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Farm/Ranch Business Management Education

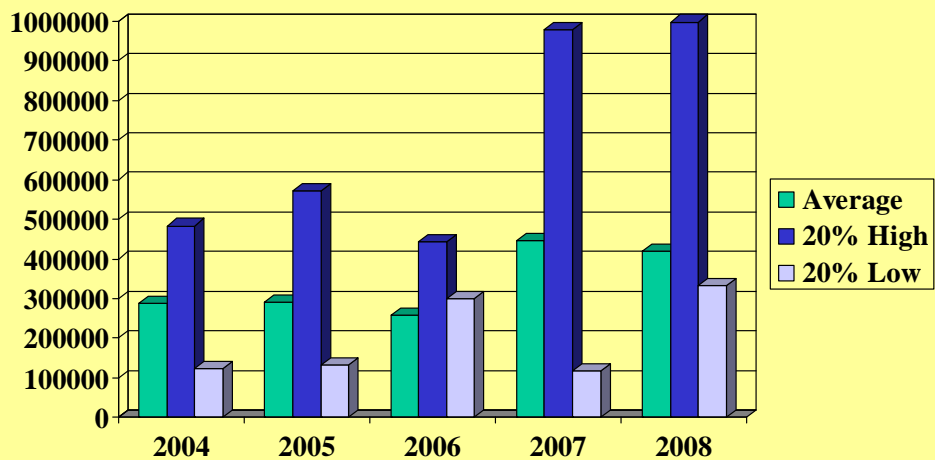
Year 2008

Jerry Tuhy, Instructor

Dickinson ND at DREC

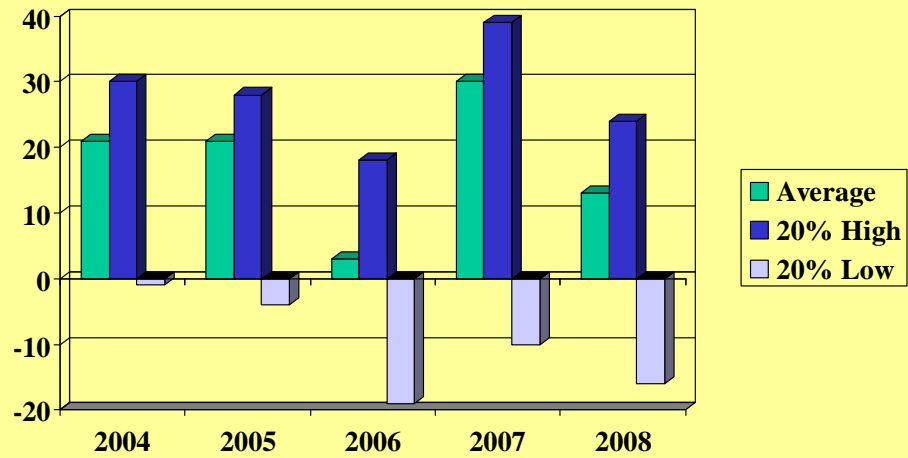
Gross Income (Accrual)

