

2017 Financial Analysis Executive Summary

Income Statement

Crop sales	2,021,078	
Crop inventory change	177,956	
Gross crop income		2,199,034
Livestock sales	2,493,263	
Livestock inventory change	295,623	
Gross livestock income		2,788,886
Government payments		132,762
Other cash farm income		960,601
Change in accounts receivable		149,000
Gain or loss on hedging accts		10,000
Change in other assets		-581
Gain or loss on breeding lvst		-
Gross farm income		6,239,702
Cash operating expense	5,259,369	
Change in prepaid exp and supplies	22,964	
Change in growing crops	-	
Change in accounts payable	50,000	
Depreciation	226,820	
Total operating expense		5,559,153
Interest paid	-	
Change in accrued interest	864	
Total interest expense		864
Total expenses		5,560,017
Net farm income		679,685

Other Measures

Total crop acres		3,245
Wean-Fin Pig sold or transferred out		16,956
Change in earned net worth	601,519	24 %
Change in market value net worth	644,314	39 %

Financial Standards Measures

Liquidity	Beg	End
Current ratio	1.66	
Working capital	1,082,535	1,250,723
Working capital to gross revenues	17.3 %	20.0 %
Solvency (market)	Beg	End
Debt to asset ratio	69 %	
Debt to equity ratio	2.24	2.13
Profitability	Cost	Market
Net farm income	679,685	722,480
Rate of return on assets	10.0 %	10.4 %
Rate of return on equity	21.7 %	32.9 %
Operating profit margin	16.4 %	17.5 %
Repayment Capacity		
Term debt coverage ratio (farm only)		
Replacement margin coverage ratio		2.80
Efficiency	Cost	Market
Asset turnover rate	61.3 %	59.1 %
Operating expense ratio		85.5 %
Depreciation expense ratio		3.6 %
Interest expense ratio		0.0 %
Net farm income ratio		10.9 %
Other		
Term debt coverage (farm+personal)		
Term debt to EBITDA		1.20

Information Accuracy

Cash discrepancy	0
Liability discrepancy	0
Cash discrepancy to gross revenue	0 %

Income Statement

Income	Quantity	Price	Amount	Expense	Amount
Corn, 2016 Crop	332,107 bu.	3.40/bu.	1,129,163	Seed	342,026
Soybeans, 2017 Crop	91,572 bu.	9.74/bu.	891,915	Fertilizer	224,651
Wean-Fin Pig	16,956 head	52.91 /cwt.	2,493,263	Crop chemicals	130,829
Crop government payments			132,762	Crop insurance	97,601
Custom work income			765,383	Feeder livestock purchase	920,185
Patronage dividends, cash			8,382	Purchased feed	1,648,730
Crop insurance income			176,412	Veterinary	82,793
Sale of resale items			10,400	Livestock Hauling and trucking	103,869
Other farm income			24	Livestock Marketing	63,917
				Fuel & oil	141,147
				Repairs	52,483
				Repair, machinery	100,863
				Custom hire	21,846
				Hired labor	98,443
				Owner wages & benefits	65,000
				Land rent	784,644
				Building leases	248,930
				Farm insurance	39,768
				Utilities	69,069
				Dues & professional fees	6,300
				Miscellaneous	16,275
Gross cash income			5,607,704	Total cash expense	5,259,369
				Net cash income	348,335
	Beginning	Purchases/	Sales/	Ending	Inventory
Inventory Changes	Inventory	Deposits	Withdrawals	Inventory	Change
Prepays and supplies	422,000			399,036	-22,964
Accounts receivable	469,650			618,650	149,000
Hedging gains or losses	120,000	-	-	130,000	10,000
Crops and feed	1,099,000			1,276,956	177,956
Market livestock	615,699			911,321	295,623
Other assets	-	788,706	-	788,125	-581
Accounts payable	-			50,000	-50,000
Accrued interest	4,653			5,517	-864
Total inventory change					558,170
Net operating profit					906,505
	Beginning	Purchases	Sales	Ending	Depreciation
Depreciation	Inventory			Inventory	
Machinery and equipment	1,896,750	365,000	-	2,049,930	-211,820
Titled vehicles	163,300	25,000	-	188,300	-
Buildings and improvement	402,600	-	-	387,600	-15,000
Total depreciation					-226,820
Net farm income					679,685

Profitability Measures		Cost	Market
(A)	Net farm income from operations	679,685	722,480
	Rate of return on assets (E/F)	10.0 %	10.4 %
	Rate of return on equity (G/H)	21.7 %	32.9 %
	Operating profit margin (E/I)	16.4 %	17.5 %
	Asset turnover rate (J/F)	61.3 %	59.1 %
	EBITDA	907,369	950,164
(B)	Change in market valuation	-	42,795
(C)	Interest expense	864	864
(D)	Value of unpaid oper labor & mgmt	79,845	79,845
(E)	Return on farm assets (A+C-D)	600,704	643,499
(F)	Average farm assets	5,993,022	6,210,407
(G)	Return on farm equity (A-D)	599,840	
(H)	Average farm net worth	2,758,792	1,955,813
(I)	Value of farm production	3,670,787	3,670,787

Liquidity Measures		Begin	End
(J)	Current assets	2,734,625	3,374,815
(K)	Current liabilities	1,652,089	2,124,092
	Current ratio (J/K)	1.66	
	Working capital (J-K)	1,082,535	1,250,723
	Change in working capital		
	Working capital to gross revenues	17.3 %	20.0 %

