

**2013 Michigan Dairy Farm Business
Analysis Summary**

Eric Wittenberg
And
Christopher Wolf

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Department of Agricultural, Food, and
Resource Economics
MICHIGAN STATE UNIVERSITY
East Lansing, Michigan 48824

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by

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¹ Co-workers in the TelFarm project were: R. Betz, A. Kantrovich, L. Borton, C. Talley, D. Stein, and K. Lee with the assistance of Michigan State University Extension Educators. Greenstone Farm Credit Services co-workers were Kelly Tobin, Steve Eshelman, Janice Raymond, Anne Gerke, Sonya Pentecost, and Lynette Wood. Farm Credit Services of Wisconsin co-worker was Steve Zimmerman.

Summary

This report summarizes the financial and production records of 76 dairy farms from throughout Michigan in 2013. To be included, the farms must have produced at least 50 percent of gross cash farm income from milk and dairy animal sales. The records came from Michigan State University's TelFarm system and the Farm Credit Service system in Michigan. The values were pooled into averages for reporting purposes. The average herd included here is larger than would be the average dairy herd in Michigan. Average values are reported in the summary tables and discussion that follows but one should be aware that considerable variation across herds exists in virtually every measure.

In 2013, the average dairy farm in the business analysis had 271 cows producing an average of 23,992 pounds of milk per cow (Table 1). Milk price, based on gross income, averaged \$20.53/cwt. Relative to 2012: average milk price increased \$1.86/cwt., milk production increased 844 pounds per cow, and average herd size decreased 20 cows.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2009-2013

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Average number of cows | 243 | 267 | 303 | 291 | 271 |
| Milk sold per cow (pounds) | 21,503 | 22,445 | 22,340 | 23,148 | 23,992 |
| Average price of milk sold (\$/cwt) | 13.31 | 16.78 | 20.65 | 18.67 | 20.53 |
| Total acres owned | 454 | 508 | 452 | 486 | 479 |
| Total crop acres | 862 | 805 | 736 | 883 | 895 |
| Number of farms | 104 | 90 | 101 | 92 | 76 |

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2013 averaged \$221,436 which was a decrease over 2012 but still above the 2008 to 2010 averages. Gross cash farm income for all farms averaged \$1,767,942 in 2013. The largest component of these revenues was milk sales, which averaged \$1,405,714. Sorted by rate of return on assets (market), the net farm income for the low 25% group averaged a \$35,786 while the high 25% group averaged \$500,584 a \$464,798 difference.

Table 2. Average Michigan Dairy Farm Income Statement, 2009-2013

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------------|-----------------|------------------|------------------|------------------|------------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Gross cash farm income | 1,046,327 | 1,302,891 | 1,742,837 | 1,701,956 | 1,767,942 |
| - Total cash expense | <u>937,998</u> | <u>1,095,827</u> | <u>1,408,613</u> | <u>1,425,349</u> | <u>1,411,038</u> |
| = Net cash farm income | 108,329 | 207,064 | 334,224 | 276,607 | 356,904 |
| + Inventory change* | -66,854 | 103,606 | 116,185 | 127,331 | 43,211 |
| + Depreciation + capital adjust* | <u>-103,868</u> | <u>-115,560</u> | <u>-164,823</u> | <u>-176,694</u> | <u>-178,679</u> |
| = Net farm income | -62,393 | 195,560 | 285,586 | 227,244 | 221,436 |

*Changes calculated as ending value minus beginning value.

To put the profit values in perspective, we calculate profitability ratios. Rate of return on assets (ROA) is the farm operating profit (equal to net farm income plus interest expense less value of operator labor and management) divided by average total farm asset value (valued at current market value). Rate of return on assets is a measure of how much profit the farm business assets generated. The average 2013 dairy farm ROA (market) was 7.8 percent. The average 2013 ROE (market) was 9.2 percent, with ROE greater than ROA an indicator of profits on borrowed money. Operating profit margin is the operating profit divided by gross revenues. Operating profit margin measures the dollars of profit generated per dollar of revenue. In 2013, Michigan dairy farms generated 26.2 cents of profit per dollar of revenue. Asset turnover (ATO) is gross farm revenue divided by average asset value. Asset turnover measures the efficiency with which farm assets generate revenue. The average ATO value was 29.7 percent in 2013.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2009-2013

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------------|------|------|------|------|------|
| | (%) | (%) | (%) | (%) | (%) |
| Rate of return on assets* | 0.4 | 7.0 | 11.2 | 9.3 | 7.8 |
| Rate of return on equity | -1.6 | 7.7 | 13.7 | 11.2 | 9.2 |
| Operating profit margin | 1.8 | 23.9 | 33.5 | 30.3 | 26.2 |
| Asset turnover rate* | 22.5 | 29.2 | 33.3 | 30.7 | 29.7 |

* Assets valued at market value.

Tables 4 and 5 display average income and expenses per hundredweight (cwt) of milk and per cow. Income and expenses were adjusted to an accrual basis. Average, accrual adjusted income and expenses per cropped acre were also included. Government payments include all farm government payments as it was not possible to separate crop from dairy payments.

Table 4 contains the average income and expense items across all 76 dairy farms in the 2013 summary while Table 5 displays the average income and expense items for farms that reported that item. For example, all farms had milk income so that income is identical in both tables. In contrast, only some farms reported DHIA expense so that item is larger when averaged only across those farms with that expense. *These tables should not be interpreted as an estimate of the true cost of producing milk.* Income related to the milking herd and cash crop sales are reported in Tables 4 and 5. Unpaid factors, including labor, management and capital, are not accounted for in the expense items. In addition, the allocation of resources amongst farm enterprises is not accurately reflected leaving the milking herd as the residual claimant on all expenses (especially labor costs).

The bottom section of Tables 4 and 5 presents crop related expenses divided by the total cropped acres. Again, these values should not be interpreted as cost of crop production--to accurately calculate a crop cost of production requires labor and management (among other) expenses that could not be separated out in these financial records.

Table 4. Average income and expenses across all farms*, 2013

| Income Items: | Per cwt. | Per Cow |
|--|-----------------|----------------|
| Milk | \$20.53 | \$4904.10 |
| Cull Cows and Calves | \$1.27 | \$300.68 |
| Dairy Steers | \$1.17 | \$258.68 |
| Dairy Heifers | \$0.34 | \$82.43 |
| Government Payments | \$0.53 | \$124.35 |
| Patronage Dividends, cash | \$0.20 | \$48.68 |
| Crop Sales | \$2.80 | \$629.89 |
| Other Cash Income | \$0.95 | \$205.97 |
| | | |
| Expense Items: | Per cwt. | Per Cow |
| Purchased Feeds | \$6.71 | \$1614.01 |
| Breeding Fees | \$0.22 | \$54.76 |
| Veterinary | \$0.55 | \$133.77 |
| Livestock Supplies | \$0.80 | \$183.42 |
| DHIA | \$0.10 | \$23.73 |
| Milk & Livestock Mkt. & Trucking | \$0.88 | \$208.76 |
| Interest | \$0.90 | \$206.69 |
| Fuel and Oil | \$1.22 | \$280.07 |
| Repairs | \$1.37 | \$320.03 |
| Custom Hire | \$0.68 | \$167.25 |
| Hired Labor | \$2.72 | \$649.49 |
| Leases | \$0.40 | \$94.55 |
| Real Estate Taxes | \$0.32 | \$73.30 |
| Farm Insurance | \$0.42 | \$95.34 |
| Utilities | \$0.68 | \$153.16 |
| Dues, Professional Fees | \$0.15 | \$34.73 |
| Miscellaneous | \$0.73 | \$168.81 |
| Machinery Depreciation | \$1.62 | \$375.36 |
| Building Depreciation | \$0.82 | \$188.54 |
| Family Living | \$1.48 | \$337.25 |
| | | |
| Expense Items per Cropped Acre: | Per Acre | |
| Seed | \$55.83 | |
| Fertilizer | \$67.08 | |
| Crop Chemicals | \$23.48 | |
| Crop Insurance | \$10.64 | |
| Crop Miscellaneous | \$19.25 | |
| Land Rent | \$50.32 | |

* All income and expense items averaged across all 76 farms whether or not they had that income or expense item. Other cash income includes custom work, insurance claims, and miscellaneous income.

