

## Highlights from the 2015 North Dakota Region 4 Averages

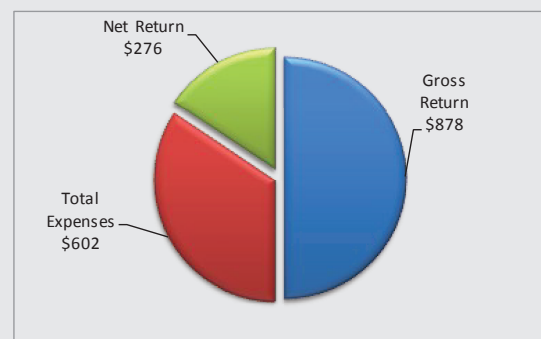
### Overview for Region 4

Overall it was a tough year for most farmers and ranchers in western North Dakota in 2015. Farm profit of \$17,838 was well below any of the past 5 years. The average farmer in Region 4 is 43.8 years old and has farmed for 19.4 years. The average farmer enrolled in the program needed to draw on equity from prior years to pay for family living and taxes. Although beef cattle were still quite profitable, it was a very disappointing year following 2014's record prices. Grain prices continued to decline so much that even with generally strong yields in some crops they were still not profitable.

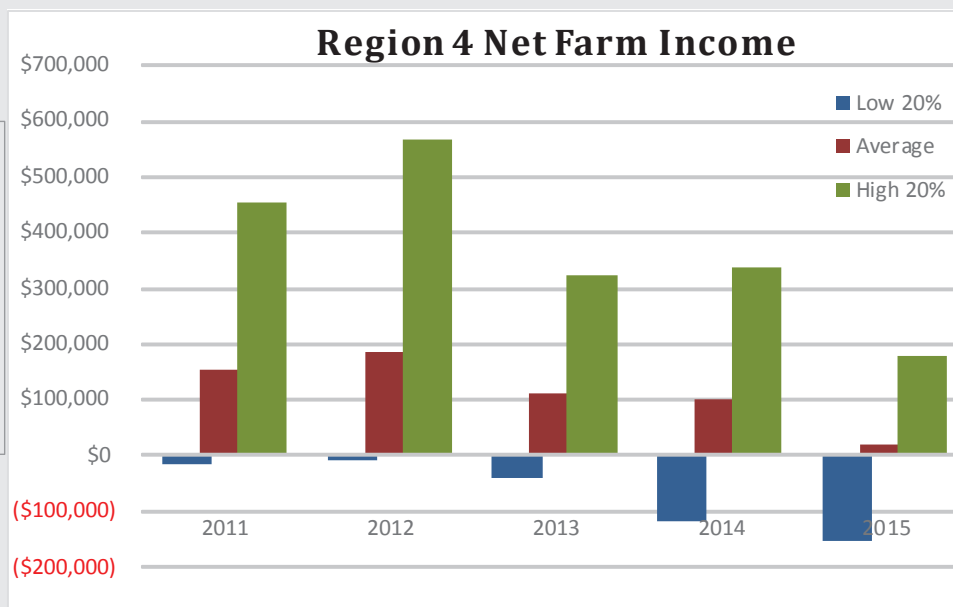
### 2015 Crop Yields and Returns on Cash Rented Land

	S Wheat	Flax	Corn Grain	Soybeans	Oil SF	Alf/grass hay
Yield/acre	51.00	19.84	79.09	28.13	15.64	1.38
Gross Income/a	\$238.90	\$181.97	\$273.12	\$232.83	\$293.04	\$74.15
Direct Expense/a	\$209.63	\$170.92	\$272.35	\$237.52	\$210.80	\$49.55
Total Expense/a	\$252.27	\$212.70	\$352.71	\$284.94	\$251.44	\$75.09
Net Return/a	-\$13.36	-\$30.73	-\$79.59	-\$52.12	\$41.60	-\$0.94
Cost/unit produced	\$4.95	\$10.72	\$4.46	\$10.13	\$16.08	\$54.29

