

2018 MN FFA Farm Management Practicum Data Sheets

Killebrew Beef Farms operates a crop and beef farm in northwestern Minnesota. Kyle and Kelsey Killebrew have provided you with their farm records for 2016 and would like your help in analyzing their farming operation. Their data is shown in the pages below. Place all answers to the questions from the problem on the bottom half of the scantron provided.

Only the pages that you need to answer the practicum have been provided.

Terminology & Definitions

Bushels = Bu. (Wheat = 60 pounds/bushel) (Barley = 48 pounds/bushel) (Corn = 56 pounds/bushel)

CWT = 100 pounds of product **Ton = T** (2,000 pounds)

Yield: Total volume of product per acre, generally expressed in bushels, tons, or cwt.

Liquidity: The ability to meet cash obligations when needed.

Solvency: The ability to pay off all debt when the business is sold.

Enterprise: Income and Expense center for the business (Ex: Corn, Dairy)

Cash Flow: Statement showing when & where cash moves through the operation.

Balance Sheet: Statement listing Assets and Liabilities for the business at a point in time.

Direct Costs: Expenses, which vary depending on enterprise (variable costs).

Overhead Costs: Expenses that are incurred even if no production takes place. (Fixed costs)

Contribution to Overhead: Net dollars available after covering Direct Costs.

Value of Farm Production: Measure of Farm Income used to compare different operations on a more equal basis.

Balance Sheet Category: Type of Asset or Liability, including: Current, Intermediate, Long Term, or Non-Farm.

Current Ratio Balance: Sheet ratio calculated by dividing the Current Assets by the Current Liabilities.

Working Capital: A dollar amount calculated by subtracting total Current Liabilities from total Current Assets.

Debt to Asset Ratio: Balance Sheet ratio calculated by dividing the total Debt by the total Assets.

Net Capital Ratio: Balance Sheet Ratio calculated by taking the total Assets and dividing by total Liabilities.

Asset Turnover Rate: The value of gross production divided by the dollar of investment (assets), as a percentage.

Rate of Return on Farm Assets: A percentage, calculated by dividing the dollars of Return by the Total Farm Assets.

Market Value: Placing a value on all assets in the Balance Sheet, based on current market value.

Cost Value: Placing a value on capital assets in the Balance sheet, based on cost less depreciation.

Term Debt: Debt that has scheduled principal payments, which includes intermediate and long term loans.

Equity: Portion of assets that is owned, without a loan outstanding. (Net Worth)

Rounding Answers

Unless otherwise instructed, round answers in the following manner:

Dollar Amounts – 2 decimals – \$100.12.

Percentages – 1 decimal – 85.4%.

General Numbers – 1 decimal – 123.6

2016 Financial Analysis Executive Summary

Income Statement

Crop sales	145,492	
Crop inventory change	133,500	
Gross crop income		278,992
Livestock sales	1,193,021	
Livestock inventory change	-224,062	
Gross livestock income		968,960
Government payments		-
Other cash farm income		50,515
Change in accounts receivable		-500
Gain or loss on hedging accts		94,050
Change in other assets		-
Gain or loss on breeding lvst		40,200
Gross farm income		1,432,217
Cash operating expense	1,219,086	
Change in prepaid exp and supplies	4,268	
Change in growing crops		-
Change in accounts payable	110,385	
Depreciation	50,453	
Total operating expense		1,384,192
Interest paid	99,065	
Change in accrued interest	3,446	
Total interest expense		102,511
Total expenses		1,486,703
Net farm income		-54,486

Other Measures

Total crop acres	2,498
Cow-Calf Cows	192
Backgnd Beef sold or transferred out	1,138
Change in earned net worth	-40,765 -7 %
Change in market value net worth	166,788 46 %

Financial Standards Measures

	Beg	End
Liquidity		
Current ratio	0.99	0.90
Working capital	-23,968	-164,439
Working capital to gross revenues	-1.7 %	-11.5 %
Solvency (market)		
Debt to asset ratio	87 %	82 %
Debt to equity ratio	6.47	4.48
Profitability		
Net farm income	-54,486	153,067
Rate of return on assets	0.3 %	7.6 %
Rate of return on equity	-18.7 %	25.2 %
Operating profit margin	1.1 %	30.3 %
Repayment Capacity		
Term debt coverage ratio (farm only)		0.30
Replacement margin coverage ratio		0.27
Efficiency		
Asset turnover rate	28.1 %	25.2 %
Operating expense ratio		93.1 %
Depreciation expense ratio		3.5 %
Interest expense ratio		7.2 %
Net farm income ratio		-3.8 %
Other		
Term debt coverage (farm+personal)		0.30
Term debt to EBITDA		3.57

Information Accuracy

Cash discrepancy	-2,293
Liability discrepancy	0
Cash discrepancy to gross revenue	0 %

Income Statement

Income	Quantity	Price	Amount	Expense	Amount
Corn Silage	100 ton	30.00/ton	3,000	Seed	34,594
Hay, Grass	1,900 ton	75.00/ton	142,492	Fertilizer	78,937
Backgnd Beef	982 head	121.69/cwt.	1,164,502	Crop chemicals	21,936
Backgnd Beef, FINISHED CAT	20 head	111.22/cwt.	28,519	Crop insurance	11,482
Cull breeding livestock			16,977	Packaging and supplies	1,700
Custom work income			4,000	Crop Custom hire	28,000
Patronage dividends, cash			4,941	Crop Marketing	1,480
Crop insurance income			8,127	Crop Miscellaneous	780
Other farm income			16,470	Feeder livestock purchase	671,779
				Purchased feed	49,239
				Veterinary	8,606
				Supplies	4,693
				Livestock Hauling and trucking	847
				Livestock Marketing	4,812
				Bedding	8,743
				Interest	99,065
				Fuel & oil	57,290
				Repairs	69,157
				Hired labor	62,005
				Land rent	60,502
				Machinery leases	12,789
				Building leases	1,282
				Real estate taxes	1,924
				Farm insurance	8,967
				Utilities	10,028
				Miscellaneous	7,514
Gross cash income			1,389,028	Total cash expense	1,318,151
				Net cash income	70,877

	Beginning Inventory	Purchases/ Deposits	Sales/ Withdrawals	Ending Inventory	Inventory Change
Inventory Changes					
Prepays and supplies	21,830			17,562	-4,268
Accounts receivable	55,500			55,000	-500
Hedging gains or losses	-	11,890	105,940	-	94,050
Crops and feed	374,010			507,510	133,500
Market livestock	1,104,475			880,413	-224,062
Breeding livestock	260,700	-	-	300,900	40,200
Accounts payable	298,207			408,592	-110,385
Accrued interest	17,514			20,960	-3,446
Total inventory change					-74,911
Net operating profit					-4,034

	Beginning Inventory	Purchases	Sales	Ending Inventory	Depreciation
Depreciation					
Machinery and equipment	427,544	1,710	-	386,190	-43,064
Titled vehicles	32,488	-	-	27,615	-4,873
Buildings and improvement	50,305	4,000	-	51,789	-2,515
Total depreciation					-50,453

Net farm income

-54,486

Profitability Measures		Cost	Market	Statement of Owner's Equity		
(A)	Net farm income from operations	-54,486	153,067	(a)	Beginning net worth	370,837
	Rate of return on assets (E/F)	0.3 %	7.6 %		Net farm income	-54,486
	Rate of return on equity (G/H)	-18.7 %	25.2 %		Personal income (+)	44,478
	Operating profit margin (E/I)	1.1 %	30.3 %		Family living expense (-)	35,698
	Asset turnover rate (I/F)	28.1 %	25.2 %		Income taxes accrued (-)	-
	EBITDA	98,478	306,031		Change in personal assets (+)	4,941
(B)	Change in market valuation	-	207,554		Change in nonfarm accounts payable (+)	-
(C)	Interest expense	102,511	102,511	(b)	Total change in retained earnings (=)	-40,765
(D)	Value of unpaid oper labor & mgmt	40,000	40,000		Change in market value of capital assets	65,143
(E)	Return on farm assets (A+C-D)	8,025	215,578		Change in deferred liabilities	-142,411
(F)	Average farm assets	2,532,965	2,822,371	(d)	Total change in market valuation =	207,554
(G)	Return on farm equity (A-D)	-94,486	113,067	(e)	Total change in net worth (b+d)	166,788
(H)	Average farm net worth	505,620	448,408		Ending net worth calculated (a+e)	537,626
(I)	Value of farm production	711,199	711,199		Ending net worth reported	539,919
					Discrepancy	-2,293
Liquidity Measures		Begin	End	Statement of Cash Flows		
(J)	Current assets	1,575,915	1,453,485	(f)	Beginning cash balance (farm & personal)	20,100
(K)	Current liabilities	1,599,882	1,617,924		Gross cash farm income	1,389,028
	Current ratio (J/K)	0.99	0.90		Cash farm expenses (-)	1,318,151
	Working capital (J-K)	-23,968	-164,439		Net cash from hedging transactions (+)	94,050
	Working capital to gross revenues	-1.7 %	-11.5 %	(g)	Cash provided by operating activities (=)	164,927
Solvency Measures (Market)		Begin	End		Sale of capital assets	-
(L)	Total assets	2,740,286	2,918,397		Purchase of machinery and equipment (-)	1,710
(M)	Total liabilities	2,369,448	2,378,478		Purchase of farm land (-)	235,000
	Net worth (L-M)	370,837	539,919		Purchase of farm buildings (-)	4,000
	Net worth change		169,081	(h)	Cash provided by investing activities (=)	-240,710
	Current debt to assets (K/J)	102 %	111 %		Money borrowed	1,088,685
	Intermediate debt to assets	29 %	22 %		Principal payments (-)	1,051,075
	Long term debt to assets	37 %	59 %		Personal income (+)	44,478
	Total debt to assets ratio (M/L)	86 %	81 %		Family living expense (-)	35,698
					Income taxes paid (-)	-
Repayment Capacity				(i)	Cash provided by financing activities (=)	46,390
	Net farm income from operations		-54,486		Net change in cash (g+h+i)	-29,393
	Depreciation (+)		50,453		Ending cash balance (farm and personal)	-7,000
	Personal income (+)		44,478		Discrepancy	-2,293
	Family living expense (-)		35,698			
	Income taxes accrued (-)		-			
	Interest on term debt (+)		21,437			
(N)	Capital debt repayment capacity (=)		26,184			
(O)	Scheduled term debt payments		86,669			
(P)	Capital debt repayment margin (N-O)		-60,486			
(Q)	Cash replacement allowance		10,236			
	Replacement margin (P-Q)		-70,722			
	Term debt coverage ratio (N/O)		0.30			
	Replacement coverage ratio (N/O+Q)		0.27			

