

Highlights from the 2007 North Dakota Region 4 Averages

Overview for Region 4

The western part of North Dakota had a good year for crop production with an overall increase in yields and increases in prices. The early seeded crops showed the largest increase in yield with later seeded cereal grains having yields as much as 10 bushels per acre less than the early crop. The biggest effect from increased commodity prices was in the increase in the value of inventories.

The beef-cow enterprises showed a decrease in net income per cow of \$13.53 going from \$89.40 in 2006 to \$75.63 in 2007. The decrease in profit was due to continuing increases in feed costs and the drop in calf prices.

The average operator in western North Dakota was 44 years old and had been farming for 19.7 years. The average farm had 1,632 crop acres and 1,974 acres in pasture.

The average farm improved their cost balance sheet debt to asset ratio from 57% in 2006 to 50% in 2007.

2007 Crop Yields and Returns on Cash Rented Land

Hard Red Spring Wheat

The average yield for hard red spring wheat was 27.62 bushels per acre compared to 16.15 bushels in 2006.

Net Return per Acre:

Average	\$49.08
Low 20%	-\$0.71
High 20%	\$144.88

The average price for hard red spring wheat was \$6.71 per bu.

Oats

Oats showed a big increase in yield going from 17.05 bushels per acre in 2006 to 50.68 bu. per acre in 2007.

The net return per acre went from **-\$48.82** in 2006 to \$16.89 in 2007.

The average price for oats in 2007 was \$2.22 per bushel.

Barley

The average yield for barley in 2007 was 49.55 bushels per acre compared to 21.86 bushels in 2006.

The net return per acre was \$73.59 with total direct costs per acre of \$104.41 and overhead costs of \$20.86 per acre.

The average price for barley in 2007 was \$3.94 per bushel.

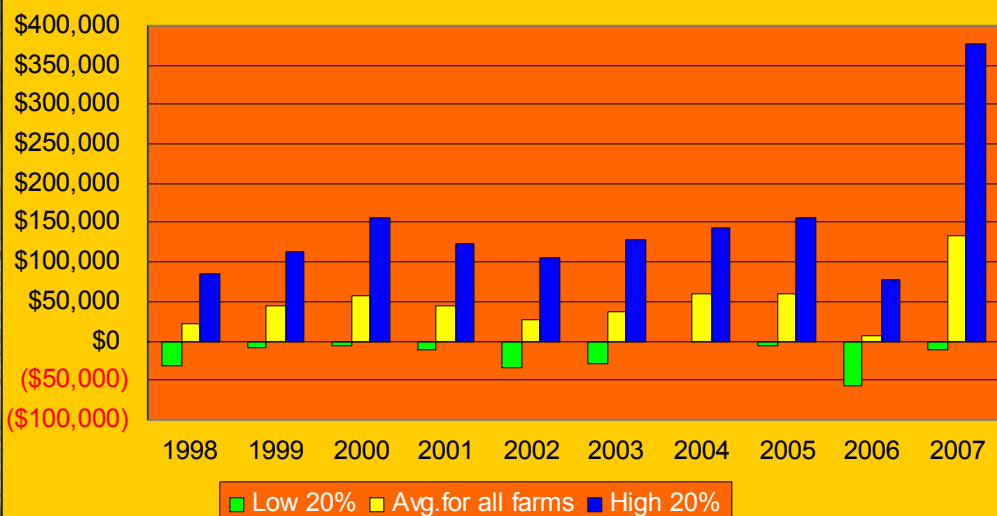
Corn

The average yield for corn in 2007 was 52.5 bushels per acre compared to 24.9 bushels in 2006.

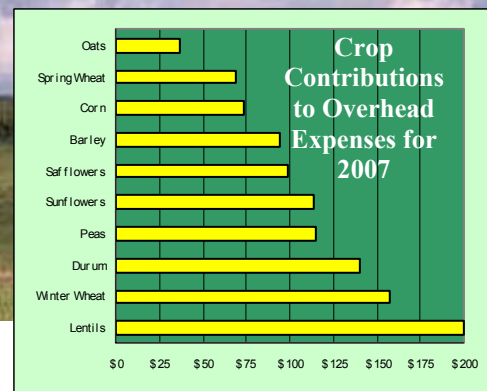
Net Return per Acre was \$43.30 per acre in 2007 compared to **-\$26.90** in 2006.

