

## **2002 Michigan Cash Grain Farm Business Analysis Summary**

2002 Michigan TelFarm and AgriSolutions Data  
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By

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By

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## **Executive Summary**

This report summarizes the 2002 financial and production records of 78 Michigan cash grain farms. To be included, the farms must have produced at least 50 percent of gross cash farm income from one or a combination of these items; corn, soybeans, wheat, all varieties of navy beans, oats, and other small grains. The records came from Michigan State University's TelFarm/MicroTel project, the Farm Credit Service system, or by AgriSolutions in Michigan. The values were pooled into averages for reporting purposes.

Farm records were included if a farm financial analysis was completed on 2002 data including beginning and ending balance sheets, plus income and expenses. The data were checked to verify that cash discrepancy was less than 10% of gross cash inflow and that debt discrepancy was less than \$1,000. While considerable variation in the data exists, average values are reported in the summary tables below.

### *Data Sorting*

The 2002 Business Summary uses different sort criteria than previous summaries. In the past, farm financial data were sorted on Net Farm Income (NFI), which is a dollar measure of profit. For 2002, the sort uses the Rate of Return to Assets (ROA), which is a size-neutral measure of profitability relative to value of assets. The switch from using net farm income to rate of return on assets for sorting does not change the average values across all farms but does affect the average of the low 25% and average of the high 25% farm results.

ROA is calculated as the net farm income plus interest minus the value of unpaid labor and management divided by the average total farm asset. Rate of return on assets is a measure of how much profit the farm business assets generated. Accounting for total farm assets allows for a meaningful comparison across all farm sizes (e.g., operations with 140 acres and those with 1200 acres). ROA reveals how both equity and borrowed capital are performing, because ROA is calculated as if the farm had no debt. ROA is the return to all assets.

### *Summary of Results*

Average size of farms measured in acres is presented in Table 1. However, there is considerable range and variability around this average.

**Table 1. Average 2002 Michigan Cash Grain Farm Characteristics**

Total acres owned	416
Total crop acres (owned & rented)	1132
Number of farms	78

Net farm income is the profit (loss) remaining after all farm expenses and inventory changes have been recognized. The net farm income value is the return to unpaid operator management, labor and equity capital invested, as illustrated in Table 2. Net farm income in 2002 averaged negative \$2,178; and the median was \$10,805, with a standard deviation of \$133,902. This average somewhat obscures a very large range of net farm income values. As illustrated in Table 8, the farms in the top 25 percent of the net farm income distribution averaged \$103,662 while those in the bottom 25 percent had a negative \$125,218. The total difference across the averages of the top versus the bottom groups of farms is \$228,880.

Gross cash farm income averaged \$359,406 in 2002, (Table 2). The two largest components of these revenues were corn and soybeans sales, which averaged \$89,049 and \$88,163, respectively. Government payments averaged \$22,990 per farm in 2002.

Average total cash expenses were \$326,884 in 2002 and average net cash farm income was \$32,522. However, given less taxable income, crop farms were able to build total inventories. While prepaid expenses and supplies did decrease, crops and feed inventories increased, with total inventories increasing an average \$9,624.

**Table 2. Average 2002 Michigan Cash Grain Farm Income Statement**

	2002
	(\$)
Gross cash farm income	359,406
Total cash expense	326,884
Net cash farm income	32,522
Inventory change (positive)	9624
Depreciation and capital adjustments	-44,324
Net farm income	-2178

Four key financial performance indicators are presented in Table 3. The rate of return on assets (ROA) is calculated as if the farm has no debt. ROA indicates the farm earnings, after subtracting out an allowance for unpaid operator labor and management, as a percentage of invested assets. ROA provides the key summary performance indicator for your farm. By multiplying the operating profit margin by the asset turnover rate, the ROA is determined. The ROA data presented in Table 3 indicates a troubling trend with declines in performance for recent years.

The rate of return on equity (ROE) represents the farm earnings after interest payments expressed as a percentage of own equity capital. Ideally the ROE should be higher than the ROA indicating that profit is being made on borrowed money (and conversely which is the case in Table 3). This farm summary indicates that profitability on these farms was a challenge in 2002.

Operating profit margin (OPM) measures the dollars of profit generated per dollar of revenue. A negative OPM indicates that the net farm income is not adequate to pay a return to operator's labor and management. In 2002, Michigan cash grain farms generated a negative 4.7 cents of profit per dollar of revenue. Asset turnover ratio measures the efficiency with which farm assets generate revenue. In 2002, this ratio was 49.9 percent and was higher than the 2001 value of 43.5 percent, meaning that the farm assets generated more revenues per dollar invested in farm assets.

**Table 3. Average Michigan Cash Grain Farm Profitability Indicators, 2000-2002**

	2000	2001	2002
	(Percent)		
Rate of return on assets*	1.1	-1.3	-2.3
Rate of return on equity	-5.2	-11.3	-15.8
Operating profit margin	2.4	-3.1	-4.7
Asset turnover rate*	48.4	43.5	49.9

\* Assets valued at **cost** value (rather than market value).

### Results by Farm Size

To further facilitate financial comparisons and benchmarking, the financial summaries were categorized by cropped acres, Table 4. The smallest size category, 140 to 799 cropped acres, includes 36 farms. The medium size category, 800 to 1199 cropped acres, includes 17 farms. The largest size category, 1200 plus cropped acres, contains the remaining 25 farms.

**Table 4. Average 2002 Michigan Cash Grain Farm Characteristics by Farm Size Category**

	140-799	800-1199	1200+
	Acres	Acres	Acres
Total acres owned	314	477	522
Total crop acres	436	969	2,245
Number of farms	36	17	25

Table 5 presents the average farm income statement by farm acreage size. The smallest farms returned \$8,294; the medium farms \$13,982; and the largest farms a negative \$28,245.

**Table 5. Average 2002 Michigan Cash Grain Farm Income Statement by Size**

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(\$)	(\$)	(\$)
Gross cash farm income	133,567	307,267	720,070
Total cash expense	112,648	261,326	679,963
Net cash farm income	20,919	45,941	40,107
Inventory change	4,961	16,215	11,858
Depreciation and capital adjustments	-17,586	-48,174	-80,210
Net farm income	8,294	13,982	-28,245

Table 6 compares profitability measures across farm sizes with assets valued at cost. With assets valued on a cost basis, all farms sizes had negative values in three key financial performance indicators ROA, ROE and OPM. ROAs were similar for the smaller size farms (140-799 acres) and larger size farms (1200 + acres), while the mid-sized farms (800-1199 acres) were lightly higher at a negative 1.0 percent in 2002. The mid-sized farms had the highest ROE, a negative 7.4 percent and the highest OPM, a negative 2.1 percent. The smaller size farms had the lowest OPM and the lowest asset turnover ratio, a negative 6.2 percent and 36.8 percent respectively. In contrast, the larger size farms had the highest average asset turnover, a 56.8 percent, but the smallest ROE, a negative 27.5 percent. Keep in mind that these larger farms tend to have less unpaid factors so that the expenses reported are closer to a true economic cost of production for these farms. If the unpaid labor and management on the smaller farms were properly reimbursed, the profit margin would be smaller than the average value reported.

**Table 6. Average Michigan Cash Grain Farm Profitability Indicators by Size**

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(Percent)		
Rate of return on assets*	-2.3	-1.0	-2.8
Rate of return on equity	-9.1	-7.4	-27.5
Operating profit margin	-6.2	-2.1	-5.0
Asset turnover rate*	36.8	45.3	56.8

\* Assets valued at **cost** value (rather than market).

Table 7 compares profitability measures across farm sizes with assets valued at market. The market value approach includes the impact of price appreciation (inflation) of the asset base (land primarily) as a form of income. Financial performance indicators like ROA can be looked upon in this comparison as the “opportunity cost” of farming versus alternative investments. Market value for assets is more appropriate when comparing across different farms (while cost is more appropriate to compare the same farm across time). The smaller size farms had the highest ROA and ROE in 2002. Also, the smaller size farms realized the largest average OPM but had the smallest average asset turnover rate. In contrast, the larger size farms had the highest average asset turnover rate, the smallest operating profit margin, lowest ROA and the lowest ROE.

**Table 7. Average Michigan Cash Grain Farm Profitability Indicators by Size**

	140-799	800-1199	1200+
	Acres	Acres	Acres
	(Percent)		
Rate of return on assets*	5.3	2.7	2.2
Rate of return on equity	5.2	2.1	0.2
Operating profit margin	35.0	13.0	7.2
Asset turnover rate*	15.1	20.8	30.7

\*Assets valued at **market** value (rather than cost).

The details in deriving these profitability measures are provided in the following pages. The data for the smallest sized farms starts in Section B, page 20, Tables 20 to 31. The data for the mid-sized farms starts in section C, page 33, Tables 32 to 43. The data for the largest size category of farms starts in section D, page 46, Tables 44 to 55.



Table 9

Farm Income Statement  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
Cash Farm Income			
Apples	793	3,257	-
Beans, Black Turtle	379	-	1,480
Beans, Green	5,144	3,260	-
Beans, Light Red Kidney	259	-	1,008
Beans, Navy	4,275	5,110	5,930
Beans, Small Red	140	-	546
Clover Seed	205	-	-
Corn	89,049	87,829	97,427
Corn Silage	2,199	7,017	-
Corn, Ear	692	-	-
Corn, Seed	22,758	12,307	-
Cucumbers	7,867	-	-
Hay, Alfalfa	1,235	1,004	920
Hay, Mixed	4,208	3,889	8,340
Haylage, Alfalfa	1,840	7,198	-
Haylage, Mixed	374	-	-
Oatlage	63	260	-
Oats	1,799	57	1,289
Potatoes	5,956	24,452	-
Soybeans	88,163	93,894	93,071
Soybeans Seed	1,553	-	-
Straw	1,784	84	2,199
Sugar Beets	13,968	7,622	42,235
Sweet Corn	2,407	-	-
Wheat, Durum	1,042	-	4,063
Wheat, Spring	1,429	661	408
Wheat, Winter	18,615	25,948	14,802
Barley, Seed	218	-	-
Wheat, Seed	315	-	-
Other crops	122	-	476
Miscellaneous crop income	108	28	-
Beef Cow-Calf, Beef Calves	819	-	647
Beef, Finish Beef Calves	1,739	-	613
Beef, Finish Yrlg Steers	791	-	643
Broilers	49	-	192
Dairy Heifers (for sale)	2,026	8,316	-
Dairy Replacement Heifers	383	-	-
Dairy Steers	239	928	51
Hogs, Farrow-Fin, Raised Hogs	2,209	-	-
Hogs, Finish Feeder Pigs	3,678	15,097	-
Horses, Boarding	37	132	-
Sheep, Market Lambs, Mkt Lambs	765	-	-
Hogs, Weaning to Finish	1,819	-	567
Cull breeding livestock	574	12	675
Misc. livestock income	486	764	-
Direct & CC govt payments	5,360	3,458	6,098
Other government payments	17,630	19,402	19,225
Custom work income	16,894	29,634	5,357
Patronage dividends, cash	172	35	493
Insurance income	8,130	8,714	7,996
Other farm income	16,648	30,364	9,719
Gross Cash Farm Income	359,406	400,734	326,471

Table 9, (continued)

Farm Income Statement  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
<b>Cash Farm Expense</b>			
Seed	30,111	33,134	27,281
Fertilizer	46,678	52,516	41,469
Crop chemicals	28,358	31,406	34,068
Crop insurance	1,707	2,703	203
Drying fuel	909	5	1,570
Irrigation energy	821	1,491	-
Crop custom hire	58	-	226
Hauling and trucking	344	119	746
Crop marketing	1,854	409	3,292
Crop miscellaneous	1,572	3,368	2,163
Feeder livestock purchase	2,771	4,982	-
Purchased feed	5,758	4,805	353
Veterinary	518	935	32
Livestock supplies	817	1,073	313
Livestock marketing	281	792	-
Interest	23,686	23,442	17,271
Packaging and supplies	212	-	476
Fuel & oil	13,078	13,723	12,826
Repairs	26,814	25,499	23,249
Custom hire	13,736	20,418	6,175
Hired labor	21,967	31,599	18,394
Land rent	57,109	93,436	49,730
Machinery & bldg leases	4,026	1,814	3,037
Real estate taxes	6,894	6,982	4,934
Personal property taxes	300	640	562
Farm insurance	10,336	13,150	7,782
Utilities	6,668	6,424	3,513
Dues & professional fees	3,580	5,870	2,517
Hedging account deposits	150	263	138
Miscellaneous	15,773	31,971	6,307
Total cash expense	326,884	412,968	268,626
Net cash farm income	32,522	-12,234	57,845
<b>Inventory Changes</b>			
Crops and feed	11,939	-20,005	68,281
Market livestock	-1,271	-2,738	-1,268
Accounts receivable	139	-5,849	1,729
Prepaid expenses and supplies	-4,448	-16,975	-350
Accounts payable	3,266	-7,758	-851
Total inventory change	9,624	-53,324	67,541
Net operating profit	42,147	-65,558	125,386
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-542	-1,545	-675
Machinery and equipment	-40,112	-59,686	-17,448
Buildings and improvements	-12,655	-29,907	-7,841
Other farm capital	8,985	31,478	4,199
Total depr. and other capital adj	-44,324	-59,660	-21,764
Net farm income	-2,178	-125,218	103,622

