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# 2007 ORGANIC FARM PERFORMANCE IN MINNESOTA

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#### WHY THIS REPORT?

Although organic farming and food sales continue to grow at a great clip, no one really knows how profitable organic farming is. While there is lots of anecdotal information about farm performance and profitability, until now there has been no systematically-collected information about production, financial performance, or profitability of organic farms. The Organic Farm Business Management (FBM) Project has changed all that. The current report summarizes actual Minnesota organic farm performance data from 2006 and 2007.

#### HOW DOES THE ORGANIC FBM PROJECT WORK?

Farmers who participate in the program receive a partial rebate on their Farm Business Management Program tuition costs. They work one-on-one with a local FBM instructor to keep and use quality records in their farm business decisions. Their farm data is then stripped of all its identifying characteristics (so the producers remain absolutely anonymous) and incorporated into FINBIN, a database at www.finbin.umn.edu.

#### HERE'S WHAT SOME PARTICIPATING ORGANIC FARMERS HAVE TO SAY:

- "... We look at machinery cost per acre, also labor and fertilizer costs. I have decided that I'm not spending enough on fertilizer compared to other farmers and compared to prices for organic crops..."
- "...[It's] helped me to see profitability and lack of profits in different enterprises..."
- "...I used the dairy feed costs to better up production per cow using "what if" situations"
- "...In the future, we will use our profit margin numbers as a benchmark for our production costs. Because we've only been participating in FBM for a little over a year, we haven't yet altered management decisions other than continuing to try to be frugal farmers and smart financial managers."
- "... Overall, I think the cost share provided us with an incredible opportunity that we otherwise would not have had. Being able to have FINPACK & FINFLO data to lenders, FSA loan officers in our quest as first time farm buyers really did give credibility to our somewhat unconventional farm operation. When we eventually buy farmland, I think FBM will be key to helping us along the way. It is also required by many lenders, so we've already got that covered."



To learn more about FBM opportunities contact the MNSCU Campus in your region. A list of programs is available at www.mgt.org, or you may call Dick Joerger at 651-297-1484. Southwest Minnesota also has a Farm Business Management Association: please contact Jim Kurtz at 507-372-3904.

#### The following instructors worked with the organic farmers whose data is contained in this report:

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Central Lakes College Bob Rick, Tom Schulz, Lee Todnem,

Minnesota West Community and Technical

College

Larry Griffin, Dennis Schroeder

Northland Community and Technical

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Ridgewater College

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Southwest Minnesota Farm Business

Management Association

Rob Holcombe

#### **EXPLANATION OF DATA PROCESSING AND REPORT FORMAT**

The tables in this report were created using FINPACK and RankEm Central, copyrighted software of the Center for Farm Financial Management, University of Minnesota. The data is provided to the CFFM by Minnesota State Colleges and Universities FBM instructors and Minnesota Farm Management Association fieldpersons.

### ORGANIC FARM PERFORMANCE IN MINNESOTA 2007

By Dale Nordquist, Ron Dvergsten, and Meg Moynihan<sup>1</sup>

This report summarizes the individual farm financial results for participants in the Minnesota Organic Farm Business Management Project for 2007 with comparisons to 2006 performance. Whole farm information and enterprise costs and returns are reported. The year-end analysis of the individual farms was completed by Minnesota Farm Business Management Education Program instructors or by Minnesota Farm Management Associations. A total of 65 farms participated in the program for 2007, down slightly from 71 in 2006. Of those, 45 were "total organic," meaning that all of the agricultural products produced on the farm were produced under organic certification, and 20 were "partial organic," having both certified organic and non-organic production.

#### WHOLE FARM RESULTS

#### All Farms

Participating organic farms were, on average, much more profitable in 2007 than the previous year. Table 1 compares 2007 financial results to 2006 for all participating (total and partial) organic farms. These farms ranged from totally certified organic producers to those who may produce conventional commodities with one or two organic products. For 2007, the median net farm income was \$64,437 compared to \$35,383 in 2006. Net farm income is reported on the accrual adjusted basis (adjusted for inventory changes) and includes depreciation expense based on the economic life of capital assets. Average net farm income was much higher than the median income, at \$105,757, indicating that the most profitable farms were so profitable that they increased the average for all farms.

The average organic farm earned a rate of return on assets (ROA) of 13.3% with assets valued at adjusted cost basis2, up from 6.5% in 2006. (Return on assets provides an indication of how profitable the farm is relative to its total assets. It is also sometimes known as "return on investment.") With that improved profitability, liquidity also improved. (Liquidity is a measure of the farm's ability to generate sufficient cash flow to pay for all farm expenses.) The average farm's current ratio improved from 1.57:1 to 1.86:1. Current ratio measures extent to which current farm assets, if sold tomorrow, would pay off current farm liabilities. In this case, there are \$1.86 of current assets per \$1.00 of current debt. The group as a whole

had relatively high levels of liquidity with working capital (current assets minus current debt) held at the end of the year equal to 34% of a year's income. Repayment capacity was also much improved, as the average term debt coverage ratio increased from 140% to 237% (\$2.37 available to repay \$1.00 of scheduled repayment). The average farm's net worth increased by \$103,163 during 2007.

#### **Totally Organic Farms**

These 45 farms produced and sold only certified organic products during 2007 (Table 2). Their median net farm income was \$58,886 compared to \$31,489 in 2006. Average net farm income was \$90,007 on sales of \$243,284. The average farm earned an ROA of 13.3% (with assets valued at adjusted cost basis) and a rate of return on equity (ROE) of 20.1%. The fact that the ROE exceeded ROA indicates that borrowed capital earned more than the average interest rate paid.

The total organic farms group also had relatively high levels of liquidity, with a current ratio of 1.98:1 and working capital equal to 35% of gross income at year end. Their term debt coverage ratio increased from a relatively marginal rate of 127% in 2006 to 239% in 2007. (Term debt coverage ratio measures the farm's ability to cover all term debt and capital lease payments. The greater the ratio, the greater the margin to meet all term debt and capital lease payments.) On average, these farms improved their net worth by \$95,765 during the year (assets valued at estimated market value).

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<sup>&</sup>lt;sup>2</sup>For profitability analysis, capital assets were valued at adjusted cost basis — their original purchase price less economic depreciation based on the useful life of 5 the asset. For balance sheet and other solvency measures, assets were valued at their estimated market value.

#### Comparison to Conventional Farms

Table 3 shows the same financial measures for the 2,527 Minnesota conventional farms that participate in farm management education programs. The average conventional farm was somewhat larger, with average total assets of \$1.6 million compared to \$1.1 million for the total organic farms. Average conventional gross income was \$600,204, compared to \$243,560 for the organic group. Conventional farm earnings were generally higher than those of the organic group, with median earnings of \$107,062 compared to \$58,886 for the organic farms.

If we look at return on assets, which better accounts for differences in size of business, we see that these organic farms were more competitive with their conventional neighbors. The average organic farm earned an ROA of 13.3% compared to an average ROA of 14.0% for conventional farms. As might be expected, the organic farms had a higher operating profit margin (31.8% vs. 27.2%), while the conventional farms had higher asset turnover rates (51.4% vs. 41.9%). In other words, organic farms generated more of their profits from operating efficiency and price markup, while conventional farms generally produced more of their profits from volume of sales. Organic farms spent only 63.5% of their income for farm expenses compared to 72.5% for conventional farms. The conventional farms used slightly more debt capital, with average debt to assets of 45% compared to 39% for the organic farms.

#### **Profitability Comparisons**

Among the organic farms, there was a wide range of financial results. Table 4 sorts the 2007 total organic farms into thirds based on net farm income. The highest profit group had median net earnings of \$141,139 compared to \$9,918 for the low profit group. The high profit group was larger in terms of sales and total assets and generated rates of return comparable to the most profitable conventional farms. The more interesting comparison might be the middle third compared to the low profit group. The low profit group was actually made up of larger farms, on average, based on total assets and yet generated less gross income. They owned more acres and rented fewer. We do not know if these farms suffered weather related losses or production problems that may have been beyond the manager's control.

#### Type of Farm

Of the 45 totally organic farms, 16 were crop farms and 18 were dairy farms<sup>3</sup> (Table 5). Eight did not fall into any specialized farm type. (Organic hog and beef farms were

excluded from this categorization because there were not enough farms to reliably report). The crop farms were very profitable as a group, with median net farm income of \$82,011 and an ROA of more than 20%. Crop farms had high liquidity (2.34:1 current ratio) and high debt coverage (412% term debt coverage). The average organic crop farm's net worth increased by over \$140,000 during the year. This was a major improvement over 2006 when the organic crop group earned only \$8,037.

The 18 organic dairy farms were also profitable, but not as profitable as the crop group. The median net farm earnings for organic dairies was \$53,783 compared to \$63,173 in 2006. Their rate of return on assets was 6.7%, down from 11.6% in 2006. Their liquidity in terms of working capital was much lower than the crop farms, indicating much less ability to sustain a long period of reduced earnings. The average organic dairy farm increased its net worth by more than \$50,000 in 2007.

#### Size of Farm

Much like the results we see for conventional farms, the financial performance of organic farms generally increased with farm size, with one exception: those organic farms that grossed under \$50,000 had higher returns than the next larger group of farms (Table 6). This may be an anomaly, given the small number of farms in each size group. In any case, there was not a great deal of difference in profitability based on rate of return on assets for the farms that produced gross income over \$50,000. The more critical concern might be how large a farm needs to be to support a family. Even though farms that grossed between \$50,000 and \$100,000 had high returns to investment, it would be difficult to support a family on the median net income of \$11,455. Farms that grossed over \$100,000 did, on average, produce median net income of \$63,000 or more.

#### Use of Debt Capital

The debt levels of these farms varied from five farms that had debt to asset ratios under 20% to six farms that had debt greater than 80% of the value of their assets (Table 7). Again, there was a surprise in the 2007 data, as those farms that owed the least debt—those with debt to asset ratios under 20%—were the least profitable. This is based on a very small number of farms but this supports the argument that it is usually profitable to employ some debt in a business. On the other end of the scale, however, those who had debt to asset ratios greater than 80% were in much more serious trouble. Their working capital was, on average,

<sup>&</sup>lt;sup>3</sup>Farms were categorized on the basis of having 70% or more of gross income from that category of income.

negative, and their term debt coverage ratio averaged only 27%, indicating serious repayment difficulties. Those in the middle, with debt to asset ratios between 20% and 60%, produced strong financial performance.

So was debt level the problem for the high-debt farms, or were there other problems that caused them to incur more debt? The answer is probably a little bit of both. Total expense as a percent of income consistently increased with debt level. Even if interest expense is excluded, farms with higher debt levels used more of their income to pay farm expenses, signaling that these farms may have serious problems in operating efficiencies.

#### Age of Operator

The age of these operators varied from six producers who were younger than 31 years old to 14 who were between 51 and 60 (Table 8). Most producers were between 40 and 60 years old. Those between 30 and 50 years old were, on average, very profitable. Those under 30 were also profitable based on rate of return on assets and other efficiency measures, but their farms were smaller and did not produce enough volume to generate high net incomes. Those over 51 were also profitable, just not as profitable. The older producers had very low asset turnover rates, averaging 32%, indicating that each dollar of investment generated less gross income than their younger neighbors.

#### Summary

One of the goals of this project is to document the financial performance of participating organic producers so that they and their peers have more accurate benchmarks on which to evaluate organic options. Another goal is to unmask the financial performance of a group of organic producers to provide agricultural lenders better information on which to base credit decisions and to give policy makers, researchers, and others real world insight into organic farm performance.

As with groups of conventional farms, there is tremendous variability in the production and financial performance of this group of organic producers. Some producers were very profitable, had high rates of return on assets, and ended the year in very strong financial positions. Others struggled to generate returns from their farms. Some differences may be explained by the weather, as those producers in the parts of northern Minnesota have suffered from lack of adequate rainfall in recent years. Other differences might be explained by the relative profitability of specific commodities in 2007. Again, this is not unlike conventional farm production.

The tables that follow summarize the whole farm financial performance of this collection of 65 producers; 45 of whom have "total organic" and 20 of whom have "partial organic" farming operations. The first several tables (Tables 1-9) include the sorts on which the previous discussion is based. The next set of tables provides information about crop enterprise (Tables 10-20) and dairy enterprise (Tables 21-24) performance. Finally, Table 25 shows what we call the "Farm Financial Standards Sweet 16" ratios and measures. There is also a financial "scorecard" that can be used to benchmark individual results.

Those who want to further dissect the results of these and the other farms that participated in Minnesota farm management educational programs can query the data in FINBIN at www.finbin.umn.edu.

