

Staff Paper

**MICHIGAN FARM DATABASE
NEW DIRECTIONS FOR 1995**

by

**Sherrill B. Nott
Ralph E. Hepp**

Staff Paper 96-86

September 1996



Department of Agricultural Economics
MICHIGAN STATE UNIVERSITY
East Lansing, Michigan 48824

MSU is an Affirmative Action/Equal Opportunity Institution

MICHIGAN FARM DATABASE
NEW DIRECTIONS FOR 1995

by

Sherrill B. Nott and Ralph E. Hepp
nott@pilot.msu.edu and hepp@pilot.msu.edu

The purpose of this paper is to provide financial and production performance data for Michigan farms in 1995. Separate sections report on the farm types of Cash Grain, Dairy, Fruit, General Crop, General Livestock, and Swine. This data can be used as a comparative data base for individual farmers to conduct a financial analysis of thier own farm to identify strengths and weaknesses. This report can also provide information to those interested in the financial well being of Michigan agriculture.

Immediately following are sections on the data source, and how farm types were defined. The last section of the publication has definitions of calculations. Reader response is requested.

66 pages

Copyright © 1996 by Sherrril B. Nott and Ralph E. Hepp. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Table of Contents

	Page
Introduction.....	1
Finan Data Source.....	2
Farm Types Defined.....	2
Table 1. Michigan Dairy Farms, Livestock and Cropping Summary, 1995.....	3
Table 2. Michigan Dairy Farm Average Balance Sheets at Market Value, 1995...	4
Table 3. Michigan Dairy Farms, Cash Income, 1995.....	5
Table 4. Michigan Dairy Farms, Income Statement Summary, 1995.....	6
Table 5. Michigan Dairy Farms, Statement of Cash Flows, 1995.....	7
Table 6. Michigan Dairy Farm Inventory Changes, 1995.....	8
Table 7. Michigan Dairy Farms, Depreciation and Other Capital Adjustments, 1995.....	9
Table 8. Michigan Dairy Farms, Profitability and Liquidity Analysis, 1995...	10
Table 9. Michigan Dairy Farms, Financial Guidelines Measures, 1995.....	11
Table 10. Michigan Dairy Farms by Cash Income Source, 1995.....	12
Table 11. Michigan Dairy Farm Expenses Per Acre And Per Cow, 1995.....	13
Table 12. Michigan Fruit Farms, Crop Production and Marketing Summary, 1995..	14
Table 13. Michigan Fruit Farms, Balance Sheet At Market Values, 1995.....	15
Table 14. Michigan Fruit Farms, Cash Farm Income, 1995.....	16
Table 15. Michigan Fruit Farms, Expenses and Income Statement Summary, 1995..	17
Table 16. Michigan Fruit Farms, Statement of Cash Flows, 1995.....	18
Table 17. Michigan Fruit Farms, Profitability and Liquidity Analysis, 1995...	19
Table 18. Michigan Fruit Farms, Inventory Changes, 1995.....	20
Table 19. Michigan Fruit Farms, Depreciation and Other Capital Adjustments, 1995.....	21
Table 20. Michigan Fruit Farms, Financial Guidelines Measures, 1995.....	22
Table 21. Michigan Cash Grain Farms, Crop Production and Marketing Summary, 1995.....	23
Table 22. Michigan Cash Grain Farms, Balance Sheet at Market Values, 1995....	24
Table 23. Michigan Cash Grain Farms, Cash Income, 1995.....	25
Table 24. Michigan Grain Farms, Expenses and Income Statement Summary, 1995..	26
Table 25. Michigan Cash Grain Farms, Statement of Cash Flows, 1995.....	27
Table 26. Michigan Cash Grain Farms, Profitability and Liquidity Analysis, 1995.....	28
Table 27. Michigan Cash Grain Farms, Financial Guidelines Measures, 1995....	29
Table 28. Michigan Cash Grain Farms, Inventory Changes, 1995.....	30
Table 29. Michigan Cash Grain Farms, Depreciation and other Capital Adjustments, 1995.....	31
Table 30. Michigan Cash Grain Farms, Income Sources as Percent of Gross Cash Farm Income, 1995.....	32
Table 31. Michigan Cash Grain Farms, Cash Expenses Per Crop Acre 1995.....	33
Table 32. Michigan Hog Farms, Production Summaries, 1995.....	34
Table 33. Michigan Hog Farms, Balance Sheet At Market Values, 1995.....	35
Table 34. Michigan Hog Farms, Average Cash Income, 1995.....	36
Table 35. Michigan Hog Farms, Expenses and Income Statement Summary, 1995....	37
Table 36. Michigan Hog Farms, Statement of Cash Flows, 1995.....	38
Table 37. Michigan Hog Farms, Profitability and Liquidity Analysis, 1995....	39
Table 38. Michigan Hog Farms, Financial Guidelines Measures, 1995.....	40
Table 39. Michigan Hog Farms, Inventory Changes, 1995.....	41
Table 40. Michigan Hog Farms, Depreciation and Other Capital Adjustments 1995.....	42
Table 41. Michigan General Crops Farms, Production and Marketing Summary 1995.....	43
Table 42. Michigan General Crops Farms, Balance Sheet At Market Values, 1995.	44
Table 43. Michigan General Crop Farms, Cash Income, 1995.....	45
Table 44. Michigan General Crop Farms, Income Statement Summary, 1995.....	46
Table 45. Michigan General Crops Farms, Statement of Cash Flows, 1995.....	47
Table 46. Michigan General Crops Farms, Inventory Changes, 1995.....	48
Table 47. Michigan General Crops Farms, Depreciation and other Capital Adjustments, 1995.....	49
Table 48. Michigan General Crops Farms, Profitability and Liquidity Analysis, 1995.....	50
Table 49. Michigan General Crops Farms, Financial Guidelines Measures 1995.....	51

Table 50. Michigan General Livestock Farms, Acreage and Price Summary.....	52
Table 51. Michigan General Livestock Farms, Market Value Balance Sheet 1995.....	53
Table 52. Michigan General Livestock Farms, Cash Income, 1995.....	54
Table 53. Michigan General Livestock Farms, Expenses and Income Statement Summary, 1995.....	55
Table 54. Michigan General Livestock Farms, Cash Flows, 1995.....	56
Table 55. Michigan General Livestock Farms, Profitability and Liquidity Analysis, 1995.....	57
Table 56. Michigan General Livestock Farms, Inventory Changes, 1995.....	58
Table 57. Michigan General Livestock Farms, Depreciation and Other Capital Adjustments, 1995.....	59
Table 58. Michigan General Livestock Farms, Financial Guidelines Measures, 1995.....	60
Explanatory Notes for the whole-farm Reports.....	61
Depreciation and Other Capital Adjustments.....	62
Profitability and Liquidity Analysis.....	62
Liquidity: Cash Basis.....	63
Liquidity: Accrual Basis.....	63
Balance Sheets.....	64
Statement of Cash Flows.....	64
Financial Guidelines Measures and Labor Analysis.....	64
Liquidity.....	64
Solvency (Market).....	64
Profitability.....	65
Repayment Capacity.....	65
Efficiency.....	66
Crop Production and Marketing Summary.....	66

MICHIGAN FARM DATABASE -- NEW DIRECTIONS FOR 1995

Dairy, Fruit, Cash Grain, Hogs
General Crop, General Livestock

by

Sherrill B. Nott and Ralph E. Hepp
Professors and Extension Specialists
Department of Agricultural Economics, Mich. St. Univ.

INTRODUCTION

The purpose of this paper is to provide financial and production performance data for Michigan farms in 1995. Separate sections report on the farm types of Cash Grain, Dairy, Fruit, General Crop, General Livestock, and Swine. This data can be used as a comparative data base for individual farmers to conduct a financial analysis of thier own farm to identify strengths and weaknesses. This report can also provide information to those interested in the financial well being of Michigan agriculture.

Immediately following are sections on the data source, and how farm types were defined. The last section of the publication has definitions of calculations. Reader response is requested.

Telfarm and the Department of Agricultural Economics has made a commitment to improve the usefulness of farm management information. A major part of the project is to use Finan, part of the Finpack software from the University of Minnesota,¹ as the year end analysis tool at the farm. It will take over from the year end analysis package traditionally supplied by Telfarm. This should improve data accuracy and timeliness. For the fiscal year 1995 observed by farmers, Finan and the traditional analysis were run in parallel on several Telfarms. For the farm fiscal year 1996 only the Finan analysis will be used. By providing Telfarmers the opportunity to participate with Michigan State University Extension personnel in closing their books at year's end, each individual farm could provide input and obtain immediate feedback in an early financial analysis of their farm's performance.

This publication presents results from the 1995 Finan analyses averaged and reported using Finansum software supplied by the University of Minnesota. The publication presents a bridge between the traditional and the future. The reader is invited to respond to the contents

¹Finpack is copyrighted software from the Center for Farm Financial Management, University of Minnesota, 249 Classroom Office Building, 1994 Buford Avenure, St. Paul, MN, 55108. Finan is the code word for year end analysis within Finpack. Finansum is separate software supplied by the Center to process multiple farm averages of Finan results.

with ideas about how to present the information in more useful ways. Format differences were built into the farm results below to encourage interchange with the authors.

FINAN DATA SOURCE

Several Michigan State University Extension agents were involved in helping Michigan farmers complete their year end financial and production records for 1995. The work was done January through April, 1996, by District Extension Farm Management Agents, Area of Expertise Agents in Dairy and Livestock, Agricultural Agents, and County Extension Directors. They stripped the completed computer files of identification, except for county, and forwarded them to campus. Each file was examined for completeness and identified as to farm type. Completeness was defined as having crop acres and yields (if crops were grown) and livestock quantities (if livestock were grown) as well as dollars. Most, but not all, farms kept their monthly books on Telfarm. As a group, these farms tend to be bigger and better managed than the average of all farms.

FARM TYPES DEFINED

Farm types were assigned using the 1992 Census of Agriculture's Standard Industrial Classification (SIC) definitions. Basically, any farm with 50 percent or more of value of farm sales from one item becomes a farm of that type. Farms with 50 percent or more of the value of sales from milk are dairy farms. Cash grain farms have 50 percent or more of value of combined sales from wheat, corn, soybeans, barley, dry beans, rye, sunflowers, and other small grains. Fruit farms have 50 percent or more of value of sales from berries, grapes, and deciduous tree fruits. Hog farms have 50 percent or more of value of sales from hogs.

General crops farms are those where crops sales were greater than livestock sales. And, the products sold did not meet the cash grain definition; examples are potatoes, hay (all varieties such as alfalfa, timothy, etc.) and sugar beets.

General livestock farms were those that were not hogs or dairy, and where livestock products sold were of greater value than crop products.

It was decided not to do average summaries where we had files for fewer than 6 farms of a given type. That kept us from reporting on beef, or poultry, or potato, or vegetable and melon farms, or horticultural specialty farms.

The Finansum software allows rapid analysis of group averages with some degree of choice over how the results are presented. We chose to show the average of the high or low 25 percent by net income, but only if the 25 percent meant 6 or more farms. We reported only market value balance sheets (not as many farms included cost basis balance sheets in their data files) and accepted the balance sheets into the average regardless of whether the farm was a proprietorship, partnership, limited liability company, or corporation. The Finansum software will produce a variety of report options; we included a subset in this publication.

Table 1.
MICHIGAN DAIRY FARMS, LIVESTOCK AND CROPPING SUMMARY, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
DAIRY			
Number of farms	106	27	27
Avg. number of Cows	154.4	120.2	262.7
Milk produced per Cow	19854	16957	21330
Percent of barn capacity	99.9	98.5	100.4
Avg. milk price per cwt.	12.94	13.09	12.93
ACREAGE SUMMARY			
Total Crop Acres	562	448	869
Crop Acres Owned	367	313	626
Crop Acres Cash Rented	193	135	243
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bu.	2.76	2.70	2.88
Wheat, Winter per bu.	4.05	-	4.11
Soybeans per bu.	6.14	-	6.38
AVERAGE YIELD PER ACRE			
Corn (bu.)	109.46	103.79	111.40
Hay, Alfalfa (ton)	4.64	4.34	4.76
Corn Silage (ton)	15.92	14.38	17.01
Soybeans (bu.)	41.70	-	44.84
Hay, Grass (ton)	3.28	2.60	4.58
Haylage, Alfalfa (ton)	7.02	-	-
Wheat, Winter (bu.)	48.00	-	49.03
Oats (bu.)	41.11	-	-

