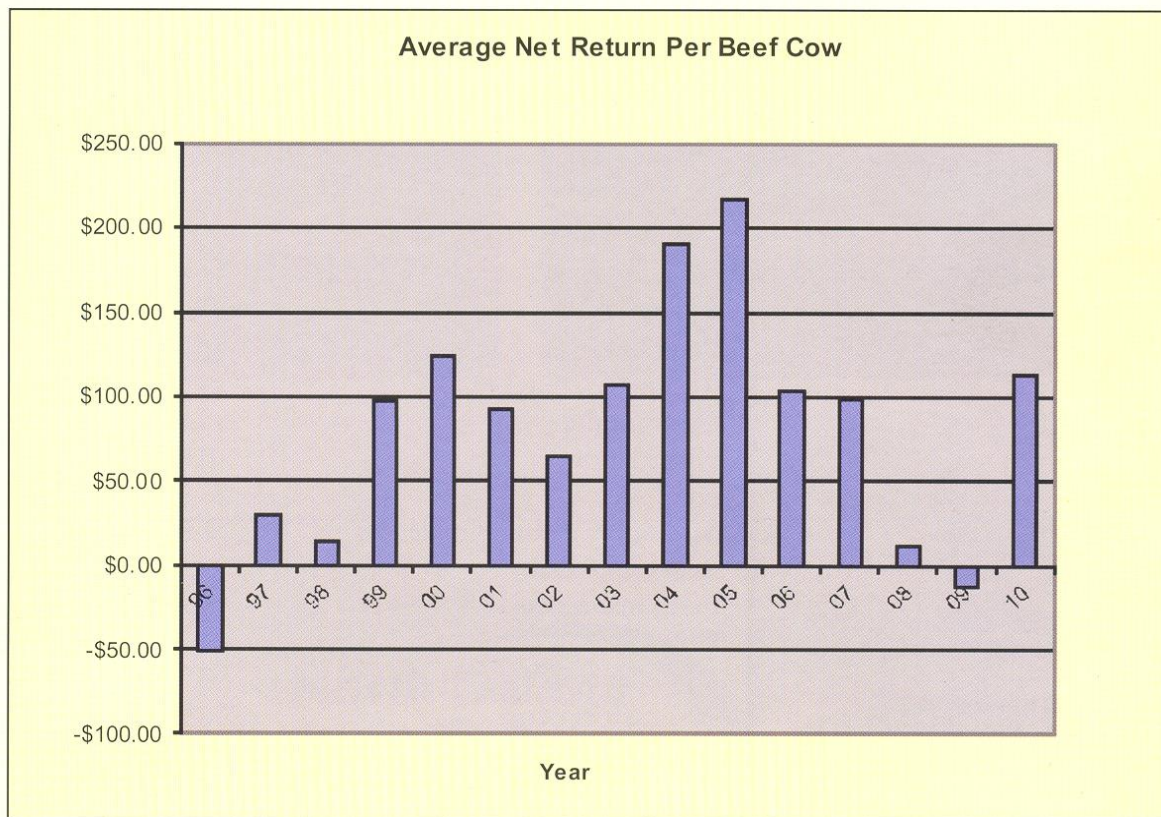


# 2010

## North Dakota State Beef Average Summary

### Historical Data:

**Average Beef Net Returns from Farm/Ranch Management Programs  
for the last 15 years.**



Over the time frame in the above graph, the 20% most profitable ranches averaged over \$300 per cow more profit than the 20% least profitable ranches. The high profit ranches averaged \$224 per cow, the lowest profit averaged -\$84, and the average net was \$84 per cow.

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.





