

2012 Michigan Dairy Farm Business Analysis Summary

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Staff Paper 2013-06

December, 2013



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by

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Table of Contents	Page
Summary.....	3

List of Tables

Summary Tables

1. Average Farm Characteristics, 2008-2012.....	3
2. Average Income Statement, 2008-2012.....	3
3. Average Profitability Indicators, 2008-2012.....	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 92 dairy farms from throughout Michigan in 2012. 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 2012, the average dairy farm in the business analysis had 291 cows producing an average of 23,148 pounds of milk per cow (Table 1). Milk price, based on gross income, averaged \$18.67/cwt. Relative to 2011: average milk price decreased \$1.98/cwt., milk production increased 808 pounds per cow, and average herd size decreased 12 cows.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2008-2012

	2008	2009	2010	2011	2012
Average number of cows	230	243	267	303	291
Milk sold per cow (pounds)	20,849	21,503	22,445	22,340	23,148
Average price of milk sold (\$/cwt)	19.41	13.31	16.78	20.65	18.67
Total acres owned	486	454	508	452	486
Total crop acres	827	862	805	736	883
Number of farms	116	104	90	101	92

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2012 averaged \$227,244 which was a decrease over 2011 but still above the 2008 to 2010 averages. Gross cash farm income for all farms averaged \$1,701,956 in 2012. The largest component of these revenues was milk sales, which averaged \$1,339,024. Sorted by rate of return on assets (market), the net farm income for the low 25% group averaged a \$24,812 while the high 25% group averaged \$394,264 a \$369,452 difference.

Table 2. Average Michigan Dairy Farm Income Statement, 2008-2012

	2008	2009	2010	2011	2012
	(\$)	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	1,198,273	1,046,327	1,302,891	1,742,837	1,701,956
- Total cash expense	<u>959,454</u>	<u>937,998</u>	<u>1,095,827</u>	<u>1,408,613</u>	<u>1,425,349</u>
= Net cash farm income	238,819	108,329	207,064	334,224	276,607
+ Inventory change*	2,498	-66,854	103,606	116,185	127,331
+ Depreciation + capital adjust*	<u>-127,093</u>	<u>-103,868</u>	<u>-115,560</u>	<u>-164,823</u>	<u>-176,694</u>
= Net farm income	114,224	-62,393	195,560	285,586	227,244

*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 2012 dairy farm ROA (market) was 9.3 percent. The average 2012 ROE (market) was 11.2 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 2012, Michigan dairy farms generated 30.3 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 30.7 percent in 2012.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2008-2012

	2008	2009	2010	2011	2012
	(%)	(%)	(%)	(%)	(%)
Rate of return on assets*	7.0	0.4	7.0	11.2	9.3
Rate of return on equity	7.5	-1.6	7.7	13.7	11.2
Operating profit margin	23.1	1.8	23.9	33.5	30.3
Asset turnover rate*	30.5	22.5	29.2	33.3	30.7

* 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 92 dairy farms in the 2012 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, 2012**

Income Items:	Per cwt.	Per Cow
Milk	\$18.67	\$4302.45
Cull Cows and Calves	\$1.39	\$310.54
Dairy Steers	\$1.08	\$237.78
Dairy Heifers	\$0.29	\$68.63
Government Payments	\$0.88	\$193.78
Patronage Dividends, cash	\$0.19	\$43.98
Crop Sales	\$4.27	\$881.66
Other Cash Income	\$0.80	\$171.43
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$6.14	\$1492.81
Breeding Fees	\$0.19	\$43.35
Veterinary	\$0.55	\$129.46
Livestock Supplies	\$0.81	\$180.53
DHIA	\$0.10	\$20.71
Milk & Livestock Mkt. & Trucking	\$0.89	\$199.62
Interest	\$0.90	\$193.95
Fuel and Oil	\$1.31	\$283.96
Repairs	\$1.44	\$315.81
Custom Hire	\$0.73	\$167.06
Hired Labor	\$2.63	\$608.43
Leases	\$0.38	\$90.14
Real Estate Taxes	\$0.30	\$62.92
Farm Insurance	\$0.41	\$88.28
Utilities	\$0.62	\$134.92
Dues, Professional Fees	\$0.20	\$41.83
Miscellaneous	\$0.62	\$142.96
Machinery Depreciation	\$1.52	\$339.87
Building Depreciation	\$0.91	\$211.40
Family Living	\$1.52	\$318.06
Expense Items per Cropped Acre:	Per Acre	
Seed	\$56.42	
Fertilizer	\$79.84	
Crop Chemicals	\$24.28	
Crop Insurance	\$8.59	
Crop Miscellaneous	\$8.46	
Land Rent	\$53.10	

* All income and expense items averaged across all 92 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*, 2012

Income Items:	Per cwt.	Per Cow
Milk	\$18.67	\$4302.45
Cull Cows and Calves	\$1.50	\$336.11
Dairy Steers	\$3.11	\$683.62
Dairy Heifers	\$0.62	\$146.84
Government Payments	\$0.92	\$202.59
Patronage Dividends, cash	\$0.21	\$48.17
Crop Sales	\$6.13	\$1267.39
Other Cash Income	\$0.89	\$192.34
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$6.14	\$1492.81
Breeding Fees	\$0.22	\$49.24
Veterinary	\$0.55	\$129.46
Livestock Supplies	\$0.81	\$180.53
DHIA	\$0.19	\$39.71
Milk & Livestock Mkt. & Trucking	\$0.89	\$199.62
Interest	\$0.95	\$205.10
Fuel and Oil	\$1.31	\$283.96
Repairs	\$1.44	\$315.81
Custom Hire	\$0.78	\$178.72
Hired Labor	\$2.75	\$636.09
Leases	\$0.68	\$162.61
Real Estate Taxes	\$0.31	\$65.78
Farm Insurance	\$0.41	\$88.28
Utilities	\$0.62	\$134.92
Dues, Professional Fees	\$0.21	\$43.24
Miscellaneous	\$0.62	\$142.96
Machinery Depreciation	\$1.52	\$339.87
Building Depreciation	\$0.91	\$211.40
Family Living	\$1.52	\$318.06
Expense Items per Cropped Acre:	Per Acre	
Seed	\$58.98	
Fertilizer	\$85.41	
Crop Chemicals	\$28.28	
Crop Insurance	\$20.26	
Crop Miscellaneous	\$50.75	
Land Rent	\$57.47	

* 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 2012. Purchased feed expense also reached a new high in 2012.

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

	2008	2009	2010	2011	2012
Milk sold per cow (pounds)	20,849	21,503	22,445	22,340	23,148
Average price of milk sold (\$/cwt)	19.41	13.31	16.78	20.65	18.67
Purchased Feeds (\$/cwt)	5.56	4.56	4.83	6.01	6.14
Interest Paid (\$/cwt)	1.27	1.18	1.10	0.91	0.90
Hired Labor (\$/cwt)	2.84	2.59	2.36	2.78	2.63
Fuel and Oil (\$/cwt)	1.38	0.94	0.95	1.29	1.31
Total Depreciation (\$/cwt)	2.64	1.80	1.84	2.58	2.43

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 (18 herds), 100 to 249 cows (40 herds), 250 to 449 cows (17 herds), and 450+ cows (17 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 most size categories. Milk price was similar across all herd sizes. The smallest herds operated 4.7 crop acres per cow; the medium herds about 4.0 crop acres per cow; and the medium-large herds about 3.3 crop acres per cow and the largest herds about 2.3 crop acres per cow.

Table 7. Average 2012 Michigan Dairy Farm Characteristics by Herd Size Category

	40-99 cows	100-249 cows	250-449 cows	450+ cows
Average number of cows	69	169	302	805
Milk sold per cow (pounds)	21,123	21,949	25,719	25,541
Average price of milk sold (\$/cwt)	18.07	18.73	18.63	19.22
Total acres owned	217	410	489	946
Total crop acres	326	683	1007	1,821
Number of farms	18	40	17	17

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 2012.

Table 8. Average 2012 Michigan Dairy Farm Income Statement by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	378,070	910,309	1,844,500	4,888,217
- <u>Total cash expense</u>	<u>310,780</u>	<u>750,208</u>	<u>1,582,574</u>	<u>4,014,607</u>
= Net cash farm income	67,290	160,101	261,926	873,610
+ Inventory change *	20,537	60,896	63,226	434,638
+ <u>Depreciation and capital adjustments*</u>	<u>-34,635</u>	<u>-84,572</u>	<u>-146,490</u>	<u>-571,211</u>
= Net farm income	53,192	136,424	178,662	737,037

*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 2012.

Table 9. Average 2012 Michigan Dairy Farm Profitability Indicators by Herd Size

	40-99 cows	100-249 cows	250-449 cows	450+ cows
	(%)	(%)	(%)	(%)
Rate of return on assets*	6.8	8.0	6.3	11.3
Rate of return on equity	7.6	9.5	6.8	13.9
Operating profit margin	30.4	27.2	21.6	35.1
Asset turnover rate	22.2	28.8	29.1	32.2

* Assets valued at market value.

A. Financial Summary Information, All 92 Herds

Table 10 Crop Production and Marketing Summary
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	92	22	23
Average number of cows	291	182	340
Milk production per cow lbs.,	23,148	19,152	24,557
Average milk price per cwt.,	\$18.67	\$19.52	\$18.25
Acreage Summary			
Total acres owned	486	369	515
Total crop acres	883	645	860
Crop acres owned	486	319	589
Crop acres cash rented	390	326	271
Crop acres share rented	0	-	1
Total pasture acres	0	-	1
Percent crop acres owned	55 %	49 %	68 %
Mach invest/crop acre cost	154	128	183
Mach invest/crop acre market	491	407	496
Average Price Received (Cash Sales Only)			
Corn per bushel	6.50	-	6.47
Soybeans per bushel	12.39	-	11.90
Wheat, Winter per bushel	7.20	-	7.21

Table 11

Farm Income Statement
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Cash Farm Income			
Barley	152	634	-
Beans, Navy	995	781	3,234
Corn	50,762	19,785	26,496
Corn Silage	3,219	-	-
Hay, Alfalfa	358	703	39
Hay, Mixed	1,270	3,704	1,139
Hay, Native Grass	208	870	-
Haylage, Mixed	455	5	-
Oats	288	-	622
Soybeans	36,207	5,061	18,204
Speltz	181	755	-
Straw	476	434	1,462
Sugar Beets	16,504	-	33,489
Wheat, Winter	19,514	7,592	23,342
Miscellaneous crop income	152	-	51
Beef Cow-Calf, Beef Calves	128	97	-
Dairy, Milk	1,339,024	766,945	1,570,032
Dairy, Dairy Calves	6,938	3,906	6,473
Dairy Heifers (for sale)	3,740	-	7,693
Dairy Replacement Heifers	1,678	126	1,531
Dairy Finishing	17,631	6,659	27,088
Dairy Feeder	7,242	5,317	1,480
User Added Livestock, User Added	1,733	888	2,531
Cull breeding livestock	90,245	53,117	102,194
Misc. livestock income	1,064	20	3,570
Direct, CCP & ACRE pymts	16,710	11,209	11,138
CRP payments	358	-	-
Livestock govt payments	1,257	-	1,076
Other government payments	25,170	16,805	32,045
Custom work income	6,023	930	8,531
Patronage dividends, cash	15,070	6,555	15,209
Crop insurance income	3,410	-	-
Property insurance income	15,182	8,384	25,550
Sale of resale items	653	-	101
Other farm income	17,961	5,007	10,942
Gross Cash Farm Income	1,701,956	926,288	1,935,263

Table 11

Farm Income Statement (Continued)

2012 MI Dairy (All Farms)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Cash Farm Expense			
Seed	49,506	27,390	46,060
Fertilizer	71,042	31,494	80,211
Crop chemicals	19,941	6,728	23,821
Crop insurance	3,683	1,050	2,682
Drying expense	349	265	65
Storage	412	-	503
Irrigation energy	48	-	192
Crop packaging and supplies	66	-	265
Crop hauling and trucking	1,515	-	4,664
Crop marketing	470	0	1,717
Crop miscellaneous	6,791	1,288	1,930
Feeder livestock purchase	1,116	23	-
Purchased feed	454,562	263,349	598,981
Breeding fees	11,924	6,060	9,596
Veterinary	41,114	22,757	39,519
Livestock supplies	29,605	15,903	21,967
DHIA	2,351	1,724	1,988
Contract production exp.	5,144	-	10,111
Livestock custom hire	420	-	-
Livestock leases	427	1,784	-
Livestock utilities	353	-	-
Livestock hauling and trucking	30,891	17,766	37,164
Livestock marketing	18,219	9,220	18,367
Bedding	16,643	11,368	20,597
Livestock miscellaneous	1,614	-	-
Consultants	693	-	367
Interest	57,080	26,956	63,872
Packaging and supplies	1,394	-	2,782
Supplies	19,281	20,507	32,764
Fuel & oil	74,877	44,857	89,051
Repairs	71,784	51,303	66,606
Repair, machinery	1,795	-	6,500
Custom hire	53,274	28,539	45,902
Repair, buildings	10,427	6,122	10,621
Hired labor	191,614	126,734	191,027
Land rent	51,326	22,989	51,497
Machinery leases	13,905	6,769	14,734
Building leases	390	-	1,037
Real estate taxes	17,075	8,803	20,428
Personal property taxes	234	370	476
Farm insurance	25,431	13,229	28,109
Utilities	35,195	24,422	39,697
Hauling and trucking	1,859	2,005	-
Dues & professional fees	9,813	8,160	15,365
Miscellaneous	19,697	14,960	14,460
Total cash expense	1,425,349	824,891	1,615,692

Net cash farm income	276,607	101,397	319,571
Inventory Changes			
Prepays and supplies	27,515	-1,789	69,292
Accounts receivable	8,099	1,192	11,529
Hedging accounts	-823	-182	-304
Other current assets	3,593	963	6,187
Crops and feed	80,365	21,100	213,993
Market livestock	2,530	1,946	-952
Breeding livestock	8,142	-14,725	5,451
Other assets	5,287	306	12,934
Accounts payable	-7,663	-8,704	-687
Accrued interest	286	352	-152
Total inventory change	127,331	458	317,292
Net operating profit	403,938	101,855	636,863
Depreciation			
Machinery and equipment	-103,258	-31,419	-148,628
Titled vehicles	-826	-	-2,152
Buildings and improvements	-72,610	-45,624	-91,819
Total depreciation	-176,694	-77,043	-242,599
Net farm income from operations	227,244	24,812	394,264
Gain or loss on capital sales	-	-	-
Net farm income	227,244	24,812	394,264

Table 12

Inventory Changes
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Net cash farm income	276,607	101,397	316,661
Crops and Feed			
Ending inventory	524,039	324,231	654,727
Beginning inventory	443,674	303,131	449,682
Inventory change	80,365	21,100	205,045
Market Livestock			
Ending inventory	25,633	13,706	21,845
Beginning inventory	23,102	11,761	22,757
Inventory change	2,530	1,946	-912
Accts Receivable			
Ending inventory	64,637	28,273	64,307
Beginning inventory	56,539	27,081	53,406
Inventory change	8,099	1,192	10,901
Prepaid Expenses and Supplies			
Ending inventory	91,468	18,195	145,105
Beginning inventory	63,953	19,984	78,314
Inventory change	27,515	-1,789	66,790
Hedging Activities			
Ending inventory	196	136	625
Withdrawals	-656	-182	183
Beginning inventory	272	136	917
Deposits	91	-	261
Gain or loss	-823	-182	-370
Other Current Assets			
Ending inventory	27,827	18,176	32,070
Beginning inventory	24,234	17,213	25,755
Inventory change	3,593	963	6,315
Breeding Livestock			
Ending inventory	699,865	399,048	726,023
Capital sales	4,465	3,513	10,053
Beginning inventory	686,824	415,802	707,824
Capital purchases	9,363	1,484	23,254
Depreciation, capital adjust	8,142	-14,725	4,998
Other Capital Assets			
Ending inventory	144,827	34,929	294,695
Capital sales	16,137	1,196	10,857
Beginning inventory	96,937	33,427	123,106
Capital purchases	58,741	2,392	170,550
Depreciation, capital adjust	5,287	306	11,896
Accounts Payable			
Beginning inventory	42,079	44,876	32,980
Ending inventory	49,742	53,580	33,730
Inventory change	-7,663	-8,704	-750
Accrued Interest			
Beginning inventory	2,017	1,474	1,173
Ending inventory	1,731	1,121	1,320
Inventory change	286	352	-147
Total inventory change	127,331	458	303,766
Net operating profit	403,938	101,855	620,427