Table 5. Average income and expenses across farms with that item*, 2013

| Income Items: | Per cwt. | Per Cow |
|--|-----------------|----------------|
| Milk | \$20.53 | \$4904.10 |
| Cull Cows and Calves | \$1.36 | \$321.85 |
| Dairy Steers | \$6.35 | \$1404.26 |
| Dairy Heifers | \$0.68 | \$164.86 |
| Government Payments | \$0.75 | \$175.01 |
| Patronage Dividends, cash | \$0.23 | \$56.06 |
| Crop Sales | \$3.86 | \$870.39 |
| Other Cash Income | \$1.15 | \$248.47 |
| | | |
| Expense Items: | Per cwt. | Per Cow |
| Purchased Feeds | \$6.71 | \$1614.01 |
| Breeding Fees | \$0.26 | \$65.03 |
| Veterinary | \$0.55 | \$133.77 |
| Livestock Supplies | \$0.80 | \$183.42 |
| DHIA | \$0.20 | \$47.46 |
| Milk & Livestock Mkt. & Trucking | \$0.88 | \$208.76 |
| Interest | \$0.95 | \$218.17 |
| Fuel and Oil | \$1.22 | \$280.07 |
| Repairs | \$1.37 | \$320.03 |
| Custom Hire | \$0.78 | \$192.59 |
| Hired Labor | \$2.83 | \$676.18 |
| Leases | \$0.68 | \$159.68 |
| Real Estate Taxes | \$0.33 | \$76.71 |
| Farm Insurance | \$0.42 | \$95.34 |
| Utilities | \$0.68 | \$153.16 |
| Dues, Professional Fees | \$0.15 | \$35.66 |
| Miscellaneous | \$0.77 | \$178.19 |
| Machinery Depreciation | \$1.62 | \$375.36 |
| Building Depreciation | \$0.82 | \$188.54 |
| Family Living | \$1.48 | \$337.25 |
| | | |
| Expense Items per Cropped Acre: | Per Acre | |
| Seed | \$58.93 | |
| Fertilizer | \$70.81 | |
| Crop Chemicals | \$25.13 | |
| Crop Insurance | \$26.95 | |
| Crop Miscellaneous | \$93.31 | |
| Land Rent | \$53.86 | |

* Income and expense items averaged only across farms with that item.

Table 6 compares major production, income and expense items across all farms over a five year time frame. The average milk price reached a new high in 2013. Purchased feed expense also reached a new high in 2013.

Table 6. Average of Major Production, Income and Expenses Items (across all farms)

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Milk sold per cow (pounds) | 21,503 | 22,445 | 22,340 | 23,148 | 23,992 |
| Average price of milk sold (\$/cwt) | 13.31 | 16.78 | 20.65 | 18.67 | 20.53 |
| Purchased Feeds (\$/cwt) | 4.56 | 4.83 | 6.01 | 6.14 | 6.71 |
| Interest Paid (\$/cwt) | 1.18 | 1.10 | 0.91 | 0.90 | .90 |
| Hired Labor (\$/cwt) | 2.59 | 2.36 | 2.78 | 2.63 | 2.72 |
| Fuel and Oil (\$/cwt) | 0.94 | 0.95 | 1.29 | 1.31 | 1.22 |
| Total Depreciation (\$/cwt) | 1.80 | 1.84 | 2.58 | 2.43 | 2.44 |

Results by Herd Size

To further facilitate financial comparisons and benchmarking, the financial summaries were divided into herd size categories. Beginning with the 2009 summary we have utilized four herd size categories: 40 to 99 cows (15 herds), 100 to 249 cows (35 herds), 250 to 449 cows (13 herds), and 450+ cows (13 herds). These size categories can facilitate benchmarking performance to similar sized farms.

Table 7 displays average characteristics by herd size category. As expected, average milk production per cow was correlated with herd size across most size categories. Milk price was similar across all herd sizes. The smallest herds operated 4.8 crop acres per cow; the medium herds about 4.0 crop acres per cow; and the medium-large herds about 3.5 crop acres per cow and the largest herds about 2.6 crop acres per cow.

Table 7. Average 2013 Michigan Dairy Farm Characteristics by Herd Size Category

| | 40-99 cows | 100-249 cows | 250-449 cows | 450+ cows |
|-------------------------------------|---------------|-----------------|-----------------|--------------|
| Average number of cows | 71 | 168 | 311 | 738 |
| Milk sold per cow (pounds) | 21,010 | 24,131 | 25,369 | 25,685 |
| Average price of milk sold (\$/cwt) | 20.78 | 20.22 | 20.72 | 21.46 |
| Total acres owned | 205 | 380 | 522 | 1,021 |
| Total crop acres | 343 | 670 | 1,087 | 1,948 |
| Number of farms | 15 | 35 | 13 | 13 |

Table 8 displays the average farm income statement by herd size. Net farm income represents the returns to unpaid factors (i.e., labor, management and equity capital). All herd sizes recorded a positive net income for 2013.

Table 8. Average 2013 Michigan Dairy Farm Income Statement by Herd Size

| | 40-99 cows | 100-249 cows | 250-449 cows | 450+ cows |
|---|----------------|-----------------|------------------|------------------|
| | (\$) | (\$) | (\$) | (\$) |
| Gross cash farm income | 398,388 | 1,032,152 | 2,043,524 | 5,053,585 |
| - Total cash expense | <u>338,776</u> | <u>829,390</u> | <u>1,649,794</u> | <u>3,975,482</u> |
| = Net cash farm income | 59,612 | 202,763 | 393,731 | 1,078,104 |
| + Inventory change * | 4,218 | 11,358 | 109,101 | 108,072 |
| + Depreciation and capital adjustments* | <u>-23,988</u> | <u>-90,934</u> | <u>-177,403</u> | <u>-594,681</u> |
| = Net farm income | <u>39,842</u> | <u>123,187</u> | <u>325,428</u> | <u>591,495</u> |

*Changes calculated as ending value minus beginning value.

Table 9 compares profitability measures across herd size with assets valued at market value. All herd sizes realized positive values in 2013.

Table 9. Average 2013 Michigan Dairy Farm Profitability Indicators by Herd Size

| | 40-99 cows | 100-249 cows | 250-449 cows | 450+ cows |
|---------------------------|---------------|-----------------|-----------------|--------------|
| | (%) | (%) | (%) | (%) |
| Rate of return on assets* | 2.8 | 4.8 | 10.1 | 9.2 |
| Rate of return on equity | 2.3 | 5.2 | 12.7 | 10.8 |
| Operating profit margin | 12.6 | 16.5 | 34.0 | 29.6 |
| Asset turnover rate | 22.3 | 29.1 | 29.6 | 31.0 |

* Assets valued at market value.

A. Financial Summary Information, All 76 Herds

Table 10 Crop Production and Marketing Summary
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|---------|----------|
| Dairy | | | |
| Number of farms | 76 | 19 | 20 |
| Average number of cows | 271 | 148 | 327 |
| Milk production per cow lbs., | 23,992 | 22,550 | 24,472 |
| Average milk price per cwt., | \$20.53 | \$20.25 | \$21.14 |
| Acreage Summary | | | |
| Total acres owned | 479 | 318 | 577 |
| Total crop acres | 895 | 624 | 1,177 |
| Crop acres owned | 560 | 360 | 771 |
| Crop acres cash rented | 336 | 264 | 405 |
| Crop acres share rented | - | - | - |
| Total pasture acres | 4 | - | 2 |
| Percent crop acres owned | 63 % | 58 % | 66 % |
| Mach invest/crop acre cost | 148 | 101 | 124 |
| Mach invest/crop acre market | 505 | 399 | 374 |
| Average Price Received (Cash Sales Only) | | | |
| Corn per bushel | 6.16 | 6.68 | 6.83 |
| Soybeans per bushel | 14.05 | 13.00 | 14.59 |
| Wheat, Winter per bushel | 6.19 | 6.28 | 5.78 |
| Corn Silage per ton | 81.41 | - | - |
| Sugar Beets per ton | 57.90 | - | - |
| Oats per bushel | 6.40 | - | - |
| Average Yield Per Acre | | | |
| Corn Silage (ton) | 23.58 | 20.59 | 22.72 |
| Corn (bushel) | 166.50 | - | 180.00 |
| Soybeans (bushel) | 53.39 | - | 53.72 |
| Wheat, Winter (bushel) | 86.77 | - | - |
| Hay, Alfalfa (ton) | 5.61 | - | - |

