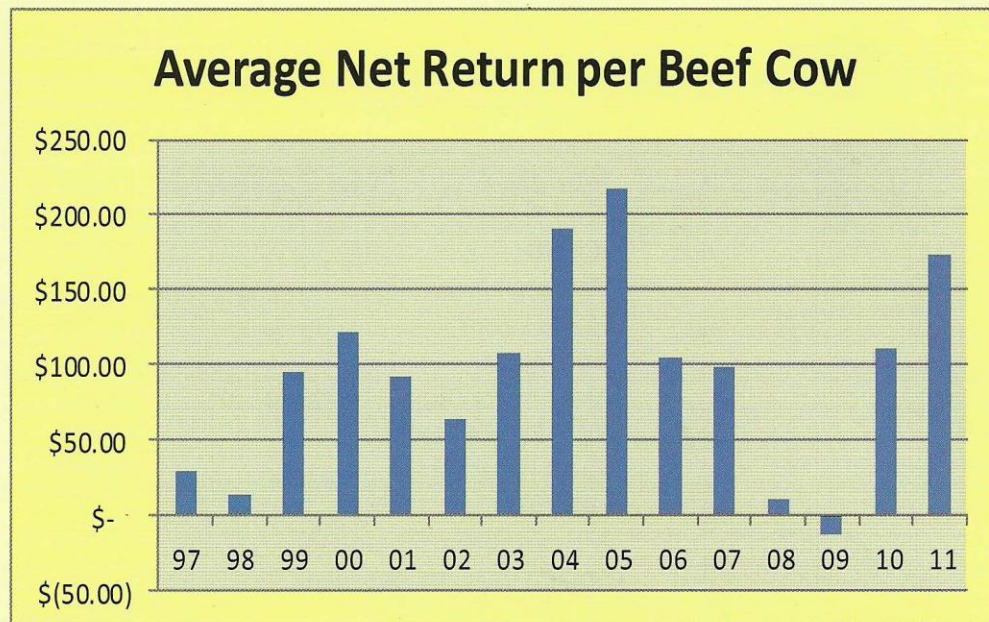




# North Dakota State Beef Average Summary

## Historical Data:

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



Over the 15 years in the above graph, the 20% most profitable ranches averaged over \$305 per cow more profit than the 20% least profitable ranches. The high profit group averaged \$235 per cow, the lowest profit group averaged -\$70 per cow, and the average profit was \$94 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.

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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"

*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.*

## Farm Income Statement

North Dakota Farm Business Management Education Program

2011 Beef Farm Report (40% sales/50 head criteria)

Farms Sorted by Net Farm Income

		Avg of all farms	Low 20%	High 20%
Number of Farms		105	21	21
<b>Cash Farm Income</b>				
Crop Income	\$	71,923	\$ 33,353	\$ 207,782
Beef Income		190,215	127,314	371,835
Other Livestock Income		13,828	18,435	25,941
Government Payments		18,372	5,694	53,762
Other Farm Income		63,871	28,353	216,941
Gross Cash Farm Income	\$	358,209	213,149	\$ 876,261
<b>Cash Farm Expense</b>				
Seed	\$	10,625	\$ 6,319	\$ 27,596
Fertilizer		15,485	6,785	40,072
Chemicals		8,762	3,153	27,520
Crop Insurance		7,791	4,764	21,520
Crop Miscellaneous		863	52	1,002
Feeder Livestock Purchase		16,698	8,118	27,201
Purchased Feed		40,377	24,302	121,744
Breeding Fees		353	384	276
Veterinary		6,293	3,962	11,184
Livestock Supplies		2,462	2,205	3,215
Marketing		2,964	2,173	5,646
Interest		19,946	17,824	41,255
Fuel & Oil		25,052	18,690	54,790
Repairs		27,971	23,811	60,625
Custom Hire		10,898	7,929	24,883
Hired Labor		8,268	5,215	25,658
Land Rent		30,900	20,319	61,960
Machinery Bldg & Lvstk Lease		4,887	498	17,752
Real Estate Taxes		2,868	2,159	5,190
Farm Insurance		4,691	3,035	9,855
Utilities		4,601	3,731	9,174
Miscellaneous Expense		8,011	7,658	15,520
Total Cash Farm Expense	\$	260,766	\$ 173,086	\$ 613,638
Net Cash Farm Income	\$	97,443	\$ 40,063	\$ 262,623
Total Inventory Change	\$	9,564	\$ (33,950)	\$ 9,863
Net Operating Profit	\$	107,007	\$ 6,113	\$ 272,486
Total Depreciation	\$	(16,829)	\$ (9,621)	\$ (36,837)
Gain or Loss on Capital Sales	\$	6,770	\$ 843	\$ 31,939
<b>Net Farm Income</b>	<b>\$</b>	<b>96,948</b>	<b>\$ (2,665)</b>	<b>\$ 267,588</b>

