

*Financial Standards Measures
(Farms Sorted By Farm Type)*

	<u>Avg. Of All Farms</u>	<u>Crop</u>	<u>Dairy</u>	<u>Hog</u>	<u>Beef</u>	<u>Crop and Dairy</u>	<u>Crop and Hog</u>	<u>Crop and Beef</u>	<u>Other</u>
Number of farms	2303	1407	253	25	58	60	21	112	360
Liquidity									
Current ratio	2.72	2.90	2.75	2.07	1.60	2.97	3.06	2.61	2.41
Working capital to gross revenue	46.8 %	58.4 %	21.3 %	24.6 %	33.3 %	34.6 %	52.8 %	53.4 %	40.1 %
Working capital to oper expense	69.1 %	96.2 %	27.1 %	26.2 %	42.3 %	48.1 %	71.2 %	75.7 %	58.1 %
Solvency (market)									
Farm debt to asset ratio	43 %	42 %	41 %	53 %	62 %	43 %	41 %	48 %	43 %
Farm equity to asset ratio	57 %	58 %	59 %	47 %	38 %	57 %	59 %	52 %	57 %
Farm debt to equity ratio	0.74	0.71	0.70	1.14	1.65	0.75	0.69	0.91	0.76
Profitability (cost)									
Rate of return on farm assets	10.7 %	12.5 %	8.4 %	2.0 %	8.2 %	7.9 %	10.7 %	9.3 %	7.0 %
Rate of return on farm equity	15.6 %	18.4 %	11.7 %	0.4 %	14.7 %	10.7 %	14.5 %	14.3 %	9.6 %
Operating profit margin	25.9 %	28.6 %	18.2 %	5.8 %	30.1 %	20.0 %	26.3 %	26.6 %	23.0 %
Asset turnover rate	41.2 %	43.9 %	46.1 %	34.1 %	27.2 %	39.4 %	40.5 %	35.0 %	30.4 %
Repayment Capacity									
Debt coverage ratio	3.39	4.14	2.58	1.07	2.40	2.27	3.32	3.04	2.25
Term debt coverage ratio	3.60	4.47	2.61	1.08	2.92	2.34	3.61	3.30	2.28
Replacement coverage ratio	2.57	2.99	2.10	0.91	2.17	1.81	2.64	2.33	1.80
Efficiency									
Operating expense ratio	67.8 %	60.8 %	78.8 %	93.6 %	78.8 %	72.0 %	74.2 %	70.5 %	69.1 %
Depreciation expense ratio	5.0 %	5.2 %	4.7 %	2.2 %	3.0 %	6.1 %	3.1 %	4.1 %	6.6 %
Interest expense ratio	3.0 %	3.0 %	2.3 %	1.7 %	4.3 %	3.4 %	2.3 %	3.5 %	3.9 %
Net farm income ratio	24.2 %	31.0 %	14.2 %	2.5 %	13.9 %	18.5 %	20.4 %	21.9 %	20.4 %

A minimum of 10 farms required per column. Some columns were omitted.

Financial Standards Measures (continued)
(Farms Sorted By Farm Type)

Data Source(s):

Mn State College & University South, 1477 farms
Mn State College & University North, 541 farms
Mn State College & University Red River Valley, 137 farms
Southwest Minnesota Farm Business Management Association, 111 farms
MN Other, 37 farms

Report Summary

1. Report number	354231
2. Location	
State:	All
3. Farm Characteristics	
Year(s):	2022

Suggested citation:

FINBIN (2023). Center for Farm Financial Management: University of Minnesota.
Retrieved from <http://finbin.umn.edu> (originally created April 4, 2023).

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