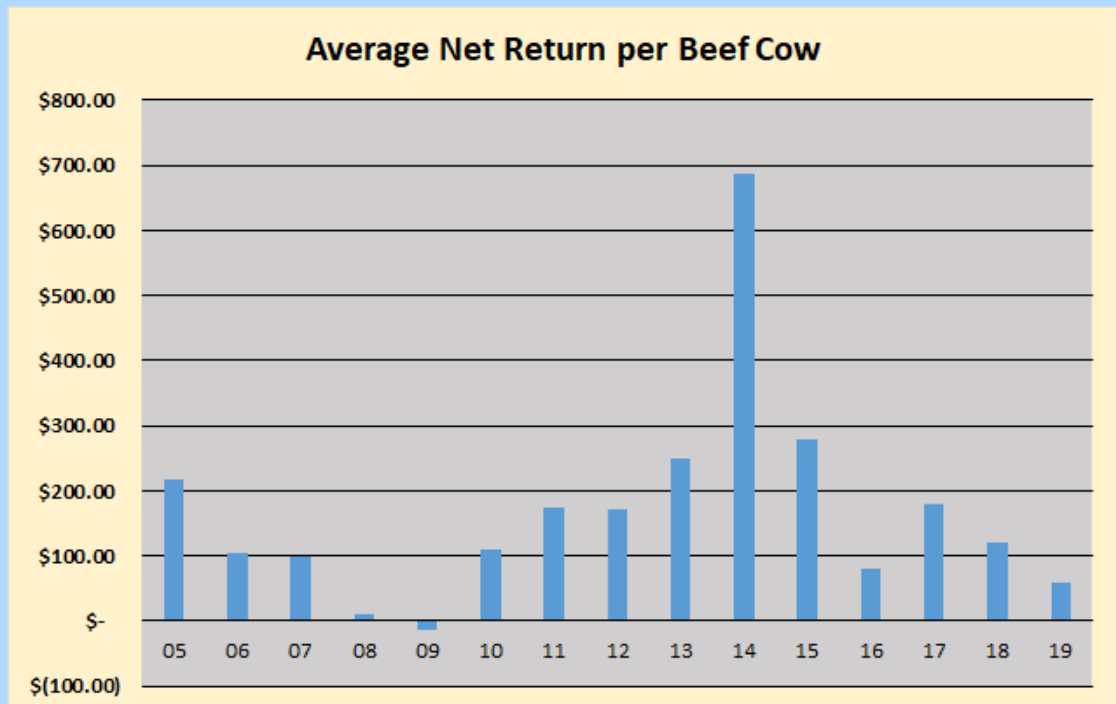


2019 North Dakota State Beef Average Summary



Historical Data:

Average Beef Net Return from Farm and 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.

2019 Farm/Ranch Business Management Instructors

Bismarck

Kyle Olson

kyle.olson3@bismarckstate.edu
Bismarck State College
1500 Edwards Avenue
Bismarck, ND 58506
701-224-5417
701-323-4345 Fax

Bottineau

Rodney Armstrong

rodney.armstrong@dakotacollege.edu
Dakota College at Bottineau
105 Simrall Boulevard
Bottineau, ND 58318
701-228-5481
701-550-9703 Cell

Bottineau

Keith A. Knudson

keith.knudson@dakotacollege.edu
Dakota College at Bottineau
105 Simrall Boulevard
Bottineau, ND 58318
701-228-5489

Carrington

Steve Metzger

Joel Lemer

s.metzger@lrsc.edu
joel.lerner@lrsc.edu
Lake Region State College at
Carrington Research Extension Center
663 Highway 281 North - Box 219
Carrington, ND 58421
701-652-2951 Joel Ext. 119 Steve Ext. 122
701-652-5727 Steve's Cell
701-307-0413 Joel's Cell
701-652-2055 Fax

Devils Lake

Darren Wilcox

darren.wilcox@lrsc.edu
Lake Region State College
1801 College Drive North
Devils Lake, ND 58301
701-662-1562
701-350-2965 Cell
701-662-2480 Fax

Our Mission

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

The 2019 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.