Table 11

Farm Income Statement
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|----------------------------|----------------------|---------|-----------|
| Number of farms | 76 | 19 | 20 |
| Cash Farm Income | | | |
| Asparagus | 151 | - | - |
| Cordwood | 37 | 116 | - |
| Corn | 38,699 | 26,147 | 40,004 |
| Corn Silage | 7,958 | 11,916 | 4,535 |
| Hay, Alfalfa | 848 | 2,041 | 1,090 |
| Hay, Mixed | 1,792 | 1,426 | 3,097 |
| Oats | 361 | 994 | - |
| Rye | 85 | 341 | - |
| Soybeans | 39,755 | 12,478 | 68,665 |
| Speltz | 2,007 | - | - |
| Straw | 972 | 269 | 3,364 |
| Sugar Beets | 6,378 | 1,835 | 2,261 |
| Wheat, Winter | 15,769 | 5,379 | 22,529 |
| Miscellaneous crop income | 93 | 56 | - |
| Beef Cow-Calf, Beef Calves | 5,004 | - | 360 |
| Beef Finishing | 3,546 | - | - |
| Dairy, Milk | 1,405,714 | 737,419 | 1,668,041 |
| Dairy, Dairy Calves | 8,204 | 3,757 | 10,936 |
| Dairy Replacement Heifers | 13,519 | 1,123 | 38,354 |
| Dairy Finishing | 12,206 | 9,342 | 8,442 |
| Dairy Feeder | 14,368 | 4,339 | 42,772 |
| Cull breeding livestock | 75,610 | 41,950 | 74,899 |
| Misc. livestock income | 368 | 1 | 676 |
| Direct, CCP & ACRE pymts | 3,463 | 1,504 | 7,255 |
| CRP payments | 11,560 | 12,184 | 23,643 |
| Livestock govt payments | 2,662 | 529 | 8,876 |
| Other government payments | 18,101 | 9,835 | 29,681 |
| Custom work income | 6,396 | 5,156 | 14,549 |
| Patronage dividends, cash | 16,253 | 5,100 | 14,220 |
| Crop insurance income | 17,172 | 2,981 | 61,104 |
| Property insurance income | 10,839 | 593 | 3,461 |
| Sale of resale items | 184 | - | 250 |
| Tax refunds | 101 | 3 | 199 |
| Other farm income | 27,769 | 1,283 | 55,969 |
| Gross Cash Farm Income | 1,767,942 | 900,096 | 2,209,231 |

Table 11

Farm Income Statement (Continued)

2013 MI Dairy Herds (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|--------------------------------|----------------------|---------|----------|
| Number of farms | 76 | 19 | 20 |
| Cash Farm Expense | | | |
| Seed | 51,762 | 28,398 | 70,974 |
| Fertilizer | 59,867 | 37,901 | 68,216 |
| Crop chemicals | 23,631 | 11,761 | 33,632 |
| Crop insurance | 4,957 | 1,730 | 2,814 |
| Drying expense | 414 | 243 | 705 |
| Storage | 989 | 695 | 1,346 |
| Crop packaging and supplies | 189 | - | 716 |
| Crop custom hire | 2,193 | 1,206 | 3,898 |
| Crop land rent | 2,260 | - | 1,105 |
| Crop hauling and trucking | 1,119 | - | - |
| Crop marketing | 127 | 202 | 15 |
| Crop miscellaneous | 6,151 | 3,330 | 2,898 |
| Feeder livestock purchase | 967 | 301 | 3,328 |
| Purchased feed | 446,726 | 242,173 | 554,684 |
| Breeding fees | 13,307 | 5,001 | 18,597 |
| Veterinary | 40,467 | 19,549 | 48,133 |
| Livestock supplies | 34,596 | 17,563 | 36,910 |
| DHIA | 3,152 | 1,415 | 3,040 |
| Contract production exp. | 5,526 | - | 5,272 |
| Livestock hired labor | 595 | - | 214 |
| Livestock leases | 172 | - | - |
| Livestock hauling and trucking | 35,724 | 22,632 | 39,536 |
| Livestock marketing | 16,931 | 7,762 | 21,367 |
| Bedding | 18,780 | 8,003 | 23,350 |
| Livestock miscellaneous | 737 | 2,111 | 8 |
| Consultants | 444 | 1,176 | - |
| Interest | 52,113 | 21,429 | 82,739 |
| Packaging and supplies | 1,015 | - | 819 |
| Supplies | 14,292 | 8,449 | 16,641 |
| Fuel & oil | 73,592 | 44,466 | 90,339 |
| Repairs | 73,948 | 43,515 | 83,591 |
| Repair, machinery | 3,696 | - | 6,369 |
| Repair, livestock equip | 125 | - | 475 |
| Custom hire | 47,931 | 20,049 | 60,157 |
| Repair, buildings | 6,428 | 5,352 | 5,895 |
| Hired labor | 194,101 | 94,137 | 204,791 |
| Land rent | 47,675 | 31,648 | 64,615 |
| Machinery leases | 12,173 | 7,586 | 17,272 |
| Building leases | 1,504 | 4,429 | 900 |
| Real estate taxes | 15,845 | 8,071 | 23,129 |
| Personal property taxes | 1,288 | 36 | 1,150 |
| Farm insurance | 22,640 | 13,143 | 28,978 |
| Utilities | 44,495 | 19,524 | 73,137 |
| Hauling and trucking | 539 | 516 | 1,560 |
| Dues & professional fees | 7,621 | 5,894 | 9,252 |
| Miscellaneous | 18,234 | 6,933 | 16,779 |

| | | | |
|---------------------------------|-----------|---------|-----------|
| Total cash expense | 1,411,038 | 748,328 | 1,729,345 |
| Net cash farm income | 356,904 | 151,768 | 479,886 |
| Inventory Changes | | | |
| Prepays and supplies | 6,876 | -7,919 | 6,876 |
| Accounts receivable | 7,528 | 5,806 | 27,986 |
| Hedging accounts | -68 | - | -257 |
| Other current assets | 4,275 | 597 | 405 |
| Crops and feed | 6,966 | -29,351 | 171,345 |
| Market livestock | 13,353 | 958 | 41,342 |
| Breeding livestock | 13,512 | -17,459 | 28,907 |
| Other assets | -4,178 | 2,593 | 5,652 |
| Accounts payable | -4,604 | -16,263 | -5,668 |
| Accrued interest | -449 | -130 | -1,326 |
| Total inventory change | 43,211 | -61,168 | 275,261 |
| Net operating profit | 400,115 | 90,600 | 755,147 |
| Depreciation | | | |
| Machinery and equipment | -119,154 | -29,823 | -172,824 |
| Titled vehicles | -711 | -168 | -904 |
| Buildings and improvements | -58,814 | -24,823 | -80,835 |
| Total depreciation | -178,679 | -54,814 | -254,563 |
| Net farm income from operations | 221,436 | 35,786 | 500,584 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 221,436 | 35,786 | 500,584 |

Table 12

Inventory Changes
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 76 | 19 | 20 |
| Net cash farm income | 356,904 | 134,347 | 479,886 |
| Crops and Feed | | | |
| Ending inventory | 473,055 | 211,360 | 651,224 |
| Beginning inventory | 466,089 | 241,694 | 479,879 |
| Inventory change | 6,966 | -30,333 | 171,345 |
| Market Livestock | | | |
| Ending inventory | 41,706 | 11,571 | 84,261 |
| Beginning inventory | 28,353 | 10,560 | 42,919 |
| Inventory change | 13,353 | 1,012 | 41,342 |
| Accts Receivable | | | |
| Ending inventory | 66,113 | 45,436 | 98,359 |
| Beginning inventory | 58,586 | 40,585 | 70,373 |
| Inventory change | 7,528 | 4,851 | 27,986 |
| Prepaid Expenses and Supplies | | | |
| Ending inventory | 91,246 | 17,260 | 117,230 |
| Beginning inventory | 84,370 | 24,009 | 110,354 |
| Inventory change | 6,876 | -6,749 | 6,876 |
| Hedging Activities | | | |
| Ending inventory | 108 | - | 261 |
| Withdrawals | -136 | - | -518 |
| Beginning inventory | 39 | - | - |
| Deposits | - | - | - |
| Gain or loss | -68 | - | -257 |
| Other Current Assets | | | |
| Ending inventory | 36,242 | 25,814 | 36,110 |
| Beginning inventory | 31,967 | 25,184 | 35,705 |
| Inventory change | 4,275 | 630 | 405 |
| Breeding Livestock | | | |
| Ending inventory | 706,516 | 334,507 | 878,101 |
| Capital sales | 4,303 | 3,380 | 4,491 |
| Beginning inventory | 683,741 | 336,780 | 843,864 |
| Capital purchases | 13,565 | 16,133 | 9,821 |
| Depreciation, capital adjust | 13,512 | -15,026 | 28,907 |
| Other Capital Assets | | | |
| Ending inventory | 81,931 | 33,516 | 116,204 |
| Capital sales | 17,947 | 5,257 | 32,435 |
| Beginning inventory | 75,815 | 27,662 | 100,544 |
| Capital purchases | 28,241 | 8,374 | 42,443 |
| Depreciation, capital adjust | -4,178 | 2,737 | 5,652 |
| Accounts Payable | | | |
| Beginning inventory | 49,203 | 38,477 | 79,028 |
| Ending inventory | 53,807 | 55,644 | 84,695 |
| Inventory change | -4,604 | -17,167 | -5,668 |
| Accrued Interest | | | |
| Beginning inventory | 1,419 | 830 | 3,131 |
| Ending inventory | 1,868 | 967 | 4,457 |
| Inventory change | -449 | -137 | -1,326 |
| Total inventory change | 43,211 | -60,183 | 275,261 |
| Net operating profit | 400,115 | 74,164 | 755,147 |

