

Executive Summary Edition

2019

Farm

Analysis

Report of

Moorhead

This is the 44th edition of this report published by the Northland College-Moorhead MN. Farm Business Management Department. The numbers for this report came from records kept by each farm family enrolled in the farm management education program provided by Northland Community and Technical College, Thief River Falls, MN.

*In 2019, 79 farms (with an equivalent of **87** full-time operators), located mainly in western Clay, Norman, and Wilkin, Minnesota, were included in the averages. The average farmer was 47.2 years old with 24.4 years of farming experience. Farms averaged 1807.1 acres per farm with 363.9 acres of that owned. Sugarbeets generated the largest gross dollar amount per farm (\$234,851). Soybeans (\$205,999) stayed 2nd ahead of Wheat (\$166,743). Corn was fourth at (\$160,039). The largest single expense was land rent (\$204,459) per farm, which is 21.7% of total cash expenses. Seed expense stayed in 2nd at (\$142,326). Fertilizer (\$95,692), Chemicals (\$86,277) and Repairs(\$83,120) were the next three expenses.*

*Net Farm Income (\$31,286) was the lowest it has been in the past five years which was 78.3% lower than 2018. Most of the decrease in the net farm income was directly related to issues with the sugarbeet crop harvest, quality issues related to spring wheat and corn . On average, the commodity crops received \$50-51 per acre from the market facilitation program, which kept the net return before labor and management on most farms above zero. On average, producers generated **(\$60,609)** below what their financial commitments (accrual farm expenses, family living draws and scheduled principal payments) were for 2019.*

Information about our Farm Business Management program and other financial reports can be found at our website: www.NorthlandFBM-Moorhead.com

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NORTHLAND
COMMUNITY & TECHNICAL COLLEGE

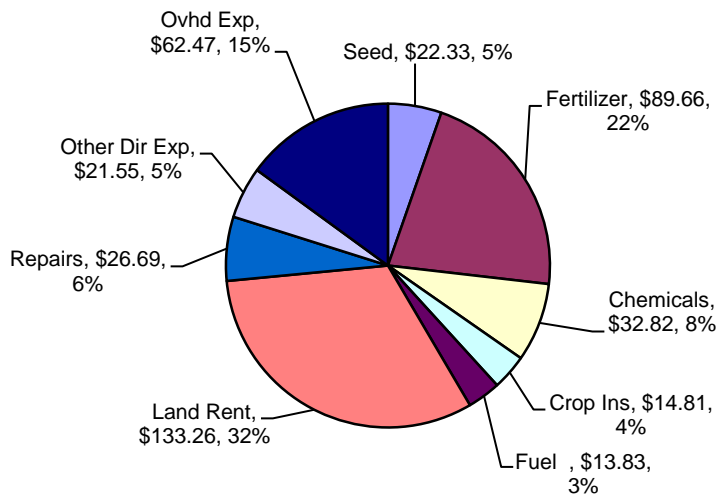
Statement of Cash Flows - Total of 79 Farms in Analysis Report