Table 2.
MICHIGAN DAIRY FARM AVERAGE BALANCE SHEETS AT MARKET VALUES, 1995
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 25 %		Average Of High 25 %	
	106		27		27	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
ASSETS						
Current Farm Assets						
Cash and checking balance	11513	17700	12388	17015	28489	35274
Prepaid expenses & supplies	10974	11438	2124	2605	29842	29259
Growing crops	6540	5894	3085	2963	13078	10921
Accounts receivable	4892	4763	2131	606	11717	12042
Hedging accounts	-	-	-	-	-	-
Crops held for sale or feed	98085	112381	67774	64121	167793	213643
Crops under government loan	1194	1835	3739	4621	798	1221
Market livestock held for sale	8974	7609	11704	8346	11755	10106
Other current assets	2483	3431	78	121	8987	12620
Total current farm assets	144654	165051	103023	100397	272460	325085
Intermediate Farm Assets						
Breeding livestock	255748	268683	214667	215754	433940	465015
Machinery and equipment	201067	215342	163009	172255	317874	345141
Other intermediate assets	18858	22114	17705	20418	37703	48332
Total intermediate farm assets	475673	506139	395381	408427	789516	858488
Long-Term Farm Assets						
Farm land	392670	392235	335504	339566	623642	604062
Buildings and improvements	80473	98298	53134	55526	137233	193963
Other long-term assets	20278	20698	17227	16743	38830	40547
Total long-term farm assets	493421	511231	405866	411835	799705	838572
Total Farm Assets	1113749	1182421	904269	920659	1861681	2022145
Total Nonfarm Assets	41100	44497	44660	44446	65646	65815
Total Assets	1154848	1226917	948929	965105	1927328	2087959
LIABILITIES						
Current Farm Liabilities						
Accrued interest	639	892	419	650	511	1187
Accounts payable	7693	6280	5268	4281	19278	15033
Current notes	29025	26238	34703	23660	58361	51741
Government crop loans	955	873	2889	1897	726	680
Principal due on term debt	29563	35230	28849	35224	46378	54269
Total current farm liabilities	67915	69535	72129	65761	125386	122910
Intermediate Farm Liabilities	103279	119316	81957	98720	169068	212053
Long-term Farm Liabilities	178405	170996	184049	183371	292915	252595
Total Farm Liabilities	349600	359847	338134	347852	587370	587558
Total Nonfarm Liabilities	713	761	31	426	444	484
Total Deferred Liabilities	8065	7909	1852	-	4487	5861
Total Liabilities	358378	368517	340017	348278	592301	593903
Net Worth (farm and nonfarm)	796470	858400	608911	616827	1335027	1494056
Net Worth Change		61930		7915		159029
RATIO ANALYSIS						
Current Farm Liabilities / Assets	47 %	42 %	70 %	66 %	46 %	38 %
Curr. & Interm Farm Liab. / Assets	28 %	28 %	31 %	32 %	28 %	28 %
Long Term Farm Liabilities / Assets	36 %	33 %	45 %	45 %	37 %	30 %
Total Liabilities / Assets	31 %	30 %	36 %	36 %	31 %	28 %

Table 3.
MICHIGAN DAIRY FARMS, CASH INCOME, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	106	27	27
CASH FARM INCOME			
Barley	\$17	\$0	\$0
Great Northern Beans	86	0	0
Navy Beans	511	0	2,005
Cordwood	43	0	0
Corn	14,058	5,745	30,179
Corn Silage	71	0	41
Seed Corn	301	0	0
Alfalfa Hay	678	378	1,662
Mixed Hay	343	812	348
Mixed Haylage	239	186	31
Oats	41	0	131
Rye	3	0	11
Soybeans	6,576	4,998	11,748
Straw	102	11	279
Timber	145	0	0
Spring Wheat	51	0	0
Winter Wheat	4,216	1,287	10,993
Rented Out	29	115	0
Other crops	4	4	0
Beef Calves	90	53	0
Finish Beef Calves	790	0	1,762
Broilers	7	0	0
Milk	396,635	266,744	724,724
Dairy Calves	3,126	3,741	5,190
Dairy Heifers (for sale)	67	185	45
Dairy Replacement Heifers	605	122	97
Dairy Steers	6,728	5,574	11,148
Custom Fed Hogs	31	0	0
Raised Hogs	370	0	1,454
Feeder Pigs	2	6	0
Finish Feeder Pigs	11	0	0
Mkt Lambs	1	0	4
Cull breeding livestock	22,656	15,890	39,287
Misc. livestock income	79	9	273
Deficiency payments	3,144	3,275	2,672
CRP payments	62	0	245
Other government payments	7,740	7,125	15,280
Custom work income	1,602	133	4,060
Patronage dividends, cash	1,622	1,315	2,514
Insurance income	359	361	519
Cash from hedging accts	73	184	0
Other farm income	4,740	5,823	5,276
<hr/>			
Gross Cash Farm Income	\$478,054	\$324,076	\$871,978

Table 4.
MICHIGAN DAIRY FARMS, INCOME STATEMENT SUMMARY, 1995
(Farms sorted by Net Farm Income)

	Average of All Farms	Average Low 25%	Average of High 25%
Number of Farms	106	27	27
CASH FARM EXPENSE			
Seed	\$9,047	\$6,120	\$15,971
Fertilizer	19,029	12,038	38,164
Crop chemicals	9,611	5,395	19,174
Crop insurance	274	291	387
Drying fuel	199	53	386
Irrigation energy	72	70	0
Crop marketing	227	102	126
Crop miscellaneous	1,064	481	1,693
Feeder livestock purchase	188	0	617
Purchased feed	99,562	70,874	189,673
Breeding fees	3,975	3,233	7,739
Veterinary	14,977	10,107	28,266
Livestock supplies	16,662	10,938	32,117
Livestock leases	774	4	521
Livestock marketing	23,183	16,399	41,251
Interest	27,018	26,134	42,970
Fuel & oil	8,907	6,745	13,971
Repairs	28,825	23,634	45,502
Custom hire	7,281	3,675	11,869
Hired labor	62,851	35,209	128,255
Land rent	12,119	9,772	19,363
Machinery & bldg leases	5,059	5,898	9,314
Real estate taxes	5,082	5,726	6,884
Personal property taxes	64	232	20
Farm insurance	6,861	6,405	10,531
Utilities	10,811	8,833	17,591
Dues & professional fees	2,319	1,983	5,193
Miscellaneous	14,062	14,779	19,787
Total cash expense	390,103	285,130	706,735
Net cash farm income	87,951	38,946	165,243
INVENTORY CHANGES			
Crops and feed	14,937	(2,771)	46,273
Market livestock	(1,365)	(3,358)	(1,649)
Accounts receivable	174	(1,605)	1,800
Prepaid expenses and supp	464	481	(583)
Accounts payable	1,160	757	3,569
Total inventory change	15,370	(6,496)	49,410
Net operating profit	103,321	32,449	214,653
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS			
Breeding livestock	5,207	(9,600)	30,025
Machinery and equipment	(23,747)	(20,463)	(39,469)
Buildings and improvement	(9,738)	(7,375)	(14,430)
Other farm capital	669	951	3,677
Total depr. and other capit	(27,609)	(36,487)	(20,197)
<hr/>			
Net farm income	75,712	(4,038)	194,456

Table 5.
MICHIGAN DAIRY FARMS, STATEMENT OF CASH FLOWS, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	106	27	27
(a) Beginning cash balance (farm & nonfarm)	11701	13128	28489
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	478054	324076	871978
Net nonfarm income (+)	10345	14510	13059
Total cash farm expense (-)	390103	285130	706735
Apparent family living expense (-)	46872	24118	72005
Income and social security tax (-)	3963	1441	8809
(b) Cash from operations (=)	47461	27897	97488
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	4449	2894	10728
Sale of machinery & equipment (+)	2484	888	6567
Sale of farm land (+)	679	-	1630
Sale of farm buildings (+)	-	-	-
Sale of other farm assets (+)	2200	3467	3785
Sale of nonfarm assets (+)	418	1636	-
Purchase of breeding livestock (-)	16061	13140	26816
Purchase of machinery & equip. (-)	27889	13726	58745
Purchase of farm land (-)	3049	2675	7444
Purchase of farm buildings (-)	13687	4998	24438
Purchase of other farm assets (-)	4712	4712	10727
Purchase of nonfarm assets (-)	1465	3080	1393
(c) Cash from investing activities (=)	-56632	-33445	-106855
CASH FROM FINANCING ACTIVITIES			
Money borrowed	108259	111461	181399
Bank account transfers, gifts (+)	11836	8094	33101
Principal payments (-)	97330	102337	177943
Dividends paid (-)	-	-	-
Gifts given (-)	6586	5006	20406
(d) Cash from financing activities (=)	16179	12212	16151
(e) Net change in cash balance (b+c+d)	7008	6664	6784
Ending cash balance calculated (a+e)	18709	19793	35274

Table 6.
MICHIGAN DAIRY FARM INVENTORY CHANGES, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	106	27	27
Net cash farm income	87951	38946	165243
CROPS AND FEED			
Ending inventory	114216	68742	214864
Beginning inventory	99279	71513	168591
Inventory change	14938	-2771	46273
MARKET LIVESTOCK			
Ending inventory	7609	8346	10106
Beginning inventory	8974	11704	11755
Inventory change	-1365	-3358	-1649
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	14088	3689	35583
Beginning inventory	13914	5294	33783
Inventory change	174	-1605	1800
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	11438	2605	29259
Beginning inventory	10974	2124	29842
Inventory change	464	481	-583
ACCOUNTS PAYABLE			
Beginning inventory	8332	5687	19789
Ending inventory	7172	4930	16220
Inventory change	1160	757	3569
Total inventory change	15370	-6496	49410
Net operating profit	103321	32449	214653

Table 7.
MICHIGAN DAIRY FARMS,
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	106	27	27
Net operating profit	103321	32449	214653
BREEDING LIVESTOCK			
Ending inventory	248284	210687	399593
Capital sales	4449	2894	10728
Beginning inventory	231465	210041	353479
Capital purchases	16061	13140	26816
Depreciation, capital adj.	5207	-9600	30025
MACHINERY AND EQUIPMENT			
Ending inventory	148543	101501	269046
Capital sales	2484	888	6567
Beginning inventory	146885	109128	256337
Capital purchases	27889	13726	58745
Depreciation, capital adj.	-23747	-20464	-39469
BUILDINGS AND IMPROVEMENTS			
Ending inventory	114440	62701	254898
Capital sales	-	-	-
Beginning inventory	110491	65078	244889
Capital purchases	13687	4998	24438
Depreciation, capital adj.	-9738	-7375	-14430
OTHER CAPITAL ASSETS			
Ending inventory	36386	34171	70485
Capital sales	2200	3467	3785
Beginning inventory	33206	31975	59866
Capital purchases	4712	4712	10727
Depreciation, capital adj.	669	951	3677
Total depreciation, capital adj.	-27609	-36487	-20197
Net farm income	75712	-4038	194456

Table 8.
MICHIGAN DAIRY FARMS,
PROFITABILITY AND LIQUIDITY ANALYSIS, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	106	27	27
PROFITABILITY (Market)			
Net farm income	91450	20497	206068
Labor and management earnings	44331	-13616	125127
Rate of return on assets	6.1 %	0.3 %	9.8 %
Rate of return on equity	5.4 %	-4.2 %	10.8 %
Operating profit margin	17.5 %	1.1 %	25.0 %
Asset turnover rate	34.6 %	25.8 %	39.0 %
Interest on farm net worth	47119	34113	80941
Farm interest expense	27270	26365	43646
Value of operator lbr and mgmt.	49227	44327	60086
Return on farm assets	69494	2535	189627
Average farm assets	1148085	912464	1941913
Return on farm equity	42224	-23830	145982
Average farm equity	785313	568545	1349020
Value of farm production	397257	235868	758137
Number of Farms	106	27	27
LIQUIDITY (Cash)			
Net cash farm income	87951	38946	165243
Net nonfarm income	10345	14510	13059
Family living and taxes	50835	25559	80814
Real estate principal payments	7856	8474	10822
Cash available for interm. debt	39605	19423	86666
Average intermediate debt	134226	113689	225964
Years to turnover interm. debt	3.4	5.9	2.6
Expense as a % of income	82 %	88 %	81 %
Interest as a % of income	6 %	8 %	5 %
LIQUIDITY (Accrual)			
Total accrual farm income	491800	316342	918402
Total accrual farm expense	388479	283893	703749
Net accrual operating income	103321	32449	214653
Net nonfarm income	10345	14510	13059
Family living and taxes	50835	25559	80814
Real estate principal payments	7856	8474	10822
Available for intermediate debt	54974	12927	136076
Average intermediate debt	134226	113689	225964
Years to turnover interm. debt	2.4	8.8	1.7
Expense as a % of income	79 %	90 %	77 %
Interest as a % of income	6 %	8 %	5 %

Table 9.
MICHIGAN DAIRY FARMS,
FINANCIAL GUIDELINES MEASURES, 1995
(Farms sorted by Net Farm Income)

	Average For		Average For		Average For	
	All Farms		Low 25 %		High 25 %	
Number of Farms	106		27		27	
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	2.13	2.37	1.43	1.53	2.17	2.64
Working capital	76739	95516	30894	34636	147074	202175
SOLVENCY (Market)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	32 %	31 %	38 %	38 %	32 %	29 %
Farm equity to asset ratio	68 %	69 %	62 %	62 %	68 %	71 %
Farm debt to equity ratio	47 %	45 %	60 %	61 %	47 %	41 %
PROFITABILITY (Cost)						
Rate of return on farm assets	6.9 %		-3.5 %		12.1 %	
Rate of return on farm equity	6.2 %		-16.2 %		15.3 %	
Operating profit margin	13.8 %		-10.0 %		23.0 %	
Net farm income	85091		-9334		214064	
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	147 %	187 %	98 %	82 %	193 %	283 %
Capital replacement margin	17898	33267	-952	-7449	51110	100520
EFFICIENCY						
Asset turnover rate (cost)	49.8 %		34.6 %		52.7 %	
Operating expense ratio	73.4 %		81.4 %		71.9 %	
Depreciation expense ratio	5.6 %		11.5 %		2.2 %	
Interest expense ratio	5.5 %		8.3 %		4.8 %	
Net farm income ratio	11.6 %		-2.1 %		17.3 %	

LABOR ANALYSIS

	Average For		Average For		Average For	
	All Farms		Low 25 %		High 25 %	
Number of Farms	103		27		26	
Total unpaid labor hours	5397		5144		5379	
Total hired labor hours	6566		4269		12543	
Total labor hours per farm	11964		9413		17922	
Value of farm production / hour	26.68		19.49		37.70	
Net farm income / unpaid hour	10.87		-1.28		30.61	

Table 10.
MICHIGAN DAIRY FARMS BY CASH INCOME SOURCE, 1995
(Farms sorted by Net Farm Income)