Crop Enterprise Analysis

	Corn Silage Owned	Corn Silage Cash Rented	Corn Cash Rented	Oats Cash Rented	Oats Double Crop Cash Rented	Grass Hay Cash Rented	Pasture Owned
Returns							
Acres	45.00	155.00	283.00	15.00	20.00	2000.00	20.00
Unit	ton	ton	bu.	bu.	bu.	ton	aum
Yield per acre	16.00	16.00	115.00	43.33	100.00	2.16	0.73
Share of production (%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Value per unit	30.00	30.00	3.25	1.80	1.80	65.00	20.00
Total product value	480.00	480.00	373.75	78.00	180.00	140.17	14.58
Other crop income	-	-	-	40.00	97.50	-	-
Gross return per acre	480.00	480.00	373.75	118.00	277.50	140.17	14.58
Direct Expenses							
Seed	71.62	71.62	71.62	-	-	-	-
Fertilizer	113.40	113.40	113.40	-	11.96	11.96	-
Crop chemicals	45.42	45.42	45.42	-	-	-	-
Crop insurance	22.82	22.82	22.82	2.23	2.23	-	-
Packaging and supplies	-	-	-	1.60	1.60	0.51	-
Custom hire	140.00	140.00	-	-	-	-	-
Land rent	-	28.47	28.47	28.47	28.47	28.47	-
Fuel & oil	20.69	20.69	17.50	9.55	-	9.55	3.18
Repairs	21.82	21.82	18.46	10.07	-	10.07	3.36
Operating interest	23.80	23.80	20.14	10.98	-	10.98	3.66
Total direct expenses	459.57	488.04	337.84	62.90	44.26	71.54	10.20
Return over direct expenses	20.43	-8.04	35.91	55.10	233.24	68.63	4.38
Overhead Expenses							
Hired labor	19.49	19.49	16.49	8.99	-	8.99	3.00
Machinery leases	4.02	4.02	3.40	1.86	-	1.86	0.62
Real estate taxes	5.92	-	-	-	-	-	5.92
Farm insurance	1.13	1.13	0.95	0.52	-	0.52	0.17
Utilities	0.63	0.63	0.53	0.29	-	0.29	0.10
Interest on interm. debt	7.58	7.58	6.41	3.50	-	3.50	1.17
Interest on lng term debt	36.00	-	-	-	-	-	36.00
Machinery depreciation	24.10	24.10	20.40	11.13	-	11.13	3.71
Building depreciation	0.24	0.24	0.20	0.11	-	0.11	0.04
Miscellaneous	3.68	3.68	3.11	1.70	-	1.70	0.57
Total overhead expenses	102.79	60.86	51.50	28.09	-	28.09	51.29
Total dir & ovhd expenses	562.36	548.91	389.34	90.99	44.26	99.63	61.49
Net return per acre	-82.36	-68.91	-15.59	27.01	233.24	40.54	-46.90
Government payments	-	-	-	-	-	-	-
Net return with govt pmts	-82.36	-68.91	-15.59	27.01	233.24	40.54	-46.90
Labor & management charge	12.57	12.57	10.64	5.80	-	5.80	1.93
Net return over lbr & mgt	-94.93	-81.48	-26.23	21.21	233.24	34.74	-48.84
Cost of Production Per Unit							
Total direct expenses	28.72	30.50	2.94	1.45	0.44	33.17	13.99
Total dir & ovhd expenses	35.15	34.31	3.39	2.10	0.44	46.20	84.33
Less govt & other income	35.15	34.31	3.39	1.18	-0.53	46.20	84.33
With labor & management	35.93	35.09	3.48	1.31	-0.53	48.89	86.98
Net value per unit	30.00	30.00	3.25	1.80	1.80	65.00	20.00
Machinery cost per acre	218.21	218.21	66.18	36.10	-	36.10	12.03
Est. labor hours per acre	2.99	2.99	2.53	1.38	-	1.38	0.46

LIVESTOCK ENTERPRISE ANALYSIS -- Beef Cow-Calf

	Per Cwt. Produced		Per Cow		Enterprise Total	
	Quantity	Value	Quantity	Value	Quantity	Value
Returns						
Beef Calves	33.33 lb.	41.67	333.33 lb.	416.67	64000.0 lb.	80000
Transferred out	51.04 lb.	91.88	510.42 lb.	918.75	98000.0 lb.	176400
Cull sales	15.63 lb.	8.84	156.25 lb.	88.42	30000.0 lb.	16977
Inventory change	- lb.	20.94	- lb.	209.38	- lb.	40200
Other income		-		-		-
Gross return	100.00 lb.	163.32	1000.00 lb.	1633.21	192000.0 lb.	313577
Transferred in	- lb.	-82.50	- lb.	-825.00	- lb.	-158400
Gross margin	100.00 lb.	80.82	1000.00 lb.	808.21	192000.0 lb.	155177
Direct Expenses						
Corn Silage	298.96 lb.	4.48	2989.58 lb.	44.84	287.0 ton	8610
Hay, Grass	733.85 lb.	25.68	7338.54 lb.	256.85	704.5 ton	49315
Pasture	0.55 aum	10.94	5.47 aum	109.38	1050.0 aum	21000
Protein Vit Minerals	4.58 lb.	2.75	45.83 lb.	27.55	4.4 ton	5289
DDGS	89.58 lb.	2.69	895.83 lb.	26.88	86.0 ton	5160
Sweet Corn Silage	25.00 lb.	0.37	250.00 lb.	3.72	24.0 ton	714
Veterinary		1.39		13.86		2661
Supplies		1.25		12.46		2393
Hauling and trucking		0.06		0.65		124
Fuel & oil		8.04		80.44		15444
Repairs		8.48		84.84		16289
Operating interest		9.25		92.54		17769
Total direct expenses		75.40		754.00		144767
Return over direct expenses		5.42		54.22		10410
Overhead Expenses						
Hired labor		7.58		75.77		14547
Machinery leases		1.56		15.63		3001
Building leases		0.31		3.13		602
Real estate taxes		0.38		3.76		722
Farm insurance		1.75		17.53		3366
Utilities		2.21		22.06		4235
Interest on interm. debt		0.74		7.37		1415
Interest on lng term debt		2.29		22.88		4392
Machinery depreciation		2.34		23.43		4499
Building depreciation		0.52		5.23		1003
Miscellaneous		1.43		14.30		2746
Total overhead expenses		21.11		211.09		40528
Total dir & ovhd expense		96.51		965.08		185296
Net return		-15.69		-156.87		-30119
Labor & management charge		4.89		48.88		9385
Net return over lbr & mgt		-20.57		-205.75		-39504
Est. labor hours per unit		1.16		11.61		2229
Cost of Prod Per Cwt. Produced						
Total direct expenses	75.40		Other Information			
Total dir & ovhd expenses	96.51		Number of cows	192.0	Cows per FTE	241.2
With other revenue adjustments	149.23		Pregnancy percentage	96.9	Average weaning weight	500
With labor & management	154.12		Culling percentage	10.4	Lb. weaned/exposed female	464
			Calving percentage	96.9	Feed cost per cow	469.21
			Weaning percentage	92.7	Hired labor per cow	75.77
			Calves sold per cow	1.35	Avg wgt/ Beef Calves sold	1,000
			Calf death loss percent	5.1	Avg price / cwt.	125.00
			Cow death loss percent	2.1		

Contributions to Overhead Expenses

Enterprise	Units	Contribution Per Unit	Total Contribution
Corn Silage	200. Acres	-1.64	-328
Corn	283. Acres	35.91	10,162
Oats	15.0 Acres	55.10	826
Oats, Double Crop	20.0 Acres	233.24	4,665
Hay, Grass	2,000 Acres	68.63	137,263
Pasture	1,440 Acres	-2.98	-4,284
Cow-Calf	192. Cow	54.22	10,410
Backgnd Beef	868. Head	102.31	88,875
Total contributions			247,589

Overhead expenses

Hired labor	62,005
Machinery leases	12,789
Building leases	1,282
Real estate taxes	1,924
Farm insurance	8,967
Utilities	10,028
Interest on interm. debt	15,076
Interest on lng term debt	11,701
Machinery depreciation	47,938
Building depreciation	2,515
Miscellaneous	11,705
Total overhead expense	185,930
Total return over overhead expe	61,659

Nonfarm Summary

Personal Income	Amount
Personal wages & salary	235
Personal business income	-
Personal rental income	-
Personal interest income	-
Personal cash dividends	30,220
Tax refunds	1,505
Other personal income	12,518
Total personal income	44,478

Family Living Expenses

Number of family members	4
Food and meals expense	4,455
Medical care	1,249
Health insurance	5,259
Cash donations	101
Household supplies	1,188
Clothing	575
Personal care	797
Child / Dependent care	903
Gifts	450
Education	383
Utilities (household share)	4,111
Personal vehicle operating expenses	603
Household repairs	175
Disability / Long term care insurance	1,121
Life insurance payments	12,638
Personal property insurance	996
Miscellaneous	694
Total cash family living expense	35,698
Family living from the farm	15,625
Total family living	51,323
Furnishings and appliances	-
Personal vehicles	-
Personal business investment	-
Other intermediate assets	-
Personal real estate	-
Other long term assets	-
Personal savings and investments	-
Income and social security tax	-
Total personal expenditures	35,698
Calculated cash disappearance	33,405
Discrepancy	2,293