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

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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"**

Farm Income Statement			
North Dakota Farm Business Management Education Program			
2010 Beef Farm Report (50% sales/50 head criteria)			
(Farms Sorted By Net Farm Income)			
	Avg. Of All Farms	Low 20%	High 20%
Number of farms	91	18	19
Cash Farm Income			
Crop Income	38,692	3,256	79,152
Beef Income	162,506	75,782	274,087
Other Livestock Income	1,882	3,791	413
Government payments	30,154	8,961	70,813
Other farm income	19,696	14,714	15,805
Gross Cash Farm Income	252,930	106,504	440,270
Cash Farm Expense			
Seed	7,674	1,140	14,746
Fertilizer	11,622	1,629	26,851
Crop chemicals	6,901	424	17,386
Crop insurance	4,344	654	8,838
Crop miscellaneous	570	109	647
Feeder livestock purchase	28,746	4,006	33,739
Purchased feed	20,659	12,173	27,129
Breeding fees	495	-	918
Veterinary	4,926	1,515	8,947
Livestock Supplies	3,511	1,847	5,013
Marketing	2,102	694	4,558
Interest	18,204	10,774	30,246
Fuel & oil	16,770	10,080	27,676
Repairs	21,965	13,451	36,070
Custom hire	9,102	2,788	16,021
Hired labor	3,609	373	6,872
Land rent	26,725	17,164	49,756
Machinery & Building leases	1,015	848	537
Real estate taxes	2,235	615	4,230
Farm insurance	4,219	2,416	6,470
Utilities	4,217	2,432	7,374
Miscellaneous	6,554	5,329	7,945
Total cash expense	206,164	90,459	341,971
Net cash farm income	46,766	16,045	98,299
Total inventory change	40,694	-2,984	124,010
Net operating profit	87,460	13,061	222,309
Total depreciation	-13,309	-7,982	-25,543
Net farm income	75,551	5,146	197,526



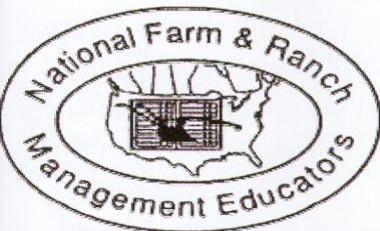
Livestock Enterprise Analysis  
North Dakota Farm Business Management Education Program  
2010 Beef Report (Farms Sorted By Net Return Per Unit)

Beef Cow-Calf -- Average Per Cow

Number of Farms	Avg. Of All Farms 55		Low 20% 11		High 20% 11	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves Weaned (lb.)	512	617.18	475	571.63	526	617.43
Breeding Herd Depreciation		-51.03		-94.58		-30.89
Other Income		4.81		5.67		3.35
Gross Margin		570.96		482.72		589.89
<b>Direct Expenses</b>						
Protein, Vit, Minerals (lb)	70	15.36	78	17.65	60	12.18
Creep/Starter (lb)	62	5.58	-	-	131	11.97
Corn Silage (lb)	1,713	19.93	2,680	28.56	2,211	24.68
Hay, Alfalfa (lb)	456	12.31	487	11.28	481	11.50
Hay, Grass (lb)	5,768	125.39	6,697	138.07	4,734	104.78
Other Feed Stuffs (lb)	322	12.05	512	16.77	237	6.28
Pasture (aum)	6.6	99.13	6.6	96.89	6.9	71.89
Veterinary		16.00		20.04		14.70
Supplies		10.35		13.27		7.26
Fuel & oil		24.76		30.01		20.14
Repairs		31.19		54.63		16.37
Custom hire		5.44		12.07		6.86
Marketing		3.59		2.47		.97
Operating Interest		6.99		8.58		5.86
Total direct expenses		388.07		450.29		315.44
Return over direct expenses		182.89		32.43		274.45
<b>Overhead Expenses</b>						
Custom hire		.96		-		-
Hired labor		4.80		13.19		2.37
Farm Insurance		8.10		10.87		5.59
Utilities		7.89		9.57		6.82
Interest		14.75		28.76		7.98
Mach & bldg. deprec		20.25		17.10		16.56
Miscellaneous		11.41		21.48		7.63
Total overhead expenses		68.17		100.98		46.96
Total dir & ovhd expenses		456.24		551.27		362.40
Net return		114.72		-68.55		227.49
Labor & Management charge		62.39		84.76		57.13
Net return over lbr & mgt		52.33		-153.31		170.36
<b>Cost per Cwt. Produced</b>						
Total direct expense per unit		75.85		94.89		60.00
Total dir & ovhd expense per unit		89.17		116.18		68.94
With other revenue adjustments		99.27		135.62		74.26
With labor & management		111.46		153.48		85.12

Continued on next page





The 2010 summary reports are based on data from individual farm analysis completed by farm/ranch families enrolled in the statewide Farm and Ranch Business Management Education program in North Dakota. Data was compiled by Andrew Swenson, NDSU Extension Farm Management Specialist.