**Livestock Enterprise Analysis**  
 North Dakota Farm Business Management Education Program  
 2011 Beef Report (Farms Sorted by Net Return Per Unit)

Beef Cow Calf--Average Per Cow

Number of Farms	Avg of All Farms		Low 20%		High 20%	
	Quantity	Value	Quantity	Value	Quantity	Value
	59		11		12	
Beef Calves sold (lb)	151.2	\$ 231.14	167.5	\$ 256.52	108.9	\$ 160.65
Transferred out (lb)	332.0	496.11	248.1	374.33	432.0	633.68
Cull sales		157.35		125.37		167.19
Other Income		7.21		22.53		1.23
Purchased		(154.71)		(199.96)		(100.12)
Transferred in		(124.08)		(43.76)		(133.22)
Inventory change		52.50		11.28		43.64
Gross Margin		\$ 665.52		\$ 546.31		\$ 773.05
<b>Direct Expenses</b>						
Protein Vit Minerals (lb)	88.4	\$ 16.98	168.8	\$ 20.59	58.4	\$ 14.56
Creep/starter (lb)	31.1	4.02	11.0	1.74	87.9	11.11
Complete Ration (lb)	19.9	2.09	-	-	-	-
Corn Silage (lb)	1482.8	23.25	2,088.6	36.47	1,648.9	26.20
Hay, Alfalfa (lb)	640.5	17.96	292.1	6.73	935.8	26.98
Hay, Other (lb)	4821.0	102.95	6,592.5	138.41	4,262.6	87.83
Pasture (aum)	7.2	117.96	7.2	138.90	8.1	92.13
Other feedstuffs (lb)	293.8	12.91	445.0	22.28	476.0	15.79
Veterinary		16.62		16.87		11.29
Supplies		6.84		4.87		3.13
Fuel & Oil		27.99		37.08		26.99
Repairs		31.65		41.22		34.87
Custom Hire		6.09		4.20		3.55
Livestock Leases		1.14		-		0.67
Marketing		4.72		2.57		2.17
Operating Interest		6.14		9.85		3.88
Total Direct Expenses		\$ 399.31		\$ 481.78		\$ 361.15
Return Over Direct expenses		\$ 266.21		\$ 64.53		\$ 411.90
<b>Overhead Expenses</b>						
Hired labor		\$ 8.60		\$ 15.60		\$ 3.61
Farm insurance		7.96		9.67		7.42
Utilities		8.66		7.54		6.91
Interest		13.02		12.88		8.84
Mach & bldg depreciation		23.27		18.48		21.72
Miscellaneous		12.66		17.82		8.44
Total Overhead Expenses		\$ 74.17		\$ 81.99		\$ 56.94
Total Direct & Overhead exp		\$ 473.48		\$ 563.77		\$ 418.09
<b>Net Return</b>		<b>\$ 192.04</b>		<b>\$ (17.46)</b>		<b>\$ 354.96</b>
labor & management charge		\$ 14.75		\$ 15.90		\$ 12.68
Net return over lbr & mgt		\$ 177.29		\$ (33.36)		\$ 342.28
<b>Cost of Production per Cwt produced</b>						
Total direct expense		\$ 82.67		\$ 116.12		\$ 66.79
Total dir & ovhd expense/unit		\$ 98.02		\$ 135.88		\$ 77.32
With other revenue adjustments		\$ 111.22		\$ 157.02		\$ 81.56
With labor & management		\$ 125.97		\$ 172.92		\$ 94.24

Continued on next page

The 2011 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. A beef enterprise analysis was done on most farms. Enterprise analysis that were not typical (share herds and cow calf herds with backgrounding enterprises included) were deleted from the enterprise averages.