Comparative Balance Sheets (cost)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Current Assets										
Cash and checking	34,800	-25,000	1,256	-18,859	-24,980	2,548	9,000	-25,067	20,100	-7,000
Prepaid exp. & supplies	9,165	14,610	9,260	13,740	16,056	20,771	36,986	24,018	21,830	17,562
Accounts receivable	28,300	31,750	19,750	38,250	32,657	13,650	60,260	37,500	55,500	55,000
Crop inventory	185,725	219,435	210,150	268,340	404,740	420,775	391,748	407,385	374,010	507,510
Livestock held for sale	287,260	254,200	414,598	629,167	788,972	799,163	776,351	1,362,164	1,104,475	880,413
Total Current Assets	545,250	494,995	655,014	930,638	1,217,445	1,256,907	1,274,345	1,806,000	1,575,915	1,453,485
Intermediate Assets										
Breeding livestock	133,300	124,568	103,500	129,500	139,600	136,000	133,400	262,400	260,700	300,900
Machinery and equipment	190,654	232,938	227,459	236,430	298,982	335,587	351,894	417,116	427,544	386,190
Titled vehicles	25,600	16,600	32,160	31,336	23,236	19,750	33,788	35,320	32,488	27,615
Total Intermediate Assets	349,554	374,106	363,119	397,266	461,818	491,337	519,082	714,837	720,733	714,705
Long Term Assets										
Land	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	367,000
Buildings and improvements	39,736	44,829	44,888	44,888	53,789	58,673	55,739	52,952	50,305	51,789
Total Long Term Assets	171,736	176,829	176,888	176,888	185,789	190,673	187,739	184,952	182,305	418,789
Total Farm Assets	1,066,540	1,045,930	1,195,020	1,504,792	1,865,051	1,938,917	1,981,166	2,705,788	2,478,952	2,586,979
Total Personal Assets	0	0	1,000	1,000	1,000	2,200	4,500	4,500	4,500	9,441
Total All Assets	1,066,540	1,045,930	1,196,020	1,505,792	1,866,051	1,941,117	1,985,666	2,710,288	2,483,452	2,596,420
Current Liabilities										
Accrued interest	13,170	14,404	10,054	13,275	18,024	17,890	12,089	12,643	17,514	20,960
Accts pay & accr exp	98,112	97,911	112,589	121,653	158,733	140,250	161,770	187,999	298,207	408,592
Total Current Loans	246,027	266,125	384,129	510,014	692,028	758,184	577,822	1,070,244	1,218,929	1,113,635
Principal due on term loans	37,116	50,867	76,467	70,251	82,545	84,303	86,152	112,506	65,232	74,737
Total Current Liabilities	394,425	429,307	583,239	715,193	951,330	1,000,627	837,833	1,383,392	1,599,882	1,617,924
Total Intermediate Loans	206,962	188,075	231,648	233,479	245,550	233,502	220,848	213,563	276,524	224,832
Total Long Term Loans	104,167	101,369	97,745	93,978	91,435	87,854	83,489	75,159	75,219	260,310
Total Farm Liabilities	705,554	718,751	912,632	1,042,650	1,288,315	1,321,983	1,142,170	1,672,114	1,951,625	2,103,066
Total Personal Liabilities	0	0	0	0	0	0	0	0	0	0
Total All Liabilities	705,554	718,751	912,632	1,042,650	1,288,315	1,321,983	1,142,170	1,672,114	1,951,625	2,103,066
Equity										
Retained earnings	360,986	327,179	283,388	463,142	577,736	619,134	843,496	1,038,174	531,827	493,354
Retained earnings chg	0	-33,807	-43,790	179,754	114,594	41,398	224,362	194,679	-506,348	-38,472

Comparative Balance Sheets (market)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Current Assets										
Cash and checking	34,800	-25,000	1,256	-18,859	-24,980	2,548	9,000	-25,067	20,100	-7,000
Prepaid exp. & supplies	9,165	14,610	9,260	13,740	16,056	20,771	36,986	24,018	21,830	17,562
Accounts receivable	28,300	31,750	19,750	38,250	32,657	13,650	60,260	37,500	55,500	55,000
Crop inventory	185,725	219,435	210,150	268,340	404,740	420,775	391,748	407,385	374,010	507,510
Livestock held for sale	287,260	254,200	414,598	629,167	788,972	799,163	776,351	1,362,164	1,104,475	880,413
Total Current Assets	545,250	494,995	655,014	930,638	1,217,445	1,256,907	1,274,345	1,806,000	1,575,915	1,453,485
Intermediate Assets										
Breeding livestock	133,300	117,568	103,500	129,500	139,600	136,000	150,600	262,400	260,700	300,900
Machinery and equipment	306,188	349,408	335,233	373,468	441,321	471,729	550,191	686,241	641,791	643,191
Titled vehicles	25,600	16,600	32,160	34,160	27,600	27,200	43,200	51,700	51,700	66,700
Total Intermediate Assets	465,088	483,576	470,893	537,128	608,521	634,929	743,991	1,000,341	954,191	1,010,791
Long Term Assets										
Land	138,000	138,000	138,000	138,000	138,000	138,000	138,000	138,000	138,000	373,000
Buildings and improvements	40,418	46,661	48,961	48,961	60,107	67,680	67,680	67,680	67,680	71,680
Total Long Term Assets	178,418	184,661	186,961	186,961	198,107	205,680	205,680	205,680	205,680	444,680
Total Farm Assets	1,188,756	1,163,232	1,312,868	1,654,727	2,024,073	2,097,516	2,224,016	3,012,021	2,735,786	2,908,956
Total Personal Assets	0	0	1,000	1,000	1,000	2,200	4,500	4,500	4,500	9,441
Total All Assets	1,188,756	1,163,232	1,313,868	1,655,727	2,025,073	2,099,716	2,228,516	3,016,521	2,740,286	2,918,397
Current Liabilities										
Accrued interest	13,170	14,404	10,054	13,275	18,024	17,890	12,089	12,643	17,514	20,960
Accts pay & accr exp	98,112	97,911	112,589	121,653	158,733	140,250	161,770	187,999	298,207	408,592
Total Current Loans	246,027	266,125	384,129	510,014	692,028	758,184	577,822	1,070,244	1,218,929	1,113,635
Principal due on term loans	37,116	50,867	76,467	70,251	82,545	84,303	86,152	112,506	65,232	74,737
Total Current Liabilities	394,425	429,307	583,239	715,193	951,330	1,000,627	837,833	1,383,392	1,599,882	1,617,924
Total Intermediate Loans	206,962	188,075	231,648	233,479	245,550	233,502	220,848	213,563	276,524	224,832
Total Long Term Loans	104,167	101,369	97,745	93,978	91,435	87,854	83,489	75,159	75,219	260,310
Total Farm Liabilities	705,554	718,751	912,632	1,042,650	1,288,315	1,321,983	1,142,170	1,672,114	1,951,625	2,103,066
Total Personal Liabilities	0	0	0	0	0	0	0	0	0	0
Deferred liabilities	145,448	152,585	185,588	269,161	346,932	358,832	366,137	532,005	417,823	275,412
Total All Liabilities	851,002	871,336	1,098,220	1,311,811	1,635,247	1,680,814	1,508,307	2,204,119	2,369,448	2,378,478
Equity										
Retained earnings	360,986	327,179	283,388	463,142	577,736	619,134	843,496	1,038,174	531,827	493,354
Market valuation equity	-23,232	-35,283	-67,741	-119,226	-187,911	-200,233	-123,287	-225,773	-160,989	46,565
Net worth	337,754	291,896	215,648	343,916	389,825	418,902	720,209	812,401	370,837	539,919
Net worth change	0	-45,859	-76,248	128,268	45,909	29,077	301,307	92,192	-441,564	169,081