	Average of All Farms	Average of Low 25%	Average of High 25%
	Percent of Gross Cash Income		
CASH FARM INCOME			
Barley	0.0%	0.0%	0.0%
Great Northern Beans	0.0%	0.0%	0.0%
Navy Beans	0.1%	0.0%	0.2%
Cordwood	0.0%	0.0%	0.0%
Corn	2.9%	1.8%	3.5%
Corn Silage	0.0%	0.0%	0.0%
Seed Corn	0.1%	0.0%	0.0%
Alfalfa Hay	0.1%	0.1%	0.2%
Mixed Hay	0.1%	0.3%	0.0%
Mixed Haylage	0.0%	0.1%	0.0%
Oats	0.0%	0.0%	0.0%
Rye	0.0%	0.0%	0.0%
Soybeans	1.4%	1.5%	1.3%
Straw	0.0%	0.0%	0.0%
Timber	0.0%	0.0%	0.0%
Spring Wheat	0.0%	0.0%	0.0%
Winter Wheat	0.9%	0.4%	1.3%
Rented Out	0.0%	0.0%	0.0%
Other crops	0.0%	0.0%	0.0%
Beef Calves	0.0%	0.0%	0.0%
Finish Beef Calves	0.2%	0.0%	0.2%
Broilers	0.0%	0.0%	0.0%
Milk	83.0%	82.3%	83.1%
Dairy Calves	0.7%	1.2%	0.6%
Dairy Heifers (for sale)	0.0%	0.1%	0.0%
Dairy Replacement Heifers	0.1%	0.0%	0.0%
Dairy Steers	1.4%	1.7%	1.3%
Custom Fed Hogs	0.0%	0.0%	0.0%
Raised Hogs	0.1%	0.0%	0.2%
Feeder Pigs	0.0%	0.0%	0.0%
Finish Feeder Pigs	0.0%	0.0%	0.0%
Mkt Lambs	0.0%	0.0%	0.0%
Cull breeding livestock	4.7%	4.9%	4.5%
Misc. livestock income	0.0%	0.0%	0.0%
Deficiency payments	0.7%	1.0%	0.3%
CRP payments	0.0%	0.0%	0.0%
Other government payments	1.6%	2.2%	1.8%
Custom work income	0.3%	0.0%	0.5%
Patronage dividends, cash	0.3%	0.4%	0.3%
Insurance income	0.1%	0.1%	0.1%
Cash from hedging accts	0.0%	0.1%	0.0%
Other farm income	1.0%	1.8%	0.6%
Gross Cash Farm Income	100.0%	100.0%	100.0%

Table 11.
MICHIGAN DAIRY FARM EXPENSES PER ACRE AND PER COW, 1995
(Farms sorted by Net Farm Income)

	Average of All Farms	Average Low 25%	Average of High 25%
Number of Farms:	106	27	27
Number of Crop Acres:	562	448	869
Cash Expenses per Crop Acre			
Seed	\$16.10	\$13.66	\$18.38
Fertilizer	33.86	26.87	43.92
Crop chemicals	17.10	12.04	22.06
Crop insurance	0.49	0.65	0.45
Drying fuel	0.35	0.12	0.44
Irrigation energy	0.13	0.16	0.00
Crop marketing	0.40	0.23	0.14
Crop miscellaneous	1.89	1.07	1.95
Number of Cows:	154.4	120.2	262.7
Cash Expenses per Cow			
Purchased feed	645	590	722
Breeding fees	26	27	29
Veterinary	97	84	108
Livestock supplies	108	91	122
Livestock leases	5	0	2
Livestock marketing	150	136	157
Interest	175	217	164
Fuel & oil	58	56	53
Repairs	187	197	173
Custom hire	47	31	45
Hired labor	407	293	488
Land rent	78	81	74
Machinery & bldg leases	33	49	35
Real estate taxes	33	48	26
Personal property taxes	0	2	0
Farm insurance	44	53	40
Utilities	70	73	67
Dues & professional fees	15	16	20
Miscellaneous	91	123	75

Table 12.
MICHIGAN FRUIT FARMS,
CROP PRODUCTION AND MARKETING SUMMARY, 1995

	Average Of All Farms
	23
Number of Farms	23
 ACREAGE SUMMARY	
Total Crop Acres	162
Crop Acres Owned	120
Crop Acres Cash Rented	41
AVERAGE YIELD PER ACRE	
Apples (bu.)	487.88
Cherries (lb.)	5818.55
Peaches (bu.)	132.76
Asparagus (cwt.)	80.01
Grapes (ton)	4.39
Blueberries (lb.)	5200.27
Plums (lb.)	7889.88
Corn (bu.)	78.02
Hay, Alfalfa (ton)	1.83
Corn Silage (ton)	13.23

Table 13.
MICHIGAN FRUIT FARMS,
BALANCE SHEET AT MARKET VALUES, 1995

Number of Farms	Average For All Farms	
	23	
	Beginning	Ending
ASSETS		
Current Farm Assets		
Cash and checking balance	23140	20649
Prepaid expenses & supplies	5200	6698
Growing crops	-	-
Accounts receivable	8464	9511
Hedging accounts	-	-
Crops held for sale or feed	64661	53940
Crops under government loan	-	-
Market livestock held for sale	887	877
Other current assets	9070	10146
Total current farm assets	111423	101821
Intermediate Farm Assets		
Breeding livestock	-	-
Machinery and equipment	139822	145830
Other intermediate assets	12963	13034
Total intermediate farm assets	152786	158864
Long-Term Farm Assets		
Farm land	322768	340159
Buildings and improvements	88740	87387
Other long-term assets	13484	13791
Total long-term farm assets	424992	441337
Total Farm Assets	689201	702022
Total Nonfarm Assets	96974	105619
Total Assets	786174	807641
LIABILITIES		
Current Farm Liabilities		
Accrued interest	2828	3277
Accounts payable	2921	2190
Current notes	23064	21522
Government crop loans	-	-
Principal due on term debt	13550	14515
Total current farm liabilities	42387	41502
Intermediate Farm Liabilities	39316	36015
Long-term Farm Liabilities	140791	139139
Total Farm Liabilities	222494	216657
Total Nonfarm Liabilities	-	5619
Total Deferred Liabilities	-	-
Total Liabilities	222494	222275
Net Worth (farm and nonfarm)	563681	585366
Net Worth Change		21685
RATIO ANALYSIS		
Current Farm Liabilities / Assets	38 %	41 %
Curr. & Intern Farm Liab. / Assets	31 %	30 %
Long Term Farm Liabilities / Assets	33 %	32 %
Total Liabilities / Assets	28 %	28 %

Table 14.
MICHIGAN FRUIT FARMS
CASH FARM INCOME, 1995

	Average Of All Farms	Percent of Gross Cash Income
Number of Farms	23	
CASH FARM INCOME		
Apples	\$61,079	25.8%
Apricots	224	0.1%
Asparagus	2,724	1.2%
Blueberries	14,536	6.1%
Cherries	11,336	4.8%
Sweet cherries	35,554	15.0%
Tart cherries	28,178	11.9%
Corn	281	0.1%
Grapes	2,476	1.0%
Alfalfa Hay	135	0.1%
Maple Syrup	9	0.0%
Oats	25	0.0%
Peaches	11,013	4.7%
Pears	526	0.2%
Peppers	108	0.0%
Plums	1,860	0.8%
Pumpkins	144	0.1%
Raspberries	1,377	0.6%
Squash	709	0.3%
Sweet Corn	158	0.1%
Timber	192	0.1%
Tomatoes	300	0.1%
Other crops	33,345	14.1%
Finish Yrlg Steers	737	0.3%
Deficiency payments	55	0.0%
Other government payments	18,027	7.6%
Custom work income	5,032	2.1%
Patronage dividends, cash	1,482	0.6%
Insurance income	1,344	0.6%
Other farm income	3,723	1.6%
Gross Cash Farm Income	\$236,689	100.0%

Table 15.
MICHIGAN FRUIT FARMS
EXPENSES AND INCOME STATEMENT SUMMARY, 1995

	Average Of All Farms	Expense per Crop Acre
Number of Farms:	23	Acres: 162
CASH FARM EXPENSE		
Seed	\$3,024	\$18.67
Fertilizer	6,015	37.13
Crop chemicals	28,193	174.03
Crop insurance	478	2.95
Drying fuel	330	2.04
Irrigation energy	24	0.15
Crop marketing	3,341	20.62
Crop miscellaneous	8,106	50.04
Feeder livestock purchase	552	3.41
Purchased feed	140	0.86
Veterinary	40	0.25
Livestock supplies	1,018	6.28
Livestock marketing	72	0.44
Interest	13,024	80.40
Fuel & oil	5,702	35.20
Repairs	14,251	87.97
Custom hire	7,166	44.23
Hired labor	67,812	418.59
Land rent	6,268	38.69
Machinery & bldg leases	2,055	12.69
Real estate taxes	3,601	22.23
Farm insurance	2,981	18.40
Utilities	3,776	23.31
Dues & professional fees	948	5.85
Miscellaneous	23,575	145.52
Total cash expense	\$202,492	\$1,249.95
Net cash farm income	34,198	
INVENTORY CHANGES		
Crops and feed	(10,721)	
Market livestock	(10)	
Accounts receivable	2,122	
Prepaid expenses and supplies	1,498	
Accounts payable	282	
Total inventory change	(\$6,828)	
Net operating profit	27,369	
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS		
Machinery and equipment	(8,302)	
Buildings and improvements	(6,699)	
Other farm capital	(651)	
Total depr. and other capital adj	(\$15,653)	
Net farm income	11,716	

Table 16.
MICHIGAN FRUIT FARMS,
STATEMENT OF CASH FLOWS, 1995

	Average Of All Farms
	23
Number of Farms	23
(a) Beginning cash balance (farm & nonfarm)	24034
CASH FROM OPERATING ACTIVITIES	
Gross cash farm income	236689
Net nonfarm income	(+) 17477
Total cash farm expense	(-) 202492
Apparent family living expense	(-) 25942
Income and social security tax	(-) 2954
(b) Cash from operations	(= 22778
CASH FROM INVESTING ACTIVITIES	
Sale of breeding livestock	-
Sale of machinery & equipment	(+) 435
Sale of farm land	(+) -
Sale of farm buildings	(+) 43
Sale of other farm assets	(+) 1433
Sale of nonfarm assets	(+) 11
Purchase of breeding livestock	(-) -
Purchase of machinery & equip.	(-) 13824
Purchase of farm land	(-) -
Purchase of farm buildings	(-) 3581
Purchase of other farm assets	(-) 2462
Purchase of nonfarm assets	(-) 10354
(c) Cash from investing activities	(= -28299
CASH FROM FINANCING ACTIVITIES	
Money borrowed	51385
Bank account transfers, gifts	(+) 3628
Principal payments	(-) 51341
Dividends paid	(-) -
Gifts given	(-) 34
(d) Cash from financing activities	(= 3638
(e) Net change in cash balance	(b+c+d) -1882
Ending cash balance calculated	(a+e) 22151

Table 17.
MICHIGAN FRUIT FARMS,
PROFITABILITY AND LIQUIDITY ANALYSIS, 1995

	Average Of All Farms
Number of Farms	23
PROFITABILITY (Market)	
Net farm income	17099
Labor and management earnings	-11463
Rate of return on assets	0.1 %
Rate of return on equity	-2.7 %
Operating profit margin	0.3 %
Asset turnover rate	32.7 %
Interest on farm net worth	28562
Farm interest expense	13472
Value of operator lbr and mgmt.	29815
Return on farm assets	757
Average farm assets	695611
Return on farm equity	-12716
Average farm equity	476036
Value of farm production	227388
Number of Farms	23
LIQUIDITY (Cash)	
Net cash farm income	34198
Net nonfarm income	17477
Family living and taxes	28896
Real estate principal payments	6272
Cash available for interm. debt	16507
Average intermediate debt	44697
Years to turnover interm. debt	2.7
Expense as a % of income	86 %
Interest as a % of income	6 %
LIQUIDITY (Accrual)	
Total accrual farm income	228080
Total accrual farm expense	200711
Net accrual operating income	27369
Net nonfarm income	17477
Family living and taxes	28896
Real estate principal payments	6272
Available for intermediate debt	9678
Average intermediate debt	44697
Years to turnover interm. debt	4.6
Expense as a % of income	88 %
Interest as a % of income	6 %

Table 18.
MICHIGAN FRUIT FARMS, INVENTORY CHANGES, 1995

	Average Of All Farms
Number of Farms	23
Net cash farm income	34198
CROPS AND FEED	
Ending inventory	53940
Beginning inventory	64661
Inventory change	-10721
MARKET LIVESTOCK	
Ending inventory	877
Beginning inventory	887
Inventory change	-10
ACCTS RECEIVABLE & OTHER CURRENT ASSETS	
Ending inventory	19657
Beginning inventory	17535
Inventory change	2122
PREPAID EXPENSES AND SUPPLIES	
Ending inventory	6698
Beginning inventory	5200
Inventory change	1498
ACCOUNTS PAYABLE	
Beginning inventory	5749
Ending inventory	5466
Inventory change	282
Total inventory change	-6828
Net operating profit	27369

Table 19.
MICHIGAN FRUIT FARMS,
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1995

	Average Of All Farms
Number of Farms	23
Net operating profit	27369
MACHINERY AND EQUIPMENT	
Ending inventory	96280
Capital sales	435
Beginning inventory	91193
Capital purchases	13824
Depreciation, capital adj.	-8302
BUILDINGS AND IMPROVEMENTS	
Ending inventory	100090
Capital sales	43
Beginning inventory	103252
Capital purchases	3581
Depreciation, capital adj.	-6699
OTHER CAPITAL ASSETS	
Ending inventory	27125
Capital sales	1433
Beginning inventory	26748
Capital purchases	2462
Depreciation, capital adj.	-651
Total depreciation, capital adj.	-15653
Net farm income	11716

