DAIRY FARMS IN MICHIGAN’S U. P., 1998

Michigan Data from Telfarm/MicroTel, and Farm Credit Services
Staff Paper No. 99-36, 15 pages
by
Sherrill B. Nott

Introduction
The body of this report is organized as follows:
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   C. Worksheet for per unit costs
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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 U.P. dairy farmers enrolled in the Telfarm/MicroTel record program through Michigan State University Extension, or were accounting clients of Farm Credit Services. Farm records were included if a Finan summary was

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1 Professor and Farm Management Specialist; phone 517-353-4522 or nott@msu.edu. Co-workers in the Telfarm/MicroTel project were R. Betz, L. Borton, R. Clark, S. Harsh, M. Kelsey, G. Kole, T. Purdy, W. Schauer, G. Schwab, D. Stein, and V. Varner with the assistance of Michigan State University Extension Agents. Farm Credit Services of Wisconsin co-worker was Steve Zimmerman.

2 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.

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completed on 1998 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 16 farms was $88,735; the standard deviation of the mean was $71,174 and the median was $88,237. The unweighted mean of acres cropped (owned plus rented) on the 10 farms that reported crops and yields was 656.1 acres; the standard deviation of the mean was 453 acres and the median was 576 acres. The unweighted mean of milk sold per cow for the 16 farms was 18,241 lbs.; the standard deviation of the mean was 2,774 lbs. and the median was 19,097 lbs.

This report has two purposes: 1) to provide statistical information about the financial results on U.P. dairy farms during 1998; and 2) to provide production costs for comparative analysis and forward planning.

Finansum allows rapid analysis of group averages with some degree of choice over how the results are presented. I prefer to show the average of the high or low 25 percent by net income, but only if the 25 percent means 6 or more farms. In order to get at least 6 farms, I increased the percentage to 38 for the U. P. dairy farms. The farm was accepted in the average regardless of whether the farm was a proprietorship, partnership, limited liability company, or corporation. Finansum will produce a variety of report options; I included a subset in this publication.

The farms included in the averages below were not a random sample. They kept their financial records on a supervised system and received a variety of off-farm management help. The averages may be representative of bigger and better managed U. P. dairy farms.

This document may be found and downloaded from the following:

http://www.msu.edu/user/nott
<table>
<thead>
<tr>
<th>DAIRY</th>
<th>Average Of All Farms</th>
<th>Average Of Low 38 %</th>
<th>Average Of High 38 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of farms</td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Avg. number of Cows</td>
<td>115.3</td>
<td>82.1</td>
<td>164.1</td>
</tr>
<tr>
<td>Milk produced per Cow</td>
<td>18,813</td>
<td>19,550</td>
<td>18,744</td>
</tr>
<tr>
<td>Percent of barn capacity</td>
<td>110.8</td>
<td>95.6</td>
<td>122.8</td>
</tr>
<tr>
<td>Avg. milk price per cwt.</td>
<td>15.32</td>
<td>15.20</td>
<td>15.38</td>
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</table>

<table>
<thead>
<tr>
<th>ACREAGE SUMMARY</th>
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<tbody>
<tr>
<td>Total Crop Acres</td>
<td>410</td>
<td>395</td>
<td>497</td>
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<tr>
<td>Crop Acres Owned</td>
<td>271</td>
<td>263</td>
<td>347</td>
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<tr>
<td>Crop Acres Cash Rented</td>
<td>139</td>
<td>132</td>
<td>150</td>
</tr>
<tr>
<td>Crop Acres Share Rented</td>
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<table>
<thead>
<tr>
<th>AVERAGE YIELD PER ACRE</th>
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</thead>
<tbody>
<tr>
<td>Hay, Alfalfa (ton)</td>
<td>3.12</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Haylage, Mixed (ton)</td>
<td>6.93</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corn (bu.)</td>
<td>89.26</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corn Silage (ton)</td>
<td>8.69</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Barley (bu.)</td>
<td>47.50</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hay, Native Grass (ton)</td>
<td>1.12</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Oatlage (ton)</td>
<td>4.00</td>
<td>-</td>
<td>-</td>
</tr>
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</table>
Table 2

FARM INCOME STATEMENT, 1998
Dairy Farms in Michigan's U. P.
(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th></th>
<th>Average Of All Farms</th>
<th>Average Of Low 38%</th>
<th>Average Of High 38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farms</td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>CASH FARM INCOME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cordwood</td>
<td>391</td>
<td>296</td>
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<tr>
<td>Corn</td>
<td>1358</td>
<td>547</td>
<td>2643</td>
</tr>
<tr>
<td>Mixed Hay</td>
<td>1774</td>
<td>343</td>
<td>2419</td>
</tr>
<tr>
<td>Mixed Haylage</td>
<td>467</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Potatoes</td>
<td>53</td>
<td>140</td>
<td>-</td>
</tr>
<tr>
<td>Background Beef</td>
<td>4200</td>
<td>-</td>
<td>8804</td>
</tr>
<tr>
<td>Milk</td>
<td>332508</td>
<td>243971</td>
<td>472944</td>
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<tr>
<td>Dairy Calves</td>
<td>1285</td>
<td>1321</td>
<td>1374</td>
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<tr>
<td>Dairy Heifers (for sale)</td>
<td>131</td>
<td>350</td>
<td>-</td>
</tr>
<tr>
<td>Dairy Steers</td>
<td>10025</td>
<td>19019</td>
<td>6592</td>
</tr>
<tr>
<td>Cull breeding livestock</td>
<td>12984</td>
<td>15016</td>
<td>15040</td>
</tr>
<tr>
<td>CRP payments</td>
<td>1048</td>
<td>-</td>
<td>2794</td>
</tr>
<tr>
<td>Other government payments</td>
<td>9380</td>
<td>7692</td>
<td>12933</td>
</tr>
<tr>
<td>Custom work income</td>
<td>2960</td>
<td>75</td>
<td>7818</td>
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<tr>
<td>Patronage dividends, cash</td>
<td>1530</td>
<td>500</td>
<td>3028</td>
</tr>
<tr>
<td>Insurance income</td>
<td>4217</td>
<td>5573</td>
<td>5673</td>
</tr>
<tr>
<td>Other farm income</td>
<td>7451</td>
<td>5529</td>
<td>11363</td>
</tr>
<tr>
<td>Gross Cash Farm Income</td>
<td>391761</td>
<td>300371</td>
<td>553425</td>
</tr>
</tbody>
</table>
### Table 3