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## Financial Summary Table 1: All Organic Farms (Total Organic and Partial Organic) (Farms Sorted By Years)

	Avg. Of All Farms	2007	2006
Number of farms	136	65	71
Income Statement Gross cash farm income Total cash farm expense Net cash farm income Inventory change Depreciation and capital adjust Average net farm income Median net farm income	263,393	288,259	240,628
	212,283	231,248	194,921
	51,110	57,011	45,707
	37,891	63,058	14,851
	-11,922	-14,312	-9,735
	77,079	105,757	50,824
	51,276	64,437	35,383
Profitability (cost) Labor and management earnings Rate of return on assets Rate of return on equity Operating profit margin Asset turnover rate	54,923	82,412	29,757
	10.0 %	13.3 %	6.5 %
	13.4 %	20.0 %	6.8 %
	24.6 %	30.4 %	17.4 %
	40.8 %	43.6 %	37.7 %
Liquidity Ending current ratio Ending working capital End working capital to gross inc Term debt coverage ratio Expense as a percent of income Interest as a percent of income	1.72	1.86	1.57
	74,210	97,130	53,228
	28.2 %	33.7 %	22.1 %
	191.0 %	236.6 %	139.6 %
	69.9 %	65.0 %	76.0 %
	6.1 %	5.7 %	6.7 %
Solvency (market) Number of farms Ending farm assets Ending farm liabilities Ending total assets Ending total liabilities Ending net worth Net worth change Ending farm debt to asset ratio Beg total debt to asset ratio End total debt to asset ratio	136	65	71
	952,242	1,042,399	869,704
	403,984	451,782	360,225
	1,109,219	1,216,931	1,010,610
	449,091	501,462	401,147
	660,128	715,470	609,463
	72,758	103,163	44,923
	42 %	43 %	41 %
	41 %	42 %	39 %
	40 %	41 %	40 %
Nonfarm Information Net nonfarm income Farms reporting living expenses Total family living expense Total living, invest, & capital	21,564	22,850	20,387
	32	17	15
	44,047	45,903	41,945
	54,696	59,193	49,598
Crop Acres Total acres owned Total crop acres Total crop acres owned Total crop acres cash rented Total crop acres share rented	269	280	260
	525	545	508
	182	194	171
	322	333	312
	21	18	24

#### Financial Summary Table 2: Totally Organic Farms (Farms Sorted By Years)

Number of farms		Avg. Of		
Income Statement   Gross cash farm income   218,146   243,560   193,284   Total cash farm expense   175,318   192,489   158,521   Net cash farm income   42,828   51,071   34,763   Inventory change   33,649   54,081   13,661   Depreciation and capital adjust   9,267   -12,146   -6,451   Average net farm income   67,210   93,007   41,973   Median net farm income   43,030   58,886   31,499   Profitability (cost)   Labor and management earnings   48,006   72,603   23,945   Rate of return on assets   10,1 %   13,3 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   Rate of return on equity   13,6 %   20,1 %   6,5 %   20,1 %		All Farms	2007	2006
Gross cash farm income         218,146         243,560         193,284           Total cash farm expense         175,318         192,489         158,521           Net cash farm income         42,828         51,071         34,763           Inventory change         33,649         54,081         13,661           Depreciation and capital adjust         9,267         1-12,146         -6,451           Average net farm income         67,210         93,007         41,973           Median net farm income         43,030         58,886         31,489           Profitability (cost)           Labor and management earnings         48,006         72,603         23,945           Rate of return on assets         10.1%         13.3 %         6.5 %           Rate of return on equity         13.6 %         20.1 %         6.5 %           Operating profit margin         25.9 %         31.8 %         18.0 %           Asset turnover rate         39.2 %         41.9 %         36.1 %           Liquidity         Ending current ratio         1.79         1.98         1.58           Ending current ratio         1.79         1.98         1.58           Ending current ratio         1.86.7 %         239.3 %         126.	Number of farms	91	45	46
Total cash farm expense	Income Statement			
Net cash farm income	Gross cash farm income	218,146	243,560	193,284
Inventory change   33,649   54,081   13,661   Depreciation and capital adjust   -9,267   -12,146   -6,451   Average net farm income   67,210   93,007   41,973   Median net farm income   43,030   58,886   31,489	Total cash farm expense	175,318	192,489	158,521
Depreciation and capital adjust   99.267   -12,146   -6,451   Average net farm income   67,210   93,007   41,973   Median net farm income   43,030   58,886   31,489				
Average net farm income         67,210         93,007         41,973           Median net farm income         43,030         58,886         31,489           Profitability (cost)           Labor and management earnings         48,006         72,603         23,945           Rate of return on assets         10,1 %         13,3 %         6.5 %           Rate of return on equity         13,6 %         20.1 %         6.5 %           Operating profit margin         25,9 %         31,8 %         18.0 %           Asset turnover rate         39,2 %         41,9 %         36.1 %           Liquidity           Ending current ratio         1.79         1.98         1.58           Ending working capital to gross inc         29,5 %         34,9 %         22.8 %           End working capital to gross inc         29,5 %         34,9 %         22.8 %           Expense as a percent of income         69,0 %         63,5 %         76,6 %           Interest as a percent of income         69,0 %         63,5 %         76,6 %           Interest as a percent of income         6,5 %         5,7 %         7.6 %           Solvency (market)           Number of farms         91         45         46				
Median net farm income         43,030         58,886         31,489           Profitability (cost)           Labor and management earnings         48,006         72,603         23,945           Rate of return on assets         10.1 %         13.3 %         6.5 %           Rate of return on equity         13.6 %         20.1 %         6.5 %           Operating profit margin         25.9 %         31.8 %         18.0 %           Asset turnover rate         39.2 %         41.9 %         36.1 %           Liquidity         Ending current ratio         1.79         1.98         1.58           Ending working capital         64,313         84,971         44,104           End working capital to gross inc         29.5 %         34.9 %         22.8 %           Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)         Number of farms         91         45         46           Ending farm assets         87,293         951,896         824,095           Ending farm labilities         364,228 <td></td> <td></td> <td></td> <td></td>				
Profitability (cost)				
Labor and management earnings       48,006       72,603       23,945         Rate of return on assets       10.1 %       13.3 %       6.5 %         Operating profit margin       25.9 %       31.8 %       18.0 %         Asset turnover rate       39.2 %       41.9 %       36.1 %         Liquidity         Ending current ratio       1.79       1.98       1.58         Ending working capital       64,313       84,971       44,104         End working capital to gross inc       29.5 %       34.9 %       22.8 %         Expense as a percent of income       69.0 %       63.5 %       76.6 %         Interest as a percent of income       69.0 %       63.5 %       76.6 %         Interest as a percent of income       65.6 %       5.7 %       7.6 %         Solvency (market)         Number of farms       91       45       46         Ending farm assets       887,293       951,896       824,095         Ending farm liabilities       354,228       381,270       327,774         Ending total liabilities       364,228       381,270       327,774         Ending total liabilities       400,401       428,695       372,722         Ending total liabilities	Median net farm income	43,030	58,886	31,489
Rate of return on assets       10.1 %       13.3 %       6.5 %         Rate of return on equity       13.6 %       20.1 %       6.5 %         Operating profit margin       25.9 %       31.8 %       18.0 %         Asset turnover rate       39.2 %       41.9 %       36.1 %         Liquidity         Ending current ratio       1.79       1.98       1.58         Ending working capital       64.313       84.971       44.104         End working capital to gross inc       29.5 %       34.9 %       22.8 %         Term debt coverage ratio       186.7 %       239.3 %       126.5 %         Expense as a percent of income       69.0 %       63.5 %       76.6 %         Interest as a percent of income       6.5 %       5.7 %       7.6 %         Solvency (market)         Number of farms       91       45       46         Ending farm liabilities       354.228       381.270       327.774         Ending farm liabilities       354.228       381.270       327.772         Ending total liabilities       400.401       428.695       372.722         Ending net worth       640.925       684.611       598.189         Net worth change       65.545	Profitability (cost)			
Rate of return on equity       13.6 %       20.1 %       6.5 %         Operating profit margin       25.9 %       31.8 %       18.0 %         Asset turnover rate       39.2 %       41.9 %       36.1 %         Liquidity         Ending current ratio       1.79       1.98       1.58         Ending working capital to gross inc       29.5 %       34.9 %       22.8 %         End working capital to gross inc       29.5 %       34.9 %       22.8 %         Term debt coverage ratio       186.7 %       239.3 %       126.5 %         Expense as a percent of income       69.0 %       63.5 %       76.6 %         Interest as a percent of income       69.0 %       63.5 %       76.6 %         Interest as a percent of income       69.0 %       5.7 %       7.6 %         Solvency (market)         Number of farms       91       45       46         Ending farm assets       87.293       951.896       824.095         Ending farm liabilities       354.228       381,270       327,774         Ending total lassets       1,041,326       1,113,306       970,911         Ending total worth       640,925       684,611       598,189         Net worth change <td>Labor and management earnings</td> <td></td> <td></td> <td>23,945</td>	Labor and management earnings			23,945
Operating profit margin         25.9 %         31.8 %         18.0 %           Asset turnover rate         39.2 %         41.9 %         36.1 %           Liquidity         Liquidity           Ending current ratio         1.79         1.98         1.58           Ending working capital         64,313         84,971         44,104           End working capital to gross inc         29.5 %         34.9 %         22.8 %           Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)           Number of farms         91         45         46           Ending farm sesets         87.293         951,896         824,095           Ending farm liabilities         354,228         381,270         327,774           Ending total assets         1,041,326         1,113,306         970,911           Ending total liabilities         400,401         428,695         372,722           Ending net worth </td <td></td> <td></td> <td></td> <td></td>				
Asset turnover rate         39.2 %         41.9 %         36.1 %           Liquidity         Ending current ratio         1.79         1.98         1.58           Ending working capital         64,313         84,971         44,104           End working capital to gross inc         29.5 %         34.9 %         22.8 %           Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)         **         **         **         7.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)         **         **         **         7.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)         **         **         **         **         **         **         7.6 %         **         **         **         **         **         **         **         **         **         **         **         **         **         **         **         **         **				
Liquidity         Ending current ratio         1.79         1.98         1.58           Ending working capital         64,313         84,971         44,104           End working capital to gross inc         29.5 %         34.9 %         22.8 %           Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)           Number of farms         91         45         46           Ending farm assets         887.293         951,896         824,095           Ending farm liabilities         354,228         381,270         327,774           Ending total assets         1,041,326         1,113,306         970,911           Ending total liabilities         400,401         428,695         372,722           Ending net worth         640,925         684,611         598,189           Net worth change         65,545         95,765         35,982           Ending farm debt to asset ratio         40 %         40 %         40 %           Beg total debt to asset ratio         39 %         41 %         <	Operating profit margin			
Ending current ratio         1.79         1.98         1.58           Ending working capital         64,313         84,971         44,104           End working capital to gross inc         29.5 %         34.9 %         22.8 %           Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)           Number of farms         91         45         46           Ending farm assets         887,293         951,896         824,095           Ending farm liabilities         354,228         381,270         327,774           Ending total assets         1,041,326         1,113,306         970,911           Ending total liabilities         400,401         428,695         372,772           Ending net worth         640,925         684,611         598,189           Net worth change         65,545         95,765         35,982           Ending farm debt to asset ratio         39 %         41 %         37 %           End total debt to asset ratio         38 %         39 %         38 %	Asset turnover rate	39.2 %	41.9 %	36.1 %
Ending current ratio         1.79         1.98         1.58           Ending working capital         64,313         84,971         44,104           End working capital to gross inc         29.5 %         34.9 %         22.8 %           Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)           Number of farms         91         45         46           Ending farm assets         887,293         951,896         824,095           Ending farm liabilities         354,228         381,270         327,774           Ending total assets         1,041,326         1,113,306         970,911           Ending total liabilities         400,401         428,695         372,772           Ending net worth         640,925         684,611         598,189           Net worth change         65,545         95,765         35,982           Ending farm debt to asset ratio         39 %         41 %         37 %           End total debt to asset ratio         38 %         39 %         38 %	Liquidity			
End working capital to gross inc         29.5 %         34.9 %         22.8 %           Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         76.6 %           Solvency (market)         ***         ***         ***         76.6 %           Solvency (market)         ***         ***         ***         ***         76.6 %           Solvency (market)         ***         ***         ***         ***         76.6 %         ***           Solvency (market)         ***         ***         ***         ***         ***         ***         76.6 %         ***           Solvency (market)         ***		1.79	1.98	1.58
Term debt coverage ratio         186.7 %         239.3 %         126.5 %           Expense as a percent of income         69.0 %         63.5 %         76.6 %           Interest as a percent of income         6.5 %         5.7 %         7.6 %           Solvency (market)           Number of farms         91         45         46           Ending farm assets         887,293         951,896         824,095           Ending farm liabilities         354,228         381,270         327,774           Ending total assets         1,041,326         1,113,306         970,911           Ending total liabilities         400,401         428,695         372,722           Ending net worth         640,925         684,611         598,189           Net worth change         65,545         95,765         35,982           Ending farm debt to asset ratio         40 %         40 %         40 %           Beg total debt to asset ratio         39 %         41 %         37 %           Ending farm linformation         19,668         21,021         18,344           Farms reporting living expenses         20         11         9           Total family living expense         43,756         47,216         39,527		64,313	84,971	44,104
Expense as a percent of income Interest as a percent of income         69.0 % 63.5 % 5.7 %         76.6 % 7.6 %           Solvency (market)         Solvency (market)         Solvency (market)         Solvency (market)         Solvency (market)           Number of farms         91         45         46         48         40         55         48         40         40         41         42         46         40         40         40         40         40         40         40         40         40		29.5 %	34.9 %	22.8 %
Interest as a percent of income   6.5 %   5.7 %   7.6 %		186.7 %	239.3 %	126.5 %
Solvency (market)           Number of farms         91         45         46           Ending farm assets         887,293         951,896         824,095           Ending farm liabilities         354,228         381,270         327,774           Ending total assets         1,041,326         1,113,306         970,911           Ending total liabilities         400,401         428,695         372,722           Ending net worth         640,925         684,611         598,189           Net worth change         65,545         95,765         35,982           Ending farm debt to asset ratio         40 %         40 %         40 %           Beg total debt to asset ratio         39 %         41 %         37 %           End total debt to asset ratio         38 %         39 %         38 %           Nonfarm Information         19,668         21,021         18,344           Farms reporting living expenses         20         11         9           Total family living expense         43,756         47,216         39,527           Total living, invest, & capital         54,610         60,644         47,234           Crop Acres         374         398         351           Total crop acres		69.0 %	63.5 %	76.6 %
Number of farms       91       45       46         Ending farm assets       887,293       951,896       824,095         Ending farm liabilities       354,228       381,270       327,774         Ending total assets       1,041,326       1,113,306       970,911         Ending total liabilities       400,401       428,695       372,722         Ending net worth       640,925       684,611       598,189         Net worth change       65,545       95,765       35,982         Ending farm debt to asset ratio       40 %       40 %       40 %         Beg total debt to asset ratio       39 %       41 %       37 %         End total debt to asset ratio       38 %       39 %       38 %         Nonfarm Information       Net nonfarm income       19,668       21,021       18,344         Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres       7otal crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acre	Interest as a percent of income	6.5 %	5.7 %	7.6 %
Ending farm assets       887,293       951,896       824,095         Ending farm liabilities       354,228       381,270       327,774         Ending total assets       1,041,326       1,113,306       970,911         Ending total liabilities       400,401       428,695       372,722         Ending net worth       640,925       684,611       598,189         Net worth change       65,545       95,765       35,982         Ending farm debt to asset ratio       40 %       40 %       40 %         Beg total debt to asset ratio       39 %       41 %       37 %         End total debt to asset ratio       38 %       39 %       38 %     Nonfarm Information  Net nonfarm income  19,668 21,021 18,344  Farms reporting living expenses 20 11 9 Total family living expense 43,756 47,216 39,527  Total living, invest, & capital 54,610 60,644 47,234  Crop Acres  Total acres owned 222 229 215 Total crop acres 374 398 351 Total crop acres owned 142 146 139 Total crop acres owned 142 146 139 Total crop acres cash rented 222 238 207	Solvency (market)			
Ending farm liabilities       354,228       381,270       327,774         Ending total assets       1,041,326       1,113,306       970,911         Ending total liabilities       400,401       428,695       372,722         Ending net worth       640,925       684,611       598,189         Net worth change       65,545       95,765       35,982         Ending farm debt to asset ratio       40 %       40 %       40 %         Beg total debt to asset ratio       39 %       41 %       37 %         End total debt to asset ratio       38 %       39 %       38 %         Nonfarm Information       19,668       21,021       18,344         Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207		91	45	46
Ending total assets       1,041,326       1,113,306       970,911         Ending total liabilities       400,401       428,695       372,722         Ending net worth       640,925       684,611       598,189         Net worth change       65,545       95,765       35,982         Ending farm debt to asset ratio       40 %       40 %       40 %         Beg total debt to asset ratio       39 %       41 %       37 %         End total debt to asset ratio       38 %       39 %       38 %         Nonfarm Information         Net nonfarm income       19,668       21,021       18,344         Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207		887,293	951,896	824,095
Ending total liabilities         400,401         428,695         372,722           Ending net worth         640,925         684,611         598,189           Net worth change         65,545         95,765         35,982           Ending farm debt to asset ratio         40 %         40 %         40 %           Beg total debt to asset ratio         39 %         41 %         37 %           End total debt to asset ratio         38 %         39 %         38 %           Nonfarm Information           Net nonfarm income         19,668         21,021         18,344           Farms reporting living expenses         20         11         9           Total family living expense         43,756         47,216         39,527           Total living, invest, & capital         54,610         60,644         47,234           Crop Acres           Total crop acres         374         398         351           Total crop acres owned         142         146         139           Total crop acres cash rented         222         238         207	Ending farm liabilities	354,228	381,270	327,774
Ending net worth       640,925       684,611       598,189         Net worth change       65,545       95,765       35,982         Ending farm debt to asset ratio       40 %       40 %       40 %         Beg total debt to asset ratio       39 %       41 %       37 %         End total debt to asset ratio       38 %       39 %       38 %         Nonfarm Information         Net nonfarm income       19,668       21,021       18,344         Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres         Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207				
Net worth change         65,545         95,765         35,982           Ending farm debt to asset ratio         40 %         40 %         40 %           Beg total debt to asset ratio         39 %         41 %         37 %           End total debt to asset ratio         38 %         39 %         38 %           Nonfarm Information         19,668         21,021         18,344           Farms reporting living expenses         20         11         9           Total family living expense         43,756         47,216         39,527           Total living, invest, & capital         54,610         60,644         47,234           Crop Acres         Total acres owned         222         229         215           Total crop acres         374         398         351           Total crop acres owned         142         146         139           Total crop acres cash rented         222         238         207				
Ending farm debt to asset ratio       40 %       40 %       40 %         Beg total debt to asset ratio       39 %       41 %       37 %         End total debt to asset ratio       38 %       39 %       38 %         Nonfarm Information         Net nonfarm income       19,668       21,021       18,344         Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres       Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207				
Beg total debt to asset ratio       39 %       41 %       37 %         End total debt to asset ratio       38 %       39 %       38 %         Nonfarm Information         Net nonfarm income       19,668       21,021       18,344         Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres         Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207			·	
End total debt to asset ratio         38 %         39 %         38 %           Nonfarm Information         Net nonfarm income         19,668         21,021         18,344           Farms reporting living expenses         20         11         9           Total family living expense         43,756         47,216         39,527           Total living, invest, & capital         54,610         60,644         47,234           Crop Acres         Total acres owned         222         229         215           Total crop acres         374         398         351           Total crop acres owned         142         146         139           Total crop acres cash rented         222         238         207				
Nonfarm Information           Net nonfarm income         19,668         21,021         18,344           Farms reporting living expenses         20         11         9           Total family living expense         43,756         47,216         39,527           Total living, invest, & capital         54,610         60,644         47,234           Crop Acres           Total acres owned         222         229         215           Total crop acres         374         398         351           Total crop acres owned         142         146         139           Total crop acres cash rented         222         238         207				
Net nonfarm income       19,668       21,021       18,344         Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres         Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207	End total debt to asset ratio	38 %	39 %	38 %
Farms reporting living expenses       20       11       9         Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres         Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207	Nonfarm Information			
Total family living expense       43,756       47,216       39,527         Total living, invest, & capital       54,610       60,644       47,234         Crop Acres         Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207				18,344
Total living, invest, & capital       54,610       60,644       47,234         Crop Acres       Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207				-
Crop Acres         222         229         215           Total crop acres         374         398         351           Total crop acres owned         142         146         139           Total crop acres cash rented         222         238         207				
Total acres owned       222       229       215         Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207	Total living, invest, & capital	54,610	60,644	47,234
Total crop acres       374       398       351         Total crop acres owned       142       146       139         Total crop acres cash rented       222       238       207				
Total crop acres owned 142 146 139 Total crop acres cash rented 222 238 207				
Total crop acres cash rented 222 238 207				
Total crop acres share rented 9 14 5				
	Total crop acres share rented	9	14	5

