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**Profitability Measures**  
**North Dakota Farm Business Management Education Program**  
**State Report, 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	511	102	102	103
<b>Profitability (assets valued at cost)</b>				
Net farm income	54,804	-36,939	37,086	191,193
Labor and management earnings	26,877	-50,265	18,734	126,145
Rate of return on assets	5.4 %	-5.0 %	4.7 %	10.8 %
Rate of return on equity	4.6 %	-30.3 %	2.9 %	13.0 %
Operating profit margin	13.0 %	-13.9 %	11.3 %	23.7 %
Asset turnover rate	41.6 %	36.2 %	41.8 %	45.5 %
Interest on farm net worth	27,927	13,326	18,351	65,048
Farm interest expense	25,470	30,889	21,466	30,691
Value of operator lbr and mgmt.	33,261	29,026	28,235	50,665
Return on farm assets	47,013	-35,076	30,316	171,218
Average farm assets	868,591	695,122	638,865	1,585,537
Return on farm equity	21,544	-65,965	8,850	140,528
Average farm equity	463,381	217,854	304,994	1,084,141
Value of farm production	361,270	251,681	267,183	721,138

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