

2013 Farm/Ranch Business Management Instructors

Bismarck

Mark Holkup

mark.holkup@bismarckstate.edu
Bismarck State College
1500 Edwards Avenue
Bismarck, ND 58506-5587
701-224-5417
701-323-4345 Fax

Bottineau

Rueben Mayer

rueben.mayer@dakotacollege.edu
Dakota College at Bottineau
105 Simrall Boulevard
Bottineau, ND 58318-1198
701-228-5481
701-228-5468Fax

Bottineau

Keith A. Knudson

keith.knudson@dakotacollege.edu
Dakota College at Bottineau
105 Simrall Boulevard
Bottineau, ND 58318-1198
701-228-2160
701-228-5130 Fax

Carrington

Steve Metzger

Jory Hansen

s.metzger@ndsu.edu
j.hansen@ndsu.edu
Carrington Public School @
Carrington Research Extension Center
663 Hwy 281 N Box 219
Carrington, ND 58421-0219
701-652-2951 Steve Ext. 119 Jory Ext. 122
701-652-2055 Fax
701-652-5727 Steve's Cell
701-653-5245 Jory's Cell

Devils Lake

Jay Olson

Craig Stromme

JM.Olson@lrsc.edu
craig.stromme@lrsc.edu
Lake Region State College
1801 College Drive N.
Devils Lake, ND 58301-1534
701-662-1562-Jay
701-662-1572-Craig
701-662-2408 Fax

Our Mission

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

The 2013 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				
2013 Beef Farm Report (40% sales/50 head criteria)				
Farms Sorted by Net Farm Income				
	Avg of			
	all farms			
Number of Farms	85	Low 20% 17	High 20% 17	
Cash Farm Income				
Crop Income	\$ 90,533	\$ 64,145	\$ 192,665	
Beef Income	195,722	132,647	325,725	
Other Livestock Income	14,204	13,806	12,747	
Government Payments	19,073	20,979	37,168	
Other Farm Income	35,643	25,519	60,918	
Gross Cash Farm Income	355,175	257,096	\$ 629,223	
Cash Farm Expense				
Seed	\$ 14,477	\$ 14,379	\$ 25,027	
Fertilizer	22,618	18,468	39,597	
Chemicals	11,484	7,002	25,520	
Crop Insurance	8,460	6,719	16,748	
Crop Miscellaneous	1,096	365	2,291	
Feeder Livestock Purchase	13,089	10,655	17,743	
Purchased Feed	33,545	39,834	48,973	
Breeding Fees	540	480	620	
Veterinary	6,682	6,841	10,554	
Livestock Supplies	2,677	2,363	3,949	
Marketing	3,310	1,401	8,521	
Interest	19,008	16,525	31,329	
Fuel & Oil	21,832	19,069	30,721	
Repairs	23,857	21,214	35,263	
Custom Hire	11,904	7,368	21,470	
Hired Labor	6,746	2,397	10,401	
Land Rent	28,719	21,829	48,181	
Machinery Bldg & Lvstk Lease	2,758	717	5,696	
Real Estate Taxes	3,638	2,564	7,657	
Farm Insurance	6,094	5,295	10,704	
Utilities	5,188	4,307	7,174	
Miscellaneous Expense	9,043	8,001	10,520	
Total Cash Farm Expense	\$ 256,765	\$ 217,793	\$ 418,661	
Net Cash Farm Income	\$ 98,410	\$ 39,303	\$ 210,562	
Total Inventory Change	\$ 6,314	\$ (9,382)	\$ 10,388	
Net Operating Profit	\$ 104,724	\$ 29,921	\$ 220,950	
Total Depreciation	\$ (23,125)	\$ (19,044)	\$ (38,523)	
Gain or Loss on Capital Sales	\$ 3	\$ 147	\$ 2	
Net Farm Income	\$ 81,602	\$ 11,024	\$ 182,429	