Per farm for year

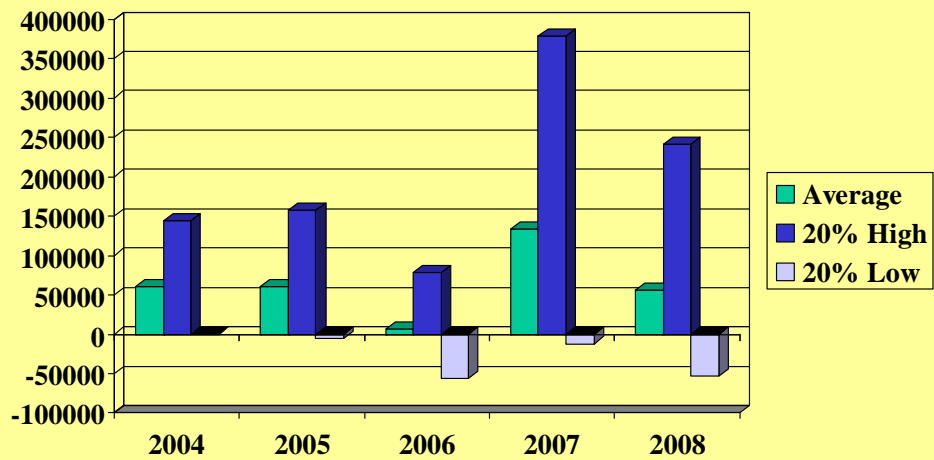


Net Income Ratio (%)

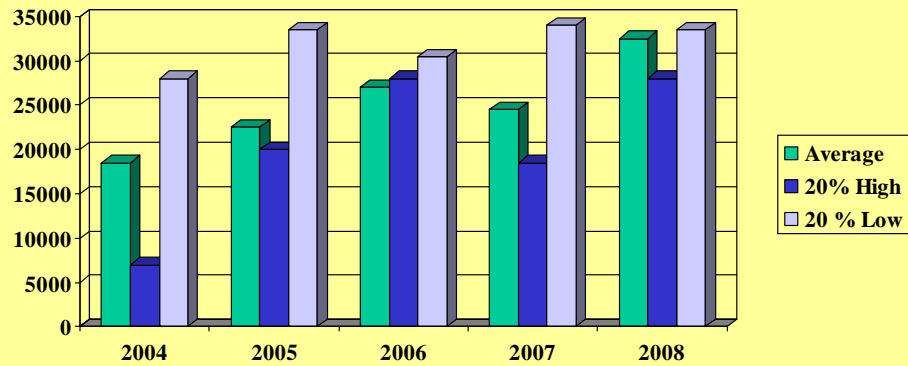
percentage of gross \$ that is net \$



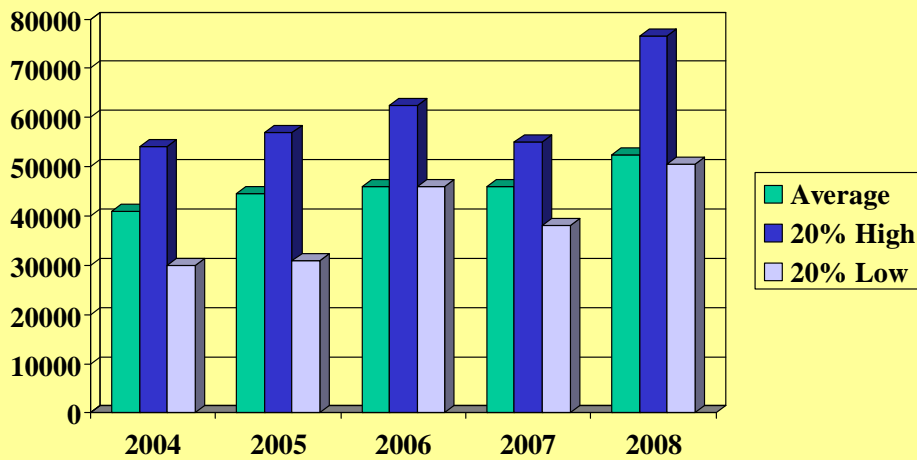
\$ Net Farm Income "Profit"



