86
Custom hire	8.02	7.97	4.92	4.24
Hired labor	1.51	1.85	3.82	0.62
Land rent	153.99	159.87	160.89	133.94
Machinery leases	1.53	0.56	0.25	-
Hauling and trucking	1.34	-	-	0.32
Marketing	0.78	0.39	1.10	1.36
Operating interest	10.34	9.91	9.72	6.09
Miscellaneous	4.25	3.38	6.54	3.17
Total direct expenses per acre	664.48	674.24	668.57	608.80
Return over direct exp per acre	399.43	218.63	437.00	630.72
<b>Overhead Expenses</b>				
Hired labor	25.72	20.78	36.25	9.02
Machinery leases	3.50	5.40	1.47	12.38
Building leases	1.39	2.64	-	2.98
Farm insurance	8.80	9.66	10.70	5.59
Utilities	4.85	4.13	7.88	3.90
Dues & professional fees	3.68	3.46	5.02	3.39
Interest	6.30	11.64	1.78	3.59
Mach & bldg depreciation	46.55	56.92	53.14	33.47
Miscellaneous	3.74	3.96	5.36	3.07
Total overhead expenses per acre	104.53	118.60	121.62	77.38
Total dir & ovhd expenses per acre	769.01	792.84	790.18	686.18
Net return per acre	294.90	100.02	315.39	553.34
Government payments	0.01	0.01	-	-
Net return with govt pmts	294.91	100.04	315.39	553.34
Labor & management charge	72.65	65.24	52.28	85.35
Net return over lbr & mgt	222.26	34.80	263.10	467.99
<b>Cost of Production</b>				
Total direct expense per bu.	3.78	4.34	3.65	3.16
Total dir & ovhd exp per bu.	4.38	5.10	4.32	3.56
Less govt & other income	4.44	5.21	4.50	3.53
With labor & management	4.85	5.63	4.79	3.97
Net value per unit	6.03	5.71	6.02	6.40
Machinery cost per acre	168.40	188.45	181.40	139.17
Est. labor hours per acre	2.37	2.00	2.42	2.38

# Corn on Cash Rented Land

## Moorhead Farm Business Management Program - Northland College

	<u>5-yr Average</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Number of Fields	45	49	48	39	46	41
Acres	507.59	459.59	625.95	483.42	483.07	485.92
Yield per Acre	163.49	175.58	131.27	164.58	161.57	184.43
** Value per Unit	4.47	6.11	5.45	4.08	3.40	3.29
Product Value	723.12	1,073.69	715.18	671.89	548.58	606.27
Other Income	34.33	-9.77	38.77	51.95	71.01	19.69
<b>Gross Return</b>	<b>757.45</b>	<b>1,063.91</b>	<b>753.95</b>	<b>723.84</b>	<b>619.59</b>	<b>625.96</b>
<b>Direct Costs</b>						
Seed	90.94	95.68	89.97	88.37	88.45	92.22
Fertilizer	131.29	205.23	126.37	118.45	105.36	101.04
Chemicals	30.38	37.82	30.31	30.88	28.08	24.80
Crop Insurance	22.30	27.47	22.06	23.77	20.48	17.72
Fuel & Oil	28.32	41.93	24.40	24.89	24.81	25.59
Repairs	48.99	66.73	50.68	47.51	44.52	35.53
Custom Hire	6.74	9.36	6.06	7.31	5.05	5.91
Land Rent	135.95	153.99	137.67	122.87	129.64	135.58
Other Direct Exp	30.84	24.77	22.01	30.47	40.49	36.46
Total Direct	526.05	664.48	509.54	494.51	486.88	474.82
Return over Direct	231.41	399.43	244.41	229.33	132.71	151.15
<b>Overhead Costs</b>						
Other Labor	25.53	25.72	23.55	29.02	26.14	23.20
Intermediate Interest	4.78	6.30	4.11	3.79	4.55	5.15
Depreciation	41.70	46.55	38.88	37.21	43.94	41.92
Other Overhead Exp	28.28	25.96	25.27	26.79	32.15	31.23
Total Ovhd Expenses	100.29	104.53	91.81	96.81	106.79	101.50
<b>Total Direct/Ovhd Expenses</b>	<b>626.34</b>	<b>769.01</b>	<b>601.35</b>	<b>591.32</b>	<b>593.68</b>	<b>576.32</b>
<b>*** Net Return</b>	<b>131.12</b>	<b>294.90</b>	<b>152.60</b>	<b>132.52</b>	<b>25.91</b>	<b>49.65</b>

\*\* - Value per Unit is a combination of actual Fall selling price and/or value on Dec 31st of that crop year.