Farm Income Statement

North Dakota Farm Business Management Education Program
2019 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 | 53 | 10 | 11 |
| Cash Farm Income | | | |
| Crop Income | 71,781 | 135,916 | 78,806 |
| Beef Income | 225,740 | 271,131 | 244,585 |
| Other Livestock Income | 1011 | 1545 | 782 |
| Government Payments | 25,931 | 21,374 | 44,170 |
| Other Farm Income | 28,596 | 42,782 | 31,247 |
| Gross Cash Farm Income | \$ 353,059 | \$ 472,750 | \$ 399,588 |
| Cash Farm Expense | | | |
| Seed | 14,565 | 15,663 | 26,488 |
| Fertilizer | 18,231 | 20,771 | 24,846 |
| Chemicals | 9,665 | 10,562 | 11,873 |
| Crop Insurance | 4,848 | 7,409 | 6,605 |
| Crop Miscellaneous | 1,588 | 3,688 | 2,571 |
| Feeder Livestock Purchase | 10,927 | 2,215 | 26,319 |
| Purchased Feed | 28,484 | 27,712 | 24,425 |
| Breeding Fees | 1,286 | 418 | 1,619 |
| Veterinary | 8,221 | 10,689 | 6,185 |
| Livestock Supplies | 3,799 | 1,234 | 7,004 |
| Marketing | 3,726 | 1,973 | 1,888 |
| Interest | 25,388 | 42,934 | 20,358 |
| Fuel & Oil | 18,629 | 29,904 | 18,197 |
| Repairs | 33,114 | 43,909 | 36,692 |
| Custom Hire | 13,611 | 29,088 | 11,622 |
| Hired Labor | 12,056 | 21,168 | 14,047 |
| Land Rent | 35,958 | 36,290 | 46,812 |
| Machinery Bldg & Lvstk Lease | 7055 | 33,066 | 219 |
| Real Estate Taxes | 3,497 | 2,763 | 4,664 |
| Farm Insurance | 6,888 | 9,146 | 7,140 |
| Utilities | 6,050 | 6,021 | 7,407 |
| Miscellaneous Expense | 13,883 | 23,941 | 15,247 |
| Total Cash Farm Expense | \$ 281,471 | \$ 380,562 | \$ 322,227 |
| Net Cash Farm Income | \$ 71,588 | \$ 92,188 | \$ 77,360 |
| Total Inventory Change | \$ (29,253) | \$ (161,957) | \$ 89,854 |
| Net Operating Profit | \$ 42,335 | \$ (69,769) | \$ 167,215 |
| Total Depreciation | \$ (28,710) | \$ (32,163) | \$ (43,596) |
| Gain or Loss on Capital Sales | \$ 4371 | \$ 355 | \$ 21,082 |
| Net Farm Income | \$ 17,997 | \$ (101,577) | \$ 144,701 |

North Dakota Farm Business Management Education Program
2019 Beef Report (Farms Sorted by Net Return Per Unit)

Beef Cow Calf--Average Per Cow

Beef Cow-Calf: Whole Herd w/ Backgrounding

| Number of Farms | Avg of All Farms | | Avg of All Farms | |
|--|------------------|-----------------|------------------|-------------------|
| | 12 | | 16 | |
| | Quantity | Value | Quantity | Value |
| Beef Calves sold (lb) | 174.6 | 267.91 | 369.2 | 532.77 |
| Herd Inventory Change | | 357.21 | | 200.21 |
| Other Income | | 2.79 | | 14.19 |
| Government Payments | | 17.93 | | - |
| Gross Margin | | \$ 645.85 | | \$ 747.18 |
| Direct Expenses | | | | |
| Protein Vit Minerals (lb) | 91.1 | 26.04 | 1,145.5 | 28.95 |
| DDGS, dry (lb) | 163.2 | 8.12 | 773.2 | 24.04 |
| Corn Silage (lb) | 2,830.8 | 42.49 | 2,593.5 | 37.91 |
| Hay, Alfalfa (lb) | 406.5 | 13.77 | 893.5 | 37.47 |
| Hay, Grass (lb) | 4,745.1 | 117.06 | 5,012.6 | 144.02 |
| Pasture (aum) | 6.1 | 109.83 | 8.5 | 164.42 |
| Other feedstuffs (lb) | 937.6 | 31.70 | 647.8 | 42.51 |
| Veterinary | | 29.99 | | 25.13 |
| Supplies | | 19.94 | | 13.56 |
| Fuel & Oil | | 27.48 | | 26.77 |
| Repairs | | 55.95 | | 36.55 |
| Custom Hire/Hired Labor | | - | | 30.26 |
| Marketing | | - | | 12.71 |
| Operating Interest | | 11.95 | | 19.57 |
| Total Direct Expenses | | \$ 494.32 | | \$ 643.88 |
| Return Over Direct expenses | | \$ 151.53 | | \$ 103.31 |
| Overhead Expenses | | | | |
| Hired labor | | 11.09 | | - |
| Farm insurance | | 10.53 | | - |
| Utilities | | 11.63 | | - |
| Interest | | 7.05 | | 30.79 |
| Mach & bldg depreciation | | 35.30 | | 47.60 |
| Miscellaneous | | 16.84 | | 61.33 |
| Total Overhead Expenses | | \$ 92.43 | | \$ 139.72 |
| Total Direct & Overhead exp | | \$ 586.75 | | \$ 783.59 |
| Net Return | | \$ 59.09 | | \$ (36.41) |
| Labor & management charge | | \$ 58.90 | | \$ 80.22 |
| Net return over lbr & mgt | | \$ 0.20 | | \$ (116.64) |
| Cost of Production per Cwt produced | | | | |
| Total direct expense | | \$ 97.42 | | \$ 116.68 |
| Total dir & ovhd expense/unit | | \$ 115.64 | | \$ 142.00 |
| With other revenue adjustments | | \$ 138.66 | | \$ 155.26 |
| With labor & management | | \$ 150.26 | | \$ 169.80 |