Soybeans	\$16,273,921	
Sugarbeets	\$18,553,229	
Corn	\$12,643,081	
Wheat	\$13,172,697	
Other Crops	\$7,177,782	
Government Pymts	\$6,758,450	
Remaining Farm Income (Ins, etc)	\$13,177,832	
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Total Cash Farm Income		\$87,756,992
Fertilizer	\$7,559,668	
Land Rent	\$16,152,261	
Seed	\$11,243,754	
Chemicals	\$6,815,883	
Repairs	\$6,566,480	
Fuel	\$3,360,028	
Crop Insurance	\$2,761,603	
Remaining Farm Expenses	\$19,810,830	
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Total Farm Expense		(\$74,270,507)
Net Cash from Hedging		\$196,473
Net Nonfarm Income		\$2,245,733
Apparent Family Living Income & SS Tax Paid		(\$7,520,879) (\$1,367,885)
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Cash From Operating Activities		\$7,039,927
Sale of Machinery	\$927,144	
Sale of Farm Land	\$3,565,507	
Sale of Other Farm Assets	\$570,222	
Sale of Nonfarm Assets	\$310,233	
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Total Sales of Assets		\$5,373,106
Purchase of Machinery	(\$6,892,197)	
Purchase of Farm Land	(\$4,683,910)	
Pur of Farm Bldgs/Tiling	(\$1,716,828)	
Pur of Other Farm Assets	(\$2,509,672)	
Pur of Nonfarm Assets	(\$1,835,881)	
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Total Purchase of Assets		(\$17,638,488)
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Cash From Investing Activities		(\$12,265,382)
Money Borrowed		\$50,516,313
Principal Payments		(\$43,756,046)
Gifts & Inheritances		\$12,246
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Cash From Financing Activities		\$6,772,513
Net change in cash balance:		\$1,547,058
Inventory Change:	(\$5,503,456)	

Farm Financial Scorecard

	This Year		5-Year Ave		Strong		Vulnerable	
					2.0	1.3		
Liquidity								
Current ratio	1.38	1.61						
Working capital	\$244,154	\$313,309						
Working cap to gross revenue	21.6%	28.2%						
Solvency (market)	Note: These solvency ratios include deferred liabilities							
Farm debt/asset ratio	44%	43%						
Farm equity/asset ratio	56%	57%						
Farm debt/equity ratio	0.80	0.74						
Profitability (Cost)								
Rate of return on farm assets	-0.3%	2.6%						
Rate of return on farm equity	-3.8%	1.5%						
Operating profit margin	-0.8%	6.6%						
Net farm income	\$31,286	\$109,721						
EBITDA	\$156,874	\$237,523						
Repayment Capacity (Accrual)								
Capital debt repay capacity	\$39,823	\$131,026						
Capital debt repay margin	-\$60,609	\$24,373						
Replacement margin	-\$113,157	-\$28,962						
Term-debt coverage ratio	0.40	1.23						
Replacement margin ratio	0.26	0.82						
Financial Efficiency								
Asset-turnover rate (market)	37.5%	39.1%						
Operating-expense ratio	86.1%	78.8%						
Depreciation-expense ratio	6.7%	7.0%						
Interest-expense ratio	4.9%	4.6%						
Net farm income ratio	2.3%	9.7%						

Spring Wheat - Cash Rented (Ave of all Farms)



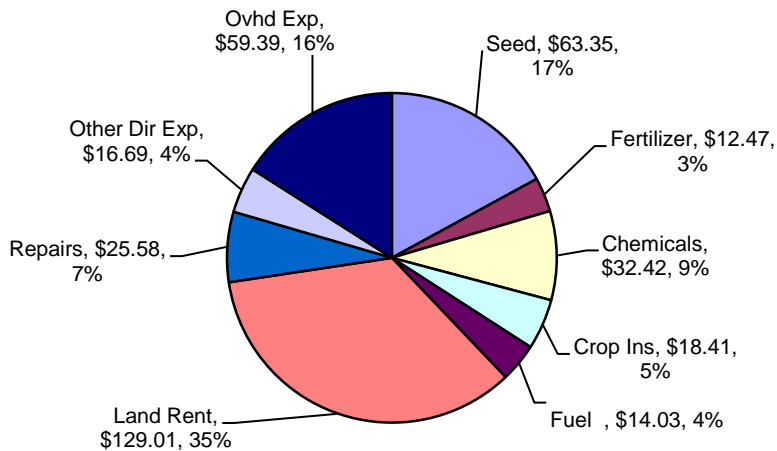
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2015	2016	2017	2018	2019
Yield	75.50	69.20	73.41	63.11	61.25
**Total Costs/Acre	\$409.59	\$388.92	\$388.20	\$393.45	\$417.42
Total Costs/Bu	\$5.43	\$5.62	\$5.29	\$6.23	\$6.82

My Farm		
Yield		
Costs/A.		
Costs/bu.		

