

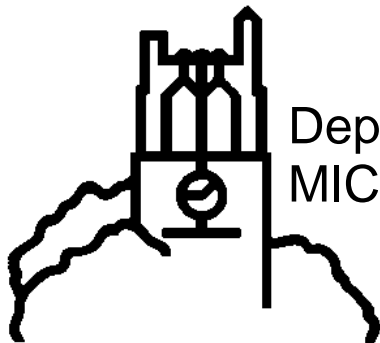
# ***Staff Paper***

## **2001 Business Analysis Summary for Dairy Farms**

**Sherrill B. Nott**

**Staff Paper #2002-21**

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# 2001 BUSINESS ANALYSIS SUMMARY FOR DAIRY FARMS

## 2001 Michigan Telfarm and AgriSolutions Data

Staff Paper No. 2002-21, 58 pages

by

Sherrill B. Nott<sup>1</sup>

### Abstract

A panel of 158 Michigan dairy farms averaged to have 188 cows, with each selling 19,899 lbs. of milk, and made a net farm income of \$86,758 during 2001.

### Introduction

The body of this report is organized as follows:

#### I. Introduction and Table of Contents

- A. List of Tables
- B. Data Source
- C. Per Unit Income and Expense

#### II. List and sequence of Tables for 2001

- A. Averages of 158 Dairy Farms, All Sizes
  - 1. Livestock and Crop Production Summary..... Page 5
  - 2. Farm Income Statement..... Page 6
  - 3. Farm Income Statement, continued..... Page 7
  - 4. Inventory Changes..... Page 8
  - 5. Depreciation and Other Capital Adjustments ..... Page 9
  - 6. Profitability Measures..... Page 10
  - 7. Liquidity Measures..... Page 11
  - 8. Balance Sheet at Cost Values..... Page 12
  - 9. Balance Sheet at Market Values..... Page 13
  - 10. Statement of Cash Flows ..... Page 14
  - 11. Financial Standards Measures ..... Page 15
  - 12. Operator Information and Nonfarm Summary ..... Page 16
  - 13. Financial Summary..... Page 17
- B. Averages of 29 Dairy Farms, 25 to 75.9 Milk Cows..... Page 18  
Similar tables as above, numbered Table 14...23
- C. Averages of 36 Dairy Farms, 76 to 120.9 Milk Cows ..... Page 28  
Similar tables as above, numbered 24...33
- D. Averages of 49 Dairy Farms, 121 to 200.9 Milk Cows ..... Page 38  
Similar tables as above, numbered 34...43

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E.	Averages of 44 Dairy Farms, 201 to 2,100 Milk Cows .....	Page 48
	Similar tables as above, numbered 44...53	
F.	54. Per Unit Income and Expense (130 Farms) .....	Page 58

## Data Source

Farm types were assigned using the 1992 Census of Agriculture's Standard Industrial Classification (SIC) definitions. Basically, any farm with 50 percent or more of value of farm sales from one item becomes a farm of that type. Dairy farms have 50 percent or more of value of combined sales from milk and cull dairy animals.

This report is a summary of the financial and production records kept by dairy farmers enrolled in the Telfarm/MicroTel record program through Michigan State University Extension, or were accounting clients of AgriSolutions in Michigan, or of Farm Credit Services of Escanaba. Farm records were included if a Finan<sup>2</sup> summary was completed on 2000 data including beginning and ending balance sheets, plus income and expenses. The summary was included if cash discrepancy was less than 10% of gross cash inflow, and if the debt discrepancy was less than \$1,000. The averages are reported in the tables below; it should be recognized that considerable variability exist in the data. The unweighted mean of the net farm income for the 158 farms was \$86,100; the standard deviation of the mean was \$203,271 and the median was \$47,094. Herd sizes on the 158 farms ranged from 25 to 2,100 cows. The unweighted mean of cows was 188 cows per farm; the standard deviation of the mean was 217 cows and the median was 140 cows. The unweighted mean of pounds of milk sold per cow was 19,899 pounds; the standard deviation of the mean was 4,144 pounds and the median was 19,882 pounds.

This report has three purposes: 1) to provide statistical information about the financial results on dairy farms during 2001; 2) to provide production costs for comparative analysis and forward planning; and 3) to provide information on the trends in resource use, income and costs during the last few years. For dairy farm averages for 1995, see Staff Paper No. 96-86, Michigan Farm Database, New Directions for 1995; it contains averages of 106 dairy farms calculated with Finansum. Staff Paper No. 97-31, Business Analysis Summary for Dairy Farms, contains averages of 146 dairy farms for 1996. Staff Paper No. 98-29, 1997 Business Analysis Summary for Dairy Farms, contains averages of 132 dairy farms for 1997. Staff Paper No. 99-37, 1998 Business Analysis Summary for Dairy Farms, contains averages of 154 dairy farms for 1998. Staff Paper No. 2000-24, 1999 Business Analysis Summary for Dairy Farms, contains averages of 153 dairy farms for 1999. Staff Paper No. 2001-29, 2000 Business Analysis Summary for Dairy Farms, contains averages of 150 dairy farms for 2000. These earlier staff papers are available at:

<http://www.msu.edu/user/nott>

RankEm<sup>3</sup> allows rapid analysis of group averages with some degree of choice over how the results are presented. The farm was accepted in the average regardless of whether the farm was a

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<sup>2</sup> Finan = financial analysis, one of the parts of Finpack, a financial software package from the Center for Farm Financial Management at the University of Minnesota.

<sup>3</sup> Rankem provides statistical analysis and reports from Finan data sets. It also comes from the Center for Farm Financial Management.

proprietorship, partnership, limited liability company, or corporation. RankEm will produce a variety of report options; I included a subset in this publication.

The farms included in the averages below are not a random sample. They kept their financial records with Michigan State University's Telfarm/MicroTel accounting project, or had their accounting supervised by AgriSolutions, or Wisconsin Farm Credit Services' Escanaba office. A higher percentage of these farms use debt capital than do all farms in the state. The averages may be representative of bigger and better managed dairy farms in Michigan.

This document may be found and downloaded from the following:

<http://www.msu.edu/user/nott>

Table 1.

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
	<hr/>	<hr/>	<hr/>
DAIRY			
Number of farms	158	39	40
Average number of Cows	188	157	345
Milk produced per Cow, lbs.	19,899	18,773	22,928
Average milk price per cwt., \$	15.23	14.73	15.14
ACREAGE SUMMARY			
Total acres owned	456	433	594
Total crop acres	613	670	821
Crop acres owned	347	362	474
Crop acres cash rented	265	308	347
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Wheat, Winter per bushel	2.43	2.19	2.38
Corn per bushel	1.86	1.76	1.97
Soybeans per bushel	4.33	4.20	-
Hay, Mixed per ton	75.88	-	-

Table 2

**Farm Income Statement**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Cash Farm Income			
Beans, Light Red Kidney	422	-	-
Beans, Navy	642	-	-
Cordwood	457	-	867
Corn	6,100	4,760	9,010
Corn Silage	641	1,977	46
Hay, Mixed	638	494	326
Haylage, Alfalfa	243	229	738
Haylage, Mixed	439	350	454
Oats	90	8	105
Soybeans	8,004	14,680	6,710
Straw	171	230	182
Sugar Beets	1,195	637	-
Wheat, Soft Red Winter	130	-	-
Wheat, Winter	2,690	2,645	3,291
Other crops	47	163	-
Miscellaneous crop income	194	15	118
Beef Cow-Calf, Beef Calves	251	285	229
Beef, Background Beef	1,565	6,171	-
Beef, Finish Beef Calves	165	667	-
Dairy, Milk	601,967	466,433	1,207,054
Dairy, Dairy Calves	5,278	3,276	11,588
Dairy Heifers (for sale)	111	-	-
Dairy Replacement Heifers	317	539	586
Dairy Steers	9,083	14,155	9,162
Sheep, Market Lambs, Mkt Lambs	36	-	144
Cull breeding livestock	27,335	25,607	47,586
Misc. livestock income	467	59	104
Government payments	23,744	25,284	34,862
Custom work income	3,959	8,828	2,705
Patronage dividends, cash	5,253	5,452	11,793
Insurance income	4,536	5,164	6,983
Other farm income	4,905	5,417	7,342
<b>Gross Cash Farm Income</b>	<b>711,077</b>	<b>593,524</b>	<b>1,361,983</b>

Table 3

**Farm Income Statement, continued**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
<b>Cash Farm Expense</b>			
Seed	12,396	12,049	19,738
Fertilizer	18,845	21,560	28,180
Crop chemicals	10,981	8,061	21,075
Crop insurance	597	348	991
Drying fuel	120	104	53
Irrigation energy	63	-	246
Crop marketing	614	244	1,485
Crop miscellaneous	758	2,032	224
Feeder livestock purchase	2,408	8,870	5
Purchased feed	147,938	129,344	296,533
Breeding fees	5,271	3,884	11,585
Veterinary	18,498	15,557	37,902
BST	5,123	4,037	13,413
Livestock supplies	29,904	26,223	57,538
DHIA	1,886	1,438	3,294
Livestock leases	720	817	547
Livestock marketing	25,785	20,982	46,741
Interest	33,895	37,632	58,904
Fuel & oil	15,775	16,455	23,013
Repairs	40,167	36,606	62,681
Custom hire	19,425	16,484	38,612
Hired labor	99,384	71,444	202,741
Land rent	22,757	21,994	36,146
Machinery & bldg leases	7,312	10,470	12,577
Real estate taxes	7,061	8,149	9,624
Farm insurance	6,762	8,546	8,424
Utilities	13,819	12,870	22,046
Dues & professional fees	3,529	4,272	5,418
Miscellaneous	10,673	9,632	17,330
<b>Total cash expense</b>	<b>562,466</b>	<b>510,106</b>	<b>1,037,066</b>
<b>Net cash farm income</b>	<b>148,610</b>	<b>83,419</b>	<b>324,916</b>
<b>Inventory Changes</b>			
Crops and feed	-424	-17,069	25,270
Market livestock	-2	-1,981	-128
Accounts receivable	3,628	288	9,877
Prepaid expenses and supplies	1,190	-5,757	12,166
Accounts payable	1,119	-3,294	4,980
<b>Total inventory change</b>	<b>5,511</b>	<b>-27,813</b>	<b>52,166</b>
<b>Net operating profit</b>	<b>154,122</b>	<b>55,606</b>	<b>377,083</b>
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-6,759	-28,220	-7,474
Machinery and equipment	-42,564	-38,798	-68,195
Buildings and improvements	-20,629	-16,617	-43,063
Other farm capital	2,587	360	8,532
<b>Total depr. and other capital adj</b>	<b>-67,364</b>	<b>-83,276</b>	<b>-110,200</b>
<b>Net farm income</b>	<b>\$ 86,758</b>	<b>\$-27,670</b>	<b>\$266,883</b>

Table 4

Inventory Changes  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Net cash farm income	148,610	83,419	324,916
Crops and Feed			
Ending inventory	125,640	110,875	218,082
Beginning inventory	126,064	127,944	192,812
Inventory change	-424	-17,069	25,270
Market Livestock			
Ending inventory	11,400	21,478	9,193
Beginning inventory	11,402	23,459	9,321
Inventory change	-2	-1,981	-128
Accts Receivable & Other Current Assets			
Ending inventory	35,029	33,587	66,772
Beginning inventory	31,402	33,299	56,895
Inventory change	3,628	288	9,877
Prepaid Expenses and Supplies			
Ending inventory	33,639	9,662	98,116
Beginning inventory	32,449	15,419	85,950
Inventory change	1,190	-5,757	12,166
Accounts Payable & Accrued Expenses			
Beginning inventory	13,693	17,536	16,099
Ending inventory	12,574	20,830	11,119
Inventory change	1,119	-3,294	4,980
Total inventory change	5,511	-27,813	52,166
Net operating profit	154,122	55,606	377,083



Table 5

**Depreciation and Other Capital Adjustments**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Net operating profit	154,122	55,606	377,083
<b>Breeding Livestock</b>			
Ending inventory	381,565	346,496	645,615
Capital sales	5,464	2,674	9,874
Beginning inventory	364,094	340,669	597,145
Capital purchases	29,693	36,721	65,818
Depreciation, capital adjust.	-6,759	-28,220	-7,474
<b>Machinery and Equipment</b>			
Ending inventory	150,924	144,085	263,819
Capital sales	2,784	5,205	3,164
Beginning inventory	138,893	140,682	238,015
Capital purchases	57,379	47,406	97,163
Depreciation, capital adjust.	-42,564	-38,798	-68,195
<b>Buildings and Improvements</b>			
Ending inventory	156,640	125,822	335,013
Capital sales	169	641	-
Beginning inventory	140,227	114,355	305,583
Capital purchases	37,211	28,725	72,493
Depreciation, capital adjust.	-20,629	-16,617	-43,063
<b>Other Capital Assets</b>			
Ending inventory	35,343	47,127	65,765
Capital sales	7,459	3,107	24,543
Beginning inventory	31,219	44,172	53,964
Capital purchases	8,996	5,701	27,812
Depreciation, capital adjust.	2,587	360	8,532
Total depreciation, capital adj.	-67,364	-83,276	-110,200
Net farm income	86,758	-27,670	266,883

Table 6

**Profitability Measures**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Profitability (assets valued at cost)			
Net farm income	86,758	-27,670	266,883
Labor and management earnings	51,627	-50,584	199,668
Rate of return on assets	5.6 %	-4.2 %	12.7 %
Rate of return on equity	4.7 %	-21.4 %	16.6 %
Operating profit margin	11.0 %	-10.3 %	22.4 %
Asset turnover rate	50.6 %	40.4 %	56.6 %
Interest on farm net worth	35,131	22,914	67,215
Farm interest expense	33,957	37,745	58,876
Value of operator lbr and mgmt.	59,363	51,998	80,763
Return on farm assets	61,351	-41,924	244,996
Average farm assets	1,101,746	1,009,500	1,930,681
Return on farm equity	27,394	-79,669	186,120
Average farm equity	582,726	372,927	1,120,250
Value of farm production	557,174	408,328	1,092,991
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Profitability (assets valued at market)			
Net farm income	149,802	56,477	355,140
Labor and management earnings	82,634	-1,814	248,572
Rate of return on assets	7.6 %	2.6 %	12.8 %
Rate of return on equity	8.1 %	0.5 %	15.4 %
Operating profit margin	22.3 %	10.3 %	30.5 %
Asset turnover rate	33.9 %	25.3 %	42.0 %
Interest on farm net worth	67,168	58,290	106,568
Farm interest expense	33,957	37,745	58,876
Value of operator lbr and mgmt.	59,363	51,998	80,763
Return on farm assets	124,396	42,224	333,253
Average farm assets	1,645,748	1,613,912	2,604,154
Return on farm equity	90,439	4,478	274,377
Average farm equity	1,119,464	971,508	1,776,135
Value of farm production	557,174	408,328	1,092,991