**FARM INCOME STATEMENT, 1998 (Continued)**

**Dairy Farms in Michigan's U. P.**

(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th></th>
<th>Average Of All Farms</th>
<th>Average Of Low 38%</th>
<th>Average Of High 38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farms</td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>CASH FARM EXPENSE</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Seed</td>
<td>9564</td>
<td>8384</td>
<td>12914</td>
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<tr>
<td>Fertilizer</td>
<td>30735</td>
<td>11306</td>
<td>63087</td>
</tr>
<tr>
<td>Crop chemicals</td>
<td>4684</td>
<td>6122</td>
<td>5705</td>
</tr>
<tr>
<td>Crop insurance</td>
<td>879</td>
<td>2301</td>
<td>25</td>
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<tr>
<td>Drying fuel</td>
<td>270</td>
<td>721</td>
<td>-</td>
</tr>
<tr>
<td>Crop marketing</td>
<td>0</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Crop miscellaneous</td>
<td>269</td>
<td>35</td>
<td>-</td>
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<tr>
<td>Purchased feed</td>
<td>82235</td>
<td>71211</td>
<td>110409</td>
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<tr>
<td>Breeding fees</td>
<td>2695</td>
<td>2190</td>
<td>3827</td>
</tr>
<tr>
<td>Veterinary</td>
<td>7650</td>
<td>10441</td>
<td>7375</td>
</tr>
<tr>
<td>Livestock supplies</td>
<td>11911</td>
<td>3996</td>
<td>17378</td>
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<tr>
<td>Livestock marketing</td>
<td>5930</td>
<td>6467</td>
<td>7160</td>
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<tr>
<td>Interest</td>
<td>18753</td>
<td>21304</td>
<td>15919</td>
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<tr>
<td>Fuel &amp; oil</td>
<td>8277</td>
<td>6491</td>
<td>11910</td>
</tr>
<tr>
<td>Repairs</td>
<td>24908</td>
<td>20990</td>
<td>32286</td>
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<tr>
<td>Custom hire</td>
<td>8048</td>
<td>5999</td>
<td>12244</td>
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<tr>
<td>Hired labor</td>
<td>47700</td>
<td>42950</td>
<td>59933</td>
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<tr>
<td>Land rent</td>
<td>5274</td>
<td>3782</td>
<td>9347</td>
</tr>
<tr>
<td>Machinery &amp; bldg leases</td>
<td>398</td>
<td>774</td>
<td>226</td>
</tr>
<tr>
<td>Real estate taxes</td>
<td>5389</td>
<td>4158</td>
<td>6727</td>
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<tr>
<td>Personal property taxes</td>
<td>122</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Farm insurance</td>
<td>4780</td>
<td>4348</td>
<td>6167</td>
</tr>
<tr>
<td>Utilities</td>
<td>7703</td>
<td>8760</td>
<td>7286</td>
</tr>
<tr>
<td>Dues &amp; professional fees</td>
<td>3106</td>
<td>1731</td>
<td>5531</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>13000</td>
<td>11370</td>
<td>18568</td>
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<tr>
<td><strong>Total cash expense</strong></td>
<td>304281</td>
<td>255830</td>
<td>414023</td>
</tr>
<tr>
<td><strong>Net cash farm income</strong></td>
<td>87480</td>
<td>44541</td>
<td>139401</td>
</tr>
<tr>
<td><strong>INVENTORY CHANGES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crops and feed</td>
<td>3012</td>
<td>-1534</td>
<td>4086</td>
</tr>
<tr>
<td>Market livestock</td>
<td>-1294</td>
<td>-7771</td>
<td>5546</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>9618</td>
<td>4178</td>
<td>11292</td>
</tr>
<tr>
<td>Prepaid expenses and supplies</td>
<td>5328</td>
<td>418</td>
<td>12580</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2537</td>
<td>3714</td>
<td>1384</td>
</tr>
<tr>
<td><strong>Total inventory change</strong></td>
<td>19200</td>
<td>-995</td>
<td>34888</td>
</tr>
<tr>
<td><strong>Net operating profit</strong></td>
<td>106680</td>
<td>43546</td>
<td>174289</td>
</tr>
<tr>
<td><strong>DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breeding livestock</td>
<td>23886</td>
<td>5179</td>
<td>54098</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>-29118</td>
<td>-22357</td>
<td>-42364</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>-12513</td>
<td>-10241</td>
<td>-19402</td>
</tr>
<tr>
<td>Other farm capital</td>
<td>-201</td>
<td>-50</td>
<td>-1094</td>
</tr>
<tr>
<td><strong>Total depr. &amp; other capital adj</strong></td>
<td>-17946</td>
<td>-27469</td>
<td>-8762</td>
</tr>
<tr>
<td><strong>Net farm income</strong></td>
<td>88735</td>
<td>16077</td>
<td>165526</td>
</tr>
</tbody>
</table>
### Table 4

