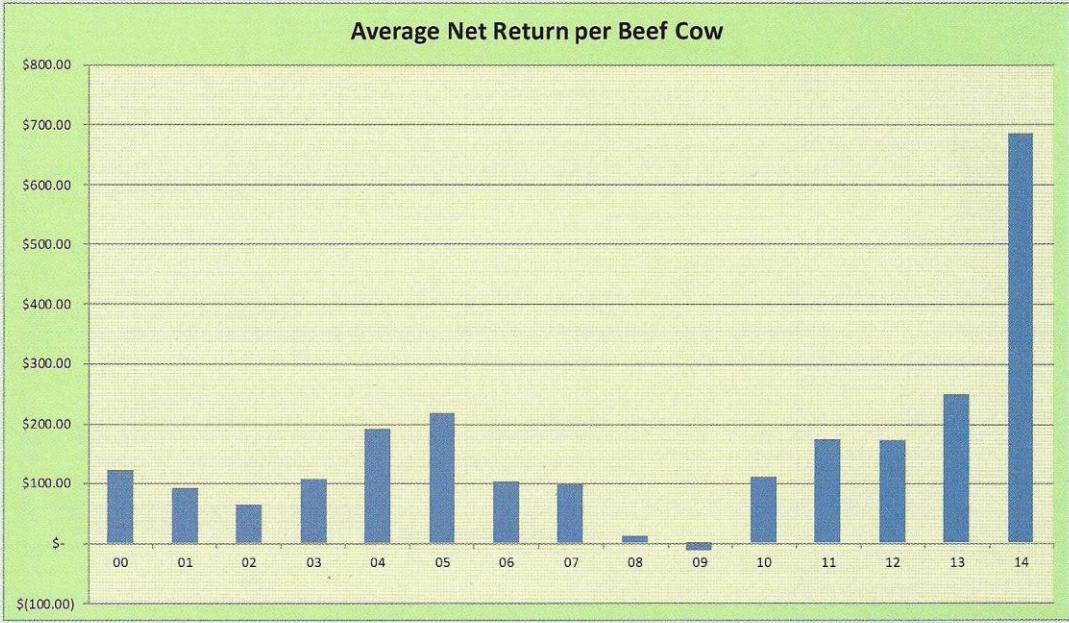




# 2014 North Dakota State Beef Average Summary

### Historical Data:

Average Beef Net Return from Farm & Ranch Management Programs for the last 15 years.



Farm Business Management Programs are designed to provide education to farm owners and operators. The purpose of the program is to assist clients in meeting their business and personal goals. This is best accomplished through the use of quality records and sound business decisions.



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## Our Mission

**"To provide lifelong learning opportunities in economic and financial management for adults involved in the farming and ranching business"**

The 2014 summary reports are based on data from individual farm analysis completed by farm/ranch families enrolled in the ND Farm and Ranch Business Management Education program.

Data for this ND State Average Summary Report was derived from operations with at least 50 head of beef cows and 40% of commodity sales coming from beef enterprises.

Farms Sorted by Net Farm Income			
	Avg of all farms	Low 20%	High 20%
Number of Farms	111	22	23
<b>Cash Farm Income</b>			
Crop Income	\$ 120,602	\$ 124,400	\$ 178,744
Beef Income	271,209	217,060	471,691
Other Livestock Income	10,785	264	33,666
Government Payments	16,783	4,157	43,502
Other Farm Income	34,111	32,711	61,627
Gross Cash Farm Income	453,490	378,592	\$ 789,230
<b>Cash Farm Expense</b>			
Seed	\$ 21,409	\$ 16,359	\$ 28,429
Fertilizer	34,319	36,158	47,980
Chemicals	20,325	19,334	34,184
Crop Insurance	10,398	12,514	15,762
Crop Miscellaneous	2,249	5,986	3,166
Feeder Livestock Purchase	45,767	27,292	145,751
Purchased Feed	26,344	22,280	37,179
Breeding Fees	624	146	693
Veterinary	7,352	5,280	10,926
Livestock Supplies	5,047	2,260	6,821
Marketing	3,071	922	7,299
Interest	25,582	19,919	42,203
Fuel & Oil	25,617	25,516	36,994
Repairs	32,070	30,751	52,877
Custom Hire	20,266	23,400	33,438
Hired Labor	9,833	12,877	24,686
Land Rent	37,056	35,452	69,619
Machinery Bldg & Lvstk Lease	2,709	6,580	1,826
Real Estate Taxes	3,007	1,700	5,977
Farm Insurance	6,933	6,264	8,982
Utilities	6,198	5,099	10,240
Miscellaneous Expense	11,083	9,975	12,090
Total Cash Farm Expense	\$ 357,259	\$ 326,064	\$ 637,122
Net Cash Farm Income	\$ 96,231	\$ 52,528	\$ 152,108
Total Inventory Change	\$ 69,880	\$ (10,888)	\$ 214,171
Net Operating Profit	\$ 166,111	\$ 41,640	\$ 366,279
Total Depreciation	\$ (31,392)	\$ (29,190)	\$ (48,760)
Gain or Loss on Capital Sales	\$ 546	\$ 207	\$ -
<b>Net Farm Income</b>	<b>\$ 135,265</b>	<b>\$ 12,657</b>	<b>\$ 317,519</b>



