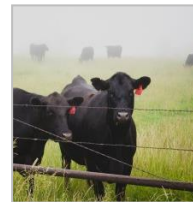


Ohio Farm Business Analysis and Benchmarking Program



Farm Business Analysis

What makes a farm business successful? Is it record-breaking yields, the highest producing cows, or using the most up-to-date technology? While all of these things may help, the real key to operating a successful farm business is knowing where you stand financially.

Where We Come In

Our goal is to help you interpret the numbers behind your profits and losses, and show you how to improve your business decisions based on your farm's analysis.

To complete your analysis, we start with your beginning and ending balance sheets from the most recent business year. To fill in the year between the balance sheets, we provide input forms that cover all purchases, sales, and enterprise information.

Farm business analysis is a tool that can be applied to any farm, regardless of size, crop, or livestock enterprises. Financial management is critical to the success of every farm business. Contact us today to get started!

What's in it for you?

- *Whole Farm Analysis*
- *Enterprise Analysis*
- *Personalized Benchmark Reports*
- *Cost of Production per acre, bushel, ton, head, cwt*
- *Annual Summaries*
- *Machinery Cost per Acre*

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THE OHIO STATE UNIVERSITY

COLLEGE OF FOOD, AGRICULTURAL,
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For an accessible format of this publication, visit cfaes.osu.edu/accessibility.

2013 Financial Analysis Executive Summary		Financial Standards Measures	
Income Statement		Liquidity	
Crop sales	922,287	Current ratio	Beg 7.14 End 4.32
Crop inventory change	-174,593	Working capital	979,487 742,480
Gross crop income	747,694	Working capital to gross revenues	117.7 % 86.3 %
Livestock sales	34,480	Solvency (market)	
Livestock inventory change	-	Debt to asset ratio	Beg 39 % End 42 %
Gross livestock income	34,480	Debt to equity ratio	0.57 0.71
Government payments	8,858	Profitability	
Other cash farm income	37,348	Net farm income	Cost 32,432 Market 78,503
Change in accounts receivable	-	Rate of return on assets	-0.3 % 1.7 %
Gain or loss on hedging acc'ts	3,460	Rate of return on equity	-3.2 % 0.2 %
Change in other assets	-	Operating profit margin	-0.8 % -4.8 %
Gain or loss on breeding livst.	-	Repayment Capacity	
Gross farm income	831,879	Term debt coverage ratio (farm only)	0.72
Cash operating expense	703,344	Replacement margin-coverage ratio	0.90
Change in prepaid exp and supplies	-21,407	Efficiency	
Change in growing crops	-	Asset turnover rate	Cost 45.9 % Market 36.3 %
Depreciation	80,489	Operating expense ratio	82.0 %
Total operating expense	762,426	Depreciation expense ratio	9.7 %
Interest paid	29,402	Interest expense ratio	-4.5 %
Change in accrued interest	7,520	Net farm income ratio	3.9 %
Total interest expense	37,021	Other	
Total expenses	799,448	Term debt coverage (farm+personal)	0.72
Net farm income	32,432	Term debt to EBITDA	1.16
Other Measures		Information Accuracy	
Total crop acres	1,174	Cash discrepancy	0
Cow-Calf Cows	47	Liability discrepancy	0
Change in earned net worth	-57,453 -4 %	Cash discrepancy to gross revenue	0 %
Change in market value net worth	-11,582 -1 %		

Whole Farm Analysis

- Executive Summary
- Balance Sheets
- Income Statement
- Statement of Cash Flows
- Statement of Owner's Equity
- Financial Standards Measures
- Production Summary
- Historic Trend Reports