Table 13

Depreciation
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Net operating profit	403,938	101,855	620,427
Machinery and Equipment			
Ending inventory	256,796	143,336	243,423
Capital sales	10,426	5,344	5,719
Beginning inventory	240,743	132,133	264,997
Capital purchases	129,738	47,965	132,008
Depreciation, capital adjust.	-103,258	-31,419	-147,863
Titled Vehicles			
Ending inventory	1,577	-	2,760
Capital sales	-	-	-
Beginning inventory	1,513	-	3,156
Capital purchases	890	-	1,667
Depreciation, capital adjust.	-826	-	-2,063
Buildings and Improvements			
Ending inventory	338,515	167,700	335,744
Capital sales	18	75	-
Beginning inventory	325,825	183,783	369,660
Capital purchases	85,318	29,616	54,823
Depreciation, capital adjust.	-72,610	-45,624	-88,740
Total depreciation, capital adj.	-176,694	-77,043	-238,665
Net farm income from operations	227,244	24,812	381,762
Gain or loss on capital sales	-	-	-
Net farm income	227,244	24,812	381,762

Table 14

Profitability Measures
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Profitability (assets valued at cost)			
Net farm income from operations	227,244	24,812	381,762
Rate of return on assets	8.1 %	0.7 %	12.4 %
Rate of return on equity	11.3 %	-2.0 %	20.3 %
Operating profit margin	15.8 %	1.5 %	23.4 %
Asset turnover rate	51.3 %	46.2 %	52.8 %
Farm interest expense	56,794	26,604	65,366
Value of operator lbr and mgmt.	71,376	41,198	82,666
Return on farm assets	212,661	10,218	364,463
Average farm assets	2,628,073	1,454,882	2,949,391
Return on farm equity	155,867	-16,386	299,096
Average farm equity	1,382,799	815,880	1,474,998
Value of farm production	1,349,451	672,840	1,556,413
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Profitability (assets valued at market)			
Net farm income from operations	423,553	18,575	894,503
Rate of return on assets	9.3 %	0.1 %	17.1 %
Rate of return on equity	11.2 %	-1.1 %	22.3 %
Operating profit margin	30.3 %	0.6 %	56.4 %
Asset turnover rate	30.7 %	25.3 %	30.4 %
Farm interest expense	56,794	26,604	65,366
Value of operator lbr and mgmt.	71,376	41,198	82,666
Return on farm assets	408,970	3,981	877,204
Average farm assets	4,400,883	2,657,177	5,121,068
Return on farm equity	352,177	-22,622	811,838
Average farm equity	3,154,445	2,018,176	3,642,213
Value of farm production	1,349,451	672,840	1,556,413

Table 15

Liquidity & Repayment Capacity Measures

2012 MI Dairy (All Farms)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Liquidity			
Current ratio	3.88	2.66	5.14
Working capital	595,441	276,895	771,050
Working capital to gross inc	33.0 %	29.6 %	35.9 %
Current assets	801,842	443,237	957,273
Current liabilities	206,401	166,342	186,224
Gross revenues (accrual)	1,805,129	936,213	2,147,958
Repayment capacity			
Net farm income from operations	227,244	24,812	381,762
Depreciation	176,694	77,043	238,665
Personal income	16,479	17,205	18,190
Family living/owner withdrawals	-59,961	-50,969	-45,822
Payments on personal debt	-2,407	-4,209	-1,657
Income taxes paid	-5,779	-885	-2,290
Interest on term debt	59,280	34,563	69,199
Capital debt repayment capacity	411,549	97,558	658,046
Scheduled term debt payments	-135,724	-90,823	-137,842
Capital debt repayment margin	275,824	6,736	520,204
Cash replacement allowance	-36,356	-15,481	-40,573
Replacement margin	239,468	-8,745	479,630
Term debt coverage ratio	3.03	1.07	4.77
Replacement coverage ratio	2.39	0.92	3.69

Table 16

Balance Sheet at Cost Values
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	92		22		23	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	56,426	63,474	17,016	24,359	37,123	35,898
Prepaid expenses & supplies	63,953	91,468	19,984	18,195	78,314	145,105
Growing crops	20,630	24,650	16,879	17,554	25,600	31,995
Accounts receivable	56,539	64,637	27,081	28,273	53,406	64,307
Hedging accounts	272	196	136	136	917	625
Crops held for sale or feed	444,921	522,791	307,045	320,317	450,877	653,532
Crops under government loan	3,320	5,816	12,246	20,075	1,502	3,892
Market livestock held for sale	23,102	25,633	11,761	13,706	22,757	21,845
Other current assets	3,604	3,177	334	622	155	75
Total current farm assets	672,767	801,842	412,483	443,237	670,652	957,273
Intermediate Farm Assets						
Breeding livestock	686,824	699,865	415,802	399,048	707,824	726,023
Machinery and equipment	240,743	256,796	132,133	143,336	264,997	243,423
Titled vehicles	1,513	1,577	0	0	3,156	2,760
Other intermediate assets	57,942	60,216	24,427	25,549	27,146	28,662
Total intermediate farm assets	987,023	1,018,453	572,362	567,934	1,003,123	1,000,869
Long Term Farm Assets						
Farm land	473,578	514,537	268,073	275,811	581,411	618,057
Buildings and improvements	325,825	338,515	183,783	167,700	369,660	335,744
Other long-term assets	38,994	84,612	9,000	9,379	95,960	266,032
Total long-term farm assets	838,397	937,664	460,856	452,891	1,047,030	1,219,833
Total Farm Assets	2,498,187	2,757,959	1,445,702	1,464,062	2,720,806	3,177,976
Total Nonfarm Assets	158,017	161,833	82,955	93,583	42,889	49,176
Total Assets	2,656,204	2,919,792	1,528,656	1,557,645	2,763,695	3,227,152
Liabilities						
Current Farm Liabilities						
Accrued interest	2,017	1,731	1,474	1,121	1,173	1,320
Accounts payable	42,079	49,742	44,877	53,580	32,980	33,730
Current notes	79,477	67,366	50,876	51,609	97,624	64,021
Government crop loans	1,222	1,196	3,474	4,127	1,502	801
Principal due on term debt	76,445	86,366	56,260	55,904	68,644	86,352
Total current farm liabilities	201,240	206,401	156,960	166,342	201,922	186,224
Total intermediate farm liabs	252,362	262,565	140,570	139,901	321,140	355,941
Total long term farm liabilities	746,101	821,880	331,476	342,755	896,637	986,922
Total farm liabilities	1,199,703	1,290,846	629,005	648,998	1,419,699	1,529,087
Total nonfarm liabilities	26,073	24,703	52,747	49,595	15,280	14,377
Total liabilities	1,225,776	1,315,549	681,752	698,593	1,434,979	1,543,464
Net worth (farm and nonfarm)	1,430,428	1,604,243	846,904	859,052	1,328,715	1,683,688
Net worth change		173,815		12,148		354,972
Percent net worth change		12 %		1 %		27 %
Ratio Analysis						
Current farm liabilities / assets	30 %	26 %	38 %	38 %	30 %	19 %
Intermediate farm liab. / assets	26 %	26 %	25 %	25 %	32 %	36 %
Long term farm liab. / assets	89 %	88 %	72 %	76 %	86 %	81 %
Total debt to asset ratio	46 %	45 %	45 %	45 %	52 %	48 %

Table 17

Balance Sheet at Market Values
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	92		22		23	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	56,426	63,474	17,016	24,359	37,123	35,898
Prepaid expenses & supplies	63,953	91,468	19,984	18,195	78,314	145,105
Growing crops	20,630	24,650	16,879	17,554	25,600	31,995
Accounts receivable	56,539	64,637	27,081	28,273	53,406	64,307
Hedging accounts	272	196	136	136	917	625
Crops held for sale or feed	444,921	522,791	307,045	320,317	450,877	653,532
Crops under government loan	3,320	5,816	12,246	20,075	1,502	3,892
Market livestock held for sale	23,102	25,633	11,761	13,706	22,757	21,845
Other current assets	3,604	3,177	334	622	155	75
Total current farm assets	672,767	801,842	412,483	443,237	670,652	957,273
Intermediate Farm Assets						
Breeding livestock	729,794	760,380	476,848	464,026	782,330	848,692
Machinery and equipment	688,229	753,179	445,524	433,160	670,863	742,923
Titled vehicles	14,766	14,659	1,580	1,443	26,249	29,221
Other intermediate assets	62,835	66,632	24,427	25,600	30,954	35,442
Total intermediate farm assets	1,495,624	1,594,850	948,378	924,228	1,510,396	1,656,278
Long Term Farm Assets						
Farm land	1,262,572	1,414,274	840,616	841,161	1,479,685	1,852,713
Buildings and improvements	692,466	725,178	438,393	442,984	869,369	872,074
Other long-term assets	49,412	92,780	11,247	11,628	106,010	267,686
Total long-term farm assets	2,004,451	2,232,232	1,290,255	1,295,774	2,455,064	2,992,473
Total Farm Assets	4,172,843	4,628,924	2,651,116	2,663,239	4,636,112	5,606,024
Total Nonfarm Assets	240,173	243,942	163,183	174,142	101,827	108,187
Total Assets	4,413,016	4,872,866	2,814,299	2,837,381	4,737,939	5,714,211
Liabilities						
Current Farm Liabilities						
Accrued interest	2,017	1,731	1,474	1,121	1,173	1,320
Accounts payable	42,079	49,742	44,877	53,580	32,980	33,730
Current notes	79,477	67,366	50,876	51,609	97,624	64,021
Government crop loans	1,222	1,196	3,474	4,127	1,502	801
Principal due on term debt	76,445	86,366	56,260	55,904	68,644	86,352
Total current farm liabilities	201,240	206,401	156,960	166,342	201,922	186,224
Total intermediate farm liabs	252,362	262,565	140,570	139,901	321,140	355,941
Total long term farm liabilities	746,101	821,880	331,476	342,755	896,637	986,922
Total farm liabilities	1,199,703	1,290,846	629,005	648,998	1,419,699	1,529,087
Total nonfarm liabilities	26,073	24,703	52,747	49,595	15,280	14,377
Total liabs excluding deferreds	1,225,776	1,315,549	681,752	698,593	1,434,979	1,543,464
Total deferred liabilities	1,164	1,164	0	0	4,462	4,462
Total liabilities	1,226,940	1,316,713	681,752	698,593	1,439,441	1,547,926
Retained earnings	1,430,428	1,604,243	846,904	859,052	1,328,715	1,683,688
Market valuation equity	1,755,648	1,951,911	1,285,643	1,279,736	1,969,782	2,482,598
Net worth (farm and nonfarm)	3,186,076	3,556,153	2,132,547	2,138,788	3,298,498	4,166,286
Net worth excluding deferreds	3,187,240	3,557,317	2,132,547	2,138,788	3,302,959	4,170,747
Net worth change		370,078		6,241		867,788
Percent net worth change		12 %		0 %		26 %
Ratio Analysis						
Current farm liabilities / assets	30 %	26 %	38 %	38 %	30 %	19 %
Intermediate farm liab. / assets	17 %	16 %	15 %	15 %	21 %	21 %
Long term farm liab. / assets	37 %	37 %	26 %	26 %	37 %	33 %
Total debt to asset ratio	28 %	27 %	24 %	25 %	30 %	27 %
Debt to assets excl deferreds	28 %	27 %	24 %	25 %	30 %	27 %

Table 18

Statement Of Cash Flows
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Beginning cash (farm & nonfarm)	57,179	18,020	39,089
Cash Provided By Operating Activities			
Gross cash farm income	1,701,956	926,288	1,916,480
Total cash farm expense	-1,425,349	-824,891	-1,599,820
Net cash from hedging transactions	-747	-182	-78
Cash provided by operating	275,860	101,215	316,583
Cash Provided By Investing Activities			
Sale of breeding livestock	4,465	3,513	10,053
Sale of machinery & equipment	10,426	5,344	5,719
Sale of titled vehicles	-	-	-
Sale of farm land	289	-	391
Sale of farm buildings	18	75	-
Sale of other farm assets	16,137	1,196	10,857
Sale of nonfarm assets	1,247	-	-
Purchase of breeding livestock	-9,363	-1,484	-23,254
Purchase of machinery & equip.	-129,738	-47,965	-132,008
Purchase of titled vehicles	-890	-	-1,667
Purchase of farm land	-45,337	-	-31,859
Purchase of farm buildings	-85,318	-29,616	-54,823
Purchase of other farm assets	-58,741	-2,392	-170,550
Purchase of nonfarm assets	-7,564	-5,717	-6,976
Cash provided by investing	-304,369	-77,047	-394,117
Cash Provided By Financing Activities			
Money borrowed	332,046	223,125	302,759
Principal payments	-249,818	-215,205	-195,163
Personal income	16,479	17,205	18,190
Family living/owner withdrawals	-60,057	-50,969	-45,822
Income and social security tax	-5,779	-885	-2,290
Capital contributions	1,781	7,021	796
Capital distributions	-144	-	-
Dividends paid	96	-	-
Cash gifts and inheritances	3,950	4,655	2,657
Gifts given	-3,077	-1,590	-5,292
Other cash flows	-	-	-
Cash provided by financing	35,476	-16,644	75,834
Net change in cash balance	6,967	7,523	-1,701
Ending cash (farm & nonfarm)	64,147	25,543	37,389

Table 19

Financial Standards Measures

2012 MI Dairy (All Farms)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Liquidity			
Current ratio	3.88	2.66	5.14
Working capital	595,441	276,895	771,050
Working capital to gross inc	33.0 %	29.6 %	35.9 %
Solvency (market)			
Farm debt to asset ratio	28 %	24 %	27 %
Farm equity to asset ratio	72 %	76 %	73 %
Farm debt to equity ratio	0.39	0.32	0.38
Profitability (cost)			
Rate of return on farm assets	8.1 %	0.7 %	12.4 %
Rate of return on farm equity	11.3 %	-2.0 %	20.3 %
Operating profit margin	15.8 %	1.5 %	23.4 %
Net farm income	227,244	24,812	381,762
EBIDTA	460,732	128,459	685,794
Repayment Capacity			
Capital debt repayment capacity	411,549	97,558	658,046
Capital debt repayment margin	275,824	6,736	520,204
Replacement margin	239,468	-8,745	479,630
Term debt coverage ratio	3.03	1.07	4.77
Replacement coverage ratio	2.39	0.92	3.69
Efficiency			
Asset turnover rate (cost)	51.3 %	46.2 %	52.8 %
Operating expense ratio	74.5 %	86.3 %	68.1 %
Depreciation expense ratio	9.8 %	8.2 %	11.1 %
Interest expense ratio	3.1 %	2.8 %	3.0 %
Net farm income ratio	12.6 %	2.7 %	17.8 %

Table 20

Operator and Labor Information

2012 MI Dairy (All Farms)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Operator Information			
Average number of operators	1.7	1.6	1.6
Average age of operators	50.4	50.3	47.9
Average number of years farming	24.6	23.1	21.5
Results Per Operator			
Working capital	351,158	169,214	486,979
Total assets (market)	2,873,742	1,733,955	3,608,976
Total liabilities	776,523	426,918	977,637
Net worth (market)	2,097,219	1,307,037	2,631,338
Net worth excl deferred liabs	2,097,905	1,307,037	2,634,156
Gross farm income	1,064,563	572,130	1,356,605
Total farm expense	930,548	556,967	1,115,493
Net farm income from operations	134,016	15,163	241,113
Net nonfarm income	9,718	10,514	11,488
Family living & tax withdrawals	38,770	31,689	30,387
Total acres owned	286.5	225.4	321.1
Total crop acres	520.5	394.1	533.5
Crop acres owned	286.9	194.9	366.5
Crop acres cash rented	230.0	199.2	166.4
Crop acres share rented	0.1	-	0.5
Total pasture acres	0.2	-	0.7
Labor Analysis			
Number of farms	92	22	23
Total unpaid labor hours	4,850	4,281	5,562
Total hired labor hours	11,669	8,952	11,324
Total labor hours per farm	16,519	13,233	16,886
Unpaid hours per operator	2,885	2,616	3,655
Value of farm production / hour	75.99	50.84	70.65
Net farm income / unpaid hour	42.37	5.80	54.40
Average hourly hired labor wage	14.99	14.16	13.28
Partnerships & LLCs			
Number of farms	34	10	7
Number of operators	2.1	2.0	2.1
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 21