Projected cash flow

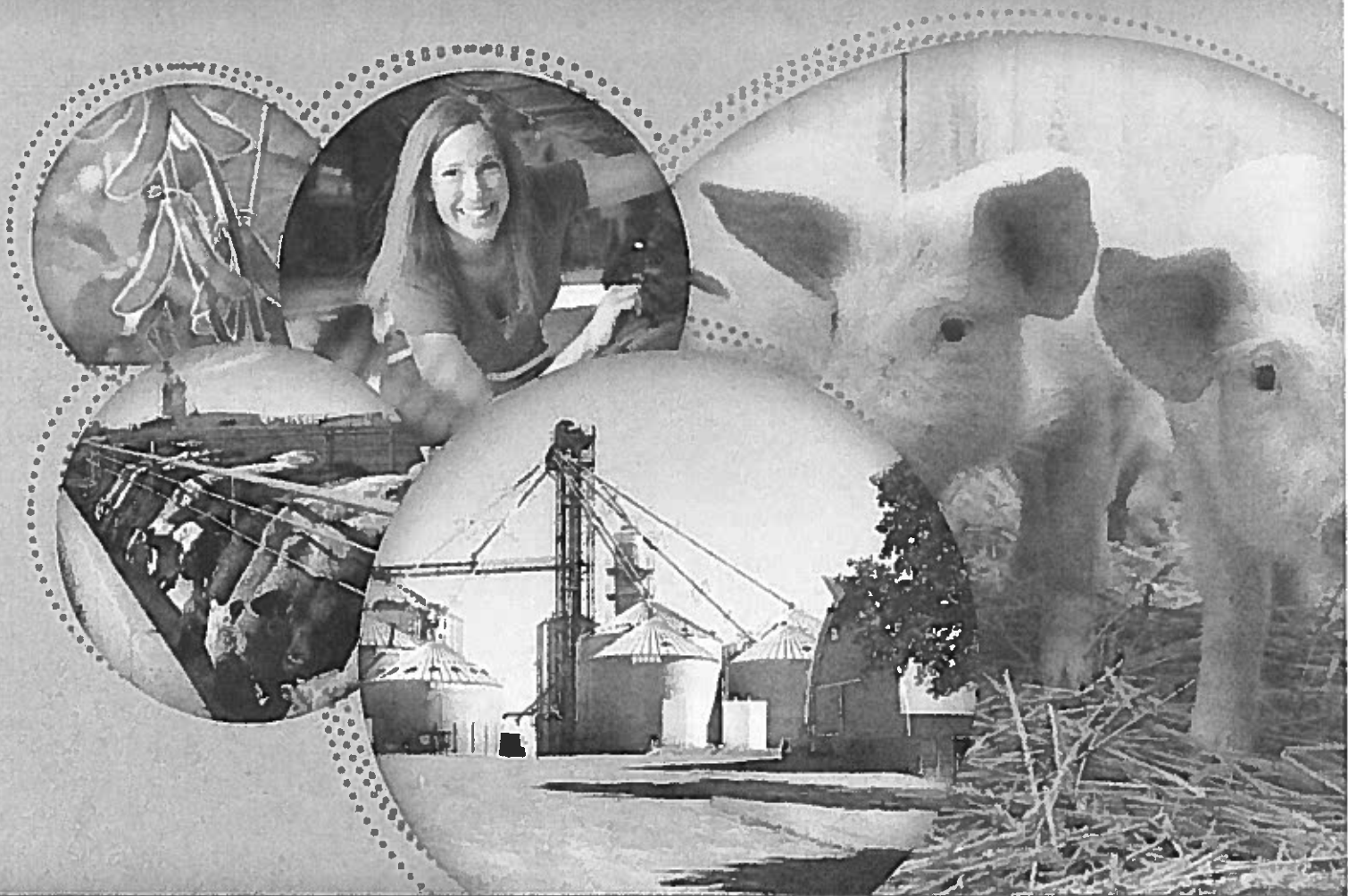
	Year 2017												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
CASH INFLOWS													
Beg cash bal	-7000	500	500	500	184515	500	500	500	500	500	500	500	-7000
Corn	-	16240	6960	-	5200	-	-	-	-	-	32500	-	60900
Grass Hay	14000	21000	28000	28000	28000	-	14000	14000	7000	7000	7000	7000	175000
Backgnd Beef	-	-	-	-	206963	139106	212052	353420	141368	-	-	-	1052910
Finish Beef	-	-	-	26227	-	27416	-	-	-	-	-	-	53643
Cull stock	5837	-	5837	-	-	-	-	-	-	-	5837	-	17512
Pat dividend	-	-	-	-	-	4941	-	-	-	-	-	-	4941
Other farm	27367	2667	2667	2667	1667	4667	4667	4667	4667	4667	1667	1667	63700
Total inflow	40204	40407	43964	57394	426345	176630	231219	372587	153535	12167	47504	9167	1421606
CASH OUTFLOWS													
Seed	-	-	-	-	-	-	-	-	-	-	-	35467	35467
Fertilizer	-	-	-	-	111187	-	-	-	-	-	-	-	111187
Chemicals	-	-	-	-	-	-	22710	-	-	-	-	-	22710
Crop insur.	-	-	-	-	-	-	-	-	-	-	11410	-	11410
Pur. Corn	-	1250	-	-	-	-	-	-	-	-	-	-	1250
Feeder lvstk	7875	-	-	-	-	-	-	-	105000	105000	105000	105000	427875
Purch. feed	7355	7684	7684	7825	6510	1024	695	695	1966	3427	4888	7796	57551
Veterinary	1605	1572	1704	1821	1698	625	561	561	808	1146	1297	1708	15107
Supplies	572	577	600	616	549	163	140	140	227	337	414	586	4920
L. Marketing	-	-	-	491	508	854	508	846	338	-	-	-	3544
Fuel & oil	1432	1432	1432	7161	7161	7161	7161	7161	7161	4297	4297	1432	57290
Repairs	2530	2530	2530	12652	12652	12652	12652	12652	12652	2530	2530	2530	91091
Cust hire	1011	1011	1011	1011	1011	1011	1011	1011	1011	16511	16511	1011	43129
Labor	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	9167	110000
Land rent	-	-	5359	5359	5359	5359	-	-	5359	5359	-	26795	58950
Mach leases	850	850	850	850	850	850	850	850	850	850	850	850	10200
RE taxes	-	-	-	-	962	-	-	-	-	-	962	-	1924
Farm insur.	851	851	851	851	851	851	851	851	851	851	851	851	10216
Utilities	854	854	854	854	854	854	854	854	854	854	854	854	10250
Misc.	15867	4867	4867	15867	4867	4867	4867	4867	4867	4867	4867	4867	80409
Accounts pay	3833	4603	2833	360469	833	833	833	833	833	833	833	833	378406
Living/Draw	3808	3808	3808	3808	3808	3808	3808	3808	3808	3808	3808	3808	45700
Min end bal	500	500	500	500	500	500	500	500	500	500	500	500	500
Tot. outflow	58112	41558	44052	429303	169328	50579	67169	44797	156254	160338	169040	204057	1589086
Opr. surplus	-17908	-1151	-88	-371910	257017	126051	164050	327790	-2719	-148171	-121536	-194890	-167480

Projected Cash Flow

	Year 2017												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
NEW CREDIT													
PRODU-2017..	-	-	-	-	-	-	-	-	125000	125000	125000	125000	500000
PRODU-OWN..	-	-	-	-	-	-	-	-	-	120000	-	-	120000
NEWRE.E.	-	-	-	325000	-	-	-	-	-	-	-	-	325000
FCNB-REFI	-	-	-	900000	-	-	-	-	-	-	-	-	900000
Tot new cred	-	-	-	1225000	-	-	-	-	125000	245000	125000	125000	1845000
LOAN PAYMENTS													
FCNB-045CHOP	-	-	-	32802	-	-	-	-	-	-	-	-	32802
FCNB-1466	-	-	-	103283	-	-	-	-	-	-	-	-	103283
PRODU-427	-	-	-	-	115506	-	-	-	-	-	-	-	115506
PRODU-428	-	-	-	-	-	36500	-	-	-	-	-	-	36500
PRODU-429	-	-	-	-	-	271537	-	-	-	-	-	-	271537
PRODU-430	-	-	-	-	-	-	-	192750	100500	-	-	-	293250
PRODU-431	-	-	-	-	-	-	-	-	85952	-	-	-	85952
FCNB-557FE..	-	-	-	127964	-	-	-	-	-	-	-	-	127964
JDCC-469D..	-	-	-	4200	-	-	-	-	-	-	-	-	4200
JDCC-469R..	-	-	-	-	-	-	-	-	-	6617	-	-	6617
FCNB-631CH..	-	-	-	-	246217	-	-	-	-	-	-	-	246217
Ag Star-TMR	-	2916	-	-	-	-	-	2916	-	-	-	-	5832
FCNB-630	-	-	-	77577	-	-	-	-	-	-	-	-	77577
ASP-C4D	1352	1352	1352	198706	-	-	-	-	-	-	-	-	202762
PRODU-2017..	-	-	-	-	-	-	-	-	-	-	-	-	-
PRODU-OWN..	-	-	-	-	-	-	-	-	-	-	-	-	-
NEWRE.E.	-	-	-	-	1913	1913	1913	1913	1913	1913	1913	1913	15304
FCNB-REFI	-	-	-	-	-	-	23259	-	-	23259	-	-	46518
Tot loan pay	1352	4268	1352	544531	363635	309949	25172	197579	188365	31789	1913	1913	1671819
Surp. or def	-19260	-5419	-1440	308559	-106618	-183898	138878	130211	-66084	65040	1551	-71803	5701
ANNUAL OPERATING LOAN TRANSACTIONS & BALANCES													
Beg AO bal	95000	114260	119679	121119	-	106618	290517	153624	24181	90265	25797	24376	95000
AO borrowing	19260	5419	1440	-	106618	183898	-	-	66084	-	-	71925	454644
AO int. pay	-	-	-	3425	-	-	1986	768	-	572	129	122	7002
AO prin. pay	-	-	-	121119	-	-	136893	129443	-	64468	1422	-	453343
End AO bal.	114260	119679	121119	-	106618	290517	153624	24181	90265	25797	24376	96301	96301
Accrued int.	1650	2221	2820	-	-	533	-	-	121	-	-	-	-
End cash bal	500	500	500	184515	500	500	500	500	500	500	500	500	500

FARM BUSINESS MANAGEMENT

2016 ANNUAL REPORT



Financial Summary
Southern Minnesota Farm Business Management Data
(Farms Sorted By Farm Type)