\*\*\* - Net Return does **not** include direct government income or principal payment expenses or personal draw expenses

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Hay, Alfalfa on Cash Rent**

	<u>Avg. Of All Farms</u>
Number of farms	7
Acres	144.29
Yield per acre (ton)	3.37
Operators share of yield %	100.00
Value per ton	137.81
Total product return per acre	464.89
Other crop income per acre	2.01
Gross return per acre	466.90
<b>Direct Expenses</b>	
Fertilizer	43.00
Crop insurance	1.99
Packaging and supplies	3.85
Fuel & oil	38.89
Repairs	62.02
Custom hire	0.95
Land rent	157.88
Machinery leases	3.30
Hauling and trucking	0.74
Operating interest	10.13
Miscellaneous	0.29
Total direct expenses per acre	323.04
Return over direct exp per acre	143.86
<b>Overhead Expenses</b>	
Hired labor	18.68
Machinery leases	5.76
Building leases	0.72
Farm insurance	8.97
Utilities	3.51
Dues & professional fees	3.85
Interest	12.15
Mach & bldg depreciation	35.18
Miscellaneous	1.31
Total overhead expenses per acre	90.15
Total dir & ovhd expenses per acre	413.19
Net return per acre	53.71
Government payments	-
Net return with govt pmts	53.71
Labor & management charge	60.99
Net return over lbr & mgt	-7.28
<b>Cost of Production</b>	
Total direct expense per ton	95.76
Total dir & ovhd exp per ton	122.49
Less govt & other income	121.89
With labor & management	139.97
Net value per unit	137.81
Machinery cost per acre	156.42
Est. labor hours per acre	2.25

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Soybeans on Owned Land**

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	30	6	6	6
Acres	228.04	106.22	241.46	226.78
Yield per acre (bu.)	44.64	38.22	40.81	51.20
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	13.99	13.93	14.09	14.00
Total product return per acre	624.33	532.26	575.03	716.64
Hedging gains/losses per acre	-1.25	-	-	-
Crop insurance per acre	1.86	-	1.67	0.93
Other crop income per acre	7.96	5.35	12.01	4.33
Gross return per acre	632.89	537.61	588.71	721.90
<b>Direct Expenses</b>				
Seed and plants	63.49	67.46	66.77	66.92
Fertilizer	15.19	32.68	10.06	9.26
Crop chemicals	45.96	42.62	52.52	42.91
Crop insurance	23.64	22.20	24.05	23.18
Fuel & oil	21.70	21.37	20.35	19.60
Repairs	34.20	35.80	18.79	36.91
Custom hire	2.69	4.80	8.09	0.78
Marketing	0.38	-	0.08	0.62
Operating interest	4.62	4.94	4.88	8.40
Miscellaneous	3.60	4.24	3.23	1.15
Total direct expenses per acre	215.46	236.11	208.83	209.72
Return over direct exp per acre	417.43	301.51	379.89	512.18
<b>Overhead Expenses</b>				
Hired labor	12.42	16.76	8.06	17.87
Machinery leases	0.72	0.02	0.00	2.10
RE & pers. property taxes	29.12	23.41	21.71	41.33
Farm insurance	8.13	8.19	6.37	6.12
Utilities	3.78	5.63	2.07	2.74
Dues & professional fees	3.82	3.65	2.05	3.21
Interest	53.96	83.03	52.56	60.96
Mach & bldg depreciation	30.82	27.41	21.29	21.02
Miscellaneous	4.23	3.35	2.38	1.23
Total overhead expenses per acre	147.00	171.44	116.50	156.57
Total dir & ovhd expenses per acre	362.46	407.55	325.32	366.29
Net return per acre	270.43	130.06	263.39	355.61
Government payments	0.03	0.08	-	0.14
Net return with govt pmts	270.47	130.14	263.39	355.75
Labor & management charge	44.12	42.53	50.34	38.72
Net return over lbr & mgt	226.35	87.61	213.05	317.03
<b>Cost of Production</b>				
Total direct expense per bu.	4.83	6.18	5.12	4.10
Total dir & ovhd exp per bu.	8.12	10.66	7.97	7.15
Less govt & other income	7.93	10.52	7.64	7.05
With labor & management	8.92	11.63	8.87	7.81
Net value per unit	13.96	13.93	14.09	14.00
Machinery cost per acre	88.26	87.70	67.66	83.81
Est. labor hours per acre	1.42	1.74	1.24	1.26