Livestock Enterprise Analysis
North Dakota Farm Business Management Education Program
2013 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%	
	50		10		10	
	Quantity	Value	Quantity	Value	Quantity	Value
Beef Calves sold (lb)	488.5	\$ 872.15	445.1	\$ 814.98	504.2	\$ 882.83
Breeding Herd Depreciation		(99.28)		(227.94)		(3.30)
Other Income		1.71		-		1.18
Gross Margin		\$ 774.58		\$ 587.04		\$ 880.71
Direct Expenses						
Protein Vit Minerals (lb)	95.4	\$ 24.23	113.8	\$ 26.61	13.1	\$ 11.97
Corn Silage (lb)	1146.2	17.98	881.1	17.49	1,083.9	17.20
Hay, Alfalfa (lb)	309.1	9.72	633.6	23.13	11.8	0.43
Hay, Other (lb)	5064.1	130.93	3,840.6	129.78	5,111.4	120.10
Pasture (aum)	7.1	111.84	7.1	113.13	7.2	110.70
Other feedstuffs (lb)	416.3	37.56	362.1	23.26	219.1	29.44
Veterinary		23.97		21.70		16.60
Supplies		10.50		10.62		5.17
Fuel & Oil		28.59		31.06		32.02
Repairs		31.57		35.60		30.77
Custom Hire		5.76		2.13		3.09
Marketing		5.50		5.85		1.24
Operating Interest		7.97		5.47		10.49
Total Direct Expenses		\$ 446.12		\$ 445.83		\$ 389.22
Return Over Direct expenses		\$ 328.46		\$ 141.21		\$ 491.49
Overhead Expenses						
Hired labor		\$ 10.37		\$ 1.81		\$ 6.82
Farm insurance		9.38		13.63		10.46
Utilities		9.58		10.10		13.22
Interest		10.32		12.42		8.53
Mach & bldg depreciation		24.50		25.06		18.98
Miscellaneous		12.88		13.80		12.18
Total Overhead Expenses		\$ 77.03		\$ 76.82		\$ 70.19
Total Direct & Overhead exp		\$ 523.15		\$ 522.65		\$ 459.41
Net Return		\$ 251.43		\$ 64.39		\$ 421.30
labor & management charge		\$ 69.92		\$ 82.87		\$ 74.41
Net return over lbr & mgt		\$ 181.51		\$ (18.48)		\$ 346.89
Cost of Production per Cwt produced						
Total direct expense		\$ 91.33		\$ 100.15		\$ 77.20
Total dir & ovhd expense/unit		\$ 107.11		\$ 117.41		\$ 91.12
With other revenue adjustments		\$ 127.44		\$ 168.65		\$ 91.77
With labor & management		\$ 141.75		\$ 187.27		\$ 106.53

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Northwood

Sonja Flaagan

sonja.flanagan@lrscc.edu
Lake Region State College @
Northwood
202 Main Street S - Suite 1
Northwood, ND 58267
701-213-6860 Cell

Oakes

Lance Brower

Lance.brower@sendit.nodak.edu
Oakes Farm Business Management
204 Kola Avenue
Oakes, ND 58474
701-742-2021
701-658-9020 Cell

Rugby

Allen Graner

allen.graner@dakotacollege.edu
Dakota College at Bottineau @
Rugby Public School
1123 South Main
Rugby, ND 58368-2428
701-776-5095
701-776-5091 Fax
701-208-0303 Cell

Wahpeton

Keith Torgerson

Keith.Torgerson@ndscs.edu
ND State College of Science
800 6th Street N
Wahpeton, ND 58076-0002
701-671-2630
701-671-2171 Fax
701-640-0238 Cell

Williston

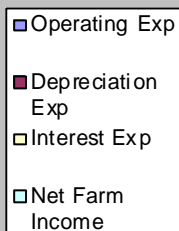
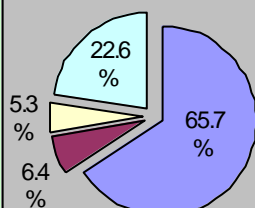
Beau Anderson

Beau.D.Anderson@willistonstate.edu
Williston State College
1410 University Avenue
Williston, ND 58802
701-774-4241
701-570-3506 Cell

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	Avg.of All Farms 50	Low 20% 10	High 20% 10
Number of Farms			
Other Information			
Number of cows	191.2	155.3	170.2
Pregnancy percentage	96.0	96.4	94.0
Pregnancy loss percentage	2.8	3.4	2.0
Culling Percentage	16.3	14.2	17.3
Calving Percentage	93.3	93.1	92.1
Weaning Percentage	87.4	86.2	87.3
Calf death loss percent	6.8	7.1	6.3
Cow death loss percent	1.8	2.8	0.8
Average weaning weight	523	496	541
Lb weaned/exposed female	458	428	473
Avg wgt/beef calf sold	539	506	544
Avg price/cwt.	\$ 175.29	\$ 178.15	\$ 174.34
Feed cost per cow	\$ 332.25	\$ 333.39	\$ 289.84

Efficiency Measures



Financial Standards Measure

ND Farm Business Management Education Program
2013 Beef Farm Report (Sorted by Net Farm Income)

	Avg of All Farms 85	Low 20% 17	High 20% 17
Number of Farms			
Liquidity			
Current Ratio	1.95	1.54	2.21
Working Capital	159,257	74,642	339,018
WC to gross Inc	44.1%	30.1%	52.3%
Solvency (cost)			
Farm debt to Asset ratio	42%	56%	36%
Profitability (cost)			
Rate of return on Farm assets	5.7%	-0.7%	8.1%
Rate of return on Farm equity	6.9%	-5.8%	10.2%
Net Farm Income	81,602	11,024	182,429
Repayment capacity			
Term Debt Coverage ratio	2.08	0.9	2.91
Efficiency			
Operating expense ratio	65.7%	81.7%	60.9%
Depreciation expense ratio	6.4%	7.7%	5.9%
Interest Expense ratio	5.3%	6.3%	5.0%
Net farm income ratio	22.6%	4.4%	28.1%

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N.D. Farm and Ranch Business Management Regional and State Averages for 2013.