Financial Summary
2012 MI Dairy (All Farms)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Income Statement			
Gross cash farm income	1,701,956	926,288	1,916,480
Total cash farm expense	1,425,349	824,891	1,599,820
Net cash farm income	276,607	101,397	316,661
Inventory change	127,331	458	303,766
Depreciation	-176,694	-77,043	-238,665
Net farm income from operations	227,244	24,812	381,762
Gain or loss on capital sales	-	-	-
Average net farm income	227,244	24,812	381,762
Median net farm income	118,880	12,148	206,693
Profitability (cost)			
Rate of return on assets	8.1 %	0.7 %	12.4 %
Rate of return on equity	11.3 %	-2.0 %	20.3 %
Operating profit margin	15.8 %	1.5 %	23.4 %
Asset turnover rate	51.3 %	46.2 %	52.8 %
Profitability (market)			
Rate of return on assets	9.3 %	0.1 %	17.1 %
Rate of return on equity	11.2 %	-1.1 %	22.3 %
Operating profit margin	30.3 %	0.6 %	56.4 %
Asset turnover rate	30.7 %	25.3 %	30.4 %
Liquidity & Repayment (end of year)			
Current assets	801,842	443,237	957,273
Current liabilities	206,401	166,342	186,224
Current ratio	3.88	2.66	5.14
Working capital	595,441	276,895	771,050
Working capital to gross inc	33.0 %	29.6 %	35.9 %
Term debt coverage ratio	3.03	1.07	4.77
Replacement coverage ratio	2.39	0.92	3.69
Solvency (end of year at cost)			
Number of farms	92	22	23
Total farm assets	2,757,959	1,464,062	3,177,976
Total farm liabilities	1,290,846	648,998	1,529,087
Total assets	2,919,792	1,557,645	3,227,152
Total liabilities	1,315,549	698,593	1,543,464
Net worth	1,604,243	859,052	1,683,688
Net worth change	173,815	12,148	354,972
Farm debt to asset ratio	47 %	44 %	48 %
Total debt to asset ratio	45 %	45 %	48 %
Solvency (end of year at market)			
Number of farms	92	22	23
Total farm assets	4,628,924	2,663,239	5,606,024
Total farm liabilities	1,292,010	648,998	1,533,548
Total assets	4,872,866	2,837,381	5,714,211
Total liabilities	1,316,713	698,593	1,547,926
Net worth	3,556,153	2,138,788	4,166,286
Net worth change	370,078	6,241	867,788
Farm debt to asset ratio	28 %	24 %	27 %
Total debt to asset ratio	27 %	25 %	27 %
Nonfarm Information			
Net nonfarm income	16,479	17,205	18,190
Crop Acres			
Total acres owned	486	369	508
Total crop acres	883	645	845
Total crop acres owned	486	319	580
Total crop acres cash rented	390	326	263
Total crop acres share rented	0	-	1

Table 22

Summary Farm Income Statement

2012 MI Dairy (All Farms)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	92	22	23
Crop sales	130,741	40,324	108,078
Crop inventory change	80,365	21,100	213,993
Gross crop income	211,106	61,424	322,071
Livestock sales	1,378,118	783,957	1,616,828
Livestock inventory change	2,530	1,946	-952
Gross livestock income	1,380,648	785,903	1,615,877
Government payments	43,495	28,015	44,258
Other cash farm income	149,603	73,992	166,099
Change in accounts receivable	8,099	1,192	11,529
Gain or loss on hedging accounts	-823	-182	-304
Change in other assets	4,859	594	12,851
Gain or loss on breeding lvst	8,142	-14,725	5,451
Gross farm income	1,805,129	936,213	2,177,831
Cash operating expenses	1,368,270	797,936	1,551,820
Change in prepaids and supplies	-27,515	1,789	-69,292
Change in growing crops	-4,020	-675	-6,271
Change in accounts payable	7,663	8,704	687
Depreciation	176,694	77,043	242,599
Total operating expense	1,521,092	884,797	1,719,543
Interest paid	57,080	26,956	63,872
Change in accrued interest	-286	-352	152
Total interest expense	56,794	26,604	64,023
Total expenses	1,577,886	911,401	1,783,566
Net farm income from operations	227,244	24,812	394,264
Gain or loss on capital sales	-	-	-
Net farm income	227,244	24,812	394,264

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

Table 23 Crop Production and Marketing Summary			
2012 MI Dairy (40-99 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	69	68	69
Milk production per cow lbs.,	21,123	15,452	26,424
Average milk price per cwt.,	\$18.07	\$18.59	\$17.87
Acreage Summary			
Total acres owned	217	265	167
Total crop acres	326	472	291
Crop acres owned	185	229	156
Crop acres cash rented	142	243	135
Crop acres share rented	-	-	-
Total pasture acres	0	-	1
Percent crop acres owned	57 %	49 %	54 %
Mach invest/crop acre cost	119	104	213
Mach invest/crop acre market	544	403	651
Average Price Received (Cash Sales Only)			
Soybeans per bushel	11.01	-	-
Corn per bushel	6.69	-	-

Table 24

Farm Income Statement
2012 MI Dairy (40-99 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			
Beans, Navy	4,132	-	14,875
Corn	20,773	-	58,098
Hay, Alfalfa	267	-	-
Hay, Mixed	4,750	19,889	-
Hay, Native Grass	1,063	4,784	-
Soybeans	16,397	-	38,980
Sugar Beets	19,306	-	69,501
Wheat, Winter	3,583	-	12,897
Miscellaneous crop income	6	26	-
Beef Cow-Calf, Beef Calves	226	-	-
Dairy, Milk	265,188	205,347	314,084
Dairy, Dairy Calves	1,386	88	1,668
Dairy Finishing	6,655	12,000	11,087
Cull breeding livestock	16,603	16,303	11,291
Misc. livestock income	493	-	1,774
Direct, CCP & ACRE pymts	3,902	5,825	-
Other government payments	8,381	7,634	12,572
Custom work income	193	395	150
Patronage dividends, cash	2,444	1,995	3,863
Property insurance income	502	-	1,631
Sale of resale items	139	-	-
Other farm income	1,681	276	4,534
Gross Cash Farm Income	378,070	274,561	557,006

Table 24

Farm Income Statement (Continued)

2012 MI Dairy (40-99 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	14,149	4,876	27,055
Fertilizer	22,616	5,730	42,026
Crop chemicals	6,660	2,721	11,107
Crop insurance	1,041	263	1,979
Drying expense	83	-	297
Crop marketing	689	-	2,048
Crop miscellaneous	262	338	41
Purchased feed	100,902	87,618	136,243
Breeding fees	1,837	1,743	2,087
Veterinary	7,209	3,847	9,886
Livestock supplies	5,178	4,781	8,508
DHIA	873	-	1,086
Livestock hauling and trucking	9,307	9,054	11,522
Livestock marketing	4,883	3,035	5,730
Bedding	3,395	1,945	3,531
Interest	10,934	7,403	17,883
Supplies	5,613	3,910	5,543
Fuel & oil	18,535	18,643	19,390
Repairs	20,601	11,828	32,185
Custom hire	7,653	1,839	18,002
Repair, buildings	2,000	1,639	2,235
Hired labor	27,649	28,729	19,984
Land rent	7,673	6,224	13,554
Machinery leases	4,462	-	14,976
Real estate taxes	4,418	4,891	3,680
Personal property taxes	111	-	249
Farm insurance	5,308	4,591	7,801
Utilities	10,764	10,449	15,231
Hauling and trucking	94	422	-
Marketing	113	-	-
Dues & professional fees	2,772	2,310	3,928
Miscellaneous	2,998	6,078	-1,231
Total cash expense	310,780	234,903	436,558
Net cash farm income	67,290	39,658	120,448
Inventory Changes			
Prepays and supplies	3,142	-1,688	9,059
Accounts receivable	1,580	-980	4,599
Hedging accounts	-	-	-
Other current assets	2,202	-402	4,387
Crops and feed	18,605	-12,320	44,746
Market livestock	-543	-90	-2,635
Breeding livestock	-274	-10,551	16,004
Other assets	-322	269	-1,510
Accounts payable	-3,716	-8,587	-4,240
Accrued interest	-137	-	-437

Total inventory change	20,537	-34,348	69,973
Net operating profit	87,827	5,310	190,421
Depreciation			
Machinery and equipment	-25,917	-16,487	-43,004
Titled vehicles	-322	-	-1,000
Buildings and improvements	-8,396	-7,658	-12,950
Total depreciation	-34,635	-24,145	-56,954
Net farm income from operations	53,192	-18,835	133,467
Gain or loss on capital sales	-	-	-
Net farm income	53,192	-18,835	133,467

Table 25

Inventory Changes
2012 MI Dairy (40-99 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	67,290	39,658	120,448
Crops and Feed			
Ending inventory	130,517	63,311	194,981
Beginning inventory	111,911	75,630	150,234
Inventory change	18,605	-12,320	44,746
Market Livestock			
Ending inventory	5,230	4,110	8,721
Beginning inventory	5,773	4,200	11,356
Inventory change	-543	-90	-2,635
Accts Receivable			
Ending inventory	8,039	6,159	14,949
Beginning inventory	6,458	7,138	10,350
Inventory change	1,580	-980	4,599
Prepaid Expenses and Supplies			
Ending inventory	14,210	625	30,459
Beginning inventory	11,068	2,313	21,400
Inventory change	3,142	-1,688	9,059
Hedging Activities			
Ending inventory	-	-	-
Withdrawals	-	-	-
Beginning inventory	-	-	-
Deposits	-	-	-
Gain or loss	-	-	-
Other Current Assets			
Ending inventory	9,807	4,329	11,230
Beginning inventory	7,605	4,732	6,843
Inventory change	2,202	-402	4,387
Breeding Livestock			
Ending inventory	162,682	144,500	152,600
Capital sales	3,232	336	10,394
Beginning inventory	161,546	155,138	136,160
Capital purchases	4,642	250	10,830
Depreciation, capital adjust	-274	-10,551	16,004
Other Capital Assets			
Ending inventory	9,728	9,053	5,200
Capital sales	80	-	-
Beginning inventory	8,766	8,784	5,000
Capital purchases	1,364	-	1,710
Depreciation, capital adjust	-322	269	-1,510
Accounts Payable			
Beginning inventory	6,180	18,255	586
Ending inventory	9,897	26,841	4,826
Inventory change	-3,716	-8,587	-4,240
Accrued Interest			
Beginning inventory	1,335	6	4,693
Ending inventory	1,472	6	5,130
Inventory change	-137	-	-437
Total inventory change	20,537	-34,348	69,973
Net operating profit	87,827	5,310	190,421

Table 26

Depreciation
2012 MI Dairy (40-99 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	87,827	5,310	190,421
Machinery and Equipment			
Ending inventory	61,549	75,391	106,916
Capital sales	2,594	2,866	6,444
Beginning inventory	56,979	66,198	99,907
Capital purchases	33,080	28,547	56,457
Depreciation, capital adjust.	-25,917	-16,487	-43,004
Titled Vehicles			
Ending inventory	2,129	-	7,250
Capital sales	-	-	-
Beginning inventory	2,451	-	8,250
Capital purchases	-	-	-
Depreciation, capital adjust.	-322	-	-1,000
Buildings and Improvements			
Ending inventory	40,757	53,177	45,294
Capital sales	-	-	-
Beginning inventory	46,378	60,835	51,146
Capital purchases	2,775	-	7,098
Depreciation, capital adjust.	-8,396	-7,658	-12,950
Total depreciation, capital adj.	-34,635	-24,145	-56,954
Net farm income from operations	53,192	-18,835	133,467
Gain or loss on capital sales	-	-	-
Net farm income	53,192	-18,835	133,467

Table 27

Profitability Measures
2012 MI Dairy (40-99 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	53,192	-18,835	133,467
Rate of return on assets	5.9 %	-7.4 %	14.8 %
Rate of return on equity	7.8 %	-17.6 %	24.6 %
Operating profit margin	11.8 %	-21.6 %	25.7 %
Asset turnover rate	50.1 %	34.1 %	57.6 %
Farm interest expense	11,071	7,403	18,320
Value of operator lbr and mgmt.	29,122	23,750	28,000
Return on farm assets	35,141	-35,181	123,787
Average farm assets	593,064	478,290	836,162
Return on farm equity	24,070	-42,585	105,467
Average farm equity	309,146	242,433	429,242
Value of farm production	296,939	163,012	481,999
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	18	5	5
Profitability (assets valued at market)			
Net farm income from operations	108,279	-16,346	269,159
Rate of return on assets	6.8 %	-3.7 %	14.9 %
Rate of return on equity	7.6 %	-6.1 %	18.4 %
Operating profit margin	30.4 %	-20.1 %	53.8 %
Asset turnover rate	22.2 %	18.3 %	27.7 %
Farm interest expense	11,071	7,403	18,320
Value of operator lbr and mgmt.	29,122	23,750	28,000
Return on farm assets	90,228	-32,693	259,479
Average farm assets	1,335,928	890,999	1,740,109
Return on farm equity	79,157	-40,096	241,159
Average farm equity	1,046,062	655,142	1,311,774
Value of farm production	296,939	163,012	481,999

Table 28

Liquidity & Repayment Capacity Measures
2012 MI Dairy (40-99 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	3.04	1.77	2.96
Working capital	124,994	44,798	184,138
Working capital to gross inc	31.4 %	17.9 %	29.8 %
Current assets	186,194	103,034	278,007
Current liabilities	61,201	58,236	93,869
Gross revenues (accrual)	397,840	250,630	618,241
Repayment capacity			
Net farm income from operations	53,192	-18,835	133,467
Depreciation	34,635	24,145	56,954
Personal income	10,529	8,750	9,013
Family living/owner withdrawals	-33,891	-32,468	-44,740
Payments on personal debt	-2,909	-	-7,952
Income taxes paid	-1,079	-881	-221
Interest on term debt	10,925	9,781	17,516
Capital debt repayment capacity	71,403	-9,509	164,037
Scheduled term debt payments	-27,233	-24,742	-45,522
Capital debt repayment margin	44,170	-34,251	118,515
Cash replacement allowance	-17,202	-19,958	-19,552
Replacement margin	26,967	-54,209	98,963
Term debt coverage ratio	2.62	-0.38	3.60
Replacement coverage ratio	1.61	-0.21	2.52

Table 29

Balance Sheet at Cost Values
2012 MI Dairy (40-99 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	15,512	18,392	13,833	24,501	21,925	17,667
Prepaid expenses & supplies	11,068	14,210	2,313	625	21,400	30,459
Growing crops	4,922	6,401	3,112	2,969	6,615	10,970
Accounts receivable	6,458	8,039	7,138	6,159	10,350	14,949
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	111,911	130,517	75,630	63,311	150,234	194,981
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	5,773	5,230	4,200	4,110	11,356	8,721
Other current assets	2,682	3,406	1,620	1,360	228	260
Total current farm assets	158,328	186,194	107,846	103,034	222,109	278,007
Intermediate Farm Assets						
Breeding livestock	161,546	162,682	155,138	144,500	136,160	152,600
Machinery and equipment	56,979	61,549	66,198	75,391	99,907	106,916
Titled vehicles	2,451	2,129	0	0	8,250	7,250
Other intermediate assets	7,901	8,865	7,847	8,116	5,000	5,200
Total intermediate farm assets	228,877	235,225	229,182	228,007	249,317	271,966
Long Term Farm Assets						
Farm land	136,737	151,904	84,812	87,812	251,143	303,343
Buildings and improvements	46,378	40,757	60,835	53,177	51,146	45,294
Other long-term assets	865	862	937	937	0	0
Total long-term farm assets	183,980	193,522	146,585	141,927	302,289	348,637
Total Farm Assets	571,185	614,942	483,612	472,967	773,714	898,610
Total Nonfarm Assets	92,216	96,910	32,446	37,701	107,837	105,557
Total Assets	663,401	711,852	516,058	510,668	881,551	1,004,167
Liabilities						
Current Farm Liabilities						
Accrued interest	1,335	1,472	6	6	4,693	5,130
Accounts payable	6,180	9,897	18,255	26,841	586	4,826
Current notes	32,771	30,348	13,858	14,589	50,400	45,846
Government crop loans	0	0	0	0	0	0
Principal due on term debt	16,308	19,484	14,961	16,800	28,005	38,067
Total current farm liabilities	56,594	61,201	47,080	58,236	83,685	93,869
Total intermediate farm liabs	54,424	55,106	38,697	36,033	96,203	89,662
Total long term farm liabilities	167,889	172,622	137,448	154,219	218,729	231,692
Total farm liabilities	278,907	288,929	223,225	248,488	398,617	415,223
Total nonfarm liabilities	29,095	28,862	0	1,163	67,105	62,770
Total liabilities	308,002	317,791	223,225	249,651	465,722	477,993
Net worth (farm and nonfarm)	355,399	394,062	292,834	261,017	415,830	526,174
Net worth change		38,662		-31,817		110,345
Percent net worth change		11 %		-11 %		27 %
Ratio Analysis						
Current farm liabilities / assets	36 %	33 %	44 %	57 %	38 %	34 %
Intermediate farm liab. / assets	24 %	23 %	17 %	16 %	39 %	33 %
Long term farm liab. / assets	91 %	89 %	94 %	109 %	72 %	66 %
Total debt to asset ratio	46 %	45 %	43 %	49 %	53 %	48 %