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Soybeans on Cash Rent**

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	61	12	12	13
Acres	704.68	905.39	572.22	460.04
Yield per acre (bu.)	44.17	39.99	45.90	51.63
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	13.96	13.82	14.06	14.32
Total product return per acre	616.75	552.57	645.48	739.34
Hedging gains/losses per acre	-1.50	-5.95	-	-
Crop insurance per acre	4.51	3.63	0.38	-
Other crop income per acre	4.64	1.91	7.23	3.66
Gross return per acre	624.40	552.16	653.08	743.00
<b>Direct Expenses</b>				
Seed and plants	62.61	67.54	63.67	58.30
Fertilizer	16.43	18.01	8.79	16.05
Crop chemicals	48.12	52.62	40.09	50.20
Crop insurance	24.80	24.92	21.77	27.92
Storage	0.35	0.00	0.55	1.28
Fuel & oil	22.42	25.10	20.74	20.07
Repairs	35.70	49.57	34.60	34.00
Custom hire	5.53	4.24	9.36	7.39
Hired labor	0.18	0.68	-	0.08
Land rent	147.67	151.88	152.81	136.45
Machinery leases	0.79	0.21	3.07	1.11
Hauling and trucking	0.11	-	-	0.52
Marketing	0.61	0.43	0.48	0.35
Operating interest	5.87	6.44	7.56	4.37
Miscellaneous	3.12	4.14	3.73	1.40
Total direct expenses per acre	374.33	405.79	367.23	359.49
Return over direct exp per acre	250.07	146.37	285.85	383.50
<b>Overhead Expenses</b>				
Hired labor	12.82	18.58	9.22	7.16
Machinery leases	2.33	3.46	2.24	3.34
Building leases	0.63	0.50	0.70	-
Farm insurance	6.53	6.98	7.70	4.11
Utilities	2.65	2.90	2.66	1.28
Dues & professional fees	3.05	2.77	4.01	2.47
Interest	3.68	3.16	2.93	2.56
Mach & bldg depreciation	24.37	29.55	21.36	21.47
Miscellaneous	2.20	3.38	1.74	2.39
Total overhead expenses per acre	58.26	71.28	52.56	44.78
Total dir & ovhd expenses per acre	432.59	477.06	419.79	404.27
Net return per acre	191.81	75.09	233.29	338.73
Government payments	0.06	0.04	-	0.05
Net return with govt pmts	191.87	75.13	233.29	338.78
Labor & management charge	41.19	37.20	40.97	43.55
Net return over lbr & mgt	150.68	37.93	192.33	295.22
<b>Cost of Production</b>				
Total direct expense per bu.	8.47	10.15	8.00	6.96
Total dir & ovhd exp per bu.	9.79	11.93	9.15	7.83
Less govt & other income	9.62	11.94	8.98	7.76
With labor & management	10.55	12.87	9.87	8.60
Net value per unit	13.93	13.67	14.06	14.32
Machinery cost per acre	91.92	111.40	90.87	86.88
Est. labor hours per acre	1.27	1.34	1.00	1.26

# Soybeans on Cash Rented Land

## Moorhead Farm Business Management Program - Northland College

	<u>5-yr Average</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Number of Fields	56	61	50	58	54	58
Acres	656.01	704.68	675.08	694.96	549.93	655.42
Yield per Acre	39.32	44.17	31.07	37.30	38.72	45.36
** Value per Unit	10.55	13.96	12.41	10.08	8.21	8.09
Product Value	412.63	616.75	385.56	375.82	317.93	367.09
Other Income	51.09	7.65	51.60	42.13	63.77	90.31
<b>Gross Return</b>	<b>463.72</b>	<b>624.40</b>	<b>437.16</b>	<b>417.96</b>	<b>381.69</b>	<b>457.40</b>
<b>Direct Costs</b>						
Seed	61.34	62.61	60.42	58.42	63.35	61.92
Fertilizer	11.92	16.43	13.36	8.23	12.47	9.09
Chemicals	36.11	48.12	37.18	30.93	32.42	31.88
Crop Insurance	20.32	24.80	21.53	18.19	18.41	18.68
Fuel & Oil	15.42	22.42	13.92	12.92	14.03	13.80
Repairs	27.58	35.70	28.49	27.59	25.58	20.52
Custom Hire	4.60	5.64	4.08	2.87	4.90	5.49
Land Rent	136.56	147.67	136.90	134.96	129.01	134.28
Other Direct Exp	12.67	10.92	9.35	12.72	11.79	18.55
Total Direct	326.52	374.33	325.23	306.83	311.96	314.23
Return over Direct	137.20	250.07	111.92	111.13	69.73	143.16
<b>Overhead Costs</b>						
Other Labor	12.75	12.82	12.78	15.55	10.43	12.19
Intermediate Interest	3.28	3.68	3.80	3.09	3.18	2.64
Depreciation	23.40	24.37	21.30	22.84	24.55	23.95
Other Overhead Exp	19.04	17.39	17.12	20.35	21.23	19.09
Total Ovhd Expenses	58.47	58.26	55.00	61.83	59.39	57.87
<b>Total Direct/Ovhd Expenses</b>	<b>384.99</b>	<b>432.59</b>	<b>380.23</b>	<b>368.66</b>	<b>371.35</b>	<b>372.10</b>
<b>*** Net Return</b>	<b>78.74</b>	<b>191.81</b>	<b>56.93</b>	<b>49.30</b>	<b>10.34</b>	<b>85.30</b>

\*\* - Value per Unit is a combination of actual Fall selling price and/or value on Dec 31st of that crop year.

