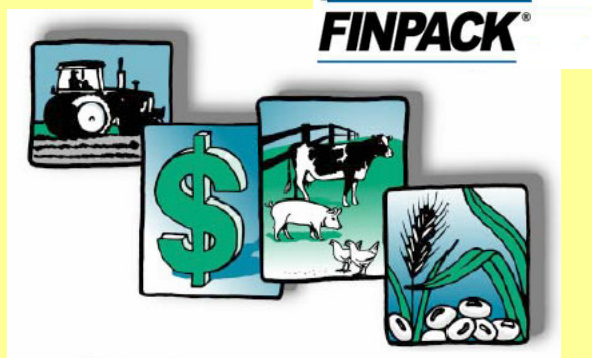


Region 4
West
ND



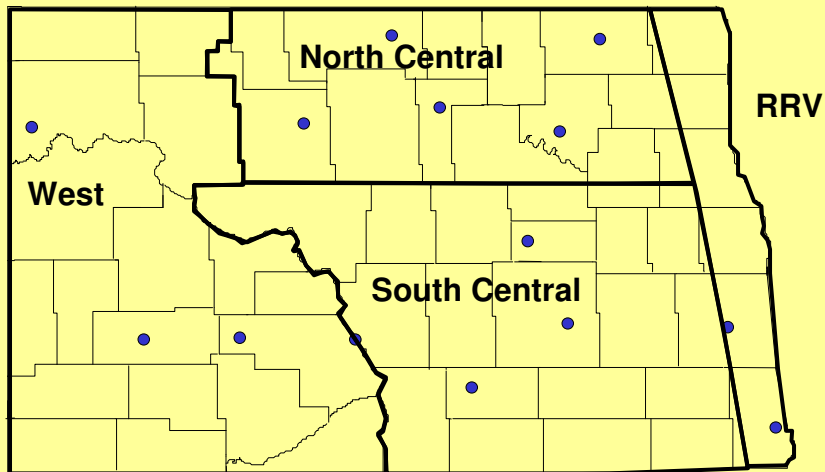
Farm/Ranch Business Management Education

Year 2007

Jerry Tuhy, Instructor

Dickinson Public Schools at DREC location

**North Dakota Farm Business Management Programs are
located in four regions across North Dakota**



North Dakota Farm/Ranch Business Management
Education Program

Mission Statement

“To provide lifelong learning opportunities in economic and financial management for families involved in the farming and ranching business”