**INVENTORY CHANGES, 1998**

**Dairy Farms in Michigan's U. P.**

(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th></th>
<th>Average Of All Farms</th>
<th>Average Of Low 38%</th>
<th>Average Of High 38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farms</td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Net cash farm income</td>
<td>87480</td>
<td>44541</td>
<td>139401</td>
</tr>
<tr>
<td>CROPS AND FEED</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending inventory</td>
<td>68963</td>
<td>67347</td>
<td>80467</td>
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<tr>
<td>Beginning inventory</td>
<td>65951</td>
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<td>76381</td>
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<tr>
<td>Inventory change</td>
<td>3012</td>
<td>-1534</td>
<td>4086</td>
</tr>
<tr>
<td>MARKET LIVESTOCK</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ending inventory</td>
<td>9186</td>
<td>5428</td>
<td>18400</td>
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<td>Beginning inventory</td>
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<td>-7771</td>
<td>5546</td>
</tr>
<tr>
<td>ACCTS RECEIVABLE &amp; OTHER CURRENT ASSETS</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ending inventory</td>
<td>32765</td>
<td>12103</td>
<td>60958</td>
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<tr>
<td>Beginning inventory</td>
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<td>7925</td>
<td>49667</td>
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<tr>
<td>Inventory change</td>
<td>9618</td>
<td>4178</td>
<td>11292</td>
</tr>
<tr>
<td>PREPAID EXPENSES AND SUPPLIES</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ending inventory</td>
<td>6997</td>
<td>1168</td>
<td>16000</td>
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<tr>
<td>Beginning inventory</td>
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<td>750</td>
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<td>Inventory change</td>
<td>5328</td>
<td>418</td>
<td>12580</td>
</tr>
<tr>
<td>ACCOUNTS PAYABLE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning inventory</td>
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<td>3924</td>
<td>6054</td>
</tr>
<tr>
<td>Ending inventory</td>
<td>1837</td>
<td>210</td>
<td>4670</td>
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<td>3714</td>
<td>1384</td>
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<tr>
<td>Total inventory change</td>
<td>19200</td>
<td>-995</td>
<td>34888</td>
</tr>
<tr>
<td>Net operating profit</td>
<td>106680</td>
<td>43546</td>
<td>174289</td>
</tr>
</tbody>
</table>
Table 5  DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS, 1998  
Dairy Farms in Michigan’s U. P.  
(Farms sorted by Net Farm Income)  

<table>
<thead>
<tr>
<th></th>
<th>Average Of All Farms</th>
<th>Average Of Low 38%</th>
<th>Average Of High 38%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Farms</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Net operating profit</td>
<td>106680</td>
<td>43546</td>
</tr>
</tbody>
</table>

BREEDING LIVESTOCK

<table>
<thead>
<tr>
<th></th>
<th>Ending inventory</th>
<th>Capital sales</th>
<th>Beginning inventory</th>
<th>Capital purchases</th>
<th>Depreciation, capital adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>213387</td>
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<td>183686</td>
<td>8250</td>
<td>23886</td>
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<td></td>
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<td>270163</td>
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MACHINERY AND EQUIPMENT

<table>
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<th>Ending inventory</th>
<th>Capital sales</th>
<th>Beginning inventory</th>
<th>Capital purchases</th>
<th>Depreciation, capital adj.</th>
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</thead>
<tbody>
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</table>

BUILDINGS AND IMPROVEMENTS

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<tr>
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<th>Ending inventory</th>
<th>Capital sales</th>
<th>Beginning inventory</th>
<th>Capital purchases</th>
<th>Depreciation, capital adj.</th>
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</thead>
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<td>-</td>
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<td>2855</td>
<td>-10241</td>
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<td>89060</td>
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<td>60506</td>
<td>49087</td>
<td>-19402</td>
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</table>

OTHER CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Ending inventory</th>
<th>Capital sales</th>
<th>Beginning inventory</th>
<th>Capital purchases</th>
<th>Depreciation, capital adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8191</td>
<td>54</td>
<td>8204</td>
<td>242</td>
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<td></td>
<td>1953</td>
<td>145</td>
<td>1503</td>
<td>645</td>
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<td></td>
<td>13950</td>
<td>-</td>
<td>15044</td>
<td>-</td>
<td>-1094</td>
</tr>
</tbody>
</table>

Total depreciation, cap. adj.  

|                                | -17946              | -27469             | -8762               |

Net farm income

|                                | 88735               | 16077              | 165526              |

8
### Table 6
**PROFITABILITY AND LIQUIDITY ANALYSIS, 1998**

*Dairy Farms in Michigan's U. P.*

(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th>Number of Farms</th>
<th>Avg. Of All Farms</th>
<th>Avg. Of Low 38%</th>
<th>Avg. Of High 38%</th>
<th>Avg. Of All Farms</th>
<th>Avg. Of Low 38%</th>
<th>Avg. Of High 38%</th>
</tr>
</thead>
<tbody>
<tr>
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<td>16</td>
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<td>6</td>
<td>16</td>
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</tbody>
</table>

