

2011 Michigan Dairy Farm Business Analysis Summary

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by

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Table of Contents Page

Summary.....	3
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List of Tables

Summary Tables

1. Average Farm Characteristics, 2007-2011.....	3
2. Average Income Statement, 2007-2011.....	3
3. Average Profitability Indicators, 2007-2011.....	4
4. Average Income and Expenses--all herds.....	5
5. Average Income and Expenses--herds with that item...	6
6. Average Income and Expenses, last five years.....	7
7. Characteristics by Herd Size.....	7
8. Income Statement by Herd Size.....	8
9. Profitability Indicators by Herd Size.....	8

A) Financial Summary of Dairy farms, All Herd Sizes

10. Livestock, Crop Production and Marketing Summary...	9
11. Farm Income Statement.....	10
12. Inventory Changes.....	13
13. Depreciation and Other Capital Adjustment.....	14
14. Profitability Measures.....	15
15. Liquidity & Repayment Capacity Measures.....	16
16. Balance Sheet at Cost Values.....	17
17. Balance sheet at Market Values.....	18
18. Statement of Cash Flows.....	19
19. Financial Standards Measures.....	20
20. Operator and Labor Information.....	21
21. Financial Summary.....	22
22. Summary Farm Income Statement.....	23

B) Financial Summary of Dairy Farms with 40 to 99 Cows..... 24 Tables 23 to 35

C) Financial Summary of Dairy Farms with 100 to 249 Cows..... 39 Tables 36 to 48

D) Financial Summary of Dairy Farms with 250 to 449 Cows.... 54 Tables 49 to 61

E) Financial Summary of Dairy Farms with 450+ Cows..... 69 Tables 62 to 74

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Summary

This report summarizes the financial and production records of 101 dairy farms from throughout Michigan in 2011. To be included, the farms must have produced at least 50 percent of gross cash farm income from milk and dairy animal sales. The records came from Michigan State University's TelFarm system and the Farm Credit Service system in Michigan. The values were pooled into averages for reporting purposes. The average herd included here is larger than would be the average dairy herd in Michigan. Average values are reported in the summary tables and discussion that follows but one should be aware that considerable variation across herds exists in virtually every measure.

In 2011, the average dairy farm in the business analysis had 303 cows producing an average of 22,340 pounds of milk per cow (Table 1). Milk price, based on gross income, averaged \$20.65/cwt. Relative to 2010: average milk price increased \$3.87/cwt., milk production remained constant or decreased slightly 105 pounds per cow, and average herd size increased 36 cows.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2007-2011

	2007	2008	2009	2010	2011
Average number of cows	217	230	243	267	303
Milk sold per cow (pounds)	21,415	20,849	21,503	22,445	22,340
Average price of milk sold (\$/cwt)	20.21	19.41	13.31	16.78	20.65
Total acres owned	486	486	454	508	452
Total crop acres	811	827	862	805	736
Number of farms	132	116	104	90	101

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2011 averaged \$285,626 which was a significant improvement over the 2008 to 2010 averages. Gross cash farm income for all farms averaged \$1,742,837 in 2011. The largest component of these revenues was milk sales, which averaged \$1,466,372. Sorted by rate of return on assets (market), the net farm income for the low 25% group averaged a \$101,165 while the high 25% group averaged \$421,026 a \$319,861 difference.

Table 2. Average Michigan Dairy Farm Income Statement, 2007-2011

	2007	2008	2009	2010	2011
	(\$)	(\$)	(\$)	(\$)	
Gross cash farm income	1,175,551	1,198,273	1,046,327	1,302,891	1,742,837
- Total cash expense	<u>949,092</u>	<u>959,454</u>	<u>937,998</u>	<u>1,095,827</u>	<u>1,408,613</u>
= Net cash farm income	226,460	238,819	108,329	207,064	334,224
+ Inventory change*	94,623	2,498	-66,854	103,606	116,185
+ Depreciation + capital adjust*	<u>-103,834</u>	<u>-127,093</u>	<u>-103,868</u>	<u>-115,560</u>	<u>-164,823</u>
= Net farm income	217,248	114,224	-62,393	195,560	285,586

*Changes calculated as ending value minus beginning value.

To put the profit values in perspective, we calculate profitability ratios. Rate of return on assets (ROA) is the farm operating profit (equal to net farm income plus interest expense less value of operator labor and management) divided by average total farm asset value (valued at current market value). Rate of return on assets is a measure of how much profit the farm business assets generated. The average 2011 dairy farm ROA (market) was 11.2 percent. The average 2011 ROE (market) was 13.7 percent, with ROE greater than ROA an indicator of profits on borrowed money. Operating profit margin is the operating profit divided by gross revenues. Operating profit margin measures the dollars of profit generated per dollar of revenue. In 2011, Michigan dairy farms generated 33.5 cents of profit per dollar of revenue. Asset turnover (ATO) is gross farm revenue divided by average asset value. Asset turnover measures the efficiency with which farm assets generate revenue. The average ATO value was 33.3 percent in 2011.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2007-2011

	2007	2008	2009	2010	2011
	(%)	(%)	(%)	(%)	(%)
Rate of return on assets*	11.3	7.0	0.4	7.0	11.2
Rate of return on equity	13.3	7.5	-1.6	7.7	13.7
Operating profit margin	33.1	23.1	1.8	23.9	33.5
Asset turnover rate*	34.1	30.5	22.5	29.2	33.3

* Assets valued at market value.

Tables 4 and 5 display average income and expenses per hundredweight (cwt) of milk and per cow. Income and expenses were adjusted to an accrual basis. Average, accrual adjusted income and expenses per cropped acre were also included. Government payments include all farm government payments as it was not possible to separate crop from dairy payments.

Table 4 contains the average income and expense items across all 101 dairy farms in the 2011 summary while Table 5 displays the average income and expense items for farms that reported that item. For example, all farms had milk income so that income is identical in both tables. In contrast, only some farms reported DHIA expense so that item is larger when averaged only across those farms with that expense. *These tables should not be interpreted as an estimate of the true cost of producing milk.* Income related to the milking herd and cash crop sales are reported in Tables 4 and 5. Unpaid factors, including labor, management and capital, are not accounted for in the expense items. In addition, the allocation of resources amongst farm enterprises is not accurately reflected leaving the milking herd as the residual claimant on all expenses (especially labor costs).

The bottom section of Tables 4 and 5 presents crop related expenses divided by the total cropped acres. Again, these values should not be interpreted as cost of crop production--to accurately calculate a crop cost of production requires labor and management (among other) expenses that could not be separated out in these financial records.

Table 4. Average income and expenses across *all farms, 2011**

Income Items:	Per cwt.	Per Cow
Milk	\$20.65	\$4591.17
Cull Cows and Calves	\$1.18	\$262.28
Dairy Steers	\$1.09	\$227.43
Dairy Heifers	\$0.25	\$59.79
Government Payments	\$0.38	\$76.94
Patronage Dividends, cash	\$0.18	\$41.34
Crop Sales	\$4.27	\$829.04
Other Cash Income	\$0.69	\$149.60
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$6.01	\$1359.76
Breeding Fees	\$0.20	\$45.80
Veterinary	\$0.52	\$117.63
Livestock Supplies	\$0.73	\$155.93
DHIA	\$0.10	\$21.88
Milk & Livestock Mkt. & Trucking	\$0.92	\$200.27
Interest	\$0.91	\$189.74
Fuel and Oil	\$1.29	\$270.36
Repairs	\$1.46	\$307.85
Custom Hire	\$0.72	\$161.07
Hired Labor	\$2.78	\$618.98
Leases	\$0.33	\$72.71
Real Estate Taxes	\$0.31	\$64.87
Farm Insurance	\$0.39	\$78.36
Utilities	\$0.66	\$137.48
Dues, Professional Fees	\$0.18	\$37.64
Miscellaneous	\$0.64	\$141.04
Machinery Depreciation	\$1.58	\$340.39
Building Depreciation	\$0.80	\$177.30
Family Living	\$1.78	\$367.81
Expense Items per Cropped Acre:	Per Acre	
Seed	\$57.58	
Fertilizer	\$75.78	
Crop Chemicals	\$23.26	
Crop Insurance	\$8.56	
Crop Miscellaneous	\$36.87	
Land Rent	\$46.94	

* All income and expense items averaged across all 101 farms whether or not they had that income or expense item. Other cash income includes custom work, insurance claims, and miscellaneous income.

Table 5. Average income and expenses across farms with that item*, 2011

Income Items:	Per cwt.	Per Cow
Milk	\$20.65	\$4591.17
Cull Cows and Calves	\$1.22	\$270.31
Dairy Steers	\$3.55	\$854.52
Dairy Heifers	\$0.52	\$123.24
Government Payments	\$0.41	\$82.67
Patronage Dividends, cash	\$0.23	\$52.19
Crop Sales	\$6.84	\$1329.09
Other Cash Income	\$0.77	\$167.88
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$6.01	\$1359.76
Breeding Fees	\$0.23	\$53.79
Veterinary	\$0.52	\$117.63
Livestock Supplies	\$0.78	\$165.78
DHIA	\$0.18	\$40.18
Milk & Livestock Mkt. & Trucking	\$0.92	\$200.27
Interest	\$0.98	\$203.87
Fuel and Oil	\$1.29	\$270.36
Repairs	\$1.46	\$307.85
Custom Hire	\$0.80	\$178.77
Hired Labor	\$2.92	\$651.22
Leases	\$0.55	\$120.39
Real Estate Taxes	\$0.34	\$70.45
Farm Insurance	\$0.39	\$78.36
Utilities	\$0.66	\$137.48
Dues, Professional Fees	\$0.19	\$39.01
Miscellaneous	\$0.64	\$141.04
Machinery Depreciation	\$1.58	\$340.39
Building Depreciation	\$0.80	\$177.30
Family Living	\$1.78	\$367.81
Expense Items per Cropped Acre:	Per Acre	
Seed	\$59.34	
Fertilizer	\$84.11	
Crop Chemicals	\$27.01	
Crop Insurance	\$18.39	
Crop Miscellaneous	\$36.87	
Land Rent	\$50.98	

* Income and expense items averaged only across farms with that item.

Table 6 compares major production, income and expense items across all farms over a five year time frame. The average milk price reached a new high in 2011. Purchased feed expense also reached a new high in 2011

Table 6. Average of Major Production, Income and Expenses Items (across all farms)

	2007	2008	2009	2010	2011
Milk sold per cow (pounds)	21,415	20,849	21,503	22,445	22,340
Average price of milk sold (\$/cwt)	20.21	19.41	13.31	16.78	20.65
Purchased Feeds (\$/cwt)	5.32	5.56	4.56	4.83	6.01
Interest Paid (\$/cwt)	1.38	1.27	1.18	1.10	0.91
Hired Labor (\$/cwt)	2.67	2.84	2.59	2.36	2.78
Fuel and Oil (\$/cwt)	1.22	1.38	0.94	0.95	1.29
Total Depreciation (\$/cwt)	2.85	2.64	1.80	1.84	2.58

Results by Herd Size

To further facilitate financial comparisons and benchmarking, the financial summaries were divided into herd size categories. Beginning with the 2009 summary we have utilized four herd size categories: 40 to 99 cows (20 herds), 100 to 249 cows (45 herds), 250 to 449 cows (18 herds), and 450+ cows (19 herds). These size categories can facilitate benchmarking performance to similar sized farms.

Table 7 displays average characteristics by herd size category. As expected, average milk production per cow was correlated with herd size across the size categories. Milk price was similar across all herd sizes. The smallest herds operated 4.6 crop acres per cow; the medium herds about 4.0 crop acres per cow; and the medium-large herds about 3.0 crop acres per cow and the largest herds about 1.3 crop acres per cow.

Table 7. Average 2011 Michigan Dairy Farm Characteristics by Herd Size Category

	40-99 cows	100-249 cows	250-449 cows	450+ cows
Average number of cows	69	165	315	869
Milk sold per cow (pounds)	18,904	21,732	25,370	25,129
Average price of milk sold (\$/cwt)	20.79	20.62	20.56	20.63
Total acres owned	223	362	500	827
Total crop acres	317	663	957	1,128
Number of farms	20	45	18	19

Table 8 displays the average farm income statement by herd size. Net farm income represents the returns to unpaid factors (i.e., labor, management and equity capital). All herd sizes recorded a positive net income for 2011.

Table 8. Average 2011 Michigan Dairy Farm Income Statement by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	355,162	909,577	1,963,964	5,036,463
- <u>Total cash expense</u>	<u>277,661</u>	<u>723,307</u>	<u>1,548,008</u>	<u>4,139,222</u>
= Net cash farm income	77,501	186,269	415,956	897,241
+ Inventory change *	31,401	38,906	182,800	323,443
+ <u>Depreciation and capital adjustments*</u>	<u>-31,612</u>	<u>-78,470</u>	<u>-179,759</u>	<u>-506,362</u>
= Net farm income	77,290	146,798	418,996	712,322

*Changes calculated as ending value minus beginning value.

Table 9 compares profitability measures across herd size with assets valued at market value. All herd sizes realized positive values in 2011.

Table 9. Average 2011 Michigan Dairy Farm Profitability Indicators by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(%)	(%)	(%)	(%)
Rate of return on assets*	10.5	8.8	12.0	12.1
Rate of return on equity	11.8	10.6	15.0	15.1
Operating profit margin	44.8	28.5	34.1	34.2
Asset turnover rate	23.5	31.1	35.3	35.3

* Assets valued at market value.

A. Financial Summary Information, All 101 Herds

Table 10

Crop Production and Marketing Summary

2011 MI Dairy (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	101	25	26
Average number of cows	303	200	318
Milk production per cow lbs.,	22340	20344	22799
Average milk price per cwt.,	\$20.65	\$20.71	\$20.74
Acreage Summary			
Total acres owned	452	494	441
Total crop acres	736	773	555
Crop acres owned	455	481	367
Crop acres cash rented	280	290	187
Crop acres share rented	1	2	1
Total pasture acres	0	-	1
Percent crop acres owned	62 %	62 %	66 %
Average Price Received (Cash Sales Only)			
Corn per bushel	5.98	5.89	6.14
Wheat, Winter per bushel	6.73	7.56	7.09
Soybeans per bushel	12.00	-	11.24
Straw per ton	31.01	-	-
Haylage, Mixed per ton	82.95	-	-
Corn Silage per ton	50.00	-	-

Table 11

Farm Income Statement
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Cash Farm Income			
Beans, Navy	1,165	-	1,448
Corn	41,249	31,468	50,867
Corn Silage	2,459	596	1,767
Hay, Alfalfa	429	1,290	298
Hay, Mixed	875	399	96
Hay, Mixed Alfalfa/Grass	237	-	787
Haylage, Mixed	1,072	537	-
Oats	155	123	-
Soybeans	28,931	19,087	34,320
Speltz	567	-	-
Straw	291	846	106
Sugar Beets	11,801	15,130	18,898
Wheat, Winter	17,568	7,417	23,859
Miscellaneous crop income	113	15	10
Beef Finishing	642	-	-
Dairy, Milk	1,466,372	906,719	1,537,619
Dairy, Dairy Calves	10,436	3,393	19,240
Dairy Heifers (for sale)	2,070	-	4,095
Dairy Replacement Heifers	1,133	535	2,015
Dairy Finishing	16,789	26,865	14,630
Dairy Feeder	1,829	1,472	137
Dairy Backgrounding	901	3,640	-
User Added Livestock, User Added	975	3,010	-
Cull breeding livestock	76,494	40,787	94,245
Misc. livestock income	916	302	2,369
LDP payments	3,453	-	13,414
Direct, CCP & ACRE pymts	7,265	10,603	7,071
CRP payments	1,044	-	4,057
Other government payments	8,083	5,246	3,539
Custom work income	4,997	2,601	5,046
Patronage dividends, cash	11,733	5,004	10,108
Insurance income	10,810	16,332	5,140
Other farm income	9,984	15,336	10,106
Gross Cash Farm Income	1,742,837	1,118,753	1,865,288

Table 11

Farm Income Statement (Continued)

2011 MI Dairy (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Cash Farm Expense			
Seed	45,651	32,178	45,948
Fertilizer	57,403	51,982	60,207
Crop chemicals	17,357	12,489	16,826
Crop insurance	4,718	1,887	2,804
Drying expense	717	1,414	46
Storage	252	495	-
Crop packaging and supplies	505	1,192	330
Crop hauling and trucking	222	-	9
Crop marketing	141	8	123
Crop miscellaneous	5,473	1,337	13,049
Feeder livestock purchase	5,371	63	20,606
Livestock packaging and supplies	598	-	2,325
Purchased feed	455,180	288,592	489,560
Breeding fees	11,743	7,061	11,424
Veterinary	36,868	21,251	41,546
Livestock supplies	43,479	35,997	27,598
DHIA	2,722	2,052	2,384
Contract production exp.	1,629	-	-
Livestock leases	2,992	79	9,990
Livestock utilities	513	-	-
Livestock hauling and trucking	34,639	24,283	39,055
Livestock marketing	15,403	9,298	13,542
Bedding	19,230	13,817	17,839
Livestock miscellaneous	776	-	612
Interest	52,540	32,467	49,291
Packaging and supplies	4,093	3,769	7,156
Supplies	4,106	-	7,030
Fuel & oil	70,482	57,361	64,453
Repairs	71,005	57,202	65,346
Repair, machinery	3,311	-	5,493
Repair, livestock equip	90	-	350
Custom hire	76,158	25,825	46,056
Repair, buildings	8,552	5,422	2,022
Hired labor	198,935	136,190	175,008
Land rent	39,501	28,316	30,340
Machinery leases	11,085	10,887	14,768
Building leases	7,479	260	28,802
Real estate taxes	14,635	10,079	13,189
Personal property taxes	323	163	512
Farm insurance	19,071	18,927	20,697
Utilities	34,977	27,730	31,689
Hauling and trucking	2,219	1,500	3,184
Dues & professional fees	7,019	7,821	5,310
Miscellaneous	19,448	13,671	13,565
Total cash expense	1,408,613	943,064	1,400,080
Net cash farm income	334,223	175,688	465,208

Inventory Changes			
Prepays and supplies	22,353	-6,062	22,235
Accounts receivable	14,235	3,615	19,414
Hedging accounts	-738	-	-178
Other current assets	11,163	1,840	41,051
Crops and feed	50,695	9,556	78,172
Market livestock	2,531	-3,034	10,244
Breeding livestock	11,278	5,809	-9,334
Other assets	2,096	27	8,355
Accounts payable	1,867	-2,444	-8,170
Accrued interest	705	13	190
Total inventory change	116,185	9,320	161,979
Net operating profit	450,409	185,009	627,187
Depreciation			
Machinery and equipment	-99,721	-56,023	-143,307
Titled vehicles	-300	80	-85
Buildings and improvements	-64,802	-28,067	-62,770
Total depreciation	-164,823	-84,010	-206,161
Net farm income from operations	285,585	100,998	421,026
Gain or loss on capital sales	41	166	-
Net farm income	285,626	101,165	421,026