Table 30

Balance Sheet at Market Values
2012 MI Dairy (40-99 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	15,512	18,392	13,833	24,501	21,925	17,667
Prepaid expenses & supplies	11,068	14,210	2,313	625	21,400	30,459
Growing crops	4,922	6,401	3,112	2,969	6,615	10,970
Accounts receivable	6,458	8,039	7,138	6,159	10,350	14,949
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	111,911	130,517	75,630	63,311	150,234	194,981
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	5,773	5,230	4,200	4,110	11,356	8,721
Other current assets	2,682	3,406	1,620	1,360	228	260
Total current farm assets	158,328	186,194	107,846	103,034	222,109	278,007
Intermediate Farm Assets						
Breeding livestock	164,133	170,700	155,138	144,500	138,770	172,835
Machinery and equipment	229,649	250,546	235,972	241,839	282,464	318,849
Titled vehicles	5,400	4,761	0	0	15,140	12,840
Other intermediate assets	7,901	8,865	7,847	8,116	5,000	5,200
Total intermediate farm assets	407,083	434,872	398,956	394,455	441,374	509,724
Long Term Farm Assets						
Farm land	587,154	629,088	350,620	353,620	751,460	881,140
Buildings and improvements	133,076	134,334	36,718	34,875	194,873	201,532
Other long-term assets	865	862	937	937	0	0
Total long-term farm assets	721,095	764,284	388,275	389,432	946,333	1,082,672
Total Farm Assets	1,286,506	1,385,351	895,077	886,921	1,609,815	1,870,403
Total Nonfarm Assets	131,346	136,139	76,196	81,451	163,202	161,277
Total Assets	1,417,852	1,521,489	971,273	968,371	1,773,018	2,031,680
Liabilities						
Current Farm Liabilities						
Accrued interest	1,335	1,472	6	6	4,693	5,130
Accounts payable	6,180	9,897	18,255	26,841	586	4,826
Current notes	32,771	30,348	13,858	14,589	50,400	45,846
Government crop loans	0	0	0	0	0	0
Principal due on term debt	16,308	19,484	14,961	16,800	28,005	38,067
Total current farm liabilities	56,594	61,201	47,080	58,236	83,685	93,869
Total intermediate farm liabs	54,424	55,106	38,697	36,033	96,203	89,662
Total long term farm liabilities	167,889	172,622	137,448	154,219	218,729	231,692
Total farm liabilities	278,907	288,929	223,225	248,488	398,617	415,223
Total nonfarm liabilities	29,095	28,862	0	1,163	67,105	62,770
Total liabs excluding deferreds	308,002	317,791	223,225	249,651	465,722	477,993
Total deferred liabilities	5,949	5,949	0	0	21,415	21,415
Total liabilities	313,951	323,739	223,225	249,651	487,137	499,408
Retained earnings	355,399	394,062	292,834	261,017	415,830	526,174
Market valuation equity	748,503	803,689	455,215	457,703	870,051	1,006,098
Net worth (farm and nonfarm)	1,103,902	1,197,750	748,048	718,720	1,285,881	1,532,272
Net worth excluding deferreds	1,109,850	1,203,699	748,048	718,720	1,307,296	1,553,687
Net worth change		93,848		-29,328		246,391
Percent net worth change		9 %		-4 %		19 %
Ratio Analysis						
Current farm liabilities / assets	36 %	33 %	44 %	57 %	38 %	34 %
Intermediate farm liab. / assets	13 %	13 %	10 %	9 %	22 %	18 %
Long term farm liab. / assets	23 %	23 %	35 %	40 %	23 %	21 %
Total debt to asset ratio	22 %	21 %	23 %	26 %	27 %	25 %
Debt to assets excl deferreds	22 %	21 %	23 %	26 %	26 %	24 %

Table 31

Statement Of Cash Flows
2012 MI Dairy (40-99 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)	18,899	14,083	29,702
Cash Provided By Operating Activities			
Gross cash farm income	378,070	274,561	557,006
Total cash farm expense	-310,780	-234,903	-436,558
Net cash from hedging transactions	-	-	-
Cash provided by operating	67,290	39,658	120,448
Cash Provided By Investing Activities			
Sale of breeding livestock	3,232	336	10,394
Sale of machinery & equipment	2,594	2,866	6,444
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	80	-	-
Sale of nonfarm assets	448	-	-
Purchase of breeding livestock	-4,642	-250	-10,830
Purchase of machinery & equip.	-33,080	-28,547	-56,457
Purchase of titled vehicles	-	-	-
Purchase of farm land	-14,500	-	-52,200
Purchase of farm buildings	-2,775	-	-7,098
Purchase of other farm assets	-1,364	-	-1,710
Purchase of nonfarm assets	-664	-2,989	-
Cash provided by investing	-50,671	-28,583	-111,458
Cash Provided By Financing Activities			
Money borrowed	81,825	45,615	125,918
Principal payments	-76,931	-27,776	-118,289
Personal income	10,529	8,750	9,013
Family living/owner withdrawals	-33,891	-32,468	-44,740
Income and social security tax	-1,079	-881	-221
Capital contributions	2,932	-	10,555
Capital distributions	-	-	-
Dividends paid	-	-	-
Cash gifts and inheritances	4,265	6,440	8,651
Gifts given	-1,801	-87	-6,415
Other cash flows	-	-	-
Cash provided by financing	-14,152	-408	-15,528
Net change in cash balance	2,467	10,667	-6,538
Ending cash (farm & nonfarm)	21,366	24,751	23,164

Table 32

Financial Standards Measures

2012 MI Dairy (40-99 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	3.04	1.77	2.96
Working capital	124,994	44,798	184,138
Working capital to gross inc	31.4 %	17.9 %	29.8 %
Solvency (market)			
Farm debt to asset ratio	21 %	28 %	23 %
Farm equity to asset ratio	79 %	72 %	77 %
Farm debt to equity ratio	0.27	0.39	0.30
Profitability (cost)			
Rate of return on farm assets	5.9 %	-7.4 %	14.8 %
Rate of return on farm equity	7.8 %	-17.6 %	24.6 %
Operating profit margin	11.8 %	-21.6 %	25.7 %
Net farm income	53,192	-18,835	133,467
EBIDTA	98,898	12,713	208,741
Repayment Capacity			
Capital debt repayment capacity	71,403	-9,509	164,037
Capital debt repayment margin	44,170	-34,251	118,515
Replacement margin	26,967	-54,209	98,963
Term debt coverage ratio	2.62	-0.38	3.60
Replacement coverage ratio	1.61	-0.21	2.52
Efficiency			
Asset turnover rate (cost)	50.1 %	34.1 %	57.6 %
Operating expense ratio	75.1 %	94.9 %	66.2 %
Depreciation expense ratio	8.7 %	9.6 %	9.2 %
Interest expense ratio	2.8 %	3.0 %	3.0 %
Net farm income ratio	13.4 %	-7.5 %	21.6 %

Table 33

Operator and Labor Information
2012 MI Dairy (40-99 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	1.3	1.8	1.2
Average age of operators	51.8	50.4	48.7
Average number of years farming	27.2	26.1	21.8
Results Per Operator			
Working capital	97,821	25,599	153,448
Total assets (market)	1,190,731	553,355	1,693,067
Total liabilities	253,361	142,658	416,174
Net worth (market)	937,370	410,697	1,276,893
Net worth excl deferred liabs	942,025	410,697	1,294,739
Gross farm income	311,353	143,217	515,201
Total farm expense	269,725	153,980	403,979
Net farm income from operations	41,629	-10,763	111,223
Net nonfarm income	8,240	5,000	7,511
Family living & tax withdrawals	27,368	19,057	37,468
Total acres owned	169.9	151.6	139.3
Total crop acres	255.3	269.4	242.6
Crop acres owned	144.4	130.9	129.8
Crop acres cash rented	110.9	138.6	112.7
Crop acres share rented	-	-	-
Total pasture acres	0.2	-	0.7
Labor Analysis			
Number of farms	18	5	5
Total unpaid labor hours	4,240	4,625	5,080
Total hired labor hours	1,905	1,548	2,194
Total labor hours per farm	6,145	6,173	7,274
Unpaid hours per operator	3,318	2,643	4,233
Value of farm production / hour	48.33	26.41	66.27
Net farm income / unpaid hour	12.55	-4.07	26.27
Average hourly hired labor wage	15.98	18.56	12.73

Table 34

Financial Summary
2012 MI Dairy (40-99 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	378,070	274,561	557,006
Total cash farm expense	310,780	234,903	436,558
Net cash farm income	67,290	39,658	120,448
Inventory change	20,537	-34,348	69,973
Depreciation	-34,635	-24,145	-56,954
Net farm income from operations	53,192	-18,835	133,467
Gain or loss on capital sales	-	-	-
Average net farm income	53,192	-18,835	133,467
Median net farm income	37,326	-15,477	132,574
Profitability (cost)			
Rate of return on assets	5.9 %	-7.4 %	14.8 %
Rate of return on equity	7.8 %	-17.6 %	24.6 %
Operating profit margin	11.8 %	-21.6 %	25.7 %
Asset turnover rate	50.1 %	34.1 %	57.6 %
Profitability (market)			
Rate of return on assets	6.8 %	-3.7 %	14.9 %
Rate of return on equity	7.6 %	-6.1 %	18.4 %
Operating profit margin	30.4 %	-20.1 %	53.8 %
Asset turnover rate	22.2 %	18.3 %	27.7 %
Liquidity & Repayment (end of year)			
Current assets	186,194	103,034	278,007
Current liabilities	61,201	58,236	93,869
Current ratio	3.04	1.77	2.96
Working capital	124,994	44,798	184,138
Working capital to gross inc	31.4 %	17.9 %	29.8 %
Term debt coverage ratio	2.62	-0.38	3.60
Replacement coverage ratio	1.61	-0.21	2.52
Solvency (end of year at cost)			
Number of farms	18	5	5
Total farm assets	614,942	472,967	898,610
Total farm liabilities	288,929	248,488	415,223
Total assets	711,852	510,668	1,004,167
Total liabilities	317,791	249,651	477,993
Net worth	394,062	261,017	526,174
Net worth change	38,662	-31,817	110,345
Farm debt to asset ratio	47 %	53 %	46 %
Total debt to asset ratio	45 %	49 %	48 %
Solvency (end of year at market)			
Number of farms	18	5	5
Total farm assets	1,385,351	886,921	1,870,403
Total farm liabilities	294,877	248,488	436,638
Total assets	1,521,489	968,371	2,031,680
Total liabilities	323,739	249,651	499,408
Net worth	1,197,750	718,720	1,532,272
Net worth change	93,848	-29,328	246,391
Farm debt to asset ratio	21 %	28 %	23 %
Total debt to asset ratio	21 %	26 %	25 %
Nonfarm Information			
Net nonfarm income	10,529	8,750	9,013
Crop Acres			
Total acres owned	217	265	167
Total crop acres	326	472	291
Total crop acres owned	185	229	156
Total crop acres cash rented	142	243	135
Total crop acres share rented	-	-	-

Table 35

Summary Farm Income Statement
2012 MI Dairy (40-99 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	70,276	24,699	194,351
Crop inventory change	18,605	-12,320	44,746
Gross crop income	88,882	12,380	239,097
Livestock sales	273,468	217,435	326,883
Livestock inventory change	-543	-90	-2,635
Gross livestock income	272,925	217,345	324,248
Government payments	12,282	13,458	12,572
Other cash farm income	22,043	18,969	23,200
Change in accounts receivable	1,580	-980	4,599
Gain or loss on hedging accounts	-	-	-
Change in other assets	401	9	-1,478
Gain or loss on breeding lvst	-274	-10,551	16,004
Gross farm income	397,840	250,630	618,241
Cash operating expenses	299,846	227,500	418,674
Change in prepaids and supplies	-3,142	1,688	-9,059
Change in growing crops	-1,479	143	-4,355
Change in accounts payable	3,716	8,587	4,240
Depreciation	34,635	24,145	56,954
Total operating expense	333,577	262,061	466,454
Interest paid	10,934	7,403	17,883
Change in accrued interest	137	-	437
Total interest expense	11,071	7,403	18,320
Total expenses	344,648	269,464	484,774
Net farm income from operations	53,192	-18,835	133,467
Gain or loss on capital sales	-	-	-
Net farm income	53,192	-18,835	133,467

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

Table 36 Crop Production and Marketing Summary			
2012 MI Dairy (100-249 Cows)			
(Farms Sorted By Rate of Return on Assets - Mkt)			
	Avg. Of All Farms	Low 25%	High 25%
Dairy			
Number of farms	40	10	11
Average number of cows	169	154	178
Milk production per cow lbs.,	21,949	18,316	22,966
Average milk price per cwt.,	\$18.73	\$19.40	\$18.40
Acreage Summary			
Total acres owned	410	403	468
Total crop acres	683	642	743
Crop acres owned	403	303	491
Crop acres cash rented	267	339	252
Crop acres share rented	-	-	-
Total pasture acres	0	-	-
Percent crop acres owned	59 %	47 %	66 %
Mach invest/crop acre cost	126	102	173
Mach invest/crop acre market	449	355	386
Average Price Received (Cash Sales Only)			
Corn per bushel	6.48	-	6.27
Wheat, Winter per bushel	8.09	-	-
Soybeans per bushel	13.50	-	-

Table 37

Farm Income Statement
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Cash Farm Income			
Asparagus	181	-	-
Barley	349	1,395	-
Corn	38,552	23,863	28,008
Corn Silage	3,461	-	-
Hay, Alfalfa	574	1,547	-
Hay, Mixed	696	90	2,154
Haylage, Mixed	1,044	-	-
Oats	663	-	1,301
Pulpwood	125	-	-
Soybeans	10,957	629	15,648
Straw	996	600	3,057
Wheat, Winter	8,386	-	9,423
Beef Cow-Calf, Beef Calves	139	-	-
Dairy, Milk	695,378	545,960	749,092
Dairy, Dairy Calves	4,067	1,591	6,697
Dairy Heifers (for sale)	4,035	125	337
Dairy Replacement Heifers	617	203	-
Dairy Finishing	9,858	3,207	7,398
Dairy Feeder	1,807	2,783	2,612
User Added Livestock, User Added	3,985	10,121	5,291
Cull breeding livestock	44,398	53,433	37,040
Misc. livestock income	288	-	41
Direct, CCP & ACRE pymts	20,827	19,155	13,904
CRP payments	823	-	-
Livestock govt payments	1,111	-	2,250
Other government payments	15,028	8,446	21,512
Custom work income	5,567	433	11,939
Patronage dividends, cash	5,344	5,122	4,760
Property insurance income	26,620	7,573	52,681
Sale of resale items	151	369	212
Other farm income	4,283	3,819	3,311
Gross Cash Farm Income	910,309	690,464	978,669

Table 37

Farm Income Statement (Continued)

2012 MI Dairy (100-249 Cows)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Cash Farm Expense			
Seed	35,897	20,620	48,569
Fertilizer	50,637	32,329	59,034
Crop chemicals	10,105	4,937	13,111
Crop insurance	2,319	177	3,278
Drying expense	573	135	-
Storage	522	-	1,051
Irrigation energy	110	-	401
Crop packaging and supplies	152	-	554
Crop hauling and trucking	1,002	-	1,572
Crop marketing	106	-	385
Crop miscellaneous	1,330	53	2,013
Purchased feed	212,316	207,579	213,698
Breeding fees	6,428	5,028	5,481
Veterinary	18,175	10,963	21,291
Livestock supplies	14,998	11,279	19,266
DHIA	1,823	1,436	2,519
Livestock leases	981	3,924	-
Livestock hauling and trucking	20,538	14,310	21,629
Livestock marketing	9,545	8,927	8,938
Bedding	8,730	5,359	11,226
Interest	31,536	18,239	43,376
Packaging and supplies	348	-	1,265
Supplies	13,398	10,718	6,617
Fuel & oil	50,686	33,795	68,612
Repairs	45,940	45,264	52,172
Repair, machinery	260	-	226
Custom hire	26,791	28,865	26,423
Repair, buildings	5,364	968	4,420
Hired labor	87,506	67,880	68,983
Land rent	17,798	11,032	15,860
Machinery leases	9,421	3,221	21,258
Building leases	34	-	124
Real estate taxes	9,531	8,516	8,257
Personal property taxes	41	-	248
Farm insurance	15,604	11,032	21,833
Utilities	20,739	18,243	22,107
Hauling and trucking	106	422	-
Dues & professional fees	7,991	4,900	13,037
Miscellaneous	10,829	13,667	8,214
Total cash expense	750,208	603,816	817,047
Net cash farm income	160,101	86,648	161,622
Inventory Changes			
Prepays and supplies	6,601	3,609	30,971
Accounts receivable	2,918	3,384	4,770
Hedging accounts	-47	-	-

Other current assets	3,895	-140	5,407
Crops and feed	35,523	-12,059	78,831
Market livestock	1,582	-230	-150
Breeding livestock	-3,276	-27,329	10,800
Other assets	5,436	-233	18,706
Accounts payable	7,903	-9,860	43,210
Accrued interest	361	-19	0
Total inventory change	60,896	-42,878	192,545
Net operating profit	220,997	43,770	354,167
Depreciation			
Machinery and equipment	-53,629	-23,329	-72,920
Titled vehicles	-353	-	-409
Buildings and improvements	-30,590	-19,618	-38,210
Total depreciation	-84,572	-42,947	-111,539
Net farm income from operations	136,424	822	242,628
Gain or loss on capital sales	-	-	-
Net farm income	136,424	822	242,628