\*\*\* - Net Return does **not** include direct government income or principal payment expenses or personal draw expenses

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Soybeans Seed on Owned Land**

	<u>Avg. Of All Farms</u>
Number of farms	7
Acres	147.09
Yield per acre (bu.)	44.67
Operators share of yield %	100.00
Value per bu.	15.33
Total product return per acre	684.81
Other crop income per acre	2.81
Gross return per acre	687.62
<b>Direct Expenses</b>	
Seed and plants	58.90
Fertilizer	20.45
Crop chemicals	46.99
Crop insurance	19.20
Storage	3.18
Fuel & oil	23.46
Repairs	44.54
Custom hire	1.48
Machinery leases	6.44
Marketing	2.06
Operating interest	2.01
Miscellaneous	0.20
Total direct expenses per acre	228.91
Return over direct exp per acre	458.71
<b>Overhead Expenses</b>	
Hired labor	11.80
Machinery leases	8.26
Building leases	0.51
RE & pers. property taxes	25.22
Farm insurance	12.47
Utilities	3.95
Dues & professional fees	5.74
Interest	79.38
Mach & bldg depreciation	29.34
Miscellaneous	7.06
Total overhead expenses per acre	183.72
Total dir & ovhd expenses per acre	412.62
Net return per acre	275.00
Government payments	-
Net return with govt pmts	275.00
Labor & management charge	47.71
Net return over lbr & mgt	227.28
<b>Cost of Production</b>	
Total direct expense per bu.	5.12
Total dir & ovhd exp per bu.	9.24
Less govt & other income	9.17
With labor & management	10.24
Net value per unit	15.33
Machinery cost per acre	117.25
Est. labor hours per acre	1.38



**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Soybeans Seed on Cash Rent**

	<u>Avg. Of All Farms</u>
Number of farms	11
Acres	463.61
Yield per acre (bu.)	47.36
Operators share of yield %	100.00
Value per bu.	15.14
Total product return per acre	717.21
Crop insurance per acre	0.42
Other crop income per acre	2.09
Gross return per acre	719.72
<b>Direct Expenses</b>	
Seed and plants	64.74
Fertilizer	29.90
Crop chemicals	48.96
Crop insurance	21.59
Storage	2.93
Fuel & oil	22.76
Repairs	38.40
Custom hire	1.66
Land rent	155.49
Machinery leases	4.61
Marketing	0.25
Operating interest	2.55
Miscellaneous	1.64
Total direct expenses per acre	395.47
Return over direct exp per acre	324.25
<b>Overhead Expenses</b>	
Hired labor	18.05
Machinery leases	1.82
Building leases	0.52
Farm insurance	9.54
Utilities	3.89
Dues & professional fees	4.42
Interest	5.33
Mach & bldg depreciation	23.55
Miscellaneous	1.80
Total overhead expenses per acre	68.91
Total dir & ovhd expenses per acre	464.38
Net return per acre	255.34
Government payments	0.01
Net return with govt pmts	255.35
Labor & management charge	41.83
Net return over lbr & mgt	213.51
<b>Cost of Production</b>	
Total direct expense per bu.	8.35
Total dir & ovhd exp per bu.	9.81
Less govt & other income	9.75
With labor & management	10.64
Net value per unit	15.14
Machinery cost per acre	96.40
Est. labor hours per acre	1.52

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Wheat, Spring on Owned Land**

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	25	5	5	5
Acres	221.43	129.37	249.63	295.64
Yield per acre (bu.)	69.72	56.78	69.94	78.73
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	8.94	8.94	8.84	8.95
Total product return per acre	623.39	507.77	618.58	704.72
Crop insurance per acre	0.21	-	-	0.80
Other crop income per acre	11.57	2.66	22.99	11.56
Gross return per acre	635.18	510.43	641.57	717.08
<b>Direct Expenses</b>				
Seed and plants	31.55	32.17	32.10	32.66
Fertilizer	164.58	154.27	170.15	153.06
Crop chemicals	43.87	33.60	53.46	46.95
Crop insurance	21.09	19.59	17.97	23.58
Drying expense	0.64	-	-	1.88
Storage	0.33	0.76	1.00	-
Fuel & oil	19.02	26.30	21.53	16.56
Repairs	33.71	55.75	27.53	26.88
Custom hire	6.14	0.79	5.14	9.92
Machinery leases	0.58	2.75	0.14	-
Marketing	0.57	0.99	0.68	0.33
Operating interest	5.25	6.05	3.70	3.63
Miscellaneous	4.20	3.38	9.86	1.79
Total direct expenses per acre	331.55	336.41	343.26	317.24
Return over direct exp per acre	303.63	174.03	298.31	399.84
<b>Overhead Expenses</b>				
Hired labor	11.58	7.29	13.90	7.69
Machinery leases	2.11	3.14	-	1.81
Building leases	0.43	0.72	0.71	0.55
RE & pers. property taxes	28.05	32.31	23.42	25.05
Farm insurance	8.47	9.94	9.38	8.14
Utilities	3.02	7.21	2.68	3.17
Dues & professional fees	3.68	3.73	2.06	5.09
Interest	79.90	100.63	83.57	58.97
Mach & bldg depreciation	26.70	32.07	27.76	33.99
Miscellaneous	3.20	12.38	1.81	2.15
Total overhead expenses per acre	167.15	209.43	165.28	146.61
Total dir & ovhd expenses per acre	498.70	545.84	508.54	463.85
Net return per acre	136.49	-35.41	133.03	253.22
Government payments	0.04	-	-	-
Net return with govt pmts	136.53	-35.41	133.03	253.22
Labor & management charge	40.56	55.48	39.72	35.07
Net return over lbr & mgt	95.97	-90.88	93.31	218.15
<b>Cost of Production</b>				
Total direct expense per bu.	4.76	5.92	4.91	4.03
Total dir & ovhd exp per bu.	7.15	9.61	7.27	5.89
Less govt & other income	6.98	9.57	6.94	5.73
With labor & management	7.57	10.54	7.51	6.18
Net value per unit	8.94	8.94	8.84	8.95
Machinery cost per acre	88.37	121.96	82.65	87.47
Est. labor hours per acre	1.29	1.34	1.22	1.37

