

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

	<i>Avg. Of All Farms</i>	<i>Crop</i>	<i>Dairy</i>	<i>Hog</i>	<i>Beef</i>	<i>Crop and Dairy</i>	<i>Crop and Hog</i>	<i>Crop and Beef</i>	<i>Diverse</i>
Number of farms	2379	1374	240	19	95	50	21	123	452
<b>Liquidity</b>									
Current ratio	1.94	1.91	2.20	2.04	1.69	2.41	2.25	1.89	1.94
Working capital to gross revenue	36.4 %	46.8 %	18.1 %	19.1 %	37.1 %	32.0 %	45.9 %	41.8 %	33.3 %
Working capital to oper expense	44.3 %	55.7 %	22.6 %	21.0 %	46.6 %	39.1 %	51.0 %	49.4 %	43.9 %
<b>Solvency (market)</b>									
Farm debt to asset ratio	44 %	43 %	43 %	50 %	58 %	38 %	39 %	48 %	43 %
Farm equity to asset ratio	56 %	57 %	57 %	50 %	42 %	62 %	61 %	52 %	57 %
Farm debt to equity ratio	0.77	0.75	0.76	0.98	1.39	0.62	0.65	0.91	0.77
<b>Profitability (cost)</b>									
Rate of return on farm assets	2.0 %	0.2 %	7.0 %	9.1 %	7.1 %	2.3 %	-0.2 %	1.1 %	3.5 %
Rate of return on farm equity	-0.1 %	-2.9 %	8.7 %	10.9 %	8.7 %	0.7 %	-3.0 %	-2.2 %	2.3 %
Operating profit margin	6.5 %	0.7 %	15.5 %	18.6 %	28.2 %	6.9 %	-0.7 %	3.9 %	13.4 %
Asset turnover rate	30.6 %	29.1 %	45.2 %	49.0 %	25.3 %	33.3 %	24.1 %	27.2 %	25.7 %
<b>Repayment Capacity</b>									
Debt coverage ratio	1.06	0.72	1.95	2.36	1.92	1.21	0.54	0.99	1.23
Term debt coverage ratio	1.07	0.67	2.00	3.43	2.41	1.23	0.45	0.99	1.26
Replacement coverage ratio	0.84	0.55	1.63	2.06	1.77	0.92	0.44	0.77	1.00
<b>Efficiency</b>									
Operating expense ratio	82.2 %	84.0 %	80.1 %	90.8 %	79.7 %	81.8 %	90.0 %	84.8 %	76.0 %
Depreciation expense ratio	6.7 %	8.2 %	4.9 %	1.3 %	3.5 %	7.0 %	5.3 %	6.0 %	8.0 %
Interest expense ratio	5.4 %	6.4 %	3.2 %	2.1 %	5.9 %	4.4 %	4.8 %	6.1 %	6.3 %
Net farm income ratio	5.6 %	1.4 %	11.8 %	5.8 %	10.9 %	6.8 %	-0.1 %	3.1 %	9.7 %

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

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

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Data Source(s):

Mn State College & University South, 1526 farms  
Mn State College & University North, 555 farms  
Mn State College & University Red River Valley, 142 farms  
Southwest Minnesota Farm Business Management Association, 118 farms  
MN Other, 36 farms  
Wisconsin Technical College System, 2 farms

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Report Summary

1. Report number	354231
2. Location	
State:	All
3. Farm Characteristics	
Year(s):	2024

Suggested citation:

FINBIN (2025). Center for Farm Financial Management: University of Minnesota.  
Retrieved from <http://finbin.umn.edu> (originally created April 2, 2025).

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