Solvency Measures (Market)		Begin	End
(L)	Total assets	5,298,275	7,122,540
(M)	Total liabilities	3,664,619	4,844,571
	Net worth (L-M)	1,633,656	2,277,970
	Net worth change		644,314
	Current debt to assets (K/J)	60 %	63 %
	Intermediate debt to assets	36 %	24 %
	Long term debt to assets	68 %	79 %
	Total debt to assets ratio (M/L)	69 %	

Repayment Capacity

	Net farm income from operations	679,685
	Depreciation (+)	226,820
	Personal income (+)	-
	Family living expense (-)	78,166
	Income taxes accrued (-)	-
	Interest on term debt (+)	35,788
(N)	Capital debt repayment capacity (=)	864,127
(O)	Scheduled term debt payments	254,370
(P)	Capital debt repayment margin (N-O)	609,757
(Q)	Cash replacement allowance	54,187
	Replacement margin (P-Q)	555,570
	Term debt coverage ratio (N/O)	
	Replacement coverage ratio (N/O+Q)	

Statement of Owner's Equity		
(a)	Beginning net worth	1,633,656
	Net farm income	679,685
	Personal income (+)	-
	Family living expense (-)	78,166
	Income taxes accrued (-)	-
	Change in personal assets (+)	-
	Change in nonfarm accounts payable (+)	-
(b)	Total change in retained earnings (=)	601,519
	Change in market value of capital assets	232,770
	Change in deferred liabilities -	189,975
(d)	Total change in market valuation =	42,795
(e)	Total change in net worth (b+d)	644,314
	Ending net worth	2,277,970

Statement of Cash Flows		
(f)	Beginning cash balance (farm & personal)	8,276
	Gross cash farm income	5,607,704
	Cash farm expenses (-)	5,259,369
(g)	Cash provided by operating activities (=)	348,335
	Sale of capital assets	-
	Purchase of machinery and equipment (-)	365,000
	Purchase of titled vehicles (-)	25,000
	Purchase of other farm assets (-)	788,706
(h)	Cash provided by investing activities (=)	-1,178,706
	Money borrowed	2,627,794
	Principal payments (-)	1,688,681
	Personal income (+)	-
	Family living expense (-)	78,166
	Income taxes paid (-)	-
(i)	Cash provided by financing activities (=)	860,947
	Net change in cash (g+h+i)	30,576
	Ending cash balance (farm and personal)	38,852

Crop Enterprise Analysis

	Corn	Soybeans
	Cash Rented	Cash Rented
Returns		
Acres	1768.00	1477.00
Unit	bu.	bu.
Yield per acre	213.00	62.00
Share of production (%)	100.00	100.00
Value per unit	3.41	9.74
Total product value	726.33	603.87
Crop insurance	43.22	-
Other crop income	-	-
Gross return per acre	769.55	603.87
Direct Expenses		
Seed	125.14	62.62
Fertilizer	121.41	-
Crop chemicals	38.62	42.35
Crop insurance	30.08	30.08
Hired labor	15.17	15.17
Land rent	235.64	235.64
Utilities	5.32	5.32
Fuel & oil	27.42	14.96
Repair, machinery	39.19	21.38
Total direct expenses	637.99	427.51
Return over direct expenses	131.56	176.36
Overhead Expenses		
Hired labor	0.00	0.00
Farm insurance	7.73	4.21
Utilities	0.00	0.00
Dues & professional fees	1.22	0.67
Machinery depreciation	82.30	44.89
Miscellaneous	6.32	3.45
Total overhead expenses	97.58	53.22
Total dir & ovhd expenses	735.57	480.73
Net return per acre	33.98	123.14
Government payments	40.91	40.91
Net return with govt pmts	74.90	164.05
Labor & management charge	28.14	15.35
Net return over lbr & mgt	46.76	148.70
Cost of Production Per Unit		
Total direct expenses	3.00	6.90
Total dir & ovhd expenses	3.45	7.75
Less govt & other income	3.06	7.09
With labor & management	3.19	7.34
Net value per unit	3.41	9.74
Machinery cost per acre	148.92	81.23
Est. labor hours per acre	1.46	0.79