Goal setting

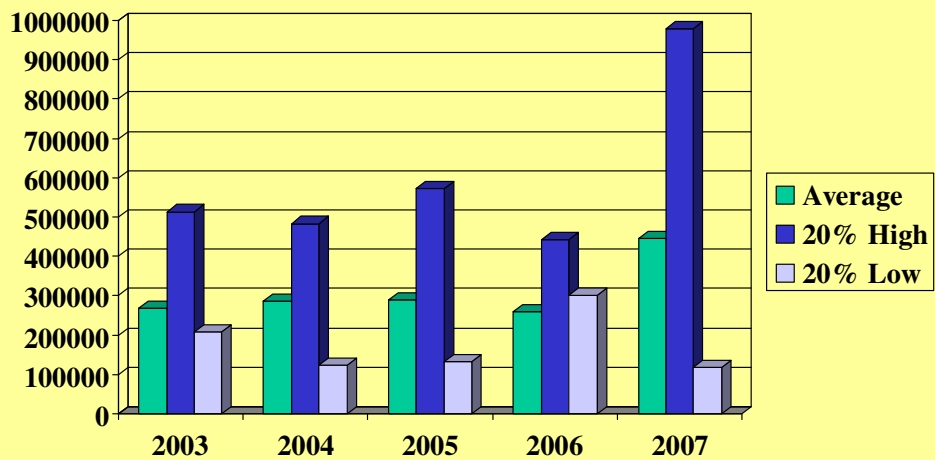
Planning

Business analysis

Records/accounting

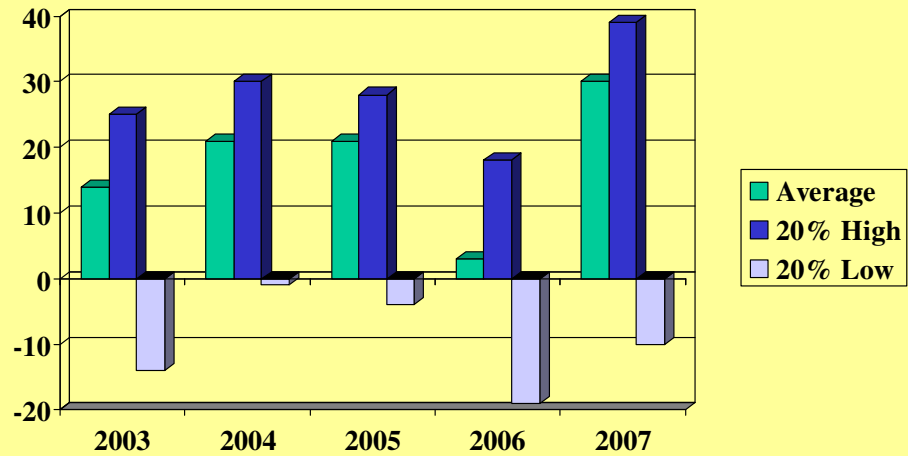
Gross Income (Accrual)

Per farm for year

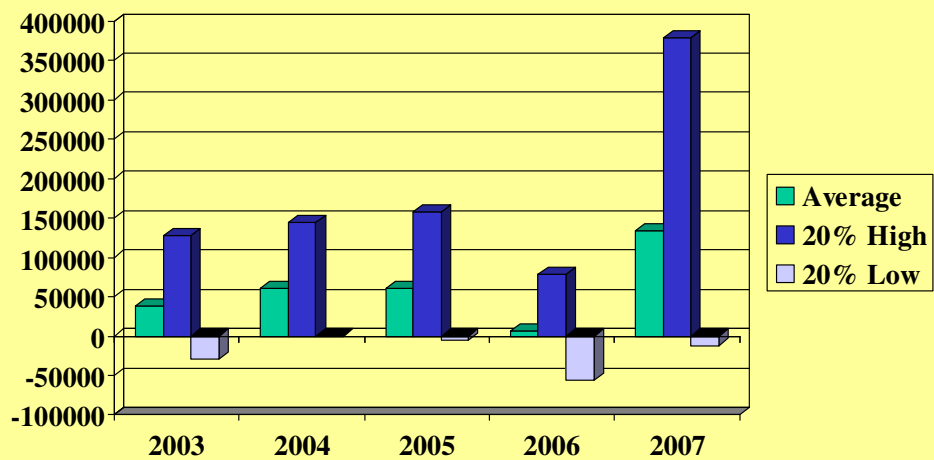


Net Income Ratio (%)