Table 7

**Liquidity Measures**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Liquidity (cash)			
Net cash farm income	148,610	83,419	324,916
Net nonfarm income	4,787	6,778	-1,556
Family living and taxes	68,751	39,284	142,086
Real estate principal payments	15,798	14,182	30,385
Cash available for interm. debt	68,848	36,730	150,890
Average intermediate debt	177,072	194,560	301,130
Years to turnover interm. debt	2.6	5.3	2.0
Expense as a % of income	79 %	86 %	76 %
Interest as a % of income	5 %	6 %	4 %
Liquidity (accrual)			
Total accrual farm income	714,279	574,763	1,397,003
Total accrual operating expense	560,157	519,157	1,019,920
Net accrual operating income	154,122	55,606	377,083
Net nonfarm income	4,787	6,778	-1,556
Family living and taxes	68,751	39,284	142,086
Real estate principal payments	15,798	14,182	30,385
Available for intermediate debt	74,359	8,917	203,056
Average intermediate debt	177,072	194,560	301,130
Years to turnover interm. debt	2.4	21.8	1.5
Expense as a % of income	78 %	90 %	73 %
Interest as a % of income	5 %	7 %	4 %

Table 8

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	158		39		40	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	18,162	20,866	15,456	9,670	31,979	53,904
Prepaid expenses & supplies	32,449	33,639	15,419	9,662	85,950	98,116
Growing crops	7,353	7,661	4,749	5,007	10,323	11,269
Accounts receivable	19,918	24,679	20,408	24,293	39,459	50,436
Hedging accounts	0	86	0	74	0	268
Crops held for sale or feed	125,137	123,020	127,944	110,875	192,812	210,752
Crops under government loan	927	2,620	0	0	0	7,330
Market livestock held for sale	11,402	11,400	23,459	21,478	9,321	9,193
Other current assets	4,131	2,603	8,143	4,213	7,113	4,799
<b>Total current farm assets</b>	<b>219,479</b>	<b>226,574</b>	<b>215,577</b>	<b>185,271</b>	<b>376,957</b>	<b>446,067</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	364,094	381,565	340,669	346,496	597,145	645,615
Machinery and equipment	138,893	150,924	140,682	144,085	238,015	263,819
Other intermediate assets	25,651	28,955	37,280	39,488	48,582	58,433
<b>Total intermediate farm assets</b>	<b>528,639</b>	<b>561,444</b>	<b>518,631</b>	<b>530,069</b>	<b>883,743</b>	<b>967,867</b>
<b>Long Term Farm Assets</b>						
Farm land	176,063	182,473	156,128	158,616	260,851	272,566
Buildings and improvements	140,227	156,640	114,355	125,822	305,583	335,013
Other long-term assets	5,567	6,388	6,892	7,639	5,382	7,333
<b>Total long-term farm assets</b>	<b>321,856</b>	<b>345,501</b>	<b>277,375</b>	<b>292,077</b>	<b>571,815</b>	<b>614,912</b>
<b>Total Farm Assets</b>	<b>1,069,974</b>	<b>1,133,519</b>	<b>1,011,583</b>	<b>1,007,417</b>	<b>1,832,515</b>	<b>2,028,847</b>
<b>Total Nonfarm Assets</b>	<b>59,729</b>	<b>65,060</b>	<b>36,096</b>	<b>35,294</b>	<b>119,429</b>	<b>135,148</b>
<b>Total Assets</b>	<b>1,129,703</b>	<b>1,198,580</b>	<b>1,047,680</b>	<b>1,042,711</b>	<b>1,951,944</b>	<b>2,163,995</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,326	1,388	1,812	1,926	356	328
Accounts payable	12,368	11,186	15,724	18,905	15,743	10,790
Current notes	54,062	45,897	85,505	72,855	57,640	46,157
Government crop loans	925	2,618	0	0	0	7,330
Principal due on term debt	45,625	50,879	46,731	61,002	77,458	78,375
<b>Total current farm liabilities</b>	<b>114,305</b>	<b>111,968</b>	<b>149,772</b>	<b>154,688</b>	<b>151,197</b>	<b>142,980</b>
<b>Total intermediate farm liabs</b>	<b>129,995</b>	<b>160,148</b>	<b>140,635</b>	<b>172,009</b>	<b>217,251</b>	<b>291,287</b>
<b>Total long term farm liabilities</b>	<b>258,505</b>	<b>263,122</b>	<b>324,501</b>	<b>331,541</b>	<b>411,004</b>	<b>407,144</b>
<b>Total farm liabilities</b>	<b>502,804</b>	<b>535,238</b>	<b>614,909</b>	<b>658,238</b>	<b>779,452</b>	<b>841,411</b>
<b>Total nonfarm liabilities</b>	<b>4,137</b>	<b>7,197</b>	<b>1,513</b>	<b>2,789</b>	<b>8,363</b>	<b>18,975</b>
<b>Total liabilities</b>	<b>506,941</b>	<b>542,434</b>	<b>616,422</b>	<b>661,026</b>	<b>787,815</b>	<b>860,386</b>
<b>Net worth (farm and nonfarm)</b>	<b>622,762</b>	<b>656,145</b>	<b>431,258</b>	<b>381,685</b>	<b>1,164,130</b>	<b>1,303,609</b>
<b>Net worth change</b>		<b>33,384</b>		<b>-49,573</b>		<b>139,480</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	52 %	49 %	69 %	83 %	40 %	32 %
Curr. & interm farm liab. / assets	33 %	35 %	40 %	46 %	29 %	31 %
Long term farm liab. / assets	80 %	76 %	117 %	114 %	72 %	66 %
Total debt to asset ratio	45 %	45 %	59 %	63 %	40 %	40 %

Table 9

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, All Sizes, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms 158		Low 25% 39		High 25% 40	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	18,162	20,866	15,456	9,670	31,979	53,904
Prepaid expenses & supplies	32,449	33,639	15,419	9,662	85,950	98,116
Growing crops	7,353	7,661	4,749	5,007	10,323	11,269
Accounts receivable	19,918	24,679	20,408	24,293	39,459	50,436
Hedging accounts	0	86	0	74	0	268
Crops held for sale or feed	125,137	123,020	127,944	110,875	192,812	210,752
Crops under government loan	927	2,620	0	0	0	7,330
Market livestock held for sale	11,402	11,400	23,459	21,478	9,321	9,193
Other current assets	4,131	2,603	8,143	4,213	7,113	4,799
<b>Total current farm assets</b>	<b>219,479</b>	<b>226,574</b>	<b>215,577</b>	<b>185,271</b>	<b>376,957</b>	<b>446,067</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	375,659	396,423	340,995	346,815	642,502	701,330
Machinery and equipment	298,895	320,707	313,199	322,142	410,631	452,427
Other intermediate assets	29,908	33,286	38,190	40,688	48,670	58,543
<b>Total intermediate farm assets</b>	<b>704,462</b>	<b>750,416</b>	<b>692,384</b>	<b>709,645</b>	<b>1,101,803</b>	<b>1,212,300</b>
<b>Long Term Farm Assets</b>						
Farm land	477,662	526,284	496,388	572,785	631,609	684,423
Buildings and improvements	175,153	195,528	162,562	178,576	345,058	382,081
Other long-term assets	5,727	10,209	6,943	7,691	5,894	22,115
<b>Total long-term farm assets</b>	<b>658,542</b>	<b>732,022</b>	<b>665,894</b>	<b>759,052</b>	<b>982,562</b>	<b>1,088,619</b>
<b>Total Farm Assets</b>	<b>1,582,483</b>	<b>1,709,013</b>	<b>1,573,854</b>	<b>1,653,969</b>	<b>2,461,321</b>	<b>2,746,986</b>
<b>Total Nonfarm Assets</b>	<b>113,183</b>	<b>127,110</b>	<b>75,440</b>	<b>78,970</b>	<b>177,720</b>	<b>210,811</b>
<b>Total Assets</b>	<b>1,695,666</b>	<b>1,836,123</b>	<b>1,649,294</b>	<b>1,732,939</b>	<b>2,639,041</b>	<b>2,957,797</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,326	1,388	1,812	1,926	356	328
Accounts payable	12,368	11,186	15,724	18,905	15,743	10,790
Current notes	54,062	45,897	85,505	72,855	57,640	46,157
Government crop loans	925	2,618	0	0	0	7,330
Principal due on term debt	45,625	50,879	46,731	61,002	77,458	78,375
<b>Total current farm liabilities</b>	<b>114,305</b>	<b>111,968</b>	<b>149,772</b>	<b>154,688</b>	<b>151,197</b>	<b>142,980</b>
<b>Total intermediate farm liabs</b>	<b>129,995</b>	<b>160,148</b>	<b>140,635</b>	<b>172,009</b>	<b>217,251</b>	<b>291,287</b>
<b>Total long term farm liabilities</b>	<b>258,505</b>	<b>263,122</b>	<b>324,501</b>	<b>331,541</b>	<b>411,004</b>	<b>407,144</b>
<b>Total farm liabilities</b>	<b>502,804</b>	<b>535,238</b>	<b>614,909</b>	<b>658,238</b>	<b>779,452</b>	<b>841,411</b>
<b>Total nonfarm liabilities</b>	<b>4,137</b>	<b>7,197</b>	<b>1,513</b>	<b>2,789</b>	<b>8,363</b>	<b>18,975</b>
<b>Total liabs excluding deferreds</b>	<b>506,941</b>	<b>542,434</b>	<b>616,422</b>	<b>661,026</b>	<b>787,815</b>	<b>860,386</b>
<b>Total deferred liabilities</b>	<b>7,581</b>	<b>7,522</b>	<b>7,020</b>	<b>7,154</b>	<b>17,040</b>	<b>18,119</b>
<b>Total liabilities</b>	<b>514,522</b>	<b>549,956</b>	<b>623,442</b>	<b>668,180</b>	<b>804,855</b>	<b>878,504</b>
<b>Retained earnings</b>	<b>622,762</b>	<b>656,145</b>	<b>431,258</b>	<b>381,685</b>	<b>1,164,130</b>	<b>1,303,609</b>
<b>Market valuation equity</b>	<b>558,383</b>	<b>630,022</b>	<b>594,594</b>	<b>683,074</b>	<b>670,057</b>	<b>775,684</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,181,144</b>	<b>1,286,167</b>	<b>1,025,852</b>	<b>1,064,759</b>	<b>1,834,186</b>	<b>2,079,293</b>
<b>Net worth excluding deferreds</b>	<b>1,188,725</b>	<b>1,293,689</b>	<b>1,032,873</b>	<b>1,071,913</b>	<b>1,851,227</b>	<b>2,097,412</b>
<b>Net worth change</b>	<b>105,023</b>	<b>38,907</b>	<b>245,107</b>			
<b>Ratio Analysis</b>						
Current farm liabilities / assets	52 %	49 %	69 %	83 %	40 %	32 %
Curr. & interm farm liab. / assets	26 %	28 %	32 %	37 %	25 %	26 %
Long term farm liab. / assets	39 %	36 %	49 %	44 %	42 %	37 %
Total debt to asset ratio	30 %	30 %	38 %	39 %	30 %	30 %
Debt to assets excl deferreds	30 %	30 %	37 %	38 %	30 %	29 %

Table 10

Statement Of Cash Flows  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Beginning cash (farm & nonfarm)	19,939	15,943	35,500
<b>Cash From Operating Activities</b>			
Gross cash farm income	711,077	593,524	1,361,983
Net nonfarm income	4,787	6,778	-1,556
Total cash farm expense	-562,466	-510,106	-1,037,066
Apparent family living expense	-64,229	-37,723	-132,896
Income and social security tax	-4,522	-1,561	-9,189
Cash from operations	84,646	50,912	181,275
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	5,464	2,674	9,874
Sale of machinery & equipment	2,784	5,205	3,164
Sale of farm land	652	-	350
Sale of farm buildings	169	641	-
Sale of other farm assets	7,459	3,107	24,543
Sale of nonfarm assets	1,236	2,991	885
Purchase of breeding livestock	-29,693	-36,721	-65,818
Purchase of machinery & equip.	-57,379	-47,406	-97,163
Purchase of farm land	-4,542	-1,333	-6,461
Purchase of farm buildings	-37,211	-28,725	-72,493
Purchase of other farm assets	-8,996	-5,701	-27,812
Purchase of nonfarm assets	-4,512	-1,849	-14,445
Cash from investing activities	-124,569	-107,119	-245,377
<b>Cash From Financing Activities</b>			
Money borrowed	171,993	178,065	314,269
Cash transfers in	7,539	9,087	7,270
Principal payments	-135,460	-136,706	-237,110
Dividends paid	-	-	-
Gifts given	-2,313	-302	-1,123
Cash from financing activities	41,760	50,146	83,306
Net change in cash balance	1,837	-6,061	19,204
Ending cash (farm & nonfarm)	21,776	9,882	54,705

Table 11

Financial Standards Measures  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
Liquidity			
Current ratio	2.02	1.20	3.12
Working capital	114,607	30,583	303,087
Solvency (market)			
Farm debt to asset ratio	32 %	40 %	31 %
Farm equity to asset ratio	68 %	60 %	69 %
Farm debt to equity ratio	47 %	67 %	46 %
Profitability (cost)			
Rate of return on farm assets	5.6 %	-4.2 %	12.7 %
Rate of return on farm equity	4.7 %	-21.4 %	16.6 %
Operating profit margin	11.0 %	-10.3 %	22.4 %
Net farm income	86,758	-27,670	266,883
Repayment Capacity			
Term debt coverage ratio	150 %	61 %	210 %
Capital replacement margin	34,781	-27,342	129,754
Efficiency			
Asset turnover rate (cost)	50.6 %	40.4 %	56.6 %
Operating expense ratio	73.7 %	83.8 %	68.8 %
Depreciation expense ratio	9.4 %	14.5 %	7.9 %
Interest expense ratio	4.8 %	6.6 %	4.2 %
Net farm income ratio	12.1 %	-4.8 %	19.1 %

Table 12

**Operator and Labor Information**  
**Michigan Dairy Farms, All Sizes, 2000**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	158	39	40
<b>Operator Information</b>			
Average number of operators	1.6	1.6	1.9
<b>Results Per Operator</b>			
Working capital	70,872	18,783	159,520
Total assets (market)	1,135,450	1,064,325	1,556,735
Total liabilities	344,742	414,772	471,907
Net worth (market)	790,709	649,553	1,084,829
Net worth excl deferred liabs	795,360	653,947	1,094,365
Gross farm income	441,707	353,004	735,265
Total farm expense	388,056	369,998	594,800
Net farm income	53,650	-16,994	140,465
Net nonfarm income	2,960	4,163	-819
Family living withdrawals	42,515	24,127	74,782
Total acres owned	281.7	266.2	312.6
Total crop acres	378.8	411.4	432.3
Crop acres owned	214.8	222.5	249.6
Crop acres cash rented	164.0	188.9	182.7
<b>Labor Analysis</b>			
Number of farms	157	39	39
Total unpaid labor hours	5,103	4,838	6,070
Total hired labor hours	7,950	6,957	14,422
Total labor hours per farm	13,053	11,796	20,492
Unpaid hours per operator	3,160	2,972	3,199
Value of farm production / hour	41.91	34.62	52.03
Net farm income / unpaid hour	16.84	-5.72	44.18
<b>Partnerships</b>			
Number of farms	48	11	20
Number of operators	2.3	2.3	2.5
<b>Corporations</b>			
Number of farms	8	2	2