**Livestock Enterprise Analysis**  
 North Dakota Farm Business Management Education Program  
 2014 Beef Report (Farms Sorted by Net Return Per Unit)

Beef Cow Calf--Average Per Cow

	Avg of All Farms		Low 20%		High 20%	
Number of Farms	55		11		11	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	490	\$1,310.18	444.6	\$1,238.27	537.2	\$1,437.72
Breeding Herd Depreciation		(5.06)		(58.23)		100.96
Other Income		2.51		2.30		1.18
Gross Margin		\$1,307.63		\$1,181.34		\$1,539.86
<b>Direct Expenses</b>						
Protein Vit Minerals (lb)	99.4	\$ 28.68	66.5	\$ 18.59	207.5	\$ 50.76
Corn Silage (lb)	1356.1	18.89	407.1	6.24	1,764.2	27.68
Hay, Alfalfa (lb)	305.2	11.03	336.8	6.56	430.4	18.73
Hay, Other (lb)	5953.7	146.99	6,846.6	157.06	6,132.8	134.71
Pasture (aum)	7	132.76	6.9	158.94	7.7	114.04
Other feedstuffs (lb)	453.2	22.99	1,029.0	28.07	220.7	13.60
Breeding fees		3.53		0.49		7.80
Veterinary		24.91		28.43		22.02
Supplies		9.87		8.73		9.43
Fuel & Oil		34.29		34.24		36.40
Repairs		45.74		52.67		63.63
Custom Hire		9.33		15.96		4.47
Livestock Leases		13.08		57.90		-
Marketing		6.79		6.41		3.55
Operating Interest		9.68		8.67		9.96
Total Direct Expenses		\$ 518.56		\$ 588.96		\$ 516.78
Return Over Direct expenses		\$ 789.07		\$ 592.38		\$1,023.08
<b>Overhead Expenses</b>						
Hired labor		\$ 10.17		\$ 11.13		\$ 18.95
Farm insurance		11.84		14.45		7.28
Utilities		12.26		14.82		10.33
Interest		13.44		14.89		8.68
Mach & bldg depreciation		39.50		37.21		33.67
Miscellaneous		15.97		18.33		8.11
Total Overhead Expenses		\$ 103.18		\$ 110.83		\$ 87.02
Total Direct & Overhead exp		\$ 621.74		\$ 699.79		\$ 603.80
<b>Net Return</b>		<b>\$ 685.89</b>		<b>\$ 481.55</b>		<b>\$ 936.06</b>
labor & management charge		\$ 83.64		\$ 92.57		\$ 81.62
Net return over lbr & mgt		\$ 602.25		\$ 388.98		\$ 854.44
<b>Cost of Production per Cwt produced</b>						
Total direct expense		\$ 105.81		\$ 132.48		\$ 96.21
Total dir & ovhd expense/unit		\$ 126.87		\$ 157.41		\$ 112.41
With other revenue adjustments		\$ 127.68		\$ 170.73		\$ 93.66
With labor & management		\$ 144.75		\$ 191.55		\$ 108.86

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*Continued from previous page*

	Avg.of All Farms 55	Low 20% 11	High 20% 11
<b>Number of Farms</b>			
<b>Other Information</b>			
Number of cows	167.1	166.2	189.3
Pregnancy percentage	94.2	94.0	92.9
Pregnancy loss percentage	2.9	2.1	3.4
Culling Percentage	16.5	16.8	13.4
Calving Percentage	91.5	92.0	89.7
Weaning Percentage	85.7	83.8	86.4
Calf death loss percent	6.4	9.0	4.5
Cow death loss percent	2.2	3.6	1.9
Average weaning weight	534	496	573
Lb weaned/exposed female	458	416	495
Avg wgt/beef calf sold	552	531	568
Avg price/cwt.	\$ 268.73	\$ 277.30	\$ 266.82
Feed cost per cow	\$ 361.34	\$ 375.47	\$ 359.51

**Financial Standards Measure**

ND Farm Business Management Education Program  
 2014 Beef Farm Report (Sorted by Net Farm Income)