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**(Farms Sorted By Return to Overhead)**

**Wheat, Spring on Cash Rent**

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	50	10	10	10
Acres	503.78	378.15	399.34	440.84
Yield per acre (bu.)	70.30	69.06	66.95	78.36
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	9.13	8.98	9.23	9.11
Total product return per acre	641.58	620.05	618.25	714.16
Hedging gains/losses per acre	-0.80	-12.85	-	2.50
Crop insurance per acre	0.95	-	-	-
Other crop income per acre	7.55	2.30	15.38	4.62
Gross return per acre	649.28	609.50	633.63	721.28
<b>Direct Expenses</b>				
Seed and plants	30.91	30.55	33.96	26.10
Fertilizer	166.93	177.44	168.59	136.54
Crop chemicals	41.87	43.09	39.52	36.15
Crop insurance	20.99	24.95	23.14	19.58
Drying expense	0.74	2.14	0.05	1.13
Storage	0.74	-	1.87	0.84
Fuel & oil	22.86	30.18	15.93	23.05
Repairs	34.74	47.90	40.28	32.93
Custom hire	6.74	10.01	7.58	2.50
Land rent	144.10	155.54	142.20	128.53
Machinery leases	1.21	-	0.98	0.17
Hauling and trucking	0.25	-	1.52	0.04
Marketing	0.68	0.06	0.34	2.24
Operating interest	5.34	7.06	6.65	4.97
Miscellaneous	4.62	5.17	1.59	2.51
Total direct expenses per acre	482.73	534.09	484.20	417.28
Return over direct exp per acre	166.54	75.42	149.43	304.00
<b>Overhead Expenses</b>				
Hired labor	12.19	15.25	10.80	8.81
Machinery leases	3.23	2.30	4.64	5.25
Building leases	0.56	0.40	0.39	0.90
Farm insurance	8.40	8.87	7.85	6.78
Utilities	3.03	3.47	2.60	2.50
Dues & professional fees	3.11	4.36	2.83	3.72
Interest	3.92	3.89	5.17	4.84
Mach & bldg depreciation	25.44	25.80	14.43	30.36
Miscellaneous	2.04	3.96	1.73	1.20
Total overhead expenses per acre	61.92	68.30	50.43	64.36
Total dir & ovhd expenses per acre	544.65	602.39	534.63	481.64
Net return per acre	104.62	7.11	99.00	239.64
Government payments	0.03	0.01	0.10	-
Net return with govt pmts	104.66	7.12	99.10	239.64
Labor & management charge	41.98	43.90	44.27	42.49
Net return over lbr & mgt	62.68	-36.78	54.83	197.15
<b>Cost of Production</b>				
Total direct expense per bu.	6.87	7.73	7.23	5.33
Total dir & ovhd exp per bu.	7.75	8.72	7.99	6.15
Less govt & other income	7.64	8.88	7.75	6.06
With labor & management	8.23	9.51	8.42	6.60
Net value per unit	9.12	8.79	9.23	9.15
Machinery cost per acre	95.10	116.83	87.03	96.01
Est. labor hours per acre	1.33	1.50	1.45	1.33

# Spring Wheat on Cash Rented Land

## Moorhead Farm Business Management Program - Northland College

	<u>5-yr Average</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Number of Fields	56	50	48	57	62	61
Acres	545.41	503.78	555.59	543.31	576.82	547.54
Yield per Acre	63.24	70.30	58.08	63.47	61.25	63.11
** Value per Unit	6.76	9.13	8.74	5.59	4.77	5.55
Product Value	429.28	641.58	507.48	355.02	292.08	350.24
Other Income	43.27	7.70	28.86	39.88	115.20	24.69
<b>Gross Return</b>	<b>472.55</b>	<b>649.28</b>	<b>536.35</b>	<b>394.90</b>	<b>407.28</b>	<b>374.93</b>
<b>Direct Costs</b>						
Seed	24.15	30.91	23.50	24.13	22.33	19.87
Fertilizer	101.81	166.93	91.77	80.48	89.66	80.23
Chemicals	33.17	41.87	27.38	34.75	32.82	29.05
Crop Insurance	15.21	20.99	13.75	14.25	14.81	12.23
Fuel & Oil	15.78	22.86	14.22	13.15	13.83	14.86
Repairs	28.09	34.74	28.27	27.59	26.69	23.14
Custom Hire	5.72	6.99	2.92	6.38	5.79	6.54
Land Rent	136.49	144.10	134.76	138.44	133.26	131.87
Other Direct Exp	13.87	13.33	10.60	13.94	15.76	15.74
Total Direct	374.50	482.73	348.17	353.10	354.95	333.53
Return over Direct	98.05	166.54	188.17	41.81	52.33	41.40
<b>Overhead Costs</b>						
Other Labor	13.03	12.19	12.41	15.47	12.55	12.53
Intermediate Interest	3.46	3.92	4.54	2.97	2.81	3.05
Depreciation	23.65	25.44	22.47	20.92	24.40	25.00
Other Overhead Exp	20.66	20.37	17.73	23.17	22.71	19.34
Total Ovhd Expenses	60.80	61.92	57.15	62.53	62.47	59.92
<b>Total Direct/Ovhd Expenses</b>	<b>435.29</b>	<b>544.65</b>	<b>405.32</b>	<b>415.63</b>	<b>417.42</b>	<b>393.45</b>
<b>*** Net Return</b>	<b>37.25</b>	<b>104.62</b>	<b>131.03</b>	<b>-20.72</b>	<b>-10.14</b>	<b>-18.52</b>