The average price for corn in 2007 was \$4.08 per bushel.

Region 4 Net Farm Income



Net farm income is the amount of income available for family living, term debt principal payments, and new investments.



Costs & Returns per Beef Cow



Average Farms

High Profit Farms

More Highlights from the 2007 North Dakota Farm and Ranch Business Management Averages

Beef Production in North Dakota for 2007

Cow-Calf Herds

The average weaning weight for 2007 was 557 pounds which was just slightly higher than the 553 pounds recorded in 2006.

Net Return per Cow:

Average	\$98.11
Low 20%	-\$66.03
High 20%	\$223.36

The average price received for calves sold directly off the cows was \$111.61 in 2007 compared to \$113.75 in 2006.

Feed Cost went from \$257.83 in 2006 to \$277.93 in 2007.

Beef Backgrounding

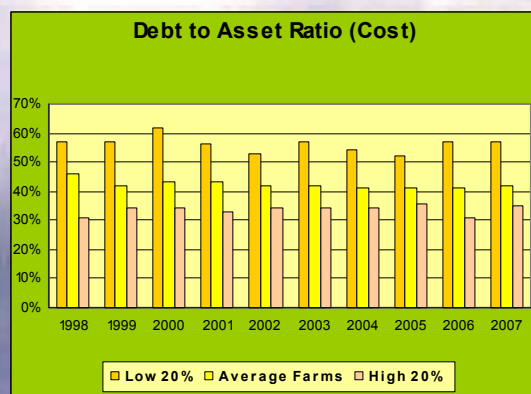
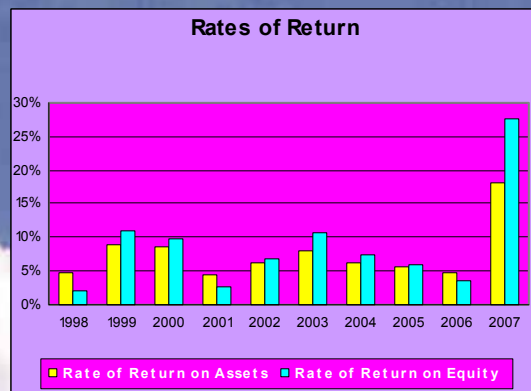
The average beef backgrounding program added 153.83 pounds per head in 2007 compared to 171.26 pounds in 2006.

Net Return per cwt produced:

Average	-\$7.10
Low 20%	-\$70.50
High 20%	\$27.10

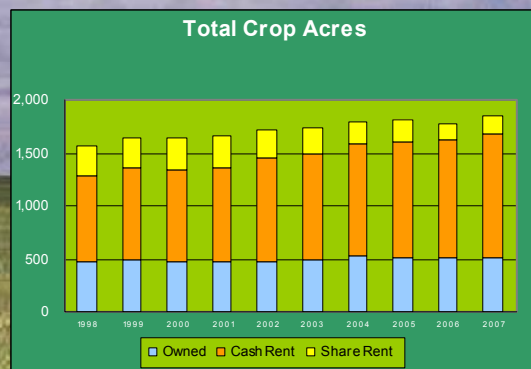
The average sales price in 2007 was \$98.50 compared to \$107.45 in the previous year.

The average farm fed 12.19 lbs of feed per lb of gain, with 4.04 lbs of that being concentrates. This resulted in an average daily gain of 1.58 lbs.

