

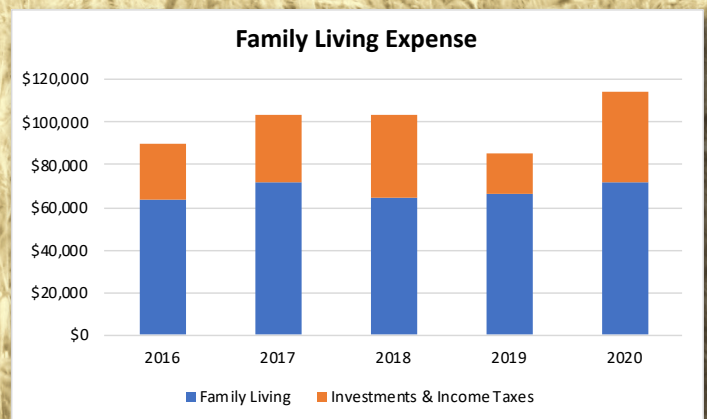
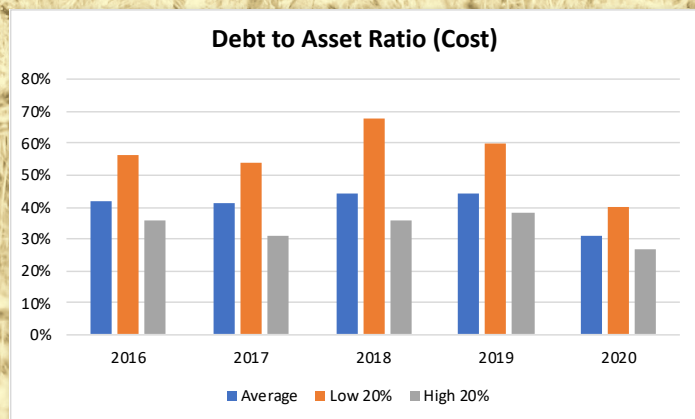
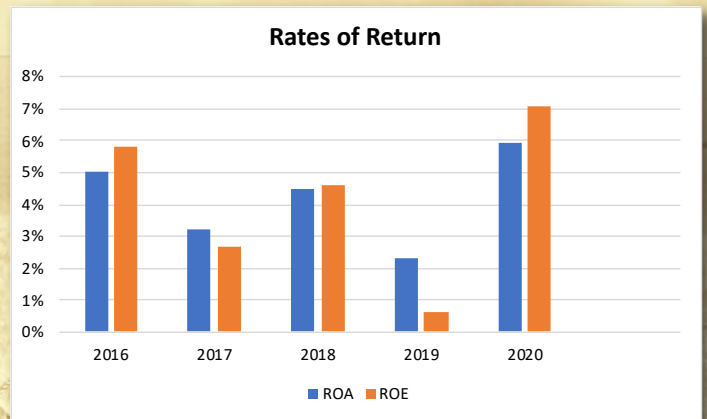
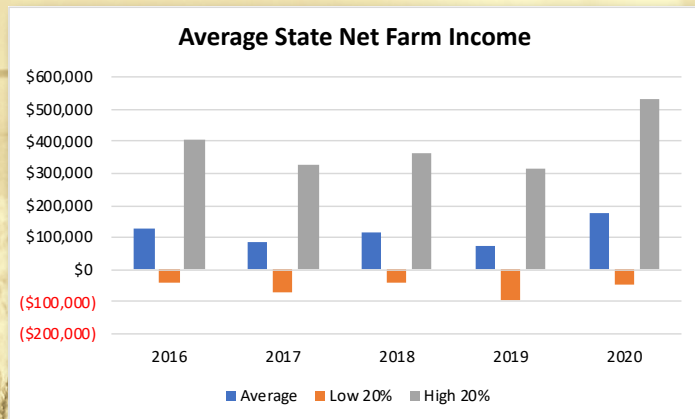
ND FARM MANAGEMENT EDUCATION