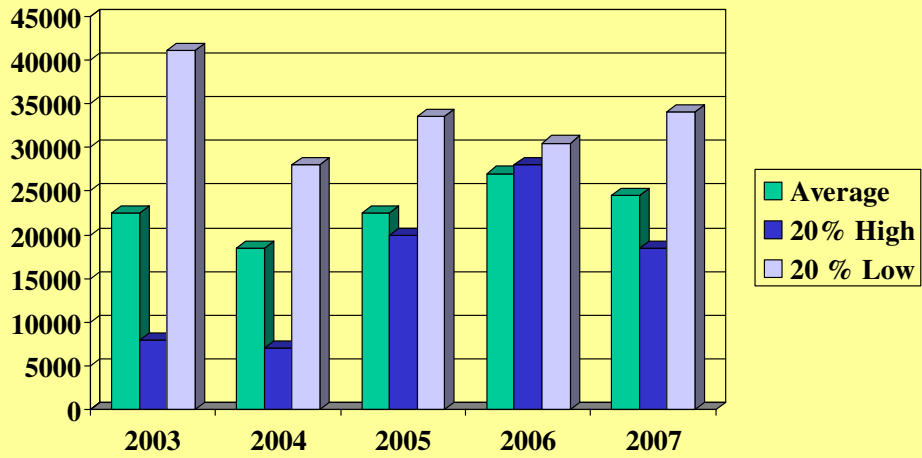
percentage of gross that is net \$



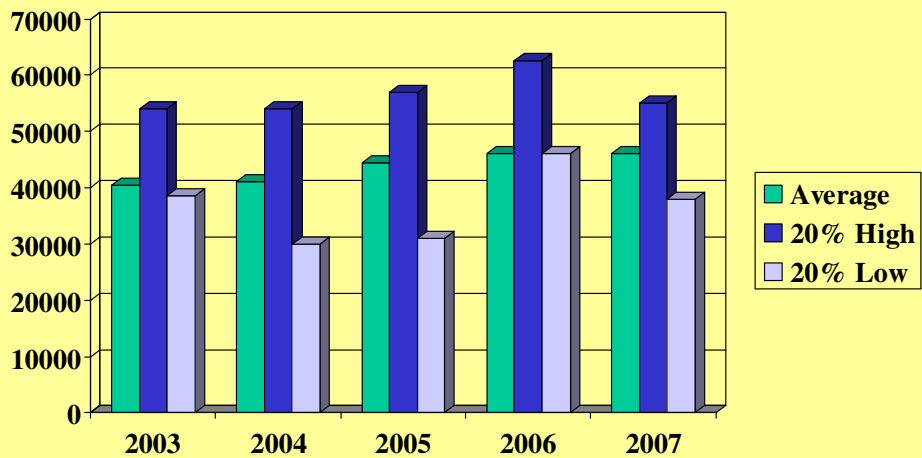
\$ Net Farm Income "Profit"



