

# FBM Student Analysis Worksheets

Name: \_\_\_\_\_

<u><b>Year at a Glance</b></u> <i>Data for the Average Farm</i>	<b>Southern Minnesota</b>	<b>State FBM Data</b>	<b>Local Area</b>	<b>Your Farm Data</b>	<b>Your Farm Goal</b>
	<b>1420</b>	<b>2164</b>			
	<b><u>Farms</u></b>	<b><u>Farms</u></b>			
<b><u>Income Statement</u></b>					
Gross Cash Farm Income	\$774,349	\$735,140	_____	_____	_____
Total Cash Operating Expense	\$680,554	\$635,906	_____	_____	_____
Net Cash Farm Income	\$93,795	\$99,234	_____	_____	_____
Net Operating Profit	\$103,038	\$108,805	_____	_____	_____
Net Farm Income	\$51,683	\$57,803	_____	_____	_____
Median Farm Income	\$25,337	\$26,556	_____	_____	_____
<b><u>Balance Sheet (Market)</u></b>					
Total Assets - 12/31	\$3,103,692	\$2,955,907	_____	_____	_____
Total Liabilities - 12/31	\$1,323,581	\$1,261,663	_____	_____	_____
Net Worth - 12/31	\$1,780,111	\$1,694,245	_____	_____	_____
Change in Net Worth	\$64,497	\$63,209	_____	_____	_____
<b><u>Financial Standards Measures</u></b>					
Working Capital - 12/31	\$203,059	\$192,178	_____	_____	_____
Debt to Asset Ratio - 12/31	45%	45%	_____	_____	_____
Rate of Return on Farm Assets - Cost	1.9%	2.2%	_____	_____	_____
Rate of Return on Farm Equity - Cost	0.0%	0.6%	_____	_____	_____
Term Debt Coverage Ratio	1.02	1.10	_____	_____	_____
Asset Turnover Rate	32.2%	32.1%	_____	_____	_____
Operating Expense Ratio	82.3%	80.7%	_____	_____	_____
Interest Expense Ratio	4.8%	4.8%	_____	_____	_____
<b><u>Operator Information</u></b>					
Average Age of the Farmer	48.4	48.0	_____	_____	_____
Average Years Farming	24.8	24.1	_____	_____	_____
<b><u>Personal Spending &amp; Income</u></b>					
Total Cash Family Living Expense	\$61,599	\$58,520	_____	_____	_____
Total Non Farm Income	\$35,787	\$33,090	_____	_____	_____

Net farm income dollars are used to pay for family living, social security and income tax, retirement accounts, medical and health expenses, and loan principle payments. A positive balance indicates revenue for other uses, while a negative balance indicates a need for revenue from other sources.

The following list shows expenses for the year:

		<u>Southern Minnesota</u>	<u>State Data</u>
Net Farm Income	(+)	\$51,683	\$57,803
Depreciation	(+)	\$51,355	\$51,002
Family Living (Excl Health/Med)	(-)	\$51,747	\$48,681
Social Security and Income Tax	(-)	\$10,104	\$14,756
Health and Medical Expense	(-)	\$9,852	\$9,470
Retirement Accounts	(-)	\$1,863	\$1,781
Principal Payments	(-)	\$61,892	\$62,121
Balance	(=)	<b>-\$32,420</b>	<b>-\$28,004</b>

## How does your Farm Stack Up?

### Southern Minnesota Farm Business Management Data

Below is a summary of the low, average, and high farms using the 21 Financial Standards Measures. The numbers listed below are intended to provide a general overview of the farm situation for the current year and over a five year period. The current year data provides a snapshot of the conditions that represent the present while the five year data provides a longer term look at these factors to enable their use in potential decision making activities.

<b>Evaluation Chart</b>	<u>Low Farms</u>		<u>Average</u>		<u>High Farms</u>		<u>Your Farm</u>	
	2017	5 Yr Ave	2017	5 Yr Ave	2017	5 Yr Ave	2017	5 Yr Ave
<b><u>Liquidity</u></b>								
Current Ratio	1.12	1.26	1.57	1.72	2.11	2.21		
Working Capital	\$ 70,414	121,866	203,059	235,836	559,526	602,960		
Working Capital to Gross Inc.	% 7.3%	14.0%	25.6%	29.4%	35.7%	38.9%		
<b><u>Solvency (Market)</u></b>								
Farm Debt to Asset Ratio	% 53%	52%	45%	44%	41%	40%		
Farm Equity to Asset Ratio	% 47%	48%	55%	56%	59%	60%		
Farm Debt to Equity Ratio	% 1.13	1.07	0.83	0.78	0.7	0.66		
<b><u>Profitability (Cost)</u></b>								
Rate of Return on Farm Assets	% -3.8%	-4.9%	1.9%	17.9%	6.3%	7.0%		
Rate of Return on Farm Equity	% -14.3%	-15.7%	0.0%	0.5%	8.0%	9.0%		
Operating Profit Margin	% -11.7%	-15.2%	5.8%	6.0%	18.3%	18.6%		
Net Farm Income	\$ -96,369	-105,818	54,241	61,614	274,363	297,480		
EBIDTA	\$ 33,183	17,665	140,873	150,820	404,249	436,078		
<b><u>Repayment Capacity (Accrual)</u></b>								
Capital Debt Repayment Cap.	\$ -15,631	-44,238	91,588	93,589	294,932	319,692		
Capital Debt Repayment Margin	\$ -134,722	-164,621	1,817	870	149,590	173,552		
Replacement Margin	\$ -179,548	-196,385	-29,834	-26,089	99,722	128,957		
Term Debt Coverage Ratio	-0.13	-0.39	1.02	1.01	2.03	2.17		
Replacement Coverage Ratio	-0.1	-0.31	0.75	0.78	1.51	1.67		
<b><u>Efficiency</u></b>								
Asset Turnover Rate (Cost)	% 32.5%	32.3%	32.2%	33.8%	34.6%	37.1%		
Operating Expense Ratio	% 96.6%	98.3%	82.3%	82.2%	74.2%	73.8%		
Depreciation Expense Ratio	% 7.4%	7.1%	6.5%	6.6%	5.5%	5.8%		
Interest Expense Ratio	% 6.1%	5.4%	4.8%	4.2%	3.4%	3.1%		
Net Farm Income Ratio	% -9.9%	-10.8%	6.8%	7.2%	17.5%	17.7%		