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Dickinson

Jeffrey Dragseth

jeffrey.dragseth@bismarckstate.edu
Bismarck State College at
Dickinson Research Extension Center
1041 State Avenue
Dickinson, ND 58601
701-456-1121
701-456-1165 Fax

Fargo

Kelcey Hoffmann

kelcey.hoffmann@ndscs.edu
ND State College of Science at
NDSCS Fargo
1305 19th Avenue North
Fargo, ND 58102
701-231-6931 Cell

Glen Ullin

Ron Egli

Ron.Egli@k12.nd.us
Glen Ullin Public School
PO Box 548
Glen Ullin, ND 58631
701-348-3590
701-260-5227 Cell
701-348-3084 Fax

Jamestown

Jason Fewell

jason.fewell@ndscs.edu
ND State College of Science at
James Valley Career/Tech Center
910 12th Avenue Northeast
Jamestown, ND 58401
701-952-4166
701-331-1363 Cell

Langdon

Jeremiah Halley

jeremiah.halley@lrs.edu
Lake Region State College at
Langdon Research Extension Center
9280 107th Avenue Northeast
Langdon, ND 58249
701-256-2582
701-261-0714 Cell

| | Beef Cow Calf: Average Per Cow 12 | Beef Cow-Calf: Whole Herd w/ Backgrounding 16 |
|---------------------------|---|--|
| Number of Farms | | |
| Other Information | | |
| Number of cows | 299.4 | 185.3 |
| Pregnancy percentage | 95.7 | 97.3 |
| Pregnancy loss percentage | 1.8 | 1.0 |
| Culling Percentage | 12.4 | 15.0 |
| Calving Percentage | 94.0 | 96.3 |
| Weaning Percentage | 90.5 | 91.9 |
| Calf death loss percent | 4.1 | 4.5 |
| Cow death loss percent | 1.5 | 2.2 |
| Average weaning weight | 543 | 529 |
| Lb weaned/exposed female | 492 | 486 |
| Avg wgt/beef calf sold | 547 | 670 |
| Avg price/cwt. | \$ 153.45 | \$ 144.29 |
| Feed cost per cow | \$ 349.00 | \$ 479.32 |

Financial Standards Measure

ND Farm Business Management Education Program

2019 Beef Farm Report (Sorted by Net Farm Income)

| | Avg of All Farms | Low 20% | High 20% |
|-------------------------------|---------------------|--------------|------------|
| Number of Farms | 53 | 10 | 11 |
| Liquidity | | | |
| Current Ratio | 1.49 | 1.15 | 1.96 |
| Working Capital | \$ 109,144 | \$ 49,078 | \$ 221,518 |
| WC to gross Inc | 33.4% | 15.6% | 45.8% |
| Solvency (cost) | | | |
| Farm Debt to Asset ratio | 45% | 58% | 28% |
| Profitability (cost) | | | |
| Rate of return on Farm assets | 0.4% | (6.3)% | 6.2% |
| Rate of return on Farm equity | (3.0)% | (20.7)% | 6.9% |
| Net Farm Income | \$ 17,997 | \$ (101,577) | \$ 144,701 |
| Repayment capacity | | | |
| Term Debt Coverage ratio | 0.60 | (0.88) | 2.09 |
| Efficiency | | | |
| Operating expense ratio | 78.8% | 108.6% | 61.0% |
| Depreciation expense ratio | 8.8% | 10.2% | 9.0% |
| Interest Expense ratio | 8.3% | 13.6% | 4.4% |
| Net farm income ratio | 4.2% | (32.4)% | 25.6% |

Thank you to the following Star Partners for providing funding for the production and distribution of the ND Farm and Ranch Business Management Regional and State Averages for 2019.