\*\* - Value per Unit is a combination of actual Fall selling price and/or value on Dec 31st of that crop year.

\*\*\* - Net Return does **not** include direct government income or principal payment expenses or personal draw expenses

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**Sugarbeets - Excluding Joint Ventures**  
**(Farms Sorted By Return to Overhead)**

**Sugar Beets on Owned Land**

	<u>Avg. Of All Farms</u>
Number of farms	12
Acres	87.80
Yield per acre (ton)	26.62
Operators share of yield %	100.00
Value per ton	67.69
Total product return per acre	1,801.92
Other crop income per acre	5.92
Gross return per acre	1,807.84
<b>Direct Expenses</b>	
Seed and plants	243.99
Fertilizer	135.61
Crop chemicals	150.83
Crop insurance	44.42
Fuel & oil	82.75
Repairs	142.25
Custom hire	14.69
Hired labor	22.16
Hauling and trucking	25.28
Operating interest	18.23
Miscellaneous	11.19
Total direct expenses per acre	891.40
Return over direct exp per acre	916.44
<b>Overhead Expenses</b>	
Hired labor	58.64
Machinery leases	10.99
Building leases	8.25
RE & pers. property taxes	28.87
Farm insurance	20.19
Utilities	11.15
Dues & professional fees	7.66
Interest	70.28
Mach & bldg depreciation	105.77
Miscellaneous	7.05
Total overhead expenses per acre	328.87
Total dir & ovhd expenses per acre	1,220.26
Net return per acre	587.58
Government payments	0.01
Net return with govt pmts	587.59
Labor & management charge	163.99
Net return over lbr & mgt	423.61
<b>Cost of Production</b>	
Total direct expense per ton	33.48
Total dir & ovhd exp per ton	45.84
Less govt & other income	45.62
With labor & management	51.78
Net value per unit	67.69
Machinery cost per acre	361.31
Est. labor hours per acre	5.75

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**Sugarbeets - Excluding Joint Ventures**  
**(Farms Sorted By Return to Overhead)**

**Sugar Beets on Cash Rent**

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	27	5	6	6
Acres	227.21	325.30	136.20	84.33
Yield per acre (ton)	26.35	24.38	27.20	30.06
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	67.19	54.71	67.60	75.91
Total product return per acre	1,770.56	1,333.78	1,838.81	2,282.11
Crop insurance per acre	5.65	21.32	-	-
Other crop income per acre	4.94	1.11	15.57	7.25
Gross return per acre	1,781.15	1,356.21	1,854.38	2,289.37
<b>Direct Expenses</b>				
Seed and plants	245.59	251.97	248.24	251.72
Fertilizer	117.79	107.93	123.52	126.39
Crop chemicals	163.77	187.45	122.22	148.11
Crop insurance	46.39	42.59	48.18	34.95
Fuel & oil	82.15	85.21	73.28	71.90
Repairs	135.99	153.06	139.14	85.91
Custom hire	28.65	11.59	19.43	39.91
Hired labor	39.06	23.79	16.17	21.32
Land rent	147.07	143.07	169.40	129.03
Machinery leases	0.50	-	2.06	0.22
Hauling and trucking	50.62	76.74	48.86	85.14
Operating interest	17.13	18.94	28.20	19.40
Miscellaneous	6.07	5.70	12.57	5.19
Total direct expenses per acre	1,080.77	1,108.05	1,051.29	1,019.21
Return over direct exp per acre	700.38	248.16	803.09	1,270.16
<b>Overhead Expenses</b>				
Hired labor	66.30	82.35	64.19	21.39
Machinery leases	6.72	4.13	11.96	12.25
Building leases	1.92	1.81	2.50	-
Farm insurance	25.55	40.57	11.74	10.40
Utilities	11.75	10.28	5.88	13.87
Dues & professional fees	9.12	10.56	7.15	4.21
Interest	13.58	6.93	29.33	24.42
Mach & bldg depreciation	91.23	64.70	62.58	71.11
Miscellaneous	13.22	7.05	6.04	9.62
Total overhead expenses per acre	239.40	228.37	201.37	167.27
Total dir & ovhd expenses per acre	1,320.17	1,336.42	1,252.66	1,186.48
Net return per acre	460.98	19.79	601.72	1,102.89
Government payments	0.00	-	0.02	-
Net return with govt pmts	460.98	19.79	601.73	1,102.89
Labor & management charge	162.35	185.06	134.10	157.88
Net return over lbr & mgt	298.64	-165.27	467.64	945.02
<b>Cost of Production</b>				
Total direct expense per ton	41.01	45.45	38.65	33.90
Total dir & ovhd exp per ton	50.10	54.82	46.05	39.47
Less govt & other income	49.70	53.90	45.48	39.22
With labor & management	55.86	61.49	50.41	44.48
Net value per unit	67.19	54.71	67.60	75.91
Machinery cost per acre	352.70	321.76	333.48	293.29
Est. labor hours per acre	6.50	8.78	4.22	3.92