	<i>Avg. Of All Farms</i>	<i>Crop</i>	<i>Dairy</i>	<i>Hog</i>	<i>Beef</i>	<i>Crop and Dairy</i>	<i>Crop and Hog</i>	<i>Crop and Beef</i>	<i>Other</i>
Number of farms	1380	743	166	44	25	58	32	51	257
Income Statement									
Gross cash farm income	791,868	653,960	1,279,386	1,885,573	1,025,556	853,952	1,624,612	600,265	591,337
Total cash farm expense	683,984	551,823	1,180,276	1,784,191	869,129	738,569	1,412,923	530,486	470,831
Net cash farm income	107,885	102,136	99,110	101,382	156,428	115,383	211,689	69,779	120,507
Inventory change	-8,742	-751	3,893	-12,450	-139,181	-34,124	17,745	-37,667	-18,125
Depreciation	-54,856	-53,607	-67,150	-65,997	-34,637	-65,118	-94,612	-35,414	-47,583
Net farm income from operations	44,287	47,778	35,854	22,936	-17,390	16,141	134,823	-3,303	54,799
Gain or loss on capital sales	2,456	3,616	3,428	1,025	-124	1,789	40	-79	-38
Average net farm income	46,742	51,394	39,282	23,961	-17,515	17,930	134,863	-3,381	54,761
Median net farm income	33,071	35,311	34,684	5,111	-6,312	19,072	74,621	9,300	37,644
Profitability (cost)									
Rate of return on assets	1.4 %	1.6 %	0.4 %	0.4 %	0.1 %	-0.3 %	3.1 %	-0.7 %	2.7 %
Rate of return on equity	-0.7 %	-0.1 %	-2.5 %	-4.4 %	-8.6 %	-3.2 %	2.3 %	-6.4 %	1.4 %
Operating profit margin	4.4 %	5.1 %	1.1 %	1.3 %	0.8 %	-1.0 %	8.7 %	-2.7 %	9.2 %
Asset turnover rate	32.1 %	31.2 %	41.3 %	33.2 %	17.9 %	30.4 %	35.1 %	26.5 %	29.2 %
Profitability (market)									
Rate of return on assets	2.0 %	2.0 %	1.5 %	1.4 %	1.4 %	0.9 %	3.2 %	0.9 %	3.0 %
Rate of return on equity	1.3 %	1.5 %	0.0 %	-0.9 %	-2.3 %	-0.5 %	3.3 %	-1.4 %	2.9 %
Operating profit margin	8.5 %	9.0 %	4.4 %	5.3 %	10.1 %	3.8 %	12.1 %	4.5 %	14.2 %
Asset turnover rate	23.9 %	22.8 %	33.6 %	26.2 %	14.0 %	23.0 %	26.6 %	19.1 %	21.2 %
Liquidity & Repayment (end of year)									
Current assets	568,571	629,554	427,263	882,486	743,204	464,524	1,129,324	467,992	388,693
Current liabilities	350,034	374,282	260,835	695,567	579,625	271,815	607,519	335,727	248,176
Current ratio	1.62	1.68	1.64	1.27	1.28	1.71	1.86	1.39	1.57
Working capital	218,537	255,272	166,428	186,918	163,579	192,708	521,806	132,265	140,517
Working capital to gross inc	27.5 %	38.3 %	12.8 %	9.8 %	17.9 %	23.1 %	31.4 %	23.0 %	24.4 %
Term debt coverage ratio	0.90	0.99	0.65	0.48	0.18	0.64	1.12	0.49	1.15
Replacement coverage ratio	0.68	0.71	0.53	0.44	0.16	0.50	0.87	0.34	0.92
Term debt to EBITDA	4.23	3.96	5.09	5.30	8.84	5.16	3.20	6.70	3.82
Solvency (end of year at cost)									
Number of farms	1,380	743	166	44	25	58	32	51	257
Total assets	2,287,867	2,411,523	2,411,724	2,740,844	2,171,195	2,325,920	3,718,189	1,634,007	1,732,703
Total liabilities	991,186	984,236	1,073,340	1,510,579	1,391,195	941,776	1,564,691	865,747	803,810
Net worth	1,296,682	1,427,288	1,338,384	1,230,265	780,000	1,384,144	2,153,498	768,260	928,892
Net worth change	19,827	34,290	-15,799	-44,936	-24,059	-15,031	39,523	-23,728	30,900
Farm debt to asset ratio	46 %	44 %	46 %	58 %	67 %	42 %	44 %	56 %	50 %
Total debt to asset ratio	43 %	41 %	45 %	55 %	64 %	40 %	42 %	53 %	46 %
Change in earned net worth %	2 %	2 %	-1 %	-4 %	-3 %	-1 %	2 %	-3 %	3 %
Solvency (end of year at market)									
Number of farms	1,380	743	166	44	25	58	32	51	257
Total assets	3,063,428	3,279,515	2,973,915	3,483,902	2,868,495	3,072,232	4,918,196	2,297,798	2,371,875
Total liabilities	1,292,302	1,323,860	1,300,641	1,843,426	1,600,841	1,249,143	2,035,799	1,118,602	1,033,119
Net worth	1,771,126	1,955,655	1,673,274	1,640,476	1,267,653	1,823,089	2,882,397	1,179,196	1,338,756
Total net worth change	51,239	65,778	16,107	-9,906	24,188	16,664	90,417	10,732	55,650
Farm debt to asset ratio	45 %	43 %	45 %	56 %	59 %	42 %	43 %	52 %	46 %
Total debt to asset ratio	42 %	40 %	44 %	53 %	56 %	41 %	41 %	49 %	44 %
Change in total net worth %	3 %	3 %	1 %	-1 %	2 %	1 %	3 %	1 %	4 %
Nonfarm Information									
Net nonfarm income	36,099	43,415	15,255	18,950	33,832	17,570	29,645	39,745	35,302
Farms reporting living expenses	338	215	19	11	5	12	9	6	58
Total family living expense	60,731	61,463	58,053	83,949	-	63,252	-	-	53,615
Total living, invest, cap. purch	86,584	87,086	70,208	137,971	-	61,041	-	-	79,578
Crop Acres									
Total crop acres	693	897	391	503	342	637	1,078	554	363
Total crop acres owned	186	233	96	139	136	227	217	167	112
Total crop acres cash rented	493	641	295	361	190	411	857	371	245
Total crop acres share rented	14	22	0	3	16	-	5	16	6
Machinery value per crop acre	880	779	1,464	912	1,096	1,050	930	783	1,114

Farm Income Statement
Southern Minnesota Farm Business Management Data
(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	1380	276	276	276
Cash Farm Income				
Beans, Dark Red Kidney	1,108	5,541	-	-
Beans, Light Red Kidney	1,116	5,582	-	-
Beans, Navy	325	365	-	553
Com	220,720	268,187	132,283	390,845
Com Silage	901	571	1,522	1,145
Corn, Seed	179	639	-	258
Hay, Alfalfa	1,485	1,860	853	3,171
Hay, Grass	189	104	327	181
Hay, Mixed	50	181	29	8
Oats	145	201	140	38
Peas, Processing	1,385	2,307	534	2,315
Popcorn	209	-	-	1,047
Potatoes	27	137	-	-
Soybeans	147,887	167,240	98,140	244,770
Soybeans Seed	466	269	-	1,767
Stover	55	25	2	205
Straw	151	103	40	430
Sugar Beets	4,652	13,788	2,205	4,995
Sunflowers	117	-	-	-
Sweet Com, Processing	2,801	4,121	2,500	3,503
Wheat, Spring	799	921	339	1,261
Rented Out	290	-	190	568
Com, Waxy	101	-	505	-
Soybeans, Organic	317	-	140	1,402
Corn, Organic	2,033	327	2,010	7,169
Hay, Alfalfa, Organic	63	-	298	15
Oats, Organic	84	-	57	313
Peas, Organic	30	-	-	150
Wheat, Spring, Organic	166	-	-	831
Vegetables, Assorted	192	412	462	-
Miscellaneous crop income	488	284	364	159
Beef Cow-Calf, Beef Calves	2,577	3,565	1,170	3,397
Beef Replacement Heifers	60	166	78	-
Beef Backgrounding	850	3,416	457	-
Beef Finishing	26,665	56,252	13,140	29,092
Beef Finish Yearlings	1,545	2,971	12	2,436
Dairy, Milk	150,131	284,994	76,417	215,279
Dairy, Dairy Calves	2,892	5,012	2,017	4,002
Dairy Heifers (for sale)	85	210	57	152
Dairy Replacement Heifers	729	1,019	561	535
Dairy Finishing	24,753	76,220	6,553	12,128
Goats, Dairy, Goat Milk	295	-	84	-
Hogs, Farrow To Finish, Raised Hog	11,822	45,595	189	446
Hogs, Feeder Pig Prod, Feeder Pigs	132	640	-	1
Hogs, Finish Feeder Pigs	27,346	45,837	15,986	42,927
Honey Production, Honey	130	-	648	-
Sheep, Feeder Lamb Prod, Fdr Lambs	46	29	19	150
Sheep, Lamb Finishing	401	-	1,789	-
Sheep, Market Lamb Prod, Mkt Lambs	367	727	149	-
Turkeys	1,219	-	-	2,069
Bison Finishing	115	-	-	576
Hogs, Farrow to Weaning, Weaning P	7,218	5,089	-	28,164
Hogs, Weaning to Feeder	2,949	10,614	-	43
Hogs, Weaning to Finish	27,508	84,068	10,349	19,856
Dairy Feeder	2,364	2,301	2,820	4,463
Dairy Backgrounding	68	243	58	-
Cull breeding livestock	10,259	21,396	4,859	13,182
Misc. livestock income	4,180	5,343	1,084	7,496
Crop government payments	19,150	23,608	11,194	33,642
CRP payments	491	343	494	651
Livestock govt payments	152	294	130	79
Other government payments	3,818	4,974	2,396	6,624
Custom work income	28,163	20,407	14,097	66,246
Patronage dividends, cash	6,534	9,218	4,104	10,308
Crop insurance income	5,956	6,397	2,127	14,144
Property insurance income	2,426	1,752	577	6,804
Sale of resale items	3,799	3,479	687	8,344
Livestock insurance inc	104	347	42	37
Contract livestock income	9,956	7,296	7,537	21,224
Other farm income	16,076	15,791	11,301	33,060
Gross Cash Farm Income	791,868	1,222,783	436,125	1,254,657

Farm Income Statement (continued)
Southern Minnesota Farm Business Management Data
(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	1380	276	276	276
Cash Farm Expense				
Seed	62,352	80,040	39,366	100,104
Fertilizer	57,547	77,684	36,112	93,019
Crop chemicals	29,559	38,057	18,945	49,338
Crop insurance	12,022	16,293	7,157	19,307
Drying expense	3,895	5,667	2,529	5,851
Storage	1,421	2,041	850	1,594
Irrigation energy	247	924	34	193
Packaging and supplies	307	503	180	563
Crop custom hire	3,501	4,501	2,671	5,003
Crop hauling and trucking	1,459	2,177	1,155	2,557
Crop marketing	1,419	1,337	1,012	2,047
Crop miscellaneous	2,884	2,898	1,651	4,319
Crop consultants	1,088	1,594	468	2,062
Feeder livestock purchase	45,228	97,736	25,515	46,798
Purchased feed	91,018	200,551	35,357	116,146
Breeding fees	2,929	6,154	1,246	3,395
Veterinary	8,430	21,639	3,618	8,463
BST	2,140	5,040	313	3,799
Supplies	7,469	13,184	3,494	11,626
DHIA	630	1,149	408	723
Contract production exp.	7,295	15,617	1,733	8,457
Livestock insurance	139	224	133	248
Livestock custom hire	1,039	2,521	572	1,205
Livestock leases	967	4,423	229	95
Grazing fees	79	132	14	79
Livestock hauling and trucking	2,513	4,880	1,505	3,321
Livestock marketing	2,684	5,809	1,079	2,622
Bedding	3,297	7,023	1,627	4,134
Livestock consultants	411	547	58	1,152
Interest	36,246	61,528	22,506	47,845
Fuel & oil	20,039	30,721	11,822	30,633
Repairs	39,114	58,572	24,327	55,496
Repair, machinery	2,615	4,385	1,399	5,063
Repair, livestock equip	343	314	239	1,045
Custom hire	9,464	16,064	6,133	12,031
Repair, buildings	608	1,006	126	1,226
Hired labor	40,366	77,892	15,123	69,756
Land rent	113,367	155,738	60,959	196,796
Machinery leases	6,663	8,043	2,601	14,519
Building leases	8,888	16,793	2,874	15,499
Real estate taxes	8,946	11,046	6,385	13,429
Farm insurance	12,111	17,160	7,404	17,844
Utilities	12,141	18,516	7,528	18,025
Dues & professional fees	4,225	6,130	2,174	7,197
Purchase of resale items	5,015	3,854	703	13,415
Miscellaneous	9,862	13,705	7,050	13,295
Total cash expense	683,984	1,121,811	368,384	1,031,333
Net cash farm income	107,885	100,972	67,741	223,324
Inventory Changes				
Prepays and supplies	-13,112	-29,027	-6,063	-13,264
Accounts receivable	63	-6,870	46	4,967
Hedging accounts	1,125	-1,460	384	5,980
Other current assets	475	-1,807	569	2,288
Crops and feed	9,462	-20,932	4,726	50,672
Market livestock	-9,135	-47,724	-4,944	8,744
Breeding livestock	744	-1,623	95	3,733
Other assets	1,668	-1,195	1,551	5,566
Accounts payable	253	-8,425	478	10,059
Accrued interest	-285	-141	-687	627
Total inventory change	-8,742	-119,204	-3,844	79,371
Net operating profit	99,143	-18,232	63,898	302,695
Depreciation				
Machinery and equipment	-37,740	-51,569	-23,880	-61,378
Titled vehicles	-4,216	-6,184	-3,005	-5,252
Buildings and improvements	-12,900	-21,048	-7,992	-18,614
Total depreciation	-54,856	-78,801	-34,876	-85,244
Net farm income from operations	44,287	-97,033	29,021	217,451
Gain or loss on capital sales	2,456	-1,743	719	11,455
Net farm income	46,742	-98,776	29,740	228,906