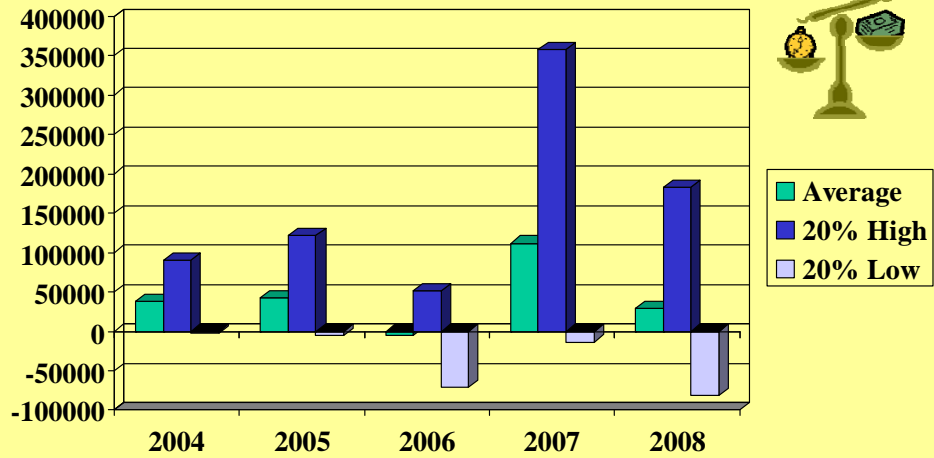
\$ Net "Non-Farm" Income



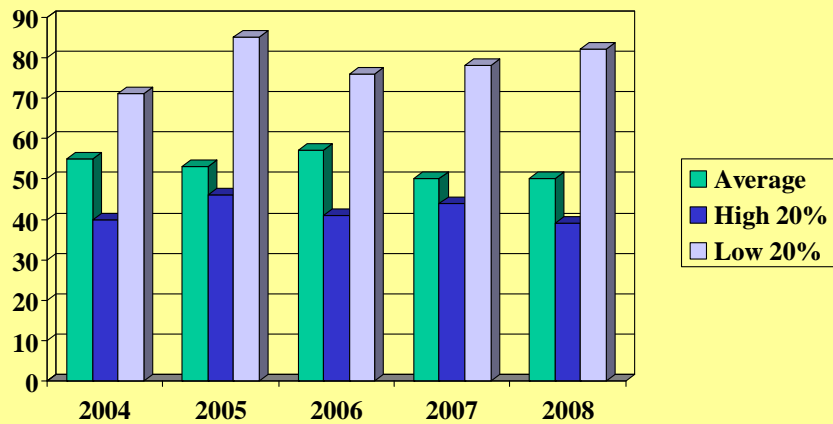
Family Living & Income Taxes \$ spent/year



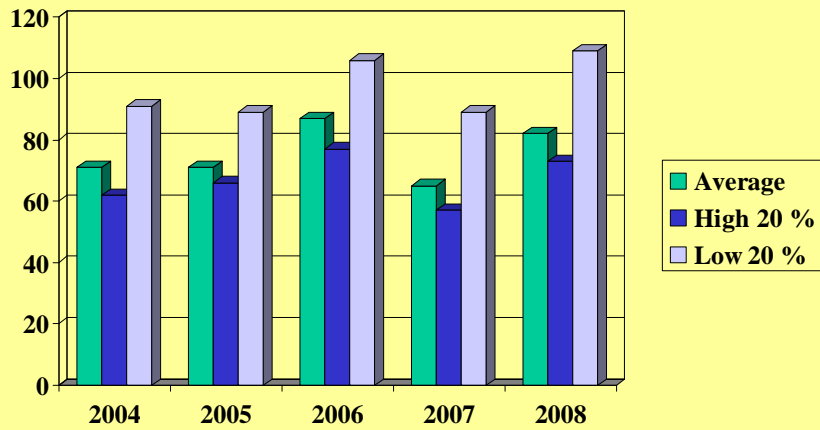
Change in Retained Earnings \$ of equity gain per yr (cost basis)