Highlights from the 2020 North Dakota Averages

The average net farm income for the 327 farms that were included in the 2020 North Dakota Farm and Ranch Business Management Education Report was \$176,038 compared to \$74,100 in 2019. Median net farm income, probably a better measure of the typical farm, was \$118,208, compared to \$39,002 in 2019 and \$80,927 in 2018. Yields were flat to less impressive in comparison to 2019 across the entire state, largely due to the wet fall of 2019 and unharvested/unworked fields going into 2020. Commodity prices were increasingly better than 2019 towards the end of 2020, which helped boost the net farm income. Producers saw a great deal of government payments in 2020 including: CFAP 1 and 2, WHIP+ for 2018 and 2019 crop, EIDL proceeds for Covid relief, PPP funds to aid with the pandemic, and higher than average PLC payments due to the lower commodity prices in 2019. These payments were also a large contributor to the high net farm income in 2020. Cattle feed costs were higher in 2020 and cattle prices were lower in comparison to 2019, ultimately lowering the average net return to \$31.45 per cow in 2020 as compared to \$49.68 per cow in 2019.

Rate of return on assets was 5.9% and rate of return on equity averaged 7.1%. This indicates borrowed money is making returns back to the operation. Term debt coverage ratio improved from a 1.35 in 2019 to a 2.49 in 2020. This ratio represents the ability of the average farmer to make payments with money left over for family living costs and taxes. Working capital for the group averaged \$374,902 compared to \$221,878 in 2019. The net farm income ratio improved from 8.3% in 2019 to 18.3% in 2020, putting farms in a more efficient position in comparison to last year.

The average farm size was 2,667 acres, of which 421 were pasture. The average farmer was 47 years of age and has farmed for 22.5 years. The average non-farm income for 2020 for the farms enrolled in the North Dakota Farm and Ranch Business Management programs was \$38,235 compared to \$37,433 in 2019.



Highlights from the 2020 Red River Valley Averages

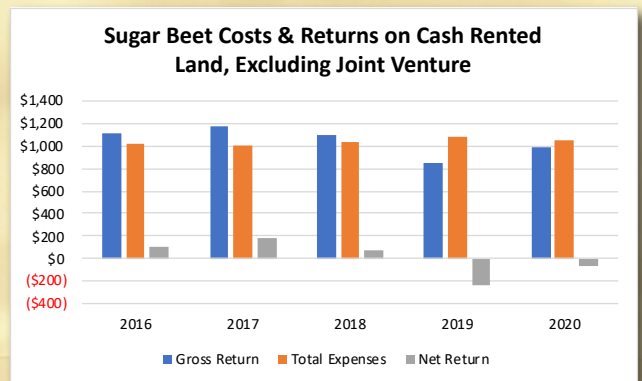
Overview for Red River Valley

The Red River Valley overview includes information from 216 farms located up and down the Red River Valley. Net Farm Income increased from \$53,472 in 2019 to \$199,529 in 2020. Factors that caused this year's net farm income to increase include high government payments and higher commodity prices. Sugar beets performed at a loss for a second year in a row. Harvest conditions were much more ideal than in 2019, but growers in the southern valley still saw negative net returns due to several other factors. Corn and soybean yields were about average for the region, but higher crop prices at the end of the year paired with government payments returned higher profits than 2019.

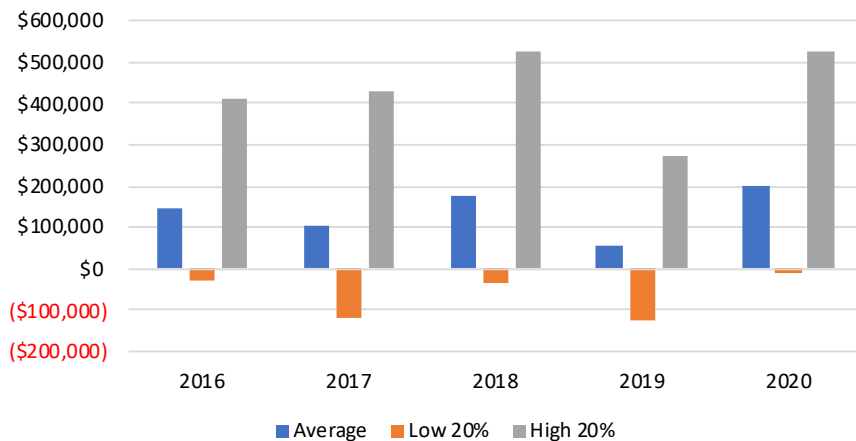
The average farmer in the Red River Valley was 47 years of age with 24 years of farming experience. The average size farm was 1,857 acres and farmers spent an average of \$1,013,091 on input costs, a 14% increase from 2019. Machinery purchased was slightly up from 2019, totaling \$98,906 as compared to \$87,098. Farms sold an average of \$19,673 of machinery.