Table 38

Inventory Changes
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Net cash farm income	160,101	83,820	161,622
Crops and Feed			
Ending inventory	273,264	140,540	317,885
Beginning inventory	237,741	156,046	239,053
Inventory change	35,523	-15,506	78,831
Market Livestock			
Ending inventory	15,456	12,056	15,877
Beginning inventory	13,874	11,756	16,027
Inventory change	1,582	300	-150
Accts Receivable			
Ending inventory	31,550	34,447	22,132
Beginning inventory	28,632	32,021	17,363
Inventory change	2,918	2,426	4,770
Prepaid Expenses and Supplies			
Ending inventory	36,430	9,017	56,436
Beginning inventory	29,829	11,239	25,465
Inventory change	6,601	-2,222	30,971
Hedging Activities			
Ending inventory	-	-	-
Withdrawals	110	-	-
Beginning inventory	-	-	-
Deposits	157	-	-
Gain or loss	-47	-	-
Other Current Assets			
Ending inventory	18,597	4,180	23,918
Beginning inventory	14,702	4,336	18,511
Inventory change	3,895	-156	5,407
Breeding Livestock			
Ending inventory	403,355	364,878	414,055
Capital sales	2,800	7,078	3,165
Beginning inventory	403,092	395,756	389,866
Capital purchases	6,340	1,861	16,554
Depreciation, capital adjust	-3,276	-25,660	10,800
Other Capital Assets			
Ending inventory	37,789	20,415	47,241
Capital sales	7,640	947	21,547
Beginning inventory	33,311	20,373	34,328
Capital purchases	6,681	818	15,755
Depreciation, capital adjust	5,436	171	18,706
Accounts Payable			
Beginning inventory	44,931	94,639	48,994
Ending inventory	37,028	105,605	5,784
Inventory change	7,903	-10,966	43,210
Accrued Interest			
Beginning inventory	1,032	1,051	-
Ending inventory	671	1,072	0
Inventory change	361	-21	0
Total inventory change	60,896	-51,633	192,545
Net operating profit	220,997	32,187	354,167

Table 39

Depreciation
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Net operating profit	220,997	32,187	354,167
Machinery and Equipment			
Ending inventory	162,785	111,364	191,369
Capital sales	4,843	-	8,784
Beginning inventory	149,748	102,867	181,990
Capital purchases	71,509	30,272	91,084
Depreciation, capital adjust.	-53,629	-21,774	-72,920
Titled Vehicles			
Ending inventory	809	-	909
Capital sales	-	-	-
Beginning inventory	1,163	-	1,318
Capital purchases	-	-	-
Depreciation, capital adjust.	-353	-	-409
Buildings and Improvements			
Ending inventory	150,750	99,758	203,948
Capital sales	41	184	-
Beginning inventory	165,693	118,313	223,984
Capital purchases	15,689	1,894	18,174
Depreciation, capital adjust.	-30,590	-20,265	-38,210
Total depreciation, capital adj.	-84,572	-42,040	-111,539
Net farm income from operations	136,424	-9,852	242,628
Gain or loss on capital sales	-	-	-
Net farm income	136,424	-9,852	242,628

Table 40

Profitability Measures
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Profitability (assets valued at cost)			
Net farm income from operations	136,424	-9,852	242,628
Rate of return on assets	7.8 %	-3.1 %	13.0 %
Rate of return on equity	11.6 %	-10.9 %	23.6 %
Operating profit margin	15.2 %	-7.2 %	24.1 %
Asset turnover rate	51.2 %	42.9 %	53.7 %
Farm interest expense	31,175	20,146	43,376
Value of operator lbr and mgmt.	54,658	41,372	73,998
Return on farm assets	112,941	-31,078	212,006
Average farm assets	1,446,829	1,012,661	1,634,792
Return on farm equity	81,766	-51,224	168,631
Average farm equity	705,200	471,288	713,577
Value of farm production	741,010	434,203	877,928
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Profitability (assets valued at market)			
Net farm income from operations	228,737	-15,708	400,870
Rate of return on assets	8.0 %	-2.0 %	13.6 %
Rate of return on equity	9.5 %	-4.3 %	18.1 %
Operating profit margin	27.7 %	-8.5 %	42.2 %
Asset turnover rate	28.8 %	23.2 %	32.2 %
Farm interest expense	31,175	20,146	43,376
Value of operator lbr and mgmt.	54,658	41,372	73,998
Return on farm assets	205,254	-36,934	370,248
Average farm assets	2,573,153	1,869,630	2,726,005
Return on farm equity	174,079	-57,079	326,872
Average farm equity	1,831,525	1,328,257	1,804,791
Value of farm production	741,010	434,203	877,928

Table 41

Liquidity & Repayment Capacity Measures

2012 MI Dairy (100-249 Cows)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Liquidity			
Current ratio	2.94	1.17	3.33
Working capital	279,993	32,895	313,142
Working capital to gross inc	29.4 %	5.3 %	28.7 %
Current assets	424,186	228,146	447,475
Current liabilities	144,193	195,251	134,333
Gross revenues (accrual)	953,336	622,269	1,091,626
Repayment capacity			
Net farm income from operations	136,424	-9,852	242,628
Depreciation	84,572	42,040	111,539
Personal income	8,769	5,782	6,754
Family living/owner withdrawals	-52,964	-34,856	-56,534
Payments on personal debt	-616	-	-
Income taxes paid	-3,275	-664	-801
Interest on term debt	35,687	23,000	45,206
Capital debt repayment capacity	208,597	25,451	348,793
Scheduled term debt payments	-85,964	-65,634	-109,965
Capital debt repayment margin	122,634	-40,184	238,828
Cash replacement allowance	-25,008	-7,510	-19,720
Replacement margin	97,625	-47,693	219,109
Term debt coverage ratio	2.43	0.39	3.17
Replacement coverage ratio	1.88	0.35	2.69

Table 42

Balance Sheet at Cost Values
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	40		10		11	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	45,479	47,270	30,440	27,906	27,822	11,142
Prepaid expenses & supplies	29,829	36,430	11,239	9,017	25,465	56,436
Growing crops	14,702	17,706	4,336	4,180	18,511	23,918
Accounts receivable	28,632	31,550	32,021	34,447	17,363	22,132
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	238,458	272,547	156,046	140,540	239,138	317,800
Crops under government loan	901	2,335	0	0	0	170
Market livestock held for sale	13,874	15,456	11,756	12,056	16,027	15,877
Other current assets	0	891	0	0	0	0
Total current farm assets	371,875	424,186	245,837	228,146	344,326	447,475
Intermediate Farm Assets						
Breeding livestock	403,092	403,355	395,756	364,878	389,866	414,055
Machinery and equipment	149,748	162,785	102,867	111,364	181,990	191,369
Titled vehicles	1,163	809	0	0	1,318	909
Other intermediate assets	18,816	18,882	7,623	8,119	28,585	28,755
Total intermediate farm assets	572,819	585,832	506,245	484,361	601,759	635,089
Long Term Farm Assets						
Farm land	280,345	308,758	159,182	158,432	389,150	399,623
Buildings and improvements	165,693	150,750	118,313	99,758	223,984	203,948
Other long-term assets	14,494	18,906	12,750	12,296	5,743	18,486
Total long-term farm assets	460,532	478,414	290,245	270,487	618,877	622,057
Total Farm Assets	1,405,226	1,488,432	1,042,328	982,994	1,564,962	1,704,621
Total Nonfarm Assets	64,913	75,286	106,896	121,195	14,487	30,331
Total Assets	1,470,139	1,563,718	1,149,224	1,104,189	1,579,449	1,734,952
Liabilities						
Current Farm Liabilities						
Accrued interest	1,032	671	1,051	1,072	0	0
Accounts payable	44,931	37,028	94,639	105,605	48,994	5,784
Current notes	65,029	52,495	54,921	42,558	76,653	62,100
Government crop loans	901	480	0	0	0	62
Principal due on term debt	50,276	53,518	42,634	46,017	64,758	66,387
Total current farm liabilities	162,169	144,193	193,245	195,251	190,406	134,333
Total intermediate farm liabs	182,366	193,836	160,421	160,695	257,738	264,495
Total long term farm liabilities	396,250	404,442	193,093	180,041	497,215	498,242
Total farm liabilities	740,786	742,471	546,759	535,987	945,359	897,070
Total nonfarm liabilities	5,778	5,689	1,778	1,778	0	0
Total liabilities	746,563	748,161	548,537	537,765	945,359	897,070
Net worth (farm and nonfarm)	723,576	815,558	600,687	566,424	634,090	837,881
Net worth change		91,981		-34,263		203,791
Percent net worth change		13 %		-6 %		32 %
Ratio Analysis						
Current farm liabilities / assets	44 %	34 %	79 %	86 %	55 %	30 %
Intermediate farm liab. / assets	32 %	33 %	32 %	33 %	43 %	42 %
Long term farm liab. / assets	86 %	85 %	67 %	67 %	80 %	80 %
Total debt to asset ratio	51 %	48 %	48 %	49 %	60 %	52 %

Table 43

Balance Sheet at Market Values
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	40		10		11	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	45,479	47,270	30,440	27,906	27,822	11,142
Prepaid expenses & supplies	29,829	36,430	11,239	9,017	25,465	56,436
Growing crops	14,702	17,706	4,336	4,180	18,511	23,918
Accounts receivable	28,632	31,550	32,021	34,447	17,363	22,132
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	238,458	272,547	156,046	140,540	239,138	317,800
Crops under government loan	901	2,335	0	0	0	170
Market livestock held for sale	13,874	15,456	11,756	12,056	16,027	15,877
Other current assets	0	891	0	0	0	0
Total current farm assets	371,875	424,186	245,837	228,146	344,326	447,475
Intermediate Farm Assets						
Breeding livestock	427,641	436,500	395,756	364,878	415,693	457,461
Machinery and equipment	469,806	518,651	336,060	337,554	429,860	496,589
Titled vehicles	8,420	10,606	1,778	1,444	7,709	13,503
Other intermediate assets	27,023	28,491	7,623	8,119	33,700	37,061
Total intermediate farm assets	932,890	994,248	741,216	711,995	886,963	1,004,615
Long Term Farm Assets						
Farm land	800,804	861,081	619,402	619,402	885,172	941,253
Buildings and improvements	356,889	359,892	277,528	259,699	430,302	457,275
Other long-term assets	22,935	21,506	18,241	17,793	30,294	24,337
Total long-term farm assets	1,180,629	1,242,478	915,171	896,894	1,345,767	1,422,866
Total Farm Assets	2,485,394	2,660,912	1,902,225	1,837,036	2,577,055	2,874,956
Total Nonfarm Assets	164,916	175,470	209,002	224,107	103,602	119,446
Total Assets	2,650,310	2,836,383	2,111,226	2,061,143	2,680,658	2,994,402
Liabilities						
Current Farm Liabilities						
Accrued interest	1,032	671	1,051	1,072	0	0
Accounts payable	44,931	37,028	94,639	105,605	48,994	5,784
Current notes	65,029	52,495	54,921	42,558	76,653	62,100
Government crop loans	901	480	0	0	0	62
Principal due on term debt	50,276	53,518	42,634	46,017	64,758	66,387
Total current farm liabilities	162,169	144,193	193,245	195,251	190,406	134,333
Total intermediate farm liabs	182,366	193,836	160,421	160,695	257,738	264,495
Total long term farm liabilities	396,250	404,442	193,093	180,041	497,215	498,242
Total farm liabilities	740,786	742,471	546,759	535,987	945,359	897,070
Total nonfarm liabilities	5,778	5,689	1,778	1,778	0	0
Total liabs excluding deferreds	746,563	748,161	548,537	537,765	945,359	897,070
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	746,563	748,161	548,537	537,765	945,359	897,070
Retained earnings	723,576	815,558	600,687	566,424	634,090	837,881
Market valuation equity	1,180,170	1,272,664	962,002	956,954	1,101,208	1,259,450
Net worth (farm and nonfarm)	1,903,747	2,088,222	1,562,689	1,523,378	1,735,299	2,097,332
Net worth excluding deferreds	1,903,747	2,088,222	1,562,689	1,523,378	1,735,299	2,097,332
Net worth change		184,475		-39,311		362,033
Percent net worth change		10 %		-3 %		21 %
Ratio Analysis						
Current farm liabilities / assets	44 %	34 %	79 %	86 %	55 %	30 %
Intermediate farm liab. / assets	20 %	19 %	22 %	23 %	29 %	26 %
Long term farm liab. / assets	34 %	33 %	21 %	20 %	37 %	35 %
Total debt to asset ratio	28 %	26 %	26 %	26 %	35 %	30 %
Debt to assets excl deferreds	28 %	26 %	26 %	26 %	35 %	30 %

Table 44

Statement Of Cash Flows
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Beginning cash (farm & nonfarm)	45,687	30,440	28,050
Cash Provided By Operating Activities			
Gross cash farm income	910,309	660,537	978,669
Total cash farm expense	-750,208	-576,717	-817,047
Net cash from hedging transactions	-47	-	-
Cash provided by operating	160,054	83,820	161,622
Cash Provided By Investing Activities			
Sale of breeding livestock	2,800	7,078	3,165
Sale of machinery & equipment	4,843	-	8,784
Sale of titled vehicles	-	-	-
Sale of farm land	-	-	-
Sale of farm buildings	41	184	-
Sale of other farm assets	7,640	947	21,547
Sale of nonfarm assets	2,416	-	-
Purchase of breeding livestock	-6,340	-1,861	-16,554
Purchase of machinery & equip.	-71,509	-30,272	-91,084
Purchase of titled vehicles	-	-	-
Purchase of farm land	-29,138	-	-11,727
Purchase of farm buildings	-15,689	-1,894	-18,174
Purchase of other farm assets	-6,681	-818	-15,755
Purchase of nonfarm assets	-11,799	-10,000	-15,220
Cash provided by investing	-123,416	-36,636	-135,017
Cash Provided By Financing Activities			
Money borrowed	142,393	55,740	126,858
Principal payments	-132,532	-77,499	-131,935
Personal income	8,769	5,782	6,754
Family living/owner withdrawals	-52,964	-34,856	-56,534
Income and social security tax	-3,275	-664	-801
Capital contributions	4,863	-	18,564
Capital distributions	-331	-	-
Dividends paid	-	-	-
Cash gifts and inheritances	2,334	2,444	1,865
Gifts given	-4,104	-667	-8,057
Other cash flows	-	-	-
Cash provided by financing	-34,847	-49,718	-43,285
Net change in cash balance	1,791	-2,534	-16,680
Ending cash (farm & nonfarm)	47,478	27,906	11,369

Table 45

Financial Standards Measures

2012 MI Dairy (100-249 Cows)

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Liquidity			
Current ratio	2.94	1.17	3.33
Working capital	279,993	32,895	313,142
Working capital to gross inc	29.4 %	5.3 %	28.7 %
Solvency (market)			
Farm debt to asset ratio	28 %	29 %	31 %
Farm equity to asset ratio	72 %	71 %	69 %
Farm debt to equity ratio	0.39	0.41	0.45
Profitability (cost)			
Rate of return on farm assets	7.8 %	-3.1 %	13.0 %
Rate of return on farm equity	11.6 %	-10.9 %	23.6 %
Operating profit margin	15.2 %	-7.2 %	24.1 %
Net farm income	136,424	-9,852	242,628
EBIDTA	252,172	52,333	397,543
Repayment Capacity			
Capital debt repayment capacity	208,597	25,451	348,793
Capital debt repayment margin	122,634	-40,184	238,828
Replacement margin	97,625	-47,693	219,109
Term debt coverage ratio	2.43	0.39	3.17
Replacement coverage ratio	1.88	0.35	2.69
Efficiency			
Asset turnover rate (cost)	51.2 %	42.9 %	53.7 %
Operating expense ratio	73.5 %	91.6 %	63.6 %
Depreciation expense ratio	8.9 %	6.8 %	10.2 %
Interest expense ratio	3.3 %	3.2 %	4.0 %
Net farm income ratio	14.3 %	-1.6 %	22.2 %