Enterprise Analysis and Benchmark Reports

- Cost of Production
- Net Return
- Personalized Benchmark Reports

Corn 2016: Cash Rent
Benchmark Report, 24 Enterprises

RankEm
Farm ID: Sample Farm

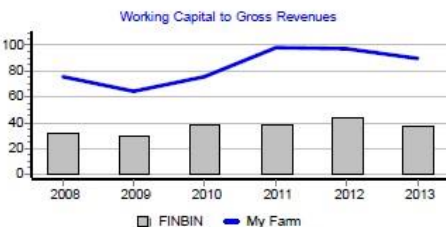
My Farm	Group Median	Count	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
Yield per acre (bu.)	144.47	152.90	24	96.50	122.48	134.14	146.00	150.00	167.75	164.41	175.02	177.58	189.09
Value per unit	3.09	2.50	24	3.08	3.20	3.30	3.40	3.50	3.62	3.75	3.82	3.93	4.06
Total product value	446.10	543.08	24	349.00	415.95	445.22	478.50	525.00	578.69	607.54	654.91	685.75	745.56
Crop insurance	0.00	0.00	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross return	446.10	569.18	24	373.52	452.80	478.42	512.72	538.77	595.32	624.25	685.75	723.75	777.18
Seed	101.94	96.55	24	127.85	118.69	111.53	108.01	100.42	94.98	84.64	86.43	80.05	44.04
Fertilizer	69.07	109.99	24	200.80	199.60	186.63	123.39	116.29	100.95	81.59	80.31	87.41	45.03
Crop chemicals	43.21	43.21	23	87.34	79.61	69.33	63.17	61.53	43.21	36.08	20.09	12.98	8.23
Crop insurance	9.60	9.62	18	73.60	31.67	22.99	20.03	13.63	9.60	8.65	7.90	5.74	0.51
Fuel & oil	38.63	22.81	24	55.24	39.69	36.28	28.42	23.68	21.77	20.50	14.27	11.94	7.36
Repairs	19.71	46.68	24	134.17	89.60	79.79	64.23	60.79	44.97	39.25	30.55	23.91	19.17
Custom hire	31.42	29.99	17	98.05	60.68	41.00	33.49	31.42	29.48	28.09	20.35	14.20	10.39
Land rent	106.07	91.84	24	227.48	175.64	144.50	130.89	100.00	87.70	72.98	67.58	49.61	34.90
Operating interest	3.06	3.89	19	13.43	11.60	7.79	6.21	5.01	3.81	3.34	2.83	2.19	1.06
Miscellaneous	0.01	4.41	17	31.34	28.58	17.81	9.50	6.77	4.18	3.45	1.70	0.33	0.01
Total direct expenses	444.75	504.37	24	704.47	657.27	639.35	586.42	524.99	491.99	478.15	467.69	424.55	408.40
Return over direct expenses	1.44	29.01	24	-175.24	-87.55	-41.15	-6.01	9.03	30.33	82.29	117.88	166.00	214.05
Hired labor	59.93	0.00	16	89.28	89.53	42.13	16.14	3.85	0.00	0.00	0.00	0.00	0.00
Farm insurance	1.48	0.00	20	7.48	4.33	2.24	1.37	0.52	0.00	0.00	0.00	0.00	0.00
Dues & professional fees	1.92	3.12	22	15.98	8.11	5.13	3.99	3.39	2.49	1.92	1.88	1.20	0.74
Interest on interm. debt	2.74	3.71	20	19.20	11.47	10.21	8.07	4.51	2.92	2.37	2.72	2.14	0.71
Machinery depreciation	44.42	44.10	24	139.40	85.89	65.62	53.60	44.42	42.02	31.93	29.50	22.15	11.74
Building depreciation	1.51	7.16	23	69.64	21.09	13.13	10.29	8.05	6.00	3.18	2.59	1.81	0.41
Miscellaneous	1.76	6.79	23	29.85	15.49	13.34	9.99	7.75	6.49	6.19	3.15	2.53	0.98
Total overhead expenses	123.26	89.86	24	220.16	185.77	132.08	69.45	60.85	89.29	67.11	61.25	44.67	39.52
Total dir & ovd expenses	568.01	592.04	24	882.28	771.34	744.20	725.72	695.10	597.45	562.34	541.25	519.31	477.51
Net return	-121.81	-88.95	24	-292.04	-194.60	-158.85	-134.53	-99.06	-81.28	-37.34	37.48	121.07	207.35
Government payments	0.00	23.91	24	0.00	0.00	0.00	0.00	0.00	33.17	40.11	47.48	50.54	87.48
Net return with govt pymts	-121.81	-65.04	24	-292.04	-191.10	-157.24	-116.58	-84.10	-47.87	-20.13	62.66	140.10	207.35
Labor & management charge	24.61	73.94	24	233.52	145.13	115.25	59.15	50.04	58.67	48.24	39.00	33.01	24.61
Net return over lab & mgt	-140.43	-139.29	24	-349.37	-290.60	-254.64	-242.13	-165.17	-118.71	-58.42	10.46	58.87	147.18
Direct cost of prod per unit	3.03	3.54	24	5.27	4.27	4.03	3.76	3.60	3.49	3.27	2.87	2.79	2.90
Dir & ovd cost of product	3.88	4.15	24	6.04	5.14	4.70	4.58	4.18	4.12	3.94	3.47	3.18	3.02
COP less govt & other income	3.88	3.86	24	6.04	4.70	4.48	4.25	3.94	3.71	3.48	3.18	2.96	2.52
Cost of prod with lab & mgt	4.05	4.90	24	6.70	5.71	5.28	5.04	4.44	4.20	3.92	3.67	3.35	2.95
Machinery cost per acre	136.93	152.87	24	321.21	237.49	208.30	185.13	155.53	150.18	136.99	123.48	102.58	84.68
Est. labor hours per acre	4.72	4.72	24	9.90	8.77	7.13	6.40	4.78	4.59	4.17	3.42	2.78	1.50



Current Ratio
The extent to which current farm assets, if liquidated, would cover current farm liabilities.

Total current farm assets divided by total current farm liabilities.

■ Strong Greater than 2
■ Caution 2 to 1.3
■ Vulnerable Less than 1.3



Working Capital to Gross Revenues
Measures operating capital available against the size of the business.

Working capital divided by gross revenues.

■ Strong Greater than 30
■ Caution 30 to 10
■ Vulnerable Less than 10

Financial Scorecard Graphs

See at a glance how your farm is performing

- This Year
- Historically
- Compared to Industry Standards
- Compared to Other Farms