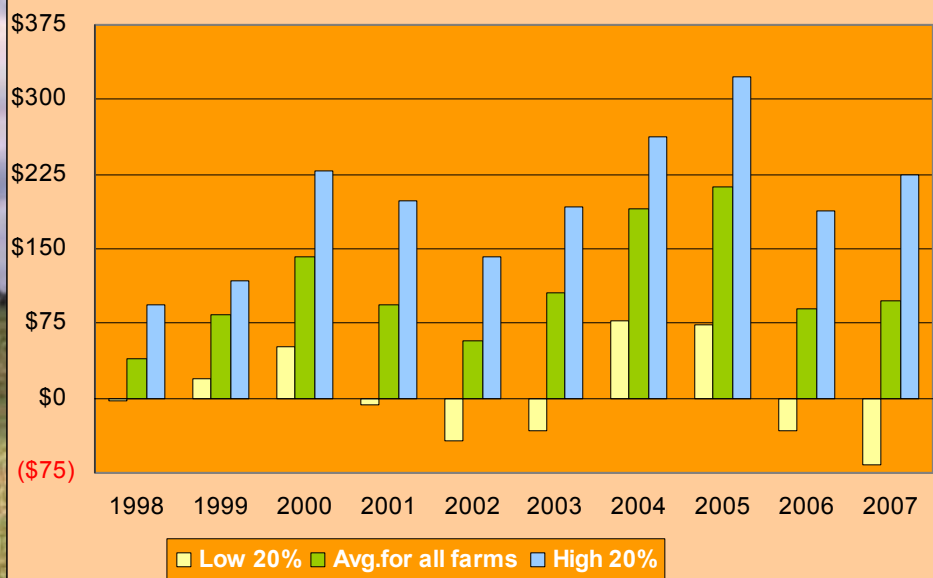


In 2007 the average farmer enrolled in the North Dakota Farm and Ranch Business Management Education Program was 44.6 years old and had been farming for 20.9 years.

The average farmer had 1,841 acres of crop land and 636 acres of pasture for a total farm size of 2,477 acres.



Net Return per Cow



For More Information

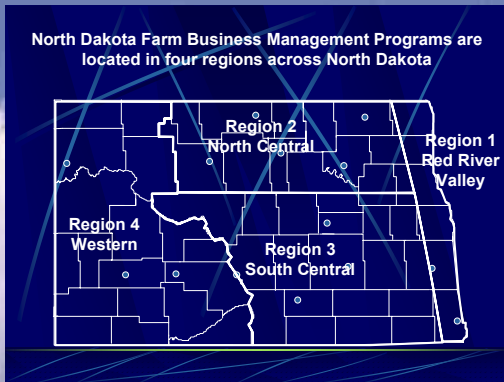
If you would like a complete averages book or additional information please contact your local Farm and Ranch Business Management Education Program or the North Dakota Agricultural Education Supervisor at (701) 328-3162. You can also find more detailed information by checking out our web site a www.ndfarmmanagement.com or the Finbin web site at www.finbin.umn.edu.

Our Mission

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

North Dakota Farm & Ranch Business Management Education Programs

Highlights from the 2007 North Dakota Averages

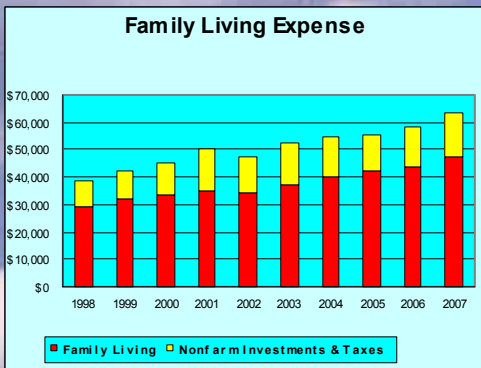


Overview of North Dakota Averages

The average net farm income for the 527 farms who completed the North Dakota Farm and Ranch Business Management analysis for 2007 was an historic high of \$192,200. This compares to \$54,804 in 2006 and the five year (2002-2006) average of \$61,627. Average net farm income was substantially higher than the median of \$138,803. The highest 20% profit farms averaged \$536,229 and the lowest 20% profit farms averaged \$5,594. There was a substantial difference in net farm income between the type of farms with crop farms averaging \$252,280 compared to only \$41,671 for beef farms.