### Average Beef Cow

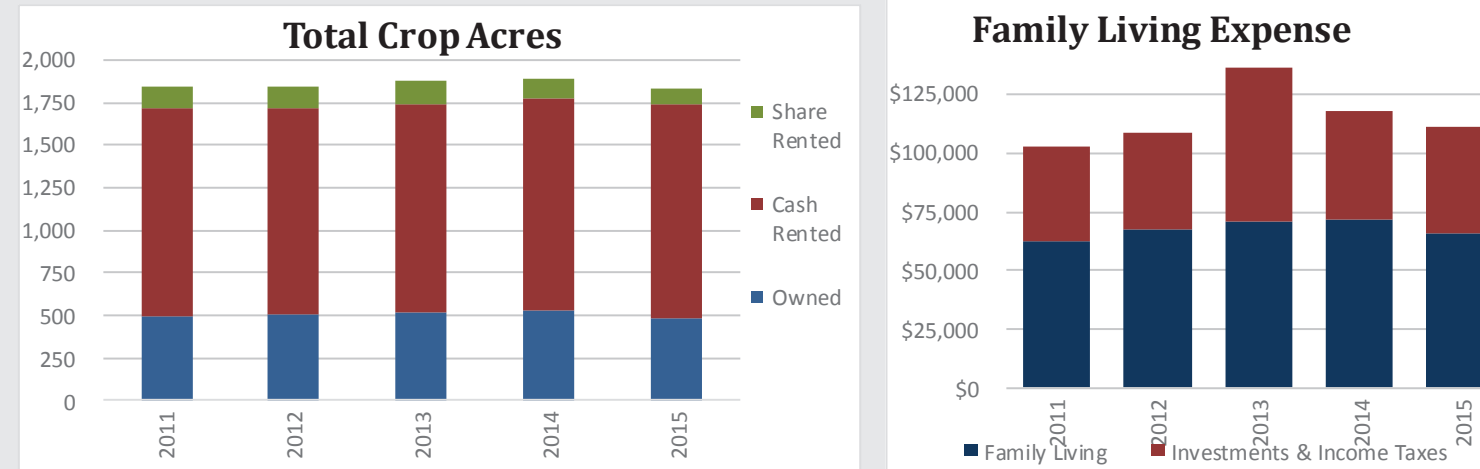


Even though cattle prices were lower than 2015 the average net return per cow was \$275.65. Backgrounding enterprise profits fell in 2015 to an average net return of \$6.48 per head.

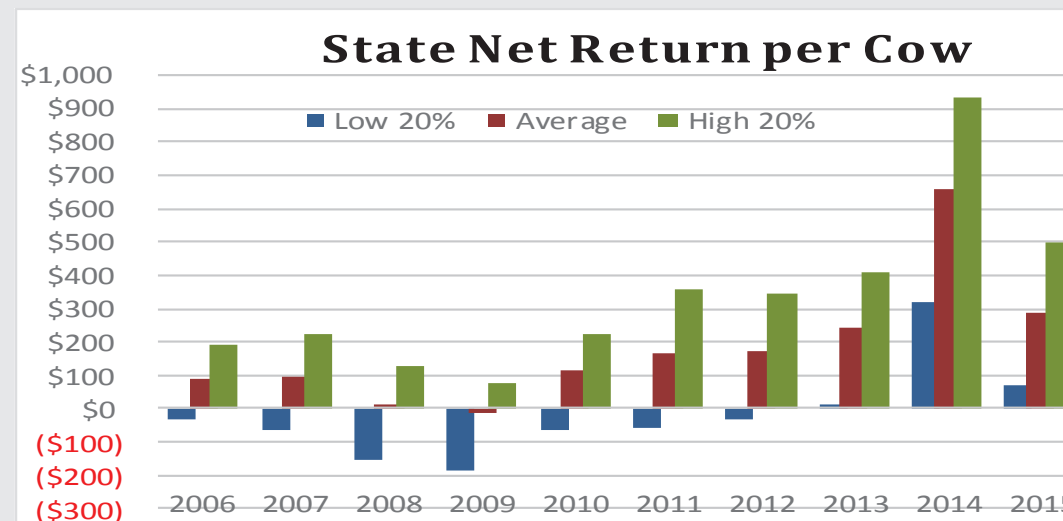


The average net farm income for 2015 was \$17,838 compared to \$100,155 in 2014. In addition, Non-farm income averaged \$34,564.