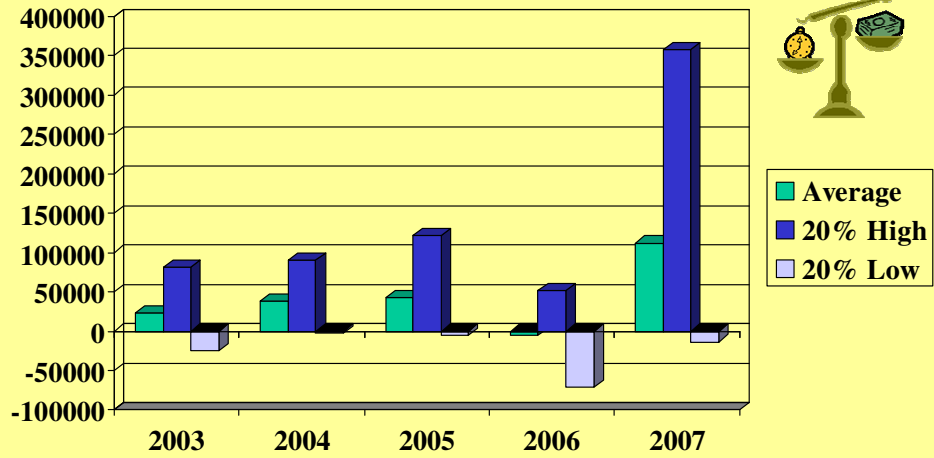
\$ Net "Non-Farm" Income



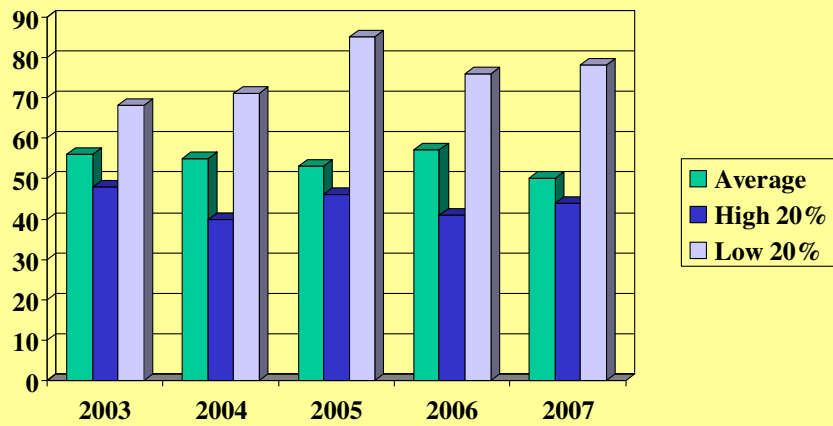
Family Living & Income Taxes \$ spent/year



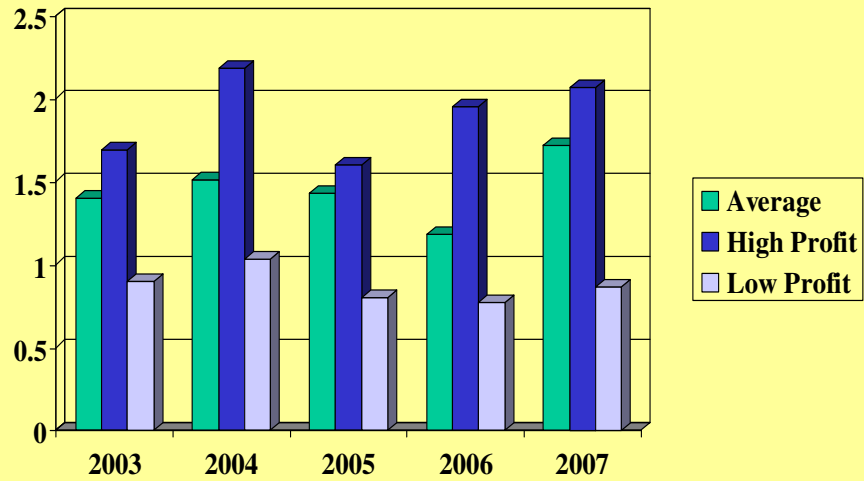
Change in Retained Earning \$ of equity per yr (cost basis)