Table 13

**Financial Summary**  
**Michigan Dairy Farms, All Sizes, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	158	39	40
<b>Income Statement</b>			
Gross cash farm income	711,077	593,524	1,361,983
Total cash farm expense	562,466	510,106	1,037,066
Net cash farm income	148,610	83,419	324,916
Inventory change	5,511	-27,813	52,166
Depreciation and capital adjust	-67,364	-83,276	-110,200
Net farm income	86,758	-27,670	266,883
<b>Profitability (cost)</b>			
Labor and management earnings	51,627	-50,584	199,668
Rate of return on assets	5.6 %	-4.2 %	12.7 %
Rate of return on equity	4.7 %	-21.4 %	16.6 %
Operating profit margin	11.0 %	-10.3 %	22.4 %
Asset turnover rate	50.6 %	40.4 %	56.6 %
<b>Profitability (market)</b>			
Labor and management earnings	82,634	-1,814	248,572
Rate of return on assets	7.6 %	2.6 %	12.8 %
Rate of return on equity	8.1 %	0.5 %	15.4 %
Operating profit margin	22.3 %	10.3 %	30.5 %
Asset turnover rate	33.9 %	25.3 %	42.0 %
<b>Liquidity</b>			
Term debt coverage ratio	150.2 %	60.9 %	209.6 %
Expense as a percent of income	78.4 %	90.3 %	73.0 %
Interest as a percent of income	4.8 %	6.6 %	4.2 %
<b>Solvency (cost)</b>			
Number of farms	158	39	40
Ending farm assets	1,133,519	1,007,417	2,028,847
Ending farm liabilities	535,238	658,238	841,411
Ending total assets	1,198,580	1,042,711	2,163,995
Ending total liabilities	542,434	661,026	860,386
Ending net worth	656,145	381,685	1,303,609
Net worth change	33,384	-49,573	139,480
Ending farm debt to asset ratio	47 %	65 %	41 %
Beg total debt to asset ratio	45 %	59 %	40 %
End total debt to asset ratio	45 %	63 %	40 %
<b>Solvency (market)</b>			
Number of farms	158	39	40
Ending farm assets	1,709,013	1,653,969	2,746,986
Ending farm liabilities	542,471	664,135	859,536
Ending total assets	1,836,123	1,732,939	2,957,797
Ending total liabilities	549,956	668,180	878,504
Ending net worth	1,286,167	1,064,759	2,079,293
Net worth change	105,023	38,907	245,107
Ending farm debt to asset ratio	32 %	40 %	31 %
Beg total debt to asset ratio	30 %	38 %	30 %
End total debt to asset ratio	30 %	39 %	30 %
<b>Nonfarm Information</b>			
Net nonfarm income	4,787	6,778	-1,556

Table 14

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
	<hr/>	<hr/>	<hr/>
DAIRY			
Number of farms	29	7	8
Average number of Cows	55	56	62
Milk produced per Cow, lbs.	17,611	17,913	17,028
Average milk price per cwt., \$	15.34	15.01	16.27
ACREAGE SUMMARY			
Total acres owned	212	149	222
Total crop acres	268	346	238
Crop acres owned	121	61	104
Crop acres cash rented	147	284	134

Table 15

**Farm Income Statement**  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	29	7	8
<b>Cash Farm Income</b>			
Cordwood	512	-	-
Corn	1,989	5,605	1,853
Hay, Mixed	938	265	2,412
Soybeans	3,234	6,303	1,799
Straw	48	-	173
Sugar Beets	1,599	3,548	-
Wheat, Winter	1,030	2,267	-
Other crops	219	908	-
Miscellaneous crop income	33	46	81
Beef Cow-Calf, Beef Calves	383	1,586	-
Beef, Background Beef	228	-	-
Dairy, Milk	150,931	156,244	169,748
Dairy, Dairy Calves	1,381	1,021	1,818
Dairy Replacement Heifers	65	236	30
Dairy Steers	4,990	13,970	2,124
Cull breeding livestock	12,189	15,270	11,293
Misc. livestock income	43	-	19
Government payments	6,868	10,694	5,421
Custom work income	404	1,395	117
Patronage dividends, cash	819	1,014	915
Insurance income	803	981	136
Other farm income	1,349	2,396	868
<b>Gross Cash Farm Income</b>	<b>190,055</b>	<b>223,749</b>	<b>198,805</b>

Table 16

Farm Income Statement, continued  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
<b>Cash Farm Expense</b>			
Seed	2,645	2,690	2,990
Fertilizer	5,520	7,029	5,198
Crop chemicals	1,764	1,784	1,759
Crop miscellaneous	94	-	311
Feeder livestock purchase	283	1,173	-
Purchased feed	35,808	48,618	31,463
Breeding fees	923	1,280	962
Veterinary	3,329	3,661	3,671
BST	349	-	880
Livestock supplies	7,250	10,359	5,897
DHIA	878	620	868
Livestock marketing	7,950	8,526	8,676
Interest	9,880	8,597	11,934
Fuel & oil	5,993	9,979	5,362
Repairs	13,074	13,336	13,594
Custom hire	4,058	3,532	7,346
Hired labor	16,514	21,085	13,965
Land rent	6,460	17,045	3,645
Machinery & bldg leases	941	2,722	50
Real estate taxes	3,086	2,728	2,960
Farm insurance	2,899	2,802	3,297
Utilities	5,776	6,094	7,842
Dues & professional fees	1,620	2,248	1,208
Miscellaneous	3,745	2,844	4,460
Total cash expense	140,839	178,752	138,339
Net cash farm income	49,216	44,997	60,467
<b>Inventory Changes</b>			
Crops and feed	-3,164	-15,054	2,336
Market livestock	-697	-2,942	-714
Accounts receivable	2,169	2,093	5,478
Prepaid expenses and supplies	320	30	834
Accounts payable	-780	-698	19
Total inventory change	-2,153	-16,572	7,953
Net operating profit	47,064	28,426	68,420
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	861	-6,153	10,761
Machinery and equipment	-14,614	-16,510	-15,165
Buildings and improvements	-5,112	-4,190	-10,657
Other farm capital	238	-3,342	2,674
Total depr. and other capital adj	-18,628	-30,196	-12,387
<b>Net farm income</b>	<b>\$ 28,436</b>	<b>\$-1,770</b>	<b>\$56,034</b>

Table 17

**Liquidity Measures**  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	29	7	8
Liquidity (cash)			
Net cash farm income	49,216	44,997	60,467
Net nonfarm income	4,934	5,937	5,376
Family living and taxes	25,053	23,841	24,929
Real estate principal payments	5,738	3,744	8,104
Cash available for interm. debt	23,359	23,349	32,810
Average intermediate debt	48,121	31,613	72,753
Years to turnover interm. debt	2.1	1.4	2.2
Expense as a % of income	74 %	80 %	70 %
Interest as a % of income	5 %	4 %	6 %
Liquidity (accrual)			
Total accrual farm income	188,362	207,846	205,906
Total accrual operating expense	141,299	179,420	137,486
Net accrual operating income	47,064	28,426	68,420
Net nonfarm income	4,934	5,937	5,376
Family living and taxes	25,053	23,841	24,929
Real estate principal payments	5,738	3,744	8,104
Available for intermediate debt	21,206	6,778	40,764
Average intermediate debt	48,121	31,613	72,753
Years to turnover interm. debt	2.3	4.7	1.8
Expense as a % of income	75 %	86 %	67 %
Interest as a % of income	5 %	4 %	6 %

Table 18

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms		Low 25%		High 25%	
	29		7		8	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	13,691	7,549	3,507	1,807	33,470	20,500
Prepaid expenses & supplies	2,076	2,395	3,426	3,457	2,430	3,264
Growing crops	3,808	3,653	3,255	3,086	7,499	7,057
Accounts receivable	3,449	5,970	7,671	11,013	1,660	7,581
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	36,965	33,801	55,670	40,616	29,148	31,484
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	6,178	5,482	19,854	16,912	1,940	1,226
Other current assets	1,207	1,010	4,401	3,321	0	0
<b>Total current farm assets</b>	<b>67,373</b>	<b>59,859</b>	<b>97,784</b>	<b>80,211</b>	<b>76,146</b>	<b>71,112</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	118,527	120,878	119,830	114,393	133,831	146,894
Machinery and equipment	40,435	47,529	48,545	58,231	40,837	48,033
Other intermediate assets	4,290	5,118	3,892	3,058	8,845	12,043
<b>Total intermediate farm assets</b>	<b>163,253</b>	<b>173,525</b>	<b>172,267</b>	<b>175,682</b>	<b>183,513</b>	<b>206,969</b>
<b>Long Term Farm Assets</b>						
Farm land	86,916	87,202	81,771	81,771	72,253	73,092
Buildings and improvements	21,470	24,165	17,662	15,445	20,539	31,718
Other long-term assets	1,100	1,015	2,893	1,619	125	0
<b>Total long-term farm assets</b>	<b>109,486</b>	<b>112,382</b>	<b>102,327</b>	<b>98,835</b>	<b>92,916</b>	<b>104,810</b>
<b>Total Farm Assets</b>	<b>340,112</b>	<b>345,767</b>	<b>372,378</b>	<b>354,728</b>	<b>352,575</b>	<b>382,891</b>
<b>Total Nonfarm Assets</b>	<b>29,277</b>	<b>33,745</b>	<b>14,744</b>	<b>12,862</b>	<b>37,203</b>	<b>46,684</b>
<b>Total Assets</b>	<b>369,388</b>	<b>379,512</b>	<b>387,121</b>	<b>367,590</b>	<b>389,778</b>	<b>429,575</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	475	491	473	411	465	662
Accounts payable	1,051	1,815	806	1,566	654	438
Current notes	12,555	11,995	20,027	21,497	8,741	6,180
Government crop loans	0	0	0	0	0	0
Principal due on term debt	14,267	14,670	8,973	13,363	18,570	17,631
<b>Total current farm liabilities</b>	<b>28,348</b>	<b>28,971</b>	<b>30,279</b>	<b>36,836</b>	<b>28,429</b>	<b>24,910</b>
<b>Total intermediate farm liabs</b>	<b>40,167</b>	<b>37,895</b>	<b>22,482</b>	<b>25,817</b>	<b>68,083</b>	<b>54,571</b>
<b>Total long term farm liabilities</b>	<b>90,809</b>	<b>89,767</b>	<b>71,990</b>	<b>61,809</b>	<b>90,917</b>	<b>105,428</b>
<b>Total farm liabilities</b>	<b>159,324</b>	<b>156,633</b>	<b>124,751</b>	<b>124,462</b>	<b>187,429</b>	<b>184,910</b>
<b>Total nonfarm liabilities</b>	<b>5,994</b>	<b>6,220</b>	<b>4,085</b>	<b>4,085</b>	<b>18,042</b>	<b>18,863</b>
<b>Total liabilities</b>	<b>165,318</b>	<b>162,853</b>	<b>128,837</b>	<b>128,548</b>	<b>205,471</b>	<b>203,773</b>
<b>Net worth (farm and nonfarm)</b>	<b>204,071</b>	<b>216,659</b>	<b>258,285</b>	<b>239,042</b>	<b>184,307</b>	<b>225,802</b>
<b>Net worth change</b>		<b>12,588</b>		<b>-19,242</b>		<b>41,495</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	42 %	48 %	31 %	46 %	37 %	35 %
Curr. & interm farm liab. / assets	30 %	29 %	20 %	24 %	37 %	29 %
Long term farm liab. / assets	83 %	80 %	70 %	63 %	98 %	101 %
Total debt to asset ratio	45 %	43 %	33 %	35 %	53 %	47 %

Table 19

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms 29		Low 25% 7		High 25% 8	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	13,691	7,549	3,507	1,807	33,470	20,500
Prepaid expenses & supplies	2,076	2,395	3,426	3,457	2,430	3,264
Growing crops	3,808	3,653	3,255	3,086	7,499	7,057
Accounts receivable	3,449	5,970	7,671	11,013	1,660	7,581
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	36,965	33,801	55,670	40,616	29,148	31,484
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	6,178	5,482	19,854	16,912	1,940	1,226
Other current assets	1,207	1,010	4,401	3,321	0	0
<b>Total current farm assets</b>	<b>67,373</b>	<b>59,859</b>	<b>97,784</b>	<b>80,211</b>	<b>76,146</b>	<b>71,112</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	118,962	121,358	121,630	116,221	133,831	146,981
Machinery and equipment	132,041	143,463	183,129	185,779	122,045	130,889
Other intermediate assets	4,762	5,435	3,892	3,058	10,556	13,195
<b>Total intermediate farm assets</b>	<b>255,765</b>	<b>270,256</b>	<b>308,651</b>	<b>305,058</b>	<b>266,432</b>	<b>291,065</b>
<b>Long Term Farm Assets</b>						
Farm land	243,313	284,758	224,286	330,514	174,130	197,663
Buildings and improvements	53,751	52,978	32,480	19,810	69,368	73,650
Other long-term assets	1,100	1,015	2,893	1,619	125	0
<b>Total long-term farm assets</b>	<b>298,165</b>	<b>338,750</b>	<b>259,659</b>	<b>351,943</b>	<b>243,623</b>	<b>271,313</b>
<b>Total Farm Assets</b>	<b>621,303</b>	<b>668,866</b>	<b>666,094</b>	<b>737,212</b>	<b>586,201</b>	<b>633,489</b>
<b>Total Nonfarm Assets</b>	<b>72,952</b>	<b>76,949</b>	<b>30,877</b>	<b>30,136</b>	<b>71,293</b>	<b>81,186</b>
<b>Total Assets</b>	<b>694,254</b>	<b>745,815</b>	<b>696,970</b>	<b>767,347</b>	<b>657,495</b>	<b>714,675</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	475	491	473	411	465	662
Accounts payable	1,051	1,815	806	1,566	654	438
Current notes	12,555	11,995	20,027	21,497	8,741	6,180
Government crop loans	0	0	0	0	0	0
Principal due on term debt	14,267	14,670	8,973	13,363	18,570	17,631
<b>Total current farm liabilities</b>	<b>28,348</b>	<b>28,971</b>	<b>30,279</b>	<b>36,836</b>	<b>28,429</b>	<b>24,910</b>
<b>Total intermediate farm liabs</b>	<b>40,167</b>	<b>37,895</b>	<b>22,482</b>	<b>25,817</b>	<b>68,083</b>	<b>54,571</b>
<b>Total long term farm liabilities</b>	<b>90,809</b>	<b>89,767</b>	<b>71,990</b>	<b>61,809</b>	<b>90,917</b>	<b>105,428</b>
<b>Total farm liabilities</b>	<b>159,324</b>	<b>156,633</b>	<b>124,751</b>	<b>124,462</b>	<b>187,429</b>	<b>184,910</b>
<b>Total nonfarm liabilities</b>	<b>5,994</b>	<b>6,220</b>	<b>4,085</b>	<b>4,085</b>	<b>18,042</b>	<b>18,863</b>
<b>Total liabs excluding deferreds</b>	<b>165,318</b>	<b>162,853</b>	<b>128,837</b>	<b>128,548</b>	<b>205,471</b>	<b>203,773</b>
<b>Total deferred liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>165,318</b>	<b>162,853</b>	<b>128,837</b>	<b>128,548</b>	<b>205,471</b>	<b>203,773</b>
Retained earnings	204,071	216,659	258,285	239,042	184,307	225,802
Market valuation equity	324,866	366,303	309,849	399,757	267,716	285,100
<b>Net worth (farm and nonfarm)</b>	<b>528,937</b>	<b>582,962</b>	<b>568,134</b>	<b>638,799</b>	<b>452,024</b>	<b>510,902</b>
<b>Net worth excluding deferreds</b>	<b>528,937</b>	<b>582,962</b>	<b>568,134</b>	<b>638,799</b>	<b>452,024</b>	<b>510,902</b>
<b>Net worth change</b>	<b>54,025</b>	<b>70,666</b>	<b>58,878</b>			
<b>Ratio Analysis</b>						
Current farm liabilities / assets	42 %	48 %	31 %	46 %	37 %	35 %
Curr. & interm farm liab. / assets	21 %	20 %	13 %	16 %	28 %	22 %
Long term farm liab. / assets	30 %	26 %	28 %	18 %	37 %	39 %
Total debt to asset ratio	24 %	22 %	18 %	17 %	31 %	29 %
Debt to assets excl deferreds	24 %	22 %	18 %	17 %	31 %	29 %