Balance Sheet at Cost Values
Southern Minnesota Farm Business Management Data
(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	1380	276	276	276
Assets				
Current Farm Assets				
Cash and checking balance	30,047	26,073	19,124	67,153
Prepaid expenses & supplies	78,387	87,830	45,786	159,874
Growing crops	464	398	84	73
Accounts receivable	32,628	45,863	12,057	64,366
Hedging accounts	5,810	6,893	1,857	14,974
Crops held for sale or feed	355,160	417,933	202,386	675,321
Crops under government loan	-	-	-	-
Market livestock held for sale	59,909	145,646	22,200	61,098
Other current assets	6,164	7,849	2,686	14,636
Total current farm assets	568,571	738,487	306,180	1,057,494
Intermediate Farm Assets				
Breeding livestock	85,323	162,691	44,620	107,119
Machinery and equipment	411,501	570,215	260,930	627,439
Titled vehicles	33,177	43,935	23,298	44,240
Other intermediate assets	29,692	40,825	22,604	52,968
Total intermediate farm assets	559,694	817,667	351,452	831,767
Long Term Farm Assets				
Farm land	598,621	628,940	466,440	1,013,434
Buildings and improvements	287,136	387,337	181,492	456,630
Other long-term assets	45,015	64,804	23,718	83,712
Total long-term farm assets	930,771	1,081,081	671,650	1,553,775
Total Farm Assets	2,059,037	2,637,235	1,329,281	3,443,036
Total Nonfarm Assets	228,831	214,214	193,286	298,755
Total Assets	2,287,867	2,851,449	1,522,568	3,741,791
Liabilities				
Current Farm Liabilities				
Accrued interest	8,462	14,121	5,928	10,226
Accounts payable	17,549	35,573	8,262	21,575
Current notes	259,620	475,423	144,330	349,702
Government crop loans	-	-	-	-
Principal due on term debt	64,402	93,181	42,415	97,246
Total current farm liabilities	350,034	618,298	200,936	478,749
Total intermediate farm liabs	140,308	242,927	75,156	190,951
Total long term farm liabilities	459,023	664,890	324,814	642,920
Total farm liabilities	949,364	1,526,114	600,906	1,312,620
Total nonfarm liabilities	41,821	40,113	36,288	50,476
Total liabilities	991,186	1,566,228	637,194	1,363,095
Net worth (farm and nonfarm)	1,296,682	1,285,221	885,374	2,378,696
Net worth change	19,827	-134,614	23,005	165,209
Percent net worth change	2 %	-9 %	3 %	7 %
Ratio Analysis				
Current farm liabilities / assets	62 %	84 %	66 %	45 %
Intermediate farm liab. / assets	25 %	30 %	21 %	23 %
Long term farm liab. / assets	49 %	62 %	48 %	41 %
Total debt to asset ratio	43 %	55 %	42 %	36 %

Balance Sheet at Market Values
Southern Minnesota Farm Business Management Data
(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	1380	276	276	276
Assets				
Current Farm Assets				
Cash and checking balance	30,047	26,073	19,124	67,153
Prepaid expenses & supplies	78,387	87,830	45,786	159,874
Growing crops	464	398	84	73
Accounts receivable	32,628	45,863	12,057	64,366
Hedging accounts	5,810	6,893	1,857	14,974
Crops held for sale or feed	355,160	417,933	202,386	675,321
Crops under government loan	-	-	-	-
Market livestock held for sale	59,909	145,646	22,200	61,098
Other current assets	6,164	7,849	2,686	14,636
Total current farm assets	568,571	738,487	306,180	1,057,494
Intermediate Farm Assets				
Breeding livestock	94,161	178,527	50,010	117,397
Machinery and equipment	599,553	812,729	400,363	919,629
Titled vehicles	48,189	63,347	32,328	67,147
Other intermediate assets	38,302	50,326	30,647	66,981
Total intermediate farm assets	780,205	1,104,928	513,347	1,171,154
Long Term Farm Assets				
Farm land	989,676	1,114,661	782,223	1,514,094
Buildings and improvements	379,951	496,012	247,107	603,335
Other long-term assets	53,085	74,210	31,304	96,680
Total long-term farm assets	1,422,711	1,684,883	1,060,634	2,214,108
Total Farm Assets	2,771,487	3,528,297	1,880,160	4,442,757
Total Nonfarm Assets	291,941	266,598	242,481	391,742
Total Assets	3,063,428	3,794,895	2,122,641	4,834,499
Liabilities				
Current Farm Liabilities				
Accrued interest	8,462	14,121	5,928	10,226
Accounts payable	17,549	35,573	8,262	21,575
Current notes	259,620	475,423	144,330	349,702
Government crop loans	-	-	-	-
Principal due on term debt	64,402	93,181	42,415	97,246
Total current farm liabilities	350,034	618,298	200,936	478,749
Total intermediate farm liab	140,308	242,927	75,156	190,951
Total long term farm liabilities	459,023	664,890	324,814	642,920
Total farm liabilities	949,364	1,526,114	600,906	1,312,620
Total nonfarm liabilities	41,821	40,113	36,288	50,476
Total liab excluding deferreds	991,186	1,566,228	637,194	1,363,095
Total deferred liabilities	301,116	372,550	194,750	501,824
Total liabilities	1,292,302	1,938,778	831,944	1,864,919
Retained earnings	1,296,682	1,285,221	885,374	2,378,696
Market valuation equity	474,444	570,896	405,324	590,884
Net worth (farm and nonfarm)	1,771,126	1,856,117	1,290,698	2,969,580
Net worth excluding deferreds	2,072,242	2,228,667	1,485,448	3,471,404
Net worth change	51,239	-55,765	42,425	176,560
Percent net worth change	3 %	-3 %	3 %	6 %
Ratio Analysis				
Current farm liabilities / assets	62 %	84 %	66 %	45 %
Intermediate farm liab. / assets	18 %	22 %	15 %	16 %
Long term farm liab. / assets	32 %	39 %	31 %	29 %
Total debt to asset ratio	42 %	51 %	39 %	39 %
Debt to assets excl deferreds	32 %	41 %	30 %	28 %

Household and Personal Expenses
Southern Minnesota Farm Business Management Data
(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	338	48	69	74
Average family size	2.8	2.9	2.9	2.9
Family Living Expenses				
Food and meals expense	7,851	7,897	8,810	7,820
Medical care	4,163	4,427	3,733	4,526
Health insurance	6,481	8,872	5,909	8,559
Cash donations	2,249	2,033	1,993	3,178
Household supplies	5,134	4,891	5,091	7,504
Clothing	1,913	1,560	2,112	2,330
Personal care	3,835	2,230	3,579	4,671
Child / Dependent care	616	542	139	606
Alimony and child support	84	20	342	-
Gifts	2,318	2,088	2,309	2,819
Education	1,877	4,217	2,223	1,840
Recreation	4,228	4,857	4,202	4,745
Utilities (household share)	2,730	2,691	2,776	2,990
Personal vehicle operating exp	3,241	2,956	3,457	3,239
Household real estate taxes	580	512	402	962
Dwelling rent	267	-	340	117
Household repairs	1,744	2,338	1,852	1,262
Personal interest	1,503	1,596	868	2,401
Disability / Long term care ins	503	632	423	578
Life insurance payments	3,902	4,456	3,680	4,597
Personal property insurance	367	202	248	382
Miscellaneous	4,842	5,738	3,363	5,741
Total cash family living expense	60,428	64,755	57,849	70,866
Family living from the farm	302	264	188	160
Total family living	60,731	65,019	58,037	71,026
Other Nonfarm Expenditures				
Income taxes	16,697	7,421	10,044	35,798
Furnishing & appliance purchases	261	244	85	689
Nonfarm vehicle purchases	3,315	2,455	2,139	5,130
Nonfarm real estate purchases	2,642	-353	3,229	-759
Other nonfarm capital purchases	-181	5,976	-222	-333
Nonfarm savings & investments	3,423	-4,798	8,291	2,632
Total other nonfarm expenditures	26,156	10,946	23,566	43,156
Total cash family living investment & nonfarm capital purch	86,584	75,701	81,415	114,022