Table 12

Inventory Changes
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Net cash farm income	334,223	175,688	465,208
Crops and Feed			
Ending inventory	399,952	277,907	434,068
Beginning inventory	349,257	268,350	355,896
Inventory change	50,695	9,556	78,172
Market Livestock			
Ending inventory	22,319	27,271	35,490
Beginning inventory	19,788	30,304	25,246
Inventory change	2,531	-3,034	10,244
Accts Receivable			
Ending inventory	63,194	25,143	78,944
Beginning inventory	48,960	21,529	59,530
Inventory change	14,235	3,615	19,414
Prepaid Expenses and Supplies			
Ending inventory	69,356	38,765	92,879
Beginning inventory	47,003	44,828	70,644
Inventory change	22,353	-6,062	22,235
Hedging Activities			
Ending inventory	331	142	187
Withdrawals	-654	-	-178
Beginning inventory	376	142	187
Deposits	39	-	-
Gain or loss	-738	-	-178
Other Current Assets			
Ending inventory	33,771	18,451	63,955
Beginning inventory	22,608	16,611	22,904
Inventory change	11,163	1,840	41,051
Breeding Livestock			
Ending inventory	727,625	503,033	649,822
Capital sales	5,877	905	15,165
Beginning inventory	701,152	468,140	648,993
Capital purchases	21,073	29,990	25,328
Depreciation, capital adjust	11,278	5,809	-9,334
Other Capital Assets			
Ending inventory	86,805	34,621	70,601
Capital sales	6,686	671	11,288
Beginning inventory	66,262	32,291	64,594
Capital purchases	25,132	2,974	8,939
Depreciation, capital adjust	2,096	27	8,355
Accounts Payable			
Beginning inventory	38,292	40,791	20,377
Ending inventory	36,425	43,235	28,547
Inventory change	1,867	-2,444	-8,170
Accrued Interest			
Beginning inventory	2,724	620	1,424
Ending inventory	2,019	607	1,234
Inventory change	705	13	190
Total inventory change	116,185	9,320	161,979
Net operating profit	450,409	185,009	627,187

Table 13

Depreciation
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Net operating profit	450,409	185,009	627,187
Machinery and Equipment			
Ending inventory	250,063	141,513	234,778
Capital sales	7,308	1,404	4,211
Beginning inventory	224,663	124,849	242,589
Capital purchases	132,430	74,091	139,707
Depreciation, capital adjust.	-99,721	-56,023	-143,307
Titled Vehicles			
Ending inventory	1,180	600	3,412
Capital sales	40	-	-
Beginning inventory	1,291	520	3,496
Capital purchases	229	-	-
Depreciation, capital adjust.	-300	80	-85
Buildings and Improvements			
Ending inventory	373,207	172,832	273,386
Capital sales	2,291	-	8,900
Beginning inventory	361,923	174,581	270,217
Capital purchases	78,377	26,318	74,838
Depreciation, capital adjust.	-64,802	-28,067	-62,770
Total depreciation, capital adj.	-164,823	-84,010	-206,161
Net farm income from operations	285,585	100,998	421,026
Gain or loss on capital sales	41	166	-
Net farm income	285,626	101,165	421,026

Table 14

Profitability Measures
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Profitability (assets valued at cost)			
Net farm income from operations	285,585	100,998	421,026
Rate of return on assets	10.9 %	5.0 %	16.1 %
Rate of return on equity	16.6 %	5.5 %	25.1 %
Operating profit margin	19.5 %	9.7 %	26.0 %
Asset turnover rate	56.0 %	51.7 %	62.1 %
Farm interest expense	51,835	32,454	49,101
Value of operator lbr and mgmt.	71,258	51,462	89,231
Return on farm assets	266,162	81,990	380,896
Average farm assets	2,435,639	1,635,378	2,362,744
Return on farm equity	214,327	49,536	331,796
Average farm equity	1,291,108	896,274	1,321,330
Value of farm production	1,363,409	846,053	1,467,111
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Profitability (assets valued at market)			
Net farm income from operations	475,782	79,751	857,099
Rate of return on assets	11.2 %	2.0 %	19.2 %
Rate of return on equity	13.7 %	1.2 %	23.9 %
Operating profit margin	33.5 %	7.2 %	55.7 %
Asset turnover rate	33.3 %	27.2 %	34.5 %
Farm interest expense	51,835	32,454	49,101
Value of operator lbr and mgmt.	71,258	51,462	89,231
Return on farm assets	456,359	60,742	816,969
Average farm assets	4,091,141	3,111,726	4,252,715
Return on farm equity	404,523	28,289	767,868
Average farm equity	2,945,550	2,372,622	3,211,301
Value of farm production	1,363,409	846,053	1,467,111

Table 15

Liquidity & Repayment Capacity Measures

2011 MI Dairy (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Liquidity			
Current ratio	2.88	2.51	4.37
Working capital	429,192	261,926	618,696
Working capital to gross inc	23.5 %	23.1 %	31.3 %
Current assets	657,190	435,205	802,389
Current liabilities	227,998	173,278	183,694
Gross revenues (accrual)	1,823,960	1,134,708	1,977,276
Repayment capacity			
Net farm income from operations	285,585	100,998	421,026
Depreciation	164,823	84,010	206,161
Personal income	11,764	10,214	16,398
Family living/owner withdrawals	-77,050	-59,557	-103,633
Payments on personal debt	-1,453	-551	-1,810
Income taxes paid	-3,552	-2,166	-10,591
Interest on term debt	55,194	32,513	44,463
Capital debt repayment capacity	435,311	165,460	572,015
Scheduled term debt payments	-139,143	-79,602	-127,395
Capital debt repayment margin	296,168	85,857	444,620
Cash replacement allowance	-25,861	-19,480	-30,148
Replacement margin	270,307	66,377	414,472
Term debt coverage ratio	3.13	2.08	4.49
Replacement coverage ratio	2.64	1.67	3.63

Table 16

Balance Sheet at Cost Values
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	101		25		26	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	48,698	66,933	47,239	47,525	58,594	96,866
Prepaid expenses & supplies	47,003	69,356	44,828	38,765	70,644	92,879
Growing crops	20,196	30,333	16,426	18,284	15,510	51,246
Accounts receivable	48,960	63,194	21,529	25,143	59,530	78,944
Hedging accounts	376	331	142	142	187	187
Crops held for sale or feed	350,591	398,619	268,350	277,907	355,896	434,068
Crops under government loan	0	2,667	0	0	0	0
Market livestock held for sale	19,788	22,319	30,304	27,271	25,246	35,490
Other current assets	2,412	3,438	185	167	7,394	12,709
Total current farm assets	538,022	657,190	429,003	435,205	593,001	802,389
Intermediate Farm Assets						
Breeding livestock	701,152	727,625	468,140	503,033	648,993	649,822
Machinery and equipment	224,663	250,063	124,849	141,513	242,589	234,778
Titled vehicles	1,291	1,180	520	600	3,496	3,412
Other intermediate assets	52,907	74,795	21,207	22,557	56,494	59,872
Total intermediate farm assets	980,013	1,053,664	614,716	667,703	951,572	947,884
Long Term Farm Assets						
Farm land	425,272	456,622	369,152	384,416	400,598	467,611
Buildings and improvements	361,923	373,207	174,581	172,832	270,217	273,386
Other long-term assets	13,355	12,010	11,084	12,064	8,100	10,729
Total long-term farm assets	800,550	841,839	554,817	569,312	678,916	751,725
Total Farm Assets	2,318,585	2,552,693	1,598,537	1,672,219	2,223,489	2,501,999
Total Nonfarm Assets	188,703	197,591	121,158	125,602	417,751	438,293
Total Assets	2,507,288	2,750,284	1,719,694	1,797,822	2,641,240	2,940,291
Liabilities						
Current Farm Liabilities						
Accrued interest	2,724	2,019	620	607	1,424	1,234
Accounts payable	38,292	36,425	40,791	43,235	20,377	28,547
Current notes	78,949	95,113	72,851	72,839	71,828	69,773
Government crop loans	0	757	0	0	0	0
Principal due on term debt	83,949	93,684	47,090	56,598	82,931	84,140
Total current farm liabilities	203,914	227,998	161,352	173,278	176,560	183,694
Total intermediate farm liabs	251,489	244,242	168,634	159,004	256,306	246,020
Total long term farm liabilities	671,690	689,729	396,397	419,543	614,931	605,317
Total farm liabilities	1,127,093	1,161,969	726,384	751,825	1,047,798	1,035,030
Total nonfarm liabilities	15,075	14,453	9,257	8,699	13,217	10,681
Total liabilities	1,142,168	1,176,422	735,640	760,524	1,061,015	1,045,712
Net worth (farm and nonfarm)	1,365,121	1,573,862	984,054	1,037,298	1,580,225	1,894,580
Net worth change		208,741		53,244		314,354
Percent net worth change		15 %		5 %		20 %
Ratio Analysis						
Current farm liabilities / assets	38 %	35 %	38 %	40 %	30 %	23 %
Intermediate farm liab. / assets	26 %	23 %	27 %	24 %	27 %	26 %
Long term farm liab. / assets	84 %	82 %	71 %	74 %	91 %	81 %
Total debt to asset ratio	46 %	43 %	43 %	42 %	40 %	36 %

Table 17

Balance Sheet at Market Values
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	101		25		26	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	48,698	66,933	47,239	47,525	58,594	96,866
Prepaid expenses & supplies	47,003	69,356	44,828	38,765	70,644	92,879
Growing crops	20,196	30,333	16,426	18,284	15,510	51,246
Accounts receivable	48,960	63,194	21,529	25,143	59,530	78,944
Hedging accounts	376	331	142	142	187	187
Crops held for sale or feed	350,591	398,619	268,350	277,907	355,896	434,068
Crops under government loan	0	2,667	0	0	0	0
Market livestock held for sale	19,788	22,319	30,304	27,271	25,246	35,490
Other current assets	2,412	3,438	185	167	7,394	12,709
Total current farm assets	538,022	657,190	429,003	435,205	593,001	802,389
Intermediate Farm Assets						
Breeding livestock	745,906	775,397	508,442	519,681	696,970	719,081
Machinery and equipment	584,241	691,437	442,051	467,179	610,828	714,332
Titled vehicles	11,366	15,956	16,460	16,884	9,458	23,611
Other intermediate assets	56,921	79,456	33,238	34,646	58,548	64,299
Total intermediate farm assets	1,398,434	1,562,246	1,000,191	1,038,391	1,375,805	1,521,322
Long Term Farm Assets						
Farm land	1,260,989	1,364,782	1,222,586	1,235,114	1,344,893	1,648,398
Buildings and improvements	661,112	699,664	420,494	415,359	549,237	601,589
Other long-term assets	20,432	19,412	13,234	13,876	32,488	36,308
Total long-term farm assets	1,942,532	2,083,857	1,656,314	1,664,349	1,926,618	2,286,294
Total Farm Assets	3,878,989	4,303,293	3,085,508	3,137,944	3,895,424	4,610,006
Total Nonfarm Assets	268,515	286,261	190,943	199,759	457,078	490,250
Total Assets	4,147,503	4,589,554	3,276,451	3,337,702	4,352,503	5,100,256
Liabilities						
Current Farm Liabilities						
Accrued interest	2,724	2,019	620	607	1,424	1,234
Accounts payable	38,292	36,425	40,791	43,235	20,377	28,547
Current notes	78,949	95,113	72,851	72,839	71,828	69,773
Government crop loans	0	757	0	0	0	0
Principal due on term debt	83,949	93,684	47,090	56,598	82,931	84,140
Total current farm liabilities	203,914	227,998	161,352	173,278	176,560	183,694
Total intermediate farm liabs	251,489	244,242	168,634	159,004	256,306	246,020
Total long term farm liabilities	671,690	689,729	396,397	419,543	614,931	605,317
Total farm liabilities	1,127,093	1,161,969	726,384	751,825	1,047,798	1,035,030
Total nonfarm liabilities	15,075	14,453	9,257	8,699	13,217	10,681
Total liabs excluding deferreds	1,142,168	1,176,422	735,640	760,524	1,061,015	1,045,712
Total deferred liabilities	1,060	1,060	0	0	0	0
Total liabilities	1,143,228	1,177,482	735,640	760,524	1,061,015	1,045,712
Retained earnings	1,365,121	1,573,862	984,054	1,037,298	1,580,225	1,894,580
Market valuation equity	1,639,155	1,838,210	1,556,757	1,539,881	1,711,262	2,159,965
Net worth (farm and nonfarm)	3,004,276	3,412,072	2,540,811	2,577,179	3,291,487	4,054,545
Net worth excluding deferreds	3,005,336	3,413,132	2,540,811	2,577,179	3,291,488	4,054,545
Net worth change		407,796		36,367		763,057
Percent net worth change		14 %		1 %		23 %
Ratio Analysis						
Current farm liabilities / assets	38 %	35 %	38 %	40 %	30 %	23 %
Intermediate farm liab. / assets	18 %	16 %	17 %	15 %	19 %	16 %
Long term farm liab. / assets	35 %	33 %	24 %	25 %	32 %	26 %
Total debt to asset ratio	28 %	26 %	22 %	23 %	24 %	21 %
Debt to assets excl deferreds	28 %	26 %	22 %	23 %	24 %	21 %

Table 18

Statement Of Cash Flows
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Beginning cash (farm & nonfarm)	58,201	83,289	59,460
Cash Provided By Operating Activities			
Gross cash farm income	1,742,837	1,118,753	1,865,288
Total cash farm expense	-1,408,613	-943,064	-1,400,080
Net cash from hedging transactions	-693	-	-178
Cash provided by operating	333,530	175,688	465,030
Cash Provided By Investing Activities			
Sale of breeding livestock	5,877	905	15,165
Sale of machinery & equipment	7,350	1,571	4,211
Sale of titled vehicles	40	-	-
Sale of farm land	3,033	-	135
Sale of farm buildings	2,291	-	8,900
Sale of other farm assets	6,686	671	11,288
Sale of nonfarm assets	1	-	3
Purchase of breeding livestock	-21,073	-29,990	-25,328
Purchase of machinery & equip.	-132,430	-74,091	-139,707
Purchase of titled vehicles	-229	-	-
Purchase of farm land	-36,188	-16,294	-59,842
Purchase of farm buildings	-78,377	-26,318	-74,838
Purchase of other farm assets	-25,132	-2,974	-8,939
Purchase of nonfarm assets	-5,964	-8,686	-13,601
Cash provided by investing	-274,117	-155,205	-282,554
Cash Provided By Financing Activities			
Money borrowed	298,476	201,016	181,636
Principal payments	-262,411	-178,549	-204,919
Personal income	11,764	10,214	16,398
Family living/owner withdrawals	-77,050	-59,557	-103,633
Income and social security tax	-3,552	-2,166	-10,591
Capital contributions	2,526	2,475	-
Capital distributions	-6,535	-3,223	-1,200
Dividends paid	79	320	-
Cash gifts and inheritances	4,214	10,260	1,341
Gifts given	-8,995	-2,984	-22,521
Other cash flows	-	-	-
Cash provided by financing	-41,485	-22,195	-143,489
Net change in cash balance	17,928	-1,712	38,987
Ending cash (farm & nonfarm)	76,130	81,577	98,447

Table 19

Financial Standards Measures

2011 MI Dairy (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Liquidity			
Current ratio	2.88	2.51	4.37
Working capital	429,192	261,926	618,696
Working capital to gross inc	23.5 %	23.1 %	31.3 %
Solvency (market)			
Farm debt to asset ratio	27 %	24 %	22 %
Farm equity to asset ratio	73 %	76 %	78 %
Farm debt to equity ratio	0.37	0.32	0.29
Profitability (cost)			
Rate of return on farm assets	10.9 %	5.0 %	16.1 %
Rate of return on farm equity	16.6 %	5.5 %	25.1 %
Operating profit margin	19.5 %	9.7 %	26.0 %
Net farm income	285,626	101,165	421,026
EBIDTA	502,244	217,462	676,288
Repayment Capacity			
Capital debt repayment capacity	435,311	165,460	572,015
Capital debt repayment margin	296,168	85,857	444,620
Replacement margin	270,307	66,377	414,472
Term debt coverage ratio	3.13	2.08	4.49
Replacement coverage ratio	2.64	1.67	3.63
Efficiency			
Asset turnover rate (cost)	56.0 %	51.7 %	62.1 %
Operating expense ratio	72.5 %	80.8 %	65.8 %
Depreciation expense ratio	9.0 %	7.4 %	10.4 %
Interest expense ratio	2.9 %	2.9 %	2.5 %
Net farm income ratio	15.7 %	8.9 %	21.3 %

Table 20

Operator and Labor Information

2011 MI Dairy (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Operator Information			
Average number of operators	1.5	1.8	1.4
Average age of operators	47.9	44.3	47.5
Average number of years farming	24.2	23.0	24.6
Results Per Operator			
Working capital	277,875	142,351	434,759
Total assets (market)	2,971,442	1,813,969	3,583,964
Total liabilities	762,344	413,328	734,824
Net worth (market)	2,209,098	1,400,641	2,849,140
Net worth excl deferred liabs	2,209,784	1,400,641	2,849,140
Gross farm income	1,180,897	616,689	1,389,437
Total farm expense	995,999	561,799	1,093,581
Net farm income from operations	184,898	54,890	295,856
Net nonfarm income	7,616	5,551	11,523
Family living & tax withdrawals	52,185	33,546	80,266
Total acres owned	292.8	268.2	309.9
Total crop acres	476.3	420.2	389.7
Crop acres owned	294.5	261.5	257.9
Crop acres cash rented	181.3	157.6	131.1
Crop acres share rented	0.5	1.0	0.7
Total pasture acres	0.3	-	0.4
Labor Analysis			
Number of farms	100	25	26
Total unpaid labor hours	4,952	5,337	4,383
Total hired labor hours	12,903	9,919	10,111
Total labor hours per farm	17,855	15,256	14,494
Unpaid hours per operator	3,195	2,900	3,044
Value of farm production / hour	76.48	55.46	102.06
Net farm income / unpaid hour	57.68	18.93	97.33
Average hourly hired labor wage	15.36	13.73	17.71
Partnerships & LLCs			
Number of farms	41	14	9
Number of operators	2.1	2.2	2.1
Owner withdrawals per farm	302,119	-	-
Withdrawals per operator	116,200	-	-
Corporations			
Number of farms	4	1	-
Number of operators	1.8	-	-