Table 13

Depreciation

2013 MI Dairy Herds (All Herds)

(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|-----------------------------------|----------------------|---------|----------|
| Number of farms | 76 | 19 | 20 |
| Net operating profit | 400,115 | 74,164 | 755,147 |
| Machinery and Equipment | | | |
| Ending inventory | 251,998 | 126,170 | 316,805 |
| Capital sales | 5,381 | 4,854 | 5,805 |
| Beginning inventory | 249,241 | 114,889 | 308,942 |
| Capital purchases | 127,292 | 40,211 | 186,492 |
| Depreciation, capital adjust. | -119,154 | -24,076 | -172,824 |
| Titled Vehicles | | | |
| Ending inventory | 3,128 | 3,045 | 5,666 |
| Capital sales | - | - | - |
| Beginning inventory | 2,952 | 3,000 | 4,970 |
| Capital purchases | 887 | 222 | 1,600 |
| Depreciation, capital adjust. | -711 | -177 | -904 |
| Buildings and Improvements | | | |
| Ending inventory | 408,549 | 154,763 | 512,604 |
| Capital sales | 8 | - | - |
| Beginning inventory | 345,791 | 119,053 | 404,525 |
| Capital purchases | 121,579 | 60,860 | 188,914 |
| Depreciation, capital adjust. | -58,814 | -25,151 | -80,835 |
| Total depreciation, capital adj. | -178,679 | -49,403 | -254,563 |
| Net farm income from operations | 221,436 | 24,760 | 500,584 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 221,436 | 24,760 | 500,584 |

Table 14

Profitability Measures
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|---|----------------------|-----------|-----------|
| Number of farms | 76 | 19 | 20 |
| Profitability (assets valued at cost) | | | |
| Net farm income from operations | 221,436 | 24,760 | 500,584 |
| Rate of return on assets | 7.3 % | -0.6 % | 14.4 % |
| Rate of return on equity | 9.9 % | -5.3 % | 27.5 % |
| Operating profit margin | 14.6 % | -1.3 % | 25.9 % |
| Asset turnover rate | 49.7 % | 49.1 % | 55.6 % |
| Farm interest expense | 52,562 | 22,468 | 84,065 |
| Value of operator lbr and mgmt. | 74,790 | 54,644 | 85,800 |
| Return on farm assets | 199,208 | -7,416 | 498,849 |
| Average farm assets | 2,740,603 | 1,168,475 | 3,467,219 |
| Return on farm equity | 146,646 | -29,884 | 414,784 |
| Average farm equity | 1,476,057 | 563,657 | 1,506,602 |
| Value of farm production | 1,361,810 | 573,850 | 1,929,212 |
| | Avg. Of All Farms | Low 25% | High 25% |
| Number of farms | 76 | 19 | 20 |
| Profitability (assets valued at market) | | | |
| Net farm income from operations | 379,310 | -66,903 | 959,022 |
| Rate of return on assets | 7.8 % | -4.7 % | 17.4 % |
| Rate of return on equity | 9.2 % | -8.1 % | 24.7 % |
| Operating profit margin | 26.2 % | -17.3 % | 49.6 % |
| Asset turnover rate | 29.7 % | 27.3 % | 35.1 % |
| Farm interest expense | 52,562 | 22,468 | 84,065 |
| Value of operator lbr and mgmt. | 74,790 | 54,644 | 85,800 |
| Return on farm assets | 357,082 | -99,079 | 957,287 |
| Average farm assets | 4,586,293 | 2,098,519 | 5,495,428 |
| Return on farm equity | 304,520 | -121,547 | 873,222 |
| Average farm equity | 3,321,630 | 1,493,212 | 3,534,810 |
| Value of farm production | 1,361,810 | 573,850 | 1,929,212 |

Table 15

Liquidity & Repayment Capacity Measures
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|-----------|
| Number of farms | 76 | 19 | 20 |
| Liquidity | | | |
| Current ratio | 3.77 | 1.94 | 4.10 |
| Working capital | 601,052 | 155,093 | 816,764 |
| Working capital to gross inc | 33.2 % | 19.2 % | 32.8 % |
| Current assets | 817,764 | 320,367 | 1,080,265 |
| Current liabilities | 216,712 | 165,274 | 263,501 |
| Gross revenues (accrual) | 1,809,503 | 806,153 | 2,487,225 |
| Repayment capacity | | | |
| Net farm income from operations | 221,436 | 24,760 | 500,584 |
| Depreciation | 178,679 | 49,403 | 254,563 |
| Personal income | 19,681 | 15,906 | 13,712 |
| Family living/owner withdrawals | -68,182 | -58,238 | -71,388 |
| Payments on personal debt | -2,900 | -2,710 | -2,457 |
| Income taxes paid | -9,103 | -1,789 | -1,877 |
| Interest on term debt | 57,073 | 27,724 | 84,277 |
| Capital debt repayment capacity | 396,413 | 53,908 | 777,415 |
| Scheduled term debt payments | -148,538 | -76,824 | -180,823 |
| Capital debt repayment margin | 247,875 | -22,915 | 596,591 |
| Cash replacement allowance | -33,300 | -18,613 | -44,800 |
| Replacement margin | 214,575 | -41,528 | 551,791 |
| Term debt coverage ratio | 2.67 | 0.70 | 4.30 |
| Replacement coverage ratio | 2.18 | 0.56 | 3.45 |

Table 16

Balance Sheet at Cost Values
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 25% | | High 25% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Number of farms | 76 | | 19 | | 20 | |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 71,589 | 105,520 | 11,588 | 8,925 | 65,140 | 92,820 |
| Prepaid expenses & supplies | 84,370 | 91,246 | 24,009 | 17,260 | 110,354 | 117,230 |
| Growing crops | 27,443 | 27,270 | 22,333 | 23,373 | 26,455 | 23,840 |
| Accounts receivable | 58,586 | 66,113 | 40,585 | 45,436 | 70,373 | 98,359 |
| Hedging accounts | 39 | 108 | 0 | 0 | 0 | 261 |
| Crops held for sale or feed | 462,822 | 476,323 | 241,694 | 211,360 | 479,879 | 651,224 |
| Crops under government loan | 7,040 | 505 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 28,353 | 41,706 | 10,560 | 11,571 | 42,919 | 84,261 |
| Other current assets | 4,524 | 8,972 | 2,851 | 2,441 | 9,251 | 12,271 |
| Total current farm assets | 744,766 | 817,764 | 353,620 | 320,367 | 804,371 | 1,080,265 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 683,741 | 706,516 | 336,780 | 334,507 | 843,864 | 878,101 |
| Machinery and equipment | 249,241 | 251,998 | 114,889 | 126,170 | 308,942 | 316,805 |
| Titled vehicles | 2,952 | 3,128 | 3,000 | 3,045 | 4,970 | 5,666 |
| Other intermediate assets | 60,220 | 62,002 | 16,411 | 22,290 | 66,569 | 68,571 |
| Total intermediate farm assets | 996,154 | 1,023,643 | 471,081 | 486,011 | 1,224,344 | 1,269,143 |
| Long Term Farm Assets | | | | | | |
| Farm land | 491,615 | 617,401 | 170,611 | 238,967 | 604,144 | 953,434 |
| Buildings and improvements | 345,791 | 408,549 | 119,053 | 154,763 | 404,525 | 512,604 |
| Other long-term assets | 15,595 | 19,929 | 11,250 | 11,227 | 33,976 | 47,633 |
| Total long-term farm assets | 853,001 | 1,045,879 | 300,914 | 404,957 | 1,042,645 | 1,513,671 |
| Total Farm Assets | 2,593,921 | 2,887,286 | 1,125,615 | 1,211,335 | 3,071,360 | 3,863,078 |
| Total Nonfarm Assets | 204,202 | 227,991 | 79,818 | 83,270 | 93,047 | 100,451 |
| Total Assets | 2,798,123 | 3,115,277 | 1,205,432 | 1,294,605 | 3,164,407 | 3,963,529 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 1,419 | 1,868 | 830 | 967 | 3,131 | 4,457 |
| Accounts payable | 49,203 | 53,807 | 38,477 | 55,644 | 79,028 | 84,695 |
| Current notes | 65,235 | 57,567 | 51,607 | 51,622 | 91,761 | 61,860 |
| Government crop loans | 1,447 | 252 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 91,465 | 103,218 | 49,100 | 57,041 | 96,546 | 112,489 |
| Total current farm liabilities | 208,768 | 216,712 | 140,014 | 165,274 | 270,466 | 263,501 |
| Total intermediate farm liabs | 270,802 | 266,871 | 140,970 | 140,872 | 456,122 | 510,383 |
| Total long term farm liabilities | 743,547 | 822,393 | 304,568 | 317,939 | 1,124,499 | 1,296,264 |
| Total farm liabilities | 1,223,118 | 1,305,976 | 585,552 | 624,084 | 1,851,087 | 2,070,148 |
| Total nonfarm liabilities | 30,295 | 31,309 | 29,157 | 28,067 | 27,708 | 25,308 |
| Total liabilities | 1,253,412 | 1,337,285 | 614,709 | 652,151 | 1,878,795 | 2,095,456 |
| Net worth (farm and nonfarm) | 1,544,710 | 1,777,992 | 590,724 | 642,454 | 1,285,613 | 1,868,073 |
| Net worth change | | 233,281 | | 51,731 | | 582,461 |
| Percent net worth change | | 15 % | | 9 % | | 45 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 28 % | 27 % | 40 % | 52 % | 34 % | 24 % |
| Intermediate farm liab. / assets | 27 % | 26 % | 30 % | 29 % | 37 % | 40 % |
| Long term farm liab. / assets | 87 % | 79 % | 101 % | 79 % | 108 % | 86 % |
| Total debt to asset ratio | 45 % | 43 % | 51 % | 50 % | 59 % | 53 % |