# Sugarbeets on Cash Rented Land (excluding joint venture)

## Moorhead Farm Business Management Program - Northland College

	<u>5-yr Average</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Number of Fields	26	27	23	27	31	24
Acres	266.23	227.21	296.22	276.46	272.91	258.36
Yield per Acre	26.05	26.35	29.20	25.49	19.57	29.66
** Value per Unit	44.50	67.19	49.07	37.76	30.87	37.60
Product Value	1,177.10	1,770.56	1,433.10	962.27	604.33	1,115.26
Other Income	69.79	10.59	9.98	38.45	274.31	15.63
<b>Gross Return</b>	<b>1,246.90</b>	<b>1,781.15</b>	<b>1,443.08</b>	<b>1,000.72</b>	<b>878.65</b>	<b>1,130.89</b>
<b>Direct Costs</b>						
Seed	227.38	245.59	223.54	225.78	225.18	216.81
Fertilizer	86.51	117.79	81.74	75.49	84.11	73.43
Chemicals	132.14	163.77	146.31	119.92	118.08	112.63
Crop Insurance	34.77	46.39	34.81	32.01	29.91	30.74
Fuel & Oil	58.18	82.15	51.65	47.55	53.74	55.81
Repairs	111.74	135.99	111.47	112.08	103.36	95.82
Direct Labor	34.93	39.06	34.31	33.84	20.93	46.51
Custom Hire	37.52	79.27	67.28	14.94	10.55	15.55
Land Rent	142.99	147.07	153.23	145.27	131.42	137.94
Other Direct Exp	50.57	23.70	20.81	59.52	90.25	58.55
Total Direct	917.52	1,080.77	925.16	870.34	867.53	843.79
Return over Direct	329.38	700.38	517.92	130.38	11.12	287.10
<b>Overhead Costs</b>						
Other Labor	67.02	66.30	50.43	82.31	66.64	69.43
Intermediate Interest	10.42	13.58	11.06	8.59	8.74	10.15
Depreciation	89.62	91.23	91.36	73.76	95.34	96.40
Other Overhead Exp	59.83	68.28	64.99	57.87	68.97	39.06
Total Ovhd Expenses	226.90	239.40	217.84	222.53	239.69	215.04
<b>Total Direct/Ovhd Expenses</b>	<b>1,144.42</b>	<b>1,320.17</b>	<b>1,143.00</b>	<b>1,092.87</b>	<b>1,107.22</b>	<b>1,058.83</b>
<b>*** Net Return</b>	<b>102.48</b>	<b>460.98</b>	<b>300.08</b>	<b>-92.15</b>	<b>-228.58</b>	<b>72.06</b>

\*\* - Value per Unit is a combination of actual Fall selling price and/or value on Dec 31st of that crop year.

\*\*\* - Net Return does **not** include direct government income or principal payment expenses or personal draw expenses

**Crop Enterprise Analysis**  
**2022 Moorhead Farm Business Management Annual Report**  
**Sugarbeets - Joint Ventures**  
**(Farms Sorted By Return to Overhead)**

**Sugar Beets on Owned Land**

	<u>Avg. Of All Farms</u>
Number of farms	11
Acres	199.81
Yield per acre (ton)	26.71
Operators share of yield %	100.00
Value per ton	72.75
Total product return per acre	1,943.10
Crop insurance per acre	0.87
Other crop income per acre	9.77
Gross return per acre	1,953.73
<b>Direct Expenses</b>	
Seed and plants	241.51
Fertilizer	123.73
Crop chemicals	162.25
Crop insurance	43.44
Fuel & oil	80.48
Repairs	125.36
Custom hire	36.49
Hired labor	25.24
Stock/quota lease	247.41
Hauling and trucking	21.93
Operating interest	28.59
Miscellaneous	6.39
Total direct expenses per acre	1,142.85
Return over direct exp per acre	810.89
<b>Overhead Expenses</b>	
Hired labor	54.50
Machinery leases	6.82
Building leases	2.11
RE & pers. property taxes	29.50
Farm insurance	12.64
Utilities	11.11
Dues & professional fees	5.42
Interest	99.09
Mach & bldg depreciation	113.57
Miscellaneous	8.49
Advertising & promotion	0.23
Total overhead expenses per acre	343.49
Total dir & ovhd expenses per acre	1,486.34
Net return per acre	467.40
Government payments	-
Net return with govt pmts	467.40
Labor & management charge	120.30
Net return over lbr & mgt	347.10
<b>Cost of Production</b>	
Total direct expense per ton	42.79
Total dir & ovhd exp per ton	55.65
Less govt & other income	55.25
With labor & management	59.75
Net value per unit	72.75
Machinery cost per acre	357.81
Est. labor hours per acre	4.48