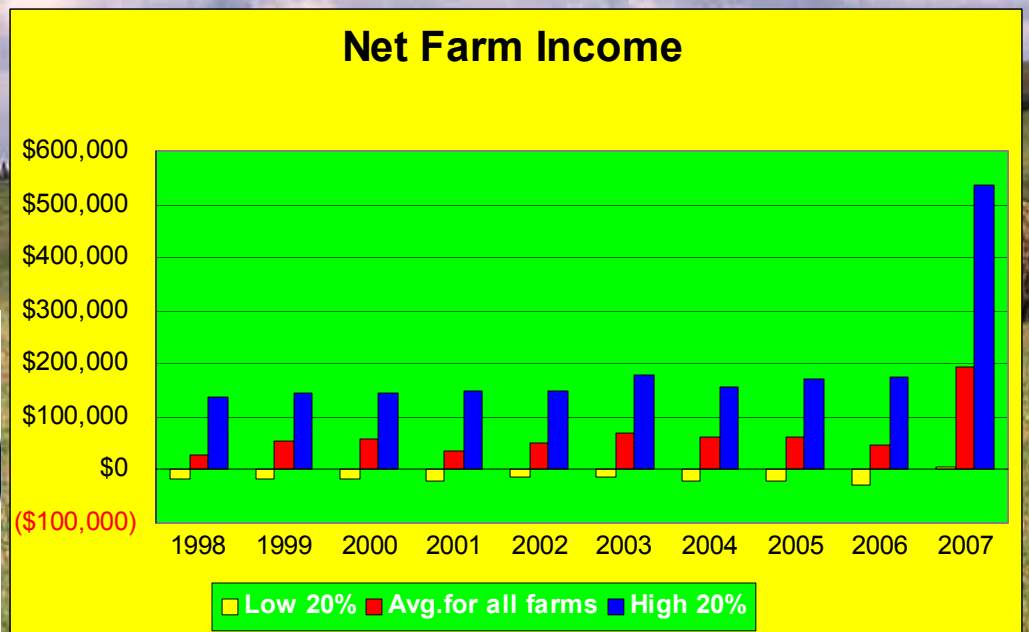
Net farm income as a percent of gross revenue was 33% compared to a typical range of 15% to 20%. The rate of return on assets was 18.2% and the rate of return on equity was 27.7% compared to the five year (2002-2006) average of 6.5% and 7.3% respectively. The very strong financial measures were due to much higher crop prices combined with good yields. This combination more than offset higher production costs.

Average total farm assets, valued at cost, increased 19% to \$1,018,731 while average farm liabilities increased 8% to \$454,235. Money borrowed in 2007 averaged \$341,938 per farm and principal payments were \$302,591.



Nonfarm Income

Average nonfarm income for 2007 for the farms enrolled in the North Dakota Farm and Ranch Business Management Programs was \$23,861 compared to \$22,421 in 2006



Net farm income is the amount of income available for family living, term debt principal payments, and new investments.

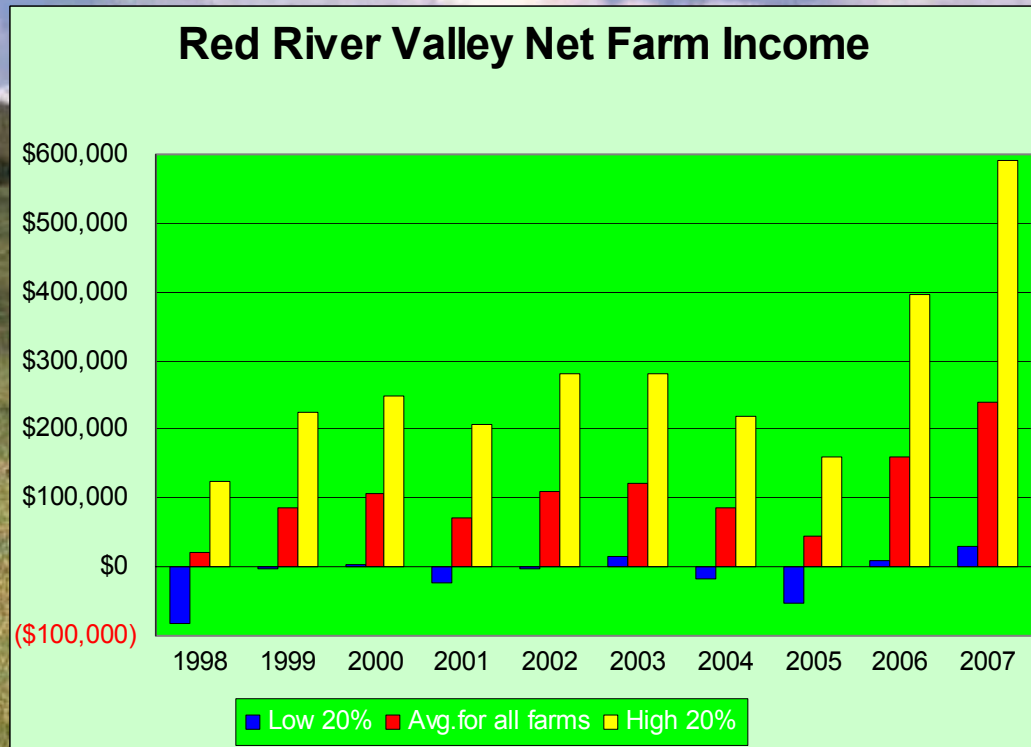
* Highlights from the 2007 Red River Valley Averages