## More Highlights from the 2015 North Dakota Farm and Ranch Business Management Averages



### Beef Production in North Dakota for 2015



### Cow-Calf Herds

	2015	2014	Difference
Average Weaning Weight	555#	547#	8#
Average Price of Calves sold directly off cow	\$198.43	\$264.53	-\$66.10
Feed cost per Cow	\$360.67	\$382.55	-\$21.88
Net return per cow	\$287.66	\$659.23	-\$371.57

### Beef Backgrounding

	2015	2014	Difference
Average lbs gained/head	191#	99#	92#
Net return/cwt produced	\$3.67	\$2.48	\$1.19
Average sale price	\$186.23	\$212.64	-\$26.41
lbs of feed fed/lb of gain	11.9#	14.3#	-2.4#
Average daily gain	1.81#	1.61#	0.20#

### 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) 328-3179. You can also find more detailed information by checking out our website [www.ndfarmmanagement.com](http://www.ndfarmmanagement.com) or the Finbin website at [www.finbin.umn.edu](http://www.finbin.umn.edu).

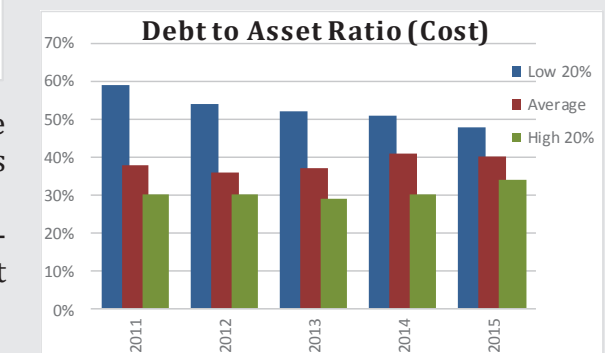
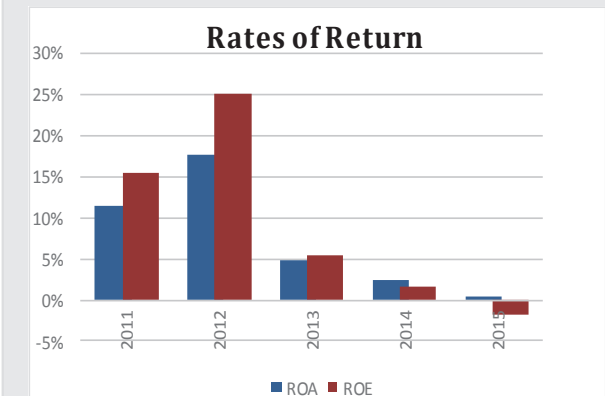
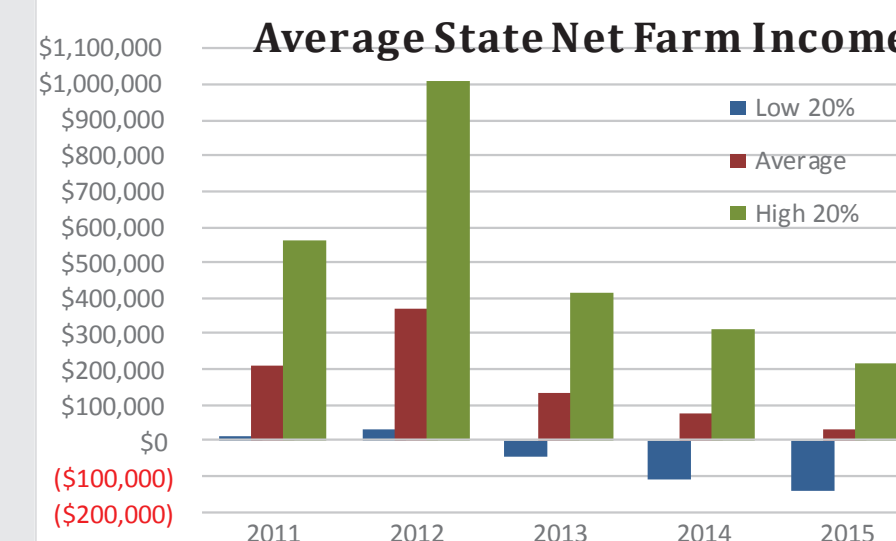