## Financial Summary Table 3: All Participating Non-Organic Farms (Farms Sorted By Years)

	Avg. Of All Farms	2007	2006
Number of farms	4936	2527	2409
Income Statement Gross cash farm income	552,421	600,204	502,298
Total cash farm expense Net cash farm income	466,292 86,129	503,537 96,667	427,222 75,075
Inventory change Depreciation and capital adjust	70,003 -28,049	90,132 -29,378	48,888 -26,654
Average net farm income Median net farm income	128,083 81,937	157,420 107,062	97,309 61,145
Profitability (cost) Labor and management earnings	95,703	123,244	66,813
Rate of return on assets	11.8 %	14.0 %	9.3 %
Rate of return on equity	17.0 %	21.0 %	12.3 %
Operating profit margin Asset turnover rate	24.2 % 48.9 %	27.2 % 51.4 %	20.3 % 46.1 %
Liquidity Ending current ratio	1.76	1.89	1.62
Ending current ratio	160,157	191,327	127,460
End working capital to gross inc	29.0 %	31.9 %	25.4 %
Term debt coverage ratio  Expense as a percent of income	229.8 % 74.8 %	269.5 % 72.5 %	185.8 % 77.6 %
Interest as a percent of income	5.4 %	5.2 %	5.7 %
Solvency (market) Number of farms	4,936	2,527	2,409
Ending farm assets	1,494,396	1,566,457	1,418,806
Ending farm liabilities	704,375	733,053	674,292
Ending total assets Ending total liabilities	1,670,314 746,607	1,743,866 776,795	1,593,159 714,939
Ending net worth	923,707	967,071	878,220
Net worth change Ending farm debt to asset ratio	121,982 47 %	145,981 47 %	96,806 48 %
Beg total debt to asset ratio	46 %	46 %	45 %
End total debt to asset ratio	45 %	45 %	45 %
Nonfarm Information	24.2-2		2.4-22
Net nonfarm income Farms reporting living expenses	24,653 1,963	24,589 1,005	24,720 958
Total family living expense	43,268	44,318	42,167
Total living, invest, & capital	67,651	67,884	67,407
Crop Acres Total acres owned	271	268	275
Total crop acres	788	785	791
Total crop acres owned	216	211	221
Total crop acres cash rented Total crop acres share rented	547 25	550 24	545 25
•			

## Financial Summary Table 4: Totally Organic Farms by Net Income, 2007 (Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 33%	33 - 66%	High 34%
Number of farms	45	14	15	16
Income Statement				
Gross cash farm income	243,560	133,192	140,056	437,167
Total cash farm expense	192,489	113,092	111,673	337,726
Net cash farm income	51,071	20,100	28,384	99,441
Inventory change	54,081	-5,860	28,014	130,968
Depreciation and capital adjust	-12,146	-7,634	-6,973	-20,943
Average net farm income	93,007	6,607	49,424	209,466
Median net farm income	58,886	9,918	56,714	141,139
Profitability (cost)				
Labor and management earnings	72,603	-4,003	38,494	171,609
Rate of return on assets	13.3 %	-0.6 %	10.2 %	18.4 %
Rate of return on equity	20.1 %	-7.7 %	16.3 %	27.7 %
Operating profit margin	31.8 %	-2.1 %	24.7 %	40.1 %
Asset turnover rate	41.9 %	29.2 %	41.1 %	46.0 %
Liquidity				
Ending current ratio	1.98	1.46	1.38	2.33
Ending working capital	84,971	19,429	22,044	201,314
End working capital to gross inc	34.9 %	14.6 %	15.7 %	46.0 %
Term debt coverage ratio	239.3 %	58.3 %	152.0 %	366.6 %
Expense as a percent of income	63.5 %	88.8 %	66.1 %	57.5 %
Interest as a percent of income	5.7 %	8.7 %	5.0 %	5.2 %
Solvency (market)				
Number of farms	45	14	15	16
Ending farm assets	951,896	814,102	481,461	1,513,497
Ending farm liabilities	381,270	319,402	238,233	569,502
Ending total assets	1,113,306	980,052	703,671	1,613,937
Ending total liabilities	428,695	363,659	330,924	577,263
Ending net worth	684,611	616,394	372,747	1,036,674
Net worth change	95,765	61,486	37,012	180,840
Ending farm debt to asset ratio	40 %	39 %	49 %	38 %
Beg total debt to asset ratio	41 %	37 %	45 %	41 %
End total debt to asset ratio	39 %	37 %	47 %	36 %
Nonfarm Information				
Net nonfarm income	21,021	23,938	23,412	16,229
Farms reporting living expenses	, 11	2	4	5
Total family living expense	47,216	-	-	55,961
Total living, invest, & capital	60,644	-	-	69,048
Crop Acres				
Total acres owned	229	188	99	386
Total crop acres	398	166	248	743
Total crop acres owned	146	56	54	311
Total crop acres cash rented	238	110	186	400
Total Grop agros gagit fortiga		110	100	700

## Financial Summary Table 5: Totally Organic Farms by Farm Type, 2007 (Farms Sorted By Farm Type)

	Avg. Of All Farms	Cron	Daine	Other
	All Fallis	Crop	Dairy	Other
Number of farms	45	16	18	8
Income Statement				
Gross cash farm income	243,560	319,245	214,324	146,526
Total cash farm expense	192,489	251,032	168,124	104,517
Net cash farm income	51,071	68,213	46,200	42,009
Inventory change	54,081	118,868	7,208	21,578
Depreciation and capital adjust	-12,146	-24,440	1,472	-15,445
Average net farm income	93,007	162,641	54,879	48,142
Median net farm income	58,886	82,011	53,783	32,394
Profitability (cost)				
Labor and management earnings	72,603	135,977	36,484	36,735
Rate of return on assets	13.3 %	20.3 %	6.7 %	10.7 %
Rate of return on equity	20.1 %	30.5 %	8.3 %	19.0 %
Operating profit margin	31.8 %	37.7 %	20.7 %	33.7 %
Asset turnover rate	41.9 %	53.8 %	32.4 %	31.6 %
Liquidity				
Ending current ratio	1.98	2.34	1.57	2.72
Ending working capital	84,971	162,857	31,729	68,264
End working capital to gross inc	34.9 %	51.0 %	14.8 %	46.6 %
Term debt coverage ratio	239.3 %	412.6 %	90.9 %	181.2 %
Expense as a percent of income	63.5 %	54.9 %	75.7 %	61.8 %
Interest as a percent of income	5.7 %	4.7 %	5.9 %	7.2 %
Solvency (market)	45	40	40	
Number of farms	45	16	18	8
Ending farm assets	951,896	1,058,698	1,019,461	558,274
Ending farm liabilities	381,270	425,724	377,061	273,616
Ending total liabilities	1,113,306	1,253,202	1,199,528	639,186
Ending total liabilities Ending net worth	428,695 684,611	484,797 768,405	436,840 762,688	283,648 355,538
Net worth change	95,765	141,417	51,689	104,484
Ending farm debt to asset ratio	40 %	40 %	37 %	49 %
Beg total debt to asset ratio	41 %	42 %	36 %	53 %
End total debt to asset ratio	39 %	39 %	36 %	44 %
Nonfarm Information				
Net nonfarm income	21,021	31,712	15,902	6,955
Farms reporting living expenses	11	6	3	-
Total family living expense	47,216	52,983	-	-
Total living, invest, & capital	60,644	73,340	-	-
Crop Acres				
Total acres owned	229	293	187	208
Total crop acres	398	808	134	190
Total crop acres owned	146	245	66	134
Total crop acres cash rented	238	532	68	57
Total crop acres share rented	14	32		