Table 17

Balance Sheet at Market Values
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 25% | | High 25% | |
|-----------------------------------|----------------------|-----------|-----------|-----------|-----------|-----------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Number of farms | 76 | | 19 | | 20 | |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 71,589 | 105,520 | 11,588 | 8,925 | 65,140 | 92,820 |
| Prepaid expenses & supplies | 84,370 | 91,246 | 24,009 | 17,260 | 110,354 | 117,230 |
| Growing crops | 27,443 | 27,270 | 22,333 | 23,373 | 26,455 | 23,840 |
| Accounts receivable | 58,586 | 66,113 | 40,585 | 45,436 | 70,373 | 98,359 |
| Hedging accounts | 39 | 108 | 0 | 0 | 0 | 261 |
| Crops held for sale or feed | 462,822 | 476,323 | 241,694 | 211,360 | 479,879 | 651,224 |
| Crops under government loan | 7,040 | 505 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 28,353 | 41,706 | 10,560 | 11,571 | 42,919 | 84,261 |
| Other current assets | 4,524 | 8,972 | 2,851 | 2,441 | 9,251 | 12,271 |
| Total current farm assets | 744,766 | 817,764 | 353,620 | 320,367 | 804,371 | 1,080,265 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 741,462 | 763,102 | 368,667 | 366,535 | 893,574 | 927,236 |
| Machinery and equipment | 730,940 | 810,896 | 413,566 | 410,425 | 779,726 | 961,908 |
| Titled vehicles | 14,170 | 14,541 | 12,752 | 11,775 | 27,072 | 26,932 |
| Other intermediate assets | 67,199 | 68,047 | 32,689 | 38,567 | 66,569 | 69,872 |
| Total intermediate farm assets | 1,553,770 | 1,656,587 | 827,674 | 827,303 | 1,766,941 | 1,985,948 |
| Long Term Farm Assets | | | | | | |
| Farm land | 1,320,329 | 1,485,453 | 617,394 | 639,850 | 1,456,177 | 1,984,504 |
| Buildings and improvements | 724,711 | 830,626 | 291,669 | 293,830 | 803,125 | 1,018,799 |
| Other long-term assets | 16,981 | 21,599 | 10,645 | 14,688 | 39,736 | 50,990 |
| Total long-term farm assets | 2,062,022 | 2,337,678 | 919,708 | 948,368 | 2,299,038 | 3,054,294 |
| Total Farm Assets | 4,360,558 | 4,812,028 | 2,101,001 | 2,096,038 | 4,870,350 | 6,120,506 |
| Total Nonfarm Assets | 305,889 | 322,794 | 173,320 | 182,765 | 195,938 | 188,512 |
| Total Assets | 4,666,447 | 5,134,821 | 2,274,321 | 2,278,803 | 5,066,288 | 6,309,018 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 1,419 | 1,868 | 830 | 967 | 3,131 | 4,457 |
| Accounts payable | 49,203 | 53,807 | 38,477 | 55,644 | 79,028 | 84,695 |
| Current notes | 65,235 | 57,567 | 51,607 | 51,622 | 91,761 | 61,860 |
| Government crop loans | 1,447 | 252 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 91,465 | 103,218 | 49,100 | 57,041 | 96,546 | 112,489 |
| Total current farm liabilities | 208,768 | 216,712 | 140,014 | 165,274 | 270,466 | 263,501 |
| Total intermediate farm liabs | 270,802 | 266,871 | 140,970 | 140,872 | 456,122 | 510,383 |
| Total long term farm liabilities | 743,547 | 822,393 | 304,568 | 317,939 | 1,124,499 | 1,296,264 |
| Total farm liabilities | 1,223,118 | 1,305,976 | 585,552 | 624,084 | 1,851,087 | 2,070,148 |
| Total nonfarm liabilities | 30,295 | 31,309 | 29,157 | 28,067 | 27,708 | 25,308 |
| Total liabs excluding deferreds | 1,253,412 | 1,337,285 | 614,709 | 652,151 | 1,878,795 | 2,095,456 |
| Total deferred liabilities | 0 | 232 | 0 | 980 | 0 | 0 |
| Total liabilities | 1,253,412 | 1,337,517 | 614,709 | 653,131 | 1,878,795 | 2,095,456 |
| Retained earnings | 1,544,710 | 1,777,992 | 590,724 | 642,454 | 1,285,613 | 1,868,073 |
| Market valuation equity | 1,868,324 | 2,019,313 | 1,068,888 | 983,218 | 1,901,881 | 2,345,489 |
| Net worth (farm and nonfarm) | 3,413,034 | 3,797,304 | 1,659,612 | 1,625,672 | 3,187,493 | 4,213,563 |
| Net worth excluding deferreds | 3,413,034 | 3,797,536 | 1,659,612 | 1,626,652 | 3,187,493 | 4,213,563 |
| Net worth change | | 384,270 | | -33,939 | | 1,026,069 |
| Percent net worth change | | 11 % | | -2 % | | 32 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 28 % | 27 % | 40 % | 52 % | 34 % | 24 % |
| Intermediate farm liab. / assets | 17 % | 16 % | 17 % | 17 % | 26 % | 26 % |
| Long term farm liab. / assets | 36 % | 35 % | 33 % | 34 % | 49 % | 42 % |
| Total debt to asset ratio | 27 % | 26 % | 27 % | 29 % | 37 % | 33 % |
| Debt to assets excl deferreds | 27 % | 26 % | 27 % | 29 % | 37 % | 33 % |

Table 18

Statement Of Cash Flows
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------------|----------------------|----------|------------|
| Number of farms | 76 | 19 | 20 |
| Beginning cash (farm & nonfarm) | 72,436 | 13,035 | 65,140 |
| Cash Provided By Operating Activities | | | |
| Gross cash farm income | 1,767,942 | 843,323 | 2,209,231 |
| Total cash farm expense | -1,411,038 | -708,976 | -1,729,345 |
| Net cash from hedging transactions | -136 | - | -518 |
| Cash provided by operating | 356,768 | 134,347 | 479,368 |
| Cash Provided By Investing Activities | | | |
| Sale of breeding livestock | 4,303 | 3,380 | 4,491 |
| Sale of machinery & equipment | 5,381 | 4,854 | 5,805 |
| Sale of titled vehicles | - | - | - |
| Sale of farm land | 1,364 | - | - |
| Sale of farm buildings | 8 | - | - |
| Sale of other farm assets | 17,947 | 5,257 | 32,435 |
| Sale of nonfarm assets | 2,036 | 4,507 | 1,500 |
| Purchase of breeding livestock | -13,565 | -16,133 | -9,821 |
| Purchase of machinery & equip. | -127,292 | -40,211 | -186,492 |
| Purchase of titled vehicles | -887 | -222 | -1,600 |
| Purchase of farm land | -81,064 | - | -229,139 |
| Purchase of farm buildings | -121,579 | -60,860 | -188,914 |
| Purchase of other farm assets | -28,241 | -8,374 | -42,443 |
| Purchase of nonfarm assets | -7,427 | -6,745 | -1,205 |
| Cash provided by investing | -349,017 | -114,547 | -615,384 |
| Cash Provided By Financing Activities | | | |
| Money borrowed | 325,738 | 118,546 | 563,769 |
| Principal payments | -246,941 | -98,957 | -353,760 |
| Personal income | 19,681 | 15,906 | 13,712 |
| Family living/owner withdrawals | -68,182 | -58,238 | -71,388 |
| Income and social security tax | -9,103 | -1,789 | -1,877 |
| Capital contributions | 1,536 | - | 10,640 |
| Capital distributions | -478 | - | - |
| Dividends paid | - | - | - |
| Cash gifts and inheritances | 7,746 | 1,271 | 2,888 |
| Gifts given | -4,322 | -144 | -1,375 |
| Other cash flows | 570 | 1,198 | 1,087 |
| Cash provided by financing | 25,974 | -23,356 | 163,696 |
| Net change in cash balance | 33,725 | -3,556 | 27,680 |
| Ending cash (farm & nonfarm) | 106,433 | 10,628 | 92,820 |