Farm Debt/Asset Ratio (%) end year

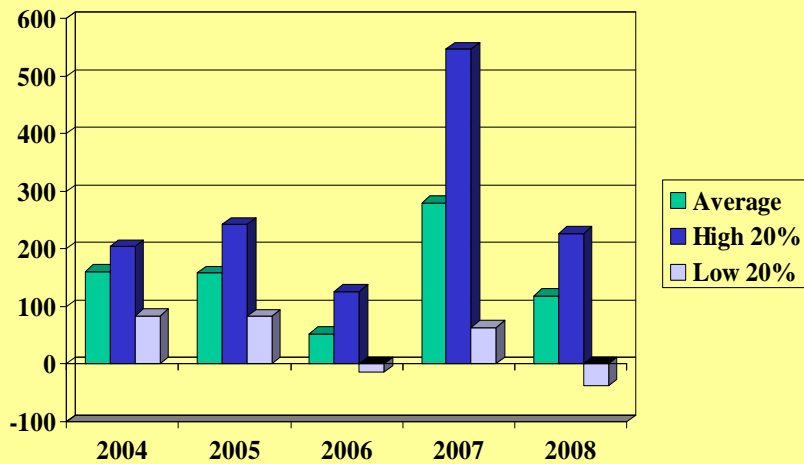


Expense (oper+ Int) as % of Accrual Income



Term Debt Coverage Ratio

a 100% ratio means "we can make all debt payments"

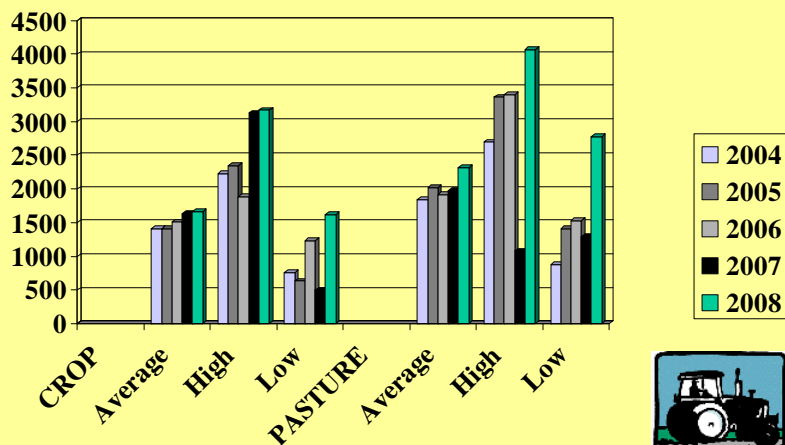


Cash Flow 2008

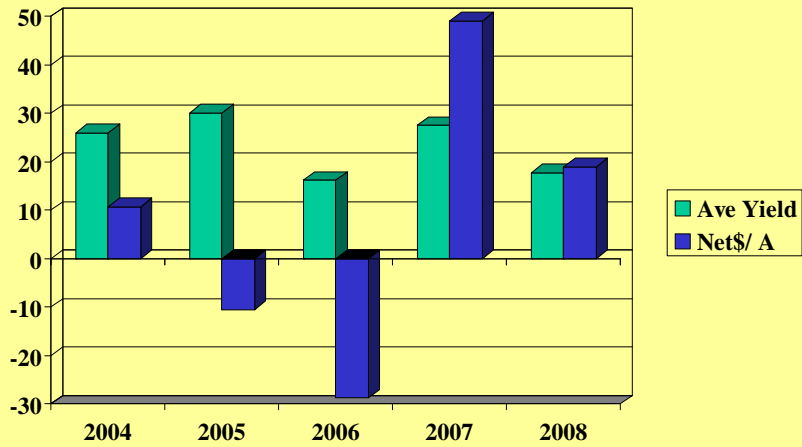
	Average	Low Profit	High Profit
Gross Farm Income	457323	385759	1057203
Non-Farm Income	32410	33376	27847
Cash Farm Expenses	348463	359452	755158
Family Living	48313	47328	72161
Income, SS Tax	4013	3231	4473
Net Capital Purchases	96291	92474	202668
Money Borrowed	288019	378448	443679
Principal Payments	272368	292852	484073