#### PROFITABILITY

<p>| | | | | | | |</p>
<table>
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<th>-------------</th>
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<th>-------------</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net farm income</td>
<td>88735</td>
<td>16077</td>
<td>165526</td>
<td>120815</td>
<td>32775</td>
<td>221902</td>
</tr>
<tr>
<td>Labor &amp; mgmt earnings</td>
<td>71946</td>
<td>8330</td>
<td>134883</td>
<td>85236</td>
<td>11057</td>
<td>164869</td>
</tr>
<tr>
<td>Rate of return on assets</td>
<td>9.7 %</td>
<td>-0.5 %</td>
<td>14.2 %</td>
<td>9.9 %</td>
<td>2.1 %</td>
<td>13.7 %</td>
</tr>
<tr>
<td>Rate of return on equity</td>
<td>13.6 %</td>
<td>-18.2 %</td>
<td>19.2 %</td>
<td>11.8 %</td>
<td>-1.9 %</td>
<td>16.3 %</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>16.5 %</td>
<td>-1.0 %</td>
<td>22.0 %</td>
<td>25.8 %</td>
<td>6.3 %</td>
<td>32.9 %</td>
</tr>
<tr>
<td>Asset turnover rate</td>
<td>59.0 %</td>
<td>50.2 %</td>
<td>64.9 %</td>
<td>38.4 %</td>
<td>33.3 %</td>
<td>41.7 %</td>
</tr>
<tr>
<td>Interest on farm net worth</td>
<td>16789</td>
<td>7748</td>
<td>30643</td>
<td>35579</td>
<td>21718</td>
<td>57033</td>
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<tr>
<td>Farm interest expense</td>
<td>18753</td>
<td>21304</td>
<td>15919</td>
<td>18753</td>
<td>21304</td>
<td>15919</td>
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<tr>
<td>Value of operator lbr &amp; mgmt.</td>
<td>50581</td>
<td>39571</td>
<td>67242</td>
<td>50581</td>
<td>39571</td>
<td>67242</td>
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<tr>
<td>Return on farm assets</td>
<td>56907</td>
<td>-2190</td>
<td>114203</td>
<td>88988</td>
<td>14508</td>
<td>170579</td>
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<tr>
<td>Average farm assets</td>
<td>584037</td>
<td>456436</td>
<td>803115</td>
<td>897204</td>
<td>689263</td>
<td>1242948</td>
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<td>Return on farm equity</td>
<td>38154</td>
<td>-23494</td>
<td>98284</td>
<td>70234</td>
<td>-6796</td>
<td>154660</td>
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<td>Average farm equity</td>
<td>279815</td>
<td>129132</td>
<td>510719</td>
<td>592981</td>
<td>361960</td>
<td>950552</td>
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<td>Value of farm production</td>
<td>344747</td>
<td>229212</td>
<td>518036</td>
<td>344747</td>
<td>229212</td>
<td>518036</td>
</tr>
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#### LIQUIDITY (Cash)

<p>| | | | | | | |</p>
<table>
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<tr>
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<tr>
<td>Net cash farm income</td>
<td>87480</td>
<td>44541</td>
<td>139401</td>
<td>87480</td>
<td>44541</td>
<td>139401</td>
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<tr>
<td>Net nonfarm income</td>
<td>11077</td>
<td>7236</td>
<td>18199</td>
<td>11077</td>
<td>7236</td>
<td>18199</td>
</tr>
<tr>
<td>Family living and taxes</td>
<td>41940</td>
<td>25155</td>
<td>64072</td>
<td>41940</td>
<td>25155</td>
<td>64072</td>
</tr>
<tr>
<td>Real estate principal payments</td>
<td>7157</td>
<td>10543</td>
<td>3344</td>
<td>7157</td>
<td>10543</td>
<td>3344</td>
</tr>
<tr>
<td>Cash available for interm. debt</td>
<td>49460</td>
<td>16079</td>
<td>90184</td>
<td>49460</td>
<td>16079</td>
<td>90184</td>
</tr>
<tr>
<td>Average intermediate debt</td>
<td>117915</td>
<td>65943</td>
<td>189643</td>
<td>117915</td>
<td>65943</td>
<td>189643</td>
</tr>
<tr>
<td>Years to turnover interm. debt</td>
<td>2.4</td>
<td>4.1</td>
<td>2.1</td>
<td>2.4</td>
<td>4.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Expense as a % of income</td>
<td>78 %</td>
<td>85 %</td>
<td>75 %</td>
<td>78 %</td>
<td>85 %</td>
<td>75 %</td>
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<tr>
<td>Interest as a % of income</td>
<td>5 %</td>
<td>7 %</td>
<td>3 %</td>
<td>5 %</td>
<td>7 %</td>
<td>3 %</td>
</tr>
</tbody>
</table>

#### LIQUIDITY (Accrual)

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total accrual farm income</td>
<td>403096</td>
<td>295245</td>
<td>574348</td>
<td>403096</td>
<td>295245</td>
<td>574348</td>
</tr>
<tr>
<td>Total accrual farm expense</td>
<td>296416</td>
<td>251698</td>
<td>400059</td>
<td>296416</td>
<td>251698</td>
<td>400059</td>
</tr>
<tr>
<td>Net accrual operating income</td>
<td>106680</td>
<td>43546</td>
<td>174289</td>
<td>106680</td>
<td>43546</td>
<td>174289</td>
</tr>
<tr>
<td>Net nonfarm income</td>
<td>11077</td>
<td>7236</td>
<td>18199</td>
<td>11077</td>
<td>7236</td>
<td>18199</td>
</tr>
<tr>
<td>Family living and taxes</td>
<td>41940</td>
<td>25155</td>
<td>64072</td>
<td>41940</td>
<td>25155</td>
<td>64072</td>
</tr>
<tr>
<td>Real estate principal payments</td>
<td>7157</td>
<td>10543</td>
<td>3344</td>
<td>7157</td>
<td>10543</td>
<td>3344</td>
</tr>
<tr>
<td>Available for intermediate debt</td>
<td>68660</td>
<td>15084</td>
<td>125071</td>
<td>68660</td>
<td>15084</td>
<td>125071</td>
</tr>
<tr>
<td>Average intermediate debt</td>
<td>117915</td>
<td>65943</td>
<td>189643</td>
<td>117915</td>
<td>65943</td>
<td>189643</td>
</tr>
<tr>
<td>Years to turnover interm. debt</td>
<td>1.7</td>
<td>4.4</td>
<td>1.5</td>
<td>1.7</td>
<td>4.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Expense as a % of income</td>
<td>74 %</td>
<td>85 %</td>
<td>70 %</td>
<td>74 %</td>
<td>85 %</td>
<td>70 %</td>
</tr>
<tr>
<td>Interest as a % of income</td>
<td>5 %</td>
<td>7 %</td>
<td>3 %</td>
<td>5 %</td>
<td>7 %</td>
<td>3 %</td>
</tr>
</tbody>
</table>
## Table 7