Table 10

Inventory Changes  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
Net cash farm income	32,522	-12,234	57,845
Crops and Feed			
Ending inventory	128,174	89,274	142,143
Beginning inventory	116,235	109,278	73,862
Inventory change	11,939	-20,005	68,281
Market Livestock			
Ending inventory	5,186	3,912	96
Beginning inventory	6,457	6,650	1,364
Inventory change	-1,271	-2,738	-1,268
Accts Receivable & Other Current Assets			
Ending inventory	46,921	49,225	54,394
Beginning inventory	46,781	55,073	52,666
Inventory change	139	-5,849	1,729
Prepaid Expenses and Supplies			
Ending inventory	21,421	21,915	21,727
Beginning inventory	25,870	38,890	22,077
Inventory change	-4,448	-16,975	-350
Accounts Payable & Accrued Expenses			
Beginning inventory	29,428	14,867	27,362
Ending inventory	26,162	22,624	28,213
Inventory change	3,266	-7,758	-851
Total inventory change	9,624	-53,324	67,541
Net operating profit	42,147	-65,558	125,386

Table 11

Depreciation and Other Capital Adjustments  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
Net operating profit	42,147	-65,558	125,386
Breeding Livestock			
Ending inventory	10,317	25,643	43
Capital sales	136	-	-
Beginning inventory	10,491	27,188	718
Capital purchases	504	-	-
Depreciation, capital adjust.	-542	-1,545	-675
Machinery and Equipment			
Ending inventory	130,793	149,511	89,266
Capital sales	5,588	2,718	2,281
Beginning inventory	128,941	167,901	87,328
Capital purchases	47,552	44,014	21,667
Depreciation, capital adjust.	-40,112	-59,686	-17,448
Buildings and Improvements			
Ending inventory	55,857	76,203	30,934
Capital sales	4	-	-
Beginning inventory	57,565	77,369	37,630
Capital purchases	10,951	28,741	1,145
Depreciation, capital adjust.	-12,655	-29,907	-7,841
Other Capital Assets			
Ending inventory	25,910	69,386	20,940
Capital sales	8,410	28,211	467
Beginning inventory	16,285	37,102	17,019
Capital purchases	9,049	29,017	189
Depreciation, capital adjust.	8,985	31,478	4,199
Total depreciation, capital adj.	-44,324	-59,660	-21,764
Net farm income	-2,178	-125,218	103,622

Table 12

Profitability Measures  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
<b>Profitability (assets valued at cost)</b>			
Net farm income	-2,178	-125,218	103,622
Labor and management earnings	-19,456	-134,033	85,759
Rate of return on assets	-2.3 %	-22.5 %	12.9 %
Rate of return on equity	-15.8 %	-203.6 %	22.6 %
Operating profit margin	-4.7 %	-38.3 %	20.6 %
Asset turnover rate	49.9 %	58.7 %	62.7 %
Interest on farm net worth	17,278	8,815	17,863
Farm interest expense	23,684	20,419	17,063
Value of operator lbr and mgmt.	38,391	33,335	39,586
Return on farm assets	-16,885	-138,133	81,099
Average farm assets	723,827	614,323	628,863
Return on farm equity	-40,569	-158,553	64,036
Average farm equity	257,296	77,879	282,959
Value of farm production	361,142	360,812	394,185
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
<b>Profitability (assets valued at market)</b>			
Net farm income	61,279*	-51,000	144,114
Labor and management earnings	181	-94,694	83,926
Rate of return on assets	3.1 %	-5.1 %	9.0 %
Rate of return on equity	2.2 %	-11.6 %	10.4 %
Operating profit margin	12.9 %	-17.7 %	30.8 %
Asset turnover rate	24.3 %	28.6 %	29.2 %
Interest on farm net worth	61,098	43,693	60,188
Farm interest expense	23,684	20,419	17,063
Value of operator lbr and mgmt.	38,391	33,335	39,586
Return on farm assets	46,572	-63,916	121,591
Average farm assets	1,484,615	1,263,740	1,349,033
Return on farm equity	22,888	-84,335	104,528
Average farm equity	1,018,072	727,297	1,003,128
Value of farm production	361,142	360,812	394,185

\*NFI at market recognizes increased valuation of farm assets from beginning of the year to the ending of the year.

Table 13

Liquidity Measures  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
,Liquidity (cash)			
Net cash farm income	32,522	-12,234	57,845
Net nonfarm income	17,101	24,211	2,641
Family living and taxes	34,950	31,610	25,559
Real estate principal payments	10,545	9,545	6,867
Cash available for interm. debt	4,129	-29,178	28,060
Average intermediate debt	117,699	163,130	111,746
Years to turnover interm. debt	28.5	**	4.0
Expense as a % of income	91 %	103 %	82 %
Interest as a % of income	7 %	6 %	5 %
Liquidity (accrual)			
Total accrual farm income	370,213	372,143	395,213
Total accrual operating expense	328,067	437,701	269,827
Net accrual operating income	42,147	-65,558	125,386
Net nonfarm income	17,101	24,211	2,641
Family living and taxes	34,950	31,610	25,559
Real estate principal payments	10,545	9,545	6,867
Available for intermediate debt	13,753	-82,502	95,601
Average intermediate debt	117,699	163,130	111,746
Years to turnover interm. debt	8.6	**	1.2
Expense as a % of income	89 %	118 %	68 %
Interest as a % of income	6 %	5 %	4 %

\*\* Income insufficient to meet debt servicing requirements

Table 14

Balance Sheet at Cost Values  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	78		19		20	
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	25,979	38,210	32,023	36,466	21,435	56,220
Prepaid expenses & supplies	25,870	21,421	38,890	21,915	22,077	21,727
Growing crops	8,456	10,149	11,358	12,328	7,786	10,584
Accounts receivable	25,471	21,772	30,479	20,649	23,260	12,331
Hedging accounts	250	333	95	137	265	-15
Crops held for sale or feed	116,235	127,289	109,278	89,274	73,862	142,143
Crops under government loan	0	885	0	0	0	0
Market livestock held for sale	6,457	5,186	6,650	3,912	1,364	96
Other current assets	12,604	14,666	13,142	16,111	21,354	31,495
<b>Total current farm assets</b>	<b>221,321</b>	<b>239,911</b>	<b>241,914</b>	<b>200,791</b>	<b>171,404</b>	<b>274,580</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	10,491	10,317	27,188	25,643	718	43
Machinery and equipment	128,941	130,596	167,901	149,511	87,328	89,266
Titled vehicles	0	197	0	0	0	0
Other intermediate assets	10,314	19,849	20,895	54,452	10,033	12,221
<b>Total intermediate farm assets</b>	<b>149,746</b>	<b>160,959</b>	<b>215,984</b>	<b>229,607</b>	<b>98,078</b>	<b>101,529</b>
<b>Long Term Farm Assets</b>						
Farm land	268,872	281,391	77,338	78,298	262,033	265,833
Buildings and improvements	57,565	55,857	77,369	76,203	37,630	30,934
Other long-term assets	5,971	6,062	16,207	14,934	6,986	8,719
<b>Total long-term farm assets</b>	<b>332,408</b>	<b>343,309</b>	<b>170,914</b>	<b>169,436</b>	<b>306,649</b>	<b>305,486</b>
<b>Total Farm Assets</b>	<b>703,475</b>	<b>744,179</b>	<b>628,812</b>	<b>599,834</b>	<b>576,131</b>	<b>681,596</b>
<b>Total Nonfarm Assets</b>	<b>144,859</b>	<b>156,379</b>	<b>257,555</b>	<b>310,714</b>	<b>62,583</b>	<b>66,819</b>
<b>Total Assets</b>	<b>848,334</b>	<b>900,559</b>	<b>886,367</b>	<b>910,547</b>	<b>638,714</b>	<b>748,414</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	7,818	7,815	7,039	4,016	7,921	7,714
Accounts payable	21,963	17,994	9,276	17,160	19,440	20,498
Current notes	133,405	128,336	191,027	210,200	106,777	91,452
Government crop loans	0	735	0	0	0	0
Principal due on term debt	29,324	29,277	36,119	28,874	21,935	30,107
<b>Total current farm liabilities</b>	<b>192,510</b>	<b>184,158</b>	<b>243,461</b>	<b>260,250</b>	<b>156,074</b>	<b>149,771</b>
<b>Total intermediate farm liabs</b>	<b>85,129</b>	<b>111,611</b>	<b>126,826</b>	<b>148,468</b>	<b>73,387</b>	<b>113,078</b>
<b>Total long term farm liabilities</b>	<b>163,845</b>	<b>195,810</b>	<b>124,110</b>	<b>169,772</b>	<b>94,699</b>	<b>104,800</b>
<b>Total farm liabilities</b>	<b>441,483</b>	<b>491,579</b>	<b>494,397</b>	<b>578,491</b>	<b>324,160</b>	<b>367,649</b>
<b>Total nonfarm liabilities</b>	<b>7,092</b>	<b>5,544</b>	<b>8,436</b>	<b>5,843</b>	<b>4,616</b>	<b>3,100</b>
<b>Total liabilities</b>	<b>448,576</b>	<b>497,123</b>	<b>502,832</b>	<b>584,334</b>	<b>328,776</b>	<b>370,749</b>
<b>Net worth (farm and nonfarm)</b>	<b>399,759</b>	<b>403,436</b>	<b>383,535</b>	<b>326,214</b>	<b>309,938</b>	<b>377,665</b>
<b>Net worth change</b>		<b>3,677</b>		<b>-57,321</b>		<b>67,728</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	87 %	77 %	101 %	130 %	91 %	55 %
Curr. & interm farm liab. / assets	75 %	74 %	81 %	95 %	85 %	70 %
Long term farm liab. / assets	49 %	57 %	73 %	100 %	31 %	34 %
Total debt to asset ratio	53 %	55 %	57 %	64 %	51 %	50 %

Table 15

Balance Sheet at Market Values  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	78		19		20	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	25,979	38,210	32,023	36,466	21,435	56,220
Prepaid expenses & supplies	25,870	21,421	38,890	21,915	22,077	21,727
Growing crops	8,456	10,149	11,358	12,328	7,786	10,584
Accounts receivable	25,471	21,772	30,479	20,649	23,260	12,331
Hedging accounts	250	333	95	137	265	-15
Crops held for sale or feed	116,235	127,289	109,278	89,274	73,862	142,143
Crops under government loan	0	885	0	0	0	0
Market livestock held for sale	6,457	5,186	6,650	3,912	1,364	96
Other current assets	12,604	14,666	13,142	16,111	21,354	31,495
Total current farm assets	221,321	239,911	241,914	200,791	171,404	274,580
<b>Intermediate Farm Assets</b>						
Breeding livestock	10,491	10,317	27,188	25,643	718	43
Machinery and equipment	360,683	367,827	361,938	352,384	294,073	301,182
Titled vehicles	0	937	0	0	0	0
Other intermediate assets	10,654	20,258	20,895	54,452	11,310	13,498
Total intermediate farm assets	381,828	399,340	410,021	432,479	306,100	314,723
<b>Long Term Farm Assets</b>						
Farm land	721,340	775,078	442,710	471,109	717,298	746,096
Buildings and improvements	102,074	116,306	130,269	167,046	74,266	77,893
Other long-term assets	5,971	6,062	16,207	14,934	6,986	8,719
Total long-term farm assets	829,384	897,445	589,185	653,089	798,550	832,708
Total Farm Assets	1,432,534	1,536,696	1,241,121	1,286,360	1,276,054	1,422,011
Total Nonfarm Assets	281,881	283,394	529,285	526,399	97,097	114,135
Total Assets	1,714,415	1,820,089	1,770,406	1,812,758	1,373,152	1,536,146
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	7,818	7,815	7,039	4,016	7,921	7,714
Accounts payable	21,963	17,994	9,276	17,160	19,440	20,498
Current notes	133,405	128,336	191,027	210,200	106,777	91,452
Government crop loans	0	735	0	0	0	0
Principal due on term debt	29,324	29,277	36,119	28,874	21,935	30,107
Total current farm liabilities	192,510	184,158	243,461	260,250	156,074	149,771
Total intermediate farm liabs	85,129	111,611	126,826	148,468	73,387	113,078
Total long term farm liabilities	163,845	195,810	124,110	169,772	94,699	104,800
Total farm liabilities	441,483	491,579	494,397	578,491	324,160	367,649
Total nonfarm liabilities	7,092	5,544	8,436	5,843	4,616	3,100
Total liabs excluding deferreds	448,576	497,123	502,832	584,334	328,776	370,749
Total deferred liabilities	11	12	0	0	0	0
Total liabilities	448,586	497,135	502,832	584,334	328,776	370,749
Retained earnings	399,759	403,436	383,535	326,214	309,938	377,665
Market valuation equity	866,069	919,518	884,039	902,211	734,438	787,731
Net worth (farm and nonfarm)	1,265,828	1,322,954	1,267,574	1,228,425	1,044,376	1,165,396
Net worth excluding deferreds	1,265,839	1,322,967	1,267,574	1,228,425	1,044,376	1,165,396
Net worth change		57,126		-39,149		121,021
<b>Ratio Analysis</b>						
Current farm liabilities / assets	87 %	77 %	101 %	130 %	91 %	55 %
Curr. & interm farm liab. / assets	46 %	46 %	57 %	65 %	48 %	45 %
Long term farm liab. / assets	20 %	22 %	21 %	26 %	12 %	13 %
Total debt to asset ratio	26 %	27 %	28 %	32 %	24 %	24 %
Debt to assets excl deferreds	26 %	27 %	28 %	32 %	24 %	24 %