LIVESTOCK ENTERPRISE ANALYSIS -- Hogs, Weaning to Finish

	Per Cwt. Carcass Sold		Per Head		Enterprise Total	
	Quantity	Value	Quantity	Value	Quantity	Value
Returns						
Wean-Fin Pig	128.21 lb.	67.84	258.76 lb.	136.92	4711838.0 lb.	2493263
Inventory change	14.24 lb.	8.04	28.74 lb.	16.23	523270.0 lb.	295623
Other income		1.62		3.27		59500
Gross return	142.45 lb.	77.51	287.50 lb.	156.42	5235108.0 lb.	2848386
Purchased	-8.67 lb.	-25.04	-17.50 lb.	-50.53	-318600.0 lb.	-920185
Gross margin	133.78 lb.	52.47	270.00 lb.	105.89	4916508.0 lb.	1928201
Direct Expenses						
Com	3.73 bu.	13.19	7.54 bu.	26.62	137243.0 bu.	484815
Protein Vit Minerals	53.26 lb.	11.58	107.49 lb.	23.37	978.6 ton	425536
DDGS, dry	39.18 lb.	2.16	79.08 lb.	4.35	720.0 ton	79250
Complete Ration	8.25 lb.	1.84	16.66 lb.	3.72	151.7 ton	67660
Veterinary		2.25		4.55		82793
Custom hire		0.59		1.20		21846
Hired labor		0.52		1.05		19200
Utilities		1.33		2.68		48792
Hauling and trucking		2.83		5.70		103869
Marketing		1.74		3.51		63917
Fuel & oil		1.92		3.88		70574
Repairs		1.43		2.88		52483
Total direct expenses		41.38		83.51		1520735
Return over direct expenses		11.09		22.38		407466
Overhead Expenses						
Hired labor		0.82		1.65		30022
Building leases		6.77		13.67		248930
Farm insurance		0.54		1.09		19884
Utilities		0.08		0.17		3010
Dues & professional fees		0.09		0.17		3150
Interest on interm. debt		0.02		0.05		864
Building depreciation		0.41		0.82		15000
Total overhead expenses		8.73		17.62		320859
Total dir & ovhd expense		50.11		101.13		1841594
Net return		2.36		4.76		86607
Labor & management charge		1.97		3.98		72423
Net return over lbr & mgt		0.39		0.78		14184
Est. labor hours per unit		0.10		0.21		3750
Cost of Prod Per Cwt. Carcass Sold						
Total direct expenses	58.37		Other Information			
Total dir & ovhd expenses	67.11		No. purchased or trans in	23,102	Hired labor per head	2.70
With other revenue adjustments	65.49		Number sold or trans out	16,956	Average purchase weight	14
With labor & management	67.46		Percentage death loss	4.4	Avg wgt / Wean-Fin Pig sold	278
			Percent substandard hogs	0	Avg purch price / head	39.83
			Avg. daily gain (lb.)	1.22	Avg sales price / cwt.	52.91
			Lb. of feed / lb. of gain	2.32	Average carcass weight	217
			Feed cost per cwt. of gain	21.50	Average price / cwt. carcass	67.23
			Feed cost per head	58.06		

Contributions to Overhead Expenses

Enterprise	Units	Contribution Per Unit	Total Contribution
Corn	1,768 Acres	172.47	304,933
Soybeans	1,477 Acres	217.27	320,913
Wean-Fin Pig	18,209 Head	22.38	407,466
Total contributions			1,033,312
Overhead expenses			
Hired labor			30,022
Owner wages & benefits			65,000
Building leases			248,930
Farm insurance			39,768
Utilities			3,010
Dues & professional fees			6,300
Interest on interm. debt			864
Machinery depreciation			211,820
Building depreciation			15,000
Miscellaneous			16,275
Total overhead expense			636,989
Total return over overhead expe			396,323

Nonfarm Summary

Personal Income	Amount
Personal wages & salary	-
Personal business income	-
Personal rental income	-
Personal interest income	-
Personal cash dividends	-
Tax refunds	-
Other personal income	-
Total personal income	-
Family Living Expenses	
Number of family members	5
Food and meals expense	17,654
Health insurance	32,500
Household supplies	3,200
Personal care	1,200
Child / Dependent care	11,700
Gifts	235
Education	350
Recreation	5,430
Utilities (household share)	1,254
Dwelling rent	1,400
Household repairs	3,243
Total cash family living expense	78,166
Family living from the farm	-
Total family living	78,166
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	78,166

Comparative Trend

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Profitability									
Gross farm income (accrual)	1,228,385	1,359,949	1,494,978	1,539,158	2,447,894	3,008,208	2,257,957	2,832,313	6,239,702
Total farm expense (accrual)	1,204,982	1,237,743	1,361,363	1,633,277	2,343,672	2,717,036	2,615,918	2,880,426	5,560,017
Net farm income from oper.	23,403	122,206	133,615	-94,120	104,222	291,172	-357,961	-48,114	679,685
Rate of return on assets	9.0 %	21.7 %	19.3 %	-20.7 %	3.1 %	25.0 %	-27.4 %	-8.0 %	10.0 %
Rate of return on equity	18.3 %	56.3 %	39.6 %	-52.4 %	4.4 %	56.1 %	-73.7 %	-43.6 %	21.7 %
Operating profit margin	27.7 %	32.2 %	44.6 %	-51.2 %	5.9 %	31.2 %	-405.5 %	-20.7 %	16.4 %
Asset turnover rate	32.7 %	67.4 %	43.3 %	40.5 %	53.0 %	80.1 %	6.8 %	38.9 %	61.3 %
Liquidity									
Current ratio	1.49	1.60	1.59	1.68	1.16	1.71	0.96	1.38	1.59
Working capital	181,620	252,309	295,561	203,165	126,586	408,199	-33,254	259,892	1,250,723
Working cap. to gross rev.	13.8 %	18.6 %	19.8 %	13.2 %	5.2 %	13.6 %	-1.5 %	9.2 %	20.0 %
Solvency (market)									
Total assets	550,620	672,309	994,952	700,538	1,252,602	1,284,630	1,153,000	1,379,491	7,122,540
Total liabilities	369,000	420,000	573,286	550,056	1,154,020	937,851	1,093,292	1,335,397	4,844,571
Net worth	181,620	252,309	421,666	150,482	98,581	346,779	59,708	44,093	2,277,970
Debt to asset ratio	67 %	62 %	58 %	79 %	92 %	73 %	95 %	97 %	68 %
Net worth change %	96 %	39 %	67 %	-64 %	-34 %	252 %	-83 %	-26 %	39 %
Repayment Capacity									
Term debt coverage ratio	n/a	n/a	n/a	-2.92	5.21	7.77	-7.74	-1.02	
Replacement coverage ratio	n/a	n/a	n/a	-2.92	5.21	7.77	-7.74	-1.02	
Efficiency									
Operating expense ratio	96.6 %	90.2 %	89.2 %	105.0 %	95.0 %	88.4 %	114.4 %	100.8 %	85.5 %
Interest expense ratio	1.5 %	0.8 %	1.8 %	0.4 %	0.7 %	0.9 %	1.2 %	0.9 %	0.0 %
Other Cash Flows									
Owner draws/Adj. family living	-	-	-	-	-	-	-	-	78,166
Crop and Livestock Summary									
Total crop acres	-	-	-	-	-	-	-	-	3,245
Crop acres cash rented	-	-	-	-	-	-	-	-	3,245
Corn									
Acres	-	-	-	-	-	-	-	-	1,768
Yield (bu.) / acre	-	-	-	-	-	-	-	-	213.0
Price / bu.	-	-	-	-	-	-	-	-	3.40
Soybeans									
Acres	-	-	-	-	-	-	-	-	1,477
Yield (bu.) / acre	-	-	-	-	-	-	-	-	62.0
Price / bu.	-	-	-	-	-	-	-	-	9.74
Hogs, Weaning to Finish									
Numbersold	10,487	-	-	9,919	10,240	12,819	15,858	13,850	16,956
Price / cwt.	42.52	-	-	60.76	62.20	79.90	53.33	48.86	52.91