Table 21

Financial Summary
2011 MI Dairy (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Income Statement			
Gross cash farm income	1,742,837	1,118,753	1,865,288
Total cash farm expense	1,408,613	943,064	1,400,080
Net cash farm income	334,223	175,688	465,208
Inventory change	116,185	9,320	161,979
Depreciation	-164,823	-84,010	-206,161
Net farm income from operations	285,585	100,998	421,026
Gain or loss on capital sales	41	166	-
Average net farm income	285,626	101,165	421,026
Median net farm income	140,647	68,956	210,515
Profitability (cost)			
Rate of return on assets	10.9 %	5.0 %	16.1 %
Rate of return on equity	16.6 %	5.5 %	25.1 %
Operating profit margin	19.5 %	9.7 %	26.0 %
Asset turnover rate	56.0 %	51.7 %	62.1 %
Profitability (market)			
Rate of return on assets	11.2 %	2.0 %	19.2 %
Rate of return on equity	13.7 %	1.2 %	23.9 %
Operating profit margin	33.5 %	7.2 %	55.7 %
Asset turnover rate	33.3 %	27.2 %	34.5 %
Liquidity & Repayment (end of year)			
Current assets	657,190	435,205	802,389
Current liabilities	227,998	173,278	183,694
Current ratio	2.88	2.51	4.37
Working capital	429,192	261,926	618,696
Working capital to gross inc	23.5 %	23.1 %	31.3 %
Term debt coverage ratio	3.13	2.08	4.49
Replacement coverage ratio	2.64	1.67	3.63
Solvency (end of year at cost)			
Number of farms	101	25	26
Total farm assets	2,552,693	1,672,219	2,501,999
Total farm liabilities	1,161,969	751,825	1,035,030
Total assets	2,750,284	1,797,822	2,940,291
Total liabilities	1,176,422	760,524	1,045,712
Net worth	1,573,862	1,037,298	1,894,580
Net worth change	208,741	53,244	314,354
Farm debt to asset ratio	46 %	45 %	41 %
Total debt to asset ratio	43 %	42 %	36 %
Solvency (end of year at market)			
Number of farms	101	25	26
Total farm assets	4,303,293	3,137,944	4,610,006
Total farm liabilities	1,163,029	751,825	1,035,031
Total assets	4,589,554	3,337,702	5,100,256
Total liabilities	1,177,482	760,524	1,045,712
Net worth	3,412,072	2,577,179	4,054,545
Net worth change	407,796	36,367	763,057
Farm debt to asset ratio	27 %	24 %	22 %
Total debt to asset ratio	26 %	23 %	21 %
Nonfarm Information			
Net nonfarm income	11,764	10,214	16,398
Crop Acres			
Total acres owned	452	494	441
Total crop acres	736	773	555
Total crop acres owned	455	481	367
Total crop acres cash rented	280	290	187
Total crop acres share rented	1	2	1

Table 22

Summary Farm Income Statement

2011 MI Dairy (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	101	25	26
Crop sales	106,911	76,909	132,457
Crop inventory change	50,695	9,556	78,172
Gross crop income	157,606	86,465	210,629
Livestock sales	1,501,268	945,730	1,577,736
Livestock inventory change	2,531	-3,034	10,244
Gross livestock income	1,503,799	942,696	1,587,980
Government payments	19,899	15,849	28,082
Other cash farm income	114,759	80,266	127,013
Change in accounts receivable	14,235	3,615	19,414
Gain or loss on hedging accounts	-738	-	-178
Change in other assets	3,123	9	13,670
Gain or loss on breeding lvst	11,278	5,809	-9,334
Gross farm income	1,823,960	1,134,708	1,977,276
Cash operating expenses	1,356,073	910,597	1,350,789
Change in prepaids and supplies	-22,353	6,062	-22,235
Change in growing crops	-10,137	-1,858	-35,736
Change in accounts payable	-1,867	2,444	8,170
Depreciation	164,823	84,010	206,161
Total operating expense	1,486,539	1,001,256	1,507,149
Interest paid	52,540	32,467	49,291
Change in accrued interest	-705	-13	-190
Total interest expense	51,835	32,454	49,101
Total expenses	1,538,375	1,033,710	1,556,250
Net farm income from operations	285,585	100,998	421,026
Gain or loss on capital sales	41	166	-
Net farm income	285,626	101,165	421,026

B. Financial Summary Information, Herds with 40-99 Cows

Table 23 Crop Production and Marketing Summary			
2011 MI Dairy (40 to 99 Cows)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	20	5	6
Average number of cows	69	70	61
Milk production per cow lbs.,	18,904	17,120	20,717
Average milk price per cwt.,	\$20.79	\$21.01	\$20.51
Acreage Summary			
Total acres owned	223	242	161
Total crop acres	317	361	257
Crop acres owned	217	174	224
Crop acres cash rented	100	187	31
Crop acres share rented	1	-	2
Total pasture acres	-	-	-
Percent crop acres owned	68 %	48 %	87 %
Average Price Received (Cash Sales Only)			
Corn per bushel	6.33	-	4.18
Soybeans per bushel	12.19	-	12.92
Wheat, Winter per bushel	7.80	-	6.94
Hay, Alfalfa per ton	74.23	-	-

Table 24

Farm Income Statement
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Cash Farm Income			
Beans, Navy	2,184	-	-
Corn	11,412	281	10,624
Hay, Alfalfa	1,048	-	684
Hay, Mixed	3,288	578	-
Soybeans	11,564	13,644	9,951
Straw	59	297	-
Sugar Beets	16,116	-	-
Wheat, Winter	5,563	-	7,038
Miscellaneous crop income	95	96	-
Beef Bulls	50	252	-
Beef Cow-Calf, Beef Calves	353	-	-
Dairy, Milk	271,851	263,843	255,562
Dairy, Dairy Calves	1,158	3,185	625
Dairy Heifers (for sale)	400	-	1,333
Dairy Replacement Heifers	507	-	430
Dairy Finishing	4,135	-	2,588
Cull breeding livestock	16,226	9,014	17,878
Misc. livestock income	1	-	-
Direct, CCP & ACRE pymts	812	943	1,375
Other government payments	2,230	4,793	1,450
Patronage dividends, cash	2,189	1,635	1,287
Insurance income	1,469	1,215	3,950
Other farm income	2,449	1,443	3,236
Gross Cash Farm Income	355,162	301,218	318,010

Table 24

Farm Income Statement (Continued)

2011 MI Dairy (40 to 99 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Cash Farm Expense			
Seed	12,019	13,538	14,074
Fertilizer	13,675	10,517	12,967
Crop chemicals	4,975	4,391	5,762
Crop insurance	599	240	50
Drying expense	60	-	198
Storage	187	-	-
Crop marketing	166	-	258
Crop miscellaneous	1,139	89	575
Purchased feed	83,538	70,391	70,094
Breeding fees	2,041	3,363	1,877
Veterinary	6,437	4,717	5,170
Livestock supplies	5,350	7,419	2,416
DHIA	997	1,478	964
Hauling and trucking	8,503	8,069	6,303
Livestock marketing	4,819	3,932	4,934
Bedding	2,691	2,847	1,815
Interest	12,439	16,497	6,141
Packaging and supplies	2,846	1,370	-
Supplies	807	-	2,690
Fuel & oil	16,903	17,449	13,123
Repairs	19,873	22,564	13,102
Repair, machinery	1,533	-	5,111
Custom hire	6,203	3,583	12,331
Repair, buildings	1,968	4,688	365
Hired labor	32,265	39,944	14,796
Land rent	6,382	5,429	7,115
Machinery leases	1,026	139	2,509
Real estate taxes	5,008	5,202	3,791
Personal property taxes	102	-	97
Farm insurance	5,149	5,612	3,848
Utilities	10,629	9,714	8,492
Dues & professional fees	2,514	1,679	1,035
Miscellaneous	4,821	5,742	3,071
Total cash expense	277,661	270,598	225,073
Net cash farm income	77,501	30,620	92,937
Inventory Changes			
Prepays and supplies	1,812	3,227	2,813
Accounts receivable	1,451	1,275	3,494
Hedging accounts	-198	-	-
Other current assets	1,717	941	3,025
Crops and feed	20,249	9,834	22,435
Market livestock	1,948	-88	1,437
Breeding livestock	3,728	-1,550	3,528
Other assets	3	0	-247
Accounts payable	466	4,871	739

Accrued interest	227	370	42
Total inventory change	31,401	18,879	37,267
Net operating profit	108,902	49,499	130,204
Depreciation			
Machinery and equipment	-19,505	-14,944	-16,071
Titled vehicles	-1,115	-	-167
Buildings and improvements	-10,991	-4,258	-19,611
Total depreciation	-31,612	-19,201	-35,849
Net farm income from operations	77,290	30,298	94,355
Gain or loss on capital sales	-	-	-
Net farm income	77,290	30,298	94,355

Table 25

Inventory Changes
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Net cash farm income	77,501	30,620	92,937
Crops and Feed			
Ending inventory	109,529	81,004	106,146
Beginning inventory	89,281	71,170	83,710
Inventory change	20,249	9,834	22,435
Market Livestock			
Ending inventory	6,083	2,238	6,250
Beginning inventory	4,134	2,325	4,813
Inventory change	1,948	-88	1,437
Accts Receivable			
Ending inventory	8,075	3,150	10,041
Beginning inventory	6,624	1,875	6,546
Inventory change	1,451	1,275	3,494
Prepaid Expenses and Supplies			
Ending inventory	11,961	10,672	15,737
Beginning inventory	10,149	7,445	12,925
Inventory change	1,812	3,227	2,813
Hedging Activities			
Ending inventory	-	-	-
Withdrawals	-	-	-
Beginning inventory	1	-	-
Deposits	197	-	-
Gain or loss	-198	-	-
Other Current Assets			
Ending inventory	7,046	4,374	6,262
Beginning inventory	5,329	3,434	3,237
Inventory change	1,717	941	3,025
Breeding Livestock			
Ending inventory	159,824	192,063	125,800
Capital sales	130	263	17
Beginning inventory	155,659	193,600	121,217
Capital purchases	567	275	1,072
Depreciation, capital adjust	3,728	-1,550	3,528
Other Capital Assets			
Ending inventory	10,993	15,304	7,768
Capital sales	139	316	-
Beginning inventory	10,073	15,620	7,332
Capital purchases	1,057	0	683
Depreciation, capital adjust	3	0	-247
Accounts Payable			
Beginning inventory	9,227	20,842	7,591
Ending inventory	8,761	15,971	6,852
Inventory change	466	4,871	739
Accrued Interest			
Beginning inventory	1,489	458	194
Ending inventory	1,263	88	151
Inventory change	227	370	42
Total inventory change	31,401	18,879	37,267
Net operating profit	108,902	49,499	130,204

Table 26

Depreciation
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Net operating profit	108,902	49,499	130,204
Machinery and Equipment			
Ending inventory	55,308	14,576	30,405
Capital sales	559	-	582
Beginning inventory	44,812	27,657	29,620
Capital purchases	30,561	1,863	17,439
Depreciation, capital adjust.	-19,505	-14,944	-16,071
Titled Vehicles			
Ending inventory	556	-	833
Capital sales	200	-	-
Beginning inventory	723	-	1,000
Capital purchases	1,148	-	-
Depreciation, capital adjust.	-1,115	-	-167
Buildings and Improvements			
Ending inventory	43,332	15,674	43,897
Capital sales	-	-	-
Beginning inventory	45,098	19,932	48,437
Capital purchases	9,225	-	15,071
Depreciation, capital adjust.	-10,991	-4,258	-19,611
Total depreciation, capital adj.	-31,612	-19,201	-35,849
Net farm income from operations	77,290	30,298	94,355
Gain or loss on capital sales	-	-	-
Net farm income	77,290	30,298	94,355

Table 27

Profitability Measures
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Profitability (assets valued at cost)			
Net farm income from operations	77,290	30,298	94,355
Rate of return on assets	11.0 %	2.1 %	16.8 %
Rate of return on equity	15.7 %	-3.4 %	23.9 %
Operating profit margin	19.6 %	4.1 %	26.8 %
Asset turnover rate	56.0 %	50.6 %	62.8 %
Farm interest expense	12,213	16,127	6,098
Value of operator lbr and mgmt.	31,003	36,641	25,833
Return on farm assets	58,500	9,784	74,620
Average farm assets	533,681	474,982	443,882
Return on farm equity	46,287	-6,343	68,522
Average farm equity	294,666	185,449	286,442
Value of farm production	298,870	240,298	278,564
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Profitability (assets valued at market)			
Net farm income from operations	152,554	49,539	268,289
Rate of return on assets	10.5 %	2.5 %	22.5 %
Rate of return on equity	11.8 %	1.5 %	25.6 %
Operating profit margin	44.8 %	12.1 %	89.2 %
Asset turnover rate	23.5 %	20.8 %	25.2 %
Farm interest expense	12,213	16,127	6,098
Value of operator lbr and mgmt.	31,003	36,641	25,833
Return on farm assets	133,764	29,025	248,554
Average farm assets	1,271,705	1,157,631	1,103,269
Return on farm equity	121,551	12,898	242,455
Average farm equity	1,027,336	868,098	945,828
Value of farm production	298,870	240,298	278,564

Table 28

Liquidity & Repayment Capacity Measures
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Liquidity			
Current ratio	2.90	2.78	3.80
Working capital	103,762	69,960	121,914
Working capital to gross inc	27.1 %	22.5 %	35.0 %
Current assets	158,474	109,247	165,384
Current liabilities	54,712	39,287	43,469
Gross revenues (accrual)	382,408	310,689	348,658
Repayment capacity			
Net farm income from operations	77,290	30,298	94,355
Depreciation	31,612	19,201	35,849
Personal income	9,420	6,898	9,825
Family living/owner withdrawals	-40,211	-41,353	-30,657
Payments on personal debt	-841	-	-
Income taxes paid	-1,429	-996	-1,743
Interest on term debt	7,764	13,579	7,037
Capital debt repayment capacity	83,605	27,628	114,665
Scheduled term debt payments	-27,912	-31,824	-26,495
Capital debt repayment margin	55,693	-4,196	88,171
Cash replacement allowance	-13,376	-8,873	-7,783
Replacement margin	42,317	-13,069	80,388
Term debt coverage ratio	3.00	0.87	4.33
Replacement coverage ratio	2.02	0.68	3.35

Table 29

Balance Sheet at Cost Values
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	20		5		6	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	18,288	15,781	23,589	7,810	18,692	20,949
Prepaid expenses & supplies	10,149	11,961	7,445	10,672	12,925	15,737
Growing crops	4,750	6,402	3,403	4,344	3,220	6,245
Accounts receivable	6,624	8,075	1,875	3,150	6,546	10,041
Hedging accounts	1	0	0	0	0	0
Crops held for sale or feed	89,281	109,529	71,170	81,004	83,710	106,146
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	4,134	6,083	2,325	2,238	4,813	6,250
Other current assets	579	644	31	31	17	17
Total current farm assets	133,806	158,474	109,837	109,247	129,922	165,384
Intermediate Farm Assets						
Breeding livestock	155,659	159,824	193,600	192,063	121,217	125,800
Machinery and equipment	44,812	55,308	27,657	14,576	29,620	30,405
Titled vehicles	723	556	0	0	1,000	833
Other intermediate assets	9,733	10,647	15,620	15,304	6,819	7,238
Total intermediate farm assets	210,927	226,334	236,877	221,942	158,655	164,276
Long Term Farm Assets						
Farm land	119,190	129,515	118,228	118,228	70,867	105,284
Buildings and improvements	45,098	43,332	19,932	15,674	48,437	43,897
Other long-term assets	340	347	0	0	513	530
Total long-term farm assets	164,628	173,194	138,160	133,902	119,816	149,711
Total Farm Assets	509,361	558,002	484,874	465,091	408,394	479,370
Total Nonfarm Assets	78,247	83,470	55,344	54,094	46,770	52,622
Total Assets	587,608	641,472	540,218	519,185	455,164	531,992
Liabilities						
Current Farm Liabilities						
Accrued interest	1,489	1,263	458	88	194	151
Accounts payable	9,227	8,761	20,842	15,971	7,591	6,852
Current notes	29,580	28,303	11,200	10,118	15,111	17,290
Government crop loans	0	0	0	0	0	0
Principal due on term debt	20,148	16,385	18,245	13,110	19,457	19,176
Total current farm liabilities	60,444	54,712	50,745	39,287	42,353	43,469
Total intermediate farm liabs	31,180	35,725	54,867	47,982	36,934	28,490
Total long term farm liabilities	147,842	148,129	199,004	187,181	75,354	88,280
Total farm liabilities	239,465	238,566	304,616	274,450	154,641	160,240
Total nonfarm liabilities	9,834	10,404	0	0	0	0
Total liabilities	249,300	248,969	304,616	274,450	154,641	160,240
Net worth (farm and nonfarm)	338,308	392,503	235,602	244,735	300,523	371,752
Net worth change		54,195		9,134		71,229
Percent net worth change		16 %		4 %		24 %
Ratio Analysis						
Current farm liabilities / assets	45 %	35 %	46 %	36 %	33 %	26 %
Intermediate farm liab. / assets	15 %	16 %	23 %	22 %	23 %	17 %
Long term farm liab. / assets	90 %	86 %	144 %	140 %	63 %	59 %
Total debt to asset ratio	42 %	39 %	56 %	53 %	34 %	30 %

