

*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	3171	1756	391	37	120	61	33	197	568
Liquidity									
Current ratio	1.94	1.94	2.53	2.17	1.30	2.19	1.86	1.80	1.85
Working capital	314,344	338,849	325,643	1,110,332	156,365	316,534	695,700	280,580	205,088
Working capital to gross inc	32.9 %	40.5 %	19.7 %	27.8 %	20.0 %	28.4 %	28.8 %	37.4 %	31.1 %
Solvency (market)									
Farm debt to asset ratio	41 %	40 %	43 %	51 %	50 %	44 %	42 %	42 %	43 %
Farm equity to asset ratio	59 %	60 %	57 %	49 %	50 %	56 %	58 %	58 %	57 %
Farm debt to equity ratio	0.71	0.65	0.76	1.02	1.01	0.80	0.73	0.72	0.76
Profitability (cost)									
Rate of return on farm assets	7.2 %	6.6 %	11.0 %	9.1 %	4.8 %	6.3 %	8.4 %	4.7 %	6.7 %
Rate of return on farm equity	9.7 %	8.5 %	16.6 %	14.0 %	6.4 %	8.4 %	12.1 %	5.2 %	9.1 %
Operating profit margin	19.8 %	18.0 %	24.7 %	23.8 %	20.2 %	17.5 %	20.4 %	15.8 %	21.6 %
Net farm income	180,850	171,252	316,741	427,096	81,401	184,287	420,733	109,165	134,658
EBITDA	276,078	262,411	454,061	620,877	147,880	327,388	601,214	193,500	207,854
Repayment Capacity									
Capital debt repayment capacity	236,995	222,605	405,953	522,268	135,739	254,452	519,668	162,690	178,099
Capital debt repayment margin	146,522	141,654	258,261	365,488	77,001	127,349	352,689	86,194	97,782
Replacement margin	114,227	104,247	231,994	331,510	63,106	88,760	287,017	60,803	73,229
Term debt coverage ratio	2.62	2.75	2.75	3.33	2.31	2.00	3.11	2.13	2.22
Replacement coverage ratio	1.93	1.88	2.33	2.74	1.87	1.54	2.23	1.60	1.70
Efficiency									
Asset turnover rate (cost)	36.4 %	36.7 %	44.6 %	38.3 %	23.8 %	36.2 %	41.2 %	29.6 %	31.1 %
Operating expense ratio	71.1 %	68.6 %	72.6 %	84.5 %	81.1 %	70.6 %	75.1 %	74.2 %	68.5 %
Depreciation expense ratio	6.0 %	6.8 %	4.9 %	2.7 %	3.9 %	7.5 %	5.1 %	6.1 %	6.8 %
Interest expense ratio	4.3 %	4.5 %	3.3 %	2.1 %	4.7 %	5.2 %	3.2 %	5.3 %	5.3 %
Net farm income ratio	18.6 %	20.1 %	19.2 %	10.7 %	10.3 %	16.7 %	16.6 %	14.4 %	19.4 %

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, 1544 farms
Mn State College & University North, 577 farms
ND Farm and Ranch Business Management, 329 farms
Mn State College & University Red River Valley, 127 farms
Wisconsin Technical College System, 124 farms
Nebraska Farm Business, Inc, 121 farms
Southwest Minnesota Farm Business Management Association, 108 farms
Missouri Farm Business Management Analysis, 107 farms
South Dakota Center for Farm/Ranch Management, 71 farms
Other Contributors, 42 farms
Utah Farm/Ranch Business Management, 21 farms

Report Summary

1. Report number	354231
2. Location	
State:	All
3. Farm Characteristics	
Year(s):	2020

Suggested citation:

FINBIN (2021). Center for Farm Financial Management: University of Minnesota.
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