Current Assets				Value	Current Liabilities				Balance		
Cash and checking				8,276	Accrued interest				4,653		
Prepaid expenses and supplies				422,000	Accounts payable and other accrued expenses				-		
Growing crops				-		Int	P & I	Principal			
Accounts receivable				469,650		Rate	Due	Balance			
Hedging accounts				120,000	Current loans				621,000		
Other current assets				-	MyHome Bank-LOC				757,854		
	Crop inventory		Quantity	Value/Unit	MyHome Bank-Operating				50,000		
	Corn		332,000	3.25/bu.	MyHome Bank-Operating 2				218,582		
	Mixed Hay		20,000	1.000/ton	Principal due within 12 months on term liabilities				-		
Livestock held for				No.	Value/Unit	Total Current Liabilities				1,652,089	
Wean-Fin Pig				7,745	51.00/cwt.					615,699	
Total Current Assets				2,734,625							
Intermediate Assets				Cost	Market	Intermediate Liabilities (Schd V)					
			Value	Value		Int	Principal	P & I	Principal	Intermed	
	Breeding livestock		-	-	Loan	Rate	Balance	Due	Due	Balance	
	Machinery and equipment		1,896,750	1,896,750	Farm Credit -Preferred	5.50	36,521	7,257	5,220	31,301	
	Titled vehicles		163,300	163,300	JDCC-JD8310	2.60	82,587	28,638	26,376	56,211	
	Other intermediate assets		-	1,000	JDCC-JD9560RT	2.90	110,165	29,222	26,253	83,912	
Total Intermediate Assets				2,060,050	2,061,050	JDCC-S860Combine	3.50	170,067	27,917	21,461	148,606
					JDCC-Sprayer	2.90	345,247	55,082	45,777	299,470	
						JDCC-BeanHead	2.90	75,382	16,374	14,342	61,040
						JDCC-CornHead	2.90	85,766	22,866	20,554	65,212
						Total Intermediate Liabilities					745,752
Long Term Assets				Cost	Market	Long Term Liabilities (Schd W)					
			Value	Value		Int	Principal	P & I	Principal	Lg Term	
	Land		-	-	Loan	Rate	Balance	Due	Due	Balance	
	Buildings and improvements		402,600	502,600	Farm Credit -Feed Mill	4.15	400,000	67,014	58,599	341,401	
	Other long term assets		-	-	Total Long Term Liabilities				341,401		
Total Long Term Assets				402,600	502,600						
Total Farm Assets				5,197,275	5,298,275	Total Farm Liabilities				2,739,242	
Personal Assets				-	-	Personal Liabilities				-	
Total Assets (a)(b)				5,197,275	5,298,275	Total Liabilities (d)(e)				2,739,242	
						Retained Earnings/Contributed Capital				[a-d] 2,458,032	
						Market valuation equity				[b-a] 101,000	
Net Worth						[b-e] 2,559,032				2,559,032	

I certify that my statements on this balance sheet are true, complete, and correct to the best of my knowledge and belief.