Table 46

Operator and Labor Information
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Operator Information			
Average number of operators	1.8	1.6	1.6
Average age of operators	49.4	52.7	45.6
Average number of years farming	23.4	25.4	19.2
Results Per Operator			
Working capital	155,552	21,147	191,365
Total assets (market)	1,575,768	1,325,020	1,829,912
Total liabilities	415,645	345,706	548,210
Net worth (market)	1,160,123	979,314	1,281,703
Net worth excl deferred liabs	1,160,123	979,314	1,281,703
Gross farm income	529,631	400,030	667,105
Total farm expense	453,840	406,363	518,832
Net farm income from operations	75,791	-6,334	148,273
Net nonfarm income	4,872	3,717	4,127
Family living & tax withdrawals	31,244	22,834	35,038
Total acres owned	227.7	239.4	286.2
Total crop acres	379.5	386.9	453.8
Crop acres owned	223.7	187.9	299.8
Crop acres cash rented	148.2	199.0	153.9
Crop acres share rented	-	-	-
Total pasture acres	0.1	-	-
Labor Analysis			
Number of farms	40	10	11
Total unpaid labor hours	4,589	3,678	5,906
Total hired labor hours	5,755	4,947	6,892
Total labor hours per farm	10,345	8,625	12,798
Unpaid hours per operator	2,550	2,364	3,609
Value of farm production / hour	71.63	50.34	68.60
Net farm income / unpaid hour	29.73	-2.68	41.08
Average hourly hired labor wage	14.16	13.09	10.01
Partnerships & LLCs			
Number of farms	14	5	4
Number of operators	2.1	2.0	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 47

Financial Summary
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Income Statement			
Gross cash farm income	910,309	660,537	978,669
Total cash farm expense	750,208	576,717	817,047
Net cash farm income	160,101	83,820	161,622
Inventory change	60,896	-51,633	192,545
Depreciation	-84,572	-42,040	-111,539
Net farm income from operations	136,424	-9,852	242,628
Gain or loss on capital sales	-	-	-
Average net farm income	136,424	-9,852	242,628
Median net farm income	115,285	16,756	232,146
Profitability (cost)			
Rate of return on assets	7.8 %	-3.1 %	13.0 %
Rate of return on equity	11.6 %	-10.9 %	23.6 %
Operating profit margin	15.2 %	-7.2 %	24.1 %
Asset turnover rate	51.2 %	42.9 %	53.7 %
Profitability (market)			
Rate of return on assets	8.0 %	-2.0 %	13.6 %
Rate of return on equity	9.5 %	-4.3 %	18.1 %
Operating profit margin	27.7 %	-8.5 %	42.2 %
Asset turnover rate	28.8 %	23.2 %	32.2 %
Liquidity & Repayment (end of year)			
Current assets	424,186	228,146	447,475
Current liabilities	144,193	195,251	134,333
Current ratio	2.94	1.17	3.33
Working capital	279,993	32,895	313,142
Working capital to gross inc	29.4 %	5.3 %	28.7 %
Term debt coverage ratio	2.43	0.39	3.17
Replacement coverage ratio	1.88	0.35	2.69
Solvency (end of year at cost)			
Number of farms	40	10	11
Total farm assets	1,488,432	982,994	1,704,621
Total farm liabilities	742,471	535,987	897,070
Total assets	1,563,718	1,104,189	1,734,952
Total liabilities	748,161	537,765	897,070
Net worth	815,558	566,424	837,881
Net worth change	91,981	-34,263	203,791
Farm debt to asset ratio	50 %	55 %	53 %
Total debt to asset ratio	48 %	49 %	52 %
Solvency (end of year at market)			
Number of farms	40	10	11
Total farm assets	2,660,912	1,837,036	2,874,956
Total farm liabilities	742,471	535,987	897,070
Total assets	2,836,383	2,061,143	2,994,402
Total liabilities	748,161	537,765	897,070
Net worth	2,088,222	1,523,378	2,097,332
Net worth change	184,475	-39,311	362,033
Farm debt to asset ratio	28 %	29 %	31 %
Total debt to asset ratio	26 %	26 %	30 %
Nonfarm Information			
Net nonfarm income	8,769	5,782	6,754
Crop Acres			
Total acres owned	410	372	468
Total crop acres	683	602	743
Total crop acres owned	403	292	491
Total crop acres cash rented	267	310	252
Total crop acres share rented	-	-	-

Table 48

Summary Farm Income Statement
2012 MI Dairy (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	40	10	11
Crop sales	65,983	28,124	59,592
Crop inventory change	35,523	-12,059	78,831
Gross crop income	101,506	16,064	138,423
Livestock sales	719,886	563,990	771,428
Livestock inventory change	1,582	-230	-150
Gross livestock income	721,468	563,760	771,278
Government payments	37,789	27,601	37,666
Other cash farm income	86,651	70,749	109,983
Change in accounts receivable	2,918	3,384	4,770
Gain or loss on hedging accounts	-47	-	-
Change in other assets	6,327	-233	18,706
Gain or loss on breeding lvst	-3,276	-27,329	10,800
Gross farm income	953,336	653,996	1,091,626
Cash operating expenses	718,673	585,578	773,671
Change in prepaids and supplies	-6,601	-3,609	-30,971
Change in growing crops	-3,004	140	-5,407
Change in accounts payable	-7,903	9,860	-43,210
Depreciation	84,572	42,947	111,539
Total operating expense	785,736	634,916	805,622
Interest paid	31,536	18,239	43,376
Change in accrued interest	-361	19	0
Total interest expense	31,175	18,257	43,376
Total expenses	816,911	653,174	848,998
Net farm income from operations	136,424	822	242,628
Gain or loss on capital sales	-	-	-
Net farm income	136,424	822	242,628

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

Table 49 Crop Production and Marketing Summary
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Dairy		
Number of farms	17	5
Average number of cows	302	304
Milk production per cow lbs.,	25,719	25,223
Average milk price per cwt.,	\$18.63	\$18.98
Acreage Summary		
Total acres owned	489	723
Total crop acres	1,007	1,145
Crop acres owned	724	990
Crop acres cash rented	283	155
Crop acres share rented	-	-
Total pasture acres	-	-
Percent crop acres owned	72 %	86 %
Mach invest/crop acre cost	137	200
Mach invest/crop acre market	470	850
Average Price Received (Cash Sales Only)		
Corn per bushel	6.31	-
Wheat, Winter per bushel	7.78	-

Table 50

Farm Income Statement
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Cash Farm Income		
Corn	47,860	2,848
Hay, Mixed	147	500
Soybeans	36,943	12,083
Sugar Beets	44,005	149,617
Wheat, Winter	14,812	36,413
Miscellaneous crop income	46	-
Dairy, Milk	1,433,289	1,435,623
Dairy, Dairy Calves	8,081	6,174
Dairy Heifers (for sale)	554	-
Dairy Replacement Heifers	44	-
Dairy Finishing	21,638	1,675
Sheep, Lamb Finishing	26	-
Dairy Feeder	19,024	45,857
Cull breeding livestock	100,863	91,913
Misc. livestock income	74	-
Direct, CCP & ACRE pymts	16,363	2,949
Livestock govt payments	1,757	5,975
Other government payments	47,435	80,164
Custom work income	1,456	3,909
Patronage dividends, cash	11,809	8,809
Crop insurance income	17,950	38,904
Property insurance income	3,832	-
Sale of resale items	2,138	-
Other farm income	14,355	18,034
Gross Cash Farm Income	1,844,500	1,941,448

Table 50

Farm Income Statement (Continued)

2012 MI Dairy (250-449 Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Cash Farm Expense		
Seed	65,943	63,895
Fertilizer	69,243	91,339
Crop chemicals	19,446	27,360
Crop insurance	3,104	6,953
Storage	921	3,133
Crop miscellaneous	2,136	5,065
Feeder livestock purchase	6,018	20,440
Purchased feed	547,283	493,584
Breeding fees	14,242	12,728
Veterinary	50,861	29,247
Livestock supplies	33,651	50,787
DHIA	3,100	2,800
Contract production exp.	14,157	-
Livestock custom hire	2,273	7,729
Livestock hauling and trucking	32,583	37,526
Marketing	21,545	27,382
Bedding	24,575	15,203
Livestock miscellaneous	8,431	28,666
Consultants	3,650	4,663
Interest	50,235	41,500
Packaging and supplies	3,706	12,599
Supplies	17,048	-
Fuel & oil	82,507	102,253
Repairs	79,728	97,055
Repair, machinery	457	-
Custom hire	34,017	29,326
Repair, buildings	9,106	12,094
Hired labor	211,948	227,735
Land rent	50,383	76,979
Machinery leases	9,069	604
Building leases	706	-
Real estate taxes	16,573	22,525
Personal property taxes	179	608
Farm insurance	17,603	20,263
Utilities	37,883	36,553
Hauling and trucking	4,996	-
Dues & professional fees	11,846	9,148
Miscellaneous	21,421	23,424
Total cash expense	1,582,574	1,641,163
Net cash farm income	261,926	300,285
Inventory Changes		
Prepays and supplies	14,766	14,220
Accounts receivable	5,300	14,459
Hedging accounts	-2,475	-
Other current assets	4,321	8,445

Crops and feed	19,691	141,909
Market livestock	4,163	16,220
Breeding livestock	23,540	64,270
Other assets	2,872	3,892
Accounts payable	-8,538	-28,092
Accrued interest	-412	-575
Total inventory change	63,226	234,748
Net operating profit	325,152	535,033
Depreciation		
Machinery and equipment	-63,085	-68,748
Titled vehicles	-247	-
Buildings and improvements	-83,158	-146,322
Total depreciation	-146,490	-215,070
Net farm income from operations	178,662	319,963
Gain or loss on capital sales	-	-
Net farm income	178,662	319,963

Table 51

Inventory Changes
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Net cash farm income	261,926	300,285
Crops and Feed		
Ending inventory	502,344	581,029
Beginning inventory	482,653	439,120
Inventory change	19,691	141,909
Market Livestock		
Ending inventory	36,468	65,550
Beginning inventory	32,305	49,330
Inventory change	4,163	16,220
Accts Receivable		
Ending inventory	80,406	131,926
Beginning inventory	75,107	117,467
Inventory change	5,300	14,459
Prepaid Expenses and Supplies		
Ending inventory	80,258	102,210
Beginning inventory	65,493	87,990
Inventory change	14,766	14,220
Hedging Activities		
Ending inventory	-	-
Withdrawals	-2,475	-
Beginning inventory	-	-
Deposits	-	-
Gain or loss	-2,475	-
Other Current Assets		
Ending inventory	28,916	61,785
Beginning inventory	24,596	53,340
Inventory change	4,321	8,445
Breeding Livestock		
Ending inventory	791,822	716,680
Capital sales	403	370
Beginning inventory	756,702	621,320
Capital purchases	11,982	31,460
Depreciation, capital adjust	23,540	64,270
Other Capital Assets		
Ending inventory	64,160	47,120
Capital sales	39,831	6,477
Beginning inventory	89,376	43,405
Capital purchases	11,743	6,301
Depreciation, capital adjust	2,872	3,892
Accounts Payable		
Beginning inventory	17,169	4,373
Ending inventory	25,707	32,464
Inventory change	-8,538	-28,092
Accrued Interest		
Beginning inventory	1,737	956
Ending inventory	2,149	1,531
Inventory change	-412	-575
Total inventory change	63,226	234,748
Net operating profit	325,152	535,033

Table 52

Depreciation
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Net operating profit	325,152	535,033
Machinery and Equipment		
Ending inventory	273,864	468,736
Capital sales	7,683	10,400
Beginning inventory	204,606	210,795
Capital purchases	140,026	337,089
Depreciation, capital adjust.	-63,085	-68,748
Titled Vehicles		
Ending inventory	1,176	4,000
Capital sales	-	-
Beginning inventory	1,424	4,000
Capital purchases	-	-
Depreciation, capital adjust.	-247	-
Buildings and Improvements		
Ending inventory	459,775	724,738
Capital sales	-	-
Beginning inventory	323,583	370,380
Capital purchases	219,351	500,680
Depreciation, capital adjust.	-83,158	-146,322
Total depreciation, capital adj.	-146,490	-215,070
Net farm income from operations	178,662	319,963
Gain or loss on capital sales	-	-
Net farm income	178,662	319,963

Table 53

Profitability Measures
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Profitability (assets valued at cost)		
Net farm income from operations	178,662	319,963
Rate of return on assets	5.3 %	9.0 %
Rate of return on equity	5.8 %	11.3 %
Operating profit margin	10.9 %	16.5 %
Asset turnover rate	48.5 %	54.7 %
Farm interest expense	50,647	42,075
Value of operator lbr and mgmt.	82,647	86,000
Return on farm assets	146,662	276,038
Average farm assets	2,771,645	3,050,835
Return on farm equity	96,015	233,963
Average farm equity	1,662,980	2,064,792
Value of farm production	1,344,158	1,668,173
	Avg. Of All Farms	High 25%
Number of farms	17	5
Profitability (assets valued at market)		
Net farm income from operations	322,732	680,138
Rate of return on assets	6.3 %	10.2 %
Rate of return on equity	6.8 %	11.3 %
Operating profit margin	21.6 %	38.1 %
Asset turnover rate	29.1 %	26.8 %
Farm interest expense	50,647	42,075
Value of operator lbr and mgmt.	82,647	86,000
Return on farm assets	290,732	636,213
Average farm assets	4,622,652	6,228,087
Return on farm equity	240,085	594,138
Average farm equity	3,513,986	5,242,043
Value of farm production	1,344,158	1,668,173

Table 54

Liquidity & Repayment Capacity Measures
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Liquidity		
Current ratio	3.61	4.04
Working capital	558,334	744,176
Working capital to gross inc	29.4 %	34.1 %
Current assets	771,872	989,281
Current liabilities	213,538	245,105
Gross revenues (accrual)	1,897,458	2,182,197
Repayment capacity		
Net farm income from operations	178,662	319,963
Depreciation	146,490	215,070
Personal income	36,013	46,649
Family living/owner withdrawals	-91,935	-86,424
Payments on personal debt	-1,780	-6,051
Income taxes paid	-3,924	-
Interest on term debt	54,342	32,200
Capital debt repayment capacity	317,869	521,406
Scheduled term debt payments	-123,186	-80,224
Capital debt repayment margin	194,683	441,182
Cash replacement allowance	-39,754	-96,737
Replacement margin	154,929	344,445
Term debt coverage ratio	2.58	6.50
Replacement coverage ratio	1.95	2.95

Table 55

Balance Sheet at Cost Values
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		High 25%	
Number of farms	17		5	
	Beginning	Ending	Beginning	Ending
Assets				
Current Farm Assets				
Cash and checking balance	33,701	43,480	41,121	46,782
Prepaid expenses & supplies	65,493	80,258	87,990	102,210
Growing crops	24,308	28,761	53,340	61,785
Accounts receivable	75,107	80,406	117,467	131,926
Hedging accounts	0	0	0	0
Crops held for sale or feed	482,653	502,344	439,120	581,029
Crops under government loan	0	0	0	0
Market livestock held for sale	32,305	36,468	49,330	65,550
Other current assets	288	156	0	0
Total current farm assets	713,854	771,872	788,368	989,281
Intermediate Farm Assets				
Breeding livestock	756,702	791,822	621,320	716,680
Machinery and equipment	204,606	273,864	210,795	468,736
Titled vehicles	1,424	1,176	4,000	4,000
Other intermediate assets	73,252	44,708	43,405	47,120
Total intermediate farm assets	1,035,984	1,111,570	879,520	1,236,536
Long Term Farm Assets				
Farm land	527,041	564,036	540,453	572,394
Buildings and improvements	323,583	459,775	370,380	724,738
Other long-term assets	16,124	19,452	0	0
Total long-term farm assets	866,747	1,043,263	910,833	1,297,132
Total Farm Assets	2,616,585	2,926,705	2,578,721	3,522,950
Total Nonfarm Assets	286,200	308,082	776,688	837,871
Total Assets	2,902,785	3,234,787	3,355,409	4,360,821
Liabilities				
Current Farm Liabilities				
Accrued interest	1,737	2,149	956	1,531
Accounts payable	17,169	25,707	4,373	32,464
Current notes	76,028	96,114	14,530	93,078
Government crop loans	0	0	0	0
Principal due on term debt	68,844	89,567	48,024	118,032
Total current farm liabilities	163,779	213,538	67,883	245,105
Total intermediate farm liabs	229,187	224,986	141,705	123,427
Total long term farm liabilities	626,306	759,536	462,104	931,864
Total farm liabilities	1,019,272	1,198,059	671,692	1,300,396
Total nonfarm liabilities	13,500	12,605	39,261	35,581
Total liabilities	1,032,772	1,210,664	710,952	1,335,977
Net worth (farm and nonfarm)	1,870,013	2,024,123	2,644,457	3,024,844
Net worth change		154,110		380,387
Percent net worth change		8 %		14 %
Ratio Analysis				
Current farm liabilities / assets	23 %	28 %	9 %	25 %
Intermediate farm liab. / assets	22 %	20 %	16 %	10 %
Long term farm liab. / assets	72 %	73 %	51 %	72 %
Total debt to asset ratio	36 %	37 %	21 %	31 %