Table 20.
MICHIGAN FRUIT FARMS,
FINANCIAL GUIDELINES MEASURES, 1995

	Average For All Farms	
Number of Farms	23	
LIQUIDITY	Beginning	Ending
Current ratio	2.63	2.45
Working capital	69036	60318
SOLVENCY (Market)	Beginning	Ending
Farm debt to asset ratio	32 %	31 %
Farm equity to asset ratio	68 %	69 %
Farm debt to equity ratio	48 %	45 %
PROFITABILITY (Market)		
Rate of return on farm assets	0.1 %	
Rate of return on farm equity	-2.7 %	
Operating profit margin	0.3 %	
Net farm income	31837	
REPAYMENT CAPACITY	Cash	Accrual
Term debt coverage ratio	134 %	109 %
Capital replacement margin	9228	2400
EFFICIENCY		
Asset turnover rate (market)	32.7 %	
Operating expense ratio	82.1 %	
Depreciation expense ratio	6.9 %	
Interest expense ratio	5.9 %	
Net farm income ratio	-0.8 %	

LABOR ANALYSIS

	Average For All Farms	
Number of Farms	23	
Total unpaid labor hours	2706	
Total hired labor hours	9168	
Total labor hours per farm	11874	
Net farm income / unpaid hour	-0.71	

Table 21.
**MICHIGAN CASH GRAIN FARMS,
 CROP PRODUCTION AND MARKETING SUMMARY, 1995
 (Farms sorted by Net Farm Income)**

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	48	12	12
ACREAGE SUMMARY			
Total Crop Acres	962	665	1788
Crop Acres Owned	464	560	597
Crop Acres Cash Rented	486	65	1191
Crop Acres Share Rented	13	39	-
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bu.	2.42	2.95	2.36
Soybeans per bu.	5.78	5.43	5.77
Wheat, Winter per bu.	3.71	-	3.76
Beans, Navy per cwt.	24.23	-	-
Hay, Alfalfa per ton	77.14	-	-
AVERAGE YIELD PER ACRE			
Corn (bu.)	116.89	102.80	124.54
Soybeans (bu.)	41.78	37.59	42.28
Wheat, Winter (bu.)	61.02	-	61.87
Corn, Seed (bu.)	174.19	-	-
Hay, Alfalfa (ton)	3.75	-	-
Beans, Navy (cwt.)	15.22	-	-
Sugar Beets (ton)	12.93	-	-

Table 22.
MICHIGAN CASH GRAIN FARMS,
BALANCE SHEET AT MARKET VALUES, 1995
(Farms sorted by Net Farm Income)

Number of Farms	Average Of All Farms		Average Of Low 25 %		Average Of High 25 %	
	48		12		12	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
ASSETS						
Current Farm Assets						
Cash and checking balance	25456	24115	34263	32543	49381	35980
Prepaid expenses & supplies	16410	21724	6171	8157	40957	53647
Growing crops	8910	11188	864	2044	28162	34036
Accounts receivable	3195	2828	7856	875	1062	1017
Hedging accounts	107	-	-	-	83	-
Crops held for sale or feed	150833	166403	93299	80654	292291	357665
Crops under government loan	459	0	-	-	-	-
Market livestock held for sale	5301	5312	4270	3410	4291	3607
Other current assets	2512	4321	1271	5651	5390	6756
Total current farm assets	213183	235890	147994	133334	421617	492706
Intermediate Farm Assets						
Breeding livestock	10139	9627	5844	5876	2596	2283
Machinery and equipment	229659	248571	194200	219458	420049	467199
Other intermediate assets	12198	21097	7681	8751	32899	61981
Total intermediate farm assets	251996	279295	207724	234085	455544	531463
Long-Term Farm Assets						
Farm land	414884	432386	366971	413031	563570	555667
Buildings and improvements	21398	21398	5833	7042	29000	40383
Other long-term assets	4094	4682	5412	7779	5585	5448
Total long-term farm assets	440376	461727	378217	427852	598155	601498
Total Farm Assets	905555	976912	733935	795271	1475316	1625667
Total Nonfarm Assets	46155	54273	66399	95797	63735	65398
Total Assets	951710	1031185	800333	891068	1539051	1691065
LIABILITIES						
Current Farm Liabilities						
Accrued interest	3873	4633	3686	4728	2331	3469
Accounts payable	15868	18185	6077	17463	36416	30685
Current notes	67244	62474	55832	60655	111833	93940
Government crop loans	431	0	-	-	-	-
Principal due on term debt	19814	19486	29321	21743	27827	28921
Total current farm liabilities	107230	104780	94916	104597	178407	157014
Intermediate Farm Liabilities	42220	52520	51153	72071	65215	75939
Long-term Farm Liabilities	86740	91973	147963	167734	61900	63291
Total Farm Liabilities	236190	249273	294033	344403	305522	296244
Total Nonfarm Liabilities	5832	8479	6578	16643	16748	15476
Total Deferred Liabilities	978	2488	3127	-	-	9041
Total Liabilities	243000	260240	303737	361046	322270	320760
Net Worth (farm and nonfarm)	708710	770945	496596	530022	1216782	1370305
Net Worth Change		62235		33426		153523
RATIO ANALYSIS						
Current Farm Liabilities / Assets	50 %	44 %	64 %	78 %	42 %	32 %
Curr. & Interm Farm Liab. / Assets	32 %	31 %	41 %	48 %	28 %	23 %
Long Term Farm Liabilities / Assets	20 %	20 %	39 %	39 %	10 %	11 %
Total Liabilities / Assets	26 %	25 %	38 %	41 %	21 %	19 %

Table 23.
MICHIGAN CASH GRAIN FARMS,
CASH INCOME, 1995
(Farms Sorted by Net Farm Income)

	Average Of All Farms	Average of Low 25%	Average Of High 25%
Number of Farms	48	12	12
CASH FARM INCOME			
Black Turtle Beans	\$1,285	\$0	\$5,140
Dark Red Kidney Beans	887	0	0
Green Beans	1,180	4,719	0
Light Red Kidney Beans	371	0	0
Navy Beans	7,635	13,817	9,990
Pinto Beans	219	0	0
Bedding Plants	567	0	0
Corn	120,399	59,416	244,183
Corn Silage	143	0	0
Seed Corn	16,991	35,415	17,698
Cucumbers	5,068	13,366	0
Alfalfa Hay	1,204	1,343	507
Mixed Hay	764	375	211
Alfalfa Haylage	116	0	0
Mixed Haylage	31	0	0
Oats	277	63	115
Popcorn	260	0	0
Rye	207	0	0
Soybeans	68,344	36,281	140,451
Speltz	1,373	375	5,117
Straw	369	343	206
Sugar Beets	5,113	13,247	0
Tomatoes	5,692	0	22,769
Winter Wheat	21,745	15,668	47,834
White Corn	20	0	0
Other crops	101	0	0
Miscellaneous crop income	14	6	0
Beef Bulls	98	391	0
Beef Calves	2,242	0	1,307
Beef Replacement Heifers	13	53	0
Finish Beef Calves	2,307	5,618	3,608
Finish Yrlg Steers	347	828	0
Broilers	25	0	0
Eggs	818	0	0
Milk	5,171	0	0
Dairy Replacement Heifers	467	1,869	0
Dairy Steers	700	631	0
Raised Hogs	4,478	0	0
Finish Feeder Pigs	415	0	1,661
Mkt Lambs	139	558	0
Cull breeding livestock	817	110	507
Misc. livestock income	20	19	0
Deficiency payments	5,445	2,740	13,281
CRP payments	1,257	0	0
Other government payments	12,728	9,891	16,852
Custom work income	8,354	12,456	16,329
Patronage dividends, cash	391	536	172
Insurance income	3,537	129	5,484
Other farm income	4,951	1,089	7,447
Gross Cash Farm Income	\$315,095	\$231,352	\$560,869

Table 24.
MICHIGAN GRAIN FARMS,
EXPENSES AND INCOME STATEMENT SUMMARY, 1995
(Farms Sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	48	12	12
CASH FARM EXPENSE			
Seed	\$23,291	\$15,813	\$42,570
Fertilizer	41,348	35,323	68,293
Crop chemicals	27,568	24,045	51,700
Crop insurance	1,751	1,635	3,690
Drying fuel	1,622	756	4,384
Irrigation energy	307	1,028	0
Crop marketing	864	566	1,177
Crop miscellaneous	2,641	1,664	4,805
Feeder livestock purchase	1,144	931	1,339
Purchased feed	3,968	1,811	1,024
Breeding fees	73	102	0
Veterinary	588	270	54
Livestock supplies	894	205	77
Livestock marketing	429	122	74
Interest	15,512	23,754	16,041
Fuel & oil	6,952	4,978	11,838
Repairs	19,146	18,255	24,811
Custom hire	9,930	14,036	12,775
Hired labor	20,430	16,118	44,594
Land rent	34,589	30,165	70,992
Machinery & bldg leases	7,198	6,319	11,922
Real estate taxes	6,348	9,558	7,236
Farm insurance	4,471	3,604	6,688
Utilities	3,846	3,046	4,993
Dues & professional fees	1,194	1,792	1,702
Hedging account deposits	29	(11)	128
Miscellaneous	7,824	4,034	10,170
Total cash expense	\$243,957	\$219,919	\$403,077
Net cash farm income	71,138	11,432	157,792
INVENTORY CHANGES			
Crops and feed	15,111	(12,646)	65,373
Market livestock	11	(860)	(684)
Accounts receivable	3,613	(1,421)	7,111
Prepaid expenses and supplies	5,314	1,986	12,690
Accounts payable	(3,077)	(12,428)	4,594
Total inventory change	20,972	(25,369)	89,084
Net operating profit	\$92,110	(\$13,937)	\$246,876
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS			
Breeding livestock	(1,165)	57	(313)
Machinery and equipment	(25,569)	(25,949)	(50,190)
Buildings and improvements	(3,668)	(3,440)	(4,939)
Other farm capital	2,425	6,160	558
Total depr. and other capital adj.	(27,977)	(23,172)	(54,884)
Net farm income	\$64,133	(\$37,109)	\$191,992

Table 25.
MICHIGAN CASH GRAIN FARMS, STATEMENT OF CASH FLOWS, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	48	12	12
(a) Beginning cash balance (farm & nonfarm)	25639	34326	49381
CASH FROM OPERATING ACTIVITIES			
Gross cash farm income	315095	231352	560869
Net nonfarm income (+)	17615	45145	12029
Total cash farm expense (-)	243957	219919	403077
Apparent family living expense (-)	35694	17066	67187
Income and social security tax (-)	3026	6332	2150
(b) Cash from operations (=)	50033	33179	100483
CASH FROM INVESTING ACTIVITIES			
Sale of breeding livestock	410	25	-
Sale of machinery & equipment (+)	5323	10616	3971
Sale of farm land (+)	3469	1376	5000
Sale of farm buildings (+)	207	495	333
Sale of other farm assets (+)	3206	5456	359
Sale of nonfarm assets (+)	4361	17443	-
Purchase of breeding livestock (-)	1063	-	-
Purchase of machinery & equip. (-)	42819	60702	64778
Purchase of farm land (-)	12536	19528	9433
Purchase of farm buildings (-)	3104	3187	3636
Purchase of other farm assets (-)	10293	2735	28845
Purchase of nonfarm assets (-)	11630	45923	431
(c) Cash from investing activities (=)	-64469	-96663	-97460
CASH FROM FINANCING ACTIVITIES			
Money borrowed	134693	205499	145308
Bank account transfers, gifts (+)	6049	14741	5809
Principal payments (-)	122566	156811	152431
Dividends paid (-)	-	-	-
Gifts given (-)	5044	1705	15111
(d) Cash from financing activities (=)	13132	61724	-16424
(e) Net change in cash balance (b+c+d)	-1304	-1760	-13401
Ending cash balance calculated (a+e)	24334	32566	35980

Table 26.
MICHIGAN CASH GRAIN FARMS,
PROFITABILITY AND LIQUIDITY ANALYSIS, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	48	12	12
PROFITABILITY (Market)			
Net farm income	70413	-26597	210901
Labor and management earnings	28607	-53226	136196
Rate of return on assets	5.6 %	-3.4 %	11.1 %
Rate of return on equity	5.3 %	-11.4 %	12.4 %
Operating profit margin	16.2 %	-12.0 %	27.3 %
Asset turnover rate	34.8 %	28.0 %	40.6 %
Interest on farm net worth	41806	26629	74705
Farm interest expense	16272	24795	17179
Value of operator lbr and mgmt.	33566	23889	56262
Return on farm assets	53119	-25691	171818
Average farm assets	941234	764603	1550492
Return on farm equity	36847	-50486	154639
Average farm equity	696769	443822	1245089
Value of farm production	327553	213740	629994
Number of Farms	48	12	12
LIQUIDITY (Cash)			
Net cash farm income	71138	11432	157792
Net nonfarm income	17615	45145	12029
Family living and taxes	38720	23398	69337
Real estate principal payments	7148	11702	7855
Cash available for interm. debt	42885	21477	92628
Average intermediate debt	61008	77707	92367
Years to turnover interm. debt	1.4	3.6	1.0
Expense as a % of income	77 %	95 %	72 %
Interest as a % of income	5 %	10 %	3 %
LIQUIDITY (Accrual)			
Total accrual farm income	333830	216426	632669
Total accrual farm expense	241720	230362	385794
Net accrual operating income	92110	-13937	246875
Net nonfarm income	17615	45145	12029
Family living and taxes	38720	23398	69337
Real estate principal payments	7148	11702	7855
Available for intermediate debt	63856	-3892	181712
Average intermediate debt	61008	77707	92367
Years to turnover interm. debt	1.0	**	0.5
Expense as a % of income	72 %	106 %	61 %
Interest as a % of income	5 %	11 %	3 %
** Income insufficient to meet debt servicing requirements			

Table 27.
MICHIGAN CASH GRAIN FARMS,
FINANCIAL GUIDELINES MEASURES, 1995
(Farms sorted by Net Farm Income)