Table 20

Statement Of Cash Flows  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	29	7	8
Beginning cash (farm & nonfarm)	14,935	6,221	34,545
<b>Cash From Operating Activities</b>			
Gross cash farm income	190,055	223,749	198,805
Net nonfarm income	4,934	5,937	5,376
Total cash farm expense	-140,839	-178,752	-138,339
Apparent family living expense	-23,451	-21,781	-22,829
Income and social security tax	-1,602	-2,061	-2,100
Cash from operations	29,097	27,093	40,914
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	5,448	3,373	16,655
Sale of machinery & equipment	103	286	94
Sale of farm land	-	-	-
Sale of farm buildings	59	-	-
Sale of other farm assets	506	2,095	-
Sale of nonfarm assets	1,493	-	-
Purchase of breeding livestock	-6,938	-4,089	-18,956
Purchase of machinery & equip.	-21,812	-26,483	-22,454
Purchase of farm land	-	-	-
Purchase of farm buildings	-7,867	-1,973	-21,837
Purchase of other farm assets	-1,010	-3,328	-399
Purchase of nonfarm assets	-951	-	-1,438
Cash from investing activities	-30,969	-30,120	-48,336
<b>Cash From Financing Activities</b>			
Money borrowed	34,383	22,728	54,722
Cash transfers in	1,471	789	2,643
Principal payments	-37,602	-23,719	-56,389
Dividends paid	-	-	-
Gifts given	-2,520	-	-7,024
Cash from financing activities	-4,269	-202	-6,048
Net change in cash balance	-6,141	-3,228	-13,470
Ending cash (farm & nonfarm)	8,794	2,993	21,075



Table 21

Financial Standards Measures  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	29	7	8
Liquidity			
Current ratio	2.07	2.18	2.85
Working capital	30,889	43,374	46,201
Solvency (market)			
Farm debt to asset ratio	23 %	17 %	29 %
Farm equity to asset ratio	77 %	83 %	71 %
Farm debt to equity ratio	31 %	20 %	41 %
Profitability (cost)			
Rate of return on farm assets	0.8 %	-6.7 %	8.5 %
Rate of return on farm equity	-3.9 %	-13.7 %	10.5 %
Operating profit margin	1.8 %	-15.9 %	16.9 %
Net farm income	28,436	-1,770	56,034
Repayment Capacity			
Term debt coverage ratio	152 %	114 %	193 %
Capital replacement margin	12,066	2,080	28,973
Efficiency			
Asset turnover rate (cost)	44.7 %	41.8 %	50.4 %
Operating expense ratio	69.8 %	82.2 %	60.9 %
Depreciation expense ratio	9.9 %	14.5 %	6.0 %
Interest expense ratio	5.3 %	4.1 %	5.9 %
Net farm income ratio	15.1 %	-0.9 %	27.2 %

Table 22

**Operator and Labor Information**  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	29	7	8
<b>Operator Information</b>			
Average number of operators	1.3	1.9	1.3
<b>Results Per Operator</b>			
Working capital	23,573	23,355	36,961
Total assets (market)	569,175	413,187	571,740
Total liabilities	124,283	69,218	163,018
Net worth (market)	444,892	343,969	408,722
Net worth excl deferred liabs	444,892	343,969	408,722
Gross farm income	143,750	111,917	164,725
Total farm expense	122,049	112,870	119,898
Net farm income	21,701	-953	44,827
Net nonfarm income	3,765	3,197	4,301
Family living withdrawals	19,119	12,838	19,943
Total acres owned	162.1	80.2	177.6
Total crop acres	204.6	186.2	190.5
Crop acres owned	92.2	33.0	83.1
Crop acres cash rented	112.4	153.2	107.4
Crop acres share rented	-	-	-
Total pasture acres	1.8	-	7.0
<b>Labor Analysis</b>			
Number of farms	29	7	8
Total unpaid labor hours	3,786	3,685	3,604
Total hired labor hours	2,191	3,591	1,942
Total labor hours per farm	5,977	7,276	5,546
Unpaid hours per operator	2,889	1,984	2,883
Value of farm production / hour	25.62	20.88	33.40
Net farm income / unpaid hour	7.51	-0.48	15.55

Table 23

**Financial Summary**  
**Michigan Dairy Farms, 25 - 75.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	29	7	8
<b>Income Statement</b>			
Gross cash farm income	190,055	223,749	198,805
Total cash farm expense	140,839	178,752	138,339
Net cash farm income	49,216	44,997	60,467
Inventory change	-2,153	-16,572	7,953
Depreciation and capital adjust	-18,628	-30,196	-12,387
Net farm income	28,436	-1,770	56,034
<b>Profitability (cost)</b>			
Labor and management earnings	17,272	-16,107	45,140
Rate of return on assets	0.8 %	-6.7 %	8.5 %
Rate of return on equity	-3.9 %	-13.7 %	10.5 %
Operating profit margin	1.8 %	-15.9 %	16.9 %
Asset turnover rate	44.7 %	41.8 %	50.4 %
<b>Profitability (market)</b>			
Labor and management earnings	41,117	52,375	47,585
Rate of return on assets	6.9 %	9.2 %	7.9 %
Rate of return on equity	7.1 %	9.7 %	8.5 %
Operating profit margin	29.2 %	42.5 %	26.0 %
Asset turnover rate	23.7 %	21.6 %	30.4 %
<b>Liquidity</b>			
Term debt coverage ratio	152.1 %	113.6 %	193.0 %
Expense as a percent of income	75.0 %	86.3 %	66.8 %
Interest as a percent of income	5.3 %	4.1 %	5.9 %
<b>Solvency (cost)</b>			
Number of farms	29	7	8
Ending farm assets	345,767	354,728	382,891
Ending farm liabilities	156,633	124,462	184,910
Ending total assets	379,512	367,590	429,575
Ending total liabilities	162,853	128,548	203,773
Ending net worth	216,659	239,042	225,802
Net worth change	12,588	-19,242	41,495
Ending farm debt to asset ratio	45 %	35 %	48 %
Beg total debt to asset ratio	45 %	33 %	53 %
End total debt to asset ratio	43 %	35 %	47 %
<b>Solvency (market)</b>			
Number of farms	29	7	8
Ending farm assets	668,866	737,212	633,489
Ending farm liabilities	156,633	124,462	184,910
Ending total assets	745,815	767,347	714,675
Ending total liabilities	162,853	128,548	203,773
Ending net worth	582,962	638,799	510,902
Net worth change	54,025	70,666	58,878
Ending farm debt to asset ratio	23 %	17 %	29 %
Beg total debt to asset ratio	24 %	18 %	31 %
End total debt to asset ratio	22 %	17 %	29 %
<b>Nonfarm Information</b>			
Net nonfarm income	4,934	5,937	5,376

Table 24

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
	<hr/>	<hr/>	<hr/>
DAIRY			
Number of farms	36	8	10
Average number of Cows	98	91	105
Milk produced per Cow, lbs.	18,090	17,637	18,753
Average milk price per cwt., \$	15.19	15.05	15.30
ACREAGE SUMMARY			
Total acres owned	351	338	368
Total crop acres	464	448	588
Crop acres owned	238	283	229
Crop acres cash rented	226	165	359
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Corn per bushel	1.81	-	-
Wheat, Winter per bushel	2.31	-	-

Table 25

**Farm Income Statement**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
<b>Cash Farm Income</b>			
Beans, Navy	212	-	765
Corn	7,091	9,475	15,724
Corn Silage	61	277	-
Corn, Seed	36	-	130
Hay, Alfalfa	350	74	49
Hay, Mixed	572	77	265
Haylage, Alfalfa	248	1,117	-
Soybeans	6,189	10,757	11,436
Wheat, Winter	1,837	2,356	3,069
Miscellaneous crop income	87	-	-
Beef Cow-Calf, Beef Calves	540	-	163
Beef, Finish Beef Calves	270	1,217	-
Dairy, Milk	269,310	246,513	300,374
Dairy, Dairy Calves	2,700	1,351	4,117
Dairy Heifers (for sale)	110	-	297
Dairy Replacement Heifers	31	118	-
Dairy Steers	6,263	8,661	5,487
Hogs, Farrow-Fin, Raised Hogs	337	-	-
Hogs, Feeder Pigs, Feeder Pigs	354	-	25
Cull breeding livestock	14,632	17,346	21,339
Misc. livestock income	64	-	-
Government payments	14,928	15,079	18,722
Custom work income	2,577	242	6,073
Patronage dividends, cash	1,935	1,483	1,893
Insurance income	2,794	1,210	3,847
Other farm income	2,205	2,152	1,154
<b>Gross Cash Farm Income</b>	<b>335,733</b>	<b>319,504</b>	<b>394,929</b>

Table 26

Farm Income Statement, continued  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
<b>Cash Farm Expense</b>			
Seed	7,749	9,438	10,643
Fertilizer	12,314	9,603	14,807
Crop chemicals	6,610	7,724	9,399
Crop insurance	191	196	50
Drying fuel	119	-	309
Crop marketing	222	-	529
Crop miscellaneous	265	9	512
Feeder livestock purchase	2,017	1,337	-
Purchased feed	59,647	67,901	61,877
Breeding fees	2,218	2,833	2,829
Veterinary	6,279	8,224	6,780
BST	343	-	617
Livestock supplies	14,402	19,539	12,936
DHIA	950	779	1,175
Livestock marketing	13,527	13,014	13,772
Interest	17,085	27,414	10,814
Fuel & oil	9,600	10,281	9,958
Repairs	18,917	21,958	17,286
Custom hire	8,488	8,956	10,970
Hired labor	34,578	26,078	37,282
Land rent	14,093	15,892	16,734
Machinery & bldg leases	3,145	1,538	2,470
Real estate taxes	4,236	4,653	4,604
Personal property taxes	226	-	-
Farm insurance	5,057	5,873	5,783
Utilities	7,678	9,323	7,809
Dues & professional fees	2,186	2,638	2,235
Miscellaneous	4,766	3,753	6,278
<b>Total cash expense</b>	<b>256,908</b>	<b>278,953</b>	<b>268,457</b>
<b>Net cash farm income</b>	<b>78,826</b>	<b>40,551</b>	<b>126,471</b>
<b>Inventory Changes</b>			
Crops and feed	-8,388	-19,924	-10,561
Market livestock	2,488	864	446
Accounts receivable	2,146	2,081	209
Prepaid expenses and supplies	969	659	-459
Accounts payable	51	4,973	-533
<b>Total inventory change</b>	<b>-2,733</b>	<b>-11,348</b>	<b>-10,898</b>
<b>Net operating profit</b>	<b>76,092</b>	<b>29,203</b>	<b>115,573</b>
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	961	-13,235	14,802
Machinery and equipment	-26,804	-30,957	-27,518
Buildings and improvements	-4,937	-8,516	-878
Other farm capital	467	38	74
<b>Total depr. and other capital adj</b>	<b>-30,314</b>	<b>-52,669</b>	<b>-13,520</b>
<b>Net farm income</b>	<b>\$45,779</b>	<b>\$-23,466</b>	<b>\$102,053</b>

Table 27

**Liquidity Measures**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Liquidity (cash)			
Net cash farm income	78,826	40,551	126,471
Net nonfarm income	7,778	18,307	7,920
Family living and taxes	51,982	38,339	74,987
Real estate principal payments	9,096	9,666	9,791
Cash available for interm. debt	25,526	10,854	49,613
Average intermediate debt	107,436	106,707	88,636
Years to turnover interm. debt	4.2	9.8	1.8
Expense as a % of income	77 %	87 %	68 %
Interest as a % of income	5 %	9 %	3 %
Liquidity (accrual)			
Total accrual farm income	331,980	302,524	385,022
Total accrual operating expense	255,887	273,321	269,449
Net accrual operating income	76,092	29,203	115,573
Net nonfarm income	7,778	18,307	7,920
Family living and taxes	51,982	38,339	74,987
Real estate principal payments	9,096	9,666	9,791
Available for intermediate debt	22,793	-494	38,715
Average intermediate debt	107,436	106,707	88,636
Years to turnover interm. debt	4.7	**	2.3
Expense as a % of income	77 %	90 %	70 %
Interest as a % of income	5 %	9 %	3 %