Continued from previous page

	Avg. of All Farms	Low 20%	High 20%
<b>Number of Farms</b>	59	11	12
<b>Other Information</b>			
Number of cows	190.7	182.5	231.4
Pregnancy percentage	95.8	94.8	95.2
Pregnancy loss percentage	2.5	4.4	1.9
Culling Percentage	16.6	15.8	15.2
Calving Percentage	93.4	90.6	93.3
Weaning Percentage	85.1	78.8	87.5
Calf death loss percent	8.8	13.0	5.2
Cow death loss percent	1.9	3.3	1.3
Average weaning weight	530.0	492.0	560.0
Lb weaned/exposed female	451.0	388.0	490.0
Feed cost per cow	\$ 298.12	\$ 365.13	\$ 274.60
Avg wgt/beef calf sold	529.0	499.0	596.0
Avg price/cwt.	\$ 152.89	\$ 153.18	\$ 147.52

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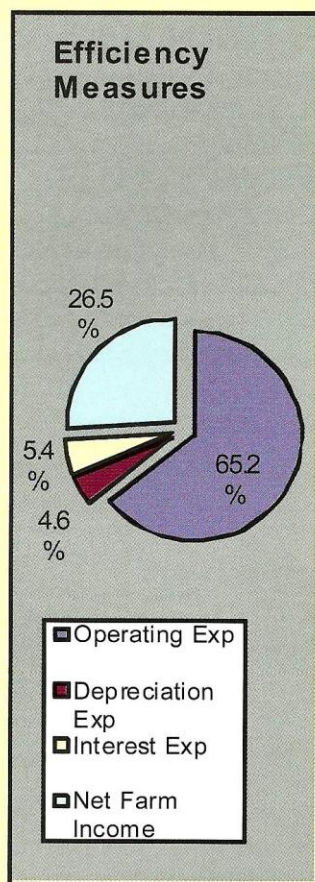
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### Financial Standards Measure

ND Farm Business Management Education Program  
2011 Beef Farm Report (Sorted by Net Farm Income)

	Average of		
	All Farms	Low 20%	High 20%
Number of Farms	105	21	21
<b>Liquidity</b>			
Current Ratio	1.80	1.08	2.02
Working Capital	119541	11013	305771
WC to gross Inc	32.6%	6.1%	34.8%
<b>Solvency (cost)</b>			
Farm debt to Asset ratio	48%	60%	44%
<b>Profitability (cost)</b>			
Rate of return on Farm assets	8.2%	-1.0%	11.8%
Rate of return on Farm equity	11.8%	-9.7%	17.5%
Net Farm Income	96,947	(2,666)	267,587
<b>Repayment capacity</b>			
Term Debt Coverage ratio	2.23	0.39	3.22
<b>Efficiency</b>			
Operating expense ratio	65.2%	85.5%	64.4%
Depreciation expense ratio	4.6%	5.4%	4.2%
Interest Expense ratio	5.4%	9.9%	4.7%
Net farm income ratio	26.5%	-1.5%	30.4%

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 2011.

**Northland Ford Dealers**  
**CHS Foundation**  
**Dakota Plains Cooperative**  
**Monsanto**

# Cost-Return Projection -- Beef Cow-Calf Enterprise (Per Cow), 2012 <sup>1</sup>

		N.D. Avg.	Your Numbers
<b>VARIABLE COST PER COW:</b>			
1. Summer Pasture	\$	115.00	\$
2. Hay--Forage		150.00	
3. Other feed		25.00	
4. Protein and Mineral		18.00	
5. Hired Labor, Custom Hire		15.00	
6. Veterinary, Drugs, and Supplies		20.00	
7. Utilities, Fuel, and Oil		35.00	
8. Facilities and Equipment Repairs		30.00	
9. Breeding Charge		10.00	
10. Marketing		15.00	
11. Miscellaneous		20.00	
12. Interest		10.00	
<b>A. TOTAL VARIABLE COSTS</b>	<b>\$</b>	<b>463.00</b>	<b>\$</b>
<b>FIXED COSTS PER COW</b>			
13. Depreciation	\$	25.00	\$
14. Interest		12.00	
15. Insurance		9.00	
16. Cow interest, death loss		65.00	
<b>B. TOTAL FIXED COSTS</b>	<b>\$</b>	<b>111.00</b>	<b>\$</b>
<b>C. TOTAL COSTS PER COW (A + B)</b>	<b>\$</b>	<b>574.00</b>	<b>\$</b>
<b>RETURNS PER COW <sup>2</sup></b>			
		Your Numbers	
	%	x	Weight x Price
17. Steers: .45 x 550 x 1.65		x	x
18. Heifers: .26 x 530 x 1.5		x	x
19. Cull cows; .14 x 1200 x .60		x	x
20. Cull heifers: .05 x 900 x 1.15		x	x
<b>D. GROSS RETURNS PER COW</b>			<b>\$ 767.63 \$</b>
<b>E. RETURN OVER VARIABLE COSTS (D - A)</b>			<b>\$ 304.63 \$</b>
<b>F. RETURN OVER TOTAL COSTS (D - C) <sup>3</sup></b>			<b>\$ 193.63 \$</b>