	Average For All Farms		Average For Low 25 %		Average For High 25 %	
Number of Farms	48		12		12	
LIQUIDITY	Beginning	Ending	Beginning	Ending	Beginning	Ending
Current ratio	1.99	2.25	1.56	1.27	2.36	3.14
Working capital	105953	131110	53078	28736	243210	335692
SOLVENCY (Market)	Beginning	Ending	Beginning	Ending	Beginning	Ending
Farm debt to asset ratio	26 %	26 %	40 %	43 %	21 %	18 %
Farm equity to asset ratio	74 %	74 %	60 %	57 %	79 %	82 %
Farm debt to equity ratio	35 %	34 %	68 %	76 %	26 %	22 %
PROFITABILITY (Market)						
Rate of return on farm assets	5.6 %		-3.4 %		11.1 %	
Rate of return on farm equity	5.3 %		-11.4 %		12.4 %	
Operating profit margin	16.2 %		-12.0 %		27.3 %	
Net farm income	81509		-3387		215068	
REPAYMENT CAPACITY	Cash	Accrual	Cash	Accrual	Cash	Accrual
Term debt coverage ratio	263 %	376 %	114 %	24 %	457 %	894 %
Capital replacement margin	30218	51190	3858	-21511	72656	161740
EFFICIENCY						
Asset turnover rate (market)	34.8 %		28.0 %		40.6 %	
Operating expense ratio	67.5 %		95.0 %		58.3 %	
Depreciation expense ratio	8.4 %		10.7 %		8.7 %	
Interest expense ratio	4.9 %		11.5 %		2.7 %	
Net farm income ratio	15.1 %		-15.4 %		25.1 %	

LABOR ANALYSIS

	Average For All Farms	Average For Low 25 %	Average For High 25 %
Number of Farms	46	12	12
Total unpaid labor hours	2756	1890	3901
Total hired labor hours	1963	1690	3941
Total labor hours per farm	4719	3580	7842
Net farm income / unpaid hour	30.86	-1.79	55.13

Table 28.
MICHIGAN CASH GRAIN FARMS, INVENTORY CHANGES, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	48	12	12
Net cash farm income	71138	11432	157792
CROPS AND FEED			
Ending inventory	166403	80654	357665
Beginning inventory	151292	93299	292291
Inventory change	15111	-12645	65374
MARKET LIVESTOCK			
Ending inventory	5312	3410	3607
Beginning inventory	5301	4270	4291
Inventory change	11	-860	-684
ACCTS RECEIVABLE & OTHER CURRENT ASSETS			
Ending inventory	18337	8571	41808
Beginning inventory	14724	9991	34697
Inventory change	3613	-1421	7111
PREPAID EXPENSES AND SUPPLIES			
Ending inventory	21724	8157	53647
Beginning inventory	16410	6171	40957
Inventory change	5314	1986	12690
ACCOUNTS PAYABLE			
Beginning inventory	19741	9763	38747
Ending inventory	22818	22191	34153
Inventory change	-3077	-12428	4594
Total inventory change	20972	-25369	89084
Net operating profit	92110	-13937	246875

Table 29.
MICHIGAN CASH GRAIN FARMS,
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1995
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25%	Average Of High 25%
Number of Farms	48	12	12
Net operating profit	92110	-13937	246875
BREEDING LIVESTOCK			
Ending inventory	9627	5876	2283
Capital sales	410	25	-
Beginning inventory	10139	5844	2596
Capital purchases	1063	-	-
Depreciation, capital adj.	-1165	57	-313
MACHINERY AND EQUIPMENT			
Ending inventory	127271	146461	202784
Capital sales	5323	10616	3971
Beginning inventory	115343	122323	192166
Capital purchases	42819	60702	64778
Depreciation, capital adj.	-25569	-25949	-50190
BUILDINGS AND IMPROVEMENTS			
Ending inventory	23905	21848	28320
Capital sales	207	495	333
Beginning inventory	24676	22596	29956
Capital purchases	3104	3187	3636
Depreciation, capital adj.	-3668	-3440	-4939
OTHER CAPITAL ASSETS			
Ending inventory	24631	16531	59262
Capital sales	3206	5456	359
Beginning inventory	15120	13093	30219
Capital purchases	10293	2735	28845
Depreciation, capital adj.	2425	6160	558
Total depreciation, capital adj.	-27977	-23172	-54884
Net farm income	64133	-37109	191992

Table 30.
MICHIGAN CASH GRAIN FARMS
INCOME SOURCES AS PERCENT OF GROSS CASH FARM INCOME, 1995
(Farms Sorted by Net Farm Income)

	Average of All Farms	Average of Low 25%	Average of High 25%
	-----	-----	-----
Number of Farms	48	12	12
CASH FARM INCOME			
Black Turtle Beans	0.4%	0.0%	0.9%
Dark Red Kidney Beans	0.3%	0.0%	0.0%
Green Beans	0.4%	2.0%	0.0%
Light Red Kidney Beans	0.1%	0.0%	0.0%
Navy Beans	2.4%	6.0%	1.8%
Pinto Beans	0.1%	0.0%	0.0%
Bedding Plants	0.2%	0.0%	0.0%
Corn	38.2%	25.7%	43.5%
Corn Silage	0.0%	0.0%	0.0%
Seed Corn	5.4%	15.3%	3.2%
Cucumbers	1.6%	5.8%	0.0%
Alfalfa Hay	0.4%	0.6%	0.1%
Mixed Hay	0.2%	0.2%	0.0%
Alfalfa Haylage	0.0%	0.0%	0.0%
Mixed Haylage	0.0%	0.0%	0.0%
Oats	0.1%	0.0%	0.0%
Popcorn	0.1%	0.0%	0.0%
Rye	0.1%	0.0%	0.0%
Soybeans	21.7%	15.7%	25.0%
Speltz	0.4%	0.2%	0.9%
Straw	0.1%	0.1%	0.0%
Sugar Beets	1.6%	5.7%	0.0%
Tomatoes	1.8%	0.0%	4.1%
Winter Wheat	6.9%	6.8%	8.5%
White Corn	0.0%	0.0%	0.0%
Other crops	0.0%	0.0%	0.0%
Miscellaneous crop income	0.0%	0.0%	0.0%
Beef Bulls	0.0%	0.2%	0.0%
Beef Calves	0.7%	0.0%	0.2%
Beef Replacement Heifers	0.0%	0.0%	0.0%
Finish Beef Calves	0.7%	2.4%	0.6%
Finish Yrlg Steers	0.1%	0.4%	0.0%
Broilers	0.0%	0.0%	0.0%
Eggs	0.3%	0.0%	0.0%
Milk	1.6%	0.0%	0.0%
Dairy Replacement Heifers	0.1%	0.8%	0.0%
Dairy Steers	0.2%	0.3%	0.0%
Raised Hogs	1.4%	0.0%	0.0%
Finish Feeder Pigs	0.1%	0.0%	0.3%
Mkt Lambs	0.0%	0.2%	0.0%
Cull breeding livestock	0.3%	0.0%	0.1%
Misc. livestock income	0.0%	0.0%	0.0%
Deficiency payments	1.7%	1.2%	2.4%
CRP payments	0.4%	0.0%	0.0%
Other government payments	4.0%	4.3%	3.0%
Custom work income	2.7%	5.4%	2.9%
Patronage dividends, cash	0.1%	0.2%	0.0%
Insurance income	1.1%	0.1%	1.0%
Other farm income	1.6%	0.5%	1.3%
	-----	-----	-----
Gross Cash Farm Income	100.0%	100.0%	100.0%

Table 31.
MICHIGAN CASH GRAIN FARMS
CASH EXPENSE PER CROP ACRE, 1995
(Farms Sorted by Net Farm Income)

	Average of All Farms	Average of of Low 25%	Average of High 25%
Total Crop Acres:	962	665	1,788
CASH FARM EXPENSE PER CROP ACRE			
Seed	\$24.21	\$23.78	\$23.81
Fertilizer	42.98	53.12	38.20
Crop chemicals	28.66	36.16	28.91
Crop insurance	1.82	2.46	2.06
Drying fuel	1.69	1.14	2.45
Irrigation energy	0.32	1.55	0.00
Crop marketing	0.90	0.85	0.66
Crop miscellaneous	2.75	2.50	2.69
Feeder livestock purchase	1.19	1.40	0.75
Purchased feed	4.12	2.72	0.57
Breeding fees	0.08	0.15	0.00
Veterinary	0.61	0.41	0.03
Livestock supplies	0.93	0.31	0.04
Livestock marketing	0.45	0.18	0.04
Interest	16.12	35.72	8.97
Fuel & oil	7.23	7.49	6.62
Repairs	19.90	27.45	13.88
Custom hire	10.32	21.11	7.14
Hired labor	21.24	24.24	24.94
Land rent	35.96	45.36	39.70
Machinery & bldg leases	7.48	9.50	6.67
Real estate taxes	6.60	14.37	4.05
Farm insurance	4.65	5.42	3.74
Utilities	4.00	4.58	2.79
Dues & professional fees	1.24	2.69	0.95
Hedging account deposits	0.03	(0.02)	0.07
Miscellaneous	8.13	6.07	5.69
Total cash expense	\$253.59	\$330.71	\$225.43

Table 32.
MICHIGAN HOG FARMS,
PRODUCTION SUMMARIES, 1995

	Average Of All Farms
NUMBER OF FARMS	19
HOGS, FARROW TO FINISH	
Average number of sows	344.6
Litters farrowed	657
Litters per sow	1.91
Litters per crate	16.29
Pigs born per litter	9.88
Pigs weaned per litter	8.67
Pigs weaned per sow	16.46
Number sold per litter	6.98
Avg wgt/Raised Hog sold	250
Avg price / cwt	43.96
ACREAGE SUMMARY	
Total Crop Acres	385
Crop Acres Owned	155
Crop Acres Cash Rented	206
Crop Acres Share Rented	24
AVERAGE PRICE RECEIVED (Cash Sales Only)	
Soybeans per bu.	5.93
Wheat, Winter per bu.	3.78
Corn per bu.	2.69
AVERAGE YIELD PER ACRE	
Corn (bu.)	113.94
Soybeans (bu.)	43.53
Wheat, Winter (bu.)	58.25
Beans, Navy (cwt.)	20.54

Table 33.
MICHIGAN HOG FARMS,
BALANCE SHEET AT MARKET VALUES, 1995

Number of Farms	Average For All Farms	
	Beginning	Ending
	19	
ASSETS		
Current Farm Assets		
Cash and checking balance	17234	31737
Prepaid expenses & supplies	13302	31061
Growing crops	1470	1993
Accounts receivable	28237	21664
Hedging accounts	39	853
Crops held for sale or feed	75441	93836
Crops under government loan	52	59
Market livestock held for sale	126793	146629
Other current assets	859	831
Total current farm assets	263428	328664
Intermediate Farm Assets		
Breeding livestock	63245	70003
Machinery and equipment	200966	204606
Other intermediate assets	14794	41778
Total intermediate farm assets	279004	316387
Long-Term Farm Assets		
Farm land	397936	415765
Buildings and improvements	116549	127975
Other long-term assets	4405	4147
Total long-term farm assets	518890	547887
Total Farm Assets	1061322	1192938
Total Nonfarm Assets	25275	38494
Total Assets	1086597	1231431
LIABILITIES		
Current Farm Liabilities		
Accrued interest	9022	9024
Accounts payable	23064	21421
Current notes	126370	120094
Government crop loans	-	-
Principal due on term debt	33794	40690
Total current farm liabilities	192250	191557
Intermediate Farm Liabilities	68332	118333
Long-term Farm Liabilities	168954	165021
Total Farm Liabilities	429536	474911
Total Nonfarm Liabilities	1577	1380
Total Deferred Liabilities	8506	12321
Total Liabilities	439619	488613
Net Worth (farm and nonfarm)	646978	742818
Net Worth Change		95840
RATIO ANALYSIS		
Current Farm Liabilities / Assets	73 %	58 %
Curr. & Interm Farm Liab. / Assets	48 %	48 %
Long Term Farm Liabilities / Assets	33 %	30 %
Total Liabilities / Assets	40 %	40 %

Table 34.
MICHIGAN HOG FARMS,
AVERAGE CASH INCOME, 1995

	Average Of All Farms	Percent of Gross Cash Income
Number of Farms	19	
CASH FARM INCOME		
Navy Beans	\$4,020	0.7%
Cordwood	19	0.0%
Corn	2,892	0.5%
Mixed Hay	275	0.0%
Soybeans	13,664	2.4%
Straw	138	0.0%
Winter Wheat	7,927	1.4%
Milk	2,211	0.4%
Dairy Heifers (for sale)	14	0.0%
Raised Hogs	443,123	78.8%
Feeder Pigs	1,442	0.3%
Finish Feeder Pigs	26,576	4.7%
Cull breeding livestock	22,625	4.0%
Misc. livestock income	13	0.0%
Deficiency payments	2,251	0.4%
Other government payments	8,205	1.5%
Custom work income	14,093	2.5%
Patronage dividends, cash	657	0.1%
Insurance income	2	0.0%
Other farm income	11,973	2.1%
Gross Cash Farm Income	\$562,120	100.0%

Table 35.
MICHIGAN HOG FARMS,
EXPENSES AND INCOME STATEMENT SUMMARY, 1995

	Average Of All Farms	Percent of Gross Cash Income
Number of Farms	19	
CASH FARM EXPENSE		
Seed	\$12,472	2.2%
Fertilizer	12,204	2.2%
Crop chemicals	9,950	1.8%
Crop insurance	383	0.1%
Drying fuel	1,897	0.3%
Crop marketing	196	0.0%
Crop miscellaneous	1,186	0.2%
Feeder livestock purchase	9,496	1.7%
Purchased feed	221,652	39.4%
Breeding fees	3,171	0.6%
Veterinary	12,519	2.2%
Livestock supplies	3,457	0.6%
Livestock marketing	3,378	0.6%
Interest	33,424	5.9%
Fuel & oil	6,624	1.2%
Repairs	15,726	2.8%
Custom hire	17,652	3.1%
Hired labor	62,263	11.1%
Land rent	16,609	3.0%
Machinery & bldg leases	11,842	2.1%
Real estate taxes	5,760	1.0%
Farm insurance	6,573	1.2%
Utilities	14,181	2.5%
Dues & professional fees	1,396	0.2%
Miscellaneous	11,330	2.0%
Total cash expense	\$495,341	88.1%
Net cash farm income	66,779	11.9%
INVENTORY CHANGES		
Crops and feed	18,402	3.3%
Market livestock	19,836	3.5%
Accounts receivable	(5,265)	-0.9%
Prepaid expenses and supplies	17,759	3.2%
Accounts payable	1,640	0.3%
Total inventory change	\$52,372	9.3%
Net operating profit	119,151	21.2%
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS		
Breeding livestock	(101)	-0.0%
Machinery and equipment	(23,473)	-4.2%
Buildings and improvements	(11,678)	-2.1%
Other farm capital	(54)	-0.0%
Total depr. and other capital adj	(\$35,306)	-6.3%
Net farm income	83,845	14.9%

