
Financial Standards Measures
North Dakota Farm Business Management Education Program
State Report, 2005
(Farms Sorted By Net Farm Income)

	<u>Avg. Of All Farms</u>	<u>Low 20%</u>	<u>High 20%</u>
Number of farms	430	86	86
Liquidity			
Current ratio	1.46	0.89	1.91
Working capital	75,910	-20,682	238,299
Solvency (cost)			
Farm debt to asset ratio	47 %	60 %	38 %
Farm equity to asset ratio	53 %	40 %	62 %
Farm debt to equity ratio	90 %	152 %	62 %
Profitability (cost)			
Rate of return on farm assets	5.9 %	-4.0 %	11.4 %
Rate of return on farm equity	6.4 %	-19.1 %	14.8 %
Operating profit margin	14.2 %	-10.1 %	24.3 %
Net farm income	59,607	-17,159	179,053
Repayment Capacity			
Term debt coverage ratio	151 %	14 %	295 %
Capital replacement margin	24,102	-39,127	128,827
Efficiency			
Asset turnover rate (cost)	41.6 %	39.3 %	46.8 %
Operating expense ratio	70.7 %	90.6 %	63.5 %
Depreciation expense ratio	6.8 %	8.4 %	6.3 %
Interest expense ratio	5.7 %	7.6 %	4.3 %
Net farm income ratio	16.9 %	-6.5 %	25.9 %