\*\* Income insufficient to meet debt servicing requirements

Table 28

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms		Low 25%		High 25%	
	36		8		10	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	11,163	9,364	11,005	8,435	13,511	11,701
Prepaid expenses & supplies	7,766	8,734	10,795	11,453	12,517	12,058
Growing crops	5,136	5,222	2,608	1,839	8,443	8,685
Accounts receivable	7,920	9,651	14,447	17,297	8,754	8,722
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	80,215	71,827	90,462	70,537	88,726	78,165
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	9,276	11,764	12,827	13,691	7,574	8,020
Other current assets	307	636	0	0	0	0
<b>Total current farm assets</b>	<b>121,782</b>	<b>117,198</b>	<b>142,142</b>	<b>123,252</b>	<b>139,526</b>	<b>127,351</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	218,605	222,263	207,976	203,711	233,770	246,409
Machinery and equipment	66,739	78,071	69,191	74,953	95,197	103,431
Other intermediate assets	6,856	7,493	9,668	9,614	8,249	8,467
<b>Total intermediate farm assets</b>	<b>292,200</b>	<b>307,827</b>	<b>286,836</b>	<b>288,278</b>	<b>337,216</b>	<b>358,307</b>
<b>Long Term Farm Assets</b>						
Farm land	127,515	146,365	153,686	153,686	142,176	179,912
Buildings and improvements	52,131	73,952	69,483	60,714	38,386	42,104
Other long-term assets	6,407	6,600	14,008	14,633	6,776	6,776
<b>Total long-term farm assets</b>	<b>186,053</b>	<b>226,916</b>	<b>237,177</b>	<b>229,034</b>	<b>187,339</b>	<b>228,793</b>
<b>Total Farm Assets</b>	<b>600,035</b>	<b>651,942</b>	<b>666,155</b>	<b>640,564</b>	<b>664,080</b>	<b>714,451</b>
<b>Total Nonfarm Assets</b>	<b>21,114</b>	<b>21,741</b>	<b>28,357</b>	<b>35,833</b>	<b>22,247</b>	<b>22,191</b>
<b>Total Assets</b>	<b>621,149</b>	<b>673,683</b>	<b>694,512</b>	<b>676,397</b>	<b>686,328</b>	<b>736,642</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	514	574	368	814	149	246
Accounts payable	7,355	7,244	16,780	11,361	2,570	3,006
Current notes	25,949	22,719	58,957	51,552	11,446	5,844
Government crop loans	0	0	0	0	0	0
Principal due on term debt	29,026	31,545	28,002	39,906	30,402	27,124
<b>Total current farm liabilities</b>	<b>62,844</b>	<b>62,082</b>	<b>104,107</b>	<b>103,633</b>	<b>44,568</b>	<b>36,220</b>
<b>Total intermediate farm liabs</b>	<b>74,110</b>	<b>97,634</b>	<b>73,302</b>	<b>94,746</b>	<b>68,321</b>	<b>65,259</b>
<b>Total long term farm liabilities</b>	<b>128,814</b>	<b>136,389</b>	<b>209,186</b>	<b>206,023</b>	<b>80,791</b>	<b>71,348</b>
<b>Total farm liabilities</b>	<b>265,768</b>	<b>296,105</b>	<b>386,595</b>	<b>404,401</b>	<b>193,680</b>	<b>172,827</b>
<b>Total nonfarm liabilities</b>	<b>2,243</b>	<b>6,909</b>	<b>812</b>	<b>4,703</b>	<b>4,770</b>	<b>19,364</b>
<b>Total liabilities</b>	<b>268,010</b>	<b>303,013</b>	<b>387,407</b>	<b>409,104</b>	<b>198,450</b>	<b>192,191</b>
<b>Net worth (farm and nonfarm)</b>	<b>353,138</b>	<b>370,669</b>	<b>307,105</b>	<b>267,293</b>	<b>487,878</b>	<b>544,451</b>
<b>Net worth change</b>		<b>17,531</b>		<b>-39,812</b>		<b>56,573</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	52 %	53 %	73 %	84 %	32 %	28 %
Curr. & interm farm liab. / assets	33 %	38 %	41 %	48 %	24 %	21 %
Long term farm liab. / assets	69 %	60 %	88 %	90 %	43 %	31 %
Total debt to asset ratio	43 %	45 %	56 %	60 %	29 %	26 %



Table 29

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms 36		Low 25% 8		High 25% 10	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	11,163	9,364	11,005	8,435	13,511	11,701
Prepaid expenses & supplies	7,766	8,734	10,795	11,453	12,517	12,058
Growing crops	5,136	5,222	2,608	1,839	8,443	8,685
Accounts receivable	7,920	9,651	14,447	17,297	8,754	8,722
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	80,215	71,827	90,462	70,537	88,726	78,165
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	9,276	11,764	12,827	13,691	7,574	8,020
Other current assets	307	636	0	0	0	0
<b>Total current farm assets</b>	<b>121,782</b>	<b>117,198</b>	<b>142,142</b>	<b>123,252</b>	<b>139,526</b>	<b>127,351</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	218,607	222,317	207,976	203,711	233,770	246,409
Machinery and equipment	202,620	216,696	241,009	257,255	217,059	221,590
Other intermediate assets	7,022	8,020	10,418	11,984	8,249	8,467
<b>Total intermediate farm assets</b>	<b>428,250</b>	<b>447,033</b>	<b>459,404</b>	<b>472,949</b>	<b>459,078</b>	<b>476,466</b>
<b>Long Term Farm Assets</b>						
Farm land	399,487	450,505	432,525	482,829	394,397	447,624
Buildings and improvements	71,089	98,063	77,786	84,186	61,386	72,350
Other long-term assets	6,629	6,984	14,008	14,633	7,577	7,871
<b>Total long-term farm assets</b>	<b>477,205</b>	<b>555,552</b>	<b>524,319</b>	<b>581,648</b>	<b>463,360</b>	<b>527,845</b>
<b>Total Farm Assets</b>	<b>1,027,237</b>	<b>1,119,783</b>	<b>1,125,865</b>	<b>1,177,850</b>	<b>1,061,964</b>	<b>1,131,662</b>
<b>Total Nonfarm Assets</b>	<b>69,589</b>	<b>79,422</b>	<b>81,721</b>	<b>88,026</b>	<b>94,818</b>	<b>123,768</b>
<b>Total Assets</b>	<b>1,096,826</b>	<b>1,199,205</b>	<b>1,207,586</b>	<b>1,265,876</b>	<b>1,156,782</b>	<b>1,255,430</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	514	574	368	814	149	246
Accounts payable	7,355	7,244	16,780	11,361	2,570	3,006
Current notes	25,949	22,719	58,957	51,552	11,446	5,844
Government crop loans	0	0	0	0	0	0
Principal due on term debt	29,026	31,545	28,002	39,906	30,402	27,124
<b>Total current farm liabilities</b>	<b>62,844</b>	<b>62,082</b>	<b>104,107</b>	<b>103,633</b>	<b>44,568</b>	<b>36,220</b>
<b>Total intermediate farm liabs</b>	<b>74,110</b>	<b>97,634</b>	<b>73,302</b>	<b>94,746</b>	<b>68,321</b>	<b>65,259</b>
<b>Total long term farm liabilities</b>	<b>128,814</b>	<b>136,389</b>	<b>209,186</b>	<b>206,023</b>	<b>80,791</b>	<b>71,348</b>
<b>Total farm liabilities</b>	<b>265,768</b>	<b>296,105</b>	<b>386,595</b>	<b>404,401</b>	<b>193,680</b>	<b>172,827</b>
<b>Total nonfarm liabilities</b>	<b>2,243</b>	<b>6,909</b>	<b>812</b>	<b>4,703</b>	<b>4,770</b>	<b>19,364</b>
<b>Total liabs excluding deferreds</b>	<b>268,010</b>	<b>303,013</b>	<b>387,407</b>	<b>409,104</b>	<b>198,450</b>	<b>192,191</b>
<b>Total deferred liabilities</b>	<b>6,732</b>	<b>5,130</b>	<b>0</b>	<b>0</b>	<b>24,235</b>	<b>18,468</b>
<b>Total liabilities</b>	<b>274,742</b>	<b>308,143</b>	<b>387,407</b>	<b>409,104</b>	<b>222,684</b>	<b>210,659</b>
<b>Retained earnings</b>	<b>353,138</b>	<b>370,669</b>	<b>307,105</b>	<b>267,293</b>	<b>487,878</b>	<b>544,451</b>
<b>Market valuation equity</b>	<b>468,945</b>	<b>520,392</b>	<b>513,074</b>	<b>589,478</b>	<b>446,219</b>	<b>500,320</b>
<b>Net worth (farm and nonfarm)</b>	<b>822,084</b>	<b>891,061</b>	<b>820,179</b>	<b>856,771</b>	<b>934,097</b>	<b>1,044,771</b>
<b>Net worth excluding deferreds</b>	<b>828,816</b>	<b>896,191</b>	<b>820,179</b>	<b>856,771</b>	<b>958,332</b>	<b>1,063,239</b>
<b>Net worth change</b>	<b>68,978</b>	<b>36,592</b>	<b>110,674</b>			
<b>Ratio Analysis</b>						
Current farm liabilities / assets	52 %	53 %	73 %	84 %	32 %	28 %
Curr. & interm farm liab. / assets	25 %	28 %	29 %	33 %	19 %	17 %
Long term farm liab. / assets	27 %	25 %	40 %	35 %	17 %	14 %
Total debt to asset ratio	25 %	26 %	32 %	32 %	19 %	17 %
Debt to assets excl deferreds	24 %	25 %	32 %	32 %	17 %	15 %

Table 30

Statement Of Cash Flows  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Beginning cash (farm & nonfarm)	15,005	11,005	22,511
<b>Cash From Operating Activities</b>			
Gross cash farm income	335,733	319,504	394,929
Net nonfarm income	7,778	18,307	7,920
Total cash farm expense	-256,908	-278,953	-268,457
Apparent family living expense	-48,588	-35,941	-68,997
Income and social security tax	-3,394	-2,398	-5,990
Cash from operations	34,622	20,519	59,404
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	2,589	800	2,828
Sale of machinery & equipment	1,551	-	3,597
Sale of farm land	-	-	-
Sale of farm buildings	689	3,100	-
Sale of other farm assets	497	-	358
Sale of nonfarm assets	27	-	97
Purchase of breeding livestock	-5,286	-9,769	-665
Purchase of machinery & equip.	-39,688	-36,719	-39,349
Purchase of farm land	-12,600	-	-8,640
Purchase of farm buildings	-27,448	-2,847	-4,596
Purchase of other farm assets	-860	-533	-502
Purchase of nonfarm assets	-5,685	-5,238	-16,100
Cash from investing activities	-86,214	-51,207	-62,973
<b>Cash From Financing Activities</b>			
Money borrowed	105,876	90,302	86,600
Cash transfers in	12,708	1,448	-
Principal payments	-70,853	-63,632	-93,441
Dividends paid	-	-	-
Gifts given	-1,281	0	-400
Cash from financing activities	46,451	28,119	-7,241
Net change in cash balance	-5,141	-2,569	-10,810
Ending cash (farm & nonfarm)	9,864	8,435	11,701

Table 31

Financial Standards Measures  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Liquidity			
Current ratio	1.89	1.19	3.52
Working capital	55,116	19,619	91,131
Solvency (market)			
Farm debt to asset ratio	27 %	34 %	17 %
Farm equity to asset ratio	73 %	66 %	83 %
Farm debt to equity ratio	37 %	52 %	20 %
Profitability (cost)			
Rate of return on farm assets	2.3 %	-4.7 %	8.3 %
Rate of return on farm equity	-0.9 %	-22.7 %	9.1 %
Operating profit margin	5.2 %	-13.9 %	16.8 %
Net farm income	45,779	-23,466	102,053
Repayment Capacity			
Term debt coverage ratio	101 %	35 %	141 %
Capital replacement margin	352	-28,053	17,901
Efficiency			
Asset turnover rate (cost)	43.3 %	33.7 %	49.0 %
Operating expense ratio	71.9 %	81.1 %	67.1 %
Depreciation expense ratio	9.1 %	17.4 %	3.5 %
Interest expense ratio	5.2 %	9.2 %	2.8 %
Net farm income ratio	13.8 %	-7.8 %	26.5 %

Table 32

**Operator and Labor Information**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
<b>Operator Information</b>			
Average number of operators	1.5	1.5	1.6
<b>Results Per Operator</b>			
Working capital	37,437	13,079	56,957
Total assets (market)	814,554	843,917	784,644
Total liabilities	212,789	272,736	143,204
Net worth (market)	601,765	571,181	641,439
Net worth excl deferred liabs	605,249	571,181	652,982
Gross farm income	225,496	201,683	240,639
Total farm expense	194,401	217,327	176,856
Net farm income	31,095	-15,644	63,783
Net nonfarm income	5,283	12,205	4,950
Family living withdrawals	35,309	25,559	46,867
Total acres owned	238.3	225.3	229.8
Total crop acres	315.4	298.8	367.7
Crop acres owned	161.8	188.7	143.3
Crop acres cash rented	153.6	110.2	224.4
<b>Labor Analysis</b>			
Number of farms	36	8	10
Total unpaid labor hours	4,890	4,415	5,179
Total hired labor hours	3,140	2,890	2,641
Total labor hours per farm	8,030	7,305	7,820
Unpaid hours per operator	3,322	2,943	3,237
Value of farm production / hour	33.78	30.12	43.21
Net farm income / unpaid hour	9.36	-5.32	19.71
<b>Partnerships</b>			
Number of farms	10	2	4
Number of operators	2.4	-	-

Table 33

**Financial Summary**  
**Michigan Dairy Farms, 76 - 120.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
<b>Income Statement</b>			
Gross cash farm income	335,733	319,504	394,929
Total cash farm expense	256,908	278,953	268,457
Net cash farm income	78,826	40,551	126,471
Inventory change	-2,733	-11,348	-10,898
Depreciation and capital adjust	-30,314	-52,669	-13,520
Net farm income	45,779	-23,466	102,053
<b>Profitability (cost)</b>			
Labor and management earnings	24,883	-38,938	71,693
Rate of return on assets	2.3 %	-4.7 %	8.3 %
Rate of return on equity	-0.9 %	-22.7 %	9.1 %
Operating profit margin	5.2 %	-13.9 %	16.8 %
Asset turnover rate	43.3 %	33.7 %	49.0 %
<b>Profitability (market)</b>			
Labor and management earnings	40,826	8,727	73,635
Rate of return on assets	5.3 %	4.1 %	7.5 %
Rate of return on equity	5.0 %	2.5 %	8.0 %
Operating profit margin	20.8 %	21.3 %	24.3 %
Asset turnover rate	25.3 %	19.1 %	30.8 %
<b>Liquidity</b>			
Term debt coverage ratio	100.9 %	35.5 %	141.4 %
Expense as a percent of income	77.1 %	90.3 %	70.0 %
Interest as a percent of income	5.2 %	9.2 %	2.8 %
<b>Solvency (cost)</b>			
Number of farms	36	8	10
Ending farm assets	651,942	640,564	714,451
Ending farm liabilities	296,105	404,401	172,827
Ending total assets	673,683	676,397	736,642
Ending total liabilities	303,013	409,104	192,191
Ending net worth	370,669	267,293	544,451
Net worth change	17,531	-39,812	56,573
Ending farm debt to asset ratio	45 %	63 %	24 %
Beg total debt to asset ratio	43 %	56 %	29 %
End total debt to asset ratio	45 %	60 %	26 %
<b>Solvency (market)</b>			
Number of farms	36	8	10
Ending farm assets	1,119,783	1,177,850	1,131,662
Ending farm liabilities	301,325	404,401	191,618
Ending total assets	1,199,205	1,265,876	1,255,430
Ending total liabilities	308,143	409,104	210,659
Ending net worth	891,061	856,771	1,044,771
Net worth change	68,978	36,592	110,674
Ending farm debt to asset ratio	27 %	34 %	17 %
Beg total debt to asset ratio	25 %	32 %	19 %
End total debt to asset ratio	26 %	32 %	17 %
<b>Nonfarm Information</b>			
Net nonfarm income	7,778	18,307	7,920

Table 34

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
	<hr/>	<hr/>	<hr/>
DAIRY			
Number of farms	49	12	13
Average number of Cows	154	159	157
Milk produced per Cow, lbs.	20,376	19,448	23,325
Average milk price per cwt., \$	15.25	15.17	15.06
ACREAGE SUMMARY			
Total acres owned	353	318	416
Total crop acres	510	494	547
Crop acres owned	249	229	272
Crop acres cash rented	261	264	276
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Wheat, Winter per bushel	2.73	-	-
Soybeans per bushel	4.27	-	-
Corn per bushel	1.85	-	-