Table 30

Balance Sheet at Market Values
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	20		5		6	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	18,288	15,781	23,589	7,810	18,692	20,949
Prepaid expenses & supplies	10,149	11,961	7,445	10,672	12,925	15,737
Growing crops	4,750	6,402	3,403	4,344	3,220	6,245
Accounts receivable	6,624	8,075	1,875	3,150	6,546	10,041
Hedging accounts	1	0	0	0	0	0
Crops held for sale or feed	89,281	109,529	71,170	81,004	83,710	106,146
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	4,134	6,083	2,325	2,238	4,813	6,250
Other current assets	579	644	31	31	17	17
Total current farm assets	133,806	158,474	109,837	109,247	129,922	165,384
Intermediate Farm Assets						
Breeding livestock	165,735	170,912	193,600	196,513	154,191	153,487
Machinery and equipment	207,998	267,083	187,364	185,948	140,920	270,873
Titled vehicles	1,853	4,170	0	0	2,333	2,333
Other intermediate assets	9,833	10,772	15,620	15,304	6,819	7,238
Total intermediate farm assets	385,419	452,937	396,584	397,764	304,264	433,931
Long Term Farm Assets						
Farm land	571,675	587,365	583,480	583,480	391,750	444,050
Buildings and improvements	118,513	134,535	68,001	66,870	154,365	181,829
Other long-term assets	340	347	0	0	513	530
Total long-term farm assets	690,528	722,246	651,481	650,350	546,628	626,409
Total Farm Assets	1,209,753	1,333,657	1,157,902	1,157,361	980,814	1,225,724
Total Nonfarm Assets	122,806	138,865	127,561	120,450	77,710	132,206
Total Assets	1,332,559	1,472,523	1,285,462	1,277,810	1,058,523	1,357,929
Liabilities						
Current Farm Liabilities						
Accrued interest	1,489	1,263	458	88	194	151
Accounts payable	9,227	8,761	20,842	15,971	7,591	6,852
Current notes	29,580	28,303	11,200	10,118	15,111	17,290
Government crop loans	0	0	0	0	0	0
Principal due on term debt	20,148	16,385	18,245	13,110	19,457	19,176
Total current farm liabilities	60,444	54,712	50,745	39,287	42,353	43,469
Total intermediate farm liabs	31,180	35,725	54,867	47,982	36,934	28,490
Total long term farm liabilities	147,842	148,129	199,004	187,181	75,354	88,280
Total farm liabilities	239,465	238,566	304,616	274,450	154,641	160,240
Total nonfarm liabilities	9,834	10,404	0	0	0	0
Total liabs excluding deferreds	249,300	248,969	304,616	274,450	154,641	160,240
Total deferred liabilities	5,354	5,354	0	0	0	0
Total liabilities	254,654	254,323	304,616	274,450	154,641	160,240
Retained earnings	338,308	392,503	235,602	244,735	300,523	371,752
Market valuation equity	739,597	825,696	745,245	758,625	603,359	825,937
Net worth (farm and nonfarm)	1,077,905	1,218,200	980,846	1,003,360	903,882	1,197,689
Net worth excluding deferreds	1,083,259	1,223,553	980,846	1,003,360	903,882	1,197,689
Net worth change		140,295		22,514		293,807
Percent net worth change		13 %		2 %		33 %
Ratio Analysis						
Current farm liabilities / assets	45 %	35 %	46 %	36 %	33 %	26 %
Intermediate farm liab. / assets	8 %	8 %	14 %	12 %	12 %	7 %
Long term farm liab. / assets	21 %	21 %	31 %	29 %	14 %	14 %
Total debt to asset ratio	19 %	17 %	24 %	21 %	15 %	12 %
Debt to assets excl deferreds	19 %	17 %	24 %	21 %	15 %	12 %

Table 31

Statement Of Cash Flows
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Beginning cash (farm & nonfarm)	21,892	23,589	22,025
Cash Provided By Operating Activities			
Gross cash farm income	355,162	301,218	318,010
Total cash farm expense	-277,661	-270,598	-225,073
Net cash from hedging transactions	-197	-	-
Cash provided by operating	77,303	30,620	92,937
Cash Provided By Investing Activities			
Sale of breeding livestock	130	263	17
Sale of machinery & equipment	559	-	582
Sale of titled vehicles	200	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	139	316	-
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-567	-275	-1,072
Purchase of machinery & equip.	-30,561	-1,863	-17,439
Purchase of titled vehicles	-1,148	-	-
Purchase of farm land	-8,550	-	-28,500
Purchase of farm buildings	-9,225	-	-15,071
Purchase of other farm assets	-1,057	0	-683
Purchase of nonfarm assets	-879	-	-
Cash provided by investing	-50,958	-1,559	-62,166
Cash Provided By Financing Activities			
Money borrowed	46,090	9,566	38,374
Principal payments	-45,978	-34,493	-31,994
Personal income	9,420	6,898	9,825
Family living/owner withdrawals	-40,211	-41,353	-30,657
Income and social security tax	-1,429	-996	-1,743
Capital contributions	-	-	-
Capital distributions	-270	-1,350	-
Dividends paid	-	-	-
Cash gifts and inheritances	12,151	16,887	-
Gifts given	-7,440	-	-9,219
Other cash flows	-	-	-
Cash provided by financing	-27,668	-44,840	-25,414
Net change in cash balance	-1,322	-15,779	5,357
Ending cash (farm & nonfarm)	20,569	7,810	27,382

Table 32

Financial Standards Measures
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Liquidity			
Current ratio	2.90	2.78	3.80
Working capital	103,762	69,960	121,914
Working capital to gross inc	27.1 %	22.5 %	35.0 %
Solvency (market)			
Farm debt to asset ratio	18 %	24 %	13 %
Farm equity to asset ratio	82 %	76 %	87 %
Farm debt to equity ratio	0.22	0.31	0.15
Profitability (cost)			
Rate of return on farm assets	11.0 %	2.1 %	16.8 %
Rate of return on farm equity	15.7 %	-3.4 %	23.9 %
Operating profit margin	19.6 %	4.1 %	26.8 %
Net farm income	77,290	30,298	94,355
EBIDTA	121,115	65,626	136,302
Repayment Capacity			
Capital debt repayment capacity	83,605	27,628	114,665
Capital debt repayment margin	55,693	-4,196	88,171
Replacement margin	42,317	-13,069	80,388
Term debt coverage ratio	3.00	0.87	4.33
Replacement coverage ratio	2.02	0.68	3.35
Efficiency			
Asset turnover rate (cost)	56.0 %	50.6 %	62.8 %
Operating expense ratio	68.3 %	78.9 %	60.9 %
Depreciation expense ratio	8.3 %	6.2 %	10.3 %
Interest expense ratio	3.3 %	5.3 %	1.8 %
Net farm income ratio	20.2 %	9.8 %	27.1 %

Table 33

Operator and Labor Information
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Operator Information			
Average number of operators	1.4	1.5	1.2
Average age of operators	52.0	49.2	53.9
Average number of years farming	26.3	28.5	26.3
Results Per Operator			
Working capital	76,861	46,640	104,498
Total assets (market)	1,090,757	851,874	1,163,939
Total liabilities	188,387	182,967	137,349
Net worth (market)	902,370	668,907	1,026,591
Net worth excl deferred liabs	906,336	668,907	1,026,591
Gross farm income	283,265	207,126	298,850
Total farm expense	226,013	186,928	217,974
Net farm income from operations	57,252	20,198	80,876
Net nonfarm income	6,978	4,599	8,421
Family living & tax withdrawals	30,845	28,232	27,772
Total acres owned	165.1	161.0	137.7
Total crop acres	235.1	240.5	220.3
Crop acres owned	161.0	116.2	192.0
Crop acres cash rented	73.7	124.3	26.9
Crop acres share rented	0.4	-	1.4
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	20	5	6
Total unpaid labor hours	4,113	4,608	3,277
Total hired labor hours	2,209	2,635	933
Total labor hours per farm	6,322	7,243	4,210
Unpaid hours per operator	3,047	3,072	2,809
Value of farm production / hour	47.27	33.18	66.17
Net farm income / unpaid hour	18.79	6.57	28.80
Average hourly hired labor wage	15.21	15.16	31.71
Partnerships & LLCs			
Number of farms	5	2	1
Number of operators	2.0	2.0	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 34

Financial Summary
2011 MI Dairy (40 to 99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Income Statement			
Gross cash farm income	355,162	301,218	318,010
Total cash farm expense	277,661	270,598	225,073
Net cash farm income	77,501	30,620	92,937
Inventory change	31,401	18,879	37,267
Depreciation	-31,612	-19,201	-35,849
Net farm income from operations	77,290	30,298	94,355
Gain or loss on capital sales	-	-	-
Average net farm income	77,290	30,298	94,355
Median net farm income	69,123	19,580	104,129
Profitability (cost)			
Rate of return on assets	11.0 %	2.1 %	16.8 %
Rate of return on equity	15.7 %	-3.4 %	23.9 %
Operating profit margin	19.6 %	4.1 %	26.8 %
Asset turnover rate	56.0 %	50.6 %	62.8 %
Profitability (market)			
Rate of return on assets	10.5 %	2.5 %	22.5 %
Rate of return on equity	11.8 %	1.5 %	25.6 %
Operating profit margin	44.8 %	12.1 %	89.2 %
Asset turnover rate	23.5 %	20.8 %	25.2 %
Liquidity & Repayment (end of year)			
Current assets	158,474	109,247	165,384
Current liabilities	54,712	39,287	43,469
Current ratio	2.90	2.78	3.80
Working capital	103,762	69,960	121,914
Working capital to gross inc	27.1 %	22.5 %	35.0 %
Term debt coverage ratio	3.00	0.87	4.33
Replacement coverage ratio	2.02	0.68	3.35
Solvency (end of year at cost)			
Number of farms	20	5	6
Total farm assets	558,002	465,091	479,370
Total farm liabilities	238,566	274,450	160,240
Total assets	641,472	519,185	531,992
Total liabilities	248,969	274,450	160,240
Net worth	392,503	244,735	371,752
Net worth change	54,195	9,134	71,229
Farm debt to asset ratio	43 %	59 %	33 %
Total debt to asset ratio	39 %	53 %	30 %
Solvency (end of year at market)			
Number of farms	20	5	6
Total farm assets	1,333,657	1,157,361	1,225,724
Total farm liabilities	243,919	274,450	160,240
Total assets	1,472,523	1,277,810	1,357,929
Total liabilities	254,323	274,450	160,240
Net worth	1,218,200	1,003,360	1,197,689
Net worth change	140,295	22,514	293,807
Farm debt to asset ratio	18 %	24 %	13 %
Total debt to asset ratio	17 %	21 %	12 %
Nonfarm Information			
Net nonfarm income	9,420	6,898	9,825
Crop Acres			
Total acres owned	223	242	161
Total crop acres	317	361	257
Total crop acres owned	217	174	224
Total crop acres cash rented	100	187	31
Total crop acres share rented	1	-	2

Table 35

Summary Farm Income Statement

2011 MI Dairy (40 to 99 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	20	5	6
Crop sales	51,330	14,896	28,297
Crop inventory change	20,249	9,834	22,435
Gross crop income	71,579	24,730	50,733
Livestock sales	278,454	267,280	260,538
Livestock inventory change	1,948	-88	1,437
Gross livestock income	280,402	267,192	261,975
Government payments	3,042	5,736	2,824
Other cash farm income	22,335	13,306	26,351
Change in accounts receivable	1,451	1,275	3,494
Gain or loss on hedging accounts	-198	-	-
Change in other assets	68	0	-247
Gain or loss on breeding lvst	3,728	-1,550	3,528
Gross farm income	382,408	310,689	348,658
Cash operating expenses	265,222	254,101	218,932
Change in prepaids and supplies	-1,812	-3,227	-2,813
Change in growing crops	-1,652	-941	-3,025
Change in accounts payable	-466	-4,871	-739
Depreciation	31,612	19,201	35,849
Total operating expense	292,904	264,264	248,205
Interest paid	12,439	16,497	6,141
Change in accrued interest	-227	-370	-42
Total interest expense	12,213	16,127	6,098
Total expenses	305,117	280,391	254,303
Net farm income from operations	77,290	30,298	94,355
Gain or loss on capital sales	-	-	-
Net farm income	77,290	30,298	94,355

C. Financial Summary Information, Herds with 100-249 Cows

Table 36	Crop Production and Marketing Summary 2011 MI Dairy (100 to 249 Cows) (Farms Sorted By Rate of Return on Assets - Mkt)		
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	45	11	12
Average number of cows	165	165	158
Milk production per cow lbs.,	21,732	18,572	22,636
Average milk price per cwt.,	\$20.62	\$20.84	\$21.13
Acreage Summary			
Total acres owned	362	541	327
Total crop acres	663	897	500
Crop acres owned	361	493	339
Crop acres cash rented	302	405	161
Crop acres share rented	-	-	-
Total pasture acres	1	-	1
Percent crop acres owned	54 %	55 %	68 %
Average Price Received (Cash Sales Only)			
Corn per bushel	5.67	-	-
Wheat, Winter per bushel	7.05	-	-

Table 37

Farm Income Statement
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Cash Farm Income			
Asparagus	222	-	-
Beans, Navy	836	-	3,422
Corn	33,533	56,251	26,720
Corn Silage	4,036	-	669
Hay, Alfalfa	453	1,422	150
Hay, Mixed	303	111	-
Hay, Mixed Alfalfa/Grass	78	-	318
Haylage, Mixed	1,003	1,173	-
Oats	279	-	-
Soybeans	9,588	12,309	22,559
Straw	603	105	439
Wheat, Winter	7,108	9,332	11,154
Miscellaneous crop income	14	-	-
Beef Finishing	1,441	-	-
Dairy, Milk	742,649	653,511	716,203
Dairy, Dairy Calves	3,134	2,717	2,848
Dairy Heifers (for sale)	2,507	-	9,493
Dairy Replacement Heifers	342	528	352
Dairy Finishing	11,515	6,000	16,755
Dairy Feeder	2,606	3,346	5,028
Dairy Backgrounding	448	1,831	-
User Added Livestock, User Added	2,188	6,841	-
Cull breeding livestock	41,259	30,965	52,033
Misc. livestock income	191	125	221
Direct, CCP & ACRE pymts	10,412	18,544	11,980
Livestock govt payments	119	-	-
Other government payments	5,293	4,583	3,693
Custom work income	3,778	2,803	1,360
Patronage dividends, cash	4,072	3,334	2,465
Insurance income	14,368	20,616	19,950
Other farm income	5,198	5,062	6,644
Gross Cash Farm Income	909,577	841,510	914,454

Table 37

Farm Income Statement (Continued)

2011 MI Dairy (100 to 249 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Cash Farm Expense			
Seed	29,523	35,342	28,911
Fertilizer	41,980	72,254	44,168
Crop chemicals	9,531	12,197	4,588
Crop insurance	2,343	2,223	2,019
Drying expense	399	1,634	-
Storage	243	993	-
Crop packaging and supplies	315	-	1,289
Crop hauling and trucking	240	-	22
Crop marketing	41	18	149
Crop miscellaneous	2,028	940	15
Feeder livestock purchase	355	144	970
Livestock packaging and supplies	1,343	-	5,495
Purchased feed	210,281	180,770	187,819
Breeding fees	6,308	3,724	7,411
Veterinary	17,043	14,263	17,590
Livestock supplies	24,946	24,887	18,367
DHIA	2,042	1,185	2,337
Livestock leases	944	180	-
Livestock hauling and trucking	20,505	17,004	21,172
Livestock marketing	9,122	8,796	5,679
Bedding	8,493	7,660	7,719
Interest	26,833	26,238	20,534
Packaging and supplies	1,309	-	683
Supplies	1,223	-	521
Fuel & oil	47,621	51,373	39,564
Repairs	45,365	49,895	30,506
Repair, machinery	5,091	-	10,189
Repair, livestock equip	202	-	827
Custom hire	20,431	17,720	11,798
Repair, buildings	1,437	3,975	1,428
Hired labor	90,750	83,339	70,559
Land rent	19,214	13,945	18,664
Machinery leases	9,550	16,875	10,554
Building leases	865	-	3,540
Real estate taxes	10,000	10,249	4,756
Personal property taxes	215	196	378
Farm insurance	13,150	15,110	11,244
Utilities	20,633	21,437	21,302
Hauling and trucking	1,791	3,408	3,918
Dues & professional fees	7,644	4,254	6,908
Miscellaneous	11,957	14,387	4,999
Total cash expense	723,307	716,615	628,592
Net cash farm income	186,269	124,895	285,862
Inventory Changes			
Prepays and supplies	8,898	6,843	20,959

Accounts receivable	3,466	1,151	3,311
Hedging accounts	-103	-	-420
Other current assets	-948	1,910	520
Crops and feed	16,714	3,011	26,726
Market livestock	-2,104	-7,300	-1,893
Breeding livestock	11,654	2,731	14,034
Other assets	4,067	-929	15,096
Accounts payable	-2,887	-11,490	-8,260
Accrued interest	147	-52	-40
Total inventory change	38,906	-4,125	70,033
Net operating profit	225,175	120,770	355,895
Depreciation			
Machinery and equipment	-53,349	-30,084	-62,947
Titled vehicles	-	-	-
Buildings and improvements	-25,121	-29,858	-34,799
Total depreciation	-78,470	-59,942	-97,745
Net farm income from operations	146,705	60,828	258,149
Gain or loss on capital sales	92	378	-
Net farm income	146,798	61,206	258,149

Table 38

Inventory Changes
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Net cash farm income	186,269	124,895	279,132
Crops and Feed			
Ending inventory	229,988	233,955	230,824
Beginning inventory	213,274	230,944	205,407
Inventory change	16,714	3,011	25,417
Market Livestock			
Ending inventory	14,720	15,324	16,131
Beginning inventory	16,824	22,624	17,867
Inventory change	-2,104	-7,300	-1,736
Accts Receivable			
Ending inventory	26,236	22,100	27,831
Beginning inventory	22,770	20,949	24,796
Inventory change	3,466	1,151	3,036
Prepaid Expenses and Supplies			
Ending inventory	33,502	47,344	49,575
Beginning inventory	24,604	40,500	30,363
Inventory change	8,898	6,843	19,212
Hedging Activities			
Ending inventory	108	-	406
Withdrawals	-103	-	-385
Beginning inventory	108	-	406
Deposits	-	-	-
Gain or loss	-103	-	-385
Other Current Assets			
Ending inventory	15,674	16,047	12,616
Beginning inventory	16,622	14,138	12,240
Inventory change	-948	1,910	376
Breeding Livestock			
Ending inventory	398,603	424,648	323,408
Capital sales	7,878	755	27,520
Beginning inventory	391,754	420,714	331,088
Capital purchases	3,072	1,959	5,431
Depreciation, capital adjust	11,654	2,731	14,410
Other Capital Assets			
Ending inventory	41,484	22,048	60,369
Capital sales	3,960	1,316	12,716
Beginning inventory	37,766	20,345	57,660
Capital purchases	3,611	3,949	1,587
Depreciation, capital adjust	4,067	-929	13,838
Accounts Payable			
Beginning inventory	27,892	29,372	4,954
Ending inventory	30,779	40,862	12,573
Inventory change	-2,887	-11,490	-7,619
Accrued Interest			
Beginning inventory	1,034	892	10
Ending inventory	887	944	46
Inventory change	147	-52	-36
Total inventory change	38,906	-4,125	66,513
Net operating profit	225,175	120,770	345,645