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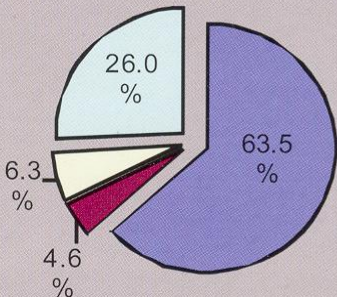
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Number of Farms  
**Other Information**

	Avg. of All Farms 55	Low 20% 11	High 20% 11
Number of cows	205	151	267
Pregnancy percentage	97.1	96.1	97.4
Pregnancy loss percentage	2.9	2.1	3.3
Culling percentage	15.5	15.0	12.9
Calving percentage	94.3	94.1	94.2
Weaning percentage	90.2	86.8	89.3
Calf death loss percent	5.3	8.7	4.9
Cow death loss percent	1.1	1.4	.7
Average weaning weight	539	513	568
Lbs weaned/exposed female	486	446	507
Feed cost per cow	\$290	\$309	\$243
Avg wgt/Beef Calves sold	566	575	593
Avg price/cwt.	\$120.04	\$105.60	\$118.62

**Efficiency Measures  
 Avg Beef Farm**



- Operating Exp
- Depreciation Exp
- Interest Exp
- Net Farm Income

**Financial Standards Measures  
 North Dakota Farm Business Management Education Program  
 2010 Beef Farm Report (Farms Sorted By Net Farm Income)**

	Avg. Of All Farms	Low 20%	High 20%
Number of farms	91	18	19
Liquidity			
Current ratio	1.55	1.17	1.77
Working capital	84,221	11,067	218,189
Working capital to gross inc	29.3 %	10.8 %	39.2 %
Solvency (cost)			
Farm debt to asset ratio	56 %	74 %	46 %
Profitability (cost)			
Rate of return on farm assets	7.9 %	-0.4 %	12.3 %
Rate of return on farm equity	12.5 %	-13.7 %	19.4 %
Net farm income	75,551	5,146	197,526
Repayment Capacity			
Term debt coverage ratio	2.03	0.95	3.00
Efficiency			
Operating expense ratio	63.5 %	77.0 %	54.9 %
Depreciation expense ratio	4.6 %	7.8 %	4.6 %
Interest expense ratio	6.3 %	10.5 %	5.4 %
Net farm income ratio	26.0 %	5.0 %	35.2 %

The N.D. Farm Management Education Association recognizes the listed organizations for their contribution toward the production and distribution of the N.D. Farm and Ranch Business Management Regional and State Averages for 2010:

- Basin Electric Power Cooperative**
- CHS Foundation**
- North Dakota Farm Bureau**
- North Dakota Farmers Union**
- Monsanto**