Table 35

Farm Income Statement  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
<b>Cash Farm Income</b>			
Asparagus	108	-	-
Cordwood	478	-	1,802
Corn	3,756	2,226	2
Corn Silage	456	-	-
Hay, Mixed	620	689	356
Haylage, Mixed	76	311	-
Oats	104	-	-
Soybeans	6,535	6,065	6,727
Straw	242	1	560
Wheat, Winter	2,982	1,166	1,509
Miscellaneous crop income	81	-	-
Beef, Finish Beef Calves	332	1,356	-
Dairy, Milk	475,432	466,333	549,854
Dairy, Dairy Calves	3,994	3,902	4,593
Dairy Replacement Heifers	465	1,535	83
Dairy Steers	8,961	11,363	8,249
Cull breeding livestock	22,744	21,872	24,374
Misc. livestock income	157	-	227
Government payments	22,453	17,455	21,186
Custom work income	1,190	294	1,365
Patronage dividends, cash	3,867	8,916	2,196
Insurance income	5,029	3,566	11,867
Other farm income	4,508	4,872	3,764
<b>Gross Cash Farm Income</b>	<b>564,571</b>	<b>551,922</b>	<b>638,714</b>

Table 36

**Farm Income Statement, continued**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
<b>Cash Farm Expense</b>			
Seed	9,955	8,684	8,657
Fertilizer	17,435	19,172	17,076
Crop chemicals	8,781	6,704	8,375
Crop insurance	652	8	222
Drying fuel	206	-	-
Crop marketing	751	621	794
Crop miscellaneous	312	100	583
Feeder livestock purchase	580	2,250	-
Purchased feed	119,201	141,619	143,909
Breeding fees	5,279	5,417	8,672
Veterinary	14,755	15,116	18,644
BST	2,725	2,886	3,881
Livestock supplies	24,313	23,472	29,055
DHIA	1,788	1,506	1,786
Livestock leases	650	2,656	-
Livestock marketing	22,271	20,090	24,612
Interest	26,696	30,366	26,775
Fuel & oil	13,646	13,284	12,770
Repairs	33,884	34,531	29,041
Custom hire	11,438	16,865	11,129
Hired labor	72,673	65,397	75,843
Land rent	18,372	14,898	16,048
Machinery & bldg leases	5,002	8,847	5,152
Real estate taxes	6,412	7,137	6,607
Farm insurance	5,613	6,750	5,971
Utilities	11,915	13,096	10,400
Dues & professional fees	3,846	4,838	5,679
Miscellaneous	7,415	7,201	6,625
Total cash expense	446,565	473,512	478,307
Net cash farm income	118,006	78,410	160,407
<b>Inventory Changes</b>			
Crops and feed	-1,924	-3,383	-96
Market livestock	92	-632	-86
Accounts receivable	194	-4,497	4,251
Prepaid expenses and supplies	951	-2,729	7,777
Accounts payable	3,955	-2,124	16,889
Total inventory change	3,267	-13,366	28,735
Net operating profit	121,273	65,044	189,143
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-5,828	-37,567	16,606
Machinery and equipment	-40,240	-27,408	-47,080
Buildings and improvements	-17,642	-22,295	-24,174
Other farm capital	2,708	143	6,997
Total depr. and other capital adj	-61,002	-87,128	-47,651
<b>Net farm income</b>	<b>\$ 60,272</b>	<b>\$-22,084</b>	<b>\$141,491</b>



Table 37

**Liquidity Measures**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Liquidity (cash)			
Net cash farm income	118,006	78,410	160,407
Net nonfarm income	6,228	8,303	5,330
Family living and taxes	55,205	42,467	63,649
Real estate principal payments	10,555	13,965	12,253
Cash available for interm. debt	58,475	30,281	89,835
Average intermediate debt	138,999	164,050	130,348
Years to turnover interm. debt	2.4	5.4	1.5
Expense as a % of income	79 %	86 %	75 %
Interest as a % of income	5 %	6 %	4 %
Liquidity (accrual)			
Total accrual farm income	562,932	543,409	642,784
Total accrual operating expense	441,658	478,365	453,641
Net accrual operating income	121,273	65,044	189,143
Net nonfarm income	6,228	8,303	5,330
Family living and taxes	55,205	42,467	63,649
Real estate principal payments	10,555	13,965	12,253
Available for intermediate debt	61,742	16,914	118,571
Average intermediate debt	138,999	164,050	130,348
Years to turnover interm. debt	2.3	9.7	1.1
Expense as a % of income	78 %	88 %	71 %
Interest as a % of income	5 %	6 %	4 %

Table 38

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
**(Farms Sorted By Net Farm Income)**

	Avg. Of All Farms		Low 25%		High 25%	
	49		12		13	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	16,203	15,681	23,550	16,107	15,272	14,079
Prepaid expenses & supplies	18,623	19,574	16,580	13,851	23,819	31,596
Growing crops	6,345	6,633	4,075	5,068	2,814	3,495
Accounts receivable	17,727	17,511	28,999	23,485	13,652	16,731
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	95,301	93,902	92,265	88,881	85,264	85,168
Crops under government loan	2,989	2,464	0	0	0	0
Market livestock held for sale	7,807	7,899	11,595	10,963	5,811	5,725
Other current assets	70	192	0	23	277	769
<b>Total current farm assets</b>	<b>165,066</b>	<b>163,856</b>	<b>177,064</b>	<b>158,378</b>	<b>146,909</b>	<b>157,563</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	331,210	331,366	368,617	348,806	333,326	352,526
Machinery and equipment	115,947	119,930	129,128	125,215	124,800	131,609
Other intermediate assets	23,816	24,709	83,861	87,316	4,661	4,648
<b>Total intermediate farm assets</b>	<b>470,973</b>	<b>476,004</b>	<b>581,605</b>	<b>561,337</b>	<b>462,787</b>	<b>488,783</b>
<b>Long Term Farm Assets</b>						
Farm land	140,801	143,806	60,401	59,665	161,558	161,535
Buildings and improvements	120,831	126,018	151,289	144,001	171,600	196,214
Other long-term assets	4,207	5,348	6,107	6,720	4,307	7,234
<b>Total long-term farm assets</b>	<b>265,839</b>	<b>275,172</b>	<b>217,797</b>	<b>210,385</b>	<b>337,466</b>	<b>364,983</b>
<b>Total Farm Assets</b>	<b>901,879</b>	<b>915,032</b>	<b>976,466</b>	<b>930,101</b>	<b>947,161</b>	<b>1,011,329</b>
<b>Total Nonfarm Assets</b>	<b>57,866</b>	<b>63,068</b>	<b>45,193</b>	<b>46,987</b>	<b>37,665</b>	<b>43,845</b>
<b>Total Assets</b>	<b>959,745</b>	<b>978,100</b>	<b>1,021,659</b>	<b>977,088</b>	<b>984,826</b>	<b>1,055,173</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,699	2,520	365	2,398	8	12
Accounts payable	14,515	9,739	13,475	13,566	22,752	5,858
Current notes	51,174	46,761	68,703	58,162	72,603	70,557
Government crop loans	2,983	2,458	0	0	0	0
Principal due on term debt	34,941	38,867	47,258	47,673	34,192	33,867
<b>Total current farm liabilities</b>	<b>105,312</b>	<b>100,345</b>	<b>129,801</b>	<b>121,798</b>	<b>129,554</b>	<b>110,294</b>
<b>Total intermediate farm liabs</b>	<b>113,732</b>	<b>111,634</b>	<b>130,478</b>	<b>131,865</b>	<b>103,190</b>	<b>112,867</b>
<b>Total long term farm liabilities</b>	<b>211,848</b>	<b>218,224</b>	<b>325,933</b>	<b>344,485</b>	<b>191,954</b>	<b>181,585</b>
<b>Total farm liabilities</b>	<b>430,892</b>	<b>430,204</b>	<b>586,212</b>	<b>598,148</b>	<b>424,698</b>	<b>404,746</b>
<b>Total nonfarm liabilities</b>	<b>2,164</b>	<b>2,281</b>	<b>1,470</b>	<b>970</b>	<b>4,231</b>	<b>4,231</b>
<b>Total liabilities</b>	<b>433,055</b>	<b>432,484</b>	<b>587,682</b>	<b>599,118</b>	<b>428,929</b>	<b>408,977</b>
<b>Net worth (farm and nonfarm)</b>	<b>526,690</b>	<b>545,616</b>	<b>433,977</b>	<b>377,970</b>	<b>555,898</b>	<b>646,197</b>
<b>Net worth change</b>		<b>18,926</b>		<b>-56,007</b>		<b>90,299</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	64 %	61 %	73 %	77 %	88 %	70 %
Curr. & interm farm liab. / assets	34 %	33 %	34 %	35 %	38 %	35 %
Long term farm liab. / assets	80 %	79 %	150 %	164 %	57 %	50 %
Total debt to asset ratio	45 %	44 %	58 %	61 %	44 %	39 %

Table 39

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
**(Farms Sorted By Net Farm Income)**

Number of farms	Avg. Of All Farms 49		Low 25% 12		High 25% 13	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	16,203	15,681	23,550	16,107	15,272	14,079
Prepaid expenses & supplies	18,623	19,574	16,580	13,851	23,819	31,596
Growing crops	6,345	6,633	4,075	5,068	2,814	3,495
Accounts receivable	17,727	17,511	28,999	23,485	13,652	16,731
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	95,301	93,902	92,265	88,881	85,264	85,168
Crops under government loan	2,989	2,464	0	0	0	0
Market livestock held for sale	7,807	7,899	11,595	10,963	5,811	5,725
Other current assets	70	192	0	23	277	769
<b>Total current farm assets</b>	<b>165,066</b>	<b>163,856</b>	<b>177,064</b>	<b>158,378</b>	<b>146,909</b>	<b>157,563</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	331,210	331,366	368,617	348,806	333,326	352,526
Machinery and equipment	305,758	314,674	265,921	275,091	293,184	290,843
Other intermediate assets	29,927	30,806	86,318	89,639	4,661	4,717
<b>Total intermediate farm assets</b>	<b>666,896</b>	<b>676,846</b>	<b>720,855</b>	<b>713,536</b>	<b>631,170</b>	<b>648,086</b>
<b>Long Term Farm Assets</b>						
Farm land	374,392	402,963	397,783	446,144	328,925	366,029
Buildings and improvements	137,146	154,142	184,581	193,288	192,613	230,909
Other long-term assets	4,173	13,794	6,274	6,886	4,307	39,174
<b>Total long-term farm assets</b>	<b>515,711</b>	<b>570,899</b>	<b>588,638</b>	<b>646,318</b>	<b>525,845</b>	<b>636,113</b>
<b>Total Farm Assets</b>	<b>1,347,673</b>	<b>1,411,601</b>	<b>1,486,556</b>	<b>1,518,232</b>	<b>1,303,925</b>	<b>1,441,761</b>
<b>Total Nonfarm Assets</b>	<b>125,028</b>	<b>147,543</b>	<b>122,378</b>	<b>130,036</b>	<b>50,511</b>	<b>95,528</b>
<b>Total Assets</b>	<b>1,472,701</b>	<b>1,559,144</b>	<b>1,608,934</b>	<b>1,648,268</b>	<b>1,354,436</b>	<b>1,537,289</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,699	2,520	365	2,398	8	12
Accounts payable	14,515	9,739	13,475	13,566	22,752	5,858
Current notes	51,174	46,761	68,703	58,162	72,603	70,557
Government crop loans	2,983	2,458	0	0	0	0
Principal due on term debt	34,941	38,867	47,258	47,673	34,192	33,867
<b>Total current farm liabilities</b>	<b>105,312</b>	<b>100,345</b>	<b>129,801</b>	<b>121,798</b>	<b>129,554</b>	<b>110,294</b>
<b>Total intermediate farm liabs</b>	<b>113,732</b>	<b>111,634</b>	<b>130,478</b>	<b>131,865</b>	<b>103,190</b>	<b>112,867</b>
<b>Total long term farm liabilities</b>	<b>211,848</b>	<b>218,224</b>	<b>325,933</b>	<b>344,485</b>	<b>191,954</b>	<b>181,585</b>
<b>Total farm liabilities</b>	<b>430,892</b>	<b>430,204</b>	<b>586,212</b>	<b>598,148</b>	<b>424,698</b>	<b>404,746</b>
<b>Total nonfarm liabilities</b>	<b>2,164</b>	<b>2,281</b>	<b>1,470</b>	<b>970</b>	<b>4,231</b>	<b>4,231</b>
<b>Total liabs excluding deferreds</b>	<b>433,055</b>	<b>432,484</b>	<b>587,682</b>	<b>599,118</b>	<b>428,929</b>	<b>408,977</b>
<b>Total deferred liabilities</b>	<b>5,588</b>	<b>5,694</b>	<b>22,816</b>	<b>23,250</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>438,643</b>	<b>438,178</b>	<b>610,498</b>	<b>622,368</b>	<b>428,929</b>	<b>408,977</b>
Retained earnings	526,690	545,616	433,977	377,970	555,898	646,197
Market valuation equity	507,368	575,350	564,460	647,930	369,609	482,116
<b>Net worth (farm and nonfarm)</b>	<b>1,034,058</b>	<b>1,120,966</b>	<b>998,437</b>	<b>1,025,900</b>	<b>925,507</b>	<b>1,128,313</b>
<b>Net worth excluding deferreds</b>	<b>1,039,646</b>	<b>1,126,660</b>	<b>1,021,252</b>	<b>1,049,150</b>	<b>925,507</b>	<b>1,128,313</b>
<b>Net worth change</b>		<b>86,908</b>		<b>27,464</b>		<b>202,806</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	64 %	61 %	73 %	77 %	88 %	70 %
Curr. & interm farm liab. / assets	26 %	25 %	29 %	29 %	30 %	28 %
Long term farm liab. / assets	41 %	38 %	55 %	53 %	37 %	29 %
Total debt to asset ratio	30 %	28 %	38 %	38 %	32 %	27 %
Debt to assets excl deferreds	29 %	28 %	37 %	36 %	32 %	27 %

Table 40

Statement Of Cash Flows  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Beginning cash (farm & nonfarm)	17,805	23,550	17,042
<b>Cash From Operating Activities</b>			
Gross cash farm income	564,571	551,922	638,714
Net nonfarm income	6,228	8,303	5,330
Total cash farm expense	-446,565	-473,512	-478,307
Apparent family living expense	-46,857	-40,085	-47,319
Income and social security tax	-8,348	-2,382	-16,329
Cash from operations	69,030	44,246	102,088
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	1,615	4,981	77
Sale of machinery & equipment	4,558	14,044	1,486
Sale of farm land	-	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	4,598	4,663	10,004
Sale of nonfarm assets	-	-	-
Purchase of breeding livestock	-7,598	-22,737	-2,671
Purchase of machinery & equip.	-48,780	-37,540	-55,375
Purchase of farm land	-816	-	-
Purchase of farm buildings	-22,829	-15,007	-48,788
Purchase of other farm assets	-3,925	-8,588	-5,921
Purchase of nonfarm assets	-687	-	-
Cash from investing activities	-73,864	-60,184	-101,188
<b>Cash From Financing Activities</b>			
Money borrowed	80,594	78,760	90,326
Cash transfers in	1,518	-	879
Principal payments	-77,142	-69,285	-93,389
Dividends paid	-	-	-
Gifts given	-638	-980	-1
Cash from financing activities	4,331	8,495	-2,185
Net change in cash balance	-503	-7,443	-1,285
Ending cash (farm & nonfarm)	17,302	16,107	15,757