**-does not include principal pymts or personal draw

Soybeans - Cash Rented (Ave of all Farms)



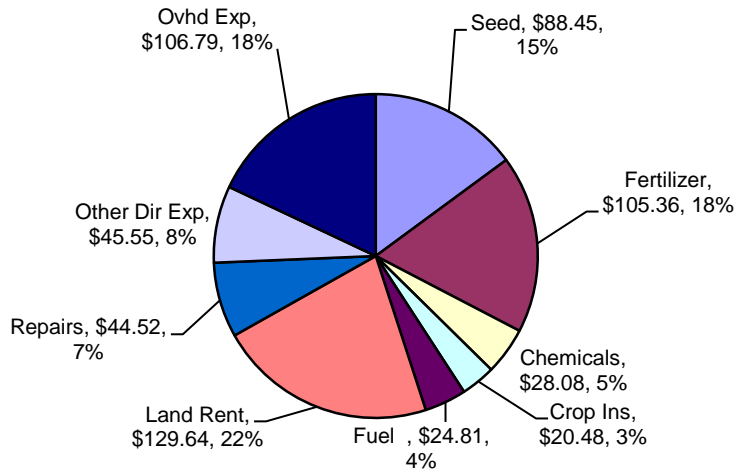
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2015	2016	2017	2018	2019
Yield	44.61	46.00	36.59	45.36	38.72
**Total Costs/Acre	\$368.74	\$365.12	\$378.22	\$372.10	\$371.35
Total Costs/Bu	\$8.27	\$7.94	\$10.34	\$8.20	\$9.59

My Farm		
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Corn - Cash Rented (Ave of all Farms)



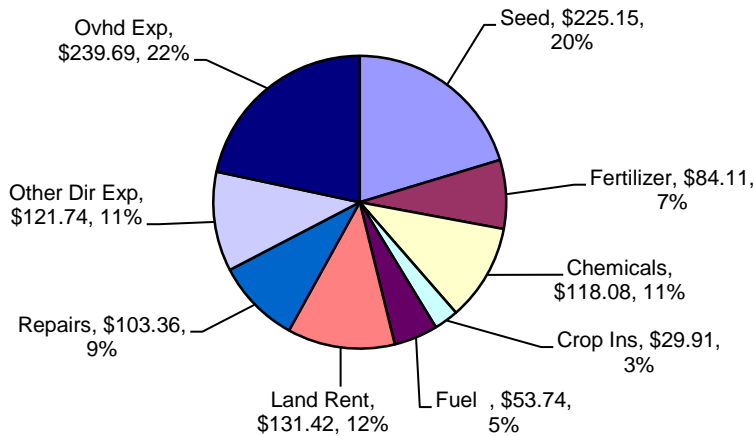
My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2015	2016	2017	2018	2019
Yield	158.54	182.04	168.11	184.43	161.57
**Total Costs/Acre	\$596.65	\$558.31	\$560.04	\$576.32	\$593.68
Total Costs/Bu	\$3.76	\$3.07	\$3.33	\$3.12	\$3.67

My Farm		
Yield		
Costs/A.		
Costs/Bu.		

**-does not include principal pymts or personal draw

Sugarbeets-Cash Rented excluding Joint Venture (Ave of all Farms)



My Farm		
	\$/A.	%
Seed		
Fertilizer		
Chemicals		
Crop Ins		
Fuel		
Repairs		
Land Rent		
Other Dir		
Ovhd Exp		

	2015	2016	2017	2018	2019
Yield	28.69	33.10	31.47	29.66	19.57
**Total Costs/Acre	\$1,066.98	\$1,086.40	\$1,038.63	\$1,058.83	\$1,107.22
Total Costs/Ton	\$37.19	\$32.82	\$33.00	\$35.70	\$56.58

My Farm		
Yield		
Costs/A.		
Costs/T.		

**-does not include principal pymts or personal draw