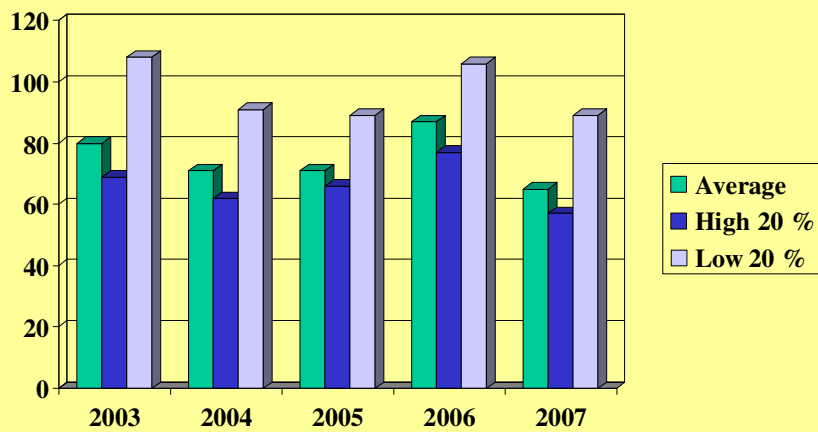
Farm Debt/Asset Ratio (%) end year



Current Ratio at years end

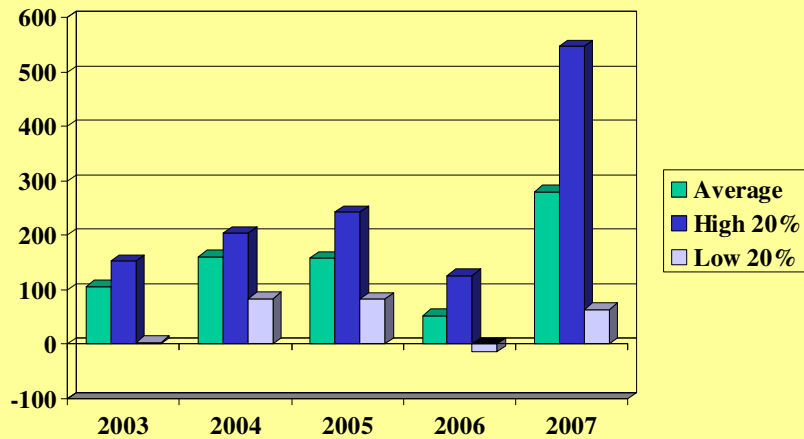


Expense as % of Income (Op+Int.) Accrual



Term Debt Coverage Ratio

a 100% ratio means “we can make all debt payments”

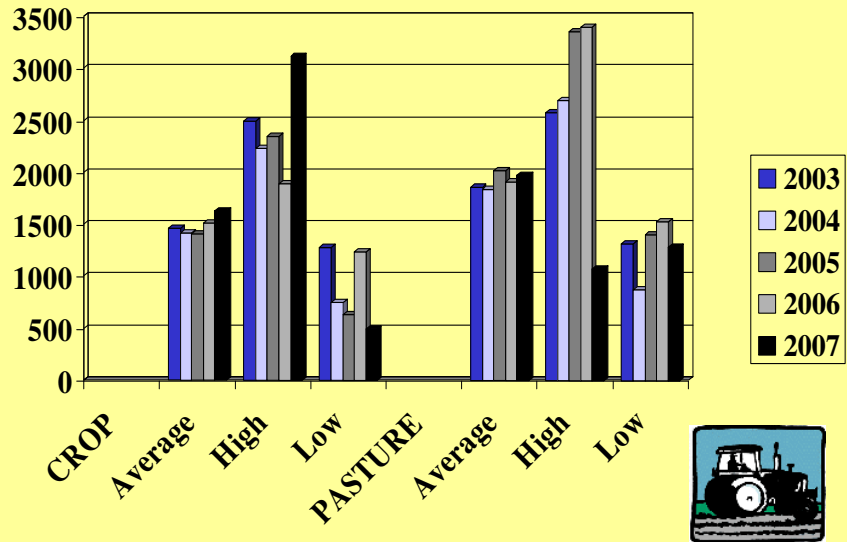


Cash Flow 2007

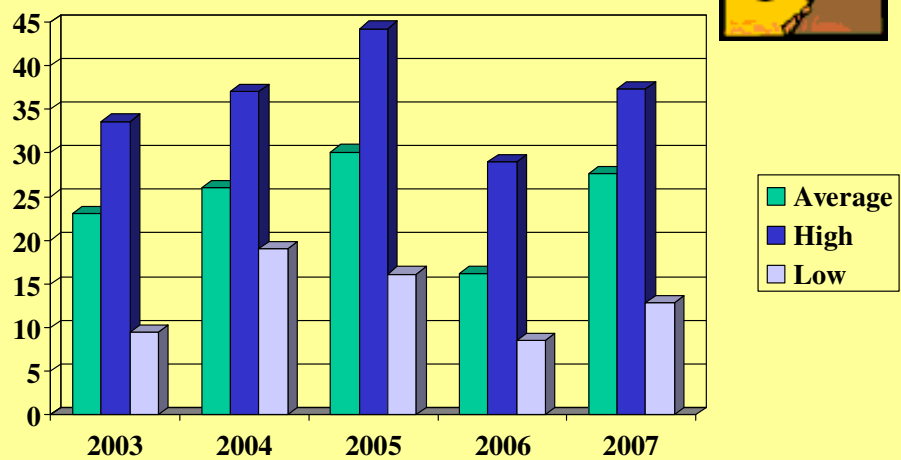
	Average	Low Profit	High Profit
Gross Farm Income	338412	124362	651299
Non-Farm Income	24741	34268	18496
Cash Farm Expenses	296805	99426	578871
Family Living	41830	34951	52469
Income, SS Tax	4324	2775	2708
Net Capital Purchases	79271	52436	140922
Money Borrowed	322498	143467	527645
Principal Payments	260846	110206	421812