Table 19

Financial Standards Measures
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 76 | 19 | 20 |
| Liquidity | | | |
| Current ratio | 3.77 | 1.94 | 4.10 |
| Working capital | 601,052 | 155,093 | 816,764 |
| Working capital to gross inc | 33.2 % | 19.2 % | 32.8 % |
| Solvency (market) | | | |
| Farm debt to asset ratio | 27 % | 30 % | 34 % |
| Farm equity to asset ratio | 73 % | 70 % | 66 % |
| Farm debt to equity ratio | 0.37 | 0.42 | 0.51 |
| Profitability (cost) | | | |
| Rate of return on farm assets | 7.3 % | -0.6 % | 14.4 % |
| Rate of return on farm equity | 9.9 % | -5.3 % | 27.5 % |
| Operating profit margin | 14.6 % | -1.3 % | 25.9 % |
| Net farm income | 221,436 | 24,760 | 500,584 |
| EBIDTA | 452,677 | 96,632 | 839,212 |
| Repayment Capacity | | | |
| Capital debt repayment capacity | 396,413 | 53,908 | 777,415 |
| Capital debt repayment margin | 247,875 | -22,915 | 596,591 |
| Replacement margin | 214,575 | -41,528 | 551,791 |
| Term debt coverage ratio | 2.67 | 0.70 | 4.30 |
| Replacement coverage ratio | 2.18 | 0.56 | 3.45 |
| Efficiency | | | |
| Asset turnover rate (cost) | 49.7 % | 49.1 % | 55.6 % |
| Operating expense ratio | 75.0 % | 88.0 % | 66.3 % |
| Depreciation expense ratio | 9.9 % | 6.1 % | 10.2 % |
| Interest expense ratio | 2.9 % | 2.8 % | 3.4 % |
| Net farm income ratio | 12.2 % | 3.1 % | 20.1 % |

Table 20

Operator and Labor Information
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 76 | 19 | 20 |
| Operator Information | | | |
| Average number of operators | 1.6 | 1.6 | 1.6 |
| Average age of operators | 51.5 | 50.0 | 53.5 |
| Average number of years farming | 24.7 | 23.5 | 27.2 |
| Results Per Operator | | | |
| Working capital | 387,118 | 99,703 | 526,944 |
| Total assets (market) | 3,307,173 | 1,464,945 | 4,070,334 |
| Total liabilities | 861,452 | 419,870 | 1,351,907 |
| Net worth (market) | 2,445,721 | 1,045,075 | 2,718,427 |
| Net worth excl deferred liabs | 2,445,871 | 1,045,705 | 2,718,427 |
| Gross farm income | 1,165,443 | 518,241 | 1,604,661 |
| Total farm expense | 1,022,823 | 502,324 | 1,281,704 |
| Net farm income from operations | 142,620 | 15,917 | 322,957 |
| Net nonfarm income | 12,676 | 10,225 | 8,847 |
| Family living & tax withdrawals | 49,777 | 38,588 | 47,268 |
| Total acres owned | 308.6 | 198.7 | 372.4 |
| Total crop acres | 576.6 | 377.0 | 759.1 |
| Crop acres owned | 360.4 | 215.8 | 497.6 |
| Crop acres cash rented | 216.2 | 161.2 | 261.6 |
| Crop acres share rented | - | - | - |
| Total pasture acres | 2.4 | - | 1.0 |
| Labor Analysis | | | |
| Number of farms | 76 | 19 | 20 |
| Total unpaid labor hours | 4,874 | 4,697 | 4,787 |
| Total hired labor hours | 15,339 | 5,888 | 13,021 |
| Total labor hours per farm | 20,213 | 10,585 | 17,808 |
| Unpaid hours per operator | 3,151 | 3,020 | 3,136 |
| Value of farm production / hour | 66.72 | 54.21 | 107.08 |
| Net farm income / unpaid hour | 44.67 | 5.27 | 104.58 |
| Average hourly hired labor wage | 12.46 | 15.10 | 16.15 |
| Partnerships & LLCs | | | |
| Number of farms | 32 | 7 | 9 |
| Number of operators | 2.1 | 1.9 | 2.0 |
| Owner withdrawals per farm | 101,709 | - | 49,702 |
| Withdrawals per operator | 46,943 | - | 24,851 |

Table 21

Financial Summary
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|--|----------------------|-----------|-----------|
| Number of farms | 76 | 19 | 20 |
| Income Statement | | | |
| Gross cash farm income | 1,767,942 | 843,323 | 2,209,231 |
| Total cash farm expense | 1,411,038 | 708,976 | 1,729,345 |
| Net cash farm income | 356,904 | 134,347 | 479,886 |
| Inventory change | 43,211 | -60,183 | 275,261 |
| Depreciation | -178,679 | -49,403 | -254,563 |
| Net farm income from operations | 221,436 | 24,760 | 500,584 |
| Gain or loss on capital sales | - | - | - |
| Average net farm income | 221,436 | 24,760 | 500,584 |
| Median net farm income | 87,605 | 16,767 | 322,668 |
| Profitability (cost) | | | |
| Rate of return on assets | 7.3 % | -0.6 % | 14.4 % |
| Rate of return on equity | 9.9 % | -5.3 % | 27.5 % |
| Operating profit margin | 14.6 % | -1.3 % | 25.9 % |
| Asset turnover rate | 49.7 % | 49.1 % | 55.6 % |
| Profitability (market) | | | |
| Rate of return on assets | 7.8 % | -4.7 % | 17.4 % |
| Rate of return on equity | 9.2 % | -8.1 % | 24.7 % |
| Operating profit margin | 26.2 % | -17.3 % | 49.6 % |
| Asset turnover rate | 29.7 % | 27.3 % | 35.1 % |
| Liquidity & Repayment (end of year) | | | |
| Current assets | 817,764 | 320,367 | 1,080,265 |
| Current liabilities | 216,712 | 165,274 | 263,501 |
| Current ratio | 3.77 | 1.94 | 4.10 |
| Working capital | 601,052 | 155,093 | 816,764 |
| Working capital to gross inc | 33.2 % | 19.2 % | 32.8 % |
| Term debt coverage ratio | 2.67 | 0.70 | 4.30 |
| Replacement coverage ratio | 2.18 | 0.56 | 3.45 |
| Solvency (end of year at cost) | | | |
| Number of farms | 76 | 19 | 20 |
| Total farm assets | 2,887,286 | 1,211,335 | 3,863,078 |
| Total farm liabilities | 1,305,976 | 624,084 | 2,070,148 |
| Total assets | 3,115,277 | 1,294,605 | 3,963,529 |
| Total liabilities | 1,337,285 | 652,151 | 2,095,456 |
| Net worth | 1,777,992 | 642,454 | 1,868,073 |
| Net worth change | 233,281 | 51,731 | 582,461 |
| Farm debt to asset ratio | 45 % | 52 % | 54 % |
| Total debt to asset ratio | 43 % | 50 % | 53 % |
| Solvency (end of year at market) | | | |
| Number of farms | 76 | 19 | 20 |
| Total farm assets | 4,812,028 | 2,096,038 | 6,120,506 |
| Total farm liabilities | 1,306,208 | 625,064 | 2,070,148 |
| Total assets | 5,134,821 | 2,278,803 | 6,309,018 |
| Total liabilities | 1,337,517 | 653,131 | 2,095,456 |
| Net worth | 3,797,304 | 1,625,672 | 4,213,563 |
| Net worth change | 384,270 | -33,939 | 1,026,069 |
| Farm debt to asset ratio | 27 % | 30 % | 34 % |
| Total debt to asset ratio | 26 % | 29 % | 33 % |
| Nonfarm Information | | | |
| Net nonfarm income | 19,681 | 15,906 | 13,712 |
| Crop Acres | | | |
| Total acres owned | 479 | 309 | 577 |
| Total crop acres | 895 | 586 | 1,177 |
| Total crop acres owned | 560 | 336 | 771 |
| Total crop acres cash rented | 336 | 251 | 405 |
| Total crop acres share rented | - | - | - |