Nonfarm Summary
Southern Minnesota Farm Business Management Data
(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	1380	276	276	276
Nonfarm Income				
Personal wages & salary	24,884	22,399	31,019	13,864
Net nonfarm business income	2,869	5,058	2,133	2,097
Personal rental income	1,463	1,867	595	2,570
Personal interest income	408	808	133	590
Personal cash dividends	373	201	139	247
Tax refunds	1,318	1,556	1,196	865
Other nonfarm income	4,785	4,933	4,311	4,118
Total nonfarm income	36,099	36,822	39,527	24,352
Gifts and inheritances	7,724	5,731	5,526	21,190
Nonfarm Assets (market)				
Checking & savings	12,791	9,148	10,553	16,448
Stocks & bonds	13,267	13,201	5,901	17,671
Other current assets	9,447	8,329	2,263	27,942
Furniture & appliances	10,976	11,291	11,352	11,154
Nonfarm vehicles	18,986	15,869	19,135	22,514
Cash value of life ins.	16,317	12,203	11,839	23,902
Retirement accounts	85,714	74,365	71,146	110,247
Other intermediate assets	6,363	6,575	4,331	9,854
Nonfarm real estate	92,274	84,391	88,469	114,639
Personal bus. investment	10,847	13,632	6,335	18,322
Other long term assets	14,958	17,595	11,157	19,049
Total nonfarm assets	291,941	266,598	242,481	391,742
Nonfarm Liabilities				
Accrued interest	95	94	77	143
Accounts payable	841	173	345	1,682
Current notes	1,177	1,145	2,702	156
Princ due on term debt	3,049	3,016	3,094	2,979
Total current liabilities	8,800	6,539	7,408	14,406
Intermediate liabilities	4,465	4,441	5,863	2,031
Long term liabilities	28,556	29,133	23,018	34,039
Total nonfarm liabilities	41,821	40,113	36,288	50,476
Nonfarm net worth	250,119	226,484	206,193	341,267
Nonfarm debt to asset ratio	14 %	15 %	15 %	13 %

**2018 MN FFA Farm Management Practicum
100 Questions (Each question is worth 2 points)**

Bubble in the most correct answer on the bottom half of your scantron.

Part I Financial Summary

- 1) The total crop inventory change for the Killebrew beef farm is:
 - A. \$50,515
 - B. \$133,500
 - C. \$145,492
 - D. \$278,992

- 2) The total inventory change for the 2016 Area Average indicates that the Area Average Farms:
 - A. Increased their inventory
 - B. Decreased their inventory
 - C. Lost money
 - D. Made money

- 3) During the year the Killebrew Beef Farm's had a gross livestock income of:
 - A. \$17,521
 - B. \$224,062
 - C. \$710,878
 - D. \$968,920

- 4) What was the Rate of return on assets at market for Killebrew Beef farm?
 - A. 7.6%
 - B. 4.5%
 - C. -4.7%
 - D. -11.5%

- 5) What is the term debt coverage ratio for Killebrew Beef farm?
 - A. 0.27
 - B. 0.30
 - C. 0.46
 - D. 0.82

- 6) What is the rate of return on assets at market for the Area Average farms in 2016?
 - A. 1.6%
 - B. 2.0%
 - C. 5.1%
 - D. 10.2%

- 7) What is asset turnover rate for the Area Average farms in 2016?
 - A. 23.9%
 - B. 25.9%
 - C. 28.0%
 - D. 30.2%

Using the Area Average Financial Summary sorted by farm type answer questions 8-15

- 8) Which type of farm had the highest net farm income from operations?
 - A. crop
 - B. dairy
 - C. hog
 - D. beef

- 9) What was the average net farm income?
- A. \$ 22,936
 - B. \$ 35,854
 - C. \$ 44,287
 - D. \$ 46,742
- 10) Which type of farm had the highest median net farm income?
- A. crop
 - B. dairy
 - C. hog
 - D. beef
- 11) Which type of farm had the highest asset turnover rate at cost?
- A. crop
 - B. dairy
 - C. hog
 - D. beef
- 12) Which type of farm had a positive change in total net worth percent at cost?
- A. crop
 - B. dairy
 - C. hog
 - D. beef
- 13) Which type of farm had the highest term debt to EBITDA?
- A. crop
 - B. dairy
 - C. hog
 - D. beef
- 14) Which type of farm had the least number of farms used in the annual report?
- A. crop
 - B. dairy
 - C. hog
 - D. beef
- 15) Which type of farm had the highest current ratio?
- A. crop
 - B. dairy
 - C. hog
 - D. beef

Part II Profitability Measures

- 16) What is the Killebrew Beef Farm's Return on Farm equity at Cost?
- A. -\$ 16,852
 - B. -\$22,169
 - C. -\$83,815
 - D. -\$94,486
- 17) What was the Killebrew Beef Farm's EBITDA at cost?
- A. \$40,000
 - B. \$63,432
 - C. \$98,478
 - D. \$102,511

- 18) What is the Area Average's term debt coverage ratio for 2016?
A. 0.68
B. 0.90
C. 1.16
D. 1.91
- 19) What is the farm debt to assets ratio at market for the Area Average for 2016?
A. 38%
B. 41%
C. 45%
D. 54%
- 20) What was the Killebrew Beef Farm's working capital at the beginning of the year?
A. \$1,372
B. -\$8,300
C. -\$19,189
D. -\$23,968
- 21) What is the Area Average replacement coverage ratio for 2016?
A. 0.35
B. 0.46
C. 0.68
D. 0.88
- 22) Which type of farm in the Area Average had the highest net worth at cost?
A) crop
B) dairy
C) hog
D) beef
- 23) What is the Killebrew Farm's rate of return on farm equity at cost?
A) -18.7%
B) -7.6%
C) 25.2%
D) 30.3%
- 24) What is the Killebrew Farm's net farm income from operations?
A. -\$164,439
B. -\$54,486
C. -\$23,968
D. -\$8,025
- 25) What is the Killebrew Farm's value of farm production?
A. \$448,408
B. \$505,620
C. \$711,199
D. \$839,919

PART III INCOME STATEMENT

- 26) What percent of the Gross "cash" farm income comes from livestock sales on the Killebrew Beef Farm?
- A. 62.1%
 - B. 75.8%
 - C. 83.3%
 - D. 92.2%
- 27) What percent of the Gross "cash" farm income comes from corn for the Average Farms?
- A. 47.9%
 - B. 50.4%
 - C. 68.5%
 - D. 87.1%
- 28) What are the top three (3) income sources for the Area Average Farm?
- A. corn sales, soybean sales, and other crops
 - B. corn sales, soybean sales, and beef finishing
 - C. corn sales, soybean sales, and dairy milk
 - D. corn sales, soybean sales, and hogs
- 29) How much are the fuel and oil expenses for the Killebrew Beef Farm?
- A. \$21,772
 - B. \$23,560
 - C. \$40,076
 - D. \$57,290
- 30) Who has the higher cost of farm insurance and utilities?
- A. The Killebrew Beef Farm
 - B. The Area Average Farm
- 31) In the list of inventory changes, which item has the largest decrease in inventory for the Killebrew Beef Farm?
- A. accounts receivable
 - B. breeding livestock
 - C. total prepaids and supplies
 - D. Market livestock
- 32) Which farm had an inventory increase in the accounts receivable?
- A. The Killebrew Beef Farm
 - B. The Area Average Farm

Questions 33-34 - What percent of total cash expenses are repairs for each farm?

- 33) Killebrew Beef Farm
- A. 4.6%
 - B. 5.2%
 - C. 6.4%
 - D. 9.9%
- 34) Area Average Farm (Do not include Repairs-machinery, livestock equip., or buildings)
- A. 0.8%
 - B. 1.6%
 - C. 5.7%
 - D. 6.3%

- 35) Which farm has a larger net cash farm income?
A. The Killebrew Beef Farm
B. The Area Average Farm

Questions 36-37 - For each farm what percent is total cash farm expense of the gross cash farm income?

- 36) Killebrew Beef Farm
A. 42.7%
B. 47.1%
C. 87.5%
D. 94.9%
- 37) Area Average Farm
A. 63.4%
B. 72.6%
C. 86.4%
D. 95.1%

Questions 38-39 - What are the total dollars of crop sales for each farm?

- 38) Killebrew Beef Farm – corn silage and grass hay
A. \$30,349
B. \$86,115
C. \$100,132
D. \$145,492
- 39) Area Average Farm – corn silage and grass hay
A. \$1,090
B. \$1,485
C. \$2,801
D. \$4,652

PART IV – STATEMENT OF CASH FLOWS

- 40) Cash provided by operating activities for Killebrew Beef Farm?
A. \$122,039
B. \$133,797
C. \$164,927
D. \$189,191
- 41) Why is the Killebrew Farm net change in cash negative?
A. investing activities are negative
B. operating activities are negative
C. financing activities are negative
D. operating, investing and financing activities are all negative

PART V – BALANCE SHEET AT COST AND MARKET.

The Killebrew Beef Farm 2016 balance sheet information is on Pages 11 and 12 and the Area Average 2016 Farm balance sheet information at Cost is on Page 16 and at Market on Page 17.

- 42) Which farm has the most total farm liabilities at cost?
A. The Killebrew Beef Farm
B. The Area Average Farm

- 43) What is the difference between the 2016 Killebrew Beef Farms land market value versus land cost values?
- A. \$4,000
 - B. \$6,000
 - C. \$8,000
 - D. \$10,000
- 44) What was the Killebrew Beef Farm's 2016 retained earnings change at cost?
- A. -\$38,472
 - B. -\$19,265
 - C. \$27,070
 - D. \$39,406
- 45) Which farm had a greater 2016 net worth change at market?
- A. The Killebrew Beef Farm
 - B. The Area Average Farm
- 46) What was the difference in breeding livestock between 2016 Killebrew Beef Farms at market versus 2016 Killebrew Beef Farms at cost?
- A. -\$38,404
 - B. they are the same
 - C. \$123,498
 - D. \$143,877
- 47) How much was the difference in titled vehicles value market and cost of the Killebrew Beef Farm 2016?
- A. -\$1,831
 - B. they are the same
 - C. \$29,156
 - D. \$39,085
- 48) What is the cash and checking change between 2015 and 2016 for the Killebrew Beef Farm?
- A. -\$27,100
 - B. no change
 - C. \$7,000
 - D. \$20,100
- 49) How much market deferred liabilities does the Area Average Farm have at the end of the year?
- A. \$146,937
 - B. \$190,129
 - C. \$262,845
 - D. \$301,116

Questions 50-54 - Using the market balance sheet only, which of the four columns has the highest values for each of the following lines:

- 50) Livestock held for sale
- A. The Killebrew Beef Farm 2014
 - B. The Killebrew Beef Farm 2015
 - C. The Killebrew Beef Farm 2016
 - D. The Area Average 2016