Table 39

Depreciation
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Net operating profit	225,175	120,770	345,645
Machinery and Equipment			
Ending inventory	146,372	163,205	133,322
Capital sales	1,993	3,085	311
Beginning inventory	124,568	134,851	112,798
Capital purchases	77,145	61,523	81,227
Depreciation, capital adjust.	-53,349	-30,084	-60,392
Titled Vehicles			
Ending inventory	1,322	-	4,958
Capital sales	-	-	-
Beginning inventory	1,322	-	4,958
Capital purchases	-	-	-
Depreciation, capital adjust.	-	-	-
Buildings and Improvements			
Ending inventory	156,565	161,626	186,084
Capital sales	4,111	-	15,417
Beginning inventory	147,246	165,979	174,571
Capital purchases	38,551	25,504	60,772
Depreciation, capital adjust.	-25,121	-29,858	-33,842
Total depreciation, capital adj.	-78,470	-59,942	-94,235
Net farm income from operations	146,705	60,828	251,410
Gain or loss on capital sales	92	378	-
Net farm income	146,798	61,206	251,410

Table 40

Profitability Measures
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Profitability (assets valued at cost)			
Net farm income from operations	146,705	60,828	251,410
Rate of return on assets	9.1 %	3.1 %	16.4 %
Rate of return on equity	13.8 %	2.4 %	27.2 %
Operating profit margin	16.5 %	7.5 %	26.1 %
Asset turnover rate	55.3 %	41.3 %	62.7 %
Farm interest expense	26,686	26,290	22,145
Value of operator lbr and mgmt.	52,871	37,727	66,667
Return on farm assets	120,520	49,390	206,888
Average farm assets	1,322,819	1,597,922	1,264,972
Return on farm equity	93,834	23,100	184,743
Average farm equity	681,618	976,068	678,045
Value of farm production	731,850	659,261	793,737
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Profitability (assets valued at market)			
Net farm income from operations	234,709	14,262	504,660
Rate of return on assets	8.8 %	0.1 %	19.5 %
Rate of return on equity	10.6 %	-1.1 %	24.7 %
Operating profit margin	28.5 %	0.4 %	58.0 %
Asset turnover rate	31.1 %	23.1 %	33.6 %
Farm interest expense	26,686	26,290	22,145
Value of operator lbr and mgmt.	52,871	37,727	66,667
Return on farm assets	208,523	2,825	460,138
Average farm assets	2,356,371	2,851,168	2,359,369
Return on farm equity	181,838	-23,465	437,993
Average farm equity	1,715,171	2,229,314	1,772,442
Value of farm production	731,850	659,261	793,737

Table 41

Liquidity & Repayment Capacity Measures
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Liquidity			
Current ratio	2.68	2.32	4.49
Working capital	223,026	226,916	278,725
Working capital to gross inc	23.7 %	27.0 %	28.0 %
Current assets	356,053	398,393	358,674
Current liabilities	133,027	171,477	79,949
Gross revenues (accrual)	942,486	840,174	995,578
Repayment capacity			
Net farm income from operations	146,705	60,828	251,410
Depreciation	78,470	59,942	94,235
Personal income	6,356	5,542	3,500
Family living/owner withdrawals	-59,553	-54,198	-73,542
Payments on personal debt	-723	-	-651
Income taxes paid	-1,332	-4,197	23
Interest on term debt	32,074	29,068	24,918
Capital debt repayment capacity	201,997	96,985	299,893
Scheduled term debt payments	-77,158	-63,122	-77,342
Capital debt repayment margin	124,839	33,863	222,551
Cash replacement allowance	-23,628	-29,340	-20,301
Replacement margin	101,211	4,522	202,250
Term debt coverage ratio	2.62	1.54	3.88
Replacement coverage ratio	2.00	1.05	3.07

Table 42

Balance Sheet at Cost Values
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	45		11		12	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	23,259	35,825	61,024	63,622	14,005	21,290
Prepaid expenses & supplies	24,604	33,502	40,500	47,344	30,363	49,575
Growing crops	15,836	15,674	14,138	16,047	12,240	12,616
Accounts receivable	22,770	26,236	20,949	22,100	24,796	27,831
Hedging accounts	108	108	0	0	406	406
Crops held for sale or feed	213,274	229,988	230,944	233,955	205,407	230,824
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	16,824	14,720	22,624	15,324	17,867	16,131
Other current assets	786	0	0	0	0	0
Total current farm assets	317,460	356,053	390,179	398,393	305,084	358,674
Intermediate Farm Assets						
Breeding livestock	391,754	398,603	420,714	424,648	331,088	323,408
Machinery and equipment	124,568	146,372	134,851	163,205	112,798	133,322
Titled vehicles	1,322	1,322	0	0	4,958	4,958
Other intermediate assets	26,570	29,038	11,442	12,313	51,645	52,441
Total intermediate farm assets	544,215	575,335	567,007	600,166	500,489	514,130
Long Term Farm Assets						
Farm land	261,860	263,260	446,929	446,929	235,859	241,109
Buildings and improvements	147,246	156,565	165,979	161,626	174,571	186,084
Other long-term assets	11,196	12,446	8,903	9,735	6,015	7,928
Total long-term farm assets	420,303	432,271	621,811	618,289	416,445	435,121
Total Farm Assets	1,281,978	1,363,659	1,578,996	1,616,848	1,222,018	1,307,925
Total Nonfarm Assets	76,401	79,570	196,622	196,243	54,171	55,155
Total Assets	1,358,379	1,443,230	1,775,619	1,813,091	1,276,189	1,363,081
Liabilities						
Current Farm Liabilities						
Accrued interest	1,034	887	892	944	10	46
Accounts payable	27,892	30,779	29,372	40,862	4,954	12,573
Current notes	57,695	54,166	81,900	85,125	43,165	14,862
Government crop loans	0	0	0	0	0	0
Principal due on term debt	45,084	47,195	34,054	44,546	52,425	52,468
Total current farm liabilities	131,705	133,027	146,218	171,477	100,553	79,949
Total intermediate farm liabs	180,077	166,479	133,618	117,674	274,101	257,994
Total long term farm liabilities	328,390	342,724	332,740	341,981	241,810	219,448
Total farm liabilities	640,171	642,229	612,576	631,132	616,464	557,390
Total nonfarm liabilities	6,818	5,384	3,875	2,663	3,433	0
Total liabilities	646,989	647,613	616,451	633,795	619,897	557,390
Net worth (farm and nonfarm)	711,390	795,616	1,159,168	1,179,297	656,292	805,691
Net worth change		84,227		20,128		149,399
Percent net worth change		12 %		2 %		23 %
Ratio Analysis						
Current farm liabilities / assets	41 %	37 %	37 %	43 %	33 %	22 %
Intermediate farm liab. / assets	33 %	29 %	24 %	20 %	55 %	50 %
Long term farm liab. / assets	78 %	79 %	54 %	55 %	58 %	50 %
Total debt to asset ratio	48 %	45 %	35 %	35 %	49 %	41 %

Table 43

Balance Sheet at Market Values
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	45		11		12	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	23,259	35,825	61,024	63,622	14,005	21,290
Prepaid expenses & supplies	24,604	33,502	40,500	47,344	30,363	49,575
Growing crops	15,836	15,674	14,138	16,047	12,240	12,616
Accounts receivable	22,770	26,236	20,949	22,100	24,796	27,831
Hedging accounts	108	108	0	0	406	406
Crops held for sale or feed	213,274	229,988	230,944	233,955	205,407	230,824
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	16,824	14,720	22,624	15,324	17,867	16,131
Other current assets	786	0	0	0	0	0
Total current farm assets	317,460	356,053	390,179	398,393	305,084	358,674
Intermediate Farm Assets						
Breeding livestock	419,400	427,885	420,714	424,648	389,492	385,592
Machinery and equipment	414,067	462,991	430,306	435,668	403,571	468,338
Titled vehicles	8,875	10,907	8,591	8,409	12,067	17,733
Other intermediate assets	34,934	37,417	36,169	37,041	60,301	61,153
Total intermediate farm assets	877,275	939,200	895,780	905,766	865,431	932,816
Long Term Farm Assets						
Farm land	720,325	775,595	1,181,698	1,181,698	633,631	822,344
Buildings and improvements	342,595	355,931	374,548	347,798	378,021	407,255
Other long-term assets	13,873	14,434	13,320	13,157	7,623	7,858
Total long-term farm assets	1,076,793	1,145,960	1,569,566	1,542,653	1,019,276	1,237,457
Total Farm Assets	2,271,529	2,441,214	2,855,525	2,846,811	2,189,791	2,528,948
Total Nonfarm Assets	185,738	194,419	283,058	300,608	149,454	152,632
Total Assets	2,457,266	2,635,632	3,138,583	3,147,418	2,339,244	2,681,580
Liabilities						
Current Farm Liabilities						
Accrued interest	1,034	887	892	944	10	46
Accounts payable	27,892	30,779	29,372	40,862	4,954	12,573
Current notes	57,695	54,166	81,900	85,125	43,165	14,862
Government crop loans	0	0	0	0	0	0
Principal due on term debt	45,084	47,195	34,054	44,546	52,425	52,468
Total current farm liabilities	131,705	133,027	146,218	171,477	100,553	79,949
Total intermediate farm liabs	180,077	166,479	133,618	117,674	274,101	257,994
Total long term farm liabilities	328,390	342,724	332,740	341,981	241,810	219,448
Total farm liabilities	640,171	642,229	612,576	631,132	616,464	557,390
Total nonfarm liabilities	6,818	5,384	3,875	2,663	3,433	0
Total liabs excluding deferreds	646,989	647,613	616,451	633,795	619,897	557,390
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	646,989	647,613	616,451	633,795	619,897	557,390
Retained earnings	711,390	795,616	1,159,168	1,179,297	656,292	805,691
Market valuation equity	1,098,887	1,192,403	1,362,965	1,334,327	1,063,056	1,318,499
Net worth (farm and nonfarm)	1,810,277	1,988,019	2,522,133	2,513,624	1,719,348	2,124,190
Net worth excluding deferreds	1,810,277	1,988,019	2,522,133	2,513,624	1,719,348	2,124,190
Net worth change		177,742		-8,509		404,842
Percent net worth change		10 %		0 %		24 %
Ratio Analysis						
Current farm liabilities / assets	41 %	37 %	37 %	43 %	33 %	22 %
Intermediate farm liab. / assets	21 %	18 %	15 %	13 %	32 %	28 %
Long term farm liab. / assets	30 %	30 %	21 %	22 %	24 %	18 %
Total debt to asset ratio	26 %	25 %	20 %	20 %	26 %	21 %
Debt to assets excl deferreds	26 %	25 %	20 %	20 %	26 %	21 %

Table 44

Statement Of Cash Flows
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Beginning cash (farm & nonfarm)	42,987	141,504	14,213
Cash Provided By Operating Activities			
Gross cash farm income	909,577	841,510	940,999
Total cash farm expense	-723,307	-716,615	-661,867
Net cash from hedging transactions	-103	-	-385
Cash provided by operating	186,167	124,895	278,747
Cash Provided By Investing Activities			
Sale of breeding livestock	7,878	755	27,520
Sale of machinery & equipment	2,085	3,463	311
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	4,111	-	15,417
Sale of other farm assets	3,960	1,316	12,716
Sale of nonfarm assets	2	-	7
Purchase of breeding livestock	-3,072	-1,959	-5,431
Purchase of machinery & equip.	-77,145	-61,523	-81,227
Purchase of titled vehicles	-	-	-
Purchase of farm land	-4,279	-2,341	-13,901
Purchase of farm buildings	-38,551	-25,504	-60,772
Purchase of other farm assets	-3,611	-3,949	-1,587
Purchase of nonfarm assets	-147	-29	-438
Cash provided by investing	-108,769	-89,769	-107,386
Cash Provided By Financing Activities			
Money borrowed	194,100	228,577	92,823
Principal payments	-196,097	-222,291	-162,985
Personal income	6,356	5,542	3,500
Family living/owner withdrawals	-59,553	-54,198	-73,542
Income and social security tax	-1,332	-4,197	23
Capital contributions	4,692	-	1,404
Capital distributions	-6,524	582	-
Dividends paid	178	727	-
Cash gifts and inheritances	-729	6,699	2,301
Gifts given	-7,137	1,061	-27,600
Other cash flows	-	-	-
Cash provided by financing	-66,047	-37,498	-164,076
Net change in cash balance	11,351	-2,372	7,285
Ending cash (farm & nonfarm)	54,338	139,132	21,499

Table 45

Financial Standards Measures
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Liquidity			
Current ratio	2.68	2.32	4.49
Working capital	223,026	226,916	278,725
Working capital to gross inc	23.7 %	27.0 %	28.0 %
Solvency (market)			
Farm debt to asset ratio	26 %	22 %	22 %
Farm equity to asset ratio	74 %	78 %	78 %
Farm debt to equity ratio	0.36	0.28	0.28
Profitability (cost)			
Rate of return on farm assets	9.1 %	3.1 %	16.4 %
Rate of return on farm equity	13.8 %	2.4 %	27.2 %
Operating profit margin	16.5 %	7.5 %	26.1 %
Net farm income	146,798	61,206	251,410
EBIDTA	251,861	147,060	367,790
Repayment Capacity			
Capital debt repayment capacity	201,997	96,985	299,893
Capital debt repayment margin	124,839	33,863	222,551
Replacement margin	101,211	4,522	202,250
Term debt coverage ratio	2.62	1.54	3.88
Replacement coverage ratio	2.00	1.05	3.07
Efficiency			
Asset turnover rate (cost)	55.3 %	41.3 %	62.7 %
Operating expense ratio	73.3 %	82.5 %	63.1 %
Depreciation expense ratio	8.3 %	7.1 %	9.5 %
Interest expense ratio	2.8 %	3.1 %	2.2 %
Net farm income ratio	15.6 %	7.3 %	25.3 %

Table 46

Operator and Labor Information
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Operator Information			
Average number of operators	1.5	1.9	1.2
Average age of operators	45.4	39.3	47.1
Average number of years farming	23.1	22.3	24.3
Results Per Operator			
Working capital	149,793	118,861	238,907
Total assets (market)	1,770,201	1,648,648	2,298,497
Total liabilities	434,964	331,988	477,763
Net worth (market)	1,335,237	1,316,660	1,820,734
Net worth excl deferred liabs	1,335,237	1,316,660	1,820,734
Gross farm income	633,013	440,091	853,353
Total farm expense	534,480	408,229	637,859
Net farm income from operations	98,533	31,862	215,494
Net nonfarm income	4,269	2,903	3,000
Family living & tax withdrawals	40,893	30,588	63,016
Total acres owned	243.4	283.4	274.3
Total crop acres	445.5	470.1	424.8
Crop acres owned	242.6	258.0	283.5
Crop acres cash rented	202.8	212.0	141.3
Crop acres share rented	-	-	-
Total pasture acres	0.4	-	1.1
Labor Analysis			
Number of farms	45	11	12
Total unpaid labor hours	5,026	5,661	4,582
Total hired labor hours	6,054	6,184	6,414
Total labor hours per farm	11,079	11,846	10,996
Unpaid hours per operator	3,351	2,966	3,877
Value of farm production / hour	65.18	55.65	69.15
Net farm income / unpaid hour	28.58	10.74	54.28
Average hourly hired labor wage	14.20	13.48	10.98
Partnerships & LLCs			
Number of farms	17	6	2
Number of operators	2.1	2.5	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 47

Financial Summary
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Income Statement			
Gross cash farm income	909,577	841,510	940,999
Total cash farm expense	723,307	716,615	661,867
Net cash farm income	186,269	124,895	279,132
Inventory change	38,906	-4,125	66,513
Depreciation	-78,470	-59,942	-94,235
Net farm income from operations	146,705	60,828	251,410
Gain or loss on capital sales	92	378	-
Average net farm income	146,798	61,206	251,410
Median net farm income	116,888	50,670	219,213
Profitability (cost)			
Rate of return on assets	9.1 %	3.1 %	16.4 %
Rate of return on equity	13.8 %	2.4 %	27.2 %
Operating profit margin	16.5 %	7.5 %	26.1 %
Asset turnover rate	55.3 %	41.3 %	62.7 %
Profitability (market)			
Rate of return on assets	8.8 %	0.1 %	19.5 %
Rate of return on equity	10.6 %	-1.1 %	24.7 %
Operating profit margin	28.5 %	0.4 %	58.0 %
Asset turnover rate	31.1 %	23.1 %	33.6 %
Liquidity & Repayment (end of year)			
Current assets	356,053	398,393	358,674
Current liabilities	133,027	171,477	79,949
Current ratio	2.68	2.32	4.49
Working capital	223,026	226,916	278,725
Working capital to gross inc	23.7 %	27.0 %	28.0 %
Term debt coverage ratio	2.62	1.54	3.88
Replacement coverage ratio	2.00	1.05	3.07
Solvency (end of year at cost)			
Number of farms	45	11	12
Total farm assets	1,363,659	1,616,848	1,307,925
Total farm liabilities	642,229	631,132	557,390
Total assets	1,443,230	1,813,091	1,363,081
Total liabilities	647,613	633,795	557,390
Net worth	795,616	1,179,297	805,691
Net worth change	84,227	20,128	149,399
Farm debt to asset ratio	47 %	39 %	43 %
Total debt to asset ratio	45 %	35 %	41 %
Solvency (end of year at market)			
Number of farms	45	11	12
Total farm assets	2,441,214	2,846,811	2,528,948
Total farm liabilities	642,229	631,132	557,390
Total assets	2,635,632	3,147,418	2,681,580
Total liabilities	647,613	633,795	557,390
Net worth	1,988,019	2,513,624	2,124,190
Net worth change	177,742	-8,509	404,842
Farm debt to asset ratio	26 %	22 %	22 %
Total debt to asset ratio	25 %	20 %	21 %
Nonfarm Information			
Net nonfarm income	6,356	5,542	3,500
Crop Acres			
Total acres owned	362	541	320
Total crop acres	663	897	496
Total crop acres owned	361	493	331
Total crop acres cash rented	302	405	165
Total crop acres share rented	-	-	-