For more info – see
www.finbin.umn.edu

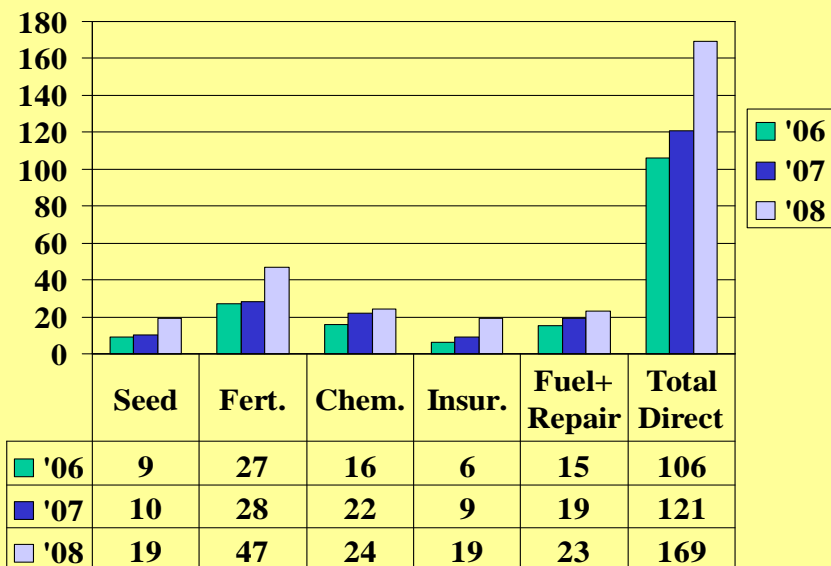
Crop and Pasture Acres

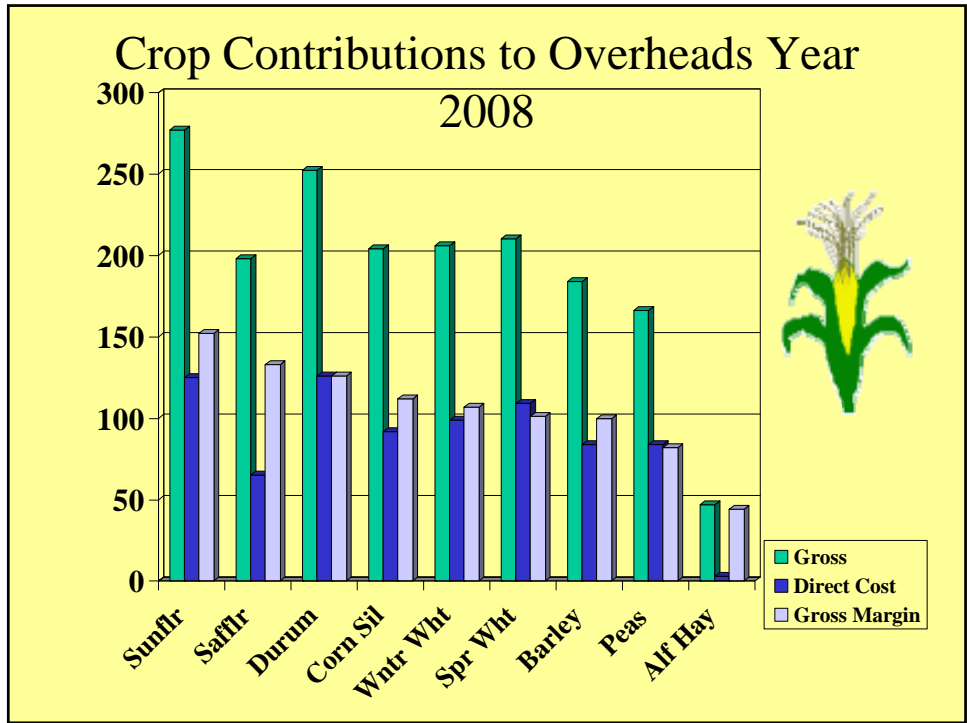


Spring Wheat Ave Yields and Net \$ per Acre

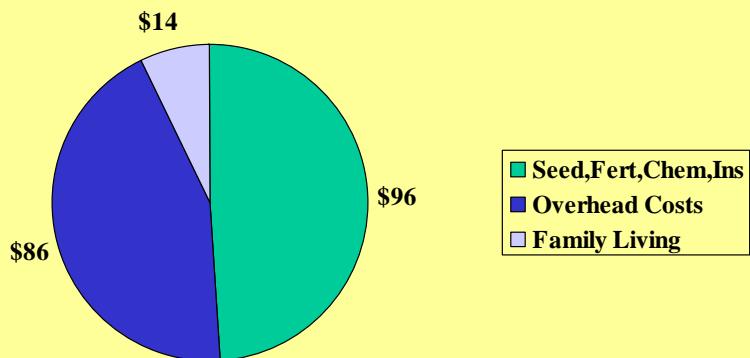


Costs /acre for Spring Wheat comparing 06,07,08

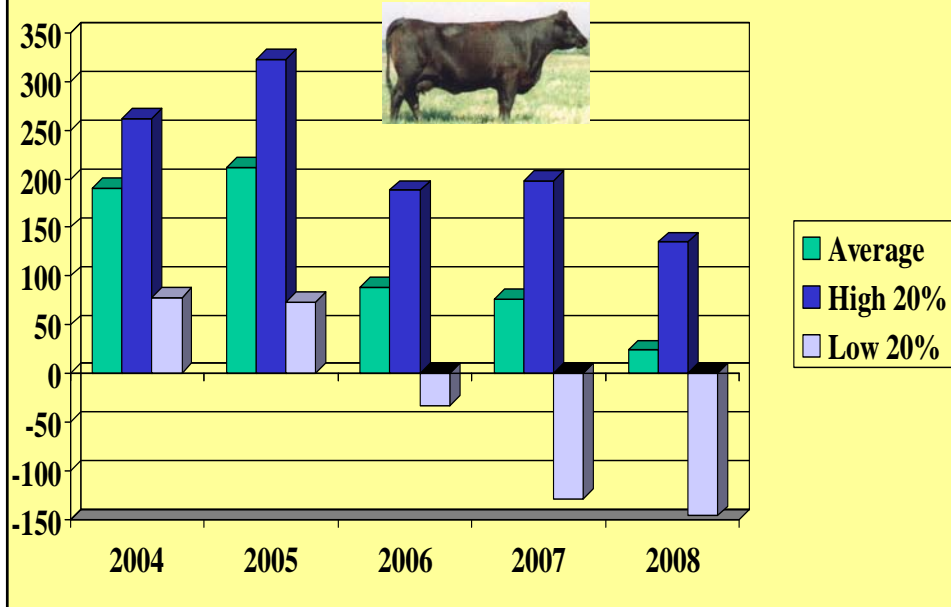




All Crops combined in 2008 Ave Gross=\$196
 Cash rented crops, not hay, cost=\$182/A



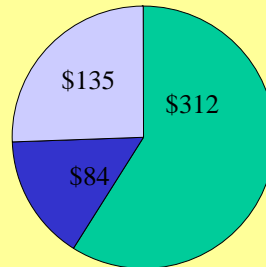
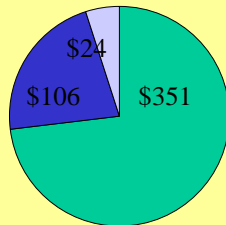
\$ Net income /Beef Cow



Beef cow costs, returns 2008 per cow (fuel,repairs in OVHD)

average

high profit



■ direct ■ overheads ■ net \$

How are low profit and high profit
Beef herds different ? For 2008 yr

	Low Profit	High Profit
Value of calf/cow	\$470	\$595
Depreciation per cow	\$68	\$64
Direct cost/cow	\$408	\$312
Overhead expense/cow	\$141	\$84
Net Income per Cow	-\$146	+\$135