**Northland Ford Dealers - CHS Foundation - BAYER - Asgrow - DEKALB - Channel - REA
Farmers Union Insurance - North Dakota Farmers Union - ND Farm Credit Services
Nodak Mutual Insurance - ADM - International Certification Services, Inc
Agtegra Cooperative - Zacharias Family - North Central States Regional Council of Carpenters
Wilbur-Ellis Company - North Dakota Farm Bureau - RDO Equipment - PROSEED
First International Bank & Trust - IRONCLAD Marketing - ND Building Trades Union
Titan Machinery - Plains Ag - PIONEER Seeds - International Brotherhood of Electrical Workers
Gooseneck Implement - ND Ethanol Council - CF Industries**

Cost-Return Projection -- Beef Cow-Calf Enterprise (Per Cow), 2020 ¹

| | N.D. Avg. | Your Numbers |
|--|---------------------|-------------------------|
| VARIABLE COST PER COW: | | |
| 1. Summer Pasture | \$ 135.00 | \$ _____ |
| 2. Hay--silage | 180.00 | _____ |
| 3. Other feed | 30.00 | _____ |
| 4. Protein and Mineral | 25.00 | _____ |
| 5. Hired Labor, Custom Hire | 20.00 | _____ |
| 6. Veterinary, Drugs, and Supplies | 30.00 | _____ |
| 7. Utilities, Fuel, and Oil | 25.00 | _____ |
| 8. Facilities and Equipment Repairs | 40.00 | _____ |
| 9. Breeding Charge | 10.00 | _____ |
| 10. Marketing | 15.00 | _____ |
| 11. Miscellaneous | 19.00 | _____ |
| 12. Interest | 15.00 | _____ |
| A. TOTAL VARIABLE COSTS | \$ 544.00 | \$ 0.00 |
| FIXED COSTS PER COW | | |
| 13. Depreciation | \$ 30.00 | \$ _____ |
| 14. Interest | 10.00 | _____ |
| 15. Insurance | 10.00 | _____ |
| 16. Cow interest, death loss | 65.00 | _____ |
| B. TOTAL FIXED COSTS | \$ 115.00 | \$ 0.00 |
| C. TOTAL COSTS PER COW (A + B) | \$ 659.00 | \$ 0.00 |
| RETURNS PER COW ² | | |
| | Your Numbers | |
| | % | x Weight x Price |
| 17. Steers: .45 x 590 x 1.65 | _____ x _____ | \$ 438.08 \$ 0.00 |
| 18. Heifers: .26 x 570 x 1.40 | _____ x _____ | 207.48 0.00 |
| 19. Cull cows: .14 x 1300 x 0.55 | _____ x _____ | 100.10 0.00 |
| 20. Cull heifers: .05 x 900 x 1.25 | _____ x _____ | 56.25 0.00 |
| D. GROSS RETURNS PER COW | \$ 801.91 | \$ 0.00 |
| E. RETURN OVER VARIABLE COSTS (D - A) | \$ 257.91 | \$ 0.00 |
| F. RETURN OVER TOTAL COSTS (D - C) ³ | \$ 142.91 | \$ 0.00 |

¹ Information in this budget is based on the North Dakota Farm and Ranch Business Management Annual Report, 2019.

² 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.