Table 22

Summary Farm Income Statement
2013 MI Dairy Herds (All Herds)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 25% | High 25% |
|----------------------------------|----------------------|---------|-----------|
| Number of farms | 76 | 19 | 20 |
| Crop sales | 114,904 | 62,997 | 145,544 |
| Crop inventory change | 6,966 | -29,351 | 171,345 |
| Gross crop income | 121,870 | 33,646 | 316,889 |
| Livestock sales | 1,462,594 | 755,981 | 1,768,906 |
| Livestock inventory change | 13,353 | 958 | 41,342 |
| Gross livestock income | 1,475,947 | 756,939 | 1,810,248 |
| Government payments | 35,786 | 24,052 | 69,455 |
| Other cash farm income | 154,657 | 57,066 | 225,326 |
| Change in accounts receivable | 7,528 | 5,806 | 27,986 |
| Gain or loss on hedging accounts | -68 | - | -257 |
| Change in other assets | 271 | 2,205 | 8,672 |
| Gain or loss on breeding lvst | 13,512 | -17,459 | 28,907 |
| Gross farm income | 1,809,503 | 862,255 | 2,487,225 |
| Cash operating expenses | 1,358,925 | 726,898 | 1,646,605 |
| Change in prepaids and supplies | -6,876 | 7,919 | -6,876 |
| Change in growing crops | 173 | -985 | 2,615 |
| Change in accounts payable | 4,604 | 16,263 | 5,668 |
| Depreciation | 178,679 | 54,814 | 254,563 |
| Total operating expense | 1,535,505 | 804,909 | 1,902,576 |
| Interest paid | 52,113 | 21,429 | 82,739 |
| Change in accrued interest | 449 | 130 | 1,326 |
| Total interest expense | 52,562 | 21,559 | 84,065 |
| Total expenses | 1,588,067 | 826,469 | 1,986,641 |
| Net farm income from operations | 221,436 | 35,786 | 500,584 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 221,436 | 35,786 | 500,584 |

B. Financial Summary Information, Herds with 40-99 Cows

Table 23 Crop Production and Marketing Summary
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---|----------------------|---------|----------|
| Dairy | | | |
| Number of farms | 15 | 7 | 8 |
| Average number of cows | 71 | 77 | 66 |
| Milk production per cow lbs., | 21,010 | 21,854 | 20,272 |
| Average milk price per cwt., | \$20.78 | \$20.01 | \$20.53 |
| Acreage Summary | | | |
| Total acres owned | 205 | 163 | 242 |
| Total crop acres | 343 | 269 | 408 |
| Crop acres owned | 166 | 97 | 226 |
| Crop acres cash rented | 177 | 171 | 182 |
| Crop acres share rented | - | - | - |
| Total pasture acres | - | - | - |
| Percent crop acres owned | 48 % | 36 % | 55 % |
| Mach invest/crop acre cost | 92 | 90 | 93 |
| Mach invest/crop acre market | 508 | 527 | 496 |
| Average Price Received (Cash Sales Only) | | | |
| Corn per bushel | 6.59 | - | - |

Table 24

Farm Income Statement

2013 MI Dairy Herds (40-99 Cows)

(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------|----------------------|---------|----------|
| Number of farms | 15 | 7 | 8 |
| Cash Farm Income | | | |
| Corn | 15,627 | 14,496 | 16,616 |
| Corn, Seed | 70 | 151 | - |
| Hay, Alfalfa | 2,355 | 4,494 | 483 |
| Hay, Mixed | 4,491 | 1,490 | 7,116 |
| Oats | 98 | - | 183 |
| Soybeans | 21,972 | 17,188 | 26,158 |
| Straw | 255 | 547 | - |
| Sugar Beets | 5,019 | - | 9,411 |
| Wheat, Winter | 1,305 | 1,837 | 839 |
| Dairy, Milk | 308,854 | 348,111 | 274,504 |
| Dairy, Dairy Calves | 2,405 | 3,204 | 1,706 |
| Dairy Replacement Heifers | 1,024 | 2,040 | 136 |
| Dairy Finishing | 1,206 | 843 | 1,523 |
| Dairy Feeder | 1,272 | 2,726 | - |
| Cull breeding livestock | 17,487 | 13,080 | 21,344 |
| Misc. livestock income | 1 | 3 | - |
| Direct, CCP & ACRE pymts | 431 | - | 808 |
| CRP payments | 2,667 | 619 | 4,460 |
| Livestock govt payments | 670 | 1,436 | - |
| Other government payments | 6,147 | 7,110 | 5,304 |
| Patronage dividends, cash | 2,276 | 1,320 | 3,114 |
| Crop insurance income | 202 | 433 | - |
| Property insurance income | 1,329 | 96 | 2,409 |
| Other farm income | 1,224 | 809 | 1,588 |
| Gross Cash Farm Income | 398,388 | 422,032 | 377,699 |

Table 24

Farm Income Statement (Continued)
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|--------------------------------|----------------------|---------|----------|
| Number of farms | 15 | 7 | 8 |
| Cash Farm Expense | | | |
| Seed | 15,085 | 12,928 | 16,972 |
| Fertilizer | 24,355 | 24,127 | 24,554 |
| Crop chemicals | 4,307 | 3,406 | 5,095 |
| Crop insurance | 517 | 550 | 488 |
| Drying expense | 98 | - | 184 |
| Crop marketing | 567 | 548 | 584 |
| Crop miscellaneous | 213 | 552 | -83 |
| Feeder livestock purchase | 267 | 573 | - |
| Purchased feed | 113,687 | 140,263 | 90,433 |
| Breeding fees | 2,221 | 2,851 | 1,669 |
| Veterinary | 7,157 | 9,750 | 4,889 |
| Livestock supplies | 5,957 | 7,641 | 4,483 |
| DHIA | 607 | 578 | 633 |
| Livestock hauling and trucking | 10,823 | 11,820 | 9,950 |
| Livestock marketing | 4,038 | 3,640 | 4,387 |
| Bedding | 3,973 | 5,738 | 2,428 |
| Interest | 13,376 | 10,812 | 15,621 |
| Packaging and supplies | 1,184 | - | 2,220 |
| Supplies | 4,491 | 2,825 | 5,949 |
| Fuel & oil | 17,012 | 18,049 | 16,105 |
| Repairs | 20,836 | 15,358 | 25,629 |
| Custom hire | 8,472 | 13,972 | 3,659 |
| Repair, buildings | 1,855 | 1,504 | 2,161 |
| Hired labor | 30,788 | 31,187 | 30,438 |
| Land rent | 10,545 | 11,437 | 9,764 |
| Machinery leases | 4,729 | 10,057 | 67 |
| Building leases | 1,424 | 3,050 | - |
| Real estate taxes | 5,032 | 3,604 | 6,282 |
| Farm insurance | 5,997 | 4,091 | 7,666 |
| Utilities | 10,769 | 10,341 | 11,144 |
| Hauling and trucking | 653 | 1,400 | - |
| Dues & professional fees | 2,626 | 2,920 | 2,368 |
| Miscellaneous | 5,116 | 3,638 | 6,409 |
| Total cash expense | 338,776 | 369,210 | 312,146 |
| Net cash farm income | 59,612 | 52,821 | 65,553 |
| Inventory Changes | | | |
| Prepays and supplies | 3,932 | 939 | 6,551 |
| Accounts receivable | -1,128 | 599 | -2,640 |
| Hedging accounts | - | - | - |
| Other current assets | 292 | 291 | 292 |
| Crops and feed | -2,893 | -18,748 | 10,979 |
| Market livestock | 1,080 | 1,165 | 1,005 |
| Breeding livestock | 5,255 | -5,922 | 15,034 |
| Other assets | -706 | -2,347 | 730 |
| Accounts payable | -1,310 | -3,531 | 634 |

| | | | |
|---------------------------------|---------|---------|---------|
| Accrued interest | -303 | -435 | -188 |
| Total inventory change | 4,218 | -27,989 | 32,399 |
| Net operating profit | 63,829 | 24,832 | 97,952 |
| Depreciation | | | |
| Machinery and equipment | -16,735 | -9,938 | -22,682 |
| Titled vehicles | -526 | -441 | -600 |
| Buildings and improvements | -6,727 | -2,388 | -10,523 |
| Total depreciation | -23,988 | -12,768 | -33,805 |
| Net farm income from operations | 39,842 | 12,064 | 64,147 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 39,842 | 12,064 | 64,147 |