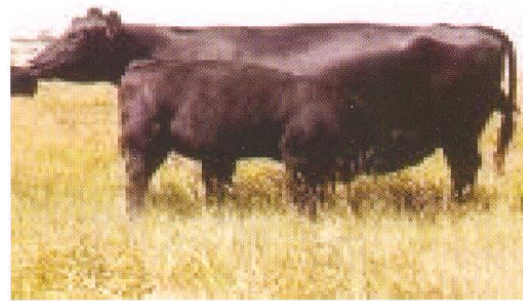


The past year BSC Farm Management and ND Farm Management have been working with Morton County Soil Conservation District on a project to renovate older fields of grass through the use of cover crops. This is fragile, low quality, highly erodible land that was once farmed but has been in grass for many years. On a good year, this land would rarely produce more than  $\frac{3}{4}$  ton of hay or .5 to .65 AUM's of grazing per acre. The goal is to see if by planting a mixture of cover crops we can improve soil health and productivity. The first year the grass was burned down with roundup and then seeded with a no till drill to a mixture of Cowpea, Millet, Radish, Turnip, Sunflower, Sweet Clover and Soybean. Old grass stands are generally very low in nitrogen but hoping to get adequate nitrogen from the cover crops, we added only 50 pounds of a starter fertilizer. The results have been very promising. An added benefit of cover crops is very high usage of fields with cover crops by many types of wildlife. For more information on this project go to: [www.ndfarmmanagement.com](http://www.ndfarmmanagement.com)

The field below is a very light sandy soil about 40 days after seeding the cover crop. The farmer felt we already had produced more forage than the ground had for many years.



The picture below shows a field in the second year in early September. This field is extremely light sandy soil. With only 50 pounds of fertilizer the stand is 40 to 48' in height!





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**Balance Sheet at Cost Values****North Dakota Farm Business Management Education Program****2010 Beef Farm Report (Farms Sorted By Net Farm Income)**

	Avg. Of All Farms	Low 20%	High 20%
<b>Number of farms</b>	91	18	18
<b>Assets</b>			
<b>Current Farm Assets</b>			
Cash and checking balance	11,827	5,835	28,732
Prepaid expenses & supplies	7,835	3,380	12,383
Growing crops	657	-	1,592
Accounts receivable	5,804	2,029	7,976
Hedging accounts	170	-	100
Crops held for sale or feed	93,550	26,760	223,128
Crops under government loan	2,430	-	12,150
Market livestock held for sale	113,570	39,000	213,946
Other current assets	250	-	56
<b>Total current farm assets</b>	<b>236,092</b>	<b>77,004</b>	<b>500,063</b>
<b>Intermediate Farm Assets</b>			
Breeding livestock	180,374	109,993	275,542
Machinery and equipment	143,434	82,917	252,302
Titled vehicles	17,116	11,469	21,695
Other intermediate assets	1,766	845	2,586
<b>Total intermediate farm assets</b>	<b>342,690</b>	<b>205,224</b>	<b>552,124</b>
<b>Long Term Farm Assets</b>			
Farm land	232,034	61,803	436,227
Buildings and improvements	33,146	15,328	63,976
Other long-term assets	3,005	2,093	3,384
<b>Total long-term farm assets</b>	<b>268,185</b>	<b>79,224</b>	<b>503,587</b>
<b>Total Farm Assets</b>	<b>846,967</b>	<b>361,451</b>	<b>1,555,774</b>
<b>Total Nonfarm Assets</b>	<b>91,717</b>	<b>58,742</b>	<b>134,937</b>
<b>Total Assets</b>	<b>938,684</b>	<b>420,193</b>	<b>1,690,712</b>
<b>Liabilities</b>			
<b>Current Farm Liabilities</b>			
Accrued interest	10,680	6,032	17,095
Accounts payable	7,804	7,630	11,738
Current notes	97,119	28,957	190,597
Government crop loans	1,214	-	6,071
Principal due on term debt	35,054	23,318	56,374
<b>Total current farm liabilities</b>	<b>151,872</b>	<b>65,936</b>	<b>281,874</b>
<b>Total intermediate farm liabs</b>	<b>162,953</b>	<b>131,556</b>	<b>200,313</b>
<b>Total long term farm liabilities</b>	<b>156,748</b>	<b>71,448</b>	<b>237,208</b>
<b>Total farm liabilities</b>	<b>471,573</b>	<b>268,940</b>	<b>719,396</b>
<b>Total nonfarm liabilities</b>	<b>19,042</b>	<b>23,466</b>	<b>26,422</b>
<b>Total liabilities</b>	<b>490,615</b>	<b>292,406</b>	<b>745,818</b>
<b>Net worth (farm and nonfarm)</b>	<b>448,068</b>	<b>127,787</b>	<b>944,894</b>
<b>Net worth change</b>	<b>72,687</b>	<b>17,764</b>	<b>178,337</b>