Table 16

Statement Of Cash Flows  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
Beginning cash (farm & nonfarm)	29,121	32,154	25,172
<b>Cash From Operating Activities</b>			
Gross cash farm income	359,406	400,734	326,471
Net nonfarm income	17,101	24,211	2,641
Total cash farm expense	-326,884	-412,968	-268,626
Apparent family living expense	-31,175	-27,495	-24,214
Income and social security tax	-3,774	-4,114	-1,345
Cash from operations	14,674	-19,633	34,927
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	136	-	-
Sale of machinery & equipment	5,588	2,718	2,281
Sale of titled vehicles	-	-	-
Sale of farm land	5,001	9,347	-
Sale of farm buildings	4	-	-
Sale of other farm assets	8,410	28,211	467
Sale of nonfarm assets	18,263	72,158	-
Purchase of breeding livestock	-504	-	-
Purchase of machinery & equip.	-47,355	-44,014	-21,667
Purchase of titled vehicles	-197	-	-
Purchase of farm land	-14,124	-5,040	-3,800
Purchase of farm buildings	-10,951	-28,741	-1,145
Purchase of other farm assets	-9,049	-29,017	-189
Purchase of nonfarm assets	-17,268	-64,511	-1,791
Cash from investing activities	-62,049	-58,889	-25,844
<b>Cash From Financing Activities</b>			
Money borrowed	190,690	219,833	143,044
Cash gifts and inheritances	14,784	5,691	6,364
Principal payments	-137,461	-141,242	-101,842
Dividends paid	-	-	-
Gifts given	-7,223	-530	-19,689
Cash from financing activities	60,790	83,752	27,877
Net change in cash balance	13,415	5,230	36,960
Ending cash (farm & nonfarm)	42,536	37,384	62,132

Table 17

Financial Standards Measures  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
Liquidity			
Current ratio	1.30	0.77	1.83
Working capital	55,753	-59,459	124,809
Solvency (market)			
Farm debt to asset ratio	32 %	45 %	26 %
Farm equity to asset ratio	68 %	55 %	74 %
Farm debt to equity ratio	47 %	82 %	35 %
Profitability (cost)			
Rate of return on farm assets	-2.3 %	-22.5 %	12.9 %
Rate of return on farm equity	-15.8 %	-203.6 %	22.6 %
Operating profit margin	-4.7 %	-38.3 %	20.6 %
Net farm income	-2,178	-125,218	103,622
Repayment Capacity			
Term debt coverage ratio	90 %	-96 %	337 %
Capital replacement margin	-4,079	-93,967	73,630
Efficiency			
Asset turnover rate (cost)	49.9 %	58.7 %	62.7 %
Operating expense ratio	82.2 %	112.1 %	64.0 %
Depreciation expense ratio	12.0 %	16.0 %	5.5 %
Interest expense ratio	6.4 %	5.5 %	4.3 %
Net farm income ratio	-0.6 %	-33.6 %	26.2 %

Table 18

Operator and Labor Information  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
Operator Information			
Average number of operators	1.3	1.4	1.2
Average age of operators	51.0	51.0	48.3
Average number of years farming	30.2	26.9	29.3
Results Per Operator			
Working capital	42,593	-43,451	104,007
Total assets (market)	1,390,470	1,324,708	1,280,121
Total liabilities	379,790	427,013	308,958
Net worth (market)	1,010,680	897,695	971,164
Net worth excl deferred liabs	1,010,690	897,695	971,164
Gross farm income	282,827	271,951	329,345
Total farm expense	284,491	363,456	242,993
Net farm income	-1,664	-91,505	86,351
Net nonfarm income	13,065	17,693	2,201
Family living & tax withdrawals	26,700	23,099	21,300
Total acres owned	318.0	213.1	323.8
Total crop acres	864.9	949.1	903.4
Crop acres owned	260.3	146.4	281.4
Crop acres cash rented	587.3	802.7	555.4
Crop acres share rented	17.3	-	66.6
Total pasture acres	0.6	2.3	-
Labor Analysis			
Number of farms	78	19	20
Total unpaid labor hours	3,056	3,059	2,998
Total hired labor hours	2,015	2,819	1,493
Total labor hours per farm	5,071	5,878	4,490
Unpaid hours per operator	2,335	2,235	2,498
Value of farm production / hour	71.21	61.38	87.79
Net farm income / unpaid hour	-0.71	-40.93	34.57
Partnerships			
Number of farms	14	5	1
Number of operators	2.0	1.6	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 19

Financial Summary  
**Michigan Cash Grain, All Sizes, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	78	19	20
<b>Income Statement</b>			
Gross cash farm income	359,406	400,734	326,471
Total cash farm expense	326,884	412,968	268,626
Net cash farm income	32,522	-12,234	57,845
Inventory change	9,624	-53,324	67,541
Depreciation and capital adjust	-44,324	-59,660	-21,764
Net farm income	-2,178	-125,218	103,622
<b>Profitability (cost)</b>			
Labor and management earnings	-19,456	-134,033	85,759
Rate of return on assets	-2.3 %	-22.5 %	12.9 %
Rate of return on equity	-15.8 %	-203.6 %	22.6 %
Operating profit margin	-4.7 %	-38.3 %	20.6 %
Asset turnover rate	49.9 %	58.7 %	62.7 %
<b>Profitability (market)</b>			
Labor and management earnings	181	-94,694	83,926
Rate of return on assets	3.1 %	-5.1 %	9.0 %
Rate of return on equity	2.2 %	-11.6 %	10.4 %
Operating profit margin	12.9 %	-17.7 %	30.8 %
Asset turnover rate	24.3 %	28.6 %	29.2 %
<b>Liquidity</b>			
Term debt coverage ratio	90.2 %	-96.4 %	336.5 %
Expense as a percent of income	88.6 %	117.6 %	68.3 %
Interest as a percent of income	6.4 %	5.5 %	4.3 %
<b>Solvency (cost)</b>			
Number of farms	78	19	20
Ending farm assets	744,179	599,834	681,596
Ending farm liabilities	491,579	578,491	367,649
Ending total assets	900,559	910,547	748,414
Ending total liabilities	497,123	584,334	370,749
Ending net worth	403,436	326,214	377,665
Net worth change	3,677	-57,321	67,728
Ending farm debt to asset ratio	66 %	96 %	54 %
Beg total debt to asset ratio	53 %	57 %	51 %
End total debt to asset ratio	55 %	64 %	50 %
<b>Solvency (market)</b>			
Number of farms	78	19	20
Ending farm assets	1,536,696	1,286,360	1,422,011
Ending farm liabilities	491,591	578,491	367,649
Ending total assets	1,820,089	1,812,758	1,536,146
Ending total liabilities	497,135	584,334	370,749
Ending net worth	1,322,954	1,228,425	1,165,396
Net worth change	57,126	-39,149	121,021
Ending farm debt to asset ratio	32 %	45 %	26 %
Beg total debt to asset ratio	26 %	28 %	24 %
End total debt to asset ratio	27 %	32 %	24 %
<b>Nonfarm Information</b>			
Net nonfarm income	17,101	24,211	2,641
<b>Crop Acres</b>			
Total acres owned	416	292	389
Total crop acres	1,132	1,299	1,084
Total crop acres owned	341	200	338
Total crop acres cash rented	769	1,098	666
Total crop acres share rented	23	-	80

**B. Financial Summary Information, Farms with 140-799 Acres**

Table 20

Crop Production and Marketing Summary  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Acreage Summary			
Total acres owned	314	274	322
Total crop acres	436	402	484
Crop acres owned	244	197	282
Crop acres cash rented	184	205	172
Crop acres share rented	9	-	30
Total pasture acres	2	8	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.13	2.04	2.18
Soybeans per bushel	4.29	4.79	4.41
Wheat, Winter per bushel	3.11	-	2.97
Sugar Beets per ton	29.90	-	30.23
Straw per ton	22.26	-	-
Beans, Navy per cwt	12.62	-	12.57
Hay, Alfalfa per ton	37.76	-	-
Hay, Mixed per ton	44.27	-	-
Oats per bushel	2.27	-	-

Table 21

Farm Income Statement  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Cash Farm Income			
Apples	1,719	-	-
Beans, Black Turtle	822	-	2,959
Beans, Light Red Kidney	216	-	778
Beans, Navy	3,724	-	8,349
Beans, Small Red	304	-	1,093
Corn	30,903	13,237	36,740
Corn Silage	1,735	4,920	-
Corn, Ear	1,498	-	-
Hay, Alfalfa	911	2,342	826
Hay, Mixed	3,604	6,805	1,211
Haylage, Alfalfa	1,197	-	-
Haylage, Mixed	810	-	-
Oats	1,085	63	2,504
Soybeans	25,661	18,938	17,191
Straw	655	-	296
Sugar Beets	14,202	-	50,840
Wheat, Spring	349	1,571	-
Wheat, Winter	8,319	2,488	10,940
Wheat, Seed	682	-	-
Miscellaneous crop income	74	66	-
Beef Cow-Calf, Beef Calves	455	-	1,294
Beef, Finish Beef Calves	1,790	-	1,225
Beef, Finish Yrlg Steers	1,195	-	1,286
Broilers	107	-	384
Dairy Replacement Heifers	831	-	-
Dairy Steers	518	2,205	102
Horses, Boarding	80	313	-
Hogs, Weaning to Finish	315	-	1,135
Beef Cow-Calf (shares), Beef Calv	117	-	-
Cull breeding livestock	811	29	1,350
Misc. livestock income	457	488	-
Direct & CC govt payments	4,268	6,815	1,906
Other government payments	6,081	4,053	8,400
Custom work income	5,722	14,558	3,464
Patronage dividends, cash	305	82	796
Insurance income	3,759	873	4,512
Other farm income	8,286	5,375	13,201
Gross Cash Farm Income	133,567	85,218	172,779

Table 21 (continued) Farm Income Statement  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
<b>Cash Farm Expense</b>			
Seed	12,397	5,944	13,327
Fertilizer	17,152	16,153	16,864
Crop chemicals	9,599	2,751	15,720
Crop insurance	855	988	964
Drying fuel	332	-	385
Crop custom hire	63	-	226
Hauling and trucking	452	36	711
Crop marketing	1,357	288	2,634
Crop miscellaneous	366	345	578
Feeder livestock purchase	1,319	1,000	-
Purchased feed	1,413	3,059	704
Veterinary	330	671	21
Livestock supplies	654	1,010	627
Livestock marketing	109	460	-
Interest	9,465	5,173	13,419
Packaging and supplies	250	-	277
Fuel & oil	4,701	4,708	4,981
Repairs	12,130	12,369	12,352
Custom hire	4,118	5,124	4,815
Hired labor	5,595	7,609	3,949
Land rent	8,403	9,299	7,380
Machinery & bldg leases	883	-	534
Real estate taxes	4,932	5,496	5,441
Personal property taxes	343	141	1,123
Farm insurance	5,233	5,650	4,088
Utilities	3,181	3,151	1,995
Dues & professional fees	2,079	3,471	2,190
Hedging account deposits	132	-	200
Miscellaneous	4,805	4,744	4,650
Total cash expense	112,648	99,638	120,153
Net cash farm income	20,919	-14,420	52,627
<b>Inventory Changes</b>			
Crops and feed	1,964	10,017	6,670
Market livestock	29	4,048	-2,536
Accounts receivable	-1,225	1,013	18,838
Prepaid expenses and supplies	4,076	8,320	2,229
Accounts payable	117	-3,875	539
Total inventory change	4,961	19,523	25,739
Net operating profit	25,880	5,103	78,366
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-1,029	-3,669	-1,350
Machinery and equipment	-21,301	-28,757	-14,161
Buildings and improvements	-2,190	-1,017	-3,212
Other farm capital	6,935	-3,842	8,452
Total depr. and other capital adj	-17,586	-37,284	-10,270
Net farm income	8,294	-32,181	68,095