## Highlights from the 2015 North Dakota Averages

*“Our Mission is to provide lifelong learning opportunities in economic and financial management for adults involved in the farming and ranching business.”*

Average net farm income for the 525 farms that were included in the 2015 North Dakota Farm and Ranch Business Management Report was \$28,600 compared to \$76,404 in 2014. Median net farm income, probably a better measure of the typical farm, was \$19,374, compared to \$53,788 in 2014 and \$91,650 in 2013. Yields were typically down across the state so when combined with high production costs and low prices, crop profit-ability was considerably lower. Cattle prices falling from records set in 2014 pushed the cow/calf profitability down in 2015, but they were still able to maintain an average net return of \$287.66 per cow.

Rate of return on assets was 0.5% and rate of return on equity averaged -1.7%, so for the second year in a row the rate of return on equity was lower than the rate of return on assets. This means borrowed money is no longer making the producer money and is an early warning sign not to take on any more debt. Term debt coverage ratio dropped from a 1.04 to a 0.60 in 2015. This means that the average farmer had only \$0.60 available for every dollar worth of term debt payments. Working capital for the group averaged \$155,529 compared to \$220,281 in 2014. Working capital as compared to gross farm revenues dropped from 33% in 2014 to 27% in 2015 hovering just above the minimum acceptable level of 25% that many financial institutions have.



The average farm size was 2,371 acres, of which 533 were pasture. The average farmer was 45.2 years of age and has farmed for 21.2 years.

The average nonfarm income for 2015 for the farms enrolled in the North Dakota Farm and Ranch Business Management Programs was \$29,076 compared to \$34,673 in 2014.

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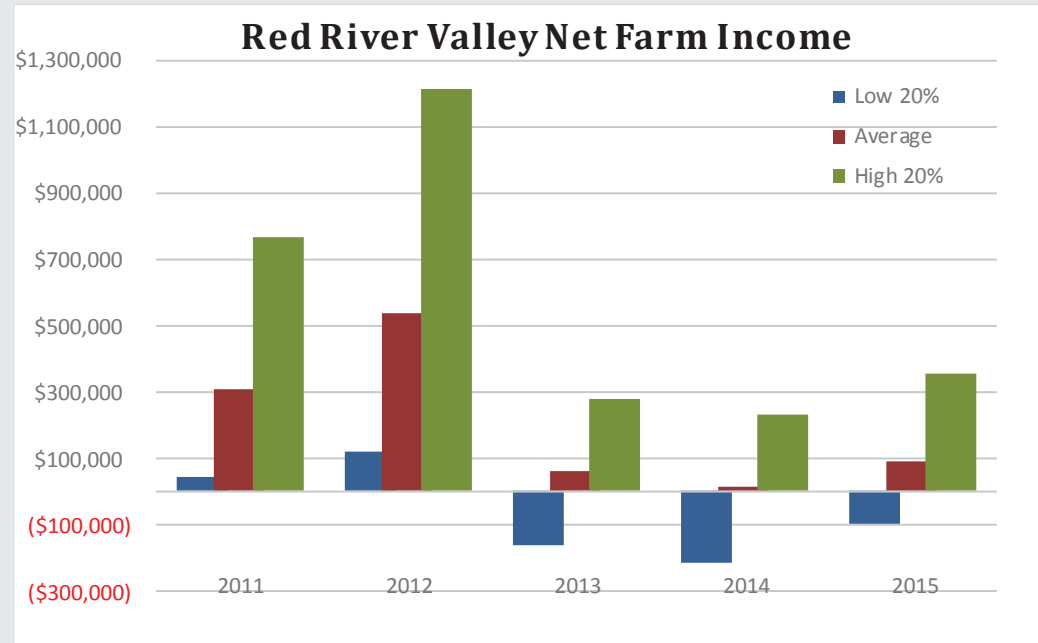
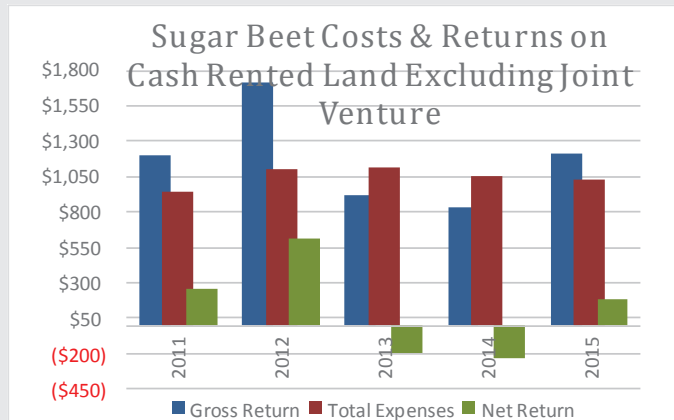
## Highlights from the 2015 Red River Valley Averages