³ 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

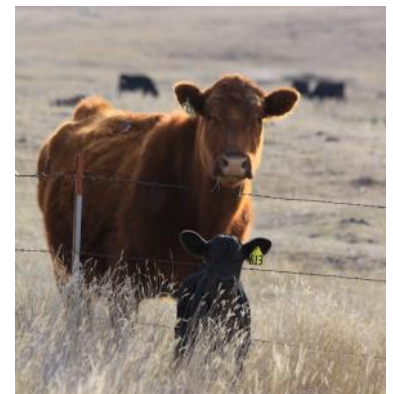
The data for this brochure was compiled by:

Andrew Swenson, NDSU Extension Farm Management Specialist

Bryon Parman, NDSU Extension Finance Specialist



Photos submitted by: Lynsey Aberle, Judy Jacobson, & Annette Rockeman



Minot**Lynsey Aberle**

lynsey.aberle@dakotacollege.edu
 Dakota College at Bottineau at
 North Central Research Extension Center
 5400 Highway 83 South
 Minot, ND 58701
 701-857-7660
 701-720-2323 Cell
 701-857-7676 Fax

Rugby**Sheila Braaten**

sheila.braaten@dakotacollege.edu
 Dakota College at Bottineau at
 Rugby Public School
 1123 South Main
 Rugby, ND 58368
 701-776-5095
 701-771-7024 Cell
 701-776-5091 Fax

Wahpeton**Kara Wulfekuhle**

kara.wulfekuhle@ndscs.edu
 ND State College of Science
 800 North 6th Street
 Wahpeton, ND 58076
 701-671-2593
 701-690-8480 Cell
 701-671-2171 Fax

Balance Sheet at Cost Values

North Dakota Farm Business Management Education Program
 2019 Beef Farm Report (Farms Sorted by Net Farm Income)

| | Avg of all farms | Low 20% | High 20% |
|----------------------------------|---------------------|---------------------|---------------------|
| Number of Farms | 53 | 10 | 11 |
| Assets | | | |
| Current Farm Assets | | | |
| Cash and checking balance | 25,662 | 2,542 | 47,379 |
| Prepaid expenses & supplies | 7,104 | 4,236 | 12,226 |
| Growing crops | 1,723 | 4,992 | 2,984 |
| Accounts receivable | 9,523 | 13,265 | 9,253 |
| Hedging accounts | 1,921 | 1,073 | 3,727 |
| Crops held for sale or feed | 129,884 | 207,020 | 174,820 |
| Crops under government loan | 0 | 0 | 0 |
| Market Livestock held for sale | 157,382 | 147,726 | 200,960 |
| Other current asset | 0 | 0 | 0 |
| Total Current Farm Assets | \$ 333,198 | \$ 380,853 | \$ 451,350 |
| Intermediate Farm Assets | | | |
| Breeding livestock | 315,527 | 342,937 | 449,713 |
| Machinery & equipment | 215,247 | 262,196 | 298,636 |
| Titled vehicles | 35,435 | 23,999 | 63,082 |
| Other intermediate assets | 4,721 | 1,849 | 7,213 |
| Total Intermediate Farm Assets | \$ 570,929 | \$ 630,982 | \$ 818,644 |
| Long Term Assets | | | |
| Farm land | 338,977 | 419,927 | 344,153 |
| Buidlings & improvements | 73,269 | 33,863 | 123,537 |
| Other long-term assets | 4,988 | 10,642 | 1,997 |
| Total Long-term assets | \$ 417,233 | \$ 464,431 | \$ 469,687 |
| Total Farm Assets | \$ 1,321,361 | \$ 1,476,267 | \$ 1,739,681 |
| Total Nonfarm assets | \$ 172,832 | \$ 224,740 | \$ 189,905 |
| Total Assets | \$ 1,494,193 | \$ 1,701,006 | \$ 1,929,586 |
| Liabilities | | | |
| Current Farm Liabilities | | | |
| Accrued Interest | 13,850 | 19,499 | 11,049 |
| Accounts payable | 11,784 | 18,426 | 3,222 |
| Current notes | 158,924 | 245,444 | 175,862 |
| Government crop loans | 0 | 0 | 0 |
| Principal due on term debt | 39,497 | 48,406 | 39,699 |
| Total Current Farm Liabilities | \$ 224,054 | \$ 331,776 | \$ 229,832 |
| Total Intermediate Farm Liabs | \$ 134,731 | \$ 251,916 | \$ 92,566 |
| Total Long-term Farm Liabilities | \$ 235,670 | \$ 277,740 | \$ 159,703 |
| Total Farm Liabilities | \$ 594,456 | \$ 861,432 | \$ 482,101 |
| Total Nonfarm Liabilities | \$ 27,649 | \$ 71,926 | \$ 20,942 |
| Total Liabilities | \$ 622,105 | \$ 933,358 | \$ 503,043 |
| Net Worth (farm & non farm) | \$ 872,088 | \$ 767,648 | \$ 1,426,543 |
| Net Worth change | \$ 7,909 | \$ (96,354) | \$ 102,154 |