Table 56

Balance Sheet at Market Values
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		High 25%	
Number of farms	17		5	
	Beginning	Ending	Beginning	Ending
Assets				
Current Farm Assets				
Cash and checking balance	33,701	43,480	41,121	46,782
Prepaid expenses & supplies	65,493	80,258	87,990	102,210
Growing crops	24,308	28,761	53,340	61,785
Accounts receivable	75,107	80,406	117,467	131,926
Hedging accounts	0	0	0	0
Crops held for sale or feed	482,653	502,344	439,120	581,029
Crops under government loan	0	0	0	0
Market livestock held for sale	32,305	36,468	49,330	65,550
Other current assets	288	156	0	0
Total current farm assets	713,854	771,872	788,368	989,281
Intermediate Farm Assets				
Breeding livestock	791,373	837,819	739,200	875,770
Machinery and equipment	736,565	837,658	1,130,214	1,431,803
Titled vehicles	24,511	24,851	79,120	80,334
Other intermediate assets	73,252	45,002	43,405	48,120
Total intermediate farm assets	1,625,701	1,745,330	1,991,939	2,436,027
Long Term Farm Assets				
Farm land	1,393,585	1,477,350	1,877,159	2,059,900
Buildings and improvements	605,682	793,831	782,219	1,258,880
Other long-term assets	56,734	61,364	136,200	136,200
Total long-term farm assets	2,056,002	2,332,545	2,795,577	3,454,980
Total Farm Assets	4,395,557	4,849,747	5,575,885	6,880,289
Total Nonfarm Assets	367,948	389,128	799,568	854,559
Total Assets	4,763,504	5,238,875	6,375,453	7,734,848
Liabilities				
Current Farm Liabilities				
Accrued interest	1,737	2,149	956	1,531
Accounts payable	17,169	25,707	4,373	32,464
Current notes	76,028	96,114	14,530	93,078
Government crop loans	0	0	0	0
Principal due on term debt	68,844	89,567	48,024	118,032
Total current farm liabilities	163,779	213,538	67,883	245,105
Total intermediate farm liabs	229,187	224,986	141,705	123,427
Total long term farm liabilities	626,306	759,536	462,104	931,864
Total farm liabilities	1,019,272	1,198,059	671,692	1,300,396
Total nonfarm liabilities	13,500	12,605	39,261	35,581
Total liabs excluding deferreds	1,032,772	1,210,664	710,952	1,335,977
Total deferred liabilities	0	0	0	0
Total liabilities	1,032,772	1,210,664	710,952	1,335,977
Retained earnings	1,870,013	2,024,123	2,644,457	3,024,844
Market valuation equity	1,860,719	2,004,087	3,020,044	3,374,027
Net worth (farm and nonfarm)	3,730,732	4,028,210	5,664,501	6,398,870
Net worth excluding deferreds	3,730,732	4,028,210	5,664,501	6,398,870
Net worth change		297,478		734,370
Percent net worth change		8 %		13 %
Ratio Analysis				
Current farm liabilities / assets	23 %	28 %	9 %	25 %
Intermediate farm liab. / assets	14 %	13 %	7 %	5 %
Long term farm liab. / assets	30 %	33 %	17 %	27 %
Total debt to asset ratio	22 %	23 %	11 %	17 %
Debt to assets excl deferreds	22 %	23 %	11 %	17 %

Table 57

Statement Of Cash Flows
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Beginning cash (farm & nonfarm)	33,701	41,121
Cash Provided By Operating Activities		
Gross cash farm income	1,844,500	1,941,448
Total cash farm expense	-1,582,574	-1,641,163
Net cash from hedging transactions	-2,475	-
Cash provided by operating	259,452	300,285
Cash Provided By Investing Activities		
Sale of breeding livestock	403	370
Sale of machinery & equipment	7,683	10,400
Sale of titled vehicles	-	-
Sale of farm land	551	1,875
Sale of farm buildings	-	-
Sale of other farm assets	39,831	6,477
Sale of nonfarm assets	355	1,206
Purchase of breeding livestock	-11,982	-31,460
Purchase of machinery & equip.	-140,026	-337,089
Purchase of titled vehicles	-	-
Purchase of farm land	-36,771	-31,200
Purchase of farm buildings	-219,351	-500,680
Purchase of other farm assets	-11,743	-6,301
Purchase of nonfarm assets	-12	-40
Cash provided by investing	-371,063	-886,442
Cash Provided By Financing Activities		
Money borrowed	439,336	823,960
Principal payments	-270,447	-227,601
Personal income	36,013	46,649
Family living/owner withdrawals	-91,935	-86,424
Income and social security tax	-3,924	-
Capital contributions	5,683	19,323
Capital distributions	-	-
Dividends paid	-	-
Cash gifts and inheritances	11,052	17,608
Gifts given	-4,389	-1,696
Other cash flows	-	-
Cash provided by financing	121,390	591,818
Net change in cash balance	9,779	5,661
Ending cash (farm & nonfarm)	43,480	46,782

Table 58

Financial Standards Measures
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Liquidity		
Current ratio	3.61	4.04
Working capital	558,334	744,176
Working capital to gross inc	29.4 %	34.1 %
Solvency (market)		
Farm debt to asset ratio	25 %	19 %
Farm equity to asset ratio	75 %	81 %
Farm debt to equity ratio	0.33	0.23
Profitability (cost)		
Rate of return on farm assets	5.3 %	9.0 %
Rate of return on farm equity	5.8 %	11.3 %
Operating profit margin	10.9 %	16.5 %
Net farm income	178,662	319,963
EBIDTA	375,799	577,108
Repayment Capacity		
Capital debt repayment capacity	317,869	521,406
Capital debt repayment margin	194,683	441,182
Replacement margin	154,929	344,445
Term debt coverage ratio	2.58	6.50
Replacement coverage ratio	1.95	2.95
Efficiency		
Asset turnover rate (cost)	48.5 %	54.7 %
Operating expense ratio	80.2 %	73.6 %
Depreciation expense ratio	7.7 %	9.9 %
Interest expense ratio	2.7 %	1.9 %
Net farm income ratio	9.4 %	14.7 %

Table 59

Operator and Labor Information
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Operator Information		
Average number of operators	1.9	2.0
Average age of operators	50.9	51.0
Average number of years farming	25.0	24.9
Results Per Operator		
Working capital	287,627	372,088
Total assets (market)	2,698,814	3,867,424
Total liabilities	623,676	667,989
Net worth (market)	2,075,139	3,199,435
Net worth excl deferred liabs	2,075,139	3,199,435
Gross farm income	977,479	1,091,098
Total farm expense	885,441	931,117
Net farm income from operations	92,038	159,981
Net nonfarm income	18,552	23,324
Family living & tax withdrawals	49,382	43,212
Total acres owned	251.8	361.6
Total crop acres	518.7	572.6
Crop acres owned	372.9	494.9
Crop acres cash rented	145.8	77.7
Crop acres share rented	-	-
Total pasture acres	-	-
Labor Analysis		
Number of farms	17	5
Total unpaid labor hours	5,309	6,510
Total hired labor hours	14,101	13,753
Total labor hours per farm	19,410	20,263
Unpaid hours per operator	2,735	3,255
Value of farm production / hour	69.25	82.33
Net farm income / unpaid hour	33.65	49.15
Average hourly hired labor wage	15.03	16.56
Partnerships & LLCs		
Number of farms	10	2
Number of operators	2.2	-
Owner withdrawals per farm	-	-
Withdrawals per operator	-	-

Table 60

Financial Summary
2012 MI Dairy (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Income Statement		
Gross cash farm income	1,844,500	1,941,448
Total cash farm expense	1,582,574	1,641,163
Net cash farm income	261,926	300,285
Inventory change	63,226	234,748
Depreciation	-146,490	-215,070
Net farm income from operations	178,662	319,963
Gain or loss on capital sales	-	-
Average net farm income	178,662	319,963
Median net farm income	146,958	407,311
Profitability (cost)		
Rate of return on assets	5.3 %	9.0 %
Rate of return on equity	5.8 %	11.3 %
Operating profit margin	10.9 %	16.5 %
Asset turnover rate	48.5 %	54.7 %
Profitability (market)		
Rate of return on assets	6.3 %	10.2 %
Rate of return on equity	6.8 %	11.3 %
Operating profit margin	21.6 %	38.1 %
Asset turnover rate	29.1 %	26.8 %
Liquidity & Repayment (end of year)		
Current assets	771,872	989,281
Current liabilities	213,538	245,105
Current ratio	3.61	4.04
Working capital	558,334	744,176
Working capital to gross inc	29.4 %	34.1 %
Term debt coverage ratio	2.58	6.50
Replacement coverage ratio	1.95	2.95
Solvency (end of year at cost)		
Number of farms	17	5
Total farm assets	2,926,705	3,522,950
Total farm liabilities	1,198,059	1,300,396
Total assets	3,234,787	4,360,821
Total liabilities	1,210,664	1,335,977
Net worth	2,024,123	3,024,844
Net worth change	154,110	380,387
Farm debt to asset ratio	41 %	37 %
Total debt to asset ratio	37 %	31 %
Solvency (end of year at market)		
Number of farms	17	5
Total farm assets	4,849,747	6,880,289
Total farm liabilities	1,198,059	1,300,396
Total assets	5,238,875	7,734,848
Total liabilities	1,210,664	1,335,977
Net worth	4,028,210	6,398,870
Net worth change	297,478	734,370
Farm debt to asset ratio	25 %	19 %
Total debt to asset ratio	23 %	17 %
Nonfarm Information		
Net nonfarm income	36,013	46,649
Crop Acres		
Total acres owned	489	723
Total crop acres	1,007	1,145
Total crop acres owned	724	990
Total crop acres cash rented	283	155
Total crop acres share rented	-	-

Table 61

Summary Farm Income Statement

2012 MI Dairy (250-449 Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Crop sales	143,813	201,461
Crop inventory change	19,691	141,909
Gross crop income	163,504	343,369
Livestock sales	1,482,655	1,489,330
Livestock inventory change	4,163	16,220
Gross livestock income	1,486,817	1,505,550
Government payments	65,555	89,089
Other cash farm income	152,477	161,569
Change in accounts receivable	5,300	14,459
Gain or loss on hedging accounts	-2,475	-
Change in other assets	2,739	3,892
Gain or loss on breeding lvst	23,540	64,270
Gross farm income	1,897,458	2,182,197
Cash operating expenses	1,532,339	1,599,663
Change in prepaids and supplies	-14,766	-14,220
Change in growing crops	-4,453	-8,445
Change in accounts payable	8,538	28,092
Depreciation	146,490	215,070
Total operating expense	1,668,150	1,820,159
Interest paid	50,235	41,500
Change in accrued interest	412	575
Total interest expense	50,647	42,075
Total expenses	1,718,796	1,862,234
Net farm income from operations	178,662	319,963
Gain or loss on capital sales	-	-
Net farm income	178,662	319,963

E. Financial Summary Information, Herds with 450+ Cows

Chapter 62	Crop Production and Marketing Summary
	2012 MI Dairy (450 Plus Cows)
	(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Dairy		
Number of farms	17	5
Average number of cows	805	989
Milk production per cows lbs.,	25,541	25,683
Average milk price per cwt.,	\$19.22	\$18.66
Acreage Summary		
Total acres owned	946	926
Total crop acres	1,821	1,502
Crop acres owned	845	964
Crop acres cash rented	976	534
Crop acres share rented	1	4
Total pasture acres	1	4
Percent crop acres owned	46 %	64 %
Mach invest/crop acre cost	197	223
Mach invest/crop acre market	525	666
Average Price Received (Cash Sales Only)		
Corn per bushel	6.57	-
Soybeans per bushel	12.16	-
Wheat, Winter per bushel	6.82	-

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Cash Farm Income		
Beans, Navy	1,011	-
Canola	70	237
Corn	114,147	2,164
Corn Silage	9,279	-
Hay, Alfalfa	255	180
Hay, Mixed	61	-
Soybeans	115,860	10,331
Speltz	978	-
Straw	231	-
Sugar Beets	24,867	84,547
Wheat, Winter	67,267	54,297
Miscellaneous crop income	32	-
Beef Cow-Calf, Beef Calves	126	-
Dairy, Milk	3,896,221	4,665,723
Dairy, Dairy Calves	18,428	10,334
Dairy Heifers (for sale)	10,190	34,648
Dairy Replacement Heifers	7,575	6,997
Dairy Finishing	43,537	95,568
Dairy Feeder	15,915	1,061
Cull breeding livestock	265,473	333,466
Misc. livestock income	4,471	14,603
Direct, CCP & ACRE pymts	20,933	20,643
Livestock govt payments	2,429	-
Other government payments	44,547	24,464
Custom work income	17,834	9,081
Patronage dividends, cash	54,584	52,383
Crop insurance income	438	-
Property insurance income	15,161	-
Sale of resale items	895	-
Other farm income	135,400	24,303
Gross Cash Farm Income	4,888,217	5,445,029

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Cash Farm Expense		
Seed	102,525	61,124
Fertilizer	172,126	179,945
Crop chemicals	57,643	58,002
Crop insurance	10,272	2,109
Drying expense	453	-
Crop hauling and trucking	5,595	17,995
Crop marketing	1,567	5,000
Crop miscellaneous	31,209	4,025
Purchased feed	1,306,295	1,926,971
Breeding fees	33,216	26,767
Veterinary	121,241	110,605
Livestock supplies	74,885	28,569
DHIA	4,800	1,201
Contract production exp.	13,680	46,513
Livestock utilities	1,910	-
Livestock hauling and trucking	74,148	97,529
Livestock marketing	43,418	43,353
Bedding	52,844	62,889
Livestock miscellaneous	303	-
Interest	169,722	164,763
Packaging and supplies	2,946	10,016
Supplies	49,829	130,615
Fuel & oil	183,822	200,912
Repairs	176,511	114,222
Repair, machinery	8,648	29,404
Repair, livestock equip	264	-
Custom hire	183,394	128,031
Repair, buildings	34,915	29,158
Hired labor	589,849	598,976
Land rent	172,642	137,069
Machinery leases	39,289	5,508
Building leases	1,322	4,495
Real estate taxes	48,779	65,503
Personal property taxes	875	1,349
Farm insurance	77,760	62,391
Utilities	92,390	101,144
Hauling and trucking	12,984	-
Dues & professional fees	19,535	33,102
Miscellaneous	41,000	37,936
Total cash expense	4,014,607	4,527,189
Net cash farm income	873,610	917,839
Inventory Changes		
Prepays and supplies	115,282	245,512
Accounts receivable	29,990	26,844
Hedging accounts	-1,869	-1,400

Other current assets	3,625	7,382
Crops and feed	285,532	722,758
Market livestock	6,384	-532
Breeding livestock	28,522	-43,038
Other assets	13,288	15,148
Accounts payable	-47,592	-93,985
Accrued interest	1,476	-
Total inventory change	434,638	878,688
Net operating profit	1,308,248	1,796,527
Depreciation		
Machinery and equipment	-329,348	-448,751
Titled vehicles	-3,049	-8,000
Buildings and improvements	-238,814	-307,866
Total depreciation	-571,211	-764,617
Net farm income from operations	737,037	1,031,910
Gain or loss on capital sales	-	-
Net farm income	737,037	1,031,910

Chapter 64

Inventory Changes
2012 MI Dairy (450 Plus Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	High 25%
Number of farms	17	5
Net cash farm income	873,610	917,839
Crops and Feed		
Ending inventory	1,526,052	1,961,125
Beginning inventory	1,240,519	1,238,367
Inventory change	285,532	722,758
Market Livestock		
Ending inventory	60,346	61,207
Beginning inventory	53,962	61,739
Inventory change	6,384	-532
Accts Receivable		
Ending inventory	186,649	197,486
Beginning inventory	156,659	170,642
Inventory change	29,990	26,844
Prepaid Expenses and Supplies		
Ending inventory	313,981	525,520
Beginning inventory	198,699	280,008
Inventory change	115,282	245,512
Hedging Activities		
Ending inventory	1,059	3,000
Withdrawals	-1,335	-
Beginning inventory	1,471	4,400
Deposits	122	-
Gain or loss	-1,869	-1,400
Other Current Assets		
Ending inventory	67,534	54,078
Beginning inventory	63,909	46,696
Inventory change	3,625	7,382
Breeding Livestock		
Ending inventory	1,874,359	2,026,200
Capital sales	13,749	30,530
Beginning inventory	1,840,731	2,067,940
Capital purchases	18,855	31,827
Depreciation, capital adjust	28,522	-43,038
Other Capital Assets		
Ending inventory	620,398	1,294,238
Capital sales	41,531	-
Beginning inventory	350,187	497,523
Capital purchases	298,454	781,567
Depreciation, capital adjust	13,288	15,148
Accounts Payable		
Beginning inventory	98,289	48,768
Ending inventory	145,881	142,754
Inventory change	-47,592	-93,985
Accrued Interest		
Beginning inventory	5,395	-
Ending inventory	3,919	-
Inventory change	1,476	-
Total inventory change	434,638	878,688
Net operating profit	1,308,248	1,796,527