**BALANCE SHEET AT COST VALUES, 1998**

*Dairy Farms in Michigan's U. P.*

(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th>Number of Farms</th>
<th>All Farms</th>
<th>Low 38 %</th>
<th>High 38 %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

### ASSETS

- **Current Farm Assets**
  - Cash and checking balance: -2001, -719
  - Prepaid expenses & supplies: 1669, 6997
  - Growing crops: 6425, 13070
  - Accounts receivable: 15509, 18224
  - Crops held for sale or feed: 65951, 68963
  - Market livestock held for sale: 10480, 9186
  - Other current assets: 1213, 1471
  - Total current farm assets: 99247, 117192

- **Intermediate Farm Assets**
  - Breeding livestock: 183686, 213387
  - Machinery and equipment: 108803, 114440
  - Other intermediate assets: 3261, 3910
  - Total intermediate assets: 295750, 331738

- **Long-Term Farm Assets**
  - Farm land: 84370, 84301
  - Buildings and improvements: 66962, 79292
  - Other long-term assets: 4943, 4281
  - Total long-term farm assets: 156275, 167875

- **Total Farm Assets**: 551271, 616804

### LIABILITIES

- **Current Farm Liabilities**
  - Accounts payable: 4374, 1837
  - Current notes: 39730, 30505
  - Government crop loans: 32266, 10479
  - Total current farm liabilities: 76370, 104821

- **Intermediate Farm Liabilities**
  - Principal due on term debt: 98150, 104848
  - Intermediate Farm Liabilities: 125347, 160908

- **Long-Term Farm Liabilities**
  - Long-term Farm Liabilities: 299868, 308578

- **Total Farm Liabilities**: 299868, 308578

### Total Nonfarm Assets

- 6317, 6706

### Total Assets

- 551271, 616804

### LIABILITIES

- **Accrued interest**
  - 4374, 1837

- **Current notes**
  - 39730, 30505

- **Government crop loans**
  - 32266, 10479

- **Intermediate Farm Liabilities**
  - 76370, 104821

- **Long-Term Farm Liabilities**
  - 98150, 104848

- **Total Nonfarm Liabilities**
  - 85, 38

- **Total Liabilities**
  - 299953, 308615

### Net Worth (farm and nonfarm)

- 257635, 314895

### Net Worth Change

- 57860, -2324

### RATIO ANALYSIS

- **Current Farm Liabilities/Assets**: 77 %, 37 %
- **Curr. & Interim Farm Liab/Assets**: 44 %, 33 %
- **Long Term Farm Liab./Assets**: 80 %, 96 %
- **Total Liabilities/Assets**: 54 %, 49 %
# Table 8

**BALANCE SHEET AT MARKET VALUES, 1998**

*Dairy Farms in Michigan's U. P.*

(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th>Number of Farms</th>
<th>Average Of</th>
<th>Average Of</th>
<th>Average Of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Farms</td>
<td>Low 38 %</td>
<td>High 38 %</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>6</td>
<td>6</td>
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## ASSETS

### Current Farm Assets

<table>
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<tr>
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<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and checking balance</td>
<td>-2001</td>
<td>-719</td>
<td>-1262</td>
<td>4407</td>
<td>-3449</td>
<td>-6864</td>
</tr>
<tr>
<td>Prepaid expenses &amp; supplies</td>
<td>1669</td>
<td>6997</td>
<td>750</td>
<td>1168</td>
<td>3420</td>
<td>16000</td>
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<tr>
<td>Growing crops</td>
<td>6425</td>
<td>13070</td>
<td>-</td>
<td>-</td>
<td>16667</td>
<td>26375</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>15509</td>
<td>18224</td>
<td>6358</td>
<td>8179</td>
<td>31333</td>
<td>34583</td>
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<tr>
<td>Hedging accounts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Crops held for sale or feed</td>
<td>65951</td>
<td>68963</td>
<td>68881</td>
<td>67347</td>
<td>76381</td>
<td>80467</td>
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<tr>
<td>Market livestock held for sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total current farm assets</td>
<td>99247</td>
<td>117192</td>
<td>89493</td>
<td>90453</td>
<td>138872</td>
<td>168961</td>
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</table>