## Financial Summary Table 6: Totally Organic Farms by Farm Size, 2007 (Farms Sorted By Gross Farm Income)

	Avg. Of All Farms	Less than 50,000	50,001 - 100,000	100,001 - 250,000	250,001 - 500,000
Number of farms	45	7	6	18	9
Income Statement					
Gross cash farm income	243,560	35,252	69,222	167,530	346,957
Total cash farm expense	192,489	24,582	57,461	117,148	285,869
Net cash farm income	51,071	10,670	11,762	50,383	61,088
Inventory change	54,081	16,848	12,140	18,686	52,580
Depreciation and capital adjust	-12,146	-743	-4,028	-11,577	-14
Average net farm income	93,007	26,775	19,874	57,491	113,655
Median net farm income	58,886	27,021	11,455	63,198	85,017
Profitability (cost)					
Labor and management earnings	72,603	23,512	17,790	38,699	84,419
Rate of return on assets	13.3 %	21.0 %	7.9 %	8.2 %	10.9 %
Rate of return on equity	20.1 %	35.8 %	27.2 %	10.2 %	16.0 %
Operating profit margin	31.8 %	45.8 %	22.1 %	26.4 %	26.7 %
Asset turnover rate	41.9 %	45.9 %	35.6 %	31.2 %	40.7 %
Liquidity					
Ending current ratio	1.98	3.19	1.14	2.08	2.11
Ending working capital	84,971	24,468	6,364	48,044	126,881
End working capital to gross inc	34.9 %	69.4 %	9.2 %	28.7 %	36.6 %
Term debt coverage ratio	239.3 %	237.5 %	123.1 %	190.6 %	185.6 %
Expense as a percent of income	63.5 %	46.7 %	70.6 %	62.6 %	70.8 %
Interest as a percent of income	5.7 %	5.3 %	10.9 %	5.8 %	4.7 %
Solvency (market)		_			
Number of farms	45	7	6	18	9
Ending farm assets	951,896	174,440	399,190	744,985	1,619,434
Ending farm liabilities	381,270	79,287	222,687	273,027	579,193
Ending total assets	1,113,306	231,755	551,198	912,676	1,917,163
Ending total liabilities	428,695	100,813	260,671	315,276	688,581
Ending net worth	684,611	130,942	290,526	597,400	1,228,581
Net worth change	95,765	25,299	38,423	82,625	97,405
Ending farm debt to asset ratio	40 %	45 %	56 %	37 %	36 %
Beg total debt to asset ratio End total debt to asset ratio	41 % 39 %	38 % 43 %	50 % 47 %	35 % 35 %	38 % 36 %
Nonform Information					
Nonfarm Information	21,021	26 726	20 505	20.024	22 472
Net nonfarm income		26,736	28,595	20,921	22,173
Farms reporting living expenses	11 47 216	2	I	3	3
Total family living expense Total living, invest, & capital	47,216 60,644	-	-	-	-
Total living, livest, & capital	00,044	-	-	-	-
Crop Acres	220	07	120	202	050
Total acres owned	229	97	120	202	253
Total crop acres award	398	94	198	202	524
Total crop acres owned	146	29	80	95	188
Total crop acres cash rented	238	64	118	101	336
Total crop acres share rented	14	-	-	7	-

## Financial Summary Table 7: Totally Organic Farms by Debt Level, 2007 (Farms Sorted By Debt To Asset Ratio)

	Avg. Of All Farms	Less than	20% - 40%	40% - 60%	Over 80%
Number of farms	45	5	20	11	6
Income Statement					
Gross cash farm income	243,560	105,821	209,670	436,606	101,091
Total cash farm expense	192,489	60,283	153,428	357,717	121,586
Net cash farm income	51,071	45,538	56,241	78,889	-20,495
Inventory change	54,081	-3,721	37,991	134,027	45,947
Depreciation and capital adjust	-12,146	-12,766	-3,336	-30,497	-6,410
Average net farm income	93,007	29,051	90,897	182,419	19,042
Median net farm income	58,886	11,988	74,776	50,851	16,679
Profitability (cost)					
Labor and management earnings	72,603	6,361	69,474	152,325	18,482
Rate of return on assets	13.3 %	4.1 %	13.0 %	18.3 %	5.3 %
Rate of return on equity	20.1 %	3.8 %	18.4 %	30.1 %	-129.7 %
Operating profit margin	31.8 %	19.9 %	35.8 %	35.9 %	8.9 %
Asset turnover rate	41.9 %	20.4 %	36.4 %	51.1 %	58.9 %
Liquidity					
Ending current ratio	1.98	7.29	2.66	1.86	0.79
Ending working capital	84,971	48,070	95,968	151,724	-21,667
End working capital to gross inc	34.9 %	45.4 %	45.8 %	34.8 %	-21.4 %
Term debt coverage ratio	239.3 %	198.8 %	255.0 %	300.2 %	26.7 %
Expense as a percent of income	63.5 %	58.7 %	61.3 %	60.8 %	82.2 %
Interest as a percent of income	5.7 %	3.4 %	5.7 %	5.9 %	3.8 %
Solvency (market)					
Number of farms	45	5	20	11	6
Ending farm assets	951,896	551,837	1,135,303	1,275,474	275,457
Ending farm liabilities	381,270	82,007	366,914	604,363	289,378
Ending total assets	1,113,306	687,715	1,329,158	1,363,108	485,298
Ending total liabilities	428,695	86,050	409,115	621,621	409,047
Ending net worth	684,611	601,665	920,043	741,487	76,252
Net worth change	95,765	129,863	98,300	159,603	-14,111
Ending farm debt to asset ratio	40 %	15 %	32 %	47 %	105 %
Beg total debt to asset ratio	41 %	13 %	33 %	50 %	77 %
End total debt to asset ratio	39 %	13 %	31 %	46 %	84 %
Nonfarm Information					
Net nonfarm income	21,021	22,260	29,333	12,825	13,822
Farms reporting living expenses	11	1	5	3	2
Total family living expense	47,216	-	41,899	-	-
Total living, invest, & capital	60,644	-	47,403	-	-
Crop Acres					
Total acres owned	229	227	234	325	107
Total crop acres	398	113	288	796	390
Total crop acres owned	146	52	164	232	54
Total crop acres cash rented	238	62	119	518	337
Total crop acres share rented	14	-	6	47	-

## Financial Summary Table 8: Totally Organic Farms by Operator Age, 2007 (Farms Sorted By Age Of Operator)

	Avg. Of All Farms	Less than 31	31 - 40	41 - 50	51 - 60
	All I alliis	uian 51	31 - 40	41-30	
Number of farms	45	6	7	14	14
Income Statement					
Gross cash farm income	243,560	57,142	203,155	326,163	252,490
Total cash farm expense	192,489	38,953	119,776	283,048	192,370
Net cash farm income	51,071	18,189	83,379	43,116	60,120
Inventory change	54,081	13,708	47,535	96,305	30,235
Depreciation and capital adjust	-12,146	-1,011	-18,046	-14,274	-7,965
Average net farm income	93,007	30,885	112,867	125,147	82,390
Median net farm income	58,886	27,118	58,886	71,544	60,576
Profitability (cost)					
Labor and management earnings	72,603	28,855	94,369	104,960	56,758
Rate of return on assets	13.3 %	19.8 %	17.8 %	17.2 %	9.4 %
Rate of return on equity	20.1 %	61.0 %	29.6 %	29.1 %	12.4 %
Operating profit margin	31.8 %	40.2 %	44.3 %	31.9 %	29.2 %
Asset turnover rate	41.9 %	49.3 %	40.3 %	53.8 %	32.1 %
Liquidity					
Ending current ratio	1.98	1.19	2.18	1.61	2.97
Ending working capital	84,971	4,928	83,597	78,672	115,689
End working capital to gross inc	34.9 %	8.6 %	41.1 %	24.1 %	45.8 %
Term debt coverage ratio	239.3 %	302.5 %	387.5 %	242.8 %	190.5 %
Expense as a percent of income	63.5 %	56.3 %	45.9 %	64.9 %	67.6 %
Interest as a percent of income	5.7 %	8.4 %	3.3 %	6.0 %	5.7 %
Solvency (market)					
Number of farms	45	6	7	14	14
Ending farm assets	951,896	174,716	736,816	1,081,556	1,003,766
Ending farm liabilities	381,270	131,188	313,540	461,094	371,862
Ending total assets	1,113,306	206,993	783,636	1,291,936	1,192,294
Ending total liabilities	428,695	152,849	319,963	563,519	384,903
Ending net worth	684,611	54,144	463,673	728,417	807,391
Net worth change	95,765	19,333	85,785	106,012	124,151
Ending farm debt to asset ratio	40 %	75 %	43 %	43 %	37 %
Beg total debt to asset ratio End total debt to asset ratio	41 % 39 %	73 % 74 %	43 % 41 %	46 % 44 %	36 % 32 %
Nonform Information					
Nonfarm Information	24.004	16 110	10.000	10.004	00.000
Net nonfarm income	21,021	16,116	10,608	19,231	22,002
Farms reporting living expenses	11 47 216	1	2	4	2
Total family living expense Total living, invest, & capital	47,216 60,644	-	-	-	-
Total living, invest, & capital	60,644	-	-	-	-
Crop Acres	222	40	4.40	252	000
Total acres owned	229	40	146	250	263
Total crop acres	398	100	292	557	298
Total crop acres owned	146	6	109	180	140
Total crop acres cash rented	238	95	109	377	149
Total crop acres share rented	14	-	73	-	8