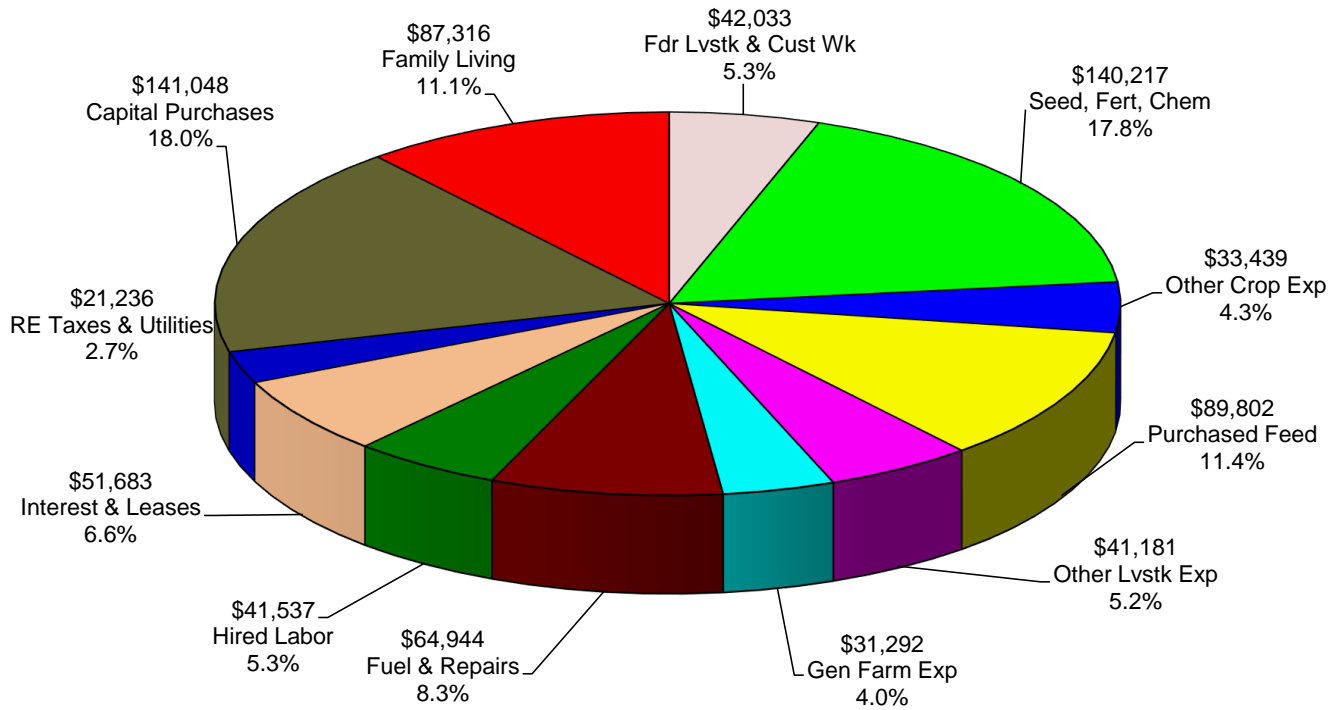
# MyFarm Financial Scorecard

Year:

Name:

	This Year	5-Year Ave	Strong	Vulnerable
<b>Liquidity</b>				
Current ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	1.7	1.1
Working capital	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Working cap to gross revenue	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	25%	10%
<b>Solvency (market)</b>	Note: These solvency ratios include deferred liabilities			
Farm debt/asset ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	30%	60%
Farm equity/asset ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	70%	40%
Farm debt/equity ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	0.43	1.50
<b>Profitability (Cost)</b>				
Rate of return on farm assets	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	8%	4%
Rate of return on farm equity	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	10%	3%
Operating profit margin	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	25%	15%
Net farm income	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
EBITDA	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
<b>Repayment Capacity (Accrual)</b>				
Capital debt repay capacity	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Capital debt repay margin	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Replacement margin	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		
Term-debt coverage ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	1.50	1.20
Replacement margin ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	1.40	1.10
<b>Financial Efficiency</b>				
Asset-turnover rate (market)	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	45%	30%
Operating-expense ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	60%	80%
Depreciation-expense ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	5%	15%
Interest-expense ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	5%	10%
Net farm income ratio	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	20%	10%

**Each farmer, on average, spent \$785,728 in the Greater Community in 2017**



<b>Average Money Spent by Each Farmer in the Greater Community:</b>		<b>\$785,728</b>
<b>Average Money Spent by Each Farmer in a</b>	<b>40 Yr. Career:</b>	<b>\$31,429,120</b>
<b>Money Spent in Community by</b>	<b>1,420 Farmers:</b>	<b>\$1,115,733,760</b>

**Your Goals based on current year Analysis**

*Short Term*

*Timeline*

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_

*Intermediate and LongTerm*

*Timeline*

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_