Signature(s) _____ Date _____

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
CASH INFLOWS													
Beg cash bal	38852	500	500	500	500	500	500	500	500	500	500	500	38852
Com	-	-	86250	-	170000	517500	477490	-	-	-	-	-	1251240
Soybeans	-	-	-	-	-	-	-	-	-	793440	-	-	793440
Wean-Fin Pig	-	378151	375077	377288	397555	432634	432634	223776	319738	307440	321552	321552	3887396
Custom work	45833	45833	45833	63690	63690	63690	63690	45833	45833	63690	63690	63690	675000
Pat dividend	-	-	-	5000	-	-	-	-	-	-	-	-	5000
Total inflow	84685	424485	507660	446478	631746	1014324	974314		366071	1165070	385742	385742	6650927
CASH OUTFLOWS													
Seed	-	-	-	215625	95760	-	-	-	-	-	-	-	311385
Fertilizer	-	-	-	-	207000	-	-	-	-	-	-	-	207000
Chemicals	-	-	-	-	128775	-	-	-	-	-	-	-	128775
Crop insur.	-	-	-	-	-	-	-	-	-	41800	47438	-	89238
Drying fuel	-	-	-	-	-	-	-	-	-	-	17250	-	17250
Feeder lvstk	200000	-	200000	200000	-	200000	-	200000	-	200000	-	-	1200000
Purch. feed	168292	168292	168292	168292	168292	168292	168292	168292	168292	168292	168292	168292	2019505
Veterinary	10094	10094	10094	10094	10094	10094	10094	10094	10094	10094	10094	10094	121125
Supplies	2884	2884	2884	2884	2884	2884	2884	2884	2884	2884	2884	2884	34607
Fuel & oil	12500	12500	12500	12500	12500	12500	12500	12500	12500	12500	12500	12500	150000
Repairs	11250	11250	11250	11250	11250	11250	11250	11250	11250	11250	11250	11250	135000
Cust hire	10000	10000	10000	23750	23750	23750	23750	10000	10000	10000	10000	10000	175000
Labor	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	100000
Owner wages	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	5417	65000
Land rent	-	-	-	392250	-	-	-	-	-	392250	-	-	784500
Bldg leases	26167	26167	26167	26167	26167	26167	26167	26167	26167	26167	26167	26167	314000
Farm insur.	-	-	-	20000	-	-	-	-	-	20000	-	-	40000
Utilities	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	90000
Marketing	500	500	500	500	500	500	500	500	500	500	500	500	6000
Dues & fees	-	-	-	2167	2167	-	-	-	-	-	2167	-	6500
Misc.	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	15000
Living/Draw	6667	6667	6667	6667	6667	6667	6667	6667	6667	6667	6667	6667	80000
Min end bal	500	500	500	500	500	500	500	500	500	500	500	500	500
Tot. outflow	471353	271353	471353	1115145	718805	485103	285103	471353	271353	925403	338207	271353	6090384
Opr. surplus	-386668	153131	36307	-668667	-87059	529221	689211	-201244	94718	239667	47535	114389	560543

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
LOAN PAYMENTS													
JDCC-Bean..	-	-	-	-	-	-	-	-	-	-	16374	-	16374
JDCC-Com..	-	-	-	-	-	-	-	-	-	-	22866	-	22866
JDCC-JD8310	-	-	28638	-	-	-	-	-	-	-	-	-	28638
JDCC-JD95..	-	-	-	-	-	-	-	-	-	-	29222	-	29222
Farm-Pref..	-	-	-	-	-	-	-	-	-	-	-	7257	7257
JDCC-S860..	-	-	-	-	-	-	27917	-	-	-	-	-	27917
JDCC-Sprayer	-	-	-	-	-	-	-	-	-	-	55082	-	55082
Farm-Feed..	-	-	-	-	-	67014	-	-	-	-	-	-	67014
MyHom-Pret..	-	-	-	-	-	-	-	-	-	-	-	-	-
Tot loan pay	-	-	28638	-	-	67014	27917	-	-	-	123544	7257	254370
Surp. or def	-386668	153131	7669	-668667	-87059	462207	661294	-201244	94718	239667	-76009	107132	306173

ANNUAL OPERATING LOAN TRANSACTIONS & BALANCES

Beg AO bal	1846000	2232668	2079536	2071867	2778255	2865314	2403107	1741813	1943057	1848339	1608672	1684681	1846000
AO borrowing	386668	-	-	706388	87059	-	-	201244	-	-	76009	-	1457367
AO int. pay	-	-	-	37721	-	-	-	-	-	-	-	77336	
AO prin. pay	-	153131	7669	-	-	462207	661294	-	94718	239667	-	29797	1648483
End AO bal.	2232668	2079536	2071867	2778255	2865314	2403107	1741813	1943057	1848339	1608672	1684681	1654884	1654884
Accrued int.	8461	18694	28225	-	12734	25866	36881	44864	53770	62241	69614	-	-
End cash bal	500	500	500	500	500	500	500	500	500	500	500	500	500

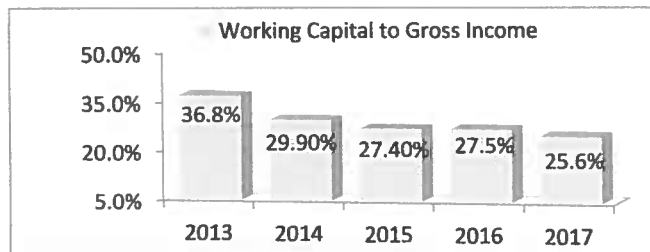
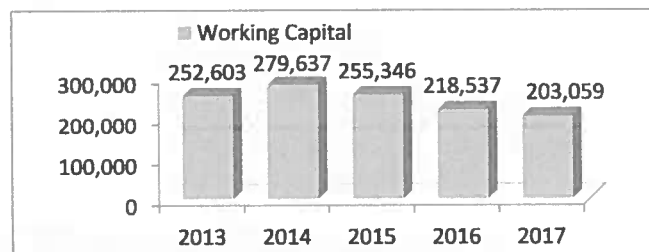
FARM BUSINESS MANAGEMENT