### Overview for Red River Valley

This report includes information from 266 farmers enrolled in the Farm Business Management Programs in the Red River Valley. These programs are located in North Dakota and Minnesota. In 2015, the average farmer was 48 years of age, has farmed for 24 years, and farms about 1,671 acres. This average farmer spent \$739,220 for inputs in the local community. In 2015, net farm income for the 266 farms enrolled in the FBM Programs averaged \$89,489 which was a increase of \$76,766 from 2014. Some factors that caused this year's increase in net farm income included: better than average yields, slightly lower input costs, and increased government payments due to the 2014 ARC payment received in 2015 and CSP Payments.

### 2015 Crop Yields and Returns on Cash Rented Land

	Soybeans	HRSW	Corn
Yield/acre	42.01	72.01	166.72
Total Expense/a	\$370.13	\$404.12	\$611.14
Net Return/a	-\$2.69	-\$35.93	-\$23.10
Cost/unit produced	\$8.81	\$5.61	\$3.67



The average net farm income for 2015 was \$89,489 compared to \$12,723 in 2014. In addition, Non-farm income averaged \$26,825

## Highlights from the 2015 North Dakota Region 2 Averages

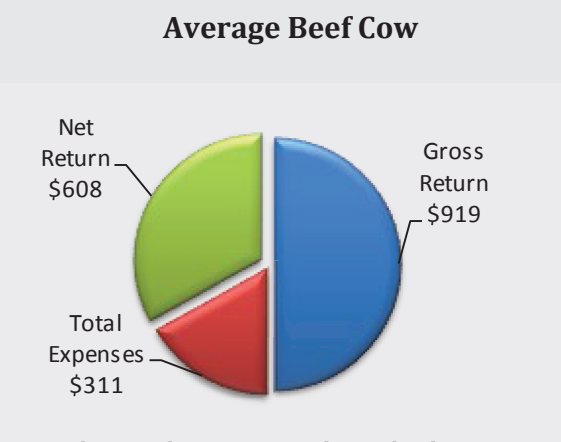
### Overview for Region 2

The North Central region of North Dakota saw a continued decrease in the net farm income again this past year. The average farm profit for 165 farm enrolled in the area Farm and Ranch Business Management Education Program was \$20361, a 77% decrease from 2014 and a 93% decrease from the highs in 2012. Gross farm income for the average farm saw a decrease of \$72,978 from 2014. Much of this can be attributed to lower commodity prices received for crops, lower government payments due to the new farm bill, and continued increases in operating expenses. The average farm again saw a decrease in working capital to \$174,301, a decrease of 30% from the previous year. The average farm consisted of 1,983 crop acres and 308 acres of pasture, a slight decrease from the previous year. The average farm operator was 44 years of age and had been in farming for 19.8 years. Both age of operator and years in farming decreased slightly. Leading the list of profitable crops for 2015 were Field Peas, Barley, and Sunflower. All remaining crops showed negative returns on cash rented acres.