Table 48

Summary Farm Income Statement
2011 MI Dairy (100 to 249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	45	11	12
Crop sales	58,058	80,702	65,430
Crop inventory change	16,714	3,011	26,726
Gross crop income	74,772	83,714	92,156
Livestock sales	766,859	674,900	750,680
Livestock inventory change	-2,104	-7,300	-1,893
Gross livestock income	764,756	667,601	748,786
Government payments	15,824	23,127	15,672
Other cash farm income	68,835	62,781	82,672
Change in accounts receivable	3,466	1,151	3,311
Gain or loss on hedging accounts	-103	-	-420
Change in other assets	3,282	-929	15,096
Gain or loss on breeding lvst	11,654	2,731	14,034
Gross farm income	942,486	840,174	971,308
Cash operating expenses	696,474	690,377	608,058
Change in prepaids and supplies	-8,898	-6,843	-20,959
Change in growing crops	163	-1,910	-520
Change in accounts payable	2,887	11,490	8,260
Depreciation	78,470	59,942	97,745
Total operating expense	769,095	753,057	692,584
Interest paid	26,833	26,238	20,534
Change in accrued interest	-147	52	40
Total interest expense	26,686	26,290	20,574
Total expenses	795,781	779,347	713,158
Net farm income from operations	146,705	60,828	258,149
Gain or loss on capital sales	92	378	-
Net farm income	146,798	61,206	258,149

D. Financial Summary Information, Herds with 250 - 449 Cows

Table 49	Crop Production and Marketing Summary 2011 MI Dairy (250 to 449 Cows) (Farms Sorted By Rate of Return on Assets - Mkt)		
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	18	5	5
Average number of cows	315	315	311
Milk production per cow lbs.,	25,370	25,130	26,444
Average milk price per cwt.,	\$20.56	\$20.66	\$20.76
Acreage Summary			
Total acres owned	514	718	444
Total crop acres	997	1,092	809
Crop acres owned	630	850	422
Crop acres cash rented	365	230	387
Crop acres share rented	3	12	-
Total pasture acres	-	-	-
Percent crop acres owned	63 %	78 %	52 %
Average Price Received (Cash Sales Only)			
Corn per bushel	5.74	-	-
Wheat, Winter per bushel	7.37	-	-
Soybeans per bushel	12.64	-	-
Corn Silage per ton	50.08	-	-

Table 50

Farm Income Statement
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Cash Farm Income			
Corn	49,183	36,385	17,594
Corn Silage	11,441	3,728	-
Hay, Mixed	184	-	500
Haylage, Mixed	1,897	-	-
Oats	656	767	-
Soybeans	29,852	68,479	-
Sugar Beets	28,902	-	98,268
Wheat, Winter	19,591	20,696	37,360
Miscellaneous crop income	12	-	-
Dairy, Milk	1,624,723	1,740,522	1,689,782
Dairy, Dairy Calves	19,514	3,361	46,728
Dairy Replacement Heifers	113	-	-
Dairy Finishing	12,372	50,705	-
Dairy Feeder	3,863	-	-
Dairy Backgrounding	4,168	17,714	-
Cull breeding livestock	80,725	78,618	91,214
Misc. livestock income	1,637	1,283	4,343
Direct, CCP & ACRE pymts	5,606	14,228	4,276
Other government payments	10,138	7,306	7,494
Custom work income	8,214	5,446	1,312
Patronage dividends, cash	12,090	6,968	14,363
Insurance income	13,244	38,474	10,062
Other farm income	25,840	73,841	10,707
Gross Cash Farm Income	1,963,964	2,168,518	2,034,001

Table 50

Farm Income Statement (Continued)

2011 MI Dairy (250 to 449 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Cash Farm Expense			
Seed	50,804	47,045	46,819
Fertilizer	68,782	87,029	38,461
Crop chemicals	16,834	23,543	8,667
Crop insurance	4,052	4,284	-51
Drying expense	1,710	4,343	-
Storage	556	365	-
Crop miscellaneous	6,535	4,850	2,313
Feeder livestock purchase	87	-	296
Purchased feed	526,071	555,568	586,017
Breeding fees	15,475	19,836	17,384
Veterinary	50,613	53,175	41,650
Supplies	52,485	78,736	36,910
DHIA	4,500	3,264	4,953
Livestock hauling and trucking	41,114	49,655	38,236
Marketing	17,152	12,808	18,622
Bedding	26,462	27,609	23,646
Interest	51,567	75,524	23,447
Packaging and supplies	3,859	-	13,119
Fuel & oil	82,978	111,263	72,185
Repairs	87,370	117,634	66,306
Custom hire	46,513	62,109	36,605
Repair, buildings	1,458	1,018	1,767
Hired labor	214,646	256,496	186,989
Land rent	53,171	92,022	34,695
Machinery leases	7,534	8,854	915
Building leases	4,109	1,625	12,672
Real estate taxes	13,792	17,841	11,333
Personal property taxes	509	-	1,490
Farm insurance	23,107	46,372	16,773
Utilities	38,502	51,340	32,435
Hauling and trucking	4,599	-	7,935
Dues & professional fees	9,352	11,558	5,470
Miscellaneous	21,711	23,354	13,250
Total cash expense	1,548,008	1,849,117	1,401,310
Net cash farm income	415,956	319,401	632,691
Inventory Changes			
Prepays and supplies	15,016	-12,317	17,318
Accounts receivable	15,154	17,400	56,558
Hedging accounts	-2,947	-	-
Other current assets	2,057	721	3,394
Crops and feed	105,610	-3,039	206,704
Market livestock	4,135	4,631	13,725
Breeding livestock	28,762	31,109	31,815
Other assets	-1,911	-	8,440
Accounts payable	16,253	12,296	17,331

Accrued interest	671	-142	132
Total inventory change	182,800	50,659	355,415
Net operating profit	598,756	370,059	988,106
Depreciation			
Machinery and equipment	-109,890	-79,873	-174,981
Titled vehicles	-847	-3,250	-240
Buildings and improvements	-69,022	-38,542	-130,675
Total depreciation	-179,759	-121,665	-305,895
Net farm income from operations	418,996	248,394	682,211
Gain or loss on capital sales	-	-	-
Net farm income	418,996	248,394	682,211

Table 51

Inventory Changes
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Net cash farm income	415,956	319,401	632,691
Crops and Feed			
Ending inventory	521,564	508,670	471,599
Beginning inventory	415,954	511,709	264,895
Inventory change	105,610	-3,039	206,704
Market Livestock			
Ending inventory	28,138	53,563	48,450
Beginning inventory	24,003	48,932	34,725
Inventory change	4,135	4,631	13,725
Accts Receivable			
Ending inventory	83,314	90,469	126,338
Beginning inventory	68,160	73,070	69,780
Inventory change	15,154	17,400	56,558
Prepaid Expenses and Supplies			
Ending inventory	69,071	55,318	99,876
Beginning inventory	54,055	67,635	82,558
Inventory change	15,016	-12,317	17,318
Hedging Activities			
Ending inventory	209	890	-
Withdrawals	-2,947	-	-
Beginning inventory	209	890	-
Deposits	-	-	-
Gain or loss	-2,947	-	-
Other Current Assets			
Ending inventory	29,392	23,538	35,526
Beginning inventory	27,335	22,817	32,132
Inventory change	2,057	721	3,394
Breeding Livestock			
Ending inventory	827,640	998,300	687,591
Capital sales	1,133	3,319	-
Beginning inventory	782,801	952,238	642,824
Capital purchases	17,210	18,273	12,952
Depreciation, capital adjust	28,762	31,109	31,815
Other Capital Assets			
Ending inventory	170,271	62,453	67,765
Capital sales	5,797	-	14,428
Beginning inventory	89,807	57,970	60,192
Capital purchases	88,172	4,484	13,562
Depreciation, capital adjust	-1,911	-	8,440
Accounts Payable			
Beginning inventory	63,443	127,753	33,121
Ending inventory	47,191	115,457	15,790
Inventory change	16,253	12,296	17,331
Accrued Interest			
Beginning inventory	2,986	966	173
Ending inventory	2,315	1,108	40
Inventory change	671	-142	132
Total inventory change	182,800	50,659	355,415
Net operating profit	598,756	370,059	988,106

Table 52

Depreciation
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Net operating profit	598,756	370,059	988,106
Machinery and Equipment			
Ending inventory	290,425	161,327	241,556
Capital sales	2,040	293	2,240
Beginning inventory	228,127	150,620	209,442
Capital purchases	174,229	90,872	209,334
Depreciation, capital adjust.	-109,890	-79,873	-174,981
Titled Vehicles			
Ending inventory	1,424	-	4,840
Capital sales	-	-	-
Beginning inventory	2,259	3,250	5,080
Capital purchases	12	-	-
Depreciation, capital adjust.	-847	-3,250	-240
Buildings and Improvements			
Ending inventory	343,535	316,342	310,861
Capital sales	-	-	-
Beginning inventory	319,345	324,370	269,373
Capital purchases	93,212	30,514	172,162
Depreciation, capital adjust.	-69,022	-38,542	-130,675
Total depreciation, capital adj.	-179,759	-121,665	-305,895
Net farm income from operations	418,996	248,394	682,211
Gain or loss on capital sales	-	-	-
Net farm income	418,996	248,394	682,211

Table 53

Profitability Measures
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Profitability (assets valued at cost)			
Net farm income from operations	418,996	248,394	682,211
Rate of return on assets	13.5 %	8.0 %	25.7 %
Rate of return on equity	20.9 %	15.0 %	33.3 %
Operating profit margin	23.4 %	14.2 %	33.0 %
Asset turnover rate	57.7 %	56.4 %	78.0 %
Farm interest expense	50,896	75,666	23,315
Value of operator lbr and mgmt.	99,309	87,500	123,000
Return on farm assets	370,584	236,561	582,526
Average farm assets	2,750,094	2,948,418	2,262,399
Return on farm equity	319,687	160,894	559,211
Average farm equity	1,526,750	1,071,112	1,678,960
Value of farm production	1,586,812	1,662,938	1,765,709
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Profitability (assets valued at market)			
Net farm income from operations	589,500	272,387	1,144,324
Rate of return on assets	12.0 %	5.0 %	23.8 %
Rate of return on equity	15.0 %	5.5 %	26.9 %
Operating profit margin	34.1 %	15.7 %	59.2 %
Asset turnover rate	35.3 %	31.7 %	40.2 %
Farm interest expense	50,896	75,666	23,315
Value of operator lbr and mgmt.	99,309	87,500	123,000
Return on farm assets	541,087	260,554	1,044,639
Average farm assets	4,496,698	5,242,293	4,387,047
Return on farm equity	490,190	184,887	1,021,324
Average farm equity	3,273,354	3,364,987	3,803,608
Value of farm production	1,586,812	1,662,938	1,765,709

Table 54

Liquidity & Repayment Capacity Measures
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Liquidity			
Current ratio	3.96	2.10	10.00
Working capital	581,439	394,009	767,289
Working capital to gross inc	27.5 %	17.8 %	32.6 %
Current assets	777,746	750,598	852,523
Current liabilities	196,307	356,588	85,234
Gross revenues (accrual)	2,112,970	2,218,505	2,352,022
Repayment capacity			
Net farm income from operations	418,996	248,394	682,211
Depreciation	179,759	121,665	305,895
Personal income	8,773	16,703	4,969
Family living/owner withdrawals	-90,136	-91,665	-127,667
Payments on personal debt	-1,356	-	-4,611
Income taxes paid	-59	-	-
Interest on term debt	53,658	80,179	18,476
Capital debt repayment capacity	569,636	375,276	879,274
Scheduled term debt payments	-138,397	-185,258	-66,541
Capital debt repayment margin	431,239	190,018	812,733
Cash replacement allowance	-31,231	-11,952	-67,167
Replacement margin	400,008	178,065	745,566
Term debt coverage ratio	4.12	2.03	13.21
Replacement coverage ratio	3.36	1.90	6.58

Table 55

Balance Sheet at Cost Values
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	18		5		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	43,489	46,058	24,315	18,150	51,111	70,736
Prepaid expenses & supplies	54,055	69,071	67,635	55,318	82,558	99,876
Growing crops	27,011	28,866	21,692	22,527	31,932	34,546
Accounts receivable	68,160	83,314	73,070	90,469	69,780	126,338
Hedging accounts	209	209	890	890	0	0
Crops held for sale or feed	415,954	521,564	511,709	508,670	264,895	471,599
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	24,003	28,138	48,932	53,563	34,725	48,450
Other current assets	324	526	1,125	1,012	200	980
Total current farm assets	633,206	777,746	749,367	750,598	535,201	852,523
Intermediate Farm Assets						
Breeding livestock	782,801	827,640	952,238	998,300	642,824	687,591
Machinery and equipment	228,127	290,425	150,620	161,327	209,442	241,556
Titled vehicles	2,259	1,424	3,250	0	5,080	4,840
Other intermediate assets	70,852	147,764	26,205	26,856	41,902	39,073
Total intermediate farm assets	1,084,039	1,267,253	1,132,312	1,186,483	899,248	973,060
Long Term Farm Assets						
Farm land	489,525	544,079	637,302	732,702	325,814	311,737
Buildings and improvements	319,345	343,535	324,370	316,342	269,373	310,861
Other long-term assets	18,955	22,507	31,765	35,597	18,289	28,692
Total long-term farm assets	827,825	910,121	993,437	1,084,641	613,477	651,290
Total Farm Assets	2,545,069	2,955,119	2,875,116	3,021,721	2,047,925	2,476,873
Total Nonfarm Assets	298,445	299,858	37,696	47,309	783,893	776,689
Total Assets	2,843,514	3,254,977	2,912,811	3,069,031	2,831,818	3,253,562
Liabilities						
Current Farm Liabilities						
Accrued interest	2,986	2,315	966	1,108	173	40
Accounts payable	63,443	47,191	127,753	115,457	33,121	15,790
Current notes	64,171	62,821	159,590	142,939	7,734	26,561
Government crop loans	0	0	0	0	0	0
Principal due on term debt	84,739	83,980	105,079	97,084	48,064	42,843
Total current farm liabilities	215,339	196,307	393,388	356,588	89,092	85,234
Total intermediate farm liabs	283,759	315,406	370,692	370,600	189,345	206,090
Total long term farm liabilities	684,205	751,674	1,119,574	1,143,771	337,989	259,128
Total farm liabilities	1,183,302	1,263,387	1,883,654	1,870,959	616,426	550,452
Total nonfarm liabilities	13,045	11,088	0	0	37,008	32,061
Total liabilities	1,196,347	1,274,475	1,883,654	1,870,959	653,434	582,512
Net worth (farm and nonfarm)	1,647,167	1,980,502	1,029,157	1,198,071	2,178,384	2,671,049
Net worth change		333,335		168,915		492,665
Percent net worth change		20 %		16 %		23 %
Ratio Analysis						
Current farm liabilities / assets	34 %	25 %	52 %	48 %	17 %	10 %
Intermediate farm liab. / assets	26 %	25 %	33 %	31 %	21 %	21 %
Long term farm liab. / assets	83 %	83 %	113 %	105 %	55 %	40 %
Total debt to asset ratio	42 %	39 %	65 %	61 %	23 %	18 %

Table 56

Balance Sheet at Market Values
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	18		5		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	43,489	46,058	24,315	18,150	51,111	70,736
Prepaid expenses & supplies	54,055	69,071	67,635	55,318	82,558	99,876
Growing crops	27,011	28,866	21,692	22,527	31,932	34,546
Accounts receivable	68,160	83,314	73,070	90,469	69,780	126,338
Hedging accounts	209	209	890	890	0	0
Crops held for sale or feed	415,954	521,564	511,709	508,670	264,895	471,599
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	24,003	28,138	48,932	53,563	34,725	48,450
Other current assets	324	526	1,125	1,012	200	980
Total current farm assets	633,206	777,746	749,367	750,598	535,201	852,523
Intermediate Farm Assets						
Breeding livestock	808,889	862,310	952,238	998,300	731,524	805,471
Machinery and equipment	709,432	833,775	766,425	815,791	887,167	974,502
Titled vehicles	9,595	24,511	35,250	32,150	1,723	55,018
Other intermediate assets	70,461	147,434	26,205	26,856	41,902	39,073
Total intermediate farm assets	1,598,377	1,868,030	1,780,117	1,873,097	1,662,316	1,874,064
Long Term Farm Assets						
Farm land	1,311,854	1,417,633	1,970,641	2,048,499	1,077,026	1,258,032
Buildings and improvements	606,645	660,397	630,066	624,136	523,125	683,066
Other long-term assets	56,339	63,168	26,803	31,263	143,849	164,892
Total long-term farm assets	1,974,838	2,141,199	2,627,510	2,703,898	1,744,001	2,105,990
Total Farm Assets	4,206,421	4,786,975	5,156,994	5,327,593	3,941,517	4,832,577
Total Nonfarm Assets	358,919	381,860	59,910	67,024	817,573	820,769
Total Assets	4,565,340	5,168,835	5,216,904	5,394,616	4,759,090	5,653,346
Liabilities						
Current Farm Liabilities						
Accrued interest	2,986	2,315	966	1,108	173	40
Accounts payable	63,443	47,191	127,753	115,457	33,121	15,790
Current notes	64,171	62,821	159,590	142,939	7,734	26,561
Government crop loans	0	0	0	0	0	0
Principal due on term debt	84,739	83,980	105,079	97,084	48,064	42,843
Total current farm liabilities	215,339	196,307	393,388	356,588	89,092	85,234
Total intermediate farm liabs	283,759	315,406	370,692	370,600	189,345	206,090
Total long term farm liabilities	684,205	751,674	1,119,574	1,143,771	337,989	259,128
Total farm liabilities	1,183,302	1,263,387	1,883,654	1,870,959	616,426	550,452
Total nonfarm liabilities	13,045	11,088	0	0	37,008	32,061
Total liabs excluding deferreds	1,196,347	1,274,475	1,883,654	1,870,959	653,434	582,512
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	1,196,347	1,274,475	1,883,654	1,870,959	653,434	582,512
Retained earnings	1,647,167	1,980,502	1,029,157	1,198,071	2,178,384	2,671,049
Market valuation equity	1,721,826	1,913,858	2,304,093	2,325,586	1,927,272	2,399,785
Net worth (farm and nonfarm)	3,368,993	3,894,360	3,333,250	3,523,657	4,105,656	5,070,834
Net worth excluding deferreds	3,368,993	3,894,360	3,333,250	3,523,657	4,105,656	5,070,834
Net worth change		525,367		190,407		965,178
Percent net worth change		16 %		6 %		24 %
Ratio Analysis						
Current farm liabilities / assets	34 %	25 %	52 %	48 %	17 %	10 %
Intermediate farm liab. / assets	18 %	17 %	21 %	20 %	11 %	11 %
Long term farm liab. / assets	35 %	35 %	43 %	42 %	19 %	12 %
Total debt to asset ratio	26 %	25 %	36 %	35 %	14 %	10 %
Debt to assets excl deferreds	26 %	25 %	36 %	35 %	14 %	10 %