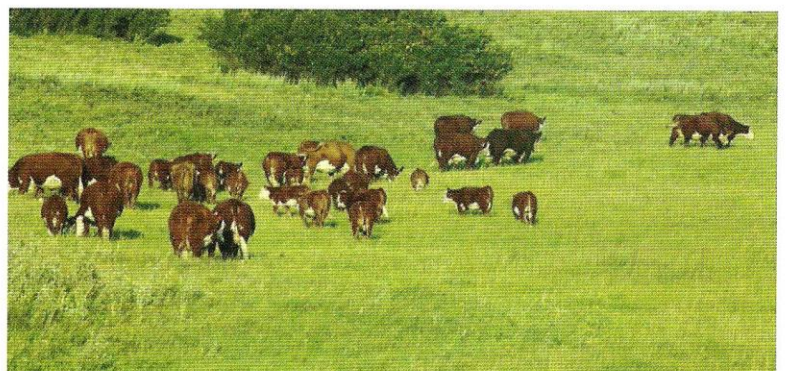
<sup>1</sup> Information in this budget is based on the North Dakota Farm and Ranch Business Management Annual Report, 2011.

<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)

The data for this brochure was compiled by Andrew Swenson, NDSU Extension Farm Management Specialist.





**Balance Sheet at Cost Values**  
 North Dakota Farm Business Management Education Program  
 2011 Beef Farm Report (Farms Sorted by Net Farm Income)

	Avg of all farms	Low 20%	High 20%
Number of Farms	105	21	21

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**Assets**

**Current Farm Assets**

Cash and checking balance	\$ 17,012	\$ 10,202	\$ 23,900
Prepaid expenses & supplies	11,518	4,214	35,213
Growing crops	670	41	2,143
Accounts receivable	15,979	4,952	56,834
Hedging accounts	361	571	1,097
Crops held for sale or feed	111,083	49,568	282,730
Crops under government loan	227		
Market Livestock held for sale	112,627	83,652	202,809
Other current asset	228		48

**Total Current Farm Assets**

\$ 269,705 \$ 153,200 \$ 604,774

**Intermediate Farm Assets**

Breeding livestock	\$ 192,243	\$ 154,230	\$ 292,817
Machinery & equipment	166,983	95,856	341,598
Titled vehicles	26,672	22,553	55,655
Other intermediate assets	3,455	2,466	8,275

**Total Intermediate Farm Assets**

389,353 275,105 698,345

**Long Term Assets**

Farm land	280,825	236,211	548,022
Buidlings & improvements	46,525	32,918	131,376
Other long-term assets	4,662	3,952	9,062

**Total Long-term assets**

\$ 332,012 \$ 273,081 \$ 688,460

**Total Farm Assets**

\$ 991,070 \$ 701,386 \$ 1,991,579

**Total Nonfarm assets**

\$ 125,746 \$ 108,068 \$ 98,631

**Total Assets**

**\$ 1,116,816 \$ 809,454 \$ 2,090,210**

**Liabilities**

**Current Farm Liabilities**

Accrued Interest	\$ 9,667	\$ 11,347	\$ 16,718
Accounts payable	8,641	12,898	11,716
Current notes	96,129	87,552	211,613
Government crop loans	83	-	-
Principal due on term debt	35,646	30,391	58,957

**Total Current Farm Liabilities**

\$ 150,166 \$ 142,188 \$ 299,004

**Total Intermediate Farm Liabs**

\$ 157,378 \$ 140,284 \$ 253,126

**Total Long-term Farm Liabilities**

\$ 167,273 \$ 138,379 \$ 325,245

**Total Farm Liabilities**

\$ 474,817 \$ 420,851 \$ 877,375

**Total Nonfarm Liabilities**

\$ 26,478 \$ 19,099 \$ 22,462

**Total Liabilities**

**\$ 501,295 \$ 439,950 \$ 899,837**

**Total Nonfarm Liabilities**

\$ 26,478 \$ 19,099 \$ 22,462

**Net Worth (farm & non farm)**

\$ 615,521 \$ 369,504 \$ 1,190,373

**Net Worth change**

**\$ 95,105 \$ 25,188 \$ 223,389**