#### Crop Production and Marketing Summary Table 9: Totally Organic Farms (Farms Sorted By Years)

Acreage Summary         7           Total acres owned         222         229         215           Total crop acres         374         398         351           Crop acres sowned         142         146         139           Crop acres cash rented         222         238         207           Crop acres share rented         9         14         5           Total pasture acres         42         45         38           Average Price Received (Cash Sales Only)           Soybeans, Organic per bushel         16.06         17.27         14.70           Hay, Alfalfa, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Hay, Grass, Organic per ton         70.05         -         -           Peas, O		Avg. Of All Farms	2007	2006
Total acres owned 222 229 215 Total crop acres 374 398 351 Crop acres owned 142 146 139 Crop acres owned 222 238 207 Crop acres cash rented 222 238 207 Crop acres share rented 9 14 55 Total pasture acres 42 45 38  Average Price Received (Cash Sales Only) Soybeans, Organic per bushel 16.06 17.27 14.70 Hay, Alfalfa, Organic per ton 130.69 127.53 133.61 Oats, Organic per bushel 4.40 4.94 3.01 Barley, Organic per bushel 10.89 11.18 10.36 Corn, Organic per bushel 10.89 11.18 10.36 Corn, Organic per bushel 7.02 7.16 6.21 Hay, Alfalfa per ton 120.87 - 94.43 Wheat, Spring, Organic per bushel 7.30 9.09 - Corn per bushel 5.30	Number of farms	91	45	46
Total crop acres Crop acres owned Total crop acres owned Total crop acres cash rented Total crop acres cash rented Total pasture acres Total pastu	Acreage Summary			
Crop acres owned         142         146         139           Crop acres cash rented         222         238         207           Crop acres share rented         9         14         5           Total pasture acres         42         45         38           Average Price Received (Cash Sales Only)           Soybeans, Organic per bushel         16.06         17.27         14.70           Hay, Alfalfa, Organic per ton         130.69         127.53         133.61           Oats, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         5.28         5.68         3.98           Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         3.64         3.40	Total acres owned	222	229	215
Crop acres cash rented         222         238         207           Crop acres share rented         9         14         5           Total pasture acres         42         45         38           Average Price Received (Cash Sales Only)         Soybeans, Organic per bushel         16.06         17.27         14.70           Hay, Alfalfa, Organic per bushel         16.06         17.27         14.70           Hay, Alfalfa, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         5.28         5.68         3.98           Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Wheat, Spring per bushel         6.24         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         70.05         -         - </td <td></td> <td></td> <td></td> <td></td>				
Crop acres share rented         9         14         5           Total pasture acres         42         45         38           Average Price Received (Cash Sales Only)           Soybeans, Organic per bushel         16.06         17.27         14.70           Hay, Alfalfa, Organic per bushel         130.69         127.53         133.61           Oats, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         5.28         5.68         3.98           Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre           Hay,	· · · · · · · · · · · · · · · · · · ·			
Total pasture acres         42         45         38           Average Price Received (Cash Sales Only)         Soybeans, Organic per bushel         16.06         17.27         14.70           Hay, Alfalfa, Organic per ton         130.69         127.53         133.61           Oats, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         5.28         5.68         3.98           Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Veas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.				-
Average Price Received (Cash Sales Only)  Soybeans, Organic per bushel  Hay, Alfalfa, Organic per ton  130.69  127.53  133.61  Oats, Organic per bushel  4.40  4.94  3.01  Barley, Organic per bushel  5.28  5.68  3.98  Soybeans per bushel  10.89  11.18  10.36  Corn, Organic per bushel  7.02  7.16  6.21  Hay, Alfalfa per ton  120.87  - 94.43  Wheat, Spring, Organic per bushel  5.30				
Soybeans, Organic per bushel         16.06         17.27         14.70           Hay, Alfalfa, Organic per ton         130.69         127.53         133.61           Oats, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         5.28         5.68         3.98           Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre           Hay, Alfalfa, Organic (ton)         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         54.42         69.89	Total pasture acres	42	45	38
Hay, Alfalfa, Organic per ton   130.69   127.53   133.61   Oats, Organic per bushel   4.40   4.94   3.01   Barley, Organic per bushel   5.28   5.68   3.98   Soybeans per bushel   10.89   11.18   10.36   Corn, Organic per bushel   7.02   7.16   6.21   Hay, Alfalfa per ton   120.87   - 94.43   Wheat, Spring, Organic per bushel   7.30   9.09   - Corn per bushel   5.30   Peas, Organic per lb   0.148   Peas, Organic per lb   0.148   Peas, Organic per ton   70.05   Peas, Organic per ton   70.05   Peas, Organic per ton   9.82   Peas, Organic per ton   9.82   Peas, Organic per ton   9.82   Peas, Organic (bushel)   17.42   23.33   14.02   Corn, Organic (bushel)   17.42   23.33   14.02   Corn, Organic (bushel)   68.42   55.06   80.96   Oats, Organic (bushel)   54.42   69.89   42.94   Hay, Grass, Organic (ton)   2.83   2.52   2.99   Pasture, Organic (dum)   8.30   10.43   5.84   Corn Silage, Organic (ton)   3.64   3.40   3.58   Organic (bushel)   36.63   35.63   38.98   Wheat, Spring, Organic (bushel)   36.63   35.63   38.98   Wheat, Spring, Organic (bushel)   21.65   21.32   21.92   CRP (S)   69.58   72.10   67.68   Sunflowers, Organic (cwt)   13.37   -   14.59   Hay, Mixed, Organic (ton)   2.03   2.03   -   Oatlage, Organic (ton)   3.73   -   -   Corn Hay, Mixed, Organic (ton)   3.73   -   -   Corn	Average Price Received (Cash Sales O	nly)		
Oats, Organic per bushel         4.40         4.94         3.01           Barley, Organic per bushel         5.28         5.68         3.98           Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre         -         -         -           Hay, Alfalfa, Organic (ton)         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.96           Oats, Organic (bushel)         54.42         69.89         42.94           Hay, Grass, Organic (ton)		16.06	17.27	14.70
Barley, Organic per bushel         5.28         5.68         3.98           Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre         -         -         -           Hay, Alfalfa, Organic (ton)         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.96           Oats, Organic (bushel)         54.42         69.89         42.94           Hay, Grass, Organic (bushel)         2.83         2.52         2.99           Pasture, Organic (bushel)		130.69	127.53	133.61
Soybeans per bushel         10.89         11.18         10.36           Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre         -         -         -           Hay, Alfalfa, Organic (ton)         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.96           Oats, Organic (bushel)         54.42         69.89         42.94           Hay, Grass, Organic (ton)         2.83         2.52         2.99           Pasture, Organic (ton)         8.30 </td <td></td> <td>4.40</td> <td>4.94</td> <td>3.01</td>		4.40	4.94	3.01
Corn, Organic per bushel         7.02         7.16         6.21           Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre         -         -         -           Hay, Alfalfa, Organic (ton)         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.96           Oats, Organic (bushel)         54.42         69.89         42.94           Hay, Grass, Organic (ton)         2.83         2.52         2.99           Pasture, Organic (aum)         8.30         10.43         5.84           Corn Silage, Organic (ton)         13.41         11.68         14.67           Barley, Organic (bushel)		5.28	5.68	3.98
Hay, Alfalfa per ton         120.87         -         94.43           Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -    Average Yield Per Acre  Hay, Alfalfa, Organic (ton)  3.64  3.40  3.98  Soybeans, Organic (bushel)  17.42  23.33  14.02  Corn, Organic (bushel)  68.42  55.06  80.96  Oats, Organic (bushel)  68.42  55.06  80.96  Oats, Organic (bushel)  54.42  69.89  42.94  Hay, Grass, Organic (ton)  2.83  2.52  2.99  Pasture, Organic (aum)  8.30  10.43  5.84  Corn Silage, Organic (ton)  8.30  10.43  5.84  Corn Silage, Organic (bushel)  36.63  35.63  38.98  Wheat, Spring, Organic (bushel)  21.65  21.32  21.92  CRP (\$)  69.58  72.10  67.68  Sunflowers, Organic (cwt)  13.37  - 14.59  Hay, Mixed, Organic (ton)  2.03  2.03  - Oatlage, Organic (ton)  5.765		10.89	11.18	10.36
Wheat, Spring, Organic per bushel         7.30         9.09         -           Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -    Average Yield Per Acre  Hay, Alfalfa, Organic (ton)  3.64 3.40 3.98  Soybeans, Organic (bushel) 17.42 23.33 14.02  Corn, Organic (bushel) 68.42 55.06 80.96  Oats, Organic (bushel) 68.42 55.06 80.96  Oats, Organic (bushel) 54.42 69.89 42.94  Hay, Grass, Organic (ton) 2.83 2.52 2.99  Pasture, Organic (ton) 8.30 10.43 5.84  Corn Silage, Organic (ton) 13.41 11.68 14.67  Barley, Organic (bushel) 36.63 35.63 38.98  Wheat, Spring, Organic (bushel) 21.65 21.32 21.92  CRP (\$) 69.58 72.10 67.68  Sunflowers, Organic (cwt) 13.37 - 14.59  Hay, Mixed, Organic (ton) 2.03 2.03 - Oatlage, Organic (ton) 3.73 - 5orghum Silage, Organic (ton) 6.88 - 7.65		7.02	7.16	6.21
Corn per bushel         5.30         -         -           Peas, Organic per lb         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre         -         -         -           Hay, Alfalfa, Organic (ton)         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.96           Oats, Organic (bushel)         54.42         69.89         42.94           Hay, Grass, Organic (ton)         2.83         2.52         2.99           Pasture, Organic (aum)         8.30         10.43         5.84           Corn Silage, Organic (ton)         13.41         11.68         14.67           Barley, Organic (bushel)         36.63         35.63         38.98           Wheat, Spring, Organic (bushel)         21.65         21.32         21.92           CRP (\$)         69.58         72.10         67.68           Sunflowers, Organic (ton)		120.87	-	94.43
Peas, Organic per Ib         0.148         -         -           Wheat, Spring per bushel         6.24         -         -           Hay, Grass, Organic per ton         70.05         -         -           Straw per ton         9.82         -         -           Average Yield Per Acre         -         -         -           Hay, Alfalfa, Organic (ton)         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.96           Oats, Organic (bushel)         54.42         69.89         42.94           Hay, Grass, Organic (ton)         2.83         2.52         2.99           Pasture, Organic (aum)         8.30         10.43         5.84           Corn Silage, Organic (ton)         13.41         11.68         14.67           Barley, Organic (bushel)         36.63         35.63         38.98           Wheat, Spring, Organic (bushel)         21.65         21.32         21.92           CRP (\$)         69.58         72.10         67.68           Sunflowers, Organic (cwt)         13.37         -         14.59           Hay, Mixed, Organic (t			9.09	-
Wheat, Spring per bushel       6.24       -       -         Hay, Grass, Organic per ton       70.05       -       -         Straw per ton       9.82       -       -         Average Yield Per Acre       -       -       -         Hay, Alfalfa, Organic (ton)       3.64       3.40       3.98         Soybeans, Organic (bushel)       17.42       23.33       14.02         Corn, Organic (bushel)       68.42       55.06       80.96         Oats, Organic (bushel)       54.42       69.89       42.94         Hay, Grass, Organic (ton)       2.83       2.52       2.99         Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic			-	-
Hay, Grass, Organic per ton   9.82   -   -			-	-
Average Yield Per Acre         3.64         3.40         3.98           Soybeans, Organic (bushel)         17.42         23.33         14.02           Corn, Organic (bushel)         68.42         55.06         80.96           Oats, Organic (bushel)         54.42         69.89         42.94           Hay, Grass, Organic (ton)         2.83         2.52         2.99           Pasture, Organic (aum)         8.30         10.43         5.84           Corn Silage, Organic (ton)         13.41         11.68         14.67           Barley, Organic (bushel)         36.63         35.63         38.98           Wheat, Spring, Organic (bushel)         21.65         21.32         21.92           CRP (\$)         69.58         72.10         67.68           Sunflowers, Organic (cwt)         13.37         -         14.59           Hay, Mixed, Organic (ton)         2.03         2.03         -           Oatlage, Organic (ton)         3.73         -         -           Sorghum Silage, Organic (ton)         6.88         -         7.65			-	-
Average Yield Per Acre         Hay, Alfalfa, Organic (ton)       3.64       3.40       3.98         Soybeans, Organic (bushel)       17.42       23.33       14.02         Corn, Organic (bushel)       68.42       55.06       80.96         Oats, Organic (bushel)       54.42       69.89       42.94         Hay, Grass, Organic (ton)       2.83       2.52       2.99         Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65		70.05	-	-
Hay, Alfalfa, Organic (ton)       3.64       3.40       3.98         Soybeans, Organic (bushel)       17.42       23.33       14.02         Corn, Organic (bushel)       68.42       55.06       80.96         Oats, Organic (bushel)       54.42       69.89       42.94         Hay, Grass, Organic (ton)       2.83       2.52       2.99         Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Straw per ton	9.82	-	-
Soybeans, Organic (bushel)       17.42       23.33       14.02         Corn, Organic (bushel)       68.42       55.06       80.96         Oats, Organic (bushel)       54.42       69.89       42.94         Hay, Grass, Organic (ton)       2.83       2.52       2.99         Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Average Yield Per Acre			
Corn, Organic (bushel)       68.42       55.06       80.96         Oats, Organic (bushel)       54.42       69.89       42.94         Hay, Grass, Organic (ton)       2.83       2.52       2.99         Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Hay, Alfalfa, Organic (ton)	3.64	3.40	3.98
Oats, Organic (bushel)       54.42       69.89       42.94         Hay, Grass, Organic (ton)       2.83       2.52       2.99         Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Soybeans, Organic (bushel)	17.42	23.33	14.02
Hay, Grass, Organic (ton)       2.83       2.52       2.99         Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Corn, Organic (bushel)	68.42	55.06	80.96
Pasture, Organic (aum)       8.30       10.43       5.84         Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Oats, Organic (bushel)	54.42	69.89	42.94
Corn Silage, Organic (ton)       13.41       11.68       14.67         Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Hay, Grass, Organic (ton)	2.83	2.52	2.99
Barley, Organic (bushel)       36.63       35.63       38.98         Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65	Pasture, Organic (aum)	8.30	10.43	5.84
Wheat, Spring, Organic (bushel)       21.65       21.32       21.92         CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65		13.41	11.68	14.67
CRP (\$)       69.58       72.10       67.68         Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65		36.63	35.63	38.98
Sunflowers, Organic (cwt)       13.37       -       14.59         Hay, Mixed, Organic (ton)       2.03       2.03       -         Oatlage, Organic (ton)       3.73       -       -         Sorghum Silage, Organic (ton)       6.88       -       7.65		21.65	21.32	21.92
Hay, Mixed, Organic (ton)2.032.03-Oatlage, Organic (ton)3.73Sorghum Silage, Organic (ton)6.88-7.65		69.58	72.10	67.68
Oatlage, Organic (ton) 3.73 Sorghum Silage, Organic (ton) 6.88 - 7.65		13.37	-	14.59
Sorghum Silage, Organic (ton) 6.88 - 7.65		2.03	2.03	-
		3.73	-	-
Wheat, Winter, Organic (bushel) 33.55 -		6.88	-	7.65
	Wheat, Winter, Organic (bushel)	33.55	-	-

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#### **CROP REPORTS**

The Crop Enterprise Analysis tables show the average physical production, gross return, direct costs, overhead costs, and net returns per acre. Most crops are summarized comparing 2007 to 2006 results. Where enough farms reported data, the tables also include comparisons of crops grown on owned vs. cash rented land.

Gross return per acre includes the value of the crop produced plus any other income directly associated with production of the crop, including LDP payments, crop insurance proceeds, and any disaster payments that might have been received. It does not include direct and countercyclical government payments (see Net return with government payments).

The Value per unit (ton or bushel) is assigned by the producer. For cash crops, the value is based on the actual sales price for production sold or contracted before year-end and the inventory value for crops still in inventory at year-end. The local harvest-time price is used for forages and other feed crops.

Net return per acre is the amount contributed toward operator labor, management, and equity capital. Land costs include land rent on the rented land pages but only actual interest paid and real estate taxes on owned land. For this reason, net returns from owned and rented land should not be compared.

*Net return with government payments* is the net return per acre after decoupled government payments, such as direct and counter-cyclical government payments, have been added. These payments are generally allocated evenly per acre across all crops except vegetables and pasture.

*Net return over labor and management* is the return, including government payments, after compensating the operator for unpaid labor and management. This is also known as the per acre return to equity capital.

Cost of Production shows the average cost per unit produced in each cost category:

Total direct and overhead expense per unit (ton or bushel) is the breakeven price needed to cover cash costs and depreciation.

Less government and other income is the breakeven price when government payments and any miscellaneous income are used to offset some expenses.

With labor and management is the breakeven price to provide a labor and management return for the operator(s).

*Machinery cost* per acre includes fuel and oil, repairs, custom hire, machinery lease payments, machinery depreciation, and interest on intermediate debt.

#### Crop Enterprise Analysis Table 10 (Farms Sorted By Years)

#### Corn, Organic On Cash Rent

	Avg. Of All Farms	2007	2006
Number of fields	40	22	18
Number of farms	32	17	15
Acres Yield per acre (bu.) Operators share of yield % Value per bu. Other product return per acre Total product return per acre Miscellaneous income per acre Gross return per acre	59.84	72.85	43.93
	76.14	71.30	85.94
	100.00	100.00	100.00
	7.27	8.45	5.29
	3.31	4.38	1.14
	557.07	607.07	455.72
	48.16	63.10	17.89
	605.23	670.17	473.61
Direct Expenses Seed Fertilizer Non-chemical crop protect Crop insurance Drying fuel Storage Fuel & oil Repairs Custom hire Land rent Machinery leases Hauling and trucking Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	44.64 48.44 4.00 12.93 1.41 0.37 27.38 36.52 17.57 82.88 0.26 2.19 2.70 11.36 0.66 293.31 311.92	47.68 51.25 4.92 15.44 1.14 0.55 28.12 33.95 24.52 91.98 0.10 3.27 2.88 13.01 0.76 319.58 350.59	38.46 42.73 2.14 7.84 1.97 25.86 41.74 3.48 64.43 0.59 2.33 8.03 0.47 240.06 233.54
Overhead Expenses Custom hire Hired labor Machinery leases Building leases Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	10.52 15.64 4.23 0.95 6.94 4.60 4.41 7.88 28.63 11.28 95.08 388.38 216.85	14.47 11.05 5.77 7.41 5.02 5.27 8.32 28.13 14.53 99.96 419.54 250.63	2.52 24.95 1.12 2.88 5.98 3.74 2.67 6.98 29.64 4.70 85.17 325.24 148.37
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	20.73	17.99	26.27
	237.57	268.62	174.64
	37.64	39.24	34.40
	199.93	229.38	140.24
Cost of Production Total direct expense per bu. Total dir & ovhd exp per bu. Less govt & other income With labor & management	3.85	4.48	2.79
	5.10	5.88	3.78
	4.15	4.69	3.26
	4.65	5.24	3.66
Machinery cost per acre	130.78	141.60	108.84
Est. labor hours per acre	4.42	4.13	4.99

#### Crop Enterprise Analysis Table 11: 2007 by Crop Tenure (Farms Sorted By Crop Tenure Type)

#### Corn, Organic On Owned Land, Cash Rent

	Owned Land	Cash Rent
Number of fields Number of farms	18 14	22 17
Acres Yield per acre (bu.) Operators share of yield % Value per bu. Other product return per acre Total product return per acre Miscellaneous income per acre Gross return per acre	32.22 98.44 100.00 8.56 8.78 851.74 42.71 894.45	72.85 71.30 100.00 8.45 4.38 607.07 63.10 670.17
Seed Fertilizer Non-chemical crop protect Crop insurance Drying fuel Storage Fuel & oil Repairs Custom hire Land rent Machinery leases Hauling and trucking Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	41.19 48.56 1.74 20.14 2.68 35.52 34.27 5.11 0.68 0.42 2.37 7.15 1.79 201.63 692.82	47.68 51.25 4.92 15.44 1.14 0.55 28.12 33.95 24.52 91.98 0.10 3.27 2.88 13.01 0.76 319.58 350.59
Overhead Expenses Custom hire Hired labor Machinery leases RE & pers. property taxes Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	11.47 19.86 5.79 14.24 9.00 6.08 9.03 70.39 29.91 4.68 180.45 382.07 512.38	14.47 11.05 5.77 7.41 5.02 5.27 8.32 28.13 14.53 99.96 419.54 250.63
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	22.83 535.20 39.33 495.87	17.99 268.62 39.24 229.38
Cost of Production Total direct expense per bu. Total dir & ovhd exp per bu. Less govt & other income With labor & management Machinery cost per acre	2.05 3.88 3.13 3.53	4.48 5.88 4.69 5.24
Est. labor hours per acre	5.90	4.13