Overview

This report includes information from 248 farms enrolled in the Farm Business Management Programs in the Red River Valley. These programs are located in North Dakota and Minnesota. In 2007, the average farmer was 44 years of age and had farmed for 21.2 years. The average farm contained 1,742 crop acres. This average farm spent \$602,429 in the local community.

In 2007, net farm income for the 248 farms enrolled in the FBM Programs averaged \$239,585 which was an increase of \$80,009 from 2006. This increase in net farm income resulted from:

- higher farm prices
- gains in inventory values
- disaster payments
- for many, especially in the northern part of the Valley, it was just a good crop year
- crop insurance



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2007 Crop Yields and Returns on Cash Rented Land

HRS Wheat

The average yield for 2007 was 48 bushels per acre compared to 53 bushels for the previous year.

Net Return per acre:

Average	\$77.99
Low 20%	-\$44.20
High 20%	\$198.44

The average price for HRSW was \$6.41 per bushel.

Corn

	Bu/acre	Net Return
2001	106 bu	\$10.10
2002	142 bu	\$60.46
2003	127 bu	\$21.84
2004	105 bu	-\$11.63
2005	145 bu	\$37.54
2006	138 bu	\$51.51
2007	131 bu	\$140.54

The average price for corn was \$3.76 in 2007.

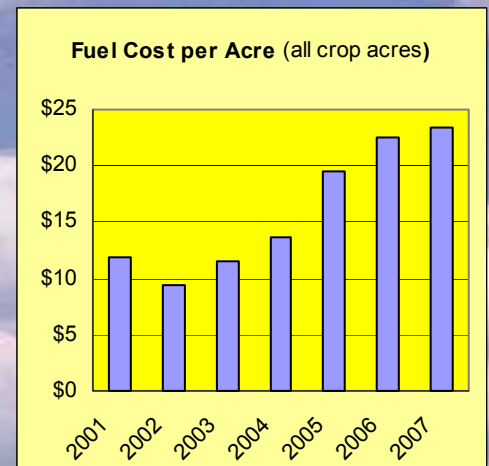
Soybeans

The average yield for soybeans in 2007 was 36.31 bushels per acre compared to 38.33 bushels in the previous year.

Net Return per acre:

Average	\$113.78
Low 20%	\$19.24
High 20%	\$251.90

The average price for soybeans in 2007 was \$8.90 per bushel.



Summary of Cash Income and Expenses for 2007

Gross Farm Income	\$729,735
Non Farm Income	\$16,637
Total Cash Farm Exp.	\$602,429
Income Taxes	\$11,488
Family Living	\$57,274
Investing	\$126,326
Money Borrowed	\$377,584
Principal Payments	\$328,998

Highlights from the 2007 North Dakota Region 2 Averages

Overview for Region 2

This report includes information from 173 farms enrolled in the north central part of the state. In 2007 the average farmer was 44.7 years old and had farmed for 21.4 years. The average farm consisted of 2,092 acres of crop land and 394 acres of pasture.

In 2007 net farm income was \$193,952 which was an increase of \$143,972 from 2006.

The large increase in net farm income was a result of higher prices for crops sold during the year as well as higher commodity prices for ending inventories. The region also saw increases in yields for the majority of crops raised. As with the rest of the state, increased prices for energy and the input costs associated with energy continued to push "direct crop expenses" higher.

Cow-calf returns were lower in 2007 as prices dropped and feed costs continued to climb. Beef backgrounding showed a loss for the first time in 12 years.

2007 Crop Yields and Returns on Cash Rented Land

Hard Red Spring Wheat

The average yield for hard red spring wheat was 36.69 bushels per acre compared to 33.80 bushels in 2006.

Net Return per Acre:

Average	\$94.76
Low 20%	\$5.01
High 20%	\$182.23

The average price for hard red spring wheat was \$6.75 per bu.