### Intermediate Farm Assets

<table>
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<tr>
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<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breeding livestock</td>
<td>183686</td>
<td>215338</td>
<td>135717</td>
<td>158021</td>
<td>270163</td>
<td>321154</td>
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<tr>
<td>Machinery and equipment</td>
<td>176611</td>
<td>184140</td>
<td>128167</td>
<td>131917</td>
<td>242763</td>
<td>254658</td>
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<tr>
<td>Other intermediate assets</td>
<td>11261</td>
<td>20160</td>
<td>223</td>
<td>650</td>
<td>29394</td>
<td>52504</td>
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<tr>
<td>Total intermediate assets</td>
<td>371558</td>
<td>419638</td>
<td>264107</td>
<td>290587</td>
<td>542319</td>
<td>628316</td>
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### Long-Term Farm Assets

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<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
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<tbody>
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<td>Farm land</td>
<td>305539</td>
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<td>297363</td>
<td>303941</td>
<td>357083</td>
<td>376479</td>
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<td>Buildings and improvements</td>
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<td>86219</td>
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<td>20000</td>
<td>111500</td>
<td>148333</td>
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<td>Other long-term assets</td>
<td>4803</td>
<td>5183</td>
<td>1279</td>
<td>1303</td>
<td>6609</td>
<td>7424</td>
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<tr>
<td>Total long-term farm assets</td>
<td>377592</td>
<td>409181</td>
<td>318643</td>
<td>325244</td>
<td>475192</td>
<td>532236</td>
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<tr>
<td>Total Farm Assets</td>
<td>848397</td>
<td>946010</td>
<td>762284</td>
<td>815634</td>
<td>1156384</td>
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<tr>
<td>Total Nonfarm Assets</td>
<td>27970</td>
<td>29900</td>
<td>9400</td>
<td>13090</td>
<td>6864</td>
<td>6031</td>
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<td>Total Assets</td>
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<td>681643</td>
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## LIABILITIES

### Current Farm Liabilities

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<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
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<tbody>
<tr>
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<td>-</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>Accounts payable</td>
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<td>1837</td>
<td>3924</td>
<td>210</td>
<td>6054</td>
<td>4670</td>
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<td>Current notes</td>
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<td>30505</td>
<td>38936</td>
<td>26272</td>
<td>10175</td>
<td>3564</td>
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<tr>
<td>Principal due on term debt</td>
<td>32266</td>
<td>10479</td>
<td>27150</td>
<td>5836</td>
<td>44335</td>
<td>15467</td>
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<td>Total current farm liabilities</td>
<td>76370</td>
<td>42821</td>
<td>70011</td>
<td>32317</td>
<td>60564</td>
<td>23791</td>
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<tr>
<td>Intermediate Farm Liabilities</td>
<td>98150</td>
<td>104848</td>
<td>59946</td>
<td>53040</td>
<td>159063</td>
<td>165839</td>
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<tr>
<td>Long-term Farm Liabilities</td>
<td>125347</td>
<td>160908</td>
<td>187514</td>
<td>251780</td>
<td>73145</td>
<td>102481</td>
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<tr>
<td>Total Farm Liabilities</td>
<td>299868</td>
<td>308578</td>
<td>317470</td>
<td>337137</td>
<td>292772</td>
<td>292021</td>
</tr>
<tr>
<td>Total Nonfarm Liabilities</td>
<td>85</td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>228</td>
<td>100</td>
</tr>
<tr>
<td>Total Deferred Liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
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<td>299953</td>
<td>308615</td>
<td>317470</td>
<td>337137</td>
<td>292999</td>
<td>292121</td>
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</table>

### Net Worth (farm and nonfarm)

<table>
<thead>
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<th>Ending</th>
<th>Beginning</th>
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<tr>
<td>Net Worth</td>
<td>576414</td>
<td>667295</td>
<td>364173</td>
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<tr>
<td>Net Worth Change</td>
<td>90881</td>
<td>18064</td>
<td>173174</td>
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</tbody>
</table>

## RATIO ANALYSIS

<table>
<thead>
<tr>
<th></th>
<th>Average Of</th>
<th>Average Of</th>
<th>Average Of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Farms</td>
<td>Low 38 %</td>
<td>High 38 %</td>
</tr>
<tr>
<td></td>
<td>77 %</td>
<td>37 %</td>
<td>78 %</td>
</tr>
<tr>
<td>Curr. &amp; Interim Farm Liab./Assets</td>
<td>37 %</td>
<td>28 %</td>
<td>37 %</td>
</tr>
<tr>
<td>Long Term Farm Liabilities/Assets</td>
<td>33 %</td>
<td>39 %</td>
<td>59 %</td>
</tr>
<tr>
<td>Total Liabilities/Assets</td>
<td>34 %</td>
<td>32 %</td>
<td>47 %</td>
</tr>
</tbody>
</table>

11
### Table 9

**STATEMENT OF CASH FLOWS, 1998**

**Dairy Farms in Michigan's U. P.**

(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th></th>
<th>Average Of All Farms</th>
<th>Average Of Low 38%</th>
<th>Average Of High 38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farms</td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

(a) Beginning cash balance (farm & nonfarm)-2001

|                     | -1262                | -3449              |

**CASH FROM OPERATING ACTIVITIES**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross cash farm income</td>
<td>391761</td>
<td>300371</td>
</tr>
<tr>
<td>Net nonfarm income</td>
<td>(+) 11077</td>
<td>7236</td>
</tr>
<tr>
<td>Total cash farm expense</td>
<td>(-) 304281</td>
<td>255830</td>
</tr>
<tr>
<td>Apparent family living expense</td>
<td>(-) 40697</td>
<td>24257</td>
</tr>
<tr>
<td>Income and social security tax</td>
<td>(-) 1243</td>
<td>899</td>
</tr>
</tbody>
</table>

(b) Cash from operations

|                     | 56616                | 26622              | 93528              |