S O U T H E R N M I N N E S O T A
2 0 1 7 A N N U A L R E P O R T



Financial Trend Summary
Southern Minnesota Farm Business Management Data

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Income Statement					
Gross Cash Farm Income	941,264	925,932	840,341	791,868	774,349
Total Cash Farm Expense	741,773	776,714	724,501	683,984	680,554
Net Cash Farm Income	199,492	149,218	115,841	107,885	93,795
Inventory Change	-71,671	4,824	-23,760	-8,742	9,243
Depreciation	-55,497	-58,851	-56,164	-54,856	-51,355
Net Farm Income From Operations	72,323	95,191	35,915	44,287	51,683
Gain or Loss on Capital Sales	1,355	1,146	1,155	2,456	2,558
Average Net Farm Income	73,678	96,337	37,070	46,742	54,241
Median Net Farm Income	43,030	39,913	22,434	33,071	25,337
Profitability (Cost)					
Rate of Return on Assets	2.6%	3.7%	0.8%	1.4%	1.9%
Rate of Return on Equity	1.6%	3.5%	-1.7%	-0.7%	0.0%
Operating Profit Margin	7.4%	10.1%	2.5%	4.4%	5.8%
Asset Turnover Rate	35.4%	36.5%	33.0%	32.1%	32.2%
Liquidity & Repayment (end of year)					
Current Assets	511,618	631,535	578,379	568,571	561,180
Current Liabilities	259,015	351,898	353,033	350,034	358,121
Current Ratio	1.98	1.79	1.64	1.62	1.57
Working Capital	252,603	279,637	255,346	218,537	203,059
Working Capital to Gross Income	36.8%	29.90%	27.40%	27.5%	25.6%
Term Debt Coverage Ratio	1.02	1.33	0.77	0.90	1.02
Replacement Coverage Ratio	0.83	1.05	0.60	0.68	0.75
Term Debt to EBITDA	-	2.97	4.26	4.23	4.12
Solvency (Market)					
Number of Farms	947	1,347	1,287	1,380	1,420
Total Assets	2,422,077	3,089,636	2,987,149	3,063,428	3,103,692
Total Liabilities	971,184	1,280,133	1,271,496	1,292,302	1,323,581
Net Worth	1,642,929	1,809,503	1,715,654	1,771,126	1,780,111
Net Worth Change	103,679	86,583	34,810	51,239	64,497
Farm Debt to Asset Ratio	40%	43%	45%	45%	45%
Total Debt to Asset Ratio	40%	41%	43%	42%	43%
Change in Total Net Worth %	-	5%	2%	3%	4%
Nonfarm Information					
Net Nonfarm Income	33,202	34,228	36,528	36,099	35,787
Farms Reporting Living Expenses	350	409	368	338	352
Total Family Living Expense	67,848	66,073	62,829	60,731	59,601
Total Living, Invest, & Cap Purch	118,506	110,312	101,316	86,584	87,463
Crop Acres					
Total Crop Acres	678	697	683	693	699
Total Crop Acres Owned	203	198	184	186	187
Total Crop Acres Cash Rented	457	484	483	493	497
Total Crop Acres Share Rent	18	16	16	14	14
Machinery Value Per Crop Acre	-	861	879	880	851



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	352	56	71	78
Average family size	2.9	2.7	2.7	3.1
Family Living Expenses				
Food and meals expense	8,100	8,841	8,248	8,367
Medical care	4,387	4,491	4,396	4,674
Health insurance	5,465	5,672	4,396	8,768
Cash donations	2,748	2,297	1,649	4,590
Household supplies	5,757	5,780	4,422	6,864
Clothing	1,829	1,506	1,961	2,113
Personal care	4,125	2,806	3,427	7,197
Child / Dependent care	758	890	333	732
Alimony and child support	22	-	-	101
Gifts	2,043	2,481	2,567	2,512
Education	1,770	715	940	3,361
Recreation	4,060	4,598	3,567	4,899
Utilities (household share)	2,838	2,987	3,228	2,896
Personal vehicle operating exp	3,306	2,933	4,080	3,368
Household real estate taxes	579	590	635	730
Dwelling rent	119	-	73	144
Household repairs	1,683	2,013	829	2,202
Personal interest	1,482	1,302	1,389	2,309
Disability / Long term care ins	421	570	421	275
Life insurance payments	3,821	4,262	3,772	5,215
Personal property insurance	410	380	447	578
Miscellaneous	4,670	6,084	4,950	5,319
Total cash family living expense	59,165	61,199	55,675	71,727
Family living from the farm	436	1,339	209	93
Total family living	59,601	62,538	55,884	71,819
Other Nonfarm Expenditures				
Income taxes	16,556	8,028	13,187	33,399
Furnishing & appliance purchases	386	468	277	879
Nonfarm vehicle purchases	4,284	2,997	3,703	5,289
Nonfarm real estate purchases	2,497	-208	147	3,911
Other nonfarm capital purchases	2,712	-17	-3,451	21,075
Nonfarm savings & investments	1,863	88	4,159	-145
Total other nonfarm expenditures	28,297	11,356	18,024	64,408
Total cash family living investment & nonfarm capital purch	87,463	72,555	73,699	136,134

Crop Enterprise Analysis
Southern Minnesota Farm Business Management Data
(Farms Sorted By Return to Overhead)

