
Liquidity Measures
Minnesota and North Dakota Farm Business Mgmt Education
Red River Valley, 2006
(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	241	48	48	49
Liquidity (cash)				
Net cash farm income	95,935	10,095	84,110	224,659
Net nonfarm income	16,006	22,129	17,400	10,123
Family living and taxes	65,457	35,239	59,636	103,198
Principal due on long term debt	12,089	6,593	10,684	21,696
Cash available for interm. debt	34,395	-9,608	31,190	109,888
Average intermediate debt	169,935	84,652	149,073	311,669
Years to turnover interm. debt	4.9	**	4.8	2.8
Expense as a % of income	84 %	96 %	84 %	80 %
Interest as a % of income	6 %	9 %	6 %	5 %
Working capital to gross income	25 %	0 %	22 %	39 %
Liquidity (accrual)				
Total accrual farm income	691,394	277,058	579,662	1,329,953
Total accrual operating expense	505,035	252,514	433,943	887,757
Net accrual operating income	186,359	24,544	145,719	442,195
Net nonfarm income	16,006	22,129	17,400	10,123
Family living and taxes	65,457	35,239	59,636	103,198
Principal due on long term debt	12,089	6,593	10,684	21,696
Available for intermediate debt	124,818	4,841	92,799	327,424
Average intermediate debt	169,935	84,652	149,073	311,669
Years to turnover interm. debt	1.4	17.5	1.6	1.0
Expense as a % of income	73 %	91 %	75 %	67 %
Interest as a % of income	6 %	8 %	5 %	5 %
Working capital to gross income	22 %	0 %	20 %	33 %

** Income insufficient to meet debt servicing requirements