**CASH FROM INVESTING ACTIVITIES**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of breeding livestock</td>
<td>2434</td>
<td>3054</td>
</tr>
<tr>
<td>Sale of machinery &amp; equipment</td>
<td>(+) 2840</td>
<td>1017</td>
</tr>
<tr>
<td>Sale of farm land</td>
<td>(+) 4063</td>
<td>-</td>
</tr>
<tr>
<td>Sale of farm buildings</td>
<td>(+) 424</td>
<td>-</td>
</tr>
<tr>
<td>Sale of other farm assets</td>
<td>(+) 54</td>
<td>145</td>
</tr>
<tr>
<td>Sale of nonfarm assets</td>
<td>(+)</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of breeding livestock</td>
<td>(-) 8250</td>
<td>20179</td>
</tr>
<tr>
<td>Purchase of machinery &amp; equip.</td>
<td>(-) 37596</td>
<td>24813</td>
</tr>
<tr>
<td>Purchase of farm land</td>
<td>(-)</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of farm buildings</td>
<td>(-) 25268</td>
<td>2855</td>
</tr>
<tr>
<td>Purchase of other farm assets</td>
<td>(-) 242</td>
<td>645</td>
</tr>
<tr>
<td>Purchase of nonfarm assets</td>
<td>(-) 205</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) Cash from investing activities

|                     | -61744              | -44276             | -84735             |

**CASH FROM FINANCING ACTIVITIES**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Money borrowed</td>
<td>152074</td>
<td>108199</td>
</tr>
<tr>
<td>Cash gifts and inheritances</td>
<td>(+) 2225</td>
<td>-</td>
</tr>
<tr>
<td>Principal payments</td>
<td>(-) 140929</td>
<td>84877</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(-)</td>
<td>-</td>
</tr>
<tr>
<td>Gifts given</td>
<td>(-) 6960</td>
<td>-</td>
</tr>
</tbody>
</table>

(d) Cash from financing activities

|                     | 6409                 | 23322              | -12208             |

(e) Net change in cash balance

|                     | (b+c+d) 1282         | 5668               | -3415              |

Ending cash balance (farm & nonfarm)

|                     | -719                 | 4407               | -6864              |
Table 10

FINANCIAL GUIDELINES MEASURES, 1998

Dairy Farms in Michigan's U. P.
(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th>Number of Farms</th>
<th>Average Of</th>
<th>Average Of</th>
<th>Average Of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Farms</td>
<td>Low 38 %</td>
<td>High 38 %</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

**LIQUIDITY**

<table>
<thead>
<tr>
<th></th>
<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current ratio</td>
<td>1.30</td>
<td>2.74</td>
<td>1.28</td>
<td>2.80</td>
<td>2.29</td>
<td>7.13</td>
</tr>
<tr>
<td>Working capital</td>
<td>22876</td>
<td>74370</td>
<td>19483</td>
<td>58135</td>
<td>78308</td>
<td>145259</td>
</tr>
</tbody>
</table>

**SOLVENCY (Market)**

<table>
<thead>
<tr>
<th></th>
<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
<th>Beginning</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm debt to asset ratio</td>
<td>35 %</td>
<td>33 %</td>
<td>47 %</td>
<td>48 %</td>
<td>25 %</td>
<td>22 %</td>
</tr>
<tr>
<td>Farm equity to asset ratio</td>
<td>65 %</td>
<td>67 %</td>
<td>53 %</td>
<td>52 %</td>
<td>75 %</td>
<td>78 %</td>
</tr>
<tr>
<td>Farm debt to equity ratio</td>
<td>55 %</td>
<td>48 %</td>
<td>89 %</td>
<td>91 %</td>
<td>34 %</td>
<td>28 %</td>
</tr>
</tbody>
</table>

**PROFITABILITY**

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Market</th>
<th>Cost</th>
<th>Market</th>
<th>Cost</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of return on farm assets</td>
<td>9.7 %</td>
<td>9.9 %</td>
<td>-0.5 %</td>
<td>2.1 %</td>
<td>14.2 %</td>
<td>13.7 %</td>
</tr>
<tr>
<td>Rate of return on farm equity</td>
<td>13.6 %</td>
<td>11.8 %</td>
<td>-18.2 %</td>
<td>-1.9 %</td>
<td>19.2 %</td>
<td>16.3 %</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>16.5 %</td>
<td>25.8 %</td>
<td>-1.0 %</td>
<td>6.3 %</td>
<td>22.0 %</td>
<td>32.9 %</td>
</tr>
<tr>
<td>Net farm income</td>
<td>88735</td>
<td>120815</td>
<td>16077</td>
<td>32775</td>
<td>165526</td>
<td>221902</td>
</tr>
</tbody>
</table>

**REPAYMENT CAPACITY**

<table>
<thead>
<tr>
<th></th>
<th>Cash</th>
<th>Accrual</th>
<th>Cash</th>
<th>Accrual</th>
<th>Cash</th>
<th>Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term debt coverage ratio</td>
<td>157 %</td>
<td>201 %</td>
<td>98 %</td>
<td>96 %</td>
<td>186 %</td>
<td>246 %</td>
</tr>
<tr>
<td>Capital replacement margin</td>
<td>24350</td>
<td>43551</td>
<td>-528</td>
<td>-1523</td>
<td>49193</td>
<td>84081</td>
</tr>
</tbody>
</table>