Table 57

Statement Of Cash Flows
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Beginning cash (farm & nonfarm)	43,489	24,315	51,111
Cash Provided By Operating Activities			
Gross cash farm income	1,963,964	2,168,518	2,034,001
Total cash farm expense	-1,548,008	-1,849,117	-1,401,310
Net cash from hedging transactions	-2,947	-	-
Cash provided by operating	413,009	319,401	632,691
Cash Provided By Investing Activities			
Sale of breeding livestock	1,133	3,319	-
Sale of machinery & equipment	2,040	293	2,240
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	5,797	-	14,428
Sale of nonfarm assets	0	-	0
Purchase of breeding livestock	-17,210	-18,273	-12,952
Purchase of machinery & equip.	-174,229	-90,872	-209,334
Purchase of titled vehicles	-12	-	-
Purchase of farm land	-39,875	-95,400	-
Purchase of farm buildings	-93,212	-30,514	-172,162
Purchase of other farm assets	-88,172	-4,484	-13,562
Purchase of nonfarm assets	-1,217	-3,958	-971
Cash provided by investing	-404,956	-239,889	-392,314
Cash Provided By Financing Activities			
Money borrowed	368,881	314,230	177,775
Principal payments	-273,330	-314,771	-231,234
Personal income	8,773	16,703	4,969
Family living/owner withdrawals	-90,136	-91,665	-127,667
Income and social security tax	-59	-	-
Capital contributions	-	-	-
Capital distributions	-12,562	-7,223	-6,240
Dividends paid	-	-	-
Cash gifts and inheritances	7,739	10,153	1,450
Gifts given	-14,790	-13,103	-39,805
Other cash flows	-	-	-
Cash provided by financing	-5,484	-85,677	-220,752
Net change in cash balance	2,569	-6,165	19,625
Ending cash (farm & nonfarm)	46,058	18,150	70,737

Table 58

Financial Standards Measures
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Liquidity			
Current ratio	3.96	2.10	10.00
Working capital	581,439	394,009	767,289
Working capital to gross inc	27.5 %	17.8 %	32.6 %
Solvency (market)			
Farm debt to asset ratio	26 %	35 %	11 %
Farm equity to asset ratio	74 %	65 %	89 %
Farm debt to equity ratio	0.36	0.54	0.13
Profitability (cost)			
Rate of return on farm assets	13.5 %	8.0 %	25.7 %
Rate of return on farm equity	20.9 %	15.0 %	33.3 %
Operating profit margin	23.4 %	14.2 %	33.0 %
Net farm income	418,996	248,394	682,211
EBIDTA	649,652	445,726	1,011,421
Repayment Capacity			
Capital debt repayment capacity	569,636	375,276	879,274
Capital debt repayment margin	431,239	190,018	812,733
Replacement margin	400,008	178,065	745,566
Term debt coverage ratio	4.12	2.03	13.21
Replacement coverage ratio	3.36	1.90	6.58
Efficiency			
Asset turnover rate (cost)	57.7 %	56.4 %	78.0 %
Operating expense ratio	69.3 %	79.9 %	57.0 %
Depreciation expense ratio	8.5 %	5.5 %	13.0 %
Interest expense ratio	2.4 %	3.4 %	1.0 %
Net farm income ratio	19.8 %	11.2 %	29.0 %

Table 59

Operator and Labor Information
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Operator Information			
Average number of operators	1.9	2.0	2.2
Average age of operators	49.0	44.9	48.6
Average number of years farming	24.8	21.9	23.3
Results Per Operator			
Working capital	299,529	197,005	348,768
Total assets (market)	2,662,733	2,697,308	2,569,703
Total liabilities	656,548	935,480	264,778
Net worth (market)	2,006,185	1,761,829	2,304,924
Net worth excl deferred liabs	2,006,185	1,761,829	2,304,924
Gross farm income	1,088,500	1,109,253	1,069,101
Total farm expense	872,653	985,056	759,005
Net farm income from operations	215,847	124,197	310,096
Net nonfarm income	4,520	8,351	2,259
Family living & tax withdrawals	46,464	45,833	58,031
Total acres owned	265.0	358.8	201.6
Total crop acres	513.8	546.1	367.7
Crop acres owned	324.4	425.2	191.9
Crop acres cash rented	188.0	115.0	175.8
Crop acres share rented	1.4	5.9	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	18	5	5
Total unpaid labor hours	5,359	5,750	6,044
Total hired labor hours	13,440	15,821	10,428
Total labor hours per farm	18,799	21,571	16,472
Unpaid hours per operator	2,761	2,875	2,747
Value of farm production / hour	84.41	77.09	107.20
Net farm income / unpaid hour	78.18	43.20	112.87
Average hourly hired labor wage	15.97	16.21	17.93
Partnerships & LLCs			
Number of farms	9	2	3
Number of operators	2.2	-	2.7
Owner withdrawals per farm	150,969	-	-
Withdrawals per operator	56,613	-	-

Table 60

Financial Summary
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Income Statement			
Gross cash farm income	1,963,964	2,168,518	2,034,001
Total cash farm expense	1,548,008	1,849,117	1,401,310
Net cash farm income	415,956	319,401	632,691
Inventory change	182,800	50,659	355,415
Depreciation	-179,759	-121,665	-305,895
Net farm income from operations	418,996	248,394	682,211
Gain or loss on capital sales	-	-	-
Average net farm income	418,996	248,394	682,211
Median net farm income	387,340	233,804	709,950
Profitability (cost)			
Rate of return on assets	13.5 %	8.0 %	25.7 %
Rate of return on equity	20.9 %	15.0 %	33.3 %
Operating profit margin	23.4 %	14.2 %	33.0 %
Asset turnover rate	57.7 %	56.4 %	78.0 %
Profitability (market)			
Rate of return on assets	12.0 %	5.0 %	23.8 %
Rate of return on equity	15.0 %	5.5 %	26.9 %
Operating profit margin	34.1 %	15.7 %	59.2 %
Asset turnover rate	35.3 %	31.7 %	40.2 %
Liquidity & Repayment (end of year)			
Current assets	777,746	750,598	852,523
Current liabilities	196,307	356,588	85,234
Current ratio	3.96	2.10	10.00
Working capital	581,439	394,009	767,289
Working capital to gross inc	27.5 %	17.8 %	32.6 %
Term debt coverage ratio	4.12	2.03	13.21
Replacement coverage ratio	3.36	1.90	6.58
Solvency (end of year at cost)			
Number of farms	18	5	5
Total farm assets	2,955,119	3,021,721	2,476,873
Total farm liabilities	1,263,387	1,870,959	550,452
Total assets	3,254,977	3,069,031	3,253,562
Total liabilities	1,274,475	1,870,959	582,512
Net worth	1,980,502	1,198,071	2,671,049
Net worth change	333,335	168,915	492,665
Farm debt to asset ratio	43 %	62 %	22 %
Total debt to asset ratio	39 %	61 %	18 %
Solvency (end of year at market)			
Number of farms	18	5	5
Total farm assets	4,786,975	5,327,593	4,832,577
Total farm liabilities	1,263,387	1,870,959	550,452
Total assets	5,168,835	5,394,616	5,653,346
Total liabilities	1,274,475	1,870,959	582,512
Net worth	3,894,360	3,523,657	5,070,834
Net worth change	525,367	190,407	965,178
Farm debt to asset ratio	26 %	35 %	11 %
Total debt to asset ratio	25 %	35 %	10 %
Nonfarm Information			
Net nonfarm income	8,773	16,703	4,969
Crop Acres			
Total acres owned	514	718	444
Total crop acres	997	1,092	809
Total crop acres owned	630	850	422
Total crop acres cash rented	365	230	387
Total crop acres share rented	3	12	-

Table 61

Summary Farm Income Statement
2011 MI Dairy (250 to 449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Crop sales	141,717	130,053	153,721
Crop inventory change	105,610	-3,039	206,704
Gross crop income	247,327	127,015	360,425
Livestock sales	1,664,799	1,812,302	1,736,510
Livestock inventory change	4,135	4,631	13,725
Gross livestock income	1,668,934	1,816,932	1,750,235
Government payments	15,744	21,534	11,770
Other cash farm income	141,705	204,629	132,000
Change in accounts receivable	15,154	17,400	56,558
Gain or loss on hedging accounts	-2,947	-	-
Change in other assets	-1,708	-114	9,220
Gain or loss on breeding lvst	28,762	31,109	31,815
Gross farm income	2,112,970	2,218,505	2,352,022
Cash operating expenses	1,496,441	1,773,593	1,377,863
Change in prepaids and supplies	-15,016	12,317	-17,318
Change in growing crops	-1,855	-835	-2,614
Change in accounts payable	-16,253	-12,296	-17,331
Depreciation	179,759	121,665	305,895
Total operating expense	1,643,077	1,894,445	1,646,496
Interest paid	51,567	75,524	23,447
Change in accrued interest	-671	142	-132
Total interest expense	50,896	75,666	23,315
Total expenses	1,693,974	1,970,111	1,669,811
Net farm income from operations	418,996	248,394	682,211
Gain or loss on capital sales	-	-	-
Net farm income	418,996	248,394	682,211

E. Financial Summary Information, Herds with 450+ Cows

Table 62 Crop Production and Marketing Summary
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	19	5	5
Average number of cows	869	562	839
Milk production per cow lbs.,	25,129	25,772	26,780
Average milk price per cwt.,	\$20.63	\$20.34	\$19.85
Acreage Summary			
Total acres owned	827	620	1,062
Total crop acres	1,128	1,107	881
Crop acres owned	785	509	677
Crop acres cash rented	342	598	201
Crop acres share rented	1	-	3
Total pasture acres	1	-	-
Percent crop acres owned	70 %	46 %	77 %
Average Price Received (Cash Sales Only)			
Corn per bushel	6.57	-	-
Wheat, Winter per bushel	6.29	-	-
Soybeans per bushel	12.22	-	-

Table 63

Farm Income Statement
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Cash Farm Income			
Beans, Navy	1,912	-	-
Corn	79,269	8,667	175,381
Corn Silage	2,446	1,969	7,719
Hay, Alfalfa	105	-	400
Hay, Mixed	339	1,608	-
Hay, Mixed Alfalfa/Grass	1,077	-	4,093
Haylage, Mixed	3,241	131	-
Soybeans	89,379	57,014	116,896
Speltz	3,015	-	-
Sugar Beets	19,907	94,559	-
Wheat, Winter	53,168	39,715	53,722
Miscellaneous crop income	66	-	52
Beef Cow-Calf, Beef Calves	111	-	-
Dairy, Milk	4,338,064	2,959,051	4,300,869
Dairy, Dairy Calves	30,164	4,643	45,449
Dairy Heifers (for sale)	4,645	22,063	-
Dairy Replacement Heifers	4,579	-	8,223
Dairy Finishing	46,551	95,704	42,795
Dairy Feeder	94	-	357
Cull breeding livestock	223,004	121,466	247,070
Misc. livestock income	2,414	1,500	7,975
LDP payments	18,357	-	69,755
Direct, CCP & ACRE pymts	8,091	10,582	19,473
CRP payments	5,552	-	21,099
Other government payments	18,864	16,584	2,324
Custom work income	15,995	32,902	21,920
Patronage dividends, cash	40,373	31,536	32,108
Insurance income	10,976	5,482	9,753
Other farm income	14,706	12,867	21,057
Gross Cash Farm Income	5,036,463	3,518,043	5,208,489

Table 63

Farm Income Statement (Continued)

2011 MI Dairy (450 plus Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Cash Farm Expense			
Seed	114,150	109,609	113,082
Fertilizer	129,458	64,880	158,954
Crop chemicals	50,526	42,155	59,466
Crop insurance	15,318	200	10,531
Drying expense	1,270	-	-
Crop packaging and supplies	1,939	7,448	-
Crop hauling and trucking	611	-	-
Crop marketing	433	275	-
Crop miscellaneous	21,020	-	63,481
Feeder livestock purchase	27,632	-	105,000
Purchased feed	1,378,478	1,049,539	1,441,783
Breeding fees	32,096	27,194	21,563
Veterinary	104,038	57,583	126,687
Livestock supplies	121,693	77,782	63,361
DHIA	4,713	5,614	-
Contract production exp.	8,661	-	-
Livestock leases	13,671	-	51,950
Livestock utilities	2,727	-	-
Livestock hauling and trucking	90,310	60,954	109,938
Livestock marketing	40,432	42,938	31,025
Bedding	56,123	36,699	43,427
Livestock miscellaneous	4,106	-	3,111
Interest	156,130	169,716	178,253
Packaging and supplies	12,207	21,847	22,589
Supplies	18,078	-	32,183
Fuel & oil	174,051	123,586	163,234
Repairs	176,767	137,982	185,306
Repair, machinery	3,928	-	12
Custom hire	308,317	179,636	169,400
Repair, buildings	38,678	18,588	6,645
Hired labor	623,364	414,798	531,871
Land rent	111,035	96,699	58,315
Machinery leases	28,579	5,226	57,732
Building leases	34,029	-	129,309
Real estate taxes	36,394	25,381	38,788
Personal property taxes	646	427	226
Farm insurance	44,251	46,588	63,905
Utilities	91,306	75,772	76,022
Hauling and trucking	3,439	16,338	-
Dues & professional fees	8,623	10,333	9,794
Miscellaneous	49,996	26,566	41,326
Total cash expense	4,139,222	2,952,347	4,168,267
Net cash farm income	897,241	565,696	1,040,222
Inventory Changes			
Prepays and supplies	80,918	-51,316	74,829

Accounts receivable	52,338	4,719	12,514
Hedging accounts	-834	-	-
Other current assets	56,769	5,729	29,552
Crops and feed	109,835	24,659	236,565
Market livestock	12,397	-3,530	42,094
Breeding livestock	4,707	5,156	-121,302
Other assets	3,061	0	0
Accounts payable	1,730	50,862	10,902
Accrued interest	2,522	971	718
Total inventory change	323,443	37,250	285,871
Net operating profit	1,220,684	602,945	1,326,093
Depreciation			
Machinery and equipment	-290,470	-231,734	-432,029
Titled vehicles	337	1,601	-
Buildings and improvements	-216,229	-99,454	-105,720
Total depreciation	-506,362	-329,587	-537,750
Net farm income from operations	714,322	273,358	788,343
Gain or loss on capital sales	-	-	-
Net farm income	714,322	273,358	788,343

Table 64

Inventory Changes
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Net cash farm income	897,241	565,696	1,040,222
Crops and Feed			
Ending inventory	1,011,975	648,423	1,153,890
Beginning inventory	902,139	623,764	917,326
Inventory change	109,835	24,659	236,565
Market Livestock			
Ending inventory	51,778	72,000	99,954
Beginning inventory	39,381	75,530	57,860
Inventory change	12,397	-3,530	42,094
Accts Receivable			
Ending inventory	191,706	68,072	165,620
Beginning inventory	139,367	63,353	153,105
Inventory change	52,338	4,719	12,514
Prepaid Expenses and Supplies			
Ending inventory	215,600	55,831	261,979
Beginning inventory	134,682	107,147	187,150
Inventory change	80,918	-51,316	74,829
Hedging Activities			
Ending inventory	1,316	-	-
Withdrawals	-597	-	-
Beginning inventory	1,553	-	-
Deposits	-	-	-
Gain or loss	-834	-	-
Other Current Assets			
Ending inventory	108,591	55,481	91,420
Beginning inventory	51,822	49,753	61,868
Inventory change	56,769	5,729	29,552
Breeding Livestock			
Ending inventory	2,038,346	1,501,450	1,559,374
Capital sales	11,399	-	9,792
Beginning inventory	1,958,150	1,302,125	1,583,450
Capital purchases	86,888	194,169	107,018
Depreciation, capital adjust	4,707	5,156	-121,302
Other Capital Assets			
Ending inventory	204,967	110,022	150,853
Capital sales	20,670	482	13,801
Beginning inventory	175,319	102,162	134,233
Capital purchases	47,258	8,342	30,420
Depreciation, capital adjust	3,061	0	0
Accounts Payable			
Beginning inventory	71,016	155,169	19,797
Ending inventory	69,286	104,307	8,895
Inventory change	1,730	50,862	10,902
Accrued Interest			
Beginning inventory	7,758	7,149	1,984
Ending inventory	5,236	6,178	1,266
Inventory change	2,522	971	718
Total inventory change	323,443	37,250	285,871
Net operating profit	1,220,684	602,945	1,326,093

Table 65

Depreciation
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Net operating profit	1,220,684	602,945	1,326,093
Machinery and Equipment			
Ending inventory	702,954	486,199	513,257
Capital sales	32,575	6,148	11,714
Beginning inventory	674,098	459,881	641,271
Capital purchases	351,901	264,200	315,729
Depreciation, capital adjust.	-290,470	-231,734	-432,029
Titled Vehicles			
Ending inventory	1,284	4,851	-
Capital sales	-	-	-
Beginning inventory	947	3,250	-
Capital purchases	-	-	-
Depreciation, capital adjust.	337	1,601	-
Buildings and Improvements			
Ending inventory	1,266,234	1,052,589	481,665
Capital sales	2,442	-	9,280
Beginning inventory	1,252,683	866,995	533,986
Capital purchases	232,222	285,048	62,680
Depreciation, capital adjust.	-216,229	-99,454	-105,720
Total depreciation, capital adj.	-506,362	-329,587	-537,750
Net farm income from operations	714,322	273,358	788,343
Gain or loss on capital sales	-	-	-
Net farm income	714,322	273,358	788,343

Table 66

Profitability Measures
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Profitability (assets valued at cost)			
Net farm income from operations	714,322	273,358	788,343
Rate of return on assets	10.7 %	6.7 %	13.4 %
Rate of return on equity	15.9 %	8.6 %	19.8 %
Operating profit margin	19.2 %	11.7 %	20.5 %
Asset turnover rate	55.8 %	57.3 %	65.4 %
Farm interest expense	153,608	168,745	177,536
Value of operator lbr and mgmt.	133,135	150,000	176,000
Return on farm assets	734,794	292,103	789,879
Average farm assets	6,846,463	4,359,037	5,896,758
Return on farm equity	581,186	123,358	612,343
Average farm equity	3,646,026	1,426,688	3,098,254
Value of farm production	3,818,926	2,499,507	3,858,435
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Profitability (assets valued at market)			
Net farm income from operations	1,284,130	318,454	1,876,330
Rate of return on assets	12.1 %	4.2 %	18.1 %
Rate of return on equity	15.1 %	3.3 %	22.4 %
Operating profit margin	34.2 %	13.5 %	48.7 %
Asset turnover rate	35.3 %	31.1 %	37.2 %
Farm interest expense	153,608	168,745	177,536
Value of operator lbr and mgmt.	133,135	150,000	176,000
Return on farm assets	1,304,603	337,199	1,877,866
Average farm assets	10,821,146	8,027,373	10,373,761
Return on farm equity	1,150,995	168,454	1,700,330
Average farm equity	7,620,709	5,095,023	7,575,258
Value of farm production	3,818,926	2,499,507	3,858,435