#### Crop Enterprise Analysis Table 12 (Farms Sorted By Years)

#### Soybeans, Organic On Cash Rent

	Avg. Of All Farms	2007	2006
Number of fields	54	19	35
Number of farms	33	15	18
Acres Yield per acre (bu.) Operators share of yield % Value per bu. Other product return per acre Total product return per acre Miscellaneous income per acre Gross return per acre	95.79	77.19	105.89
	15.53	19.07	14.13
	100.00	100.00	100.00
	16.27	19.35	14.63
	0.16	0.56	-
	252.90	369.50	206.76
	45.06	18.23	55.68
	297.96	387.72	262.43
Direct Expenses Seed Fertilizer Non-chemical crop protect Crop insurance Irrigation energy Fuel & oil Repairs Custom hire Hired labor Land rent Machinery leases Hauling and trucking Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	32.28 12.72 4.57 15.11 0.29 20.69 23.41 5.70 16.40 68.05 2.44 2.47 1.60 9.68 0.80 216.19 81.77	31.28 4.82 2.11 12.88 1.01 18.75 23.59 9.42 6.89 88.01 - 2.83 2.30 6.26 0.97 211.12 176.60	32.67 15.85 5.54 15.99 21.45 23.34 4.22 20.16 60.15 3.40 2.33 1.32 11.03 0.74 218.19 44.24
Overhead Expenses Custom hire Hired labor Machinery leases Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	7.24	4.55	8.30
	5.84	6.02	5.77
	1.24	3.68	0.27
	3.70	4.42	3.41
	3.17	3.43	3.06
	4.95	4.13	5.28
	4.44	5.37	4.06
	21.46	21.80	21.33
	5.12	8.57	3.75
	57.14	61.97	55.23
	273.33	273.09	273.42
	24.62	114.63	-10.99
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	17.62	11.46	20.06
	42.25	126.09	9.07
	30.65	35.08	28.90
	11.60	91.01	-19.83
Cost of Production Total direct expense per bu. Total dir & ovhd exp per bu. Less govt & other income With labor & management	13.92	11.07	15.44
	17.60	14.32	19.35
	13.55	12.73	13.99
	15.53	14.57	16.04
Machinery cost per acre	83.31	85.35	82.51
Est. labor hours per acre	2.44	2.86	2.27

#### Crop Enterprise Analysis Table 13: 2007 by Crop Tenure (Farms Sorted By Crop Tenure Type)

#### Soybeans, Organic On Owned Land, Cash Rent

	Owned <u>Land</u>	Cash <u>Rent</u>
Number of fields Number of farms	15 14	19 15
Acres Yield per acre (bu.) Operators share of yield % Value per bu. Other product return per acre Total product return per acre Miscellaneous income per acre Gross return per acre	76.65 24.54 100.00 19.93 1.85 490.82 6.69 497.52	77.19 19.07 100.00 19.35 0.56 369.50 18.23 387.72
Direct Expenses Seed Fertilizer Non-chemical crop protect Crop insurance Irrigation energy Fuel & oil Repairs Custom hire Hired labor Land rent Machinery leases Hauling and trucking Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	35.37 5.07 3.38 10.91 - 21.55 21.37 1.82 1.32 - 3.77 1.90 1.96 3.21 0.28 111.93 385.59	31.28 4.82 2.11 12.88 1.01 18.75 23.59 9.42 6.89 88.01 - 2.83 2.30 6.26 0.97 211.12
Overhead Expenses Custom hire Hired labor Machinery leases RE & pers. property taxes Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	4.69 9.68 0.44 10.67 3.92 4.07 3.76 52.68 29.06 6.53 125.51 237.44 260.08	4.55 6.02 3.68 4.42 3.43 4.13 5.37 21.80 8.57 61.97 273.09 114.63
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	19.07 279.15 35.19 243.96	11.46 126.09 35.08 91.01
Cost of Production Total direct expense per bu. Total dir & ovhd exp per bu. Less govt & other income With labor & management  Machinery cost per acre	4.56 9.68 8.55 9.98	11.07 14.32 12.73 14.57
Est. labor hours per acre	3.33	2.86

#### Crop Enterprise Analysis Table 14 (Farms Sorted By Years)

#### Hay, Alfalfa, Organic On Cash Rent

	Avg. Of All Farms	2007	2006
Number of fields	41	23	18
Number of farms	32	15	17
Acres Yield per acre (ton) Operators share of yield % Value per ton Total product return per acre Miscellaneous income per acre Gross return per acre	73.17	77.35	67.83
	3.52	3.15	4.05
	100.00	100.00	100.00
	129.17	141.06	115.69
	454.65	444.81	468.99
	3.62	1.29	7.01
	458.27	446.10	476.00
Direct Expenses Seed Fertilizer Non-chemical crop protect Crop insurance Fuel & oil Repairs Custom hire Hired labor Land rent Machinery leases Hauling and trucking Marketing Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	5.04 20.53 2.31 0.61 25.63 30.82 71.30 3.28 71.11 0.98 4.56 0.46 2.17 9.67 1.37 246.78 211.49	6.88 19.54 1.39 0.62 27.89 30.94 43.17 70.65 7.70 2.50 12.96 1.74 220.83 225.27	2.37 21.97 3.63 0.60 22.35 30.66 112.30 8.06 71.78 2.40 - 1.12 1.68 4.87 0.82 284.60 191.40
Overhead Expenses Custom hire Hired labor Machinery leases Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	15.28	22.80	4.31
	18.43	19.74	16.51
	1.83	1.82	1.85
	7.33	9.03	4.85
	4.02	4.89	2.75
	2.18	2.75	1.35
	5.03	5.03	5.04
	26.76	29.68	22.51
	14.40	19.74	6.61
	95.25	115.48	65.76
	342.03	336.31	350.36
	116.24	109.79	125.64
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	13.84	15.26	11.77
	130.08	125.05	137.41
	31.36	35.07	25.95
	98.72	89.98	111.46
Cost of Production Total direct expense per ton Total dir & ovhd exp per ton Less govt & other income With labor & management	70.11	70.03	70.21
	97.17	106.65	86.43
	92.21	101.40	81.80
	101.12	112.52	88.20
Machinery cost per acre	175.12	158.75	198.97
Est. labor hours per acre	4.08	3.32	5.19

#### Crop Enterprise Analysis Table 15: 2007 by Crop Tenure (Farms Sorted By Crop Tenure Type)

#### Hay, Alfalfa, Organic On Owned Land, Cash Rent

	Owned Land	Cash Rent
Number of fields Number of farms	26 19	23 15
Acres Yield per acre (ton) Operators share of yield % Value per ton Total product return per acre Miscellaneous income per acre Gross return per acre	62.87 3.69 100.00 149.80 552.53	77.35 3.15 100.00 141.06 444.81 1.29 446.10
Direct Expenses Seed Fertilizer Non-chemical crop protect Crop insurance Fuel & oil Repairs Custom hire Land rent Hauling and trucking Organic certification Operating interest Miscellaneous Total direct expenses per acre	6.66 29.68 - 1.73 35.69 43.60 64.99 - 8.36 2.64 8.07 0.69 202.13	6.40 18.93 1.39 0.52 27.19 30.12 43.09 68.88 7.70 2.41 12.94 1.26 220.83
Return over direct exp per acre  Overhead Expenses Custom hire Hired labor Machinery leases RE & pers. property taxes Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	350.40  18.56 13.53 6.89 11.24 7.96 5.86 9.30 46.98 35.99 6.52 162.83 364.96 187.57	225.27 22.80 19.74 1.82 9.03 4.89 2.75 5.03 29.68 19.74 115.48 336.31 109.79
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	14.79 202.36 44.47 157.89	15.26 125.05 35.07 89.98
Cost of Production Total direct expense per ton Total dir & ovhd exp per ton Less govt & other income With labor & management	54.80 98.94 94.93 106.99	70.03 106.65 101.40 112.52
Machinery cost per acre Est. labor hours per acre	214.81 4.33	158.75 3.32

#### Crop Enterprise Analysis Table 16 (Farms Sorted By Years)

#### Corn Silage, Organic On Owned Land

	Avg. Of All Farms	2007	2006
Number of fields	23	14	9
Number of farms	20	12	8
Acres Yield per acre (ton) Operators share of yield % Value per ton Other product return per acre Total product return per acre Miscellaneous income per acre Gross return per acre	26.56 13.03 100.00 33.77 5.11 445.13 29.02 474.15	25.16 12.25 100.00 36.22 - 443.67 50.31 493.97	28.72 14.09 100.00 30.87 12.07 447.13
Direct Expenses Seed Fertilizer Non-chemical crop protect Crop insurance Storage Irrigation energy Fuel & oil Repairs Custom hire Machinery leases Marketing Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	43.47 26.84 1.00 6.79 1.39 0.84 33.28 63.75 23.29 0.82 1.06 0.85 3.74 1.95 209.08 265.07	45.08 29.19 0.11 9.39 2.41 1.46 33.36 73.62 23.20  0.95 2.85 3.38 225.01 268.96	41.28 23.64 2.22 3.23 33.17 50.30 23.41 1.94 2.51 0.71 4.95
Overhead Expenses Custom hire Hired labor Machinery leases Building leases RE & pers. property taxes Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	5.31	9.13	0.11
	31.78	33.61	29.28
	4.79	5.02	4.48
	1.01	-	2.38
	9.03	9.27	8.69
	7.44	7.19	7.78
	4.61	5.05	4.00
	2.47	3.06	1.68
	31.53	37.64	23.21
	33.61	34.82	31.96
	5.80	5.96	5.59
	137.38	150.76	119.14
	346.45	375.77	306.51
	127.70	118.21	140.63
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	20.06	13.34	29.21
	147.75	131.55	169.84
	39.88	47.72	29.20
	107.87	83.83	140.64
Cost of Production Total direct expense per ton Total dir & ovhd exp per ton Less govt & other income With labor & management	16.05	18.37	13.29
	26.59	30.68	21.75
	22.43	25.48	18.82
	25.49	29.38	20.89
Machinery cost per acre	172.30	188.34	150.43
Est. labor hours per acre	5.95	6.38	5.36

#### Crop Enterprise Analysis Table 17 (Farms Sorted By Years)

#### Oats, Organic On Owned Land

	Avg. Of All Farms	2007	2006
Number of fields	15	8	7
Number of farms	13	6	7
Acres Yield per acre (bu.) Operators share of yield % Value per bu. Other product return per acre Total product return per acre Miscellaneous income per acre Gross return per acre	42.11	34.08	51.29
	56.73	70.82	46.04
	100.00	100.00	100.00
	3.87	4.41	3.23
	3.42	7.92	-
	222.78	320.48	148.59
	11.57	6.97	15.06
	234.34	327.45	163.64
Direct Expenses Seed Fertilizer Crop insurance Fuel & oil Repairs Custom hire Hired labor Machinery leases Hauling and trucking Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	10.97 18.45 10.64 22.68 19.93 0.52 6.93 2.07 1.41 2.58 6.73 0.47 103.37 130.97	12.59 18.41 9.99 25.24 17.21 1.20 2.85 1.79 - 89.29 238.16	9.74 18.47 11.14 20.72 22.00 12.20 3.64 2.49 2.38 10.47 0.82 114.07 49.57
Overhead Expenses Custom hire Hired labor Machinery leases RE & pers. property taxes Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	6.45	6.97	6.05
	2.10	4.34	0.40
	1.58	3.60	0.05
	8.11	11.70	5.39
	4.47	5.32	3.83
	3.48	2.75	4.04
	3.47	5.27	2.10
	29.83	29.06	30.41
	21.03	19.96	21.85
	4.30	5.49	3.41
	84.83	94.44	77.53
	188.20	183.73	191.60
	46.14	143.72	-27.95
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	17.14	14.85	18.88
	63.28	158.57	-9.08
	25.79	29.07	23.31
	37.49	129.51	-32.38
Cost of Production Total direct expense per bu. Total dir & ovhd exp per bu. Less govt & other income With labor & management	1.82	1.26	2.48
	3.32	2.59	4.16
	2.75	2.17	3.42
	3.21	2.58	3.93
Machinery cost per acre	75.57	76.93	74.54
Est. labor hours per acre	2.51	3.04	2.10

#### Crop Enterprise Analysis Table 18 (Farms Sorted By Years)

#### Barley, Organic On Owned Land

	Avg. Of All Farms	2007	2006
Number of fields	16	8	8
Number of farms	15	7	8
Acres	52.47	49.21	55.73
Yield per acre (bu.)	37.52	35.04	39.71
Operators share of yield % Value per bu.	100.00 5.41	100.00 6.14	100.00 4.84
Total product return per acre	203.10	215.25	192.38
Miscellaneous income per acre	23.72	38.36	10.80
Gross return per acre	226.83	253.60	203.18
Direct Expenses			
Seed	16.36	22.38	11.03
Fertilizer	8.19	13.21	3.75
Crop insurance	4.80	5.54	4.14
Fuel & oil	17.35	14.13	20.19
Repairs	20.67	20.63	20.71
Custom hire	1.26	1.47	1.07
Hauling and trucking Organic certification	0.34 2.12	0.73 2.77	1.55
Operating interest	9.28	6.88	11.40
Miscellaneous	0.13	0.28	-
Total direct expenses per acre	80.49	88.01	73.85
Return over direct exp per acre	146.34	165.59	129.33
Overhead Expenses			
Custom hire	5.17	8.57	2.17
Hired labor	7.94	7.39	8.42
RE & pers. property taxes	8.77	7.25	10.12
Farm insurance	4.57	4.05	5.02
Utilities	4.42	3.82	4.96 2.77
Dues & professional fees Interest	2.91 24.71	3.06 22.75	26.44
Mach & bldg depreciation	27.93	36.59	20.44
Miscellaneous	7.62	3.34	11.40
Total overhead expenses per acre	94.05	96.83	91.59
Total dir & ovhd expenses per acre	174.54	184.84	165.44
Net return per acre	52.29	68.76	37.74
Government payments	15.46	12.36	18.19
Net return with govt pmts	67.75	81.12	55.94
Labor & management charge	34.90	39.25	31.06
Net return over lbr & mgt	32.85	41.87	24.87
Cost of Production			
Total direct expense per bu.	2.15	2.51	1.86
Total dir & ovhd exp per bu.	4.65	5.27	4.17
Less govt & other income	3.61	3.83	3.44
With labor & management	4.54	4.95	4.22
Machinery cost per acre	74.44	82.57	67.26
Est. labor hours per acre	3.84	3.74	3.93