**EFFICIENCY**

<table>
<thead>
<tr>
<th></th>
<th>All Farms</th>
<th>Low 38 %</th>
<th>High 38 %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38.4 %</td>
<td>33.3 %</td>
<td>41.7 %</td>
</tr>
<tr>
<td>Operating expense ratio</td>
<td>68.9 %</td>
<td>78.0 %</td>
<td>66.9 %</td>
</tr>
<tr>
<td>Depreciation expense ratio</td>
<td>4.5 %</td>
<td>9.3 %</td>
<td>1.5 %</td>
</tr>
<tr>
<td>Interest expense ratio</td>
<td>4.7 %</td>
<td>7.2 %</td>
<td>2.8 %</td>
</tr>
<tr>
<td>Net farm income ratio</td>
<td>22.0 %</td>
<td>5.4 %</td>
<td>28.8 %</td>
</tr>
</tbody>
</table>

**LABOR ANALYSIS**

<table>
<thead>
<tr>
<th></th>
<th>Average Of</th>
<th>Average Of</th>
<th>Average Of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Farms</td>
<td>Low 38 %</td>
<td>High 38 %</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Total unpaid labor hours</td>
<td>4675</td>
<td>4017</td>
<td>5835</td>
</tr>
<tr>
<td>Total hired labor hours</td>
<td>4610</td>
<td>2672</td>
<td>7422</td>
</tr>
<tr>
<td>Total labor hours per farm</td>
<td>9285</td>
<td>6688</td>
<td>13257</td>
</tr>
<tr>
<td>Value of farm production/hour</td>
<td>37.13</td>
<td>34.27</td>
<td>39.08</td>
</tr>
<tr>
<td>Net farm income / unpaid hour</td>
<td>18.98</td>
<td>4.00</td>
<td>28.37</td>
</tr>
</tbody>
</table>
### Table 11

**OPERATOR INFORMATION & NONFARM SUMMARY, 1998**

**Dairy Farms in Michigan's U. P.**

(Farms sorted by Net Farm Income)

<table>
<thead>
<tr>
<th></th>
<th>Average Of All Farms</th>
<th>Average Of Low 38%</th>
<th>Average Of High 38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farms</td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>OPERATOR INFORMATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of operators</td>
<td>1.4</td>
<td>1.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Average age of operators</td>
<td>50.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of years farming</td>
<td>24.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NONFARM INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonfarm wages &amp; salary</td>
<td>619</td>
<td>12</td>
<td>1637</td>
</tr>
<tr>
<td>Nonfarm business income</td>
<td>5496</td>
<td></td>
<td>14657</td>
</tr>
<tr>
<td>Nonfarm rental income</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonfarm interest income</td>
<td>1557</td>
<td>2208</td>
<td>1904</td>
</tr>
<tr>
<td>Nonfarm cash dividends</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax refunds</td>
<td>116</td>
<td>308</td>
<td>1</td>
</tr>
<tr>
<td>Gifts and inheritances</td>
<td>2225</td>
<td></td>
<td>5516</td>
</tr>
<tr>
<td>Other nonfarm income</td>
<td>3277</td>
<td>4708</td>
<td></td>
</tr>
<tr>
<td>Total nonfarm income</td>
<td>13301</td>
<td>7236</td>
<td>23715</td>
</tr>
</tbody>
</table>

### Average Of All Farms

#### Beginning

<table>
<thead>
<tr>
<th>NONFARM ASSETS (Mkt)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking &amp; savings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stocks &amp; bonds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furniture &amp; appliances</td>
<td>1123</td>
<td>1123</td>
</tr>
<tr>
<td>Nonfarm vehicles</td>
<td>2125</td>
<td>1813</td>
</tr>
<tr>
<td>Cash value of life ins.</td>
<td>3200</td>
<td>4437</td>
</tr>
<tr>
<td>Retirement accounts</td>
<td>1084</td>
<td>1263</td>
</tr>
<tr>
<td>Other intermediate assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nonfarm real estate</td>
<td>17313</td>
<td>17902</td>
</tr>
<tr>
<td>Other long term assets</td>
<td>3125</td>
<td>3362</td>
</tr>
<tr>
<td>Total nonfarm assets</td>
<td>27970</td>
<td>29900</td>
</tr>
</tbody>
</table>
Per Unit Income and Expense

Table 12 gives the per acre and per cow cash income, cash expense and depreciation for 10 of the 16 dairy farms. Six of the 16 did not report any crop acres, so the items in the table are based on the other 10. They had an unweighted average of 656.1 acres. These included owned acres plus land cash and share rented. Table 1 shows all leased ground was cash rented.

Table 12.  **Average Income and Expense Items, Michigan, 1998**
Per Cow and Per Acre, U. P. Dairy Farms

<table>
<thead>
<tr>
<th>Number of Cows</th>
<th>119.20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Crop Acres</td>
<td><strong>656.10</strong></td>
</tr>
<tr>
<td>__________</td>
<td>__________</td>
</tr>
</tbody>
</table>

**Income Items per Cow:**
- Milk sold $3,067
- Cull cows, bulls 132
- Dairy steers 93
- Dairy calves 16
- Other cash income 187

**Expense Items per Cow:**
- Purchased feed $796
- Breeding fees 31
- Veterinary 86
- Livestock supplies 89
- Livestock leases 0
- Livestock marketing 61
- Interest 144
- Fuel and oil 63
- Repairs 225
- Custom hire 69
- Hired labor 552
- Land rent 29
- Leases 5
- Real estate taxes 36
- Farm insurance 38
- Utilities 73
- Dues, professional fees 21
- Miscellaneous 122
- Machinery depreciation 217
- Buildings depreciation 88

**Expense Items per Crop Acre:**
- Seed $13.73
- Fertilizer 28.98
- Crop chemicals 5.49
- Crop insurance 2.14
- Crop miscellaneous 1.31