For more info – see
www.finbin.umn.edu

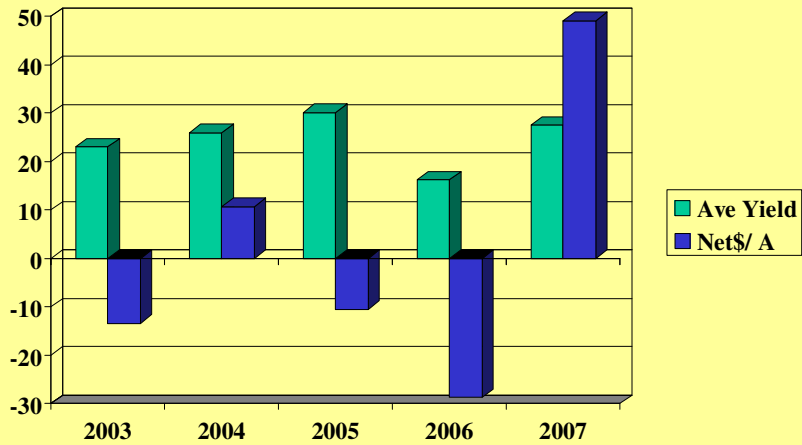
Crop and Pasture Acres



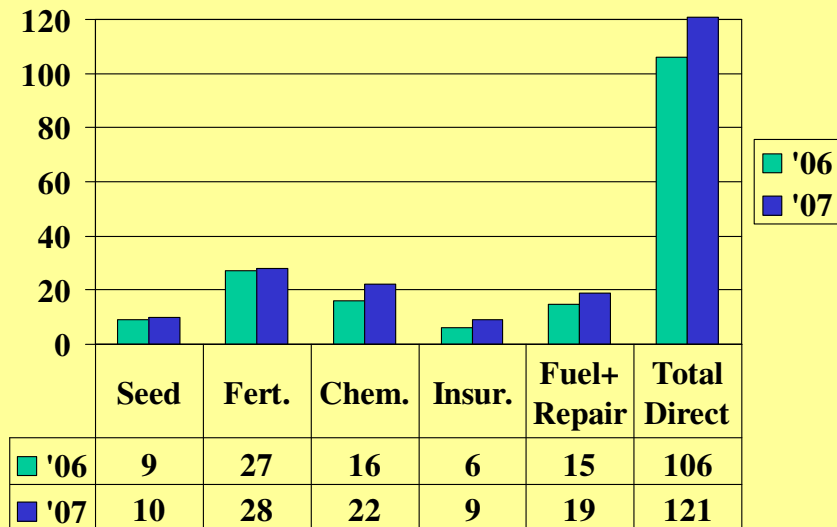
Spring Wheat on Cash Rented (Bu. Yield/Acre)