#### Crop Enterprise Analysis Table 19 (Farms Sorted By Years)

#### Wheat, Spring, Organic On Cash Rent

	Avg. Of All Farms	2007	2006
Number of fields	12	5	7
Number of farms	10	5	5
Acres Yield per acre (bu.) Operators share of yield % Value per bu. Other product return per acre Total product return per acre Miscellaneous income per acre Gross return per acre	152.18	152.82	151.71
	23.80	23.77	23.82
	100.00	100.00	100.00
	9.82	14.45	6.49
	1.23	-	2.12
	234.84	343.54	156.64
	29.61	10.59	43.29
	264.45	354.12	199.93
Direct Expenses Seed Fertilizer Non-chemical crop protect Crop insurance Drying fuel Fuel & oil Repairs Custom hire Land rent Hauling and trucking Organic certification Operating interest Miscellaneous Total direct expenses per acre Return over direct exp per acre	22.37 20.94 9.01 10.17 0.88 18.40 24.72 1.59 59.50 7.65 1.24 5.75 0.17 182.39 82.06	27.07 33.11 10.59 1.61 19.03 27.73 0.21 65.96 18.28 2.19 6.77	18.99 12.19 15.50 9.87 0.34 17.95 22.56 2.59 54.86 0.55 5.02 0.30 160.70 39.23
Overhead Expenses Custom hire Hired labor Machinery leases Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses per acre Total dir & ovhd expenses per acre Net return per acre	3.54	2.59	4.22
	14.08	15.48	13.08
	2.09	0.09	3.54
	3.39	3.84	3.07
	4.00	4.65	3.53
	3.11	2.45	3.59
	2.52	2.73	2.37
	15.41	20.18	11.98
	2.24	2.87	1.78
	50.39	54.88	47.16
	232.78	267.42	207.86
	31.67	86.70	-7.93
Government payments Net return with govt pmts Labor & management charge Net return over lbr & mgt	15.83	13.81	17.28
	47.50	100.51	9.35
	22.28	29.03	17.43
	25.21	71.48	-8.08
Cost of Production Total direct expense per bu. Total dir & ovhd exp per bu. Less govt & other income With labor & management	7.66	8.94	6.75
	9.78	11.25	8.73
	7.82	10.22	6.09
	8.76	11.45	6.83
Machinery cost per acre	67.46	71.97	64.22
Est. labor hours per acre	2.40	2.67	2.21

#### Crop Enterprise Analysis Table 20 (Farms Sorted By Years)

#### Pasture, Organic On Owned Land

	Avg. Of All Farms	2007	2006
Number of fields	26	13	13
Number of farms	20	9	11
Acres	68.17	68.53	67.80
Yield per acre (aum)	5.61	4.16	7.07
Operators share of yield %	100.00	100.00	100.00
Value per aum	21.54	32.79	14.84
Total product return per acre	120.83	136.50	104.99
Miscellaneous income per acre	0.49	-	0.98
Gross return per acre	121.32	136.50	105.97
Direct Expenses			
Seed	1.57	2.04	1.10
Fertilizer	4.58	2.62	6.55
Fuel & oil	2.60	2.46	2.74
Repairs	3.97	3.49	4.46
Organic certification	0.60	0.89	0.31
Operating interest	0.55	0.06	1.04
Total direct expenses per acre	13.87	11.56	16.20
Return over direct exp per acre	107.45	124.94	89.77
Overhead Expenses			
Hired labor	1.24	1.01	1.48
RE & pers. property taxes	8.55	7.96	9.15
Farm insurance	0.67	0.62	0.73
Interest	17.86	15.47	20.28
Mach & bldg depreciation	4.33	3.77	4.90
Miscellaneous	1.62	1.53	1.71
Total overhead expenses per acre	34.28	30.36	38.23
Total dir & ovhd expenses per acre	48.14	41.92	54.43
Net return per acre	73.17	94.58	51.54
Government payments	7.13	5.90	8.37
Net return with govt pmts	80.30	100.48	59.91
Labor & management charge	4.35	3.69	5.01
Net return over lbr & mgt	75.95	96.78	54.90
Cost of Production			
Total direct expense per aum	2.47	2.78	2.29
Total dir & ovhd exp per aum	8.58	10.07	7.69
Less govt & other income	7.22	8.65	6.37
With labor & management	8.00	9.54	7.08
Machinery cost per acre	11.78	10.77	12.79

#### **DAIRY REPORTS**

The Livestock Enterprise Analysis tables show the average physical production, gross returns, direct costs, overhead costs, and net returns per budget unit. For this group of organic producers, the only enterprise with sufficient numbers to summarize was dairy. Two formats are included for dairy reports: a comparison of 2007 to 2006 enterprises returns, and 2007 dairy results sorted into thirds by enterprise net return. For comparison, these same reports are included for conventional Minnesota dairies.

*Gross return* is the accrual gross value produced by the enterprise. It includes income from sale of offspring and livestock products, cull income, non-cash transfers to other enterprises, and the value of production used in the home or for feed. It also includes the value of inventory change from beginning to the end of the year. The cost of livestock purchased and the value of animals transferred in are deducted.

*Net return* is the amount contributed per cow toward operator labor, management, and equity capital.

*Net return* over labor and management is the return remaining after compensating the operator for unpaid labor and management. This is the per unit return to equity capital.

The Cost of Production section shows the average cost per unit sold in each cost category:

Total direct and overhead expense per cwt. is the breakeven price needed to cover cash costs and depreciation.

With other revenue adjustments is the breakeven price adjusted for cull sales, other offspring sales, the cost of replacement stock, and any other miscellaneous income. This assumes that some costs can be covered by these other income sources.

With labor and management is the final breakeven price to provide a labor and management return for the operator(s).

Other Information contains both economic and technical efficiency measures for each enterprise.

#### Livestock Enterprise Analysis Table 21 (Farms Sorted By Years)

#### Organic Dairy -- Average Per Cow

		Avg. Of All Farms		07	2006	
Number of farms		45	2	23	2	22
Milk sold (lb) Milk used in home (lb) Milk fed to animals (lb) Dairy Calves sold (hd) Transferred out (hd) Cull sales (hd) Butchered (hd) Less purchased (hd) Less transferred in (hd) Inventory change (hd) Total production Other income Gross return	Quantity 12,528.47 28.88 272.13 0.17 0.71 0.16 0.01 -0.03 -0.25 0.06	Value 2,918.66 6.39 58.08 35.21 149.86 92.49 4.72 -45.09 -347.55 105.18 2,977.96 42.54 3,020.51	Quantity 12,976.47 25.84 369.38 0.10 0.76 0.16 0.01 -0.04 -0.22 0.05	Value 3,171.95 5.79 85.24 22.99 150.91 105.28 4.81 -75.74 -342.67 107.05 3,235.61 18.67 3,254.28	Quantity 12,109.76 31.72 181.24 0.22 0.67 0.16 0.01 -0.01 -0.28 0.07	Value 2,681,93 6.96 32.70 46.64 148.88 80.53 4.63 -16.44 -352.11 103.43 2,737.16 64.85 2,802.01
Corn (bu.) Corn Silage (lb.) Hay, Alfalfa (lb.) Hay, Alfalfa (lb.) Hay, Grass & Other (lb.) Haylage, Alfalfa (lb.) Oats (bu.) Pasture (aum) Complete Ration (lb.) Protein Vit Minerals (lb.) Other feed stuffs Breeding fees Veterinary Supplies Fuel & oil Repairs Custom hire Hauling and trucking Marketing Bedding Total direct expenses Return over direct expense	35.59 5,295.38 3,901.10 2,315.95 2,394.77 9.52 5.94 250.02 940.80 1,488.98	226.45 80.39 203.83 100.88 69.68 36.87 133.79 54.70 163.74 73.53 20.04 30.84 122.22 56.25 133.54 22.56 21.51 31.39 21.35 1,622.98 1,397.52	39.74 6,151.76 3,263.12 2,571.22 3,064.63 9.30 7.87 401.42 1,115.42 1,722.42	304.55 97.40 193.89 132.07 86.78 44.52 142.29 87.07 182.76 88.72 23.93 31.22 117.10 57.35 139.06 13.72 25.67 33.86 25.48 1,867.59 1,386.69	31.71 4,494.97 4,497.37 2,077.37 1,768.70 9.72 4.13 108.51 777.59 1,270.80	153.46 64.50 213.13 71.74 53.70 29.72 125.84 24.45 145.97 59.33 16.40 30.49 127.01 128.38 30.83 17.63 29.08 17.49 1,394.37 1,407.65
Overhead Expenses Hired labor Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses Total dir & ovhd expenses Net return		216.38 35.73 63.76 18.90 93.84 93.83 56.75 579.19 2,202.17 818.34		195.06 35.18 68.56 18.26 100.02 94.30 60.39 571.78 2,439.37 814.91		236.31 36.24 59.27 19.51 88.05 93.38 53.36 586.11 1,980.48 821.54
Labor & management charge Net return over lbr & mgt		262.99 555.34		273.42 541.49		253.25 568.28
Cost of Production Total direct expense per cwt. Total dir& ovhd expense per cwt. With other revenue adjustments With labor and management		12.65 17.16 16.87 18.92		13.97 18.24 18.31 20.35		11.32 16.07 15.42 17.47
Est. labor hours per unit		46.83		45.19		48.36
Other Information Avg. number of Cows Milk produced per Cow Culling percentage Turnover rate Percent of barn capacity Lbs. milk/lb grain & conc. Feed cost per cwt of milk Feed cost per Cow Avg. milk price per cwt.		68.4 12,829 16.1 23.6 101.8 3.4 9.07 1,163.27 23.30		64.7 13,372 16.1 25.4 98.5 3.0 10.47 1,400.20 24.44		72.3 12.323 16.2 21.9 105.0 3.8 7.64 941.84 22.15

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#### Livestock Enterprise Analysis Table 22: Non-Organic (Farms Sorted By Years)

#### Non-Organic Dairy -- Average Per Cow

	Avg. All F		200	07	2006	
Number of farms	er of farms		55	54	5	37
Milk sold (lb) Milk used in home (lb) Milk fed to animals (lb) Dairy Calves sold (hd) Transferred out (hd) Cull sales (hd) Butchered (hd) Less purchased (hd) Less transferred in (hd) Inventory change (hd) Total production Other income Gross return	Quantity 21,450.76 4.60 76.37 0.27 0.63 0.25 0.00 -0.06 -0.33 1.04	Value 3,426.84 0.83 9.63 48.48 129.39 142.04 2.48 -94.33 -459.88 98.73 3,304.21 44.21 3,348.42	Quantity 21,346.87 3.90 91.34 0.27 0.64 0.24 0.00 -0.06 -0.33 1.95	Value 3,963.33 0.86 12.59 38.86 136.40 141.60 2.36 -88.86 -479.00 96.81 3,824.96 10.21 3,835.17	Quantity 21,561.98 5.36 60.35 0.28 0.61 0.25 0.01 -0.07 -0.33 0.06	Value 2,852.49 0.80 6.47 58.77 121.87 142.52 2.61 -100.18 -439.41 100.78 2,746.71 80.61 2,827.33
Direct Expenses  Corn (bu.) Corn Silage (lb.) Hay, Alfalfa (lb.) Haylage, Alfalfa (lb.) Complete Ration (lb.) Protein Vit Minerals (lb.) Other feed stuffs Breeding fees Veterinary BST Supplies Fuel & oil Repairs Custom hire Hauling and trucking Marketing Bedding Total direct expenses Return over direct expense	64.42 15,174.26 3,057.67 6,201.44 1,427.92 2,995.16 1,680.08	172.12 176.64 155.90 128.70 165.14 420.65 81.48 40.35 113.36 34.06 165.65 73.99 120.22 29.27 35.47 43.29 51.94 2,008.25 1,340.18	61.25 15,344.84 3,073.49 6,679.39 1,322.37 3,127.09 1,659.80	196.65 199.72 172.61 133.95 176.00 464.97 96.36 40.96 115.77 34.41 167.89 78.58 134.29 30.64 36.69 49.95 54.33 2,183.76 1,651.41	67.82 14,991.65 3,040.73 5,689.76 1,540.91 2,853.91 1,701.80	145.86 151.92 138.01 123.09 153.52 373.20 65.55 39.71 110.78 33.69 163.25 69.09 105.16 27.81 34.15 36.17 49.39 1,820.34 1,006.98
Overhead Expenses Hired labor Building leases Farm insurance Utilities Interest Mach & bldg depreciation Miscellaneous Total overhead expenses Total dir & ovhd expenses Net return		281.67 35.99 32.71 69.83 123.96 126.82 79.43 750.40 2,758.65 589.78		294.71 42.61 33.56 71.37 128.14 133.75 82.60 786.73 2,970.49 864.68		267.71 28.90 31.80 68.18 119.48 119.39 76.04 711.51 2,531.85 295.47
Labor & management charge Net return over lbr & mgt		214.12 375.66		224.05 640.63		203.49 91.98
Cost of Production Total direct expense per cwt. Total dir& ovhd expense per cwt. With other revenue adjustments With labor and management		9.33 12.81 13.22 14.22		10.18 13.85 14.51 15.56		8.42 11.71 11.86 12.80
Est. labor hours per unit		41.38		42.00		40.73
Other Information Avg. number of Cows Milk produced per Cow Culling percentage Turnover rate Percent of barn capacity Lbs. milk/lb grain & conc. Feed cost per cwt of milk Feed cost per Cow Avg. milk price per cwt.		129.2 21,532 24.5 32.8 108.3 2.4 6.04 1,300.63 15.98		131.6 21,442 24.2 33.0 108.8 2.4 6.72 1,440.26 18.57		126.8 21,628 24.8 32.6 107.8 2.4 5.32 1,151.15 13.23