- 51) Machinery/Equipment
A. The Killebrew Beef Farm 2014
B. The Killebrew Beef Farm 2015
C. The Killebrew Beef Farm 2016
D. The Area Average 2016
- 52) Crop inventory or Crops held for sale or feed
A. The Killebrew Beef Farm 2014
B. The Killebrew Beef Farm 2015
C. The Killebrew Beef Farm 2016
D. The Area Average 2016
- 53) Market Valuation Equity
A. The Killebrew Beef Farm 2014
B. The Killebrew Beef Farm 2015
C. The Killebrew Beef Farm 2016
D. The Area Average 2016
- 54) Cash/Checking
A. The Killebrew Beef Farm 2014
B. The Killebrew Beef Farm 2015
C. The Killebrew Beef Farm 2016
D. The Area Average 2016
- 55) What is the difference in breeding livestock for the Killebrew Beef Farm from 2015 to 2016 at market?
A. \$30,800
B. \$40,200
C. \$43,200
D. \$56,800
- 56) What is the difference in the total personal assets for the Killebrew Beef Farm from 2015 to 2016 at market?
A. -\$4,941
B. \$0.00
C. \$4,941
D. \$10,000
- 57) What is the difference in the total current liabilities at market for the Killebrew Beef Farm from 2015 to 2016?
A. \$15,334
B. \$18,042
C. \$20,958
D. \$22,138
- 58) What is the difference in the total farm liabilities at cost for the Killebrew Beef Farm from 2015 to 2016?
A. \$111,952
B. \$117,322
C. \$138,547
D. \$151,441
- 59) What is the difference in the total intermediate assets at cost for the Killebrew Beef Farm from 2015 to 2016?
A. -\$6,028
B. -\$8,042
C. -\$10,958
D. -\$12,138

- 60) If the Killebrew Beef Farm owns 80 acres what is the current market value per acre at market for 2016 year end?
- A. \$4,663
 - B. \$5,362
 - C. \$5,742
 - D. \$6,289

PART V – CASH FLOW – Killebrew Beef Farm Projected Cash Flow Plan (pages 14 and 15)

- 61) What is the Killebrew Beef Farm's projected income from corn sales?
- A. \$18,600
 - B. \$21,178
 - C. \$55,000
 - D. \$60,900
- 62) What is the Killebrew Beef Farm's projected total inflows for 2017?
- A. \$637,000
 - B. \$1,052,910
 - C. \$1,421,606
 - D. \$1,589,086
- 63) What is the largest cost item in the total cash outflow area?
- A. Seed
 - B. Fertilizer
 - C. Feeder livestock
 - D. Purchased feed
- 64) If the Killebrew's rent 907 acres of crop land, how much would the rent per acre be?
- A. \$61
 - B. \$65
 - C. \$71
 - D. \$78
- 65) The Killebrew Beef Farm wants to keep an ending cash balance each month of at least \$500.. Does the proposed cash flow meet that goal?
- A. Yes
 - B. No
- 66) The Killebrew Beef Farm plans to sell what value of beef finish in 2017?
- A. \$53,643
 - B. \$60,900
 - C. \$63,700
 - D. \$70,226
- 67) How much interest on the operating loan does the cash flow show the Killebrew's will pay in 2017?
- A. \$1,322
 - B. \$4,591
 - C. \$6,188
 - D. \$7,002

- 68) The Killebrew Beef Farm insurance company says they would receive a 10% reduction in premium on their crop insurance if they paid the entire cost in January. What is the total cost of their crop insurance originally?
- A. \$10,200
 - B. \$10,940
 - C. \$11,410
 - D. \$12,620
- 69) How much would their insurance be after the 10% reduction?
- A. \$1,020
 - B. \$1,141
 - C. \$9,180
 - D. \$10,269
- 70) How much do the Killebrew's plan to borrow in 2017 excluding annual operating credit?
- A. \$500,000
 - B. \$900,000
 - C. \$1,671,819
 - D. \$1,845,000
- 71) What month do the Killebrew's plan on refinancing their FCNB loan?
- A. April
 - B. May
 - C. June
 - D. July
- 72) What is the highest balance the Killebrew's plan to have on their operating loan in 2017?
- A. \$95,000
 - B. \$290,517
 - C. \$330,659
 - D. \$372,643

PART VI – CROP AND BEEF ENTERPRISE ANALYSIS – Killebrew Beef Farm

- 73) Which rented crop had the highest gross return per acre?
- A. Corn
 - B. Corn Silage
 - C. Oats
 - D. Grass hay
- 74) Which crop had the highest net return per acre?
- A. Corn
 - B. Corn Silage
 - C. Oats
 - D. Grass hay
- 75) Which crop had no expense for seed for Killebrew Beef Farm?
- A. Corn Silage owned
 - B. Corn Silage rented
 - C. Corn
 - D. Oats

- 76) What was the largest direct expense item for Killebrew Beef Farm corn rented?
A. seed
B. fertilizer
C. crop chemicals
D. repairs
- 77) What was the largest overhead expense item for Killebrew Beef Farm Corn Silage (owned)?
A. hired labor
B. machinery leases
C. interest on long term debt
D. real estate taxes
- 78) Killebrew Beef Farm had a repair cost of _____ per acre for their corn rented?.
A. \$18.46
B. \$23.80
C. \$53.54
D. \$70.26
- 79) What did Killebrew Beef Farm pay for real estate taxes per acre?
A. \$4.02
B. \$5.92
C. \$7.58
D. \$8.99
- 80) Which crop had the most labor hours per acre for the Killebrew Beef Farm?
A. Corn
B. Corn Silage
C. Oats
D. Pasture
- 81) What percent of the total direct expense did the Killebrew Beef Farm spend on fertilizer for corn silage (rented)?
A. 15.6%
B. 19.5%
C. 23.2%
D. 31.1%
- 82) What was the highest direct expense for the Killebrew Beef herd?
A. grass hay
B. pasture
C. protein, vitamins, and minerals
D. repairs
- 83) How many pounds of beef calves did the Killebrew Beef Farm sell per cow? (round to the nearest pound)
A. 272 lbs.
B. 333 lbs.
C. 510 lbs.
D. 604 lbs.
- 84) What was the net return per cow over labor and management for the Killebrew Beef herd?
A. -\$256.49
B. -\$205.75
C. \$106.39
D. \$262.65

- 85) How many cows were there in the Killebrew Beef herd?
A. 86 cows
B. 97 cows
C. 154 cows
D. 192 cows
- 86) How many pounds of beef were weaned per exposed female for the Killebrew herd?
A. 464 lbs.
B. 489 lbs
C. 500 lbs.
D. 1,000 lbs
- 87) How many cows were culled from the Killebrew herd in 2016?
A. 16
B. 18
C. 20
D. 22
- 88) How many hours of labor were spent on the Killebrew beef herd in 2017?
A. 2,229 hrs.
B. 2,436 hrs.
C. 2,670 hrs.
D. 2,867 hrs.
- 89) What was the herd's net return per CWT of beef produced?
A. -\$20.57
B. -\$15.69
C. \$11.61
D. \$48.88
- 90) If the hired hand does all of the beef herd work, how much does he get paid per hour not including room and board?
A. \$5.74
B. \$5.93
C. \$6.27
D. \$6.53

PART VII – FAMILY LIVING

- 91) How much cash did Killebrew Beef Farm actually spend on total family living expenses for 2016?
A. \$9,721
B. \$22,039
C. \$35,689
D. \$51,323
- 92) Which of the four listed family living expenses did the Area Average spend the most on?
A. clothing
B. personal care
C. recreation
D. medical care
- 93) What did the Area Average spend on health insurance?
A. \$4,322
B. \$5,693
C. \$6,481
D. \$7,175

- 94) What percent of the Area Average total cash family living expense was spent on household supplies?
- A. 8.5%
 - B. 9.6%
 - C. 13.2%
 - D. 14.5%
- 95) What was the total family living expense per person for the Area Average?
- A. \$7,851
 - B. \$16,697
 - C. \$21,690
 - D. \$60,731
- 96) How many family members are there on the Killebrew farm?
- A. 2
 - B. 3
 - C. 4
 - D. 5
- 97) What value of farm produce did the Killebrew's use for family living?
- A. \$4,455
 - B. \$5,259
 - C. \$12,638
 - D. \$15,625
- 98) What was the Killebrew's largest family living expense?
- A. food and meals
 - B. life insurance payments
 - C. health insurance
 - D. medical care
- 99) How much income tax did the Killebrew's pay in 2016?
- A. none
 - B. \$2,293
 - C. \$3,639
 - D. \$4,111
- 100) The Killebrew's received their largest amount of personal income from?
- A. personal wages and salary
 - B. personal cash dividends
 - C. tax refunds
 - D. other personal income

2018 MN FFA Farm Management Practicum Key

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|--------------------|-------|--------|
| 1. B | 35. B | 69. D |
| 2. B | 36. D | 70. D |
| 3. D | 37. C | 71. A |
| 4. A | 38. D | 72. B |
| 5. B | 39. A | 73. B |
| 6. B | 40. C | 74. D |
| 7. A | 41. A | 75. D |
| 8. A | 42. A | 76. B |
| 9. D | 43. B | 77. C |
| 10. A | 44. A | 78. A |
| 11. B | 45. A | 79. B |
| 12. A | 46. B | 80. B |
| 13. D | 47. D | 81. C |
| 14. D | 48. A | 82. A |
| 15. B A | 49. D | 83. B |
| 16. D | 50. A | 84. B |
| 17. C | 51. A | 85. D |
| 18. B | 52. C | 86. A |
| 19. C | 53. D | 87. C |
| 20. D | 54. D | 88. A |
| 21. C | 55. B | 89. B |
| 22. A | 56. C | 90. D |
| 23. A | 57. B | 91. C |
| 24. B | 58. D | 92. C |
| 25. C | 59. A | 93. C |
| 26. C A | 60. A | 94. A |
| 27. A | 61. D | 95. C |
| 28. C | 62. C | 96. C |
| 29. D | 63. C | 97. D |
| 30. B | 64. B | 98. B |
| 31. D | 65. A | 99. A |
| 32. B | 66. A | 100. B |
| 33. B | 67. D | |
| 34. C | 68. C | |