Table 36.
MICHIGAN HOG FARMS,
STATEMENT OF CASH FLOWS, 1995

		Average Of All Farms
Number of Farms		19
(a) Beginning cash balance (farm & nonfarm)		17234
CASH FROM OPERATING ACTIVITIES		
Gross cash farm income		562120
Net nonfarm income	(+)	4049
Total cash farm expense	(-)	495341
Apparent family living expense	(-)	33429
Income and social security tax	(-)	31
(b) Cash from operations	(=)	37368
CASH FROM INVESTING ACTIVITIES		
Sale of breeding livestock		4334
Sale of machinery & equipment	(+)	1221
Sale of farm land	(+)	-
Sale of farm buildings	(+)	21
Sale of other farm assets	(+)	5226
Sale of nonfarm assets	(+)	526
Purchase of breeding livestock	(-)	11194
Purchase of machinery & equip.	(-)	26817
Purchase of farm land	(-)	3035
Purchase of farm buildings	(-)	6568
Purchase of other farm assets	(-)	32007
Purchase of nonfarm assets	(-)	164
(c) Cash from investing activities	(=)	-68454
CASH FROM FINANCING ACTIVITIES		
Money borrowed		211184
Bank account transfers, gifts	(+)	449
Principal payments	(-)	164921
Dividends paid	(-)	-
Gifts given	(-)	1123
(d) Cash from financing activities	(=)	45589
(e) Net change in cash balance	(b+c+d)	14503
Ending cash balance calculated	(a+e)	31737

Table 37.
MICHIGAN HOG FARMS,
PROFITABILITY AND LIQUIDITY ANALYSIS, 1995

	Average Of All Farms
Number of Farms	19
PROFITABILITY (Market)	
Net farm income	109262
Labor and management earnings	69327
Rate of return on assets	9.7 %
Rate of return on equity	11.4 %
Operating profit margin	30.0 %
Asset turnover rate	32.3 %
Interest on farm net worth	39935
Farm interest expense	33427
Value of operator lbr and mgmt.	33506
Return on farm assets	109183
Average farm assets	1127130
Return on farm equity	75756
Average farm equity	665585
Value of farm production	363844
Number of Farms	19
LIQUIDITY (Cash)	
Net cash farm income	66779
Net nonfarm income	4049
Family living and taxes	33459
Real estate principal payments	15062
Cash available for interm. debt	22307
Average intermediate debt	117297
Years to turnover interm. debt	5.3
Expense as a % of income	88 %
Interest as a % of income	6 %
LIQUIDITY (Accrual)	
Total accrual farm income	595093
Total accrual farm expense	475942
Net accrual operating income	119151
Net nonfarm income	4049
Family living and taxes	33459
Real estate principal payments	15062
Available for intermediate debt	74679
Average intermediate debt	117297
Years to turnover interm. debt	1.6
Expense as a % of income	80 %
Interest as a % of income	6 %

Table 38.
MICHIGAN HOG FARMS,
FINANCIAL GUIDELINES MEASURES, 1995

	Average For All Farms	
Number of Farms	19	
LIQUIDITY	Beginning	Ending
Current ratio	1.37	1.72
Working capital	71178	137107
SOLVENCY (Market)	Beginning	Ending
Farm debt to asset ratio	41 %	40 %
Farm equity to asset ratio	59 %	60 %
Farm debt to equity ratio	70 %	68 %
PROFITABILITY (Market)		
Rate of return on farm assets	9.7 %	
Rate of return on farm equity	11.4 %	
Operating profit margin	30.0 %	
Net farm income	113142	
REPAYMENT CAPACITY	Cash	Accrual
Term debt coverage ratio	111 %	274 %
Capital replacement margin	3574	55946
EFFICIENCY		
Asset turnover rate (market)	32.3 %	
Operating expense ratio	74.4 %	
Depreciation expense ratio	5.9 %	
Interest expense ratio	5.6 %	
Net farm income ratio	10.4 %	

LABOR ANALYSIS

	Average For All Farms	
Number of Farms	18	
Total unpaid labor hours	3022	
Total hired labor hours	4773	
Total labor hours per farm	7795	
Net farm income / unpaid hour	21.66	

Table 39.
MICHIGAN HOG FARMS,
INVENTORY CHANGES, 1995

	Average Of All Farms
	19
Number of Farms	19
Net cash farm income	66779
CROPS AND FEED	
Ending inventory (+)	93895
Beginning inventory (-)	75493
Inventory change (=)	18402
MARKET LIVESTOCK	
Ending inventory (+)	146629
Beginning inventory (-)	126793
Inventory change (=)	19836
ACCTS RECEIVABLE & OTHER CURRENT ASSETS	
Ending inventory (+)	25341
Beginning inventory (-)	30605
Inventory change (=)	-5265
PREPAID EXPENSES AND SUPPLIES	
Ending inventory (+)	31061
Beginning inventory (-)	13302
Inventory change (=)	17759
ACCOUNTS PAYABLE	
Beginning inventory (+)	32086
Ending inventory (-)	30446
Inventory change (=)	1640
Total inventory change	52372
Net operating profit	119151

Table 40.
MICHIGAN HOG FARMS,
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1995

	Average Of All Farms
	19
Number of Farms	19
Net operating profit	119151
BREEDING LIVESTOCK	
Ending inventory	70003
Capital sales	4334
Beginning inventory	63245
Capital purchases	11194
Depreciation, capital adj.	-101
MACHINERY AND EQUIPMENT	
Ending inventory	110683
Capital sales	1221
Beginning inventory	108560
Capital purchases	26817
Depreciation, capital adj.	-23473
BUILDINGS AND IMPROVEMENTS	
Ending inventory	102391
Capital sales	21
Beginning inventory	107522
Capital purchases	6568
Depreciation, capital adj.	-11678
OTHER CAPITAL ASSETS	
Ending inventory	46425
Capital sales	5226
Beginning inventory	19699
Capital purchases	32007
Depreciation, capital adj.	-54
Total depreciation, capital adj.	-35305
Net farm income	83845

Table 41.
MICHIGAN GENERAL CROPS FARMS,
PRODUCTION AND MARKETING SUMMARY, 1995

	Average Of All Farms
Number of Farms	11
 ACREAGE SUMMARY	
Total Crop Acres	549
Crop Acres Owned	296
Crop Acres Cash Rented	252
Crop Acres Share Rented	-
 AVERAGE PRICE RECEIVED (Cash Sales Only)	
Soybeans per bu.	4.91
 AVERAGE YIELD PER ACRE	
Corn (bu.)	126.25
Soybeans (bu.)	43.59
Hay, Alfalfa (ton)	4.80
Potatoes (cwt.)	231.00
Corn, Seed (bu.)	200.00
Wheat, Winter (bu.)	61.77
Sugar Beets (ton)	18.60
Sweet Corn (ton)	850.00

Table 42.
MICHIGAN GENERAL CROPS FARMS,
BALANCE SHEET AT MARKET VALUES, 1995

Number of Farms	Average For All Farms	
	Beginning	Ending
	11	
ASSETS		
Current Farm Assets		
Cash and checking balance	5414	-1412
Prepaid expenses & supplies	15700	15925
Growing crops	14622	16168
Accounts receivable	3376	5972
Hedging accounts	-	-
Crops held for sale or feed	89513	104928
Crops under government loan	-	-
Market livestock held for sale	19745	21473
Other current assets	7029	7326
Total current farm assets	155399	170381
Intermediate Farm Assets		
Breeding livestock	24915	25993
Machinery and equipment	241853	236436
Other intermediate assets	57462	52977
Total intermediate farm assets	324230	315406
Long-Term Farm Assets		
Farm land	447736	460841
Buildings and improvements	16818	16818
Other long-term assets	13249	13021
Total long-term farm assets	477803	490680
Total Farm Assets	957432	976467
Total Nonfarm Assets	58110	60279
Total Assets	1015542	1036745
LIABILITIES		
Current Farm Liabilities		
Accrued interest	9434	8856
Accounts payable	16752	13157
Current notes	92703	71373
Government crop loans	-	-
Principal due on term debt	30716	40170
Total current farm liabilities	149605	133557
Intermediate Farm Liabilities	145256	148757
Long-term Farm Liabilities	204171	210629
Total Farm Liabilities	499032	492943
Total Nonfarm Liabilities	818	489
Total Deferred Liabilities	-	-
Total Liabilities	499850	493432
Net Worth (farm and nonfarm)	515692	543314
Net Worth Change		27622
RATIO ANALYSIS		
Current Farm Liabilities / Assets	96 %	78 %
Curr. & Intern Farm Liab. / Assets	61 %	58 %
Long Term Farm Liabilities / Assets	43 %	43 %
Total Liabilities / Assets	49 %	48 %

Table 43.
MICHIGAN GENERAL CROP FARMS, CASH INCOME, 1995

	Average of All Farms	Percent of Gross Cash Income
	-----	-----
Number of Farms	11	
CASH FARM INCOME		
Cranberry Beans	\$962	0.2%
Dark Red Kidney Beans	427	0.1%
Green Beans	2,649	0.7%
Navy Beans	6,308	1.6%
Pinto Beans	366	0.1%
Small Red Beans	1,113	0.3%
Blackberries	56	0.0%
Blueberries	1,468	0.4%
Broccoli	244	0.1%
Cantaloupe	253	0.1%
Cherries	62	0.0%
Corn	31,609	8.1%
Seed Corn	38,011	9.7%
Cucumbers	13	0.0%
Grapes	989	0.3%
Mixed Hay	6,239	1.6%
Peas	534	0.1%
Peppers	20	0.0%
Plums	280	0.1%
Potatoes	67,921	17.4%
Seed Potatoes	790	0.2%
Pumpkins	7,865	2.0%
Raspberries	2,621	0.7%
Shrubs	2,497	0.6%
Soybeans	24,159	6.2%
Squash	44	0.0%
Straw	318	0.1%
Strawberries	9,356	2.4%
Sugar Beets	7,187	1.8%
Sweet Corn	5,290	1.4%
Tomatoes	285	0.1%
Winter Wheat	7,561	1.9%
Beef Calves	3,339	0.9%
Background Beef	7,157	1.8%
Finish Beef Calves	3,909	1.0%
Milk	12,887	3.3%
Dairy Steers	1,244	0.3%
Raised Hogs	46,540	11.9%
Feeder Pigs	361	0.1%
Cull breeding livestock	1,263	0.3%
Deficiency payments	5,869	1.5%
Other government payments	12,774	3.3%
Custom work income	9,943	2.5%
Patronage dividends, cash	4	0.0%
Other farm income	57,401	14.7%
	-----	-----
Gross Cash Farm Income	\$390,188	100.0%

Table 44.
MICHIGAN GENERAL CROP FARMS, INCOME STATEMENT SUMMARY, 1995

	Average Of All Farms	Cash Expense Per Crop Acre
Number of Crop Acres:	549	
CASH FARM EXPENSE		
Seed	\$20,127	\$36.66
Fertilizer	25,394	46.26
Crop chemicals	28,192	51.35
Crop insurance	909	1.66
Drying fuel	(107)	(0.19)
Irrigation energy	1,639	2.99
Crop marketing	34	0.06
Crop miscellaneous	10,529	19.18
Feeder livestock purchase	4,390	8.00
Purchased feed	23,474	42.76
Breeding fees	61	0.11
Veterinary	2,393	4.36
Livestock supplies	1,913	3.48
Livestock marketing	1,768	3.22
Interest	46,872	85.38
Fuel & oil	8,961	16.32
Repairs	26,617	48.48
Custom hire	13,649	24.86
Hired labor	35,699	65.03
Land rent	26,649	48.54
Machinery & bldg leases	10,827	19.72
Real estate taxes	3,793	6.91
Farm insurance	5,112	9.31
Utilities	6,441	11.73
Dues & professional fees	3,938	7.17
Hedging account deposits	1,545	2.81
Miscellaneous	26,522	48.31
<hr/>		
Total cash expense	\$337,341	\$614.46
Net cash farm income	52,847	96.26
INVENTORY CHANGES		
Crops and feed	15,415	
Market livestock	1,728	
Accounts receivable	4,440	
Prepaid expenses and supplies	225	
Accounts payable	4,172	
<hr/>		
Total inventory change	\$25,980	
Net operating profit	78,827	
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS		
Breeding livestock	(405)	
Machinery and equipment	(34,383)	
Buildings and improvements	(10,558)	
Other farm capital	354	
<hr/>		
Total depr. and other capital adj	(\$44,992)	
Net farm income	33,835	