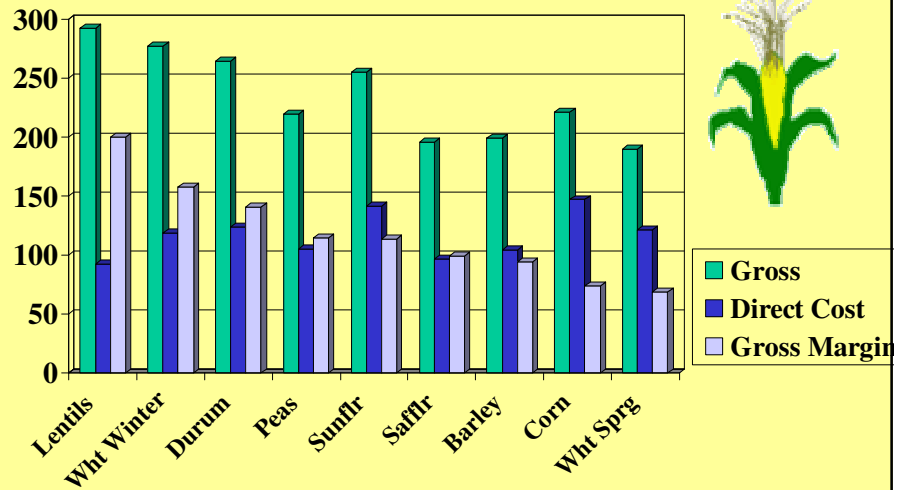
Spring Wheat Ave Yields and Net \$ per Acre



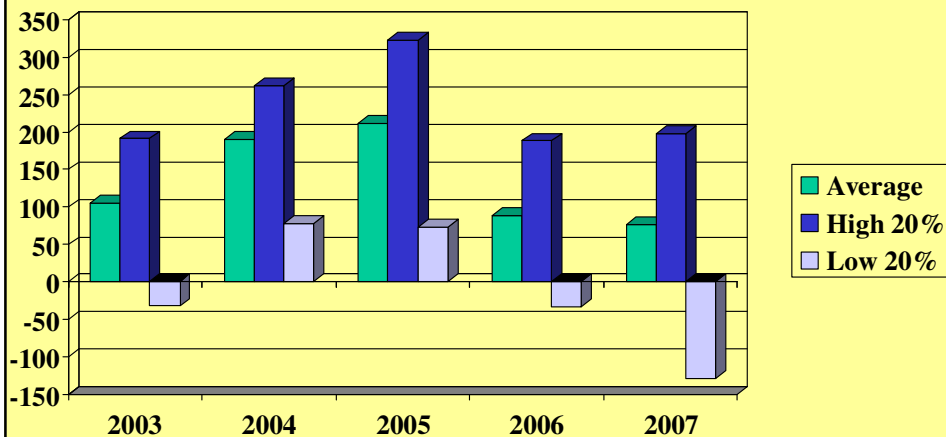
Costs /acre for Spring Wheat comparing 2006 to 2007



Crop Contributions to Overheads Year 2007



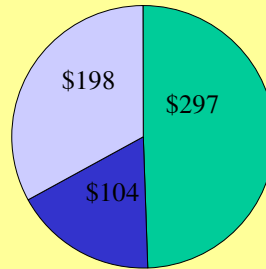
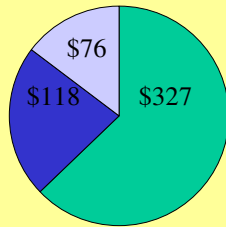
\$ Net income /Beef Cow



Beef cow costs, returns 2007 per cow

average

high profit



■ direct ■ overheads ■ net \$

Cost to Maintain Herd /cow year 2007

	Low Profit	High Profit
Purchase Breeding Stock	-\$ 160	-\$ 93
Transfer in Bred Heifers	-\$ 62	-\$ 45
Sell Cull Cows & Bulls	+\$ 170	+\$ 91
Inventory Change	- \$ 68	- \$ 6
Net Cost per Cow	\$ 120	\$ 53

Costs per cow and effects on Cost of production/cwt of calf

\$ / cow	Low profit	High Profit	Difference
Direct Cost	437	371	66
Overhead Cost	84	55	29
Cost to maintain Breeding Herd	120	53	67
Total Cost per cow	641	479	162
Lbs. produced per cow	485	537	52
2007 Cost of production/cwt	\$ 132/cwt	\$ 89/cwt	\$ 43/cwt !!
2006 Cost of production/cwt	\$ 129/cwt	\$ 89/cwt	

Thank You!