2020 Average Crop Yields and Returns on Cash Rented Land

	Soybeans (bu/ac)	HRSW (bu/ac)	Corn (bu/ac)
Yield /ac	38	60	169
Total Expense/ac	\$375.32	\$401.03	\$618.37
Net Return/ac	\$48.34	-\$14.45	\$97.33
Cost/unit produced	\$9.91	\$6.67	\$3.65



Red River Valley Net Farm Income



The average net farm income for 2020 was \$199,529 compared to \$53,472 in 2019. In addition, non-farm income averaged \$31,402 in 2020 compared to \$26,390 in 2019

Summary of Cash Flows

Gross Farm Income	\$1,220,291
Non Farm Income	\$31,402
Total Cash Farm Exp.	\$1,013,091
Income Taxes	\$15,616
Family Living	\$68,597
Money Borrowed	\$824,233
Principal Payments	\$769,569

Highlights from the 2020 North Dakota Region 2 Averages

Overview for Region 2

The north central region of North Dakota experienced a large increase in profitability in 2020 due to increased commodity prices and government payments. The regional report from 112 farms showed an average return of \$154,595, which was an increase of \$83,545 from the previous year's NFI of \$71,050. In 2020, the average farm consisted of 2,241 crop acres, and 373 acres of pasture, up slightly from acreage reported in 2019. The average farm operator's age increased slightly to 45.1 years of age from 44.9 and has been farming for 20.6 years. The average farm's operating expense ratio was 67.3% compared to 75.9% in 2019 and the net farm income ratio increased substantially to 19.7% from 9.3%. The average farm showed an increase in their current ratio to 1.97 compared to 1.59 in 2019 along with a 29.1.% increase in working capital to \$299,118. The term debt coverage ratio improved to 2.44 compared to 1.23 in 2019.

2020 Average Crop Yields and Returns on Cash Rented Land

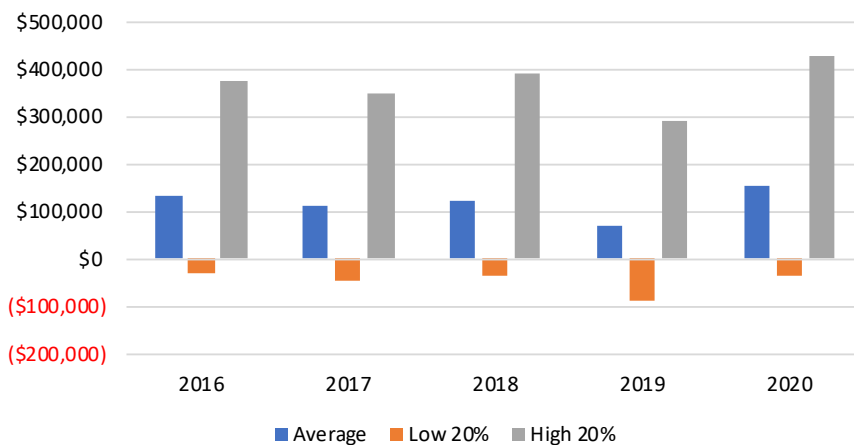
	Sunflower (cwt/bu)	Soybeans (bu/ac)	Barley (bu/ac)	Canola (cwt/ac)	HRSW (bu/ac)	Corn (bu/ac)
Yield/ac	21.41	29.48	71.11	21.69	55.92	99.22
Total Expense/ac	\$311.44	\$279.32	\$287.21	\$325.50	\$281.75	\$415.94
Net Return/ac	\$103.76	\$25.45	\$32.34	\$64.82	\$36.76	-\$25.51
Cost/unit produced	\$14.55	\$9.47	\$4.04	\$15.01	\$5.04	\$4.19

