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**Profitability Measures**  
**Minnesota and North Dakota Farm Business Mgmt Education**  
**Red River Valley, 2006**  
**(Farms Sorted By Net Farm Income)**

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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	241	48	48	49
<b>Profitability (assets valued at cost)</b>				
Net farm income	159,576	9,768	122,551	395,894
Labor and management earnings	117,688	-752	88,086	300,045
Rate of return on assets	11.6 %	1.3 %	10.2 %	14.8 %
Rate of return on equity	15.8 %	-9.5 %	13.4 %	19.7 %
Operating profit margin	21.7 %	2.4 %	18.7 %	28.3 %
Asset turnover rate	53.6 %	53.4 %	54.6 %	52.3 %
Interest on farm net worth	41,888	10,520	34,464	95,849
Farm interest expense	38,753	23,252	31,577	61,603
Value of operator lbr and mgmt.	49,099	26,254	45,432	81,407
Return on farm assets	149,230	6,767	108,696	376,090
Average farm assets	1,285,267	519,165	1,062,082	2,538,560
Return on farm equity	110,477	-16,486	77,119	314,487
Average farm equity	697,290	173,146	574,346	1,597,475
Value of farm production	689,114	277,029	580,067	1,327,822

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