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Net operating profit	1,308,248	1,796,527
Machinery and Equipment		
Ending inventory	680,409	475,404
Capital sales	34,601	-
Beginning inventory	685,558	627,833
Capital purchases	358,801	296,321
Depreciation, capital adjust.	-329,348	-448,751
Titled Vehicles		
Ending inventory	3,200	4,000
Capital sales	-	-
Beginning inventory	1,435	4,000
Capital purchases	4,814	8,000
Depreciation, capital adjust.	-3,049	-8,000
Buildings and Improvements		
Ending inventory	976,391	807,720
Capital sales	3,529	-
Beginning inventory	1,008,648	1,004,355
Capital purchases	210,086	111,231
Depreciation, capital adjust.	-238,814	-307,866
Total depreciation, capital adj.	-571,211	-764,617
Net farm income from operations	737,037	1,031,910
Gain or loss on capital sales	-	-
Net farm income	737,037	1,031,910

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Profitability (assets valued at cost)		
Net farm income from operations	737,037	1,031,910
Rate of return on assets	10.0 %	12.5 %
Rate of return on equity	14.4 %	20.1 %
Operating profit margin	19.2 %	24.3 %
Asset turnover rate	52.1 %	51.5 %
Farm interest expense	168,246	164,763
Value of operator lbr and mgmt.	150,065	166,000
Return on farm assets	755,218	1,030,673
Average farm assets	7,556,555	8,224,825
Return on farm equity	586,972	865,910
Average farm equity	4,063,429	4,309,979
Value of farm production	3,938,729	4,237,421
	Avg. Of All Farms	High 25%
Number of farms	17	5
Profitability (assets valued at market)		
Net farm income from operations	1,362,714	2,754,727
Rate of return on assets	11.3 %	19.6 %
Rate of return on equity	13.9 %	25.5 %
Operating profit margin	35.1 %	65.0 %
Asset turnover rate	32.2 %	30.1 %
Farm interest expense	168,246	164,763
Value of operator lbr and mgmt.	150,065	166,000
Return on farm assets	1,380,895	2,753,489
Average farm assets	12,245,536	14,079,524
Return on farm equity	1,212,649	2,588,727
Average farm equity	8,752,410	10,164,678
Value of farm production	3,938,729	4,237,421

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Liquidity		
Current ratio	4.79	7.76
Working capital	1,906,258	2,542,523
Working capital to gross inc	36.3 %	41.2 %
Current assets	2,409,116	2,918,604
Current liabilities	502,858	376,081
Gross revenues (accrual)	5,245,023	6,164,393
Repayment capacity		
Net farm income from operations	737,037	1,031,910
Depreciation	571,211	764,617
Personal income	9,619	13,240
Family living/owner withdrawals	-91,592	-20,492
Payments on personal debt	-6,718	-
Income taxes paid	-18,504	-7,233
Interest on term debt	168,018	186,093
Capital debt repayment capacity	1,369,072	1,968,135
Scheduled term debt payments	-381,860	-301,599
Capital debt repayment margin	987,212	1,666,536
Cash replacement allowance	-75,391	-111,717
Replacement margin	911,821	1,554,819
Term debt coverage ratio	3.59	6.53
Replacement coverage ratio	2.99	4.76

Chapter 68

Balance Sheet at Cost Values
2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms		High 25%	
Number of farms	17		5	
	Beginning	Ending	Beginning	Ending
Assets				
Current Farm Assets				
Cash and checking balance	177,624	232,582	82,998	116,189
Prepaid expenses & supplies	198,699	313,981	280,008	525,520
Growing crops	47,532	56,198	46,180	53,978
Accounts receivable	156,659	186,649	170,642	197,486
Hedging accounts	1,471	1,059	4,400	3,000
Crops held for sale or feed	1,245,585	1,520,986	1,238,367	1,961,125
Crops under government loan	15,848	25,979	0	0
Market livestock held for sale	53,962	60,346	61,739	61,207
Other current assets	16,377	11,336	516	100
Total current farm assets	1,913,758	2,409,116	1,884,850	2,918,604
Intermediate Farm Assets				
Breeding livestock	1,840,731	1,874,359	2,067,940	2,026,200
Machinery and equipment	685,558	680,409	627,833	475,404
Titled vehicles	1,435	3,200	4,000	4,000
Other intermediate assets	190,303	227,349	49,552	57,952
Total intermediate farm assets	2,718,027	2,785,317	2,749,326	2,563,556
Long Term Farm Assets				
Farm land	1,323,584	1,425,337	1,384,131	1,452,852
Buildings and improvements	1,008,648	976,391	1,004,355	807,720
Other long-term assets	159,883	393,049	447,971	1,236,286
Total long-term farm assets	2,492,115	2,794,777	2,836,457	3,496,857
Total Farm Assets	7,123,900	7,989,210	7,470,633	8,979,017
Total Nonfarm Assets	523,701	553,308	0	0
Total Assets	7,647,601	8,542,518	7,470,633	8,979,017
Liabilities				
Current Farm Liabilities				
Accrued interest	5,395	3,919	0	0
Accounts payable	98,289	145,881	48,768	142,754
Current notes	166,376	112,803	221,604	93,436
Government crop loans	4,495	5,340	0	0
Principal due on term debt	213,842	234,915	115,506	139,892
Total current farm liabilities	488,398	502,858	385,878	376,081
Total intermediate farm liabs	665,450	690,073	741,139	940,175
Total long term farm liabilities	2,193,444	2,446,028	2,521,400	2,865,019
Total farm liabilities	3,347,292	3,638,960	3,648,417	4,181,275
Total nonfarm liabilities	83,201	77,136	0	0
Total liabilities	3,430,493	3,716,095	3,648,417	4,181,275
Net worth (farm and nonfarm)	4,217,108	4,826,423	3,822,216	4,797,742
Net worth change		609,314		975,526
Percent net worth change		14 %		26 %
Ratio Analysis				
Current farm liabilities / assets	26 %	21 %	20 %	13 %
Intermediate farm liab. / assets	24 %	25 %	27 %	37 %
Long term farm liab. / assets	88 %	88 %	89 %	82 %
Total debt to asset ratio	45 %	44 %	49 %	47 %

Chapter 69

Balance Sheet at Market Values

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms		High 25%	
Number of farms	17		5	
	Beginning	Ending	Beginning	Ending
Assets				
Current Farm Assets				
Cash and checking balance	177,624	232,582	82,998	116,189
Prepaid expenses & supplies	198,699	313,981	280,008	525,520
Growing crops	47,532	56,198	46,180	53,978
Accounts receivable	156,659	186,649	170,642	197,486
Hedging accounts	1,471	1,059	4,400	3,000
Crops held for sale or feed	1,245,585	1,520,986	1,238,367	1,961,125
Crops under government loan	15,848	25,979	0	0
Market livestock held for sale	53,962	60,346	61,739	61,207
Other current assets	16,377	11,336	516	100
Total current farm assets	1,913,758	2,409,116	1,884,850	2,918,604
Intermediate Farm Assets				
Breeding livestock	1,978,101	2,069,379	2,259,460	2,375,730
Machinery and equipment	1,639,386	1,738,844	1,542,885	1,639,321
Titled vehicles	29,867	24,484	61,777	61,777
Other intermediate assets	197,473	239,168	56,577	72,220
Total intermediate farm assets	3,844,827	4,071,876	3,920,699	4,149,048
Long Term Farm Assets				
Farm land	3,368,640	3,919,620	3,648,551	5,079,869
Buildings and improvements	2,217,026	2,201,194	2,567,624	2,316,253
Other long-term assets	155,792	389,225	442,200	1,231,350
Total long-term farm assets	5,741,458	6,510,038	6,658,375	8,627,473
Total Farm Assets	11,500,043	12,991,030	12,463,924	15,695,125
Total Nonfarm Assets	580,222	609,747	6,900	6,900
Total Assets	12,080,265	13,600,777	12,470,824	15,702,025
Liabilities				
Current Farm Liabilities				
Accrued interest	5,395	3,919	0	0
Accounts payable	98,289	145,881	48,768	142,754
Current notes	166,376	112,803	221,604	93,436
Government crop loans	4,495	5,340	0	0
Principal due on term debt	213,842	234,915	115,506	139,892
Total current farm liabilities	488,398	502,858	385,878	376,081
Total intermediate farm liabs	665,450	690,073	741,139	940,175
Total long term farm liabilities	2,193,444	2,446,028	2,521,400	2,865,019
Total farm liabilities	3,347,292	3,638,960	3,648,417	4,181,275
Total nonfarm liabilities	83,201	77,136	0	0
Total liabs excluding deferreds	3,430,493	3,716,095	3,648,417	4,181,275
Total deferred liabilities	0	0	0	0
Total liabilities	3,430,493	3,716,095	3,648,417	4,181,275
Retained earnings	4,217,108	4,826,423	3,822,216	4,797,742
Market valuation equity	4,432,664	5,058,259	5,000,191	6,723,008
Net worth (farm and nonfarm)	8,649,772	9,884,681	8,822,407	11,520,750
Net worth excluding deferreds	8,649,772	9,884,681	8,822,407	11,520,750
Net worth change		1,234,909		2,698,343
Percent net worth change		14 %		31 %
Ratio Analysis				
Current farm liabilities / assets	26 %	21 %	20 %	13 %
Intermediate farm liab. / assets	17 %	17 %	19 %	23 %
Long term farm liab. / assets	38 %	38 %	38 %	33 %
Total debt to asset ratio	28 %	27 %	29 %	27 %
Debt to assets excl deferreds	28 %	27 %	29 %	27 %

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Beginning cash (farm & nonfarm)	177,624	82,998
Cash Provided By Operating Activities		
Gross cash farm income	4,888,217	5,445,029
Total cash farm expense	-4,014,607	-4,527,189
Net cash from hedging transactions	-1,457	-
Cash provided by operating	872,153	917,839
Cash Provided By Investing Activities		
Sale of breeding livestock	13,749	30,530
Sale of machinery & equipment	34,601	-
Sale of titled vehicles	-	-
Sale of farm land	1,010	-
Sale of farm buildings	3,529	-
Sale of other farm assets	41,531	-
Sale of nonfarm assets	233	-
Purchase of breeding livestock	-18,855	-31,827
Purchase of machinery & equip.	-358,801	-296,321
Purchase of titled vehicles	-4,814	-8,000
Purchase of farm land	-124,670	-43,721
Purchase of farm buildings	-210,086	-111,231
Purchase of other farm assets	-298,454	-781,567
Purchase of nonfarm assets	-24,453	-
Cash provided by investing	-945,478	-1,242,137
Cash Provided By Financing Activities		
Money borrowed	935,937	722,726
Principal payments	-696,204	-283,853
Personal income	9,619	13,240
Family living/owner withdrawals	-92,109	-20,492
Income and social security tax	-18,504	-7,233
Capital contributions	-10,590	-66,899
Capital distributions	-	-
Dividends paid	517	-
Cash gifts and inheritances	317	-
Gifts given	-700	-
Other cash flows	-	-
Cash provided by financing	128,283	357,489
Net change in cash balance	54,958	33,191
Ending cash (farm & nonfarm)	232,582	116,189

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Liquidity		
Current ratio	4.79	7.76
Working capital	1,906,258	2,542,523
Working capital to gross inc	36.3 %	41.2 %
Solvency (market)		
Farm debt to asset ratio	28 %	27 %
Farm equity to asset ratio	72 %	73 %
Farm debt to equity ratio	0.39	0.36
Profitability (cost)		
Rate of return on farm assets	10.0 %	12.5 %
Rate of return on farm equity	14.4 %	20.1 %
Operating profit margin	19.2 %	24.3 %
Net farm income	737,037	1,031,910
EBIDTA	1,476,494	1,961,290
Repayment Capacity		
Capital debt repayment capacity	1,369,072	1,968,135
Capital debt repayment margin	987,212	1,666,536
Replacement margin	911,821	1,554,819
Term debt coverage ratio	3.59	6.53
Replacement coverage ratio	2.99	4.76
Efficiency		
Asset turnover rate (cost)	52.1 %	51.5 %
Operating expense ratio	71.8 %	68.2 %
Depreciation expense ratio	10.9 %	12.4 %
Interest expense ratio	3.2 %	2.7 %
Net farm income ratio	14.1 %	16.7 %

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Operator Information		
Average number of operators	1.6	1.8
Average age of operators	49.9	49.7
Average number of years farming	23.7	22.4
Results Per Operator		
Working capital	1,157,371	1,412,513
Total assets (market)	8,257,615	8,723,347
Total liabilities	2,256,201	2,322,931
Net worth (market)	6,001,414	6,400,416
Net worth excl deferred liabs	6,001,414	6,400,416
Gross farm income	3,184,478	3,424,663
Total farm expense	2,736,992	2,851,379
Net farm income from operations	447,487	573,283
Net nonfarm income	5,840	7,356
Family living & tax withdrawals	66,844	15,403
Total acres owned	574.4	514.3
Total crop acres	1,105.9	834.2
Crop acres owned	512.9	535.4
Crop acres cash rented	592.3	296.6
Crop acres share rented	0.7	2.2
Total pasture acres	0.8	2.4
Labor Analysis		
Number of farms	17	5
Total unpaid labor hours	5,703	-
Total hired labor hours	34,853	-
Total labor hours per farm	40,555	-
Unpaid hours per operator	3,650	-
Value of farm production / hour	87.91	-
Net farm income / unpaid hour	113.17	-
Average hourly hired labor wage	15.26	-
Partnerships & LLCs		
Number of farms	7	2
Number of operators	2.0	-
Owner withdrawals per farm	-	-
Withdrawals per operator	-	-

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of	
	All Farms	High 25%
Number of farms	17	5
Income Statement		
Gross cash farm income	4,888,217	5,445,029
Total cash farm expense	4,014,607	4,527,189
Net cash farm income	873,610	917,839
Inventory change	434,638	878,688
Depreciation	-571,211	-764,617
Net farm income from operations	737,037	1,031,910
Gain or loss on capital sales	-	-
Average net farm income	737,037	1,031,910
Median net farm income	520,936	593,015
Profitability (cost)		
Rate of return on assets	10.0 %	12.5 %
Rate of return on equity	14.4 %	20.1 %
Operating profit margin	19.2 %	24.3 %
Asset turnover rate	52.1 %	51.5 %
Profitability (market)		
Rate of return on assets	11.3 %	19.6 %
Rate of return on equity	13.9 %	25.5 %
Operating profit margin	35.1 %	65.0 %
Asset turnover rate	32.2 %	30.1 %
Liquidity & Repayment (end of year)		
Current assets	2,409,116	2,918,604
Current liabilities	502,858	376,081
Current ratio	4.79	7.76
Working capital	1,906,258	2,542,523
Working capital to gross inc	36.3 %	41.2 %
Term debt coverage ratio	3.59	6.53
Replacement coverage ratio	2.99	4.76
Solvency (end of year at cost)		
Number of farms	17	5
Total farm assets	7,989,210	8,979,017
Total farm liabilities	3,638,960	4,181,275
Total assets	8,542,518	8,979,017
Total liabilities	3,716,095	4,181,275
Net worth	4,826,423	4,797,742
Net worth change	609,314	975,526
Farm debt to asset ratio	46 %	47 %
Total debt to asset ratio	44 %	47 %
Solvency (end of year at market)		
Number of farms	17	5
Total farm assets	12,991,030	15,695,125
Total farm liabilities	3,638,960	4,181,275
Total assets	13,600,777	15,702,025
Total liabilities	3,716,095	4,181,275
Net worth	9,884,681	11,520,750
Net worth change	1,234,909	2,698,343
Farm debt to asset ratio	28 %	27 %
Total debt to asset ratio	27 %	27 %
Nonfarm Information		
Net nonfarm income	9,619	13,240
Crop Acres		
Total acres owned	946	926
Total crop acres	1,821	1,502
Total crop acres owned	845	964
Total crop acres cash rented	976	534
Total crop acres share rented	1	4

2012 MI Dairy (450 Plus Cows)

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

	Avg. Of All Farms	High 25%
Number of farms	17	5
Crop sales	334,058	151,756
Crop inventory change	285,532	722,758
Gross crop income	619,590	874,514
Livestock sales	3,991,993	4,814,331
Livestock inventory change	6,384	-532
Gross livestock income	3,998,376	4,813,799
Government payments	67,910	45,107
Other cash farm income	494,256	433,835
Change in accounts receivable	29,990	26,844
Gain or loss on hedging accounts	-1,869	-1,400
Change in other assets	8,247	14,732
Gain or loss on breeding lvst	28,522	-43,038
Gross farm income	5,245,023	6,164,393
Cash operating expenses	3,844,885	4,362,427
Change in prepaids and supplies	-115,282	-245,512
Change in growing crops	-8,666	-7,798
Change in accounts payable	47,592	93,985
Depreciation	571,211	764,617
Total operating expense	4,339,740	4,967,720
Interest paid	169,722	164,763
Change in accrued interest	-1,476	-
Total interest expense	168,246	164,763
Total expenses	4,507,986	5,132,483
Net farm income from operations	737,037	1,031,910
Gain or loss on capital sales	-	-
Net farm income	737,037	1,031,910