	Avg of All Farms	Low 20%	High 20%
Number of Farms	111	22	23
<b>Liquidity</b>			
Current Ratio	1.54	1.34	1.37
Working Capital	155,757	86,345	228,644
WC to gross Inc	29.7%	23.0%	22.6%
<b>Solvency (cost)</b>			
Farm debt to Asset ratio	47%	52%	44%
<b>Profitability (cost)</b>			
Rate of return on Farm assets	8.5%	30.0%	11.7%
Rate of return on Farm equity	13.0%	-3.8%	18.0%
Net Farm Income	135,265	12,567	317,519
<b>Repayment capacity</b>			
Term Debt Coverage ratio	2.27	0.73	3.08
<b>Efficiency</b>			
Operating expense ratio	63.5%	82.8%	59.5%
Depreciation expense ratio	6.0%	7.8%	4.9%
Interest Expense ratio	4.9%	6.0%	4.0%
Net farm income ratio	25.8%	3.4%	31.7%

*Thank you to the following Star Partners for providing funding for the production and distribution of the  
 N.D. Farm and Ranch Business Management Regional and State Averages for 2014.*

**Northland Ford Dealers Asgrow/DEKALB/Channel/REA/Monsanto CHS Foundation  
 Dakota Plains Cooperative ND Farmers Union Insurance Wheat Growers  
 Summers Nodak Mutual Insurance PROSEED Butler Machinery Wilbur-Ellis  
 ND Farm Bureau RDO Equipment DuPont Pioneer Lynnes Welding Training  
 International Certification Services**



# Cost-Return Projection -- Beef Cow-Calf Enterprise (Per Cow), 2015 <sup>1</sup>

		N.D. Avg.	Your Numbers
<b>VARIABLE COST PER COW:</b>			
1. Summer Pasture		\$ 130.00	\$
2. Hay--Forage		195.00	
3. Other feed		25.00	
4. Protein and Mineral		27.00	
5. Hired Labor, Custom Hire		25.00	
6. Veterinary, Drugs, and Supplies		25.00	
7. Utilities, Fuel, and Oil		40.00	
8. Facilities and Equipment Repairs		44.00	
9. Breeding Charge		10.00	
10. Marketing		15.00	
11. Miscellaneous		20.00	
12. Interest		14.00	
<b>A. TOTAL VARIABLE COSTS</b>		<b>\$ 570.00</b>	<b>\$ 0.00</b>
<b>FIXED COSTS PER COW</b>			
13. Depreciation		\$ 30.00	\$
14. Interest		10.00	
15. Insurance		10.00	
16. Cow interest, death loss		75.00	
<b>B. TOTAL FIXED COSTS</b>		<b>\$ 125.00</b>	<b>\$ 0.00</b>
<b>C. TOTAL COSTS PER COW (A + B)</b>		<b>\$ 695.00</b>	<b>\$ 0.00</b>
			<b>Your Numbers</b>
<b>RETURNS PER COW <sup>2</sup></b>	<b>%</b>	<b>x</b>	<b>Weight</b>
		<b>x</b>	<b>Price</b>
17. Steers: .45 x 550 x 2.50		x	x
18. Heifers: .26 x 530 x 2.35		x	x
19. Cull cows; .14 x 1200 x 0.85		x	x
20. Cull heifers: .05 x 900 x 1.60		x	x
<b>D. GROSS RETURNS PER COW</b>		<b>\$ 1,157.38</b>	<b>\$ 0.00</b>
<b>E. RETURN OVER VARIABLE COSTS (D - A)</b>		<b>\$ 587.38</b>	<b>\$ 0.00</b>
<b>F. RETURN OVER TOTAL COSTS (D - C) <sup>3</sup></b>		<b>\$ 462.38</b>	<b>\$ 0.00</b>

<sup>1</sup> Information in this budget is based on the North Dakota Farm and Ranch Business Management Annual Report, 2014.

<sup>2</sup> Returns are based on a 90 percent weaning rate, 45 steers sold, 26 heifers sold, 19 heifers kept for replacement, 14 cull cows sold, and 5 cull heifers sold. Prices are projected for fall.

<sup>3</sup> Return over total costs is return to unpaid family labor, management, and equity.