Table 22

Inventory Changes  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Net cash farm income	20,919	-14,420	52,627
Crops and Feed			
Ending inventory	36,537	39,446	39,163
Beginning inventory	34,573	29,429	32,493
Inventory change	1,964	10,017	6,670
Market Livestock			
Ending inventory	3,496	7,916	193
Beginning inventory	3,467	3,869	2,729
Inventory change	29	4,048	-2,536
Accts Receivable & Other Current Assets			
Ending inventory	29,846	4,814	75,428
Beginning inventory	31,071	3,801	56,591
Inventory change	-1,225	1,013	18,838
Prepaid Expenses and Supplies			
Ending inventory	11,173	10,273	9,665
Beginning inventory	7,097	1,953	7,437
Inventory change	4,076	8,320	2,229
Accounts Payable & Accrued Expenses			
Beginning inventory	8,501	5,856	6,292
Ending inventory	8,384	9,732	5,753
Inventory change	117	-3,875	539
Total inventory change	4,961	19,523	25,739
Net operating profit	25,880	5,103	78,366

Table 23

Depreciation and Other Capital Adjustments  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Net operating profit	25,880	5,103	78,366
Breeding Livestock			
Ending inventory	5,464	8,394	85
Capital sales	202	-	-
Beginning inventory	6,527	12,063	1,435
Capital purchases	168	-	-
Depreciation, capital adjust.	-1,029	-3,669	-1,350
Machinery and Equipment			
Ending inventory	51,917	39,243	41,399
Capital sales	1,147	1,836	190
Beginning inventory	46,437	43,562	40,694
Capital purchases	27,929	26,273	15,055
Depreciation, capital adjust.	-21,301	-28,757	-14,161
Buildings and Improvements			
Ending inventory	31,405	27,752	40,817
Capital sales	8	-	-
Beginning inventory	31,943	27,097	41,739
Capital purchases	1,659	1,672	2,291
Depreciation, capital adjust.	-2,190	-1,017	-3,212
Other Capital Assets			
Ending inventory	14,001	2,357	29,155
Capital sales	9,907	-	634
Beginning inventory	8,809	6,199	21,337
Capital purchases	8,164	-	-
Depreciation, capital adjust.	6,935	-3,842	8,452
Total depreciation, capital adj.	-17,586	-37,284	-10,270
Net farm income	8,294	-32,181	68,095

Table 24

Profitability Measures  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Profitability (assets valued at cost)			
Net farm income	8,294	-32,181	68,095
Labor and management earnings	-4,031	-38,232	51,323
Rate of return on assets	-2.3 %	-26.5 %	10.7 %
Rate of return on equity	-9.1 %	-89.5 %	14.7 %
Operating profit margin	-6.2 %	-57.9 %	26.2 %
Asset turnover rate	36.8 %	45.7 %	41.1 %
Interest on farm net worth	12,325	6,052	16,772
Farm interest expense	9,062	5,111	11,904
Value of operator lbr and mgmt.	25,487	26,492	29,324
Return on farm assets	-8,130	-53,561	50,675
Average farm assets	354,775	202,460	471,506
Return on farm equity	-17,192	-58,673	38,771
Average farm equity	189,145	65,583	264,501
Value of farm production	130,574	92,568	193,697
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Profitability (assets valued at market)			
Net farm income	62,084	-24,305	113,752
Labor and management earnings	20,134	-58,563	65,024
Rate of return on assets	5.3 %	-6.5 %	9.5 %
Rate of return on equity	5.2 %	-8.9 %	10.4 %
Operating profit margin	35.0 %	-49.4 %	49.7 %
Asset turnover rate	15.1 %	13.1 %	19.0 %
Interest on farm net worth	41,949	34,258	48,728
Farm interest expense	9,062	5,111	11,904
Value of operator lbr and mgmt.	25,487	26,492	29,324
Return on farm assets	45,659	-45,686	96,331
Average farm assets	864,324	707,844	1,019,138
Return on farm equity	36,597	-50,797	84,427
Average farm equity	698,668	570,966	812,133
Value of farm production	130,574	92,568	193,697

Table 25

Liquidity Measures  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Liquidity (cash)			
Net cash farm income	20,919	-14,420	52,627
Net nonfarm income	17,676	40,266	-647
Family living and taxes	20,948	30,143	17,786
Real estate principal payments	5,363	4,460	7,076
Cash available for interm. debt	12,283	-8,757	27,118
Average intermediate debt	49,813	39,560	49,827
Years to turnover interm. debt	4.1	**	1.8
Expense as a % of income	84 %	117 %	70 %
Interest as a % of income	7 %	6 %	8 %
Liquidity (accrual)			
Total accrual farm income	134,335	100,296	195,751
Total accrual operating expense	108,455	95,193	117,385
Net accrual operating income	25,880	5,103	78,366
Net nonfarm income	17,676	40,266	-647
Family living and taxes	20,948	30,143	17,786
Real estate principal payments	5,363	4,460	7,076
Available for intermediate debt	17,244	10,766	52,857
Average intermediate debt	49,813	39,560	49,827
Years to turnover interm. debt	2.9	3.7	0.9
Expense as a % of income	81 %	95 %	60 %
Interest as a % of income	7 %	5 %	6 %

\*\* Income insufficient to meet debt servicing requirements

Table 26

Balance Sheet at Cost Values  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms		Low 25%		High 25%	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Number of farms	36		8		10	
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	24,219	30,078	22,569	24,540	22,922	47,538
Prepaid expenses & supplies	7,097	11,173	1,953	10,273	7,437	9,665
Growing crops	5,159	5,519	3,553	3,707	3,788	4,411
Accounts receivable	14,171	6,055	223	1,107	10,591	10,885
Hedging accounts	15	1	25	0	0	0
Crops held for sale or feed	34,573	36,537	29,429	39,446	32,493	39,163
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	3,467	3,496	3,869	7,916	2,729	193
Other current assets	11,726	18,271	0	0	42,212	60,133
<b>Total current farm assets</b>	<b>100,426</b>	<b>111,130</b>	<b>61,621</b>	<b>86,989</b>	<b>122,172</b>	<b>171,987</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	6,527	5,464	12,063	8,394	1,435	85
Machinery and equipment	46,437	51,490	43,562	39,243	40,694	41,399
Titled vehicles	0	428	0	0	0	0
Other intermediate assets	5,128	10,215	1,521	1,407	13,434	17,540
<b>Total intermediate farm assets</b>	<b>58,092</b>	<b>67,597</b>	<b>57,145</b>	<b>49,043</b>	<b>55,563</b>	<b>59,023</b>
<b>Long Term Farm Assets</b>						
Farm land	147,564	153,928	44,743	44,900	216,096	216,096
Buildings and improvements	31,943	31,405	27,097	27,752	41,739	40,817
Other long-term assets	3,681	3,785	4,679	951	7,903	11,616
<b>Total long-term farm assets</b>	<b>183,188</b>	<b>189,118</b>	<b>76,519</b>	<b>73,603</b>	<b>265,738</b>	<b>268,529</b>
<b>Total Farm Assets</b>	<b>341,706</b>	<b>367,844</b>	<b>195,285</b>	<b>209,635</b>	<b>443,472</b>	<b>499,539</b>
<b>Total Nonfarm Assets</b>	<b>80,885</b>	<b>115,879</b>	<b>58,665</b>	<b>211,013</b>	<b>70,562</b>	<b>72,239</b>
<b>Total Assets</b>	<b>422,591</b>	<b>483,723</b>	<b>253,950</b>	<b>420,648</b>	<b>514,034</b>	<b>571,778</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,389	986	1,044	982	2,434	918
Accounts payable	7,876	6,633	8,251	5,311	3,858	4,835
Current notes	38,582	35,457	27,546	29,710	49,809	36,027
Government crop loans	0	0	0	0	0	0
Principal due on term debt	10,376	8,720	9,622	9,222	9,736	9,294
<b>Total current farm liabilities</b>	<b>58,223</b>	<b>51,798</b>	<b>46,463</b>	<b>45,224</b>	<b>65,837</b>	<b>51,074</b>
<b>Total intermediate farm liabs</b>	<b>38,471</b>	<b>49,848</b>	<b>35,948</b>	<b>29,539</b>	<b>33,829</b>	<b>61,549</b>
<b>Total long term farm liabilities</b>	<b>64,394</b>	<b>68,528</b>	<b>55,248</b>	<b>61,332</b>	<b>101,298</b>	<b>100,422</b>
<b>Total farm liabilities</b>	<b>161,088</b>	<b>170,173</b>	<b>137,659</b>	<b>136,095</b>	<b>200,965</b>	<b>213,045</b>
<b>Total nonfarm liabilities</b>	<b>8,121</b>	<b>7,725</b>	<b>14,738</b>	<b>13,878</b>	<b>510</b>	<b>193</b>
<b>Total liabilities</b>	<b>169,209</b>	<b>177,898</b>	<b>152,397</b>	<b>149,973</b>	<b>201,474</b>	<b>213,238</b>
<b>Net worth (farm and nonfarm)</b>	<b>253,382</b>	<b>305,825</b>	<b>101,554</b>	<b>270,675</b>	<b>312,560</b>	<b>358,539</b>
<b>Net worth change</b>		<b>52,443</b>		<b>169,121</b>		<b>45,979</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	58 %	47 %	75 %	52 %	54 %	30 %
Curr. & interm farm liab. / assets	61 %	57 %	69 %	55 %	56 %	49 %
Long term farm liab. / assets	35 %	36 %	72 %	83 %	38 %	37 %
Total debt to asset ratio	40 %	37 %	60 %	36 %	39 %	37 %

Table 27

Balance Sheet at Market Values  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	36		8		10	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	24,219	30,078	22,569	24,540	22,922	47,538
Prepaid expenses & supplies	7,097	11,173	1,953	10,273	7,437	9,665
Growing crops	5,159	5,519	3,553	3,707	3,788	4,411
Accounts receivable	14,171	6,055	223	1,107	10,591	10,885
Hedging accounts	15	1	25	0	0	0
Crops held for sale or feed	34,573	36,537	29,429	39,446	32,493	39,163
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	3,467	3,496	3,869	7,916	2,729	193
Other current assets	11,726	18,271	0	0	42,212	60,133
<b>Total current farm assets</b>	<b>100,426</b>	<b>111,130</b>	<b>61,621</b>	<b>86,989</b>	<b>122,172</b>	<b>171,987</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	6,527	5,464	12,063	8,394	1,435	85
Machinery and equipment	181,332	194,698	160,211	159,382	185,117	192,978
Titled vehicles	0	1,177	0	0	0	0
Other intermediate assets	5,754	10,858	1,521	1,407	15,599	19,705
<b>Total intermediate farm assets</b>	<b>193,612</b>	<b>212,197</b>	<b>173,794</b>	<b>169,182</b>	<b>202,151</b>	<b>212,768</b>
<b>Long Term Farm Assets</b>						
Farm land	446,642	491,904	359,200	362,698	545,440	575,585
Buildings and improvements	79,998	85,273	97,438	99,136	90,611	98,045
Other long-term assets	3,681	3,785	4,679	951	7,903	11,616
<b>Total long-term farm assets</b>	<b>530,320</b>	<b>580,962</b>	<b>461,316</b>	<b>462,785</b>	<b>643,954</b>	<b>685,245</b>
<b>Total Farm Assets</b>	<b>824,359</b>	<b>904,289</b>	<b>696,731</b>	<b>718,956</b>	<b>968,277</b>	<b>1,070,000</b>
<b>Total Nonfarm Assets</b>	<b>256,667</b>	<b>254,852</b>	<b>457,754</b>	<b>419,155</b>	<b>88,926</b>	<b>99,312</b>
<b>Total Assets</b>	<b>1,081,026</b>	<b>1,159,141</b>	<b>1,154,485</b>	<b>1,138,111</b>	<b>1,057,203</b>	<b>1,169,312</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	1,389	986	1,044	982	2,434	918
Accounts payable	7,876	6,633	8,251	5,311	3,858	4,835
Current notes	38,582	35,457	27,546	29,710	49,809	36,027
Government crop loans	0	0	0	0	0	0
Principal due on term debt	10,376	8,720	9,622	9,222	9,736	9,294
<b>Total current farm liabilities</b>	<b>58,223</b>	<b>51,798</b>	<b>46,463</b>	<b>45,224</b>	<b>65,837</b>	<b>51,074</b>
<b>Total intermediate farm liabs</b>	<b>38,471</b>	<b>49,848</b>	<b>35,948</b>	<b>29,539</b>	<b>33,829</b>	<b>61,549</b>
<b>Total long term farm liabilities</b>	<b>64,394</b>	<b>68,528</b>	<b>55,248</b>	<b>61,332</b>	<b>101,298</b>	<b>100,422</b>
<b>Total farm liabilities</b>	<b>161,088</b>	<b>170,173</b>	<b>137,659</b>	<b>136,095</b>	<b>200,965</b>	<b>213,045</b>
<b>Total nonfarm liabilities</b>	<b>8,121</b>	<b>7,725</b>	<b>14,738</b>	<b>13,878</b>	<b>510</b>	<b>193</b>
<b>Total liabs excluding deferreds</b>	<b>169,209</b>	<b>177,898</b>	<b>152,397</b>	<b>149,973</b>	<b>201,474</b>	<b>213,238</b>
<b>Total deferred liabilities</b>	<b>24</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>169,233</b>	<b>177,925</b>	<b>152,397</b>	<b>149,973</b>	<b>201,474</b>	<b>213,238</b>
<b>Retained earnings</b>	<b>253,382</b>	<b>305,825</b>	<b>101,554</b>	<b>270,675</b>	<b>312,560</b>	<b>358,539</b>
<b>Market valuation equity</b>	<b>658,411</b>	<b>675,391</b>	<b>900,535</b>	<b>717,464</b>	<b>543,169</b>	<b>597,534</b>
<b>Net worth (farm and nonfarm)</b>	<b>911,793</b>	<b>981,216</b>	<b>1,002,088</b>	<b>988,139</b>	<b>855,729</b>	<b>956,073</b>
<b>Net worth excluding deferreds</b>	<b>911,817</b>	<b>981,243</b>	<b>1,002,088</b>	<b>988,139</b>	<b>855,729</b>	<b>956,073</b>
<b>Net worth change</b>		<b>69,423</b>		<b>-13,949</b>		<b>100,344</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	58 %	47 %	75 %	52 %	54 %	30 %
Curr. & interm farm liab. / assets	33 %	31 %	35 %	29 %	31 %	29 %
Long term farm liab. / assets	12 %	12 %	12 %	13 %	16 %	15 %
Total debt to asset ratio	16 %	15 %	13 %	13 %	19 %	18 %
Debt to assets excl deferreds	16 %	15 %	13 %	13 %	19 %	18 %