2020 Cow/Calf

	Average
Gross Margin/cow	\$786.58
Direct Expense/cow	\$599.37
Overhead Expense/cow	\$88.12
Total Expense/cow	\$687.49
Net return/cow	\$99.09

Cow/Calf producers saw increased returns in 2020 from 2019 due to increased government payments. The average gross margin for whole herd with backgrounding was \$786.58 per cow with a net return of \$99.09 per cow. Compared to 2019, this was an increase of \$102.30/cow in gross margin and an increase of \$98.27/cow in net return. Direct and overhead costs per cow showed an increase of \$4.03 to \$687.49. Direct and overhead costs per cwt. produced were \$135.56, compared to \$126.09/cwt in 2019. Average prices received were \$142.94/cwt in 2020, \$6.29 higher than the \$136.65/cwt received in 2019.

Region 2 Net Farm Income



The average net farm income for 2020 was \$251,033 compared to \$46,789 in 2019. In addition, non-farm income averaged \$45,979 in 2020 compared to \$38,984 in 2019.

Summary of Cash Flows

Gross Farm Income	\$830,259
Non Farm Income	\$45,979
Total Cash Farm Exp.	\$611,796
Income Taxes	\$14,047
Family Living	\$71,048
Money Borrowed	\$714,044
Principal Payments	\$690,768

Highlights from the 2020 North Dakota Region 3 Averages

Overview for Region 3

The south central region of North Dakota had a more profitable year than 2019. The average net farm income for the 72 farms included in the Farm Business Management Education Program Summary was \$199,441 and was \$83,758 more than the average net farm income of \$115,683 generated in 2019.

The average farm consisted of 2,870 crop acres, of which 671 were owned, 2,156 were rented, and 43 acres were share cropped. 2020 showed an average of 369 acres of pasture or rangeland. The average farm operator was 47.5 years of age and had been farming for 23 years.

While yields were basically flat for HRSW and durum, compared to 2019, yields for soybeans and corn were down by 15% to 19%. The largest drop was in barley yields which fell 21% while pinto bean average yields increased by approximately 5%. While most crops had similar average sales prices compared to 2019, barley dropped by 26% and canola was down by approximately 11%. Leading the list of profitable crops were sunflowers, followed by pinto beans, durum, prevent plant, corn, HRSW and soybeans.

The average net income per cow, as reflected with the calves weaned, was a -\$46.47 which included the government payments of \$124.57 per cow. The average cost of production, including herd inventory change, was calculated to be \$149.99 per cwt. This per cow profit was similar to the -\$30.68 from 2019.

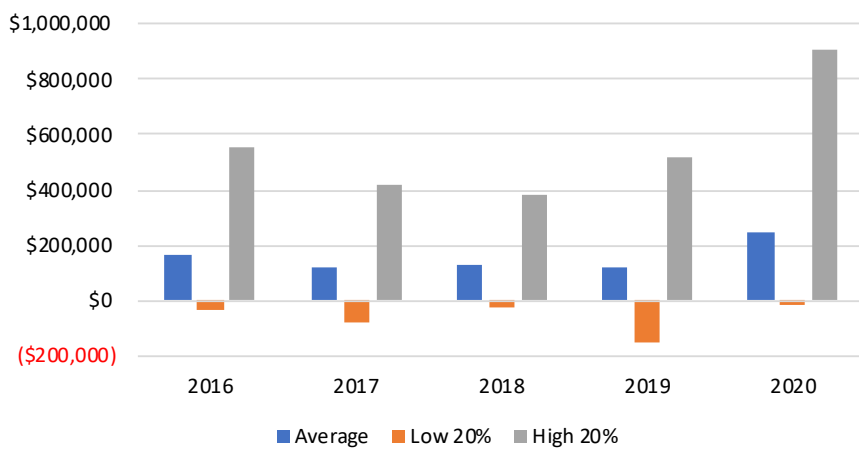
2020 Average Crop Yields and Returns on Cash Rented Land