Table 67

Liquidity & Repayment Capacity Measures
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Liquidity			
Current ratio	2.75	2.38	4.25
Working capital	1,150,127	581,398	1,600,457
Working capital to gross inc	22.0 %	16.4 %	29.6 %
Current assets	1,807,751	1,001,498	2,092,223
Current liabilities	657,624	420,100	491,766
Gross revenues (accrual)	5,225,036	3,549,046	5,405,218
Repayment capacity			
Net farm income from operations	714,322	273,358	788,343
Depreciation	506,362	329,587	537,750
Personal income	29,810	22,826	62,440
Family living/owner withdrawals	-144,102	-111,295	-219,289
Payments on personal debt	-3,913	-	-
Income taxes paid	-14,223	-2	-54,048
Interest on term debt	159,319	157,171	132,890
Capital debt repayment capacity	1,247,576	671,646	1,248,086
Scheduled term debt payments	-404,295	-337,813	-316,582
Capital debt repayment margin	843,281	333,832	931,504
Cash replacement allowance	-38,541	-39,007	-43,744
Replacement margin	804,739	294,825	887,760
Term debt coverage ratio	3.09	1.99	3.94
Replacement coverage ratio	2.82	1.78	3.46

Table 68

Balance Sheet at Cost Values
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	19		5		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	147,042	219,697	73,508	101,691	207,260	319,360
Prepaid expenses & supplies	134,682	215,600	107,147	55,831	187,150	261,979
Growing crops	41,762	91,463	49,753	55,481	23,640	26,334
Accounts receivable	139,367	191,706	63,353	68,072	153,105	165,620
Hedging accounts	1,553	1,316	0	0	0	0
Crops held for sale or feed	909,229	1,004,885	623,764	648,423	917,326	1,153,890
Crops under government loan	0	14,180	0	0	0	0
Market livestock held for sale	39,381	51,778	75,530	72,000	57,860	99,954
Other current assets	10,060	17,128	0	0	38,228	65,086
Total current farm assets	1,423,076	1,807,751	993,055	1,001,498	1,584,570	2,092,223
Intermediate Farm Assets						
Breeding livestock	1,958,150	2,038,346	1,302,125	1,501,450	1,583,450	1,559,374
Machinery and equipment	674,098	702,954	459,881	486,199	641,271	513,257
Titled vehicles	947	1,284	3,250	4,851	0	0
Other intermediate assets	149,713	192,659	58,761	62,611	124,073	142,010
Total intermediate farm assets	2,782,909	2,935,243	1,824,017	2,055,111	2,348,794	2,214,641
Long Term Farm Assets						
Farm land	1,041,730	1,145,386	416,999	416,999	1,104,995	1,413,637
Buildings and improvements	1,252,683	1,266,234	866,995	1,052,589	533,986	481,665
Other long-term assets	25,605	12,308	43,401	47,411	10,161	8,843
Total long-term farm assets	2,320,019	2,423,928	1,327,395	1,516,999	1,649,142	1,904,145
Total Farm Assets	6,526,004	7,166,922	4,144,467	4,573,608	5,582,506	6,211,009
Total Nonfarm Assets	471,336	504,252	133,544	172,745	1,275,340	1,382,339
Total Assets	6,997,340	7,671,175	4,278,011	4,746,353	6,857,846	7,593,348
Liabilities						
Current Farm Liabilities						
Accrued interest	7,758	5,236	7,149	6,178	1,984	1,266
Accounts payable	71,016	69,286	155,169	104,307	19,797	8,895
Current notes	178,896	280,048	223,481	69,926	237,485	278,845
Government crop loans	0	4,022	0	0	0	0
Principal due on term debt	244,976	299,032	180,643	239,690	183,692	202,759
Total current farm liabilities	502,645	657,624	566,441	420,100	442,958	491,766
Total intermediate farm liabs	625,180	594,938	847,502	1,147,584	400,660	360,236
Total long term farm liabilities	2,014,649	2,005,837	1,369,765	1,513,307	1,927,343	1,974,044
Total farm liabilities	3,142,474	3,258,400	2,783,709	3,080,991	2,770,961	2,826,046
Total nonfarm liabilities	41,964	43,205	31,850	54,500	0	0
Total liabilities	3,184,439	3,301,605	2,815,559	3,135,491	2,770,961	2,826,046
Net worth (farm and nonfarm)	3,812,901	4,369,570	1,462,452	1,610,862	4,086,885	4,767,302
Net worth change		556,669		148,410		680,417
Percent net worth change		15 %		10 %		17 %
Ratio Analysis						
Current farm liabilities / assets	35 %	36 %	57 %	42 %	28 %	24 %
Intermediate farm liab. / assets	22 %	20 %	46 %	56 %	17 %	16 %
Long term farm liab. / assets	87 %	83 %	103 %	100 %	117 %	104 %
Total debt to asset ratio	46 %	43 %	66 %	66 %	40 %	37 %

Table 69

Balance Sheet at Market Values
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	19		5		5	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	147,042	219,697	73,508	101,691	207,260	319,360
Prepaid expenses & supplies	134,682	215,600	107,147	55,831	187,150	261,979
Growing crops	41,762	91,463	49,753	55,481	23,640	26,334
Accounts receivable	139,367	191,706	63,353	68,072	153,105	165,620
Hedging accounts	1,553	1,316	0	0	0	0
Crops held for sale or feed	909,229	1,004,885	623,764	648,423	917,326	1,153,890
Crops under government loan	0	14,180	0	0	0	0
Market livestock held for sale	39,381	51,778	75,530	72,000	57,860	99,954
Other current assets	10,060	17,128	0	0	38,228	65,086
Total current farm assets	1,423,076	1,807,751	993,055	1,001,498	1,584,570	2,092,223
Intermediate Farm Assets						
Breeding livestock	2,096,629	2,180,243	1,519,475	1,574,663	1,588,930	1,643,274
Machinery and equipment	1,289,850	1,582,363	859,007	1,014,285	1,143,028	1,316,567
Titled vehicles	25,971	29,770	38,625	41,250	15,700	22,400
Other intermediate assets	151,486	197,753	65,834	70,041	125,153	155,426
Total intermediate farm assets	3,563,937	3,990,129	2,482,940	2,700,239	2,872,811	3,137,667
Long Term Farm Assets						
Farm land	3,144,036	3,453,716	2,326,973	2,326,711	3,969,804	4,885,673
Buildings and improvements	2,059,849	2,163,021	1,947,310	2,191,408	1,078,170	1,106,959
Other long-term assets	24,884	11,893	39,977	44,635	10,161	9,485
Total long-term farm assets	5,228,770	5,628,629	4,314,259	4,562,754	5,058,135	6,002,116
Total Farm Assets	10,215,783	11,426,510	7,790,255	8,264,491	9,515,516	11,232,006
Total Nonfarm Assets	545,115	581,398	351,368	390,695	1,313,219	1,412,909
Total Assets	10,760,898	12,007,907	8,141,623	8,655,186	10,828,735	12,644,915
Liabilities						
Current Farm Liabilities						
Accrued interest	7,758	5,236	7,149	6,178	1,984	1,266
Accounts payable	71,016	69,286	155,169	104,307	19,797	8,895
Current notes	178,896	280,048	223,481	69,926	237,485	278,845
Government crop loans	0	4,022	0	0	0	0
Principal due on term debt	244,976	299,032	180,643	239,690	183,692	202,759
Total current farm liabilities	502,645	657,624	566,441	420,100	442,958	491,766
Total intermediate farm liabs	625,180	594,938	847,502	1,147,584	400,660	360,236
Total long term farm liabilities	2,014,649	2,005,837	1,369,765	1,513,307	1,927,343	1,974,044
Total farm liabilities	3,142,474	3,258,400	2,783,709	3,080,991	2,770,961	2,826,046
Total nonfarm liabilities	41,964	43,205	31,850	54,500	0	0
Total liabs excluding deferreds	3,184,439	3,301,605	2,815,559	3,135,491	2,770,961	2,826,046
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	3,184,439	3,301,605	2,815,559	3,135,491	2,770,961	2,826,046
Retained earnings	3,812,901	4,369,570	1,462,452	1,610,862	4,086,885	4,767,302
Market valuation equity	3,763,558	4,336,733	3,863,612	3,908,833	3,970,889	5,051,567
Net worth (farm and nonfarm)	7,576,459	8,706,303	5,326,064	5,519,695	8,057,774	9,818,869
Net worth excluding deferreds	7,576,459	8,706,303	5,326,064	5,519,695	8,057,774	9,818,869
Net worth change		1,129,844		193,631		1,761,095
Percent net worth change		15 %		4 %		22 %
Ratio Analysis						
Current farm liabilities / assets	35 %	36 %	57 %	42 %	28 %	24 %
Intermediate farm liab. / assets	18 %	15 %	34 %	42 %	14 %	11 %
Long term farm liab. / assets	39 %	36 %	32 %	33 %	38 %	33 %
Total debt to asset ratio	30 %	27 %	35 %	36 %	26 %	22 %
Debt to assets excl deferreds	30 %	27 %	35 %	36 %	26 %	22 %

Table 70

Statement Of Cash Flows
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Beginning cash (farm & nonfarm)	147,042	73,508	207,260
Cash Provided By Operating Activities			
Gross cash farm income	5,036,463	3,518,043	5,208,489
Total cash farm expense	-4,139,222	-2,952,347	-4,168,267
Net cash from hedging transactions	-597	-	-
Cash provided by operating	896,644	565,696	1,040,222
Cash Provided By Investing Activities			
Sale of breeding livestock	11,399	-	9,792
Sale of machinery & equipment	32,575	6,148	11,714
Sale of titled vehicles	-	-	-
Sale of farm land	16,121	75,700	700
Sale of farm buildings	2,442	-	9,280
Sale of other farm assets	20,670	482	13,801
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-86,888	-194,169	-107,018
Purchase of machinery & equip.	-351,901	-264,200	-315,729
Purchase of titled vehicles	-	-	-
Purchase of farm land	-137,555	-75,000	-243,615
Purchase of farm buildings	-232,222	-285,048	-62,680
Purchase of other farm assets	-47,258	-8,342	-30,420
Purchase of nonfarm assets	-28,883	-50,000	-69,755
Cash provided by investing	-801,499	-794,429	-783,929
Cash Provided By Financing Activities			
Money borrowed	739,098	756,302	454,343
Principal payments	-622,192	-407,186	-387,638
Personal income	29,810	22,826	62,440
Family living/owner withdrawals	-144,102	-111,295	-219,289
Income and social security tax	-14,223	-2	-54,048
Capital contributions	2,316	-	-
Capital distributions	-7,764	-13,169	-
Dividends paid	-	-	-
Cash gifts and inheritances	4,416	17,500	-
Gifts given	-9,850	-8,061	-
Other cash flows	-	-	-
Cash provided by financing	-22,491	256,916	-144,192
Net change in cash balance	72,655	28,183	112,100
Ending cash (farm & nonfarm)	219,697	101,691	319,360

Table 71

Financial Standards Measures
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Liquidity			
Current ratio	2.75	2.38	4.25
Working capital	1,150,127	581,398	1,600,457
Working capital to gross inc	22.0 %	16.4 %	29.6 %
Solvency (market)			
Farm debt to asset ratio	29 %	37 %	25 %
Farm equity to asset ratio	71 %	63 %	75 %
Farm debt to equity ratio	0.40	0.59	0.34
Profitability (cost)			
Rate of return on farm assets	10.7 %	6.7 %	13.4 %
Rate of return on farm equity	15.9 %	8.6 %	19.8 %
Operating profit margin	19.2 %	11.7 %	20.5 %
Net farm income	714,322	273,358	788,343
EBIDTA	1,374,292	771,690	1,503,629
Repayment Capacity			
Capital debt repayment capacity	1,247,576	671,646	1,248,086
Capital debt repayment margin	843,281	333,832	931,504
Replacement margin	804,739	294,825	887,760
Term debt coverage ratio	3.09	1.99	3.94
Replacement coverage ratio	2.82	1.78	3.46
Efficiency			
Asset turnover rate (cost)	55.8 %	57.3 %	65.4 %
Operating expense ratio	73.7 %	78.3 %	72.2 %
Depreciation expense ratio	9.7 %	9.3 %	9.9 %
Interest expense ratio	3.0 %	4.8 %	3.3 %
Net farm income ratio	13.7 %	7.7 %	14.6 %

Table 72

Operator and Labor Information
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Operator Information			
Average number of operators	1.6	2.0	1.2
Average age of operators	48.1	55.1	37.2
Average number of years farming	24.7	25.4	24.7
Results Per Operator			
Working capital	728,414	290,699	1,333,714
Total assets (market)	7,605,008	4,327,593	10,537,429
Total liabilities	2,091,016	1,567,745	2,355,038
Net worth (market)	5,513,992	2,759,848	8,182,391
Net worth excl deferred liabs	5,513,992	2,759,848	8,182,391
Gross farm income	3,309,190	1,774,523	4,504,348
Total farm expense	2,856,786	1,637,844	3,847,396
Net farm income from operations	452,404	136,679	656,953
Net nonfarm income	18,880	11,413	52,033
Family living & tax withdrawals	100,272	55,648	227,781
Total acres owned	523.7	309.9	885.2
Total crop acres	714.6	553.7	734.1
Crop acres owned	497.3	254.6	563.9
Crop acres cash rented	216.7	299.1	167.3
Crop acres share rented	0.6	-	2.8
Total pasture acres	0.7	-	-
Labor Analysis			
Number of farms	19	5	5
Total unpaid labor hours	5,326	7,053	3,700
Total hired labor hours	39,926	30,822	24,798
Total labor hours per farm	45,252	37,875	28,498
Unpaid hours per operator	3,373	3,527	3,083
Value of farm production / hour	84.39	65.99	135.39
Net farm income / unpaid hour	134.12	38.76	213.07
Average hourly hired labor wage	15.61	13.46	21.45
Partnerships & LLCs			
Number of farms	11	3	2
Number of operators	2.0	2.3	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 73

Financial Summary
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Income Statement			
Gross cash farm income	5,036,463	3,518,043	5,208,489
Total cash farm expense	4,139,222	2,952,347	4,168,267
Net cash farm income	897,241	565,696	1,040,222
Inventory change	323,443	37,250	285,871
Depreciation	-506,362	-329,587	-537,750
Net farm income from operations	714,322	273,358	788,343
Gain or loss on capital sales	-	-	-
Average net farm income	714,322	273,358	788,343
Median net farm income	625,384	251,087	629,683
Profitability (cost)			
Rate of return on assets	10.7 %	6.7 %	13.4 %
Rate of return on equity	15.9 %	8.6 %	19.8 %
Operating profit margin	19.2 %	11.7 %	20.5 %
Asset turnover rate	55.8 %	57.3 %	65.4 %
Profitability (market)			
Rate of return on assets	12.1 %	4.2 %	18.1 %
Rate of return on equity	15.1 %	3.3 %	22.4 %
Operating profit margin	34.2 %	13.5 %	48.7 %
Asset turnover rate	35.3 %	31.1 %	37.2 %
Liquidity & Repayment (end of year)			
Current assets	1,807,751	1,001,498	2,092,223
Current liabilities	657,624	420,100	491,766
Current ratio	2.75	2.38	4.25
Working capital	1,150,127	581,398	1,600,457
Working capital to gross inc	22.0 %	16.4 %	29.6 %
Term debt coverage ratio	3.09	1.99	3.94
Replacement coverage ratio	2.82	1.78	3.46
Solvency (end of year at cost)			
Number of farms	19	5	5
Total farm assets	7,166,922	4,573,608	6,211,009
Total farm liabilities	3,258,400	3,080,991	2,826,046
Total assets	7,671,175	4,746,353	7,593,348
Total liabilities	3,301,605	3,135,491	2,826,046
Net worth	4,369,570	1,610,862	4,767,302
Net worth change	556,669	148,410	680,417
Farm debt to asset ratio	45 %	67 %	46 %
Total debt to asset ratio	43 %	66 %	37 %
Solvency (end of year at market)			
Number of farms	19	5	5
Total farm assets	11,426,510	8,264,491	11,232,006
Total farm liabilities	3,258,400	3,080,991	2,826,046
Total assets	12,007,907	8,655,186	12,644,915
Total liabilities	3,301,605	3,135,491	2,826,046
Net worth	8,706,303	5,519,695	9,818,869
Net worth change	1,129,844	193,631	1,761,095
Farm debt to asset ratio	29 %	37 %	25 %
Total debt to asset ratio	27 %	36 %	22 %
Nonfarm Information			
Net nonfarm income	29,810	22,826	62,440
Crop Acres			
Total acres owned	827	620	1,062
Total crop acres	1,128	1,107	881
Total crop acres owned	785	509	677
Total crop acres cash rented	342	598	201
Total crop acres share rented	1	-	3

Table 74

Summary Farm Income Statement
2011 MI Dairy (450 plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	19	5	5
Crop sales	253,925	203,663	358,264
Crop inventory change	109,835	24,659	236,565
Gross crop income	363,760	228,322	594,828
Livestock sales	4,424,207	3,081,461	4,397,692
Livestock inventory change	12,397	-3,530	42,094
Gross livestock income	4,436,604	3,077,931	4,439,786
Government payments	50,863	27,166	112,650
Other cash farm income	307,468	205,753	339,883
Change in accounts receivable	52,338	4,719	12,514
Gain or loss on hedging accounts	-834	-	-
Change in other assets	10,129	0	26,858
Gain or loss on breeding lvst	4,707	5,156	-121,302
Gross farm income	5,225,036	3,549,046	5,405,218
Cash operating expenses	3,983,093	2,782,631	3,990,014
Change in prepaids and supplies	-80,918	51,316	-74,829
Change in growing crops	-49,701	-5,729	-2,694
Change in accounts payable	-1,730	-50,862	-10,902
Depreciation	506,362	329,587	537,750
Total operating expense	4,357,107	3,106,943	4,439,339
Interest paid	156,130	169,716	178,253
Change in accrued interest	-2,522	-971	-718
Total interest expense	153,608	168,745	177,536
Total expenses	4,510,714	3,275,688	4,616,875
Net farm income from operations	714,322	273,358	788,343
Gain or loss on capital sales	-	-	-
Net farm income	714,322	273,358	788,343