Table 41

Financial Standards Measures  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
Liquidity			
Current ratio	1.63	1.30	1.43
Working capital	63,511	36,580	47,269
Solvency (market)			
Farm debt to asset ratio	31 %	41 %	28 %
Farm equity to asset ratio	69 %	59 %	72 %
Farm debt to equity ratio	45 %	69 %	39 %
Profitability (cost)			
Rate of return on farm assets	3.3 %	-4.2 %	11.0 %
Rate of return on farm equity	0.6 %	-20.1 %	14.3 %
Operating profit margin	6.9 %	-11.1 %	20.8 %
Net farm income	60,272	-22,084	141,491
Repayment Capacity			
Term debt coverage ratio	143 %	84 %	225 %
Capital replacement margin	23,940	-12,030	65,963
Efficiency			
Asset turnover rate (cost)	48.1 %	38.0 %	52.6 %
Operating expense ratio	73.6 %	82.1 %	66.4 %
Depreciation expense ratio	10.8 %	16.0 %	7.4 %
Interest expense ratio	4.9 %	6.0 %	4.2 %
Net farm income ratio	10.7 %	-4.1 %	22.0 %

Table 42

**Operator and Labor Information**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	49	12	13
<b>Operator Information</b>			
Average number of operators	1.6	1.6	1.5
<b>Results Per Operator</b>			
Working capital	39,145	22,511	32,342
Total assets (market)	960,982	1,014,319	1,051,830
Total liabilities	273,581	397,303	279,826
Net worth (market)	687,401	617,016	772,004
Net worth excl deferred liabs	690,910	631,323	772,004
Gross farm income	346,964	334,406	439,800
Total farm expense	309,816	347,996	342,990
Net farm income	37,149	-13,590	96,810
Net nonfarm income	3,839	5,110	3,647
Family living withdrawals	34,025	26,134	43,549
Total acres owned	217.5	195.5	284.4
Total crop acres	314.1	303.7	374.4
Crop acres owned	153.2	141.1	185.8
Crop acres cash rented	160.9	162.6	188.7
<b>Labor Analysis</b>			
Number of farms	49	12	13
Total unpaid labor hours	5,273	4,925	5,433
Total hired labor hours	6,515	6,293	6,287
Total labor hours per farm	11,788	11,218	11,720
Unpaid hours per operator	3,250	3,031	3,718
Value of farm production / hour	37.10	32.27	43.98
Net farm income / unpaid hour	11.43	-4.48	26.04
<b>Partnerships</b>			
Number of farms	14	3	3

Table 43

**Financial Summary**  
**Michigan Dairy Farms, 121 - 200.9 Cows, 2001**  
(Farms Sorted By Net Farm Income)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	49	12	13
<b>Income Statement</b>			
Gross cash farm income	564,571	551,922	638,714
Total cash farm expense	446,565	473,512	478,307
Net cash farm income	118,006	78,410	160,407
Inventory change	3,267	-13,366	28,735
Depreciation and capital adjust	-61,002	-87,128	-47,651
Net farm income	60,272	-22,084	141,491
<b>Profitability (cost)</b>			
Labor and management earnings	31,423	-44,285	107,620
Rate of return on assets	3.3 %	-4.2 %	11.0 %
Rate of return on equity	0.6 %	-20.1 %	14.3 %
Operating profit margin	6.9 %	-11.1 %	20.8 %
Asset turnover rate	48.1 %	38.0 %	52.6 %
<b>Profitability (market)</b>			
Labor and management earnings	54,273	2,047	157,674
Rate of return on assets	5.9 %	2.5 %	13.2 %
Rate of return on equity	5.7 %	0.6 %	16.1 %
Operating profit margin	18.5 %	10.3 %	35.1 %
Asset turnover rate	31.7 %	24.1 %	37.5 %
<b>Liquidity</b>			
Term debt coverage ratio	143.1 %	84.2 %	225.4 %
Expense as a percent of income	78.5 %	88.0 %	70.6 %
Interest as a percent of income	4.9 %	6.0 %	4.2 %
<b>Solvency (cost)</b>			
Number of farms	49	12	13
Ending farm assets	915,032	930,101	1,011,329
Ending farm liabilities	430,204	598,148	404,746
Ending total assets	978,100	977,088	1,055,173
Ending total liabilities	432,484	599,118	408,977
Ending net worth	545,616	377,970	646,197
Net worth change	18,926	-56,007	90,299
Ending farm debt to asset ratio	47 %	64 %	40 %
Beg total debt to asset ratio	45 %	58 %	44 %
End total debt to asset ratio	44 %	61 %	39 %
<b>Solvency (market)</b>			
Number of farms	49	12	13
Ending farm assets	1,411,601	1,518,232	1,441,761
Ending farm liabilities	434,898	617,315	404,746
Ending total assets	1,559,144	1,648,268	1,537,289
Ending total liabilities	438,178	622,368	408,977
Ending net worth	1,120,966	1,025,900	1,128,313
Net worth change	86,908	27,464	202,806
Ending farm debt to asset ratio	31 %	41 %	28 %
Beg total debt to asset ratio	30 %	38 %	32 %
End total debt to asset ratio	28 %	38 %	27 %
<b>Nonfarm Information</b>			
Net nonfarm income	6,228	8,303	5,330

Table 44

**Livestock And Crop Production Summary**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Average Of All Farms	Average Of Low 25 %	Average Of High 25 %
	<hr/>	<hr/>	<hr/>
DAIRY			
Number of farms	44	10	12
Average number of Cows	386	280	601
Milk produced per Cow, lbs.	22,355	20,425	24,234
Average milk price per cwt., \$	15.17	14.99	15.21
ACREAGE SUMMARY			
Total acres owned	816	886	717
Total crop acres	1,075	1,316	1,041
Crop acres owned	696	830	651
Crop acres cash rented	380	486	391
AVERAGE PRICE RECEIVED (Cash Sales Only)			
Wheat, Winter per bushel	2.32	-	-
Corn per bushel	1.91	-	-
Soybeans per bushel	4.44	-	-



Table 45

**Farm Income Statement**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
<b>Cash Farm Income</b>			
Beans, Light Red Kidney	1,514	-	-
Beans, Navy	2,133	-	-
Cordwood	772	-	-
Corn	10,611	4,391	11,365
Corn Silage	1,743	7,488	-
Hay, Mixed	515	702	52
Haylage, Alfalfa	671	-	2,459
Haylage, Mixed	1,492	993	1,015
Oats	199	-	-
Soybeans	14,270	36,958	3,546
Straw	272	896	-
Sugar Beets	3,239	-	-
Wheat, Soft Red Winter	466	-	-
Wheat, Winter	4,158	5,444	2,105
Miscellaneous crop income	152	-	-
Beef Cow-Calf, Beef Calves	208	-	-
Beef, Background Beef	5,470	24,068	-
Dairy, Milk	1,312,329	854,000	2,145,268
Dairy, Dairy Calves	11,385	6,297	24,012
Dairy Heifers (for sale)	272	-	-
Dairy Replacement Heifers	552	-	874
Dairy Steers	14,225	24,584	6,675
Sheep, Market Lambs, Mkt Lambs	131	-	-
Cull breeding livestock	52,821	43,786	82,385
Misc. livestock income	892	-	115
Government payments	43,475	56,332	41,083
Custom work income	10,516	31,755	4,243
Patronage dividends, cash	12,435	6,945	15,798
Insurance income	7,872	14,206	4,533
Other farm income	9,943	9,013	12,825
<b>Gross Cash Farm Income</b>	<b>1,524,731</b>	<b>1,127,855</b>	<b>2,358,352</b>

Table 46

Farm Income Statement, continued  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
<b>Cash Farm Expense</b>			
Seed	25,344	26,224	25,838
Fertilizer	34,543	47,056	35,897
Crop chemicals	23,081	15,777	32,119
Crop insurance	1,223	1,136	1,535
Irrigation energy	214	-	-
Crop marketing	1,163	208	3,042
Crop miscellaneous	2,207	8,204	179
Feeder livestock purchase	6,165	27,066	-
Purchased feed	326,084	211,215	527,305
Breeding fees	10,627	4,807	17,862
Veterinary	42,662	31,064	54,085
BST	14,850	12,279	27,628
Livestock supplies	63,744	47,713	103,985
DHIA	3,425	2,096	4,610
Livestock leases	1,859	-	1,345
Livestock marketing	51,482	37,250	74,541
Interest	71,494	73,912	96,999
Fuel & oil	29,646	29,538	33,265
Repairs	82,406	67,508	95,601
Custom hire	47,395	26,482	55,419
Hired labor	236,772	151,786	350,035
Land rent	45,472	40,087	60,073
Machinery & bldg leases	17,494	26,073	16,721
Real estate taxes	12,713	16,810	14,878
Farm insurance	11,984	17,356	11,682
Utilities	26,267	21,291	34,243
Dues & professional fees	5,535	6,853	9,080
Miscellaneous	23,582	20,672	25,267
Total cash expense	1,219,432	970,464	1,713,233
Net cash farm income	305,298	157,391	645,119
<b>Inventory Changes</b>			
Crops and feed	9,570	-38,690	38,162
Market livestock	-1,685	-5,917	3,474
Accounts receivable	9,626	3,086	20,789
Prepaid expenses and supplies	2,210	-20,892	25,622
Accounts payable	86	-11,914	1,003
Total inventory change	19,807	-74,327	89,049
Net operating profit	325,106	83,063	734,168
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-19,133	-44,548	-41,201
Machinery and equipment	-76,468	-77,315	-103,487
Buildings and improvements	-47,020	-27,592	-68,202
Other farm capital	5,736	2,443	13,570
Total depr. and other capital adj	-136,885	-147,013	-199,320
<b>Net farm income</b>	<b>\$188,220</b>	<b>\$-63,950</b>	<b>\$534,848</b>

Table 47

**Liquidity Measures**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
<b>Liquidity (cash)</b>			
Net cash farm income	305,298	157,391	645,119
Net nonfarm income	636	4,155	-23,378
Family living and taxes	126,358	51,701	277,345
Real estate principal payments	33,750	26,591	57,539
Cash available for interm. debt	145,826	83,254	286,857
Average intermediate debt	361,436	389,446	464,979
Years to turnover interm. debt	2.5	4.7	1.6
Expense as a % of income	80 %	86 %	73 %
Interest as a % of income	5 %	7 %	4 %
<b>Liquidity (accrual)</b>			
Total accrual farm income	1,542,242	1,086,333	2,420,776
Total accrual operating expense	1,217,136	1,003,270	1,686,608
Net accrual operating income	325,106	83,063	734,168
Net nonfarm income	636	4,155	-23,378
Family living and taxes	126,358	51,701	277,345
Real estate principal payments	33,750	26,591	57,539
Available for intermediate debt	165,633	8,926	375,906
Average intermediate debt	361,436	389,446	464,979
Years to turnover interm. debt	2.2	43.6	1.2
Expense as a % of income	79 %	92 %	70 %
Interest as a % of income	5 %	7 %	4 %

Table 48

**Balance Sheet at Cost Values**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms		Low 25%		High 25%	
	44		10		12	
Number of farms	44		10		12	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	29,018	44,827	19,271	9,605	65,257	117,202
Prepaid expenses & supplies	88,060	90,270	27,159	6,267	196,884	222,506
Growing crops	12,627	13,442	6,105	6,643	9,245	13,647
Accounts receivable	43,028	57,290	24,740	41,598	83,893	108,289
Hedging accounts	0	309	0	287	0	587
Crops held for sale or feed	253,230	256,136	254,707	216,017	288,949	327,111
Crops under government loan	0	6,664	0	0	0	0
Market livestock held for sale	20,589	18,904	53,246	47,329	4,127	7,601
Other current assets	13,708	7,948	28,675	14,077	8,596	0
<b>Total current farm assets</b>	<b>460,260</b>	<b>495,790</b>	<b>413,902</b>	<b>341,823</b>	<b>656,951</b>	<b>796,943</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	681,603	739,625	567,432	623,603	938,315	994,515
Machinery and equipment	288,374	313,193	285,649	289,245	386,249	432,059
Other intermediate assets	57,153	66,953	32,164	33,932	53,969	89,513
<b>Total intermediate farm assets</b>	<b>1,027,129</b>	<b>1,119,771</b>	<b>885,245</b>	<b>946,780</b>	<b>1,378,533</b>	<b>1,516,088</b>
<b>Long Term Farm Assets</b>						
Farm land	313,807	317,868	337,028	347,613	361,358	361,358
Buildings and improvements	312,176	345,709	187,824	250,274	503,515	495,303
Other long-term assets	9,340	10,914	2,762	4,085	14,762	18,094
<b>Total long-term farm assets</b>	<b>635,323</b>	<b>674,492</b>	<b>527,614</b>	<b>601,972</b>	<b>879,635</b>	<b>874,754</b>
<b>Total Farm Assets</b>	<b>2,122,712</b>	<b>2,290,052</b>	<b>1,826,761</b>	<b>1,890,574</b>	<b>2,915,119</b>	<b>3,187,785</b>
<b>Total Nonfarm Assets</b>	<b>113,469</b>	<b>123,362</b>	<b>44,592</b>	<b>35,460</b>	<b>110,016</b>	<b>126,788</b>
<b>Total Assets</b>	<b>2,236,181</b>	<b>2,413,415</b>	<b>1,871,353</b>	<b>1,926,034</b>	<b>3,025,136</b>	<b>3,314,573</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	2,134	1,384	4,752	2,579	211	253
Accounts payable	21,537	22,201	25,285	39,372	21,017	19,972
Current notes	107,635	86,241	180,562	150,824	53,452	55,466
Government crop loans	0	6,664	0	0	0	0
Principal due on term debt	91,771	103,939	86,075	128,822	135,679	131,953
<b>Total current farm liabilities</b>	<b>223,078</b>	<b>220,429</b>	<b>296,674</b>	<b>321,597</b>	<b>210,359</b>	<b>207,644</b>
<b>Total intermediate farm liabs</b>	<b>253,035</b>	<b>345,899</b>	<b>270,749</b>	<b>353,448</b>	<b>354,949</b>	<b>436,352</b>
<b>Total long term farm liabilities</b>	<b>527,100</b>	<b>531,068</b>	<b>607,947</b>	<b>625,775</b>	<b>725,799</b>	<b>674,712</b>
<b>Total farm liabilities</b>	<b>1,003,213</b>	<b>1,097,396</b>	<b>1,175,369</b>	<b>1,300,819</b>	<b>1,291,107</b>	<b>1,318,708</b>
<b>Total nonfarm liabilities</b>	<b>6,661</b>	<b>13,551</b>	<b>628</b>	<b>3,090</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>1,009,874</b>	<b>1,110,947</b>	<b>1,175,998</b>	<b>1,303,909</b>	<b>1,291,107</b>	<b>1,318,708</b>
<b>Net worth (farm and nonfarm)</b>	<b>1,226,307</b>	<b>1,302,468</b>	<b>695,356</b>	<b>622,125</b>	<b>1,734,029</b>	<b>1,995,865</b>
<b>Net worth change</b>		<b>76,161</b>		<b>-73,231</b>		<b>261,836</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	48 %	44 %	72 %	94 %	32 %	26 %
Curr. & interm farm liab. / assets	32 %	35 %	44 %	52 %	28 %	28 %
Long term farm liab. / assets	83 %	79 %	115 %	104 %	83 %	77 %
Total debt to asset ratio	45 %	46 %	63 %	68 %	43 %	40 %