	HRSW (bu/ac)	Durum (bu/ac)	Corn (bu/ac)	Soybeans (bu/ac)	Pinto Beans (cwt/ac)	Sunflower (cwt/bu)
Yield/ac	59.43	57.52	116.21	31.34	17.45	24.02
Total Expense/ac	\$311.80	\$326.35	\$485.44	\$300.78	\$453.76	\$318.69
Net Return/ac	\$49.13	\$82.00	\$64.76	\$47.00	\$93.70	\$157.69
Cost/unit produced	\$5.25	\$5.67	\$4.18	\$9.60	\$26.00	\$13.27

2020 Cow/Calf

	Average
Gross Margin/cow	\$709.94
Direct Expense/cow	\$609.93
Overhead Expense/cow	\$146.48
Total Expense/cow	\$756.41
Net return/cow	-\$46.47

Region 3 Net Farm Income



The average net farm income for 2020 was \$251,033 compared to \$115,683 in 2019. In addition, non-farm income averaged \$38,839 in 2020 compared to \$40,097 in 2019.

Summary of Cash Flows

Gross Farm Income	\$1,346,336
Non Farm Income	\$38,839
Total Cash Farm Exp.	\$954,625
Income Taxes	\$19,149
Family Living	\$77,283
Money Borrowed	\$970,370
Principal Payments	\$1,002,348

Highlights from the 2020 North Dakota Region 4 Averages

Overview for Region 4

In 2020 the biggest change that we saw in Western North Dakota was net farm income coming in at \$112,553 compared to \$46,789 in 2019. However, looking closer you will notice that government payments in 2020 were \$126,783. This is more than double the amount then what was received in 2019. Without government payments included the average net farm income would have been negative.

Yields for the five crops highlighted all decreased in 2020 except Sunflowers which saw a significant yield increase. Sunflowers also had the highest net return of these crops in 2020. Higher market prices for these crops are a positive going into 2021, but many producers were not able to take advantage of the higher prices as they had already sold much of their inventory. Optimism is high if we can continue to see higher prices through at least the next two crop years and beyond. Drought is a major concern going into 2021, and this will be watched closely as Spring planting begins.

Cow/ Calf profitability saw a positive increase this year coming at \$65.41 in 2020 compared to \$33.89 in 2019. Producers would like to see the net profit per cow to climb well above \$100 going forward, but drought concerns and higher corn prices may put downward pressure on the calf prices.

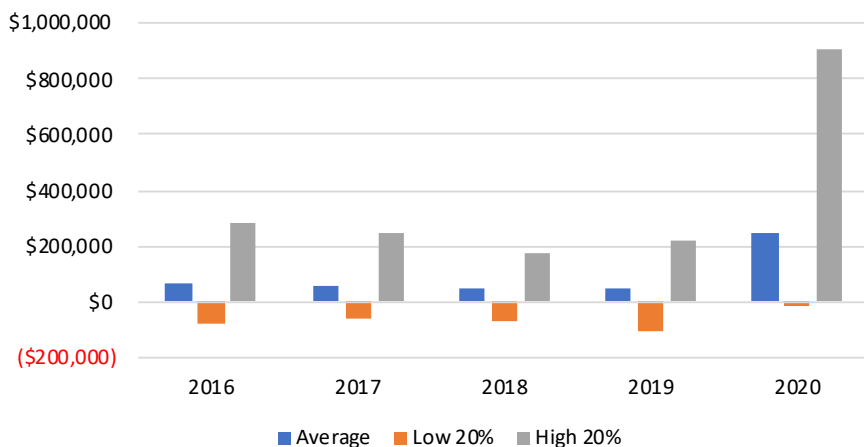
2020 Average Crop Yields and Returns on Cash Rented Land