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ND Farm Bureau RDO Equipment BNSF Railway DuPont Pioneer AT&T
Lynnes Welding Training International Certification Services

Cost-Return Projection -- Beef Cow-Calf Enterprise (Per Cow), 2014 ¹

									N.D. Avg.	Your Numbers
VARIABLE COST PER COW:										
1.	Summer Pasture							\$	116.00	\$
2.	Hay--Forage								165.00	
3.	Other feed								30.00	
4.	Protein and Mineral								22.00	
5.	Hired Labor, Custom Hire								19.00	
6.	Veterinary, Drugs, and Supplies								25.00	
7.	Utilities, Fuel, and Oil								35.00	
8.	Facilities and Equipment Repairs								35.00	
9.	Breeding Charge								10.00	
10.	Marketing								15.00	
11.	Miscellaneous								20.00	
12.	Interest								10.00	
A. TOTAL VARIABLE COSTS								\$	502.00	\$
FIXED COSTS PER COW										
13.	Depreciation							\$	28.00	\$
14.	Interest								10.00	
15.	Insurance								9.00	
16.	Cow interest, death loss								60.00	
B. TOTAL FIXED COSTS								\$	107.00	\$
C. TOTAL COSTS PER COW (A + B)								\$	609.00	\$
RETURNS PER COW ²										
				Your Numbers						
		%	x	Weight	x	Price				
17.	Steers: .45 x 550 x 1.85		x		x		\$	457.88	\$	
18.	Heifers: .26 x 530 x 1.7		x		x			234.26		
19.	Cull cows; .14 x 1200 x .75		x		x			126.00		
20.	Cull heifers: .05 x 900 x 1.3		x		x			58.50		
D. GROSS RETURNS PER COW								\$	876.64	\$
E. RETURN OVER VARIABLE COSTS (D - A)								\$	374.64	\$
F. RETURN OVER TOTAL COSTS (D - C) ³								\$	267.64	\$
¹ Information in this budget is based on the <u>North Dakota Farm and Ranch Business Management Annual Report, 2013</u> .										
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.