Table 28

Statement Of Cash Flows  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Beginning cash (farm & nonfarm)	29,830	22,882	30,162
<b>Cash From Operating Activities</b>			
Gross cash farm income	133,567	85,218	172,779
Net nonfarm income	17,676	40,266	-647
Total cash farm expense	-112,648	-99,638	-120,153
Apparent family living expense	-18,894	-25,084	-15,872
Income and social security tax	-2,055	-5,060	-1,914
Cash from operations	17,646	-4,298	34,194
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	202	-	-
Sale of machinery & equipment	1,147	1,836	190
Sale of titled vehicles	-	-	-
Sale of farm land	4,933	22,200	-
Sale of farm buildings	8	-	-
Sale of other farm assets	9,907	-	634
Sale of nonfarm assets	38,915	171,375	-
Purchase of breeding livestock	-168	-	-
Purchase of machinery & equip.	-27,501	-26,273	-15,055
Purchase of titled vehicles	-428	-	-
Purchase of farm land	-9,463	-9,845	-
Purchase of farm buildings	-1,659	-1,672	-2,291
Purchase of other farm assets	-8,164	-	-
Purchase of nonfarm assets	-36,400	-153,213	-
Cash from investing activities	-28,670	4,409	-16,522
<b>Cash From Financing Activities</b>			
Money borrowed	56,652	35,395	58,097
Cash gifts and inheritances	8,679	2,891	3,900
Principal payments	-46,441	-35,479	-45,794
Dividends paid	-	-	-
Gifts given	-2,780	-1,260	-9,000
Cash from financing activities	16,111	1,547	7,203
Net change in cash balance	5,087	1,658	24,875
Ending cash (farm & nonfarm)	34,917	24,540	55,038

Table 29

Financial Standards Measures  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Liquidity			
Current ratio	2.15	1.92	3.37
Working capital	59,332	41,765	120,913
Solvency (market)			
Farm debt to asset ratio	19 %	19 %	20 %
Farm equity to asset ratio	81 %	81 %	80 %
Farm debt to equity ratio	23 %	23 %	25 %
Profitability (cost)			
Rate of return on farm assets	-2.3 %	-26.5 %	10.7 %
Rate of return on farm equity	-9.1 %	-89.5 %	14.7 %
Operating profit margin	-6.2 %	-57.9 %	26.2 %
Net farm income	8,294	-32,181	68,095
Repayment Capacity			
Term debt coverage ratio	148 %	120 %	330 %
Capital replacement margin	11,151	4,587	49,880
Efficiency			
Asset turnover rate (cost)	36.8 %	45.7 %	41.1 %
Operating expense ratio	74.0 %	89.8 %	53.9 %
Depreciation expense ratio	13.1 %	37.2 %	5.2 %
Interest expense ratio	6.7 %	5.1 %	6.1 %
Net farm income ratio	6.2 %	-32.1 %	34.8 %

Table 30

Operator and Labor Information  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
Operator Information			
Average number of operators	1.1	1.1	1.0
Average age of operators	49.9	53.4	41.1
Average number of years farming	30.7	28.0	27.1
Results Per Operator			
Working capital	53,399	37,125	120,913
Total assets (market)	1,043,227	1,011,654	1,169,312
Total liabilities	160,133	133,309	213,238
Net worth (market)	883,094	878,346	956,073
Net worth excl deferred liabs	883,118	878,346	956,073
Gross farm income	120,902	89,152	195,751
Total farm expense	113,437	117,757	127,655
Net farm income	7,465	-28,605	68,095
Net nonfarm income	15,908	35,792	-647
Family living & tax withdrawals	18,854	26,794	17,786
Total acres owned	282.7	243.6	321.6
Total crop acres	392.4	357.1	484.0
Crop acres owned	219.3	175.3	281.6
Crop acres cash rented	165.2	181.8	172.2
Crop acres share rented	7.9	-	30.2
Total pasture acres	1.5	6.7	-
Labor Analysis			
Number of farms	36	8	10
Total unpaid labor hours	2,525	2,753	2,505
Total hired labor hours	585	881	344
Total labor hours per farm	3,111	3,634	2,849
Unpaid hours per operator	2,273	2,447	2,505
Value of farm production / hour	41.98	25.47	68.00
Net farm income / unpaid hour	3.28	-11.69	27.18

Table 31

Financial Summary  
**Michigan Cash Grain, 140 to 799 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	36	8	10
<b>Income Statement</b>			
Gross cash farm income	133,567	85,218	172,779
Total cash farm expense	112,648	99,638	120,153
Net cash farm income	20,919	-14,420	52,627
Inventory change	4,961	19,523	25,739
Depreciation and capital adjust	-17,586	-37,284	-10,270
Net farm income	8,294	-32,181	68,095
<b>Profitability (cost)</b>			
Labor and management earnings	-4,031	-38,232	51,323
Rate of return on assets	-2.3 %	-26.5 %	10.7 %
Rate of return on equity	-9.1 %	-89.5 %	14.7 %
Operating profit margin	-6.2 %	-57.9 %	26.2 %
Asset turnover rate	36.8 %	45.7 %	41.1 %
<b>Profitability (market)</b>			
Labor and management earnings	20,134	-58,563	65,024
Rate of return on assets	5.3 %	-6.5 %	9.5 %
Rate of return on equity	5.2 %	-8.9 %	10.4 %
Operating profit margin	35.0 %	-49.4 %	49.7 %
Asset turnover rate	15.1 %	13.1 %	19.0 %
<b>Liquidity</b>			
Term debt coverage ratio	148.1 %	119.7 %	330.4 %
Expense as a percent of income	80.7 %	94.9 %	60.0 %
Interest as a percent of income	6.7 %	5.1 %	6.1 %
<b>Solvency (cost)</b>			
Number of farms	36	8	10
Ending farm assets	367,844	209,635	499,539
Ending farm liabilities	170,173	136,095	213,045
Ending total assets	483,723	420,648	571,778
Ending total liabilities	177,898	149,973	213,238
Ending net worth	305,825	270,675	358,539
Net worth change	52,443	169,121	45,979
Ending farm debt to asset ratio	46 %	65 %	43 %
Beg total debt to asset ratio	40 %	60 %	39 %
End total debt to asset ratio	37 %	36 %	37 %
<b>Solvency (market)</b>			
Number of farms	36	8	10
Ending farm assets	904,289	718,956	1,070,000
Ending farm liabilities	170,200	136,095	213,045
Ending total assets	1,159,141	1,138,111	1,169,312
Ending total liabilities	177,925	149,973	213,238
Ending net worth	981,216	988,139	956,073
Net worth change	69,423	-13,949	100,344
Ending farm debt to asset ratio	19 %	19 %	20 %
Beg total debt to asset ratio	16 %	13 %	19 %
End total debt to asset ratio	15 %	13 %	18 %
<b>Nonfarm Information</b>			
Net nonfarm income	17,676	40,266	-647
<b>Crop Acres</b>			
Total acres owned	314	274	322
Total crop acres	436	402	484
Total crop acres owned	244	197	282
Total crop acres cash rented	184	205	172
Total crop acres share rented	9	-	30

**C. Financial Summary Information, Farms with 800-1199 Acres**

Table 32                      Crop Production and Marketing Summary  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Acreage Summary	
Total acres owned	477
Total crop acres	969
Crop acres owned	364
Crop acres cash rented	520
Crop acres share rented	85
Total pasture acres	-
Average Price Received (Cash Sales Only)	
Corn per bushel	2.15
Soybeans per bushel	4.95
Wheat, Winter per bushel	3.38

Table 33

Farm Income Statement  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Cash Farm Income	
Beans, Green	1,424
Beans, Navy	11,662
Corn	67,560
Corn, Seed	39,295
Cucumbers	21,481
Hay, Alfalfa	597
Hay, Mixed	2,353
Oats	89
Soybeans	60,328
Soybeans Seed	3,294
Straw	1,058
Sugar Beets	17,268
Wheat, Spring	4,443
Wheat, Winter	9,754
Other crops	560
Beef Cow-Calf, Beef Calves	2,689
Beef, Finish Beef Calves	1,278
Hogs, Farrow-Fin, Raised Hogs	10,134
Hogs, Feeder Pigs, Feeder Pigs	79
Sheep, Lamb Finishing	73
Sheep, Market Lambs, Mkt Lambs	3,511
Sheep, Market Lambs, Wool	26
Cull breeding livestock	918
Misc. livestock income	9
Direct & CC govt payments	9,501
Other government payments	15,982
Custom work income	6,894
Patronage dividends, cash	111
Insurance income	5,885
Cash from hedging accts	-134
Other farm income	9,147
Gross Cash Farm Income	307,267

Table 33 (continued)

## Farm Income Statement

**Michigan Cash Grain, 800 to 1199 Acres, 2002**

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

	Avg. Of All Farms
Number of farms	17
Cash Farm Expense	
Seed	31,441
Fertilizer	28,860
Crop chemicals	27,528
Crop insurance	3,311
Drying fuel	1,205
Hauling and trucking	117
Crop marketing	1,355
Crop miscellaneous	1,888
Feeder livestock purchase	1,854
Purchased feed	3,705
Breeding fees	41
Veterinary	392
Livestock supplies	143
Livestock marketing	390
Interest	16,346
Packaging and supplies	46
Fuel & oil	11,245
Repairs	27,326
Custom hire	15,359
Hired labor	9,163
Land rent	48,272
Machinery & bldg leases	3,706
Real estate taxes	5,141
Farm insurance	8,262
Utilities	6,850
Dues & professional fees	2,551
Hedging account deposits	70
Miscellaneous	4,759
Total cash expense	261,326
Net cash farm income	45,941
Inventory Changes	
Crops and feed	4,538
Market livestock	-524
Accounts receivable	6,040
Prepaid expenses and supplies	-897
Accounts payable	7,057
Total inventory change	16,215
Net operating profit	62,156
Depreciation and Other Capital Adjustments	
Breeding livestock	-307
Machinery and equipment	-41,578
Buildings and improvements	-5,725
Other farm capital	-564
Total depr. and other capital adj	-48,174
Net farm income	13,982

Table 34

Inventory Changes  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Net cash farm income	45,941
Crops and Feed	
Ending inventory	129,176
Beginning inventory	124,637
Inventory change	4,538
Market Livestock	
Ending inventory	7,938
Beginning inventory	8,462
Inventory change	-524
Accts Receivable & Other Current Assets	
Ending inventory	26,520
Beginning inventory	20,480
Inventory change	6,040
Prepaid Expenses and Supplies	
Ending inventory	18,932
Beginning inventory	19,829
Inventory change	-897
Accounts Payable & Accrued Expenses	
Beginning inventory	26,150
Ending inventory	19,093
Inventory change	7,057
Total inventory change	16,215
Net operating profit	62,156

Table 35                      Depreciation and Other Capital Adjustments  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Net operating profit	62,156
Breeding Livestock	
Ending inventory	11,058
Capital sales	196
Beginning inventory	9,603
Capital purchases	1,958
Depreciation, capital adjust.	-307
Machinery and Equipment	
Ending inventory	146,271
Capital sales	5,106
Beginning inventory	136,291
Capital purchases	56,664
Depreciation, capital adjust.	-41,578
Buildings and Improvements	
Ending inventory	38,276
Capital sales	-
Beginning inventory	35,026
Capital purchases	8,975
Depreciation, capital adjust.	-5,725
Other Capital Assets	
Ending inventory	26,921
Capital sales	1,376
Beginning inventory	28,101
Capital purchases	760
Depreciation, capital adjust.	-564
Total depreciation, capital adj.	-48,174
Net farm income	13,982