Table 45.
MICHIGAN GENERAL CROPS FARMS,
STATEMENT OF CASH FLOWS, 1995

		Average Of All Farms
		11
Number of Farms		11
(a) Beginning cash balance (farm & nonfarm)		5414
CASH FROM OPERATING ACTIVITIES		
Gross cash farm income		390188
Net nonfarm income	(+)	8680
Total cash farm expense	(-)	337341
Apparent family living expense	(-)	38119
Income and social security tax	(-)	1781
(b) Cash from operations	(=)	21629
CASH FROM INVESTING ACTIVITIES		
Sale of breeding livestock		534
Sale of machinery & equipment	(+)	4968
Sale of farm land	(+)	17492
Sale of farm buildings	(+)	-
Sale of other farm assets	(+)	8723
Sale of nonfarm assets	(+)	-
Purchase of breeding livestock	(-)	2109
Purchase of machinery & equip.	(-)	41213
Purchase of farm land	(-)	2633
Purchase of farm buildings	(-)	6555
Purchase of other farm assets	(-)	3655
Purchase of nonfarm assets	(-)	182
(c) Cash from investing activities	(=)	-24630
CASH FROM FINANCING ACTIVITIES		
Money borrowed		204699
Bank account transfers, gifts	(+)	5826
Principal payments	(-)	206900
Dividends paid	(-)	-
Gifts given	(-)	7450
(d) Cash from financing activities	(=)	-3825
(e) Net change in cash balance	(b+c+d)	-6826
Ending cash balance calculated	(a+e)	-1412

Table 46.
MICHIGAN GENERAL CROPS FARMS, INVENTORY CHANGES, 1995

	Average Of All Farms
	11
Number of Farms	11
Net cash farm income	52848
CROPS AND FEED	
Ending inventory	104928
Beginning inventory	89513
Inventory change	15415
MARKET LIVESTOCK	
Ending inventory	21473
Beginning inventory	19745
Inventory change	1728
ACCTS RECEIVABLE & OTHER CURRENT ASSETS	
Ending inventory	29466
Beginning inventory	25027
Inventory change	4440
PREPAID EXPENSES AND SUPPLIES	
Ending inventory	15925
Beginning inventory	15700
Inventory change	225
ACCOUNTS PAYABLE	
Beginning inventory	26185
Ending inventory	22013
Inventory change	4172
Total inventory change	25980
Net operating profit	78827

Table 47.
MICHIGAN GENERAL CROPS FARMS, DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS,
1995

	Average Of All Farms
Number of Farms	11
Net operating profit	78827
BREEDING LIVESTOCK	
Ending inventory	25993
Capital sales	534
Beginning inventory	24824
Capital purchases	2109
Depreciation, capital adj.	-405
MACHINERY AND EQUIPMENT	
Ending inventory	189823
Capital sales	4968
Beginning inventory	187962
Capital purchases	41213
Depreciation, capital adj.	-34383
BUILDINGS AND IMPROVEMENTS	
Ending inventory	39609
Capital sales	-
Beginning inventory	43613
Capital purchases	6555
Depreciation, capital adj.	-10558
OTHER CAPITAL ASSETS	
Ending inventory	72003
Capital sales	8723
Beginning inventory	76717
Capital purchases	3655
Depreciation, capital adj.	354
Total depreciation, capital adj.	-44992
Net farm income	33835

Table 48.
MICHIGAN GENERAL CROPS FARMS,
PROFITABILITY AND LIQUIDITY ANALYSIS, 1995

	Average Of All Farms
Number of Farms	11
 PROFITABILITY (Market)	
Net farm income	37840
Labor and management earnings	9583
Rate of return on assets	4.2 %
Rate of return on equity	-1.3 %
Operating profit margin	10.5 %
Asset turnover rate	39.7 %
Interest on farm net worth	28258
Farm interest expense	46295
Value of operator lbr and mgmt.	43753
Return on farm assets	40382
Average farm assets	966949
Return on farm equity	-5913
Average farm equity	470962
Value of farm production	383502
Number of Farms	11
 LIQUIDITY (Cash)	
Net cash farm income	52848
Net nonfarm income	8680
Family living and taxes	39900
Real estate principal payments	7055
Cash available for interm. debt	14574
Average intermediate debt	174169
Years to turnover interm. debt	12.0
Expense as a % of income	86 %
Interest as a % of income	12 %
LIQUIDITY (Accrual)	
Total accrual farm income	411771
Total accrual farm expense	332944
Net accrual operating income	78827
Net nonfarm income	8680
Family living and taxes	39900
Real estate principal payments	7055
Available for intermediate debt	40553
Average intermediate debt	174169
Years to turnover interm. debt	4.3
Expense as a % of income	81 %
Interest as a % of income	11 %

Table 49.
MICHIGAN GENERAL CROPS FARMS,
FINANCIAL GUIDELINES MEASURES, 1995

	Average For All Farms	
Number of Farms	11	
LIQUIDITY	Beginning	Ending
Current ratio	1.04	1.28
Working capital	5794	36824
SOLVENCY (Market)	Beginning	Ending
Farm debt to asset ratio	52 %	50 %
Farm equity to asset ratio	48 %	50 %
Farm debt to equity ratio	109 %	102 %
PROFITABILITY (Market)		
Rate of return on farm assets	4.2 %	
Rate of return on farm equity	-1.3 %	
Operating profit margin	10.5 %	
Net farm income	58214	
REPAYMENT CAPACITY	Cash	Accrual
Term debt coverage ratio	80 %	136 %
Capital replacement margin	-9087	16892
EFFICIENCY		
Asset turnover rate (market)	39.7 %	
Operating expense ratio	69.6 %	
Depreciation expense ratio	10.9 %	
Interest expense ratio	11.2 %	
Net farm income ratio	3.9 %	

LABOR ANALYSIS

	Average For All Farms	
Number of Farms	11	
Total unpaid labor hours	4024	
Total hired labor hours	4148	
Total labor hours per farm	8172	
Net farm income / unpaid hour	14.47	

Table 50.
MICHIGAN GENERAL LIVESTOCK FARMS,
ACREAGE AND PRICE SUMMARY

	Average Of All Farms

Number of Farms	12
ACREAGE SUMMARY	
Total Crop Acres	708
Crop Acres Owned	350
Crop Acres Cash Rented	318
Crop Acres Share Rented	40
Total Pasture Acre	6
AVERAGE PRICE RECEIVED (Cash Sales Only)	
Corn per bu.	2.47
Soybeans per bu.	5.89
Wheat, Winter per bu.	3.41
AVERAGE YIELD PER ACRE	
Corn (bu.)	119.23
Soybeans (bu.)	40.16
Hay, Alfalfa (ton)	4.10
Wheat, Winter (bu.)	45.63
Corn Silage (ton)	16.54
Haylage, Alfalfa (ton)	5.68

Table 51.
MICHIGAN GENERAL LIVESTOCK FARMS,
MARKET VALUE BALANCE SHEET, 1995

	Average For All Farms	
	12	
Number of Farms	Beginning	Ending
ASSETS		
Current Farm Assets		
Cash and checking balance	2552	6714
Prepaid expenses & supplies	8646	12425
Growing crops	3252	3776
Accounts receivable	2604	295
Hedging accounts	-	-
Crops held for sale or feed	92978	91748
Crops under government loan	4872	-
Market livestock held for sale	87725	73859
Other current assets	33	694
Total current farm assets	202662	189510
Intermediate Farm Assets		
Breeding livestock	54731	47043
Machinery and equipment	195488	206901
Other intermediate assets	17404	13018
Total intermediate farm assets	267624	266962
Long-Term Farm Assets		
Farm land	357892	374575
Buildings and improvements	28040	26928
Other long-term assets	6667	6667
Total long-term farm assets	392598	408169
Total Farm Assets	862884	864641
Total Nonfarm Assets	22475	37423
Total Assets	885359	902064
LIABILITIES		
Current Farm Liabilities		
Accrued interest	500	1912
Accounts payable	7967	10842
Current notes	97467	98233
Government crop loans	4093	-
Principal due on term debt	24249	32845
Total current farm liabilities	134276	143833
Intermediate Farm Liabilities	87028	91384
Long-term Farm Liabilities	161072	168613
Total Farm Liabilities	382376	403830
Total Nonfarm Liabilities	270	170
Total Deferred Liabilities	-	-
Total Liabilities	382646	404001
Net Worth (farm and nonfarm)	502713	498063
Net Worth Change		-4649
RATIO ANALYSIS		
Current Farm Liabilities / Assets	66 %	76 %
Curr. & Interm Farm Liab. / Assets	47 %	52 %
Long Term Farm Liabilities / Assets	41 %	41 %
Total Liabilities / Assets	43 %	45 %

Table 52.
MICHIGAN GENERAL LIVESTOCK FARMS, CASH INCOME, 1995

	Average of All Farms	Percent of Gross Cash Income
Number of Farms	12	
CASH FARM INCOME		
Navy Beans	\$1,183	0.3%
Corn	70,855	20.9%
Seed Corn	7,076	2.1%
Alfalfa Hay	171	0.1%
Mixed Hay	243	0.1%
Soybeans	39,459	11.6%
Straw	38	0.0%
Winter Wheat	8,772	2.6%
Other crops	70	0.0%
Beef Calves	4,528	1.3%
Finish Beef Calves	39,015	11.5%
Milk	34,133	10.0%
Dairy Calves	512	0.2%
Dairy Heifers (for sale)	2,925	0.9%
Dairy Replacement Heifers	5,118	1.5%
Dairy Steers	5,678	1.7%
Raised Hogs	61,936	18.2%
Feeder Pigs	335	0.1%
Finish Feeder Pigs	15	0.0%
Lamb Finishing	11,983	3.5%
Mkt Lambs	6,145	1.8%
Wool	488	0.1%
Contract Hogs	1,040	0.3%
Cull breeding livestock	6,739	2.0%
Misc. livestock income	55	0.0%
Deficiency payments	3,076	0.9%
CRP payments	285	0.1%
Other government payments	16,049	4.7%
Custom work income	6,488	1.9%
Patronage dividends, cash	352	0.1%
Insurance income	53	0.0%
Other farm income	4,889	1.4%
Gross Cash Farm Income	\$339,704	100.0%

Table 53.
MICHIGAN GENERAL LIVESTOCK FARMS,
EXPENSES AND INCOME STATEMENT SUMMARY, 1995

	Average Of All Farms	Percent of Gross Cash Income
Number of Farms	12	
CASH FARM EXPENSE		
Seed	\$14,687	4.3%
Fertilizer	23,587	6.9%
Crop chemicals	19,175	5.6%
Crop insurance	693	0.2%
Drying fuel	1,510	0.4%
Irrigation energy	96	0.0%
Crop marketing	400	0.1%
Crop miscellaneous	710	0.2%
Feeder livestock purchase	33,883	10.0%
Purchased feed	33,818	10.0%
Breeding fees	861	0.3%
Veterinary	4,656	1.4%
Livestock supplies	3,289	1.0%
Livestock marketing	3,424	1.0%
Interest	28,049	8.3%
Fuel & oil	7,609	2.2%
Repairs	18,903	5.6%
Custom hire	7,970	2.3%
Hired labor	18,685	5.5%
Land rent	20,982	6.2%
Machinery & bldg leases	3,393	1.0%
Real estate taxes	3,653	1.1%
Personal property taxes	457	0.1%
Farm insurance	5,554	1.6%
Utilities	5,555	1.6%
Dues & professional fees	2,848	0.8%
Miscellaneous	12,598	3.7%
Total cash expense	\$277,045	81.6%
Net cash farm income	62,659	18.4%
INVENTORY CHANGES		
Crops and feed	(6,102)	-1.8%
Market livestock	(13,865)	-4.1%
Accounts receivable	(1,125)	-0.3%
Prepaid expenses and supplies	3,779	1.1%
Accounts payable	(4,287)	-1.3%
Total inventory change	(\$21,600)	-6.4%
Net operating profit	41,059	12.1%
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS		
Breeding livestock	-7,360	-2.2%
Machinery and equipment	(24,254)	-7.1%
Buildings and improvements	(3,409)	-1.0%
Other farm capital	256	0.1%
Total depr. and other capital adj	(\$34,767)	-10.2%
Net farm income	6,292	1.9%

Table 54.
MICHIGAN GENERAL LIVESTOCK FARMS, CASH FLOWS, 1995

		Average Of All Farms
Number of Farms		12
(a) Beginning cash balance (farm & nonfarm)		6236
CASH FROM OPERATING ACTIVITIES		
Gross cash farm income		339704
Net nonfarm income	(+)	2740
Total cash farm expense	(-)	277044
Apparent family living expense	(-)	26941
Income and social security tax	(-)	326
(b) Cash from operations	(=)	38133
CASH FROM INVESTING ACTIVITIES		
Sale of breeding livestock		881
Sale of machinery & equipment	(+)	2081
Sale of farm land	(+)	750
Sale of farm buildings	(+)	-
Sale of other farm assets	(+)	14900
Sale of nonfarm assets	(+)	-
Purchase of breeding livestock	(-)	2115
Purchase of machinery & equip.	(-)	28429
Purchase of farm land	(-)	9250
Purchase of farm buildings	(-)	5285
Purchase of other farm assets	(-)	10258
Purchase of nonfarm assets	(-)	15290
(c) Cash from investing activities	(=)	-52014
CASH FROM FINANCING ACTIVITIES		
Money borrowed		171630
Bank account transfers, gifts	(+)	1166
Principal payments	(-)	154425
Dividends paid	(-)	-
Gifts given	(-)	1428
(d) Cash from financing activities	(=)	16943
(e) Net change in cash balance	(b+c+d)	3061
Ending cash balance calculated	(a+e)	9297

Table 55.
MICHIGAN GENERAL LIVESTOCK FARMS,
PROFITABILITY AND LIQUIDITY ANALYSIS, 1995

	Average Of All Farms
Number of Farms	12
PROFITABILITY (Market)	
Net farm income	18410
Labor and management earnings	-9852
Rate of return on assets	0.6 %
Rate of return on equity	-5.1 %
Operating profit margin	2.3 %
Asset turnover rate	28.2 %
Interest on farm net worth	28262
Farm interest expense	29461
Value of operator lbr and mgmt.	42333
Return on farm assets	5538
Average farm assets	863763
Return on farm equity	-23923
Average farm equity	470659
Value of farm production	243550
Number of Farms	12
LIQUIDITY (Cash)	
Net cash farm income	62659
Net nonfarm income	2740
Family living and taxes	27266
Real estate principal payments	4255
Cash available for interm. debt	33878
Average intermediate debt	112535
Years to turnover interm. debt	3.3
Expense as a % of income	82 %
Interest as a % of income	8 %
LIQUIDITY (Accrual)	
Total accrual farm income	318611
Total accrual farm expense	277552
Net accrual operating income	41059
Net nonfarm income	2740
Family living and taxes	27266
Real estate principal payments	4255
Available for intermediate debt	12278
Average intermediate debt	112535
Years to turnover interm. debt	9.2
Expense as a % of income	87 %
Interest as a % of income	9 %