Barley

The average yield for barley in 2007 was 58.01 bushels per acre compared to 57.97 bushels in 2006.

Net Return per Acre:

Average	\$76.77
Low 20%	-\$8.64
High 20%	\$159.82

The average price for barley in 2007 was \$3.82 per bushel.

Canola

The average yield for canola was 11.86 cwt per acre compared to 12.86 cwt in 2006.

Net Return per Acre:

Average	\$30.44
Low 20%	-\$51.85
High 20%	\$110.21

The average price for canola in 2007 was \$17.14 per cwt.

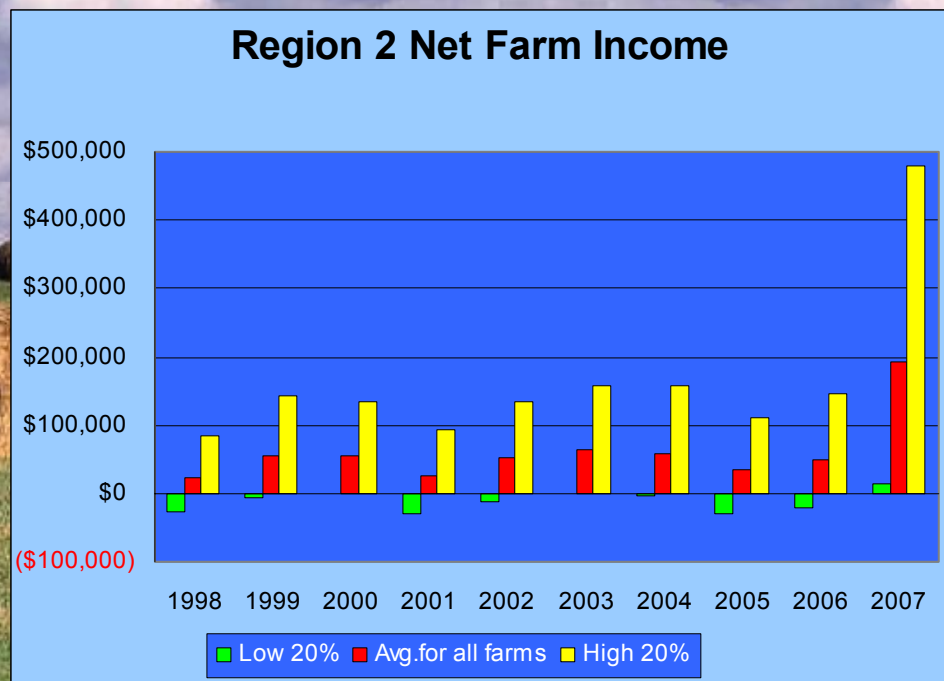
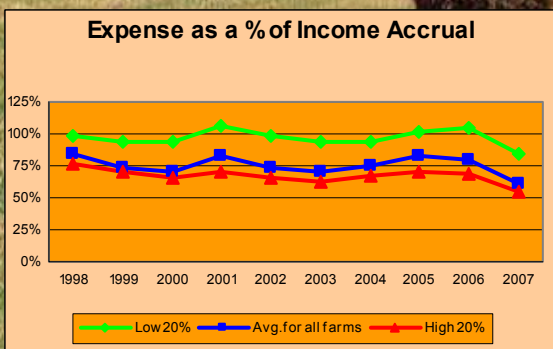
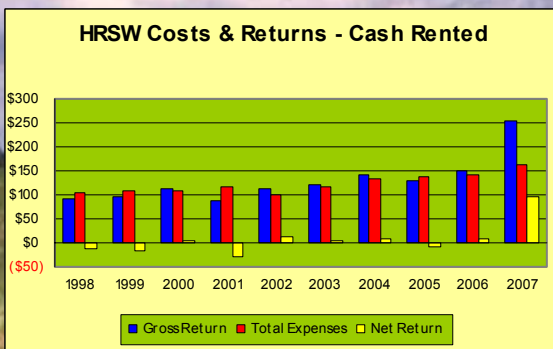
Sunflowers

The average yield for oil sunflowers was 15.75 cwt per acre compared to 13.54 cwt in 2006.

Net Return per Acre:

Average	\$121.25
Low 20%	\$28.89
High 20%	\$209.02

The average price for oil sunflowers in 2007 was \$18.73/cwt.