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**Sugar Beets on Cash Rent**

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	29	5	6	6
Acres	246.41	214.52	229.28	190.13
Yield per acre (ton)	26.63	24.46	25.19	28.39
Operators share of yield %	100.00	100.00	100.00	100.00
Value per ton	70.97	65.27	75.62	74.77
Total product return per acre	1,889.87	1,596.38	1,904.75	2,123.15
Crop insurance per acre	4.11	18.92	6.58	-
Other crop income per acre	4.31	5.74	2.63	8.74
Gross return per acre	1,898.28	1,621.04	1,913.95	2,131.90
<b>Direct Expenses</b>				
Seed and plants	245.66	238.11	257.15	253.93
Fertilizer	126.41	137.41	157.43	121.30
Crop chemicals	146.69	139.79	139.39	136.73
Crop insurance	48.62	45.50	51.22	41.03
Fuel & oil	74.22	75.49	83.03	56.04
Repairs	137.12	182.80	126.11	84.04
Custom hire	35.97	29.90	37.07	62.47
Hired labor	21.96	18.51	32.20	25.64
Land rent	149.16	160.43	137.61	141.41
Stock/quota lease	295.25	368.92	290.72	192.13
Machinery leases	1.41	-	-	8.83
Hauling and trucking	40.54	15.09	10.62	57.65
Operating interest	25.58	22.45	19.13	7.71
Miscellaneous	5.79	5.27	7.27	4.27
Total direct expenses per acre	1,354.36	1,439.69	1,348.97	1,193.17
Return over direct exp per acre	543.92	181.35	564.98	938.73
<b>Overhead Expenses</b>				
Hired labor	54.09	92.89	31.94	27.87
Machinery leases	12.09	5.09	5.23	9.71
Building leases	2.71	2.38	4.74	3.36
Farm insurance	10.97	18.60	8.93	8.55
Utilities	9.36	8.98	14.62	7.56
Dues & professional fees	4.91	8.18	7.57	3.55
Interest	14.61	12.32	8.66	20.97
Mach & bldg depreciation	72.46	124.72	68.32	38.58
Miscellaneous	6.45	5.11	6.89	4.35
Advertising & promotion	0.17	-	0.34	0.60
Total overhead expenses per acre	187.83	278.26	157.24	125.11
Total dir & ovhd expenses per acre	1,542.19	1,717.95	1,506.21	1,318.28
Net return per acre	356.09	-96.91	407.74	813.62
Government payments	0.01	0.06	-	-
Net return with govt pmts	356.11	-96.85	407.74	813.62
Labor & management charge	154.04	155.18	161.30	156.69
Net return over lbr & mgt	202.07	-252.03	246.44	656.93
<b>Cost of Production</b>				
Total direct expense per ton	50.86	58.87	53.56	42.02
Total dir & ovhd exp per ton	57.91	70.25	59.80	46.43
Less govt & other income	57.60	69.23	59.44	46.12
With labor & management	63.38	75.58	65.84	51.64
Net value per unit	70.97	65.27	75.62	74.77
Machinery cost per acre	339.80	420.72	319.70	275.37
Est. labor hours per acre	4.94	6.34	4.56	3.91

## Farm Financial Scorecard

	This Year		5-Year Ave		Strong		Vulnerable	
					2.0	1.3		
<b>Liquidity</b>								
Current ratio	2.46	1.82						
Working Capital to Gross Rev.	40.4%	30.5%						
*Working Capital to Oper. Exp.	64.4%	53.5%						
<b>Solvency (market)</b>	Note: These solvency ratios include deferred liabilities							
Farm debt/asset ratio	43%	44%						
Farm equity/asset ratio	57%	56%						
Farm debt/equity ratio	0.75	0.80						
<b>Profitability (Cost)</b>								
Rate of return on farm assets	15.0%	7.0%						
Rate of return on farm equity	23.5%	9.5%						
Operating profit margin	26.7%	14.4%						
Asset Turnover Ratio	56.3%	44.8%						
<b>Repayment Capacity (Accrual)</b>								
*Debt Coverage Ratio	4.24	3.21						
Replacement Coverage Ratio	3.13	1.74						
Term-debt coverage ratio	4.70	2.57						
<b>Financial Efficiency</b>								
Operating-expense ratio	62.7%	73.1%						
Depreciation-expense ratio	4.4%	5.5%						
Interest-expense ratio	2.8%	4.0%						
Net farm income ratio	30.1%	17.4%						

\*New recommended ratio from FFSC in 2022

Developed by: University of Vermont Extension and Center for Farm Financial Mgt, University of Minnesota

Updated by: Josh Tjosaas, Farm Business Mgt Program, Northland College