	<i>HRSW (bu/ac)</i>	<i>Corn (bu/ac)</i>	<i>Soybeans (bu/ac)</i>	<i>Sunflowers (cwt/ac)</i>
Yield/ac	44.03	69.23	25.14	19.41
Total Expense/ac	\$236.63	\$348.68	\$265.94	\$268.34
Net Return/ac	\$22.14	\$-30.66	\$45.16	\$141.14
Cost/unit produced	\$5.37	\$5.04	\$10.58	\$13.82

2020 Cow/Calf

	<i>Average</i>
Gross Margin/cow	\$800.18
Direct Expense/cow	\$622.05
Overhead Expense/cow	\$22.14
Total Expense/cow	\$734.77
Net Return/cow	\$65.41

Region 4 Net Farm Income

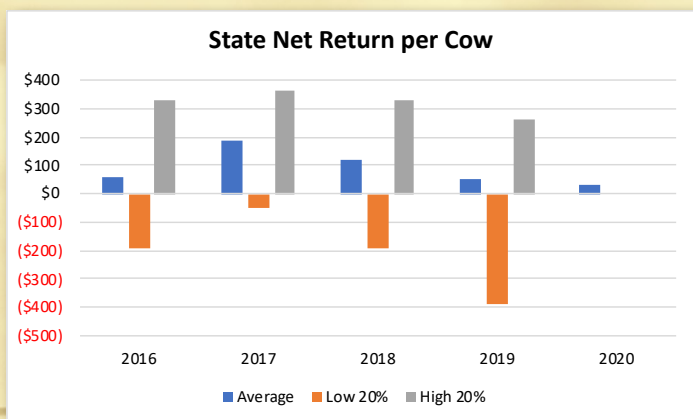
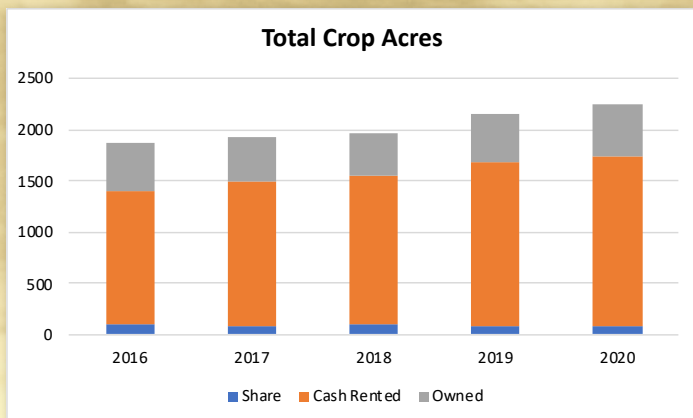


The average net farm income for 2020 was \$251,033 compared to \$46,789 in 2019. In addition, non-farm income averaged \$38,839 in 2020 compared to \$40,097 in 2019.

Summary of Cash Flows

Gross Farm Income	\$860,689
Non Farm Income	\$48,207
Total Cash Farm Exp.	\$677,283
Income Taxes	\$9,753
Family Living	\$54,705
Money Borrowed	\$488,440
Principal Payments	\$520,333

More Highlights from the 2020 North Dakota Farm & Ranch Business Management Averages



Cow-Calf Herds

	2020	2019	Difference
Average weaning weight	564#	549#	15#
Average price of calves sold directly off cow	\$144.49	\$151.18	-\$6.69
Feed cost per cow	\$412.03	\$372.18	\$39.85
Net return per cow	\$31.45	\$49.68	-\$18.23

Beef Backgrounding

	2020	2019	Difference
Average lbs gained/head	102.5#	116.2#	-13.7#
Net return/cwt produced	\$19.41	\$49.26	-\$29.85
Average sale price	\$134.78	\$148.96	-\$14.18
Lbs of feed fed/lb of gain	37.93#	13.21#	24.72#
Average daily gain	1.50#	2.15#	-0.65#

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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.”