

**Financial Summary**  
**Minnesota and North Dakota Farm Business Mgmt Education**  
**Red River Valley, 2006**  
**(Farms Sorted By Gross Farm Income)**

	<u>Avg. Of All Farms</u>	<u>Less than 50,000</u>	<u>50,001 - 100,000</u>	<u>100,001 - 250,000</u>	<u>250,001 - 500,000</u>	<u>500,001 - 1,000,000</u>	<u>Over 1,000,000</u>
Number of farms	241	6	13	35	71	73	43
<b>Income Statement</b>							
Gross cash farm income	604,651	33,694	75,900	183,685	367,796	712,688	1,394,497
Total cash farm expense	508,716	31,142	65,343	175,009	301,492	589,859	1,185,425
Net cash farm income	95,935	2,552	10,558	8,676	66,304	122,828	209,072
Inventory change	90,424	5,531	16,691	54,818	53,570	100,348	197,547
Depreciation and capital adjust	-26,783	-2,610	-3,877	-11,038	-20,082	-31,365	-53,185
Net farm income	159,576	5,473	23,371	52,456	99,792	191,811	353,435
<b>Profitability (cost)</b>							
Labor and management earnings	117,688	2,917	16,420	39,530	73,573	139,143	264,351
Rate of return on assets	11.6 %	1.7 %	9.7 %	9.5 %	10.8 %	11.5 %	12.5 %
Rate of return on equity	15.8 %	-1.3 %	12.4 %	13.9 %	14.7 %	15.5 %	17.1 %
Operating profit margin	21.7 %	4.5 %	21.7 %	18.5 %	20.9 %	22.5 %	21.7 %
Asset turnover rate	53.6 %	38.0 %	44.8 %	51.5 %	51.7 %	51.0 %	57.7 %
<b>Liquidity</b>							
Ending current ratio	1.51	1.13	2.39	1.43	1.57	1.53	1.42
Ending working capital	99,171	3,471	33,647	51,242	90,923	134,885	124,331
End working capital to gross inc	16.4 %	10.3 %	44.3 %	27.9 %	24.7 %	18.9 %	8.9 %
Term debt coverage ratio	226.1 %	103.4 %	265.1 %	212.5 %	225.6 %	225.1 %	229.3 %
Expense as a percent of income	73.0 %	81.3 %	70.9 %	73.8 %	71.4 %	72.4 %	74.2 %
Interest as a percent of income	5.6 %	5.9 %	6.3 %	6.5 %	5.6 %	5.6 %	5.5 %
<b>Solvency (market)</b>							
Number of sole proprietors	206	6	13	35	68	62	22
Ending farm assets	1,414,199	132,462	297,454	630,819	1,088,450	1,946,160	3,177,645
Ending farm liabilities	663,111	77,573	121,491	343,079	493,156	870,717	1,592,235
Ending total assets	1,641,320	172,835	392,792	819,108	1,264,391	2,242,380	3,558,810
Ending total liabilities	718,585	84,663	138,903	381,617	537,044	948,729	1,682,635
Ending net worth	922,736	88,172	253,889	437,491	727,347	1,293,651	1,876,174
Net worth change	114,251	10,393	28,707	31,085	81,402	161,004	295,209
Ending farm debt to asset ratio	47 %	59 %	41 %	54 %	45 %	45 %	50 %
Beg total debt to asset ratio	45 %	50 %	36 %	45 %	43 %	44 %	50 %
End total debt to asset ratio	44 %	49 %	35 %	47 %	42 %	42 %	47 %
<b>Nonfarm Information</b>							
Net nonfarm income	16,006	19,647	22,096	27,312	17,697	14,454	4,296
<b>Crop Acres</b>							
Total acres owned	394	55	121	212	348	501	568
Total crop acres	1,727	186	290	828	1,266	2,020	3,374
Total crop acres owned	355	48	73	186	313	428	567
Total crop acres cash rented	1,296	53	190	577	873	1,516	2,712
Total crop acres share rented	77	85	28	65	80	76	96