Photos submitted by: Jory Hansen, Lynsey Frey, & Kirsten Friedt



Dickinson**Lynsey Frey**

lynsey.frey.1@bismarckstate.edu

Bismarck State College @

Dickinson Research Extension Center

1041 State Avenue

Dickinson, ND 58601

701-456-1121

701-720-2323 Cell

701-456-1125 Fax

Fargo**Ron Smithberg**

Ronald.Smithberg@ndscs.edu

NDSCS-Fargo Farm Business Mgt

1305 19th Avenue N

Fargo, ND 58102

701-231-6931

701-371-5335 Cell

701-231-6905 Fax

Glen Ullin**Don Hagen**

Donald.Hagen@sendit.nodak.edu

Glen Ullin Public School

PO Box 548

Glen Ullin, ND 58631

701-348-3590

701-348-3084 Fax

Jamestown**Virgil Dagman**

virgil.dagman@sendit.nodak.edu

James Valley Career & Tech Center

910 12th Avenue NE

Jamestown, ND 58401-6513

701-952-4166

701-952-4174Fax

701-730-4782 Cell

Langdon**Rodney Armstrong**

rodney.armstrong@lrsc.edu

Lake Region State College @

Langdon Research Extension Center

9280 107th Avenue NE

Langdon, ND 58249

701-256-2582

701-256-2580 Fax

Minot**BillieJo Shae**

billiejo.shae@dakotacollege.edu

Dakota College at Bottineau @

NW ND CTE Center

1100 11th Avenue SW

Minot, ND 58701-4206

701-420-1802

701-857-4521 Fax

Balance Sheet at Cost Values

North Dakota Farm Business Management Education Program

2013 Beef Farm Report (Farms Sorted by Net Farm Income)

	Avg of all farms	Low 20%	High 20%
Number of Farms	85	17	17
Assets			
Current Farm Assets			
Cash and checking balance	29,940	26,190	46,981
Prepaid expenses & supplies	12,056	7,122	24,765
Growing crops	2,358	1,795	2,309
Accounts receivable	12,166	3,314	43,421
Hedging accounts	456	619	157
Crops held for sale or feed	142,799	99,065	281,936
Crops under government loan	0	0	0
Market Livestock held for sale	127,901	75,332	218,901
Other current asset	12	59	0
Total Current Farm Assets	\$ 327,688	\$ 213,496	\$ 618,470
Intermediate Farm Assets			
Breeding livestock	205,969	154,739	286,400
Machinery & equipment	209,806	155,689	395,809
Titled vehicles	36,259	30,608	53,622
Other intermediate assets	2,032	1,984	2,261
Total Intermediate Farm Assets	\$ 454,066	\$ 343,020	\$ 738,092
Long Term Assets			
Farm land	320,915	205,938	608,451
Buidlings & improvements	63,652	45,600	129,627
Other long-term assets	9,573	3,503	20,527
Total Long-term assets	\$ 394,140	\$ 255,041	\$ 758,605
Total Farm Assets	\$ 1,175,894	\$ 811,557	\$ 2,115,167
Total Nonfarm assets	\$ 151,159	\$ 85,427	\$ 200,542
Total Assets	\$ 1,327,053	\$ 896,984	\$ 2,315,709
Liabilities			
Current Farm Liabilities			
Accrued Interest	9,104	6,737	14,525
Accounts payable	9,367	10,456	13,617
Current notes	108,336	87,232	188,981
Government crop loans	0	0	0
Principal due on term debt	41,624	34,429	62,329
Total Current Farm Liabilities	\$ 168,431	\$ 138,854	\$ 279,452
Total Intermediate Farm Liabs	\$ 132,450	\$ 116,116	\$ 147,653
Total Long-term Farm Liabilities	\$ 189,468	\$ 197,206	\$ 335,063
Total Farm Liabilities	\$ 490,349	\$ 452,176	\$ 762,168
Total Nonfarm Liabilities	\$ 23,456	\$ 18,574	\$ 32,730
Total Liabilities	\$ 513,805	\$ 470,750	\$ 794,898
Net Worth (farm & non farm)	\$ 813,248	\$ 426,234	\$ 1,520,811
Net Worth change	\$ 77,095	\$ 13,005	\$ 178,624

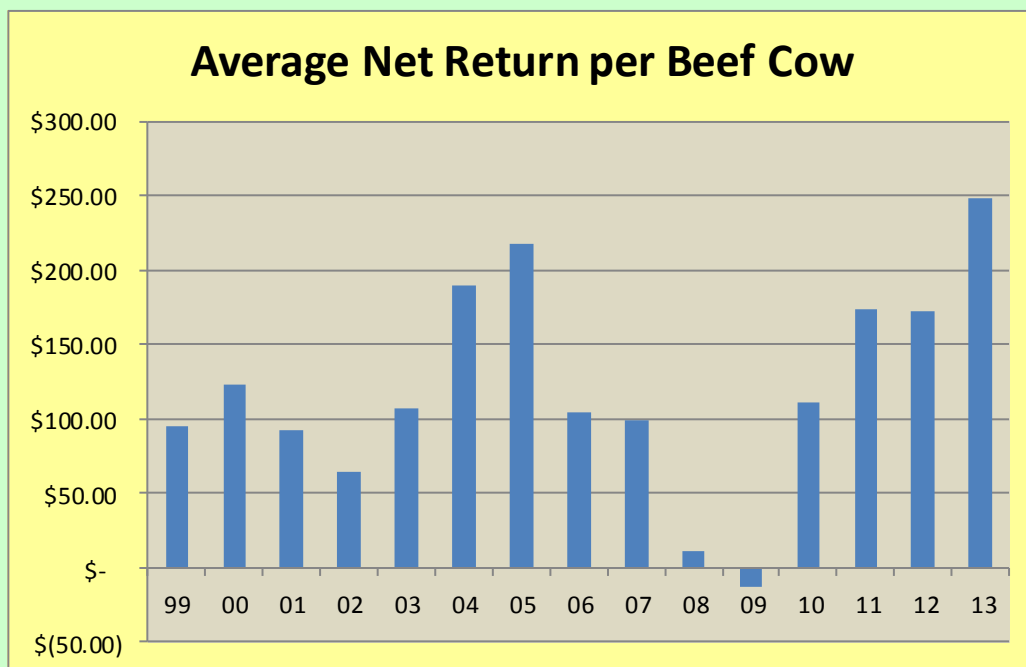
2013



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 \$321 per cow more profit than the 20% least profitable ranches. The high profit group averaged \$272 per cow, the lowest profit group averaged -\$49 per cow, and the average profit was \$122 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.