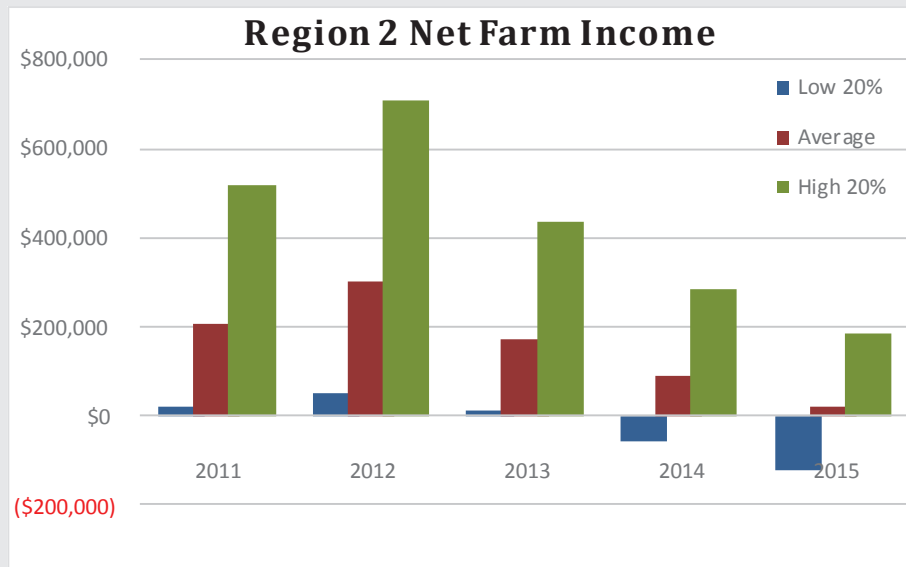
### 2015 Crop Yields and Returns on Cash Rented Land

	Barley	Flax	Soybeans	HRSW	Oil SF
Yield/acre	69.53	23.29	28.06	54.49	16.87
Total Expense/a	\$293.07	\$232.01	\$284.42	\$286.14	\$319.24
Net Return/a	\$60.30	-\$0.31	-\$35.93	-\$28.51	\$7.14
Cost/unit produced	\$4.21	\$9.96	\$10.14	\$5.25	\$18.93

Cow/Calf producers enjoyed a good year in 2015 although not at the levels of the previous year. The average saw a Gross margin of \$918.83 per cow with a net return per cow at \$311.06 per cow. Comparing this to 2014 where the average producer saw a gross margin of \$1343.62 with a net return of \$664.38 per cow. This was the second highest gross margins and returns seen by cow/calf producers in history. Overall cost per cow on the average did see a decrease of 11% to an overall cost per cow at \$607.77 per cow compared with a cost of \$679.24 per cow as seen in 2014. Much of the decrease was noticed in direct expenses other than feed.



Background enterprises showed a decrease in 2015 with an average return per hundred weight produced at (-\$0.63) in comparison to an average return per hundred weight produced of \$78.36 per hundred weight produced. Much of the lower returns are attributed to higher cost calves entering into the enterprise along with lower prices received.



The average net farm income for 2015 was \$20,361 compared to \$89,569 in 2013. In addition, Non-farm income averaged \$30,882.