Table 36

Profitability Measures  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Profitability (assets valued at cost)	
Net farm income	13,982
Labor and management earnings	-5,570
Rate of return on assets	-1.0 %
Rate of return on equity	-7.4 %
Operating profit margin	-2.1 %
Asset turnover rate	45.3 %
Interest on farm net worth	19,552
Farm interest expense	16,965
Value of operator lbr and mgmt.	37,584
Return on farm assets	-6,637
Average farm assets	688,287
Return on farm equity	-23,602
Average farm equity	320,986
Value of farm production	311,456

	Avg. Of All Farms
Number of farms	17
Profitability (assets valued at market)	
Net farm income	61,104
Labor and management earnings	-6,636
Rate of return on assets	2.7 %
Rate of return on equity	2.1 %
Operating profit margin	13.0 %
Asset turnover rate	20.8 %
Interest on farm net worth	67,740
Farm interest expense	16,965
Value of operator lbr and mgmt.	37,584
Return on farm assets	40,485
Average farm assets	1,496,306
Return on farm equity	23,521
Average farm equity	1,129,006
Value of farm production	311,456

Table 37

Liquidity Measures  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Liquidity (cash)	
Net cash farm income	45,941
Net nonfarm income	21,609
Family living and taxes	45,761
Real estate principal payments	12,435
Cash available for interm. debt	9,354
Average intermediate debt	112,751
Years to turnover interm. debt	12.1
Expense as a % of income	85 %
Interest as a % of income	5 %
Liquidity (accrual)	
Total accrual farm income	317,322
Total accrual operating expense	255,166
Net accrual operating income	62,156
Net nonfarm income	21,609
Family living and taxes	45,761
Real estate principal payments	12,435
Available for intermediate debt	25,569
Average intermediate debt	112,751
Years to turnover interm. debt	4.4
Expense as a % of income	80 %
Interest as a % of income	5 %

Table 38

Balance Sheet at Cost Values  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	
Number of farms	17	
	Beginning	Ending
<b>Assets</b>		
<b>Current Farm Assets</b>		
Cash and checking balance	22,480	20,765
Prepaid expenses & supplies	19,829	18,932
Growing crops	4,455	5,950
Accounts receivable	15,831	20,317
Hedging accounts	195	253
Crops held for sale or feed	124,637	125,117
Crops under government loan	0	4,059
Market livestock held for sale	8,462	7,938
Other current assets	0	0
<b>Total current farm assets</b>	<b>195,888</b>	<b>203,331</b>
<b>Intermediate Farm Assets</b>		
Breeding livestock	9,603	11,058
Machinery and equipment	136,291	146,271
Titled vehicles	0	0
Other intermediate assets	18,907	17,797
<b>Total intermediate farm assets</b>	<b>164,801</b>	<b>175,126</b>
<b>Long Term Farm Assets</b>		
Farm land	256,953	288,855
Buildings and improvements	35,026	38,276
Other long-term assets	9,194	9,123
<b>Total long-term farm assets</b>	<b>301,173</b>	<b>336,254</b>
<b>Total Farm Assets</b>	<b>661,862</b>	<b>714,712</b>
<b>Total Nonfarm Assets</b>	<b>163,481</b>	<b>167,162</b>
<b>Total Assets</b>	<b>825,343</b>	<b>881,874</b>
<b>Liabilities</b>		
<b>Current Farm Liabilities</b>		
Accrued interest	5,950	6,568
Accounts payable	20,200	12,525
Current notes	69,067	73,868
Government crop loans	0	3,371
Principal due on term debt	29,773	32,947
<b>Total current farm liabilities</b>	<b>124,990</b>	<b>129,279</b>
<b>Total intermediate farm liabs</b>	<b>75,783</b>	<b>113,245</b>
<b>Total long term farm liabilities</b>	<b>135,507</b>	<b>155,796</b>
<b>Total farm liabilities</b>	<b>336,281</b>	<b>398,320</b>
<b>Total nonfarm liabilities</b>	<b>6,990</b>	<b>3,595</b>
<b>Total liabilities</b>	<b>343,271</b>	<b>401,915</b>
<b>Net worth (farm and nonfarm)</b>	<b>482,072</b>	<b>479,959</b>
<b>Net worth change</b>		<b>-2,113</b>
<b>Ratio Analysis</b>		
Current farm liabilities / assets	64 %	64 %
Curr. & interm farm liab. / assets	56 %	64 %
Long term farm liab. / assets	45 %	46 %
<b>Total debt to asset ratio</b>	<b>42 %</b>	<b>46 %</b>

Table 39

Balance Sheet at Market Values  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)  
Avg. Of  
All Farms

Number of farms	17	
	Beginning	Ending
<b>Assets</b>		
<b>Current Farm Assets</b>		
Cash and checking balance	22,480	20,765
Prepaid expenses & supplies	19,829	18,932
Growing crops	4,455	5,950
Accounts receivable	15,831	20,317
Hedging accounts	195	253
Crops held for sale or feed	124,637	125,117
Crops under government loan	0	4,059
Market livestock held for sale	8,462	7,938
Other current assets	0	0
Total current farm assets	195,888	203,331
<b>Intermediate Farm Assets</b>		
Breeding livestock	9,603	11,058
Machinery and equipment	387,675	407,104
Titled vehicles	0	0
Other intermediate assets	19,136	18,313
Total intermediate farm assets	416,415	436,475
<b>Long Term Farm Assets</b>		
Farm land	768,620	831,801
Buildings and improvements	56,204	65,563
Other long-term assets	9,194	9,123
Total long-term farm assets	834,017	906,487
Total Farm Assets	1,446,320	1,546,293
Total Nonfarm Assets	231,230	248,952
Total Assets	1,677,550	1,795,245
<b>Liabilities</b>		
<b>Current Farm Liabilities</b>		
Accrued interest	5,950	6,568
Accounts payable	20,200	12,525
Current notes	69,067	73,868
Government crop loans	0	3,371
Principal due on term debt	29,773	32,947
Total current farm liabilities	124,990	129,279
Total intermediate farm liabs	75,783	113,245
Total long term farm liabilities	135,507	155,796
Total farm liabilities	336,281	398,320
Total nonfarm liabilities	6,990	3,595
Total liabs excluding deferreds	343,271	401,915
Total deferred liabilities	0	0
Total liabilities	343,271	401,915
Retained earnings	482,072	479,959
Market valuation equity	852,207	913,371
Net worth (farm and nonfarm)	1,334,279	1,393,330
Net worth excluding deferreds	1,334,279	1,393,330
Net worth change		59,051
<b>Ratio Analysis</b>		
Current farm liabilities / assets	64 %	64 %
Curr. & interm farm liab. / assets	33 %	38 %
Long term farm liab. / assets	16 %	17 %
Total debt to asset ratio	20 %	22 %
Debt to assets excl deferreds	20 %	22 %

Table 40

Statement Of Cash Flows  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Beginning cash (farm & nonfarm)	25,012
Cash From Operating Activities	
Gross cash farm income	307,267
Net nonfarm income	21,609
Total cash farm expense	-261,326
Apparent family living expense	-38,879
Income and social security tax	-6,882
Cash from operations	21,789
Cash From Investing Activities	
Sale of breeding livestock	196
Sale of machinery & equipment	5,106
Sale of titled vehicles	-
Sale of farm land	7,471
Sale of farm buildings	-
Sale of other farm assets	1,376
Sale of nonfarm assets	403
Purchase of breeding livestock	-1,958
Purchase of machinery & equip.	-56,664
Purchase of titled vehicles	-
Purchase of farm land	-31,765
Purchase of farm buildings	-8,975
Purchase of other farm assets	-760
Purchase of nonfarm assets	-2,108
Cash from investing activities	-87,677
Cash From Financing Activities	
Money borrowed	185,094
Cash gifts and inheritances	10,149
Principal payments	-117,895
Dividends paid	-
Gifts given	-6,105
Cash from financing activities	71,244
Net change in cash balance	5,356
Ending cash (farm & nonfarm)	30,368

Table 41

Financial Standards Measures  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Liquidity	
Current ratio	1.57
Working capital	74,053
Solvency (market)	
Farm debt to asset ratio	26 %
Farm equity to asset ratio	74 %
Farm debt to equity ratio	35 %
Profitability (cost)	
Rate of return on farm assets	-1.0 %
Rate of return on farm equity	-7.4 %
Operating profit margin	-2.1 %
Net farm income	13,982
Repayment Capacity	
Term debt coverage ratio	127 %
Capital replacement margin	10,933
Efficiency	
Asset turnover rate (cost)	45.3 %
Operating expense ratio	75.1 %
Depreciation expense ratio	15.2 %
Interest expense ratio	5.3 %
Net farm income ratio	4.4 %

Table 42

Operator and Labor Information  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Operator Information	
Average number of operators	1.4
Average age of operators	52.9
Average number of years farming	32.6
Results Per Operator	
Working capital	52,236
Total assets (market)	1,266,355
Total liabilities	283,508
Net worth (market)	982,847
Net worth excl deferred liabs	982,847
Gross farm income	223,837
Total farm expense	213,974
Net farm income	9,863
Net nonfarm income	15,243
Family living & tax withdrawals	32,280
Total acres owned	336.4
Total crop acres	683.6
Crop acres owned	257.1
Crop acres cash rented	366.5
Crop acres share rented	60.0
Total pasture acres	-
Labor Analysis	
Number of farms	17
Total unpaid labor hours	3,064
Total hired labor hours	812
Total labor hours per farm	3,876
Unpaid hours per operator	2,161
Value of farm production / hour	80.36
Net farm income / unpaid hour	4.56

Table 43

Financial Summary  
**Michigan Cash Grain, 800 to 1199 Acres, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms
Number of farms	17
Income Statement	
Gross cash farm income	307,267
Total cash farm expense	261,326
Net cash farm income	45,941
Inventory change	16,215
Depreciation and capital adjust	-48,174
Net farm income	13,982
Profitability (cost)	
Labor and management earnings	-5,570
Rate of return on assets	-1.0 %
Rate of return on equity	-7.4 %
Operating profit margin	-2.1 %
Asset turnover rate	45.3 %
Profitability (market)	
Labor and management earnings	-6,636
Rate of return on assets	2.7 %
Rate of return on equity	2.1 %
Operating profit margin	13.0 %
Asset turnover rate	20.8 %
Liquidity	
Term debt coverage ratio	126.9 %
Expense as a percent of income	80.4 %
Interest as a percent of income	5.3 %
Solvency (cost)	
Number of farms	17
Ending farm assets	714,712
Ending farm liabilities	398,320
Ending total assets	881,874
Ending total liabilities	401,915
Ending net worth	479,959
Net worth change	-2,113
Ending farm debt to asset ratio	56 %
Beg total debt to asset ratio	42 %
End total debt to asset ratio	46 %
Solvency (market)	
Number of farms	17
Ending farm assets	1,546,293
Ending farm liabilities	398,320
Ending total assets	1,795,245
Ending total liabilities	401,915
Ending net worth	1,393,330
Net worth change	59,051
Ending farm debt to asset ratio	26 %
Beg total debt to asset ratio	20 %
End total debt to asset ratio	22 %
Nonfarm Information	
Net nonfarm income	21,609
Crop Acres	
Total acres owned	477
Total crop acres	969
Total crop acres owned	364
Total crop acres cash rented	520
Total crop acres share rented	85

**D. Financial Summary Information, Farms with 1200 Plus Acres**

Table 44

Crop Production and Marketing Summary  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
 (Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Acreage Summary			
Total acres owned	522	104	742
Total crop acres	2,245	3,076	2,170
Crop acres owned	464	83	641
Crop acres cash rented	1,781	2,993	1,530
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
Average Price Received (Cash Sales Only)			
Corn per bushel	2.11	2.06	2.04
Soybeans per bushel	4.64	4.44	4.53
Wheat, Winter per bushel	2.83	-	-
Straw per ton	7.08	-	-