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Highlights from the 2007 North Dakota Region 3 Averages

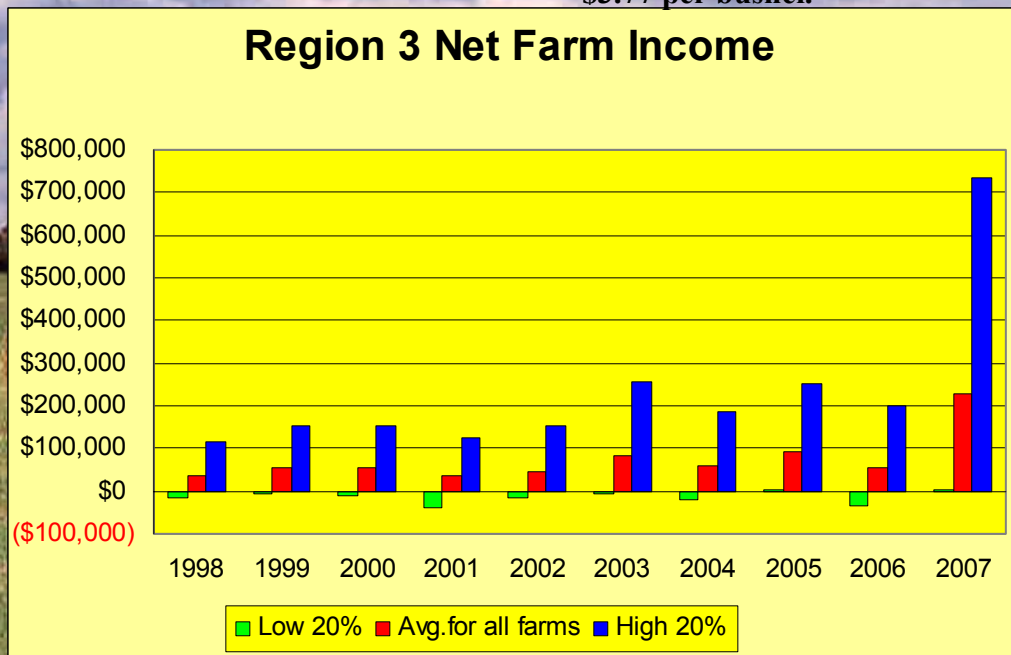
Overview for Region 3

This report includes information from 137 farms enrolled in the Farm and Ranch Business Management Programs located in the south central part of the state. The average farmer was 45.9 years old and had been farming for 21.9 years. The average farm contained 1,809 crop acres and 586 pasture acres.

The net farm income for these farms was \$230,354 which was an increase of \$174,324 over 2006.

The substantial increase in net farm income was a result of increased yields for most of the crops grown in the area as well as increases in commodity prices not only for cash sales but also for crops held in inventory.

The cow-calf industry in the south central part of the state also showed a slight increase in net return per cow going from \$98.40 in 2006 to \$108.46 in 2007. The backgrounding enterprises had a slight drop in net return from 2006 to 2007.



Net farm income is the amount of income available for family living, term debt principal payments, and new investments.

2007 Crop Yields and Returns on Cash Rented Land

Hard Red Spring Wheat

The average yield for hard red spring wheat was 44.87 bushels per acre compared to 39.99 bushels in 2006.

Net Return per Acre:

Average	\$110.69
Low 20%	-\$13.45
High 20%	\$184.75

The average price for hard red spring wheat was \$6.53 per bu.

Corn

The average yield for corn grain was 120.49 bushels per acre compared to 84.60 bushels in 2006.

Net Return per Acre:

Average	\$192.28
Low 20%	\$37.97
High 20%	\$273.75

The average price for corn was \$3.77 per bushel.

Soybeans

The average yield for soybeans in 2007 was 37.85 bushels per acre compared to 26.29 bushels in 2006.

Net Return per Acre:

Average	\$157.49
Low 20%	\$20.77
High 20%	\$275.82

The average price for soybeans in 2007 was \$8.88 per bushel.

Sunflowers

The average yield for oil sunflowers was 15.07 cwt per acre compared to 14.29 cwt in 2006.

Net Return per Acre:

Average	\$108.47
Low 20%	-\$3.53
High 20%	\$266.92

The average price for oil sunflowers in 2007 was \$20.02/cwt.