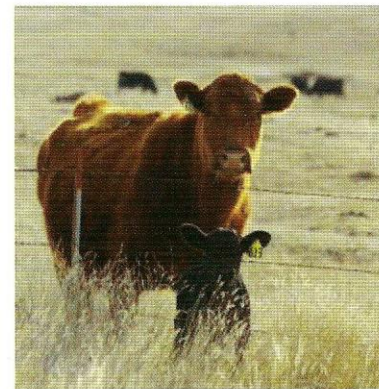
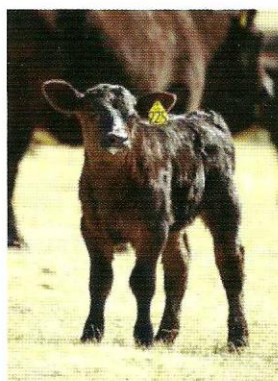
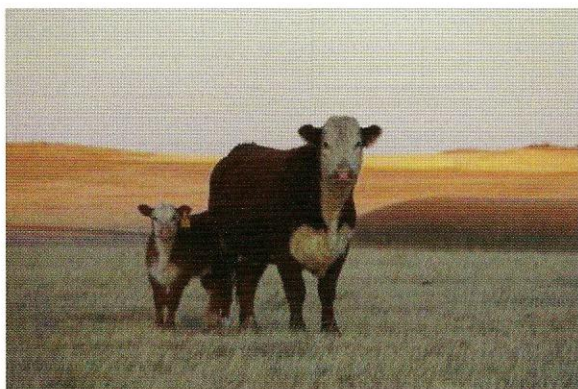
The above cow/calf budget was developed by Tim Petry, Livestock Economist, NDSU Extension Service.

For livestock economic and marketing information go to:

[www.ag.ndsu.edu/livestockeconomics](http://www.ag.ndsu.edu/livestockeconomics)

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**Balance Sheet at Cost Values**

North Dakota Farm Business Management Education Program  
 2013 Beef Farm Report (Farms Sorted by Net Farm Income)

	Avg of all farms	Low 20%	High 20%
Number of Farms	109	21	22
<b>Assets</b>			
<b>Current Farm Assets</b>			
Cash and checking balance	30,749	16,003	42,158
Prepaid expenses & supplies	13,502	8,453	29,294
Growing crops	2,094	3,511	4,752
Accounts receivable	22,037	15,577	40,214
Hedging accounts	1,866	1,565	5,289
Crops held for sale or feed	179,284	150,542	329,731
Crops under government loan	308	0	1,527
Market Livestock held for sale	195,519	147,706	391,301
Other current asset	331	59	582
<b>Total Current Farm Assets</b>	<b>\$ 445,690</b>	<b>\$ 343,416</b>	<b>\$ 844,848</b>
<b>Intermediate Farm Assets</b>			
Breeding livestock	234,297	140,177	376,860
Machinery & equipment	281,620	288,413	446,665
Titled vehicles	37,590	40,524	39,904
Other intermediate assets	4,845	4,895	7,931
<b>Total Intermediate Farm Assets</b>	<b>\$ 558,352</b>	<b>\$ 474,009</b>	<b>\$ 871,360</b>
<b>Long Term Assets</b>			
Farm land	467,779	241,840	1,083,276
Buidlings & improvements	83,410	66,029	168,189
Other long-term assets	10,197	5,287	13,202
<b>Total Long-term assets</b>	<b>\$ 561,386</b>	<b>\$ 313,157</b>	<b>\$ 1,264,667</b>
<b>Total Farm Assets</b>	<b>\$ 1,565,428</b>	<b>\$ 1,130,582</b>	<b>\$ 2,980,875</b>
<b>Total Nonfarm assets</b>	<b>\$ 138,503</b>	<b>\$ 126,233</b>	<b>\$ 150,419</b>
<b>Total Assets</b>	<b>\$ 1,703,931</b>	<b>\$ 1,256,757</b>	<b>\$ 3,131,294</b>
<b>Liabilities</b>			
<b>Current Farm Liabilities</b>			
Accrued Interest	12,778	14,145	13,065
Accounts payable	10,270	14,332	5,787
Current notes	171,682	178,405	326,765
Government crop loans	184	0	911
Principal due on term debt	95,019	50,131	269,676
<b>Total Current Farm Liabilities</b>	<b>\$ 289,933</b>	<b>\$ 257,013</b>	<b>\$ 616,204</b>
<b>Total Intermediate Farm Liabs</b>	<b>\$ 171,736</b>	<b>\$ 181,196</b>	<b>\$ 183,829</b>
<b>Total Long-term Farm Liabilities</b>	<b>\$ 308,359</b>	<b>\$ 183,441</b>	<b>\$ 566,153</b>
<b>Total Farm Liabilities</b>	<b>\$ 770,028</b>	<b>\$ 621,650</b>	<b>\$ 1,366,186</b>
<b>Total Nonfarm Liabilities</b>	<b>\$ 24,225</b>	<b>\$ 30,152</b>	<b>\$ 25,634</b>
<b>Total Liabilities</b>	<b>\$ 794,253</b>	<b>\$ 651,802</b>	<b>\$ 1,391,820</b>
<b>Net Worth (farm &amp; non farm)</b>	<b>\$ 909,678</b>	<b>\$ 604,955</b>	<b>\$ 1,739,474</b>
<b>Net Worth change</b>	<b>\$ 115,394</b>	<b>\$ 8,276</b>	<b>\$ 255,084</b>

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