Table 49

**Balance Sheet at Market Values**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

Number of farms	Avg. Of All Farms 44		Low 25% 10		High 25% 12	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	29,018	44,827	19,271	9,605	65,257	117,202
Prepaid expenses & supplies	88,060	90,270	27,159	6,267	196,884	222,506
Growing crops	12,627	13,442	6,105	6,643	9,245	13,647
Accounts receivable	43,028	57,290	24,740	41,598	83,893	108,289
Hedging accounts	0	309	0	287	0	587
Crops held for sale or feed	253,230	256,136	254,707	216,017	288,949	327,111
Crops under government loan	0	6,664	0	0	0	0
Market livestock held for sale	20,589	18,904	53,246	47,329	4,127	7,601
Other current assets	13,708	7,948	28,675	14,077	8,596	0
<b>Total current farm assets</b>	<b>460,260</b>	<b>495,790</b>	<b>413,902</b>	<b>341,823</b>	<b>656,951</b>	<b>796,943</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	722,841	792,619	567,432	623,528	1,089,444	1,180,182
Machinery and equipment	479,994	529,344	545,369	548,032	558,817	633,461
Other intermediate assets	65,186	75,077	32,164	33,932	54,012	89,556
<b>Total intermediate farm assets</b>	<b>1,268,021</b>	<b>1,397,040</b>	<b>1,144,965</b>	<b>1,205,491</b>	<b>1,702,273</b>	<b>1,903,198</b>
<b>Long Term Farm Assets</b>						
Farm land	811,086	884,809	922,755	1,048,067	899,465	999,723
Buildings and improvements	382,637	415,316	297,630	353,386	644,926	630,939
Other long-term assets	9,769	14,916	2,762	4,085	16,471	32,767
<b>Total long-term farm assets</b>	<b>1,203,492</b>	<b>1,315,041</b>	<b>1,223,146</b>	<b>1,405,538</b>	<b>1,560,861</b>	<b>1,663,428</b>
<b>Total Farm Assets</b>	<b>2,931,773</b>	<b>3,207,871</b>	<b>2,782,013</b>	<b>2,952,852</b>	<b>3,920,085</b>	<b>4,363,569</b>
<b>Total Nonfarm Assets</b>	<b>162,177</b>	<b>176,434</b>	<b>48,426</b>	<b>49,294</b>	<b>111,671</b>	<b>124,773</b>
<b>Total Assets</b>	<b>3,093,950</b>	<b>3,384,305</b>	<b>2,830,439</b>	<b>3,002,146</b>	<b>4,031,756</b>	<b>4,488,342</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	2,134	1,384	4,752	2,579	211	253
Accounts payable	21,537	22,201	25,285	39,372	21,017	19,972
Current notes	107,635	86,241	180,562	150,824	53,452	55,466
Government crop loans	0	6,664	0	0	0	0
Principal due on term debt	91,771	103,939	86,075	128,822	135,679	131,953
<b>Total current farm liabilities</b>	<b>223,078</b>	<b>220,429</b>	<b>296,674</b>	<b>321,597</b>	<b>210,359</b>	<b>207,644</b>
<b>Total intermediate farm liabs</b>	<b>253,035</b>	<b>345,899</b>	<b>270,749</b>	<b>353,448</b>	<b>354,949</b>	<b>436,352</b>
<b>Total long term farm liabilities</b>	<b>527,100</b>	<b>531,068</b>	<b>607,947</b>	<b>625,775</b>	<b>725,799</b>	<b>674,712</b>
<b>Total farm liabilities</b>	<b>1,003,213</b>	<b>1,097,396</b>	<b>1,175,369</b>	<b>1,300,819</b>	<b>1,291,107</b>	<b>1,318,708</b>
<b>Total nonfarm liabilities</b>	<b>6,661</b>	<b>13,551</b>	<b>628</b>	<b>3,090</b>	<b>0</b>	<b>0</b>
<b>Total liabs excluding deferreds</b>	<b>1,009,874</b>	<b>1,110,947</b>	<b>1,175,998</b>	<b>1,303,909</b>	<b>1,291,107</b>	<b>1,318,708</b>
<b>Total deferred liabilities</b>	<b>15,491</b>	<b>16,471</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>1,025,365</b>	<b>1,127,419</b>	<b>1,175,998</b>	<b>1,303,909</b>	<b>1,291,107</b>	<b>1,318,708</b>
<b>Retained earnings</b>	<b>1,226,307</b>	<b>1,302,468</b>	<b>695,356</b>	<b>622,125</b>	<b>1,734,029</b>	<b>1,995,865</b>
<b>Market valuation equity</b>	<b>842,278</b>	<b>954,419</b>	<b>959,086</b>	<b>1,076,112</b>	<b>1,006,620</b>	<b>1,173,769</b>
<b>Net worth (farm and nonfarm)</b>	<b>2,068,585</b>	<b>2,256,886</b>	<b>1,654,441</b>	<b>1,698,237</b>	<b>2,740,649</b>	<b>3,169,634</b>
<b>Net worth excluding deferreds</b>	<b>2,084,076</b>	<b>2,273,358</b>	<b>1,654,441</b>	<b>1,698,237</b>	<b>2,740,649</b>	<b>3,169,634</b>
<b>Net worth change</b>	<b>188,301</b>	<b>43,796</b>	<b>43,796</b>	<b>428,985</b>		
<b>Ratio Analysis</b>						
Current farm liabilities / assets	48 %	44 %	72 %	94 %	32 %	26 %
Curr. & interm farm liab. / assets	28 %	30 %	36 %	44 %	24 %	24 %
Long term farm liab. / assets	44 %	40 %	50 %	45 %	46 %	41 %
Total debt to asset ratio	33 %	33 %	42 %	43 %	32 %	29 %
Debt to assets excl deferreds	33 %	33 %	42 %	43 %	32 %	29 %

Table 50

**Statement Of Cash Flows**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Beginning cash (farm & nonfarm)	29,650	19,271	66,107
<b>Cash From Operating Activities</b>			
Gross cash farm income	1,524,731	1,127,855	2,358,352
Net nonfarm income	636	4,155	-23,378
Total cash farm expense	-1,219,432	-970,464	-1,713,233
Apparent family living expense	-123,249	-52,166	-271,785
Income and social security tax	-3,109	465	-5,560
Cash from operations	179,576	109,844	344,396
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	12,112	1,452	22,639
Sale of machinery & equipment	3,583	3,245	1,824
Sale of farm land	2,342	-	-
Sale of farm buildings	5	20	-
Sale of other farm assets	20,925	4,377	52,921
Sale of nonfarm assets	3,434	11,302	-
Purchase of breeding livestock	-89,267	-102,172	-120,041
Purchase of machinery & equip.	-104,870	-84,156	-151,121
Purchase of farm land	-5,092	-5,200	-200
Purchase of farm buildings	-80,557	-90,062	-59,989
Purchase of other farm assets	-26,564	-5,025	-78,227
Purchase of nonfarm assets	-10,158	-3,019	-1,689
Cash from investing activities	-274,109	-269,238	-333,883
<b>Cash From Financing Activities</b>			
Money borrowed	418,573	453,224	330,986
Cash transfers in	14,016	33,731	12,865
Principal payments	-317,763	-337,227	-302,382
Dividends paid	-	-	-
Gifts given	-4,884	-	-36
Cash from financing activities	109,942	149,728	41,433
Net change in cash balance	15,409	-9,666	51,945
Ending cash (farm & nonfarm)	45,059	9,605	118,052

Table 51

**Financial Standards Measures**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Liquidity			
Current ratio	2.25	1.06	3.84
Working capital	275,361	20,226	589,299
Solvency (market)			
Farm debt to asset ratio	35 %	44 %	30 %
Farm equity to asset ratio	65 %	56 %	70 %
Farm debt to equity ratio	53 %	79 %	43 %
Profitability (cost)			
Rate of return on farm assets	7.8 %	-4.0 %	17.2 %
Rate of return on farm equity	8.8 %	-23.5 %	24.6 %
Operating profit margin	14.5 %	-9.3 %	28.4 %
Net farm income	188,220	-63,950	534,848
Repayment Capacity			
Term debt coverage ratio	165 %	46 %	222 %
Capital replacement margin	89,993	-63,239	243,730
Efficiency			
Asset turnover rate (cost)	54.0 %	43.2 %	60.7 %
Operating expense ratio	74.3 %	85.8 %	65.7 %
Depreciation expense ratio	8.9 %	13.5 %	8.2 %
Interest expense ratio	4.6 %	6.6 %	4.0 %
Net farm income ratio	12.2 %	-5.9 %	22.1 %

Table 52

**Operator and Labor Information**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	44	10	12
Operator Information			
Average number of operators	1.9	1.7	2.2
Results Per Operator			
Working capital	142,540	11,898	271,984
Total assets (market)	1,751,875	1,765,968	2,071,542
Total liabilities	592,131	767,005	608,634
Net worth (market)	1,159,744	998,963	1,462,908
Net worth excl deferred liabs	1,168,271	998,963	1,462,908
Gross farm income	798,337	639,019	1,117,281
Total farm expense	700,905	676,637	870,428
Net farm income	97,432	-37,617	246,853
Net nonfarm income	329	2,444	-10,790
Family living withdrawals	65,409	30,412	128,005
Total acres owned	422.3	521.4	330.9
Total crop acres	556.7	773.9	480.7
Crop acres owned	360.2	488.2	300.2
Crop acres cash rented	196.5	285.7	180.4
Labor Analysis			
Number of farms	43	10	11
Total unpaid labor hours	5,974	6,058	6,661
Total hired labor hours	17,497	13,574	22,983
Total labor hours per farm	23,472	19,632	29,644
Unpaid hours per operator	3,095	3,564	3,053
Value of farm production / hour	49.80	40.93	61.61
Net farm income / unpaid hour	31.40	-10.56	84.64
Partnerships			
Number of farms	22	5	9
Number of operators	2.4	-	2.3



Table 53

**Financial Summary**  
**Michigan Dairy Farms, Over 200 Cows, 2001**  
(Farms sorted by Net Farm Income)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	44	10	12
<b>Income Statement</b>			
Gross cash farm income	1,524,731	1,127,855	2,358,352
Total cash farm expense	1,219,432	970,464	1,713,233
Net cash farm income	305,298	157,391	645,119
Inventory change	19,807	-74,327	89,049
Depreciation and capital adjust	-136,885	-147,013	-199,320
Net farm income	188,220	-63,950	534,848
<b>Profitability (cost)</b>			
Labor and management earnings	118,651	-102,087	430,056
Rate of return on assets	7.8 %	-4.0 %	17.2 %
Rate of return on equity	8.8 %	-23.5 %	24.6 %
Operating profit margin	14.5 %	-9.3 %	28.4 %
Asset turnover rate	54.0 %	43.2 %	60.7 %
<b>Profitability (market)</b>			
Labor and management earnings	175,788	-54,684	535,452
Rate of return on assets	9.1 %	1.1 %	16.8 %
Rate of return on equity	10.5 %	-2.4 %	21.1 %
Operating profit margin	23.6 %	4.1 %	37.6 %
Asset turnover rate	38.8 %	28.0 %	44.7 %
<b>Liquidity</b>			
Term debt coverage ratio	164.7 %	45.8 %	222.2 %
Expense as a percent of income	78.9 %	92.4 %	69.7 %
Interest as a percent of income	4.6 %	6.6 %	4.0 %
<b>Solvency (cost)</b>			
Number of farms	44	10	12
Ending farm assets	2,290,052	1,890,574	3,187,785
Ending farm liabilities	1,097,396	1,300,819	1,318,708
Ending total assets	2,413,415	1,926,034	3,314,573
Ending total liabilities	1,110,947	1,303,909	1,318,708
Ending net worth	1,302,468	622,125	1,995,865
Net worth change	76,161	-73,231	261,836
Ending farm debt to asset ratio	48 %	69 %	41 %
Beg total debt to asset ratio	45 %	63 %	43 %
End total debt to asset ratio	46 %	68 %	40 %
<b>Solvency (market)</b>			
Number of farms	44	10	12
Ending farm assets	3,207,871	2,952,852	4,363,569
Ending farm liabilities	1,113,874	1,300,819	1,318,708
Ending total assets	3,384,305	3,002,146	4,488,342
Ending total liabilities	1,127,419	1,303,909	1,318,708
Ending net worth	2,256,886	1,698,237	3,169,634
Net worth change	188,301	43,796	428,985
Ending farm debt to asset ratio	35 %	44 %	30 %
Beg total debt to asset ratio	33 %	42 %	32 %
End total debt to asset ratio	33 %	43 %	29 %
<b>Nonfarm Information</b>			
Net nonfarm income	636	4,155	-23,378

## Per Unit Income and Expense

Table 54 gives the per cow or per acre cash income, cash expense and depreciation for 130 of the 158 dairy farms. The other 28 farms either did not report any crop acres harvested, or purchased all their feed. The 130 farms had an average of 729 acres. These included owned acres plus land cash and share rented.

Table 54. Average Income and Expense Items, Michigan, 2001			
Per Cow and Per Acre, Dairy Farms			
Number of Cows	196		Your
Total Crop Acres	729		Farm
<b>Income Items per Cow:</b>			
Milk sold		\$3,208	_____
Cull cows, bulls		150	_____
Dairy steers		52	_____
Dairy calves		32	_____
Government		126	_____
Other cash income		244	_____
<b>Expense Items per Cow:</b>			
Purchased feed		\$788	_____
Breeding fees		28	_____
Veterinary		99	_____
BST		28	_____
Livestock supplies		157	_____
DHIA		10	_____
Milk and livestock mktg		134	_____
Interest		182	_____
Fuel and oil		83	_____
Repairs		211	_____
Custom hire		106	_____
Hired labor		531	_____
Leases		44	_____
Real estate taxes		37	_____
Farm insurance		36	_____
Utilities		74	_____
Dues, prof. fees		17	_____
Miscellaneous		57	_____
Machinery depreciation		230	_____
Building depreciation		106	_____
<b>Expense Items per Crop Acre:</b>			
Seed		\$18.43	_____
Fertilizer		28.54	_____
Crop chemicals		16.88	_____
Crop insurance		0.77	_____
Drying fuel		0.20	_____
Crop miscellaneous		2.32	_____
Land rent		31.79	_____