Corn on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	904	180	181	181
Acres	328.74	243.59	400.58	345.77
Yield per acre (bu.)	215.33	199.59	215.49	225.77
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	3.24	3.15	3.23	3.29
Other product return per acre	0.52	0.18	0.03	0.99
Total product return per acre	698.09	628.71	695.81	743.87
Hedging gains/losses per acre	2.57	-0.05	0.25	10.45
Crop insurance per acre	7.33	5.81	3.82	13.39
Other crop income per acre	3.55	1.22	3.23	4.87
Gross return per acre	711.55	635.69	703.10	772.59
Direct Expenses				
Seed	116.82	122.34	116.74	109.12
Fertilizer	117.88	131.76	119.63	101.26
Crop chemicals	38.15	43.68	38.50	32.61
Crop insurance	20.15	22.90	19.08	20.07
Drying expense	21.81	24.24	21.28	18.83
Storage	2.58	2.40	2.20	2.64
Fuel & oil	24.12	27.99	23.61	22.62
Repairs	39.76	50.09	38.07	37.57
Repair, machinery	2.47	1.92	3.23	1.28
Custom hire	11.15	14.95	11.69	7.12
Hired labor	4.64	5.80	3.99	4.62
Land rent	218.49	230.49	218.43	205.18
Machinery leases	4.91	6.73	4.57	1.37
Utilities	1.82	1.62	1.07	1.44
Hauling and trucking	2.29	3.63	2.88	0.76
Marketing	2.32	2.46	2.48	1.98
Operating interest	14.07	18.29	14.27	11.54
Miscellaneous	2.90	3.96	2.67	2.36
Total direct expenses per acre	646.32	715.27	644.40	582.40
Return over direct exp per acre	65.22	-79.57	58.70	190.20
Overhead Expenses				
Hired labor	12.03	11.41	13.67	13.93
Machinery leases	3.45	1.78	2.71	6.42
Building leases	2.24	1.53	2.32	3.65
Farm insurance	10.43	11.06	9.67	10.55
Utilities	5.18	5.60	5.23	5.89
Dues & professional fees	3.90	3.79	3.63	4.23
Interest	6.62	8.21	6.86	6.21
Mach & bldg depreciation	51.59	52.73	50.75	53.39
Miscellaneous	6.54	6.74	5.35	6.97
Total overhead expenses per acre	101.97	102.86	100.18	111.24
Total dir & ovhd expenses per acre	748.29	818.13	744.58	693.64
Net return per acre	-36.75	-182.43	-41.48	78.95
Government payments	19.54	17.78	21.21	17.56
Net return with govt pmts	-17.21	-164.65	-20.26	96.52
Labor & management charge	48.75	49.07	45.39	49.45
Net return over lbr & mgt	-65.97	-213.72	-65.65	47.07
Cost of Production				
Total direct expense per bu.	3.00	3.58	2.99	2.58
Total dir & ovhd exp per bu.	3.48	4.10	3.46	3.07
Less govt & other income	3.32	3.97	3.32	2.86
With labor & management	3.55	4.22	3.53	3.08
Net value per unit	3.25	3.15	3.23	3.34
Machinery cost per acre	136.31	157.11	134.68	128.10
Est. labor hours per acre	2.66	2.87	2.69	2.69

Crop Enterprise Analysis
Southern Minnesota Farm Business Management Data
(Farms Sorted By Return to Overhead)

Soybeans on Cash Rent

	<u>Avg. Of</u> <u>All Farms</u>	<u>Low 20%</u>	<u>40 - 60%</u>	<u>High 20%</u>
Number of farms	828	165	165	166
Acres	301.87	315.25	309.73	237.56
Yield per acre (bu.)	55.28	49.99	55.14	59.48
Operators share of yield %	100.00	100.00	100.00	100.00
Value per bu.	9.25	9.20	9.22	9.29
Other product return per acre	0.01	-	-	0.04
Total product return per acre	511.22	459.83	508.10	552.65
Hedging gains/losses per acre	1.16	0.47	1.11	0.31
Crop insurance per acre	11.73	6.69	9.53	28.33
Other crop income per acre	2.74	2.54	2.69	4.96
Gross return per acre	526.85	469.53	521.44	586.26
Direct Expenses				
Seed	57.18	58.73	58.61	53.03
Fertilizer	18.64	22.47	16.69	12.96
Crop chemicals	46.38	51.58	43.57	42.21
Crop insurance	21.24	21.98	20.84	20.55
Storage	0.89	1.46	0.70	0.46
Fuel & oil	15.05	16.06	15.39	14.32
Repairs	25.52	27.82	24.06	21.72
Repair, machinery	1.56	2.42	1.62	2.35
Custom hire	8.28	10.83	9.86	4.57
Hired labor	3.41	4.44	2.33	1.98
Land rent	216.22	237.48	212.31	183.39
Machinery leases	3.62	5.48	3.57	1.55
Utilities	1.23	1.34	1.19	1.42
Hauling and trucking	1.02	1.64	1.24	0.53
Marketing	1.57	2.09	0.96	0.94
Operating interest	9.49	12.36	10.08	6.13
Miscellaneous	2.35	2.54	2.40	2.12
Total direct expenses per acre	433.65	480.73	425.43	370.24
Return over direct exp per acre	93.19	-11.19	96.01	216.02
Overhead Expenses				
Hired labor	7.17	5.48	6.56	6.84
Machinery leases	2.32	1.65	2.17	1.96
Building leases	1.18	0.77	0.91	0.81
Farm insurance	7.18	7.74	6.99	7.91
Utilities	3.37	3.20	3.45	3.69
Dues & professional fees	2.70	2.56	2.62	2.38
Interest	4.18	4.76	4.37	3.34
Mach & bldg depreciation	32.76	33.41	34.72	30.95
Miscellaneous	4.22	4.35	4.17	4.86
Total overhead expenses per acre	65.09	63.93	65.95	62.73
Total dir & ovhd expenses per acre	498.74	544.65	491.38	432.97
Net return per acre	28.11	-75.12	30.06	153.29
Government payments	17.26	16.83	15.60	14.57
Net return with govt pmts	45.37	-58.30	45.66	167.86
Labor & management charge	31.94	31.53	32.25	32.93
Net return over lbr & mgt	13.43	-89.83	13.40	134.93
Cost of Production				
Total direct expense per bu.	7.84	9.62	7.72	6.22
Total dir & ovhd exp per bu.	9.02	10.90	8.91	7.28
Less govt & other income	8.43	10.36	8.39	6.47
With labor & management	9.00	11.00	8.97	7.02
Net value per unit	9.27	9.21	9.24	9.30
Machinery cost per acre	88.34	96.60	91.04	76.56
Est. labor hours per acre	1.67	1.69	1.61	1.61