Table 45

Farm Income Statement  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Cash Farm Income			
Beans, Green	15,081	10,325	-
Beans, Light Red Kidney	495	-	1,769
Clover Seed	638	-	-
Corn	187,392	225,041	220,863
Corn Silage	4,362	15,662	-
Corn, Seed	44,285	38,972	53,931
Cucumbers	9,937	-	-
Hay, Alfalfa	2,135	-	-
Hay, Mixed	6,339	370	20,714
Haylage, Alfalfa	4,017	15,611	-
Oatlage	197	822	-
Oats	3,990	-	107
Potatoes	18,584	77,432	-
Soybeans	197,092	251,304	218,634
Soybeans Seed	2,593	-	-
Straw	3,903	-	5,659
Sugar Beets	11,388	-	40,670
Sweet Corn	7,509	-	-
Wheat, Durum	3,251	-	11,609
Wheat, Spring	934	-	1,166
Wheat, Winter	39,467	76,564	17,613
Barley, Seed	680	-	-
Oats, Seed	207	-	-
Miscellaneous crop income	84	-	-
Beef, Finish Beef Calves	1,980	-	-
Beef, Finish Yrlg Steers	748	-	-
Dairy Heifers (for sale)	6,320	26,333	-
Hogs, Finish Feeder Pigs	11,474	47,808	-
Hogs, Weaning to Finish	5,220	-	-
Misc. livestock income	634	-	-
Direct & CC govt payments	4,116	-	14,699
Other government payments	35,381	45,821	43,571
Custom work income	39,782	67,183	17,636
Insurance income	15,952	20,215	11,972
Other farm income	33,905	84,470	7,874
Gross Cash Farm Income	720,070	1,003,933	688,486

Table 45 (continued) Farm Income Statement  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
<b>Cash Farm Expense</b>			
Seed	54,714	82,841	52,674
Fertilizer	101,311	128,099	91,080
Crop chemicals	55,936	77,620	71,484
Crop insurance	1,842	5,874	-3,951
Drying fuel	1,539	16	5,170
Irrigation energy	2,560	4,721	-
Crop custom hire	90	-	321
Crop hauling and trucking	344	-	1,115
Crop marketing	2,908	773	5,278
Crop miscellaneous	3,092	6,592	4,267
Feeder livestock purchase	5,485	14,441	-
Purchased feed	13,412	11,136	-
Breeding fees	142	-	-
Veterinary	874	2,068	51
Livestock supplies	1,509	2,051	-
Livestock marketing	455	1,896	-
Interest	49,156	58,813	27,642
Packaging and supplies	270	-	964
Fuel & oil	26,389	30,821	28,868
Repairs	47,611	48,444	47,575
Custom hire	26,481	49,051	5,066
Hired labor	54,250	75,037	47,281
Land rent	133,255	256,806	127,117
Machinery & bldg leases	8,770	4,938	9,618
Real estate taxes	10,912	11,796	8,595
Personal property taxes	441	1,839	-
Farm insurance	19,094	27,382	15,510
Utilities	11,564	13,300	9,853
Hauling and trucking	214	30	89
Dues & professional fees	6,441	11,543	3,561
Hedging account deposits	230	834	107
Miscellaneous	38,671	95,368	8,267
Total cash expense	679,963	1,024,127	567,604
Net cash farm income	40,107	-20,194	120,882
<b>Inventory Changes</b>			
Crops and feed	31,334	-63,537	166,007
Market livestock	-3,652	-14,067	-
Accounts receivable	-1,909	12,412	-19,082
Prepaid expenses and supplies	-19,137	-63,713	-6,727
Accounts payable	5,221	-16,389	-8,666
Total inventory change	11,858	-145,294	131,532
Net operating profit	51,965	-165,487	252,414
<b>Depreciation and Other Capital Adjustments</b>			
Breeding livestock	-	-	-
Machinery and equipment	-66,204	-132,827	-38,060
Buildings and improvements	-32,438	-91,688	-18,396
Other farm capital	18,431	76,612	137
Total depr. and other capital adj	-80,210	-147,903	-56,319
Net farm income	-28,245	-313,391	196,094

Table 46

Inventory Changes  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Net cash farm income	40,107	-20,194	120,882
Crops and Feed			
Ending inventory	259,449	229,472	404,090
Beginning inventory	228,115	293,008	238,083
Inventory change	31,334	-63,537	166,007
Market Livestock			
Ending inventory	5,747	1,833	-
Beginning inventory	9,399	15,900	-
Inventory change	-3,652	-14,067	-
Accts Receivable & Other Current Assets			
Ending inventory	85,380	119,794	40,487
Beginning inventory	87,289	107,383	59,569
Inventory change	-1,909	12,412	-19,082
Prepaid Expenses and Supplies			
Ending inventory	37,872	51,350	46,724
Beginning inventory	57,009	115,062	53,450
Inventory change	-19,137	-63,713	-6,727
Accounts Payable & Accrued Expenses			
Beginning inventory	61,792	38,869	45,156
Ending inventory	56,570	55,259	53,823
Inventory change	5,221	-16,389	-8,666
Total inventory change	11,858	-145,294	131,532
Net operating profit	51,965	-165,487	252,414

Table 47                      Depreciation and Other Capital Adjustments  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Net operating profit	51,965	-165,487	252,414
Breeding Livestock			
Ending inventory	16,803	70,013	-
Capital sales	-	-	-
Beginning inventory	16,803	70,013	-
Capital purchases	-	-	-
Depreciation, capital adjust.	-	-	-
Machinery and Equipment			
Ending inventory	233,849	372,286	194,490
Capital sales	12,309	4,950	5,666
Beginning inventory	242,748	428,994	190,704
Capital purchases	69,614	81,070	47,513
Depreciation, capital adjust.	-66,204	-132,827	-38,060
Buildings and Improvements			
Ending inventory	103,024	184,002	30,861
Capital sales	-	-	-
Beginning inventory	109,787	190,350	49,257
Capital purchases	25,676	85,339	-
Depreciation, capital adjust.	-32,438	-91,688	-18,396
Other Capital Assets			
Ending inventory	42,373	154,236	11,360
Capital sales	11,036	34,786	7,077
Beginning inventory	19,017	46,072	18,157
Capital purchases	15,961	66,338	143
Depreciation, capital adjust.	18,431	76,612	137
Total depreciation, capital adj.	-80,210	-147,903	-56,319
Net farm income	-28,245	-313,391	196,094

Table 48

Profitability Measures  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Profitability (assets valued at cost)			
Net farm income	-28,245	-313,391	196,094
Labor and management earnings	-51,111	-322,584	153,414
Rate of return on assets	-2.8 %	-22.9 %	12.2 %
Rate of return on equity	-27.5 %	-5,126.5 %	18.9 %
Operating profit margin	-5.0 %	-34.9 %	19.4 %
Asset turnover rate	56.8 %	65.6 %	62.8 %
Interest on farm net worth	22,865	9,193	42,680
Farm interest expense	49,308	49,724	29,567
Value of operator lbr and mgmt.	57,522	54,698	63,430
Return on farm assets	-36,460	-318,364	162,231
Average farm assets	1,279,430	1,392,710	1,329,953
Return on farm equity	-85,768	-368,088	132,664
Average farm equity	312,125	7,180	702,518
Value of farm production	726,947	913,164	835,411
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Profitability (assets valued at market)			
Net farm income	60,239	-169,159	272,204
Labor and management earnings	-23,916	-215,971	164,726
Rate of return on assets	2.2 %	-8.0 %	9.9 %
Rate of return on equity	0.2 %	-28.7 %	11.7 %
Operating profit margin	7.2 %	-19.1 %	28.5 %
Asset turnover rate	30.7 %	42.2 %	34.5 %
Interest on farm net worth	84,155	46,812	107,478
Farm interest expense	49,308	49,724	29,567
Value of operator lbr and mgmt.	57,522	54,698	63,430
Return on farm assets	52,024	-174,132	238,341
Average farm assets	2,369,883	2,165,729	2,418,734
Return on farm equity	2,716	-223,856	208,774
Average farm equity	1,402,578	780,199	1,791,298
Value of farm production	726,947	913,164	835,411

Table 49

Liquidity Measures  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Liquidity (cash)			
Net cash farm income	40,107	-20,194	120,882
Net nonfarm income	13,209	22,992	2,819
Family living and taxes	47,760	48,953	55,692
Real estate principal payments	16,721	20,640	18,362
Cash available for interm. debt	-11,166	-66,795	49,648
Average intermediate debt	218,818	407,430	231,946
Years to turnover interm. debt	**	**	4.7
Expense as a % of income	94 %	102 %	82 %
Interest as a % of income	7 %	6 %	4 %
Liquidity (accrual)			
Total accrual farm income	745,844	938,741	835,411
Total accrual operating expense	693,879	1,104,229	582,997
Net accrual operating income	51,965	-165,487	252,414
Net nonfarm income	13,209	22,992	2,819
Family living and taxes	47,760	48,953	55,692
Real estate principal payments	16,721	20,640	18,362
Available for intermediate debt	693	-212,088	181,180
Average intermediate debt	218,818	407,430	231,946
Years to turnover interm. debt	316.0	**	1.3
Expense as a % of income	93 %	118 %	70 %
Interest as a % of income	7 %	5 %	4 %

\*\* Income insufficient to meet debt servicing requirements

Table 50

Balance Sheet at Cost Values  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms		Low 25%		High 25%	
	25		6		7	
Number of farms	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	30,893	61,781	58,670	73,347	9,812	84,213
Prepaid expenses & supplies	57,009	37,872	115,062	51,350	53,450	46,724
Growing crops	15,924	19,671	29,493	32,688	13,376	19,581
Accounts receivable	48,300	45,395	36,274	45,492	44,727	16,869
Hedging accounts	624	866	0	0	758	-43
Crops held for sale or feed	228,115	259,449	293,008	229,472	238,083	404,090
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	9,399	5,747	15,900	1,833	0	0
Other current assets	22,440	19,448	41,615	41,615	709	4,080
<b>Total current farm assets</b>	<b>412,705</b>	<b>450,230</b>	<b>590,023</b>	<b>475,796</b>	<b>360,915</b>	<b>575,514</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	16,803	16,803	70,013	70,013	0	0
Machinery and equipment	242,748	233,849	428,994	372,286	190,704	194,490
Titled vehicles	0	0	0	0	0	0
Other intermediate assets	11,940	35,116	23,890	131,318	12,693	5,902
<b>Total intermediate farm assets</b>	<b>271,491</b>	<b>285,768</b>	<b>522,896</b>	<b>573,617</b>	<b>203,397</b>	<b>200,392</b>
<b>Long Term Farm Assets</b>						
Farm land	451,661	459,861	100,403	103,236	599,753	628,895
Buildings and improvements	109,787	103,024	190,350	184,002	49,257	30,861
Other long-term assets	7,076	7,258	22,181	22,918	5,464	5,458
<b>Total long-term farm assets</b>	<b>568,524</b>	<b>570,143</b>	<b>312,934</b>	<b>310,155</b>	<b>654,474</b>	<b>665,215</b>
<b>Total Farm Assets</b>	<b>1,252,720</b>	<b>1,306,140</b>	<b>1,425,853</b>	<b>1,359,567</b>	<b>1,218,786</b>	<b>1,441,121</b>
<b>Total Nonfarm Assets</b>	<b>224,320</b>	<b>207,367</b>	<b>546,287</b>	<b>511,494</b>	<b>11,021</b>	<b>10,839</b>
<b>Total Assets</b>	<b>1,477,039</b>	<b>1,513,508</b>	<b>1,972,140</b>	<b>1,871,061</b>	<b>1,229,807</b>	<b>1,451,960</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	18,346	18,497	20,497	11,408	12,850	14,775
Accounts payable	43,446	38,073	18,373	43,851	32,306	39,048
Current notes	313,702	299,120	528,436	589,902	215,266	190,530
Government crop loans	0	0	0	0	0	0
Principal due on term debt	56,303	56,384	94,460	74,958	57,906	83,233
<b>Total current farm liabilities</b>	<b>431,797</b>	<b>412,075</b>	<b>661,765</b>	<b>720,118</b>	<b>318,328</b>	<b>327,586</b>
<b>Total intermediate farm liabs</b>	<b>158,670</b>	<b>199,440</b>	<b>308,437</b>	<b>370,836</b>	<b>151,837</b>	<b>212,489</b>
<b>Total long term farm liabilities</b>	<b>326,324</b>	<b>406,306</b>	<b>278,796</b>	<b>431,109</b>	<b>102,059</b>	<b>142,573</b>
<b>Total farm liabilities</b>	<b>916,790</b>	<b>1,017,820</b>	<b>1,248,997</b>	<b>1,522,063</b>	<b>572,224</b>	<b>682,647</b>
<b>Total nonfarm liabilities</b>	<b>5,681</b>	<b>3,727</b>	<b>7,063</b>	<b>0</b>	<b>0</b>	<b>302</b>
<b>Total liabilities</b>	<b>922,471</b>	<b>1,021,547</b>	<b>1,256,060</b>	<b>1,522,063</b>	<b>572,224</b>	<b>682,949</b>
<b>Net worth (farm and nonfarm)</b>	<b>554,568</b>	<b>491,960</b>	<b>716,080</b>	<b>348,998</b>	<b>657,583</b>	<b>769,010</b>
<b>Net worth change</b>		<b>-62,608</b>		<b>-367,082</b>		<b>111,428</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	105 %	92 %	112 %	151 %	88 %	57 %
Curr. & interm farm liab. / assets	86 %	83 %	87 %	104 %	83 %	70 %
Long term farm liab. / assets	57 %	71 %	89 %	139 %	16 %	21 %
Total debt to asset ratio	62 %	67 %	64 %	81 %	47 %	47 %