Table 56.
MICHIGAN GENERAL LIVESTOCK FARMS,
INVENTORY CHANGES, 1995

	Average Of All Farms
	12
Number of Farms	12
Net cash farm income	62659
CROPS AND FEED	
Ending inventory	91748
Beginning inventory	97850
Inventory change	-6102
MARKET LIVESTOCK	
Ending inventory	73859
Beginning inventory	87725
Inventory change	-13866
ACCTS RECEIVABLE & OTHER CURRENT ASSETS	
Ending inventory	4765
Beginning inventory	5890
Inventory change	-1125
PREPAID EXPENSES AND SUPPLIES	
Ending inventory	12425
Beginning inventory	8646
Inventory change	3779
ACCOUNTS PAYABLE	
Beginning inventory	8467
Ending inventory	12754
Inventory change	-4287
Total inventory change	-21600
Net operating profit	41059

Table 57.
MICHIGAN GENERAL LIVESTOCK FARMS,
DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1995

	Average Of All Farms
Number of Farms	12
Net operating profit	41059
BREEDING LIVESTOCK	
Ending inventory	40522
Capital sales	881
Beginning inventory	46648
Capital purchases	2115
Depreciation, capital adj.	-7360
MACHINERY AND EQUIPMENT	
Ending inventory	88790
Capital sales	2081
Beginning inventory	86696
Capital purchases	28429
Depreciation, capital adj.	-24254
BUILDINGS AND IMPROVEMENTS	
Ending inventory	35365
Capital sales	-
Beginning inventory	33489
Capital purchases	5285
Depreciation, capital adj.	-3409
OTHER CAPITAL ASSETS	
Ending inventory	19684
Capital sales	14900
Beginning inventory	24071
Capital purchases	10258
Depreciation, capital adj.	256
Total depreciation, capital adj.	-34767
Net farm income	6292

Table 58.
MICHIGAN GENERAL LIVESTOCK FARMS,
FINANCIAL GUIDELINES MEASURES, 1995

	Average For All Farms	
Number of Farms	12	
LIQUIDITY	Beginning	Ending
Current ratio	1.51	1.32
Working capital	68385	45678
SOLVENCY (Market)	Beginning	Ending
Farm debt to asset ratio	44 %	47 %
Farm equity to asset ratio	56 %	53 %
Farm debt to equity ratio	80 %	88 %
PROFITABILITY (Market)		
Rate of return on farm assets	0.6 %	
Rate of return on farm equity	-5.1 %	
Operating profit margin	2.3 %	
Net farm income	18410	
REPAYMENT CAPACITY	Cash	Accrual
Term debt coverage ratio	136 %	79 %
Capital replacement margin	13765	-7835
EFFICIENCY		
Asset turnover rate (market)	28.2 %	
Operating expense ratio	77.9 %	
Depreciation expense ratio	10.9 %	
Interest expense ratio	9.2 %	
Net farm income ratio	2.2 %	

LABOR ANALYSIS

	Average For All Farms	
Number of Farms	12	
Total unpaid labor hours	4302	
Total hired labor hours	1988	
Total labor hours per farm	6290	
Net farm income / unpaid hour	1.61	

EXPLANATORY NOTES FOR THE WHOLE-FARM REPORTS²

The number of farms included in each of the crop and livestock tables varies because all farms do not have the same enterprises. Some farmers' records were complete enough to be included in the whole-farm tables, but at times, these same farmers' crop or livestock records were not complete enough to include in the respective crop or livestock tables.

Rounding of individual items may have caused minor discrepancies between those items and the printed totals which are calculated before rounding.

Farm Income Statement

This statement is a summary of income, expenses, and resultant profit or loss from farming operations during the calendar year. The first section lists cash farm income from all sources. The second section lists cash expenses. "Interest" includes only interest actually paid. No opportunity charges on farm equity capital or unpaid labor are included. The difference between "Gross Cash Farm Income" and "Total Cash Expense" is the "Net Cash Farm Income." This is net farm income on a cash basis.

The third and fourth sections deal with noncash changes in the farm business. The "Inventory Changes" and "Depreciation and Other Capital Adjustments" sections are used to convert the cash income Statement (Net Cash Farm Income) derived from the first two sections into an accrual income statement. The resulting "Net Farm Income" represents the return to the operator's and family's unpaid labor, management, and equity capital (net worth). In other words, it represents the return to all of the resources which are owned by the farm family and, hence, not purchased or paid a wage. However, it does not include any asset appreciation, debt forgiveness or asset repossessions.

Inventory Changes

This is the detailed statement of inventory changes which is summarized. It includes beginning and ending inventories and the calculated changes.

² This section is copied and adjusted from Staff Paper P96-4, Dept. Of Applied Economics, University of Minnesota, St. Paul, MN 55108, titled "1995 Annual Report, Southwestern Minnesota Farm Business Management Association."

Depreciation and Other Capital Adjustments

This is the detailed statement of depreciation and other capital adjustments which is summarized. It includes beginning and ending inventories, sales, repossessions, and depreciation.

Profitability and Liquidity Analysis

Various measures of performance are calculated for the farms in this report. These include measures of profitability and liquidity. No opportunity costs are used in the Net Income Statement, the Inventory changes, nor the depreciation and other Capital Adjustments. Opportunity costs are used in the Profitability and Liquidity Analysis. Changes in market value of assets are used in calculating the market values of these measures. The measures and their components are described below.

Profitability

Profitability is measured in both cost basis and market basis (if available).

“Labor and management earnings” equals “Net Farm Income” minus an opportunity interest cost of 6% on average farm net worth.

“Rate of return on assets” is the “Return to farm assets” divided by “Average farm assets.”

“Rate of return on equity” is the “Return to farm equity” divided by “Average farm equity.”

“Operating profit margin” is the “Return to farm assets” divided by “Value of farm production.”

“Asset turnover rate” is the “Value of farm production” divided by “Average farm assets.”

“Interest on farm net worth” is the “Average farm net worth” multiplied by a 6% opportunity interest cost charge.

“Farm interest expense” is the accrued interest cost so it will be different from the cash interest paid.

“Value of operator’s labor and management” is its opportunity cost.

“Return on farm assets” is calculated by adding “Farm interest expense” and “Net farm income” and then subtracting the “Value of operator’s labor and management.”

“Average farm assets” is the average of beginning and ending total farm assets.

“Return to farm equity” is calculated by subtracting the “Value of operator’s labor and management” from “Net farm income.”

“Average farm equity” is the average of beginning and ending farm net worth.

“Value of farm production” is gross farm income minus feeder livestock purchased and adjusted for inventory changes in crops, market livestock and breeding livestock.

Liquidity: Cash Basis

“Family Living and Taxes” is the apparent total family expenses and income and social security taxes paid.

“Real estate principal income is taken from the farmer’s data.

“Cash available for intermediate debt service” on the cash basis is “Total net income” minus “Family living and taxes” and “Real estate principal payments.”

“Average intermediate debt” is the average of beginning and ending intermediate farm liabilities.

“Years to turn over intermediate debt” is “Average intermediate debt” divided by “Cash available for intermediate debt service.” If either the cash-based or accrual-based “Cash available for intermediate debt” is a negative number, debt repayment is not possible because of negative cash flow and “Years to turn over intermediate debt” cannot be calculated.

“Expense as a percent of income” is “Total cash expense” divided by “Gross cash farm income.”

“Interest as a percent of income” is “Interest” divided by “Gross cash farm income.”

Liquidity: Accrual Basis

“Cash available for intermediate debt service” on the accrual basis is “Total net accrual income” minus “Family living and taxes” and “Real estate principal payments.”

“Accrual expense as a percent of income” is “Total accrual farm expense” divided by “Total accrual farm income.”

“Interest as a percent of income” is “Interest” minus beginning accrued interest plus ending accrued interest divided by “Total accrual farm income.”

Balance Sheets

The beginning and ending balance sheets and solvency measures are presented. They include sole proprietors; partnerships and corporations.

Statement of Cash Flows

This table reports the sources from which cash was available or obtained and where that cash was used or remains at the end of the year.

Financial Guidelines Measures and Labor Analysis

This table contains two sections: first, the financial measures and, second, the labor summary. In the first section, the Farm Financial Standards Task Force's 16 financial measures for evaluating a farm's financial position and performance are reported. These 16 measures are explained below following the descriptions found in the FINPACK manual.

Liquidity

The "current ratio" is calculated by dividing the total current farm assets by the total current farm liabilities.

Working capital" is calculated by subtracting current farm liabilities from current farm assets.

Solvency (Market)

The "farm debt to asset ratio" is calculated by dividing the total farm liabilities by the total farm assets. It is similar to the total percent in debt ratio listed earlier. The difference is that nonfarm assets and liabilities are included in the total percent in debt but not in the farm debt to asset ratio.

The "farm equity to asset ratio" is calculated by dividing farm equity or net worth by the total farm assets. It measures the proportion of the farm assets financed by the owner's equity as opposed to debt. This is the opposite of the debt to asset ratio. These two measures always add up to 100% because they described how total farm assets are financed.

The "farm debt to equity ratio" measures farm debt relative to farm equity. It is calculated by dividing the total farm liabilities by the total farm net worth. The debt to equity ratio measures the amount of borrowed capital being employed for every dollar of equity capital.

Profitability

The “rate of return on farm assets” can be thought of as the average interest rate being earned on all investments in the farm or ranch business. If assets are valued at market value, the rate of return on assets can be looked at as the “opportunity cost” of farming versus alternate investments. If assets are valued at cost value, the rate of return on assets more closely represents the actual return on the average dollar invested in the farm. The rate of return on farm assets is calculated as follows: Rate of Return on Assets = Return on Farm Assets ÷ Average Farm Investment, where: Return on Farm Assets = Net Farm income + Farm Interest - Value of Operator’s Labor & Management, and Average Farm Investment = (Beginning Total Farm Assets + Ending Total Farm Assets) ÷ 2.

The “rate of return on farm equity” represents the interest rate being earned on your farm net worth. If assets are valued at market value, this return can be compared to returns available if the assets were liquidated and invested in alternate investments. If assets are valued at cost value, this more closely represents the actual return on the funds that have been invested or retained in the business. The rate of return on farm equity is calculated as follows: Rate of Return on Equity = Return on Farm Equity ÷ Average Farm Net Worth, where: Return on Farm Equity = Net Farm Income - Value of Operator’s Labor & Management, and Average Farm Net Worth = (Beginning Farm Net Worth + Ending Farm Net Worth) ÷ 2.

“Operating profit margin” is a measure of the operating efficiency of the business. It is calculated as follows: Operating Profit Margin = Return to Farm Assets ÷ Value of Farm Production. If expenses are held in line relative to the value of output produced, the farm will have a healthy net profit margin. A low net profit margin may be caused by low prices, high operating expenses, or inefficient production.

“Net farm income” represents the returns to unpaid labor, management, and equity capital invested in the business.

Repayment Capacity

The “term debt coverage ratio” measures whether the business generated enough cash to cover term debt payments. It is calculated by dividing the funds generated by the business for debt repayment (net cash farm income + nonfarm income + interest expense - family living expense - income taxes) by total term debt payments (annual scheduled principal and interest payments on intermediate and long term debt). A ratio less than 100 percent indicates that the business did not generate sufficient cash to meet scheduled payments in the past year. A ratio greater than 100 indicates the business generated enough cash to pay all term debt payments.

The “capital replacement margin” is the amount of money remaining after all operating expenses, taxes, family living costs, and scheduled debt payments have been made. It is the cash generated by the farm business that is available for financing capital replacement such as machinery and equipment. FINAN calculates the capital replacement margin by first adding interest due on intermediate and long

term loans to the amount available for principal payments. It then subtracts scheduled principal and interest payments from this total.

Efficiency

“Asset turnover rate” is a measure of efficiency in using capital. It is calculated as follows: $\text{Asset Turnover Rate} = \text{Value of Farm Production} \div \text{Total Farm Assets}$. This will be a market or cost rate depending on how the assets are valued.

The last four ratios reflect the distribution of gross income to cover operating expenses and generate farm income. The sum of the operating expense ratio, the depreciation expense ratio, and the interest expense ratio equals the percent of gross income used to pay business expenses. The amount remaining is net farm income. The gross farm income used to calculate these ratios is the accrual gross farm income.

The “operating expense ratio” is calculated as $(\text{Total Farm Operating Expense} - \text{Farm Interest Expense}) \div \text{Gross Farm Income}$. This indicates the percent of the gross farm income that was used to pay operating expenses. Total farm operating expense is the accrual total operating expense.

The “depreciation expense ratio” is calculated as $\text{Depreciation} \div \text{Gross Farm Income}$. This ratio indicates the percent of the gross farm income that was used to cover depreciation and other capital adjustments.

The “interest expense ratio” is calculated as $\text{Farm Interest Expense} \div \text{Gross Farm Income}$. This ratio indicates the percent of the gross farm income used for farm interest expenses. This is the same ratio as the accrual interest as a percent of income from the Liquidity section in Table 4.

The “net farm income ratio” is calculated as $\text{Net Farm Income} \div \text{Gross Farm Income}$. This ratio indicates the percent of the gross farm income that remained after all expenses.

Crop Production and Marketing Summary

This table contains three sections. The first section reports average acreage by land use. The next two sections show average price received and average yields for major crops.