Livestock Enterprise Analysis
Farm Business Management Statewide Combined Database
(Farms Sorted By Return to Overhead)

Hogs, Weaning to Finish -- Average Per Cwt. Carcass Sold

	Avg. Of All Farms		Low 20%		40 - 60%		High 20%	
Number of farms	28		5		5		6	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Wean-Fin Pig sold (lb)	135.16	73.74	134.37	65.17	135.09	75.19	135.88	75.95
Transferred out (lb)	0.78	0.77	0.59	0.63	4.57	4.90	0.31	0.16
Cull sales (lb)	0.71	0.24	-	-	0.18	0.03	1.02	0.24
Other income		1.29		0.01		11.12		-0.18
Purchased (lb)	-6.94	-19.48	-7.82	-24.63	-2.86	-8.41	-8.21	-21.72
Transferred in (lb)	-0.98	-3.74	-0.09	-0.21	-5.77	-24.05	-	-
Inventory change (lb)	3.85	2.40	3.60	1.32	4.60	4.70	8.29	4.50
Gross margin		55.22		42.29		63.48		58.95
Direct Expenses								
Protein Vit Minerals (lb.)	79.28	13.72	62.01	10.38	73.10	19.05	90.05	13.28
Complete Ration (lb.)	33.90	3.21	121.29	9.65	0.28	0.06	7.18	0.70
Corn (bu.)	3.72	11.84	3.78	11.92	4.21	13.34	3.72	11.72
Protein Supplement (lb.)	2.22	0.36	28.59	4.65	-	-	-	-
DDGS, dry (lb.)	41.42	2.27	3.19	0.20	46.14	2.63	66.39	3.60
Other feed stuffs (lb)	2.49	0.83	1.00	0.13	0.01	0.00	5.83	1.94
Veterinary		1.92		2.69		1.68		1.72
Supplies		1.04		1.59		1.46		0.94
Contract production exp.		2.76		5.36		4.36		3.03
Fuel & oil		0.38		0.21		0.68		0.31
Repairs		0.87		1.00		0.72		0.88
Custom hire		0.96		-		0.57		1.48
Hired labor		0.96		0.52		2.87		0.70
Hauling and trucking		0.86		0.71		0.08		0.81
Marketing		0.42		0.09		1.11		0.17
Operating interest		0.43		0.74		0.42		0.43
Total direct expenses		42.84		49.84		49.02		41.72
Return over direct expense		12.38		-7.55		14.46		17.23
Overhead Expenses								
Hired labor		0.43		0.17		0.21		0.81
Building leases		3.33		-		0.43		3.42
Farm insurance		0.47		0.34		0.71		0.37
Utilities		0.27		0.42		0.70		0.19
Mach & bldg depreciation		1.43		1.27		2.51		1.57
Miscellaneous		0.83		0.96		0.96		0.79
Total overhead expenses		6.75		3.15		5.52		7.15
Total dir & ovhd expenses		49.59		53.00		54.54		48.87
Net return		5.64		-10.70		8.94		10.08
Labor & management charge		2.05		2.67		4.60		1.05
Net return over lbr & mgt		3.59		-13.37		4.34		9.03
Cost of Production/Cwt. Carcass Sold								
Total direct expense per unit		63.36		73.35		76.75		58.62
Total dir & ovhd expense per unit		70.11		76.50		82.26		65.77
With other revenue adjustments		68.87		76.50		71.15		66.04
With labor and management		70.92		79.17		75.75		67.09
Est. labor hours per unit		0.13		0.23		0.17		0.12
Other Information								
No. purchased or trans in		20,506		9,027		18,006		40,563
Number sold or trans out		18,195		8,162		14,423		34,811
Percentage death loss		5.8		4.2		12.4		5.1
Percent substandard hogs		2		1		1		2
Avg. daily gain (lb.)		1.46		1.50		1.33		1.50
Lb. of feed / lb. of gain		2.79		3.05		2.61		2.83
Feed cost per cwt. of gain		24.29		28.26		25.83		22.73
Feed cost per head		64.07		72.93		67.56		60.53
Hired labor per head		2.76		1.36		5.91		2.92
Average purchase weight		15		14		14		15
Avg wgt / Wean-Fin Pig sold		265		260		254		262
Avg purch price / head		41.15		43.66		41.58		39.79
Avg sales price / cwt.		54.56		48.50		55.66		55.90
Average carcass weight		199		195		189		197
Average price / cwt. carcass		73.28		64.91		74.97		75.48