## Highlights from the 2015 North Dakota Region 3 Averages

### Overview for Region 3

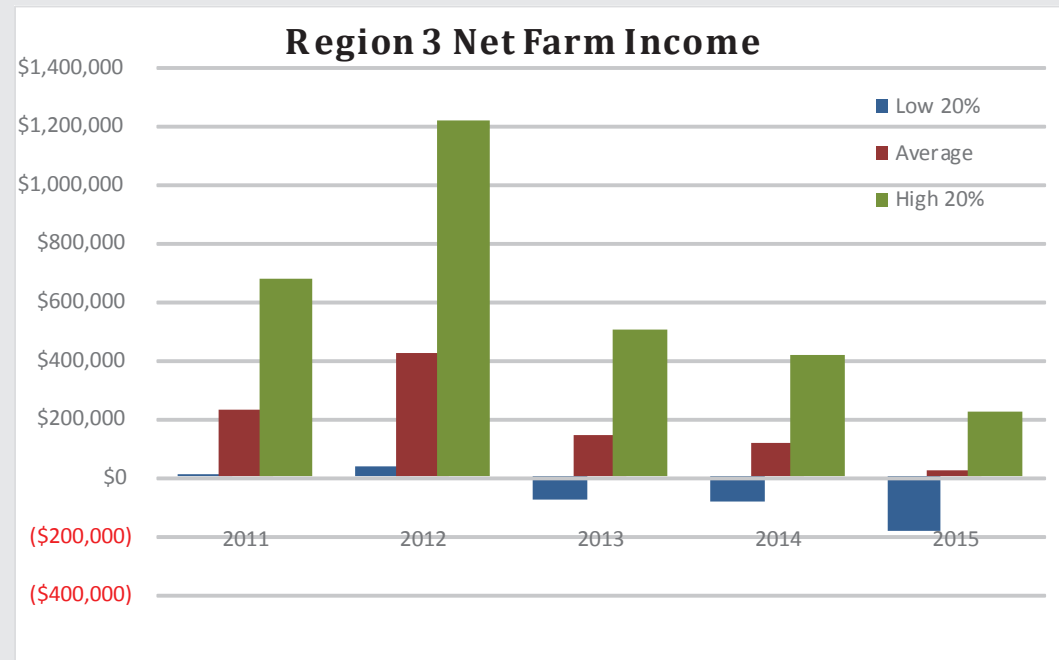
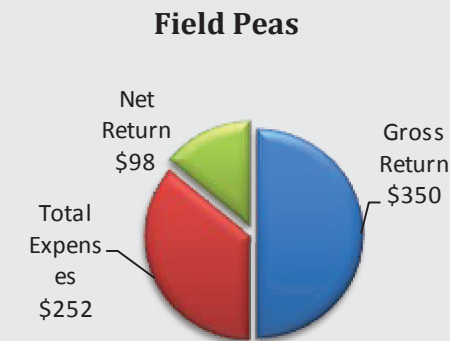
The south central region of North Dakota had a less profitable year than 2014. The average profit for the 140 farms enrolled in the area Farm and Ranch Business Management Programs was \$20,193 and was 82% less than the average profit of \$112,920 generated in 2014. The average farm consisted of 2,148 crop acres and 591 acres of pasture or rangeland. The average farm operator was 46.5 years of age and had been farming for 22.3 years.

The farm profits were affected by much lower crop prices and lower average crop yields for many producers. Leading the list of profitable cash crops were field peas and barley.

The net income per cow in the region was \$293.43, a decrease of \$335.41 per cow over 2014's net return of \$628.84 per cow.

### 2015 Crop Yields and Returns on Cash Rented Land

	Wheat	Barley	Corn	Soybeans	Pinto Beans
Yield/Acre	57.2	71.3	113.1	30.5	10.86
Total Cost/Acre	\$301.62	\$286.16	\$451.74	\$293.52	\$321.71
Net Return/Acre	-\$11.63	\$96.41	-\$71.11	-\$25.08	-\$18.95
Cost/Unit Produced	\$5.28	\$4.01	\$3.99	\$9.64	\$29.61



The average net farm income for 2015 was \$20,193 compared to \$112,920 in 2014. In addition, Non-farm income averaged \$38,792.