2007 Annual Report

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#### Livestock Enterprise Analysis Table 23: 2007 Organic (Farms Sorted By Net Return Per Unit)

#### Organic Dairy -- Average Per Cow

	Avg. All F	Of Farms	Lows	33%	33-6	66%	High 34%	
Number of farms		23		7		8		8
Milk sold (lb) Milk used in home (lb) Milk fed to animals (lb) Dairy Calves sold (hd) Transferred out (hd) Cull sales (hd) Butchered (hd) Less purchased (hd) Less transferred in (hd) Inventory change (hd) Total production Other income Gross return	Quantity 12,976.47 25.84 369.38 0.10 0.76 0.16 0.01 -0.04 -0.22 0.05	Value 3,171.95 5.79 85.24 22.99 150.91 105.28 4.81 -75.74 -342.67 3,235.61 18.67 3,254.28	Quantity 11,306.20 11.58 500.99 0.08 0.77 0.19 0.01 -0.02 -0.22 -0.02	Value 2,748.68 2.89 121.85 10.42 170.90 128.83 3.78 -25.08 -363.88 -56.52 2,741.86 16.93 2,758.79	Quantity 12,725.58 31.90 330.51 0.13 0.74 0.16 0.00 -0.10 -0.23 0.13	Value 3,012.96 5.77 63.27 13.80 135.53 113.45 1.43 -214.10 -311.62 247.21 3,067.70 25.25 3,092.95	Quantity 15,547.42 39.15 228.54 0.12 0.76 0.12 0.02 -0.22 0.07	Value 3,923.96 9.84 57.81 50.03 139.49 64.14 9.80 -346.08 185.33 4,094.32 14.14 4,108.46
Direct Expenses Barley (bu.) Corn (bu.) Corn Silage (lb.) Hay, Alfalfa (lb.) Hay, Alfalfa (lb.) Haylage, Alfalfa (lb.) Oats (bu.) Pasture (aum) Soybeans (bu.) Complete Ration (lb.) Protein Vit Minerals (lb.) Other feed stuffs Breeding fees Veterinary Supplies Fuel & oil Repairs Custom hire Hauling and trucking Marketing Bedding Total direct expenses Return over direct expense	4.22 39.74 6,151.76 3,263.12 2,571.22 3,064.63 9.30 7.87 1.44 401.42 1,115.42 1,716.75	18.86 304.55 97.40 193.89 132.07 86.78 44.52 142.29 23.84 87.07 182.76 46.02 23.93 31.22 117.10 57.35 139.06 25.67 33.86 25.48 1,867.59 1,386.69	4.75 34.04 7,486.62 1,812.04 4,504.01 4,726.42 6.11 13.84 1.00 188.36 1,726.62 2,211.37	14.74 261.15 124.87 102.44 236.22 127.30 24.74 134.71 18.06 31.33 197.44 61.46 10.16 23.25 107.37 54.35 123.67 16.39 20.80 19.81 24.76 1,773.96 984.83	2.00 44.88 5,217.27 2,937.41 2,271.93 2,179.82 11.64 3.47 3.11 798.85 734.54 1,809.52	9.98 344.01 72.71 201.20 111.98 61.05 70.26 90.43 49.75 128.23 143.69 41.69 30.92 37.08 100.50 49.21 149.49 6.63 29.41 48.96 26.74 1,826.95 1,266.00	5.85 42.18 5,292.38 5,610.16 217.09 1,701.39 11.24 4.26 0.29 277.14 672.43 935.97	33.91 322.95 85.46 312.48 9.38 57.90 44.73 207.37 4.55 120.69 203.61 29.24 35.60 36.05 148.00 70.06 149.35 17.51 28.45 37.36 25.17 2,039.70 2,068.77
Overhead Expenses Hired labor Machinery leases Building leases Farm insurance Utilities Dues & professional fees Interest Mach & bldg depreciation Miscellaneous Total overhead expenses Total dir & ovhd expenses Net return		195.06 9.71 6.13 35.18 68.56 18.26 100.02 94.30 44.55 571.78 2,439.37 814.91		309.21 20.95 34.20 66.76 30.45 163.89 104.26 33.31 763.03 2,536.99 221.80		144.13 0.11 20.00 25.84 51.26 14.32 56.20 70.96 35.09 417.92 2,244.87 848.08		91.05 4.30 46.36 89.28 5.56 57.98 105.13 70.04 469.68 2,509.37 1,599.09
Labor & management charge Net return over lbr & mgt		273.42 541.49		210.90 10.90		291.59 556.49		340.61 1,258.48
Cost of Production Total direct expense per cwt. Total dir& ovhd expense per cwt. With other revenue adjustments With labor and management		13.97 18.24 18.31 20.35		15.01 21.47 22.44 24.22		13.96 17.15 17.07 19.30		12.90 15.87 15.13 17.28
Est. labor hours per unit		45.19		48.19		38.07		48.56
Other Information Avg. number of Cows Milk produced per Cow Culling percentage Turnover rate Percent of barn capacity Lbs. milk/lb grain & conc. Feed cost per cwt of milk Feed cost per Cow Avg. milk price per cwt.		64.7 13,372 16.1 25.4 98.5 3.0 10.47 1,400.20 24.44		85.4 11,819 19.2 33.6 92.1 2,7 11.62 1,373.42 24.31		57.0 13,088 15.6 21.9 105.3 2.9 10.30 1,348.00 23.68		54.1 15,815 12.2 17.8 101.4 3.6 9.43 1,492.14 25.24

#### Livestock Enterprise Analysis Table 24: 2007 Non-Organic (Farms Sorted By Net Return Per Unit)

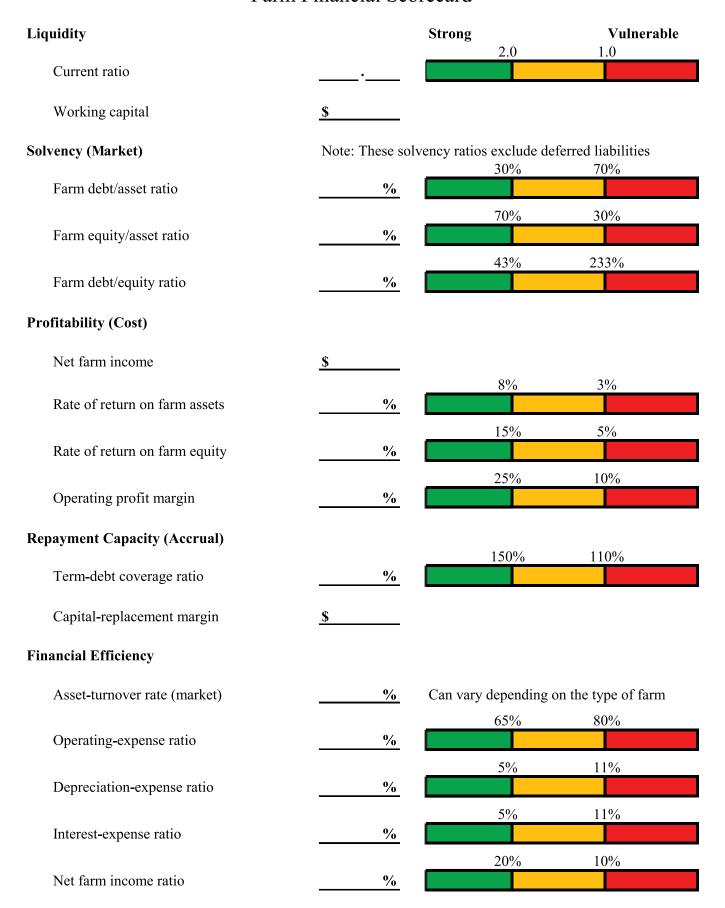
#### Non-Organic Dairy -- Average Per Cow

	Avg. ———All F	Of arms	Low33%		33 - 66%		High 34%	
Number of farms		554		182	183		189	
Milk sold (lb) Milk used in home (lb) Milk fed to animals (lb) Dairy Calves sold (hd) Transferred out (hd) Cull sales (hd) Butchered (hd) Less purchased (hd) Less transferred in (hd) Inventory change (hd) Total production Other income Gross return	Quantity 21,346.87 3.90 91.34 0.27 0.64 0.24 0.00 -0.06 -0.33 1.95	Value 3,963.33 0.86 12.59 38.86 136.40 141.60 2.36 -88.86 -479.00 96.81 3,824.96 10.21 3,835.17	Quantity 19,849.75 2.17 158.16 0.27 0.59 0.24 0.00 -0.10 -0.32 0.06	Value 3,570.75 0.42 21.21 36.75 129.71 138.50 2.18 -142.28 -488.23 96.57 3,365.58 -8.71 3,356.87	Quantity 21,356.06 4.56 59.05 0.23 0.66 0.24 0.00 -0.04 -0.32 0.05	Value 3,974.94 1.05 8.65 29.27 147.63 140.19 2.68 -75.77 -494.82 74.14 3,807.97 25.91 3,833.88	Quantity 22,821.61 4.94 57.88 0.30 0.65 0.25 0.00 -0.04 -0.33 5.75	Value 4,340.70 1.11 8.05 50.69 131.63 146.10 2.22 -49.19 -453.79 120.07 4,297.59 13.04 4,310.62
Corn (bu.) Corn Silage (lb.) Hay, Alfalfa (lb.) Haylage, Alfalfa (lb.) Complete Ration (lb.) Protein Vit Minerals (lb.) Other feed stuffs Breeding fees Veterinary BST Supplies Fuel & oil Repairs Custom hire Hired labor Hauling and trucking Marketing Bedding Operating interest Total direct expenses Return over direct expense	61.25 15,344.84 3,073.49 6,679.39 1,322.37 3,127.09 1,659.80	196.65 199.72 172.61 133.95 176.00 464.97 96.36 40.96 115.77 34.41 136.89 78.58 134.29 30.64 14.28 36.69 49.95 54.33 16.72 2,183.76 1,651.41	58.82 16,722.15 3,486.84 4,584.24 1,022.55 3,504.73 1,989.40	191.13 216.84 195.00 122.66 137.89 502.17 104.32 38.50 116.75 45.06 144.43 81.73 121.80 36.40 25.41 32.48 39.46 57.02 24.47 2,233.53 1,123.34	59.19 14,628.74 2,515.62 10,268.30 1,246.01 3,120.41 1,696.06	189.52 195.63 143.97 161.25 170.20 458.73 108.02 41.37 119.52 26.10 130.08 78.12 141.06 28.04 13.38 36.82 64.11 60.20 15.18 2,181.32 1,652.56	65.76 14,706.51 3,230.08 5,112.76 1,697.11 2,759.54 1,296.24	209.35 186.90 179.50 117.41 219.66 434.43 76.65 42.97 110.99 32.29 136.33 75.91 139.80 27.58 4.14 40.73 45.96 45.70 10.59 2,136.91 2,173.71
Overhead Expenses Custom hire Hired labor Building leases Farm insurance Utilities Interest Mach & bldg depreciation Miscellaneous Total overhead expenses Total dir & ovhd expenses Net return		16.15 294.71 42.61 33.56 71.37 128.14 133.75 66.45 786.73 2,970.49 864.68		12.81 311.32 25.56 31.95 72.56 169.48 127.36 76.15 827.21 3,060.73 296.14		12.15 277.61 57.18 34.49 71.39 120.80 136.52 64.81 774.96 2,956.27 877.60		23.53 295.60 44.70 34.19 70.16 94.62 137.28 58.48 758.55 2,895.46 1,415.16
Labor & management charge Net return over lbr & mgt		224.05 640.63		185.05 111.09		227.72 649.88		258.99 1,156.17
Cost of Production Total direct expense per cwt. Total dir& ovhd expense per cwt. With other revenue adjustments With labor and management		10.18 13.85 14.51 15.56		11.16 15.30 16.47 17.40		10.18 13.80 14.51 15.57		9.34 12.65 12.82 13.96
Est. labor hours per unit		42.00		42.56		40.89		42.56
Other Information Avg. number of Cows Milk produced per Cow Culling percentage Turnover rate Percent of barn capacity Lbs. milk/lb grain & conc. Feed cost per cwt of milk Feed cost per Cow Avg. milk price per cwt.		131.6 21,442 24.2 33.0 108.8 2.4 6.72 1,440.26 18.57		132.0 20,010 24.3 35.0 103.7 2.2 7.35 1,470.02 17.99		134.5 21,420 23.8 32.4 111.4 2.5 6.66 1,427.32 18.61		128.3 22,884 24.6 31.5 111.5 2.6 6.22 1,423.91 19.02

#### Financial Standards Measures Table 25: 2007 Totally Organic (Farms Sorted By Net Farm Income)

	Avg. Of All Farms	Low 33%	33 - 66%	High 34%
Number of farms	45	14	15	16
Liquidity				
Current ratio	1.98	1.46	1.38	2.33
Working capital	84,971	19,429	22,044	201,314
Solvency (market)				
Farm debt to asset ratio	40 %	39 %	49 %	38 %
Farm equity to asset ratio	60 %	61 %	51 %	62 %
Farm debt to equity ratio	67 %	65 %	98 %	60 %
Profitability (cost)				
Rate of return on farm assets	13.3 %	-0.6 %	10.2 %	18.4 %
Rate of return on farm equity	20.1 %	-7.7 %	16.3 %	27.7 %
Operating profit margin	31.8 %	-2.1 %	24.7 %	40.1 %
Net farm income	93,007	6,607	49,424	209,466
Repayment Capacity				
Term debt coverage ratio	239 %	58 %	152 %	367 %
Capital replacement margin	55,451	-13,849	13,673	155,255
Efficiency				
Asset turnover rate (cost)	41.9 %	29.2 %	41.1 %	46.0 %
Operating expense ratio	57.8 %	80.1 %	61.1 %	52.3 %
Depreciation expense ratio	4.2 %	6.0 %	4.2 %	3.9 %
Interest expense ratio	5.7 %	8.7 %	5.0 %	5.2 %
Net farm income ratio	32.3 %	5.2 %	29.7 %	38.6 %

#### Farm Financial Scorecard



Use these general benchmarks to evaluate the data contained in this report or to assess how your own operation is performing. Form developed by Ron Dvergsten, Suane Jaenicke, Robert Bollesen at Northland Community and Technical College, MNSCU.