Table 51

Balance Sheet at Market Values  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	25		6		7	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
<b>Assets</b>						
<b>Current Farm Assets</b>						
Cash and checking balance	30,893	61,781	58,670	73,347	9,812	84,213
Prepaid expenses & supplies	57,009	37,872	115,062	51,350	53,450	46,724
Growing crops	15,924	19,671	29,493	32,688	13,376	19,581
Accounts receivable	48,300	45,395	36,274	45,492	44,727	16,869
Hedging accounts	624	866	0	0	758	-43
Crops held for sale or feed	228,115	259,449	293,008	229,472	238,083	404,090
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	9,399	5,747	15,900	1,833	0	0
Other current assets	22,440	19,448	41,615	41,615	709	4,080
<b>Total current farm assets</b>	<b>412,705</b>	<b>450,230</b>	<b>590,023</b>	<b>475,796</b>	<b>360,915</b>	<b>575,514</b>
<b>Intermediate Farm Assets</b>						
Breeding livestock	16,803	16,803	70,013	70,013	0	0
Machinery and equipment	600,596	590,424	785,144	744,912	571,065	591,509
Titled vehicles	0	1,230	0	0	0	0
Other intermediate assets	11,940	35,116	23,890	131,318	12,693	5,902
<b>Total intermediate farm assets</b>	<b>629,339</b>	<b>643,573</b>	<b>879,047</b>	<b>946,242</b>	<b>583,758</b>	<b>597,411</b>
<b>Long Term Farm Assets</b>						
Farm land	1,084,754	1,144,276	438,281	451,948	1,229,086	1,299,542
Buildings and improvements	165,056	195,498	197,224	307,799	90,288	90,031
Other long-term assets	7,076	7,258	22,181	22,918	5,464	5,458
<b>Total long-term farm assets</b>	<b>1,256,887</b>	<b>1,347,032</b>	<b>657,687</b>	<b>782,664</b>	<b>1,324,839</b>	<b>1,395,031</b>
<b>Total Farm Assets</b>	<b>2,298,930</b>	<b>2,440,835</b>	<b>2,126,757</b>	<b>2,204,702</b>	<b>2,269,512</b>	<b>2,567,956</b>
<b>Total Nonfarm Assets</b>	<b>352,633</b>	<b>347,914</b>	<b>834,649</b>	<b>862,411</b>	<b>23,924</b>	<b>22,793</b>
<b>Total Assets</b>	<b>2,651,563</b>	<b>2,788,750</b>	<b>2,961,405</b>	<b>3,067,113</b>	<b>2,293,436</b>	<b>2,590,750</b>
<b>Liabilities</b>						
<b>Current Farm Liabilities</b>						
Accrued interest	18,346	18,497	20,497	11,408	12,850	14,775
Accounts payable	43,446	38,073	18,373	43,851	32,306	39,048
Current notes	313,702	299,120	528,436	589,902	215,266	190,530
Government crop loans	0	0	0	0	0	0
Principal due on term debt	56,303	56,384	94,460	74,958	57,906	83,233
<b>Total current farm liabilities</b>	<b>431,797</b>	<b>412,075</b>	<b>661,765</b>	<b>720,118</b>	<b>318,328</b>	<b>327,586</b>
<b>Total intermediate farm liabs</b>	<b>158,670</b>	<b>199,440</b>	<b>308,437</b>	<b>370,836</b>	<b>151,837</b>	<b>212,489</b>
<b>Total long term farm liabilities</b>	<b>326,324</b>	<b>406,306</b>	<b>278,796</b>	<b>431,109</b>	<b>102,059</b>	<b>142,573</b>
<b>Total farm liabilities</b>	<b>916,790</b>	<b>1,017,820</b>	<b>1,248,997</b>	<b>1,522,063</b>	<b>572,224</b>	<b>682,647</b>
<b>Total nonfarm liabilities</b>	<b>5,681</b>	<b>3,727</b>	<b>7,063</b>	<b>0</b>	<b>0</b>	<b>302</b>
<b>Total liabs excluding deferreds</b>	<b>922,471</b>	<b>1,021,547</b>	<b>1,256,060</b>	<b>1,522,063</b>	<b>572,224</b>	<b>682,949</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>922,471</b>	<b>1,021,547</b>	<b>1,256,060</b>	<b>1,522,063</b>	<b>572,224</b>	<b>682,949</b>
Retained earnings	554,568	491,960	716,080	348,998	657,583	769,010
Market valuation equity	1,174,524	1,275,242	989,265	1,196,052	1,063,629	1,138,790
<b>Net worth (farm and nonfarm)</b>	<b>1,729,092</b>	<b>1,767,202</b>	<b>1,705,345</b>	<b>1,545,050</b>	<b>1,721,212</b>	<b>1,907,800</b>
<b>Net worth excluding deferreds</b>	<b>1,729,092</b>	<b>1,767,202</b>	<b>1,705,345</b>	<b>1,545,050</b>	<b>1,721,212</b>	<b>1,907,800</b>
<b>Net worth change</b>		<b>38,110</b>		<b>-160,295</b>		<b>186,589</b>
<b>Ratio Analysis</b>						
Current farm liabilities / assets	105 %	92 %	112 %	151 %	88 %	57 %
Curr. & interm farm liab. / assets	57 %	56 %	66 %	77 %	50 %	46 %
Long term farm liab. / assets	26 %	30 %	42 %	55 %	8 %	10 %
Total debt to asset ratio	35 %	37 %	42 %	50 %	25 %	26 %
Debt to assets excl deferreds	35 %	37 %	42 %	50 %	25 %	26 %

Table 52

Statement Of Cash Flows  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Beginning cash (farm & nonfarm)	30,893	58,670	9,812
<b>Cash From Operating Activities</b>			
Gross cash farm income	720,070	1,003,933	688,486
Net nonfarm income	13,209	22,992	2,819
Total cash farm expense	-679,963	-1,024,127	-567,604
Apparent family living expense	-43,622	-44,124	-54,979
Income and social security tax	-4,138	-4,829	-712
Cash from operations	5,556	-46,155	68,009
<b>Cash From Investing Activities</b>			
Sale of breeding livestock	-	-	-
Sale of machinery & equipment	12,309	4,950	5,666
Sale of titled vehicles	-	-	-
Sale of farm land	3,420	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	11,036	34,786	7,077
Sale of nonfarm assets	668	-	-
Purchase of breeding livestock	-	-	-
Purchase of machinery & equip.	-69,614	-81,070	-47,513
Purchase of titled vehicles	-	-	-
Purchase of farm land	-8,840	-2,833	-29,143
Purchase of farm buildings	-25,676	-85,339	-
Purchase of other farm assets	-15,961	-66,338	-143
Purchase of nonfarm assets	-29	-	-
Cash from investing activities	-92,687	-195,845	-64,056
<b>Cash From Financing Activities</b>			
Money borrowed	387,509	618,951	288,829
Cash gifts and inheritances	26,727	-	0
Principal payments	-281,836	-362,275	-186,770
Dividends paid	-	-	-
Gifts given	-14,381	-	-31,612
Cash from financing activities	118,019	256,677	70,447
Net change in cash balance	30,888	14,677	74,401
Ending cash (farm & nonfarm)	61,781	73,347	84,213

Table 53

Financial Standards Measures  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Liquidity			
Current ratio	1.09	0.66	1.76
Working capital	38,155	-244,322	247,929
Solvency (market)			
Farm debt to asset ratio	42 %	69 %	27 %
Farm equity to asset ratio	58 %	31 %	73 %
Farm debt to equity ratio	72 %	223 %	36 %
Profitability (cost)			
Rate of return on farm assets	-2.8 %	-22.9 %	12.2 %
Rate of return on farm equity	-27.5 %	-5,126.5 %	18.9 %
Operating profit margin	-5.0 %	-34.9 %	19.4 %
Net farm income	-28,245	-313,391	196,094
Repayment Capacity			
Term debt coverage ratio	48 %	-148 %	289 %
Capital replacement margin	-36,217	-245,077	122,618
Efficiency			
Asset turnover rate (cost)	56.8 %	65.6 %	62.8 %
Operating expense ratio	86.4 %	112.3 %	66.2 %
Depreciation expense ratio	10.8 %	15.8 %	6.7 %
Interest expense ratio	6.6 %	5.3 %	3.5 %
Net farm income ratio	-3.8 %	-33.4 %	23.5 %

Table 54

Operator and Labor Information  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
Operator Information			
Average number of operators	1.5	1.7	1.6
Average age of operators	51.2	48.8	51.7
Average number of years farming	27.8	25.2	28.9
Results Per Operator			
Working capital	25,102	-146,593	157,773
Total assets (market)	1,834,704	1,840,268	1,648,659
Total liabilities	672,071	913,238	434,604
Net worth (market)	1,162,633	927,030	1,214,055
Net worth excl deferred liabs	1,162,633	927,030	1,214,055
Gross farm income	490,687	563,245	531,625
Total farm expense	509,269	751,279	406,838
Net farm income	-18,583	-188,034	124,787
Net nonfarm income	8,690	13,795	1,794
Family living & tax withdrawals	31,421	29,372	35,440
Total acres owned	343.6	62.5	472.5
Total crop acres	1,477.0	1,845.6	1,381.1
Crop acres owned	305.5	50.0	407.8
Crop acres cash rented	1,171.5	1,795.6	973.3
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	25	6	7
Total unpaid labor hours	3,817	3,500	4,102
Total hired labor hours	4,892	6,710	3,628
Total labor hours per farm	8,708	10,210	7,730
Unpaid hours per operator	2,511	2,100	2,610
Value of farm production / hour	83.48	89.44	108.07
Net farm income / unpaid hour	-7.40	-89.54	47.81
Partnerships			
Number of farms	6	1	2
Number of operators	2.2	-	-
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 55

Financial Summary  
**Michigan Cash Grain, 1200 Acres Plus, 2002**  
(Farms Sorted By Rate of Return on Assets - Cost)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	25	6	7
<b>Income Statement</b>			
Gross cash farm income	720,070	1,003,933	688,486
Total cash farm expense	679,963	1,024,127	567,604
Net cash farm income	40,107	-20,194	120,882
Inventory change	11,858	-145,294	131,532
Depreciation and capital adjust	-80,210	-147,903	-56,319
Net farm income	-28,245	-313,391	196,094
<b>Profitability (cost)</b>			
Labor and management earnings	-51,111	-322,584	153,414
Rate of return on assets	-2.8 %	-22.9 %	12.2 %
Rate of return on equity	-27.5 %	-5,126.5 %	18.9 %
Operating profit margin	-5.0 %	-34.9 %	19.4 %
Asset turnover rate	56.8 %	65.6 %	62.8 %
<b>Profitability (market)</b>			
Labor and management earnings	-23,916	-215,971	164,726
Rate of return on assets	2.2 %	-8.0 %	9.9 %
Rate of return on equity	0.2 %	-28.7 %	11.7 %
Operating profit margin	7.2 %	-19.1 %	28.5 %
Asset turnover rate	30.7 %	42.2 %	34.5 %
<b>Liquidity</b>			
Term debt coverage ratio	47.8 %	-147.7 %	288.9 %
Expense as a percent of income	93.0 %	117.6 %	69.8 %
Interest as a percent of income	6.6 %	5.3 %	3.5 %
<b>Solvency (cost)</b>			
Number of farms	25	6	7
Ending farm assets	1,306,140	1,359,567	1,441,121
Ending farm liabilities	1,017,820	1,522,063	682,647
Ending total assets	1,513,508	1,871,061	1,451,960
Ending total liabilities	1,021,547	1,522,063	682,949
Ending net worth	491,960	348,998	769,010
Net worth change	-62,608	-367,082	111,428
Ending farm debt to asset ratio	78 %	112 %	47 %
Beg total debt to asset ratio	62 %	64 %	47 %
End total debt to asset ratio	67 %	81 %	47 %
<b>Solvency (market)</b>			
Number of farms	25	6	7
Ending farm assets	2,440,835	2,204,702	2,567,956
Ending farm liabilities	1,017,820	1,522,063	682,647
Ending total assets	2,788,750	3,067,113	2,590,750
Ending total liabilities	1,021,547	1,522,063	682,949
Ending net worth	1,767,202	1,545,050	1,907,800
Net worth change	38,110	-160,295	186,589
Ending farm debt to asset ratio	42 %	69 %	27 %
Beg total debt to asset ratio	35 %	42 %	25 %
End total debt to asset ratio	37 %	50 %	26 %
<b>Nonfarm Information</b>			
Net nonfarm income	13,209	22,992	2,819
<b>Crop Acres</b>			
Total acres owned	522	104	742
Total crop acres	2,245	3,076	2,170
Total crop acres owned	464	83	641
Total crop acres cash rented	1,781	2,993	1,530
Total crop acres share rented	-	-	-