Table 25

Inventory Changes
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 15 | 7 | 8 |
| Net cash farm income | 59,612 | 52,821 | 65,553 |
| Crops and Feed | | | |
| Ending inventory | 117,417 | 84,316 | 146,381 |
| Beginning inventory | 120,311 | 103,064 | 135,401 |
| Inventory change | -2,893 | -18,748 | 10,979 |
| Market Livestock | | | |
| Ending inventory | 5,759 | 1,871 | 9,161 |
| Beginning inventory | 4,680 | 706 | 8,156 |
| Inventory change | 1,080 | 1,165 | 1,005 |
| Accts Receivable | | | |
| Ending inventory | 9,785 | 14,867 | 5,338 |
| Beginning inventory | 10,913 | 14,268 | 7,977 |
| Inventory change | -1,128 | 599 | -2,640 |
| Prepaid Expenses and Supplies | | | |
| Ending inventory | 17,544 | 12,517 | 21,942 |
| Beginning inventory | 13,612 | 11,577 | 15,392 |
| Inventory change | 3,932 | 939 | 6,551 |
| Hedging Activities | | | |
| Ending inventory | - | - | - |
| Withdrawals | - | - | - |
| Beginning inventory | - | - | - |
| Deposits | - | - | - |
| Gain or loss | - | - | - |
| Other Current Assets | | | |
| Ending inventory | 11,291 | 15,892 | 7,266 |
| Beginning inventory | 11,000 | 15,601 | 6,974 |
| Inventory change | 292 | 291 | 292 |
| Breeding Livestock | | | |
| Ending inventory | 173,736 | 166,241 | 180,294 |
| Capital sales | 4,056 | 8,692 | - |
| Beginning inventory | 165,968 | 166,778 | 165,259 |
| Capital purchases | 6,569 | 14,077 | - |
| Depreciation, capital adjust | 5,255 | -5,922 | 15,034 |
| Other Capital Assets | | | |
| Ending inventory | 11,331 | 6,612 | 15,460 |
| Capital sales | 3,965 | 8,169 | 288 |
| Beginning inventory | 10,482 | 6,121 | 14,297 |
| Capital purchases | 5,520 | 11,006 | 719 |
| Depreciation, capital adjust | -706 | -2,347 | 730 |
| Accounts Payable | | | |
| Beginning inventory | 9,217 | 16,902 | 2,493 |
| Ending inventory | 10,527 | 20,433 | 1,859 |
| Inventory change | -1,310 | -3,531 | 634 |
| Accrued Interest | | | |
| Beginning inventory | 757 | 1,501 | 106 |
| Ending inventory | 1,060 | 1,935 | 294 |
| Inventory change | -303 | -435 | -188 |
| Total inventory change | 4,218 | -27,989 | 32,399 |
| Net operating profit | 63,829 | 24,832 | 97,952 |

Table 26

Depreciation
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|---------|----------|
| Number of farms | 15 | 7 | 8 |
| Net operating profit | 63,829 | 24,832 | 97,952 |
| Machinery and Equipment | | | |
| Ending inventory | 46,737 | 26,080 | 64,811 |
| Capital sales | 230 | 492 | - |
| Beginning inventory | 50,213 | 21,640 | 75,214 |
| Capital purchases | 13,488 | 14,870 | 12,279 |
| Depreciation, capital adjust. | -16,735 | -9,938 | -22,682 |
| Titled Vehicles | | | |
| Ending inventory | 3,478 | 7,273 | 158 |
| Capital sales | - | - | - |
| Beginning inventory | 4,004 | 7,714 | 758 |
| Capital purchases | - | - | - |
| Depreciation, capital adjust. | -526 | -441 | -600 |
| Buildings and Improvements | | | |
| Ending inventory | 35,212 | 18,048 | 50,230 |
| Capital sales | - | - | - |
| Beginning inventory | 36,648 | 19,162 | 51,949 |
| Capital purchases | 5,290 | 1,275 | 8,804 |
| Depreciation, capital adjust. | -6,727 | -2,388 | -10,523 |
| Total depreciation, capital adj. | -23,988 | -12,768 | -33,805 |
| Net farm income from operations | 39,842 | 12,064 | 64,147 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 39,842 | 12,064 | 64,147 |

Table 27

Profitability Measures
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---|----------------------|---------|-----------|
| Number of farms | 15 | 7 | 8 |
| Profitability (assets valued at cost) | | | |
| Net farm income from operations | 39,842 | 12,064 | 64,147 |
| Rate of return on assets | 3.2 % | -2.8 % | 6.7 % |
| Rate of return on equity | 1.8 % | -11.6 % | 8.7 % |
| Operating profit margin | 6.6 % | -5.1 % | 15.0 % |
| Asset turnover rate | 48.1 % | 54.3 % | 44.4 % |
| Farm interest expense | 13,679 | 11,247 | 15,808 |
| Value of operator lbr and mgmt. | 34,700 | 36,429 | 33,188 |
| Return on farm assets | 18,821 | -13,118 | 46,768 |
| Average farm assets | 593,626 | 469,177 | 702,519 |
| Return on farm equity | 5,142 | -24,364 | 30,959 |
| Average farm equity | 287,644 | 209,343 | 356,159 |
| Value of farm production | 285,457 | 254,888 | 312,206 |
| | Avg. Of All Farms | Low 50% | High 50% |
| Number of farms | 15 | 7 | 8 |
| Profitability (assets valued at market) | | | |
| Net farm income from operations | 56,975 | 9,970 | 98,104 |
| Rate of return on assets | 2.8 % | -1.6 % | 5.1 % |
| Rate of return on equity | 2.3 % | -3.9 % | 5.3 % |
| Operating profit margin | 12.6 % | -6.0 % | 25.9 % |
| Asset turnover rate | 22.3 % | 27.2 % | 19.8 % |
| Farm interest expense | 13,679 | 11,247 | 15,808 |
| Value of operator lbr and mgmt. | 34,700 | 36,429 | 33,188 |
| Return on farm assets | 35,954 | -15,212 | 80,725 |
| Average farm assets | 1,277,586 | 935,439 | 1,576,965 |
| Return on farm equity | 22,275 | -26,459 | 64,917 |
| Average farm equity | 971,016 | 674,345 | 1,230,604 |
| Value of farm production | 285,457 | 254,888 | 312,206 |

Table 28

Liquidity & Repayment Capacity Measures
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 15 | 7 | 8 |
| Liquidity | | | |
| Current ratio | 2.47 | 1.67 | 3.49 |
| Working capital | 106,599 | 58,334 | 148,830 |
| Working capital to gross inc | 26.7 % | 14.7 % | 37.0 % |
| Current assets | 179,326 | 145,879 | 208,593 |
| Current liabilities | 72,728 | 87,545 | 59,763 |
| Gross revenues (accrual) | 399,412 | 395,724 | 402,639 |
| Repayment capacity | | | |
| Net farm income from operations | 39,842 | 12,064 | 64,147 |
| Depreciation | 23,988 | 12,768 | 33,805 |
| Personal income | 12,082 | 9,485 | 14,355 |
| Family living/owner withdrawals | -39,345 | -38,917 | -39,719 |
| Payments on personal debt | -3,454 | -6,969 | -378 |
| Income taxes paid | -1,140 | -661 | -1,559 |
| Interest on term debt | 12,276 | 8,593 | 15,499 |
| Capital debt repayment capacity | 44,249 | -3,636 | 86,149 |
| Scheduled term debt payments | -35,618 | -27,605 | -42,629 |
| Capital debt repayment margin | 8,631 | -31,242 | 43,520 |
| Cash replacement allowance | -17,823 | -9,463 | -25,138 |
| Replacement margin | -9,192 | -40,705 | 18,381 |
| Term debt coverage ratio | 1.24 | -0.13 | 2.02 |
| Replacement coverage ratio | 0.83 | -0.10 | 1.27 |

Table 29

Balance Sheet at Cost Values
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 50% | | High 50% | |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Number of farms | 15 | | 7 | | 8 | |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 20,890 | 17,530 | 22,260 | 16,416 | 19,692 | 18,505 |
| Prepaid expenses & supplies | 13,612 | 17,544 | 11,577 | 12,517 | 15,392 | 21,942 |
| Growing crops | 6,999 | 7,874 | 8,270 | 9,615 | 5,888 | 6,350 |
| Accounts receivable | 10,913 | 9,785 | 14,268 | 14,867 | 7,977 | 5,338 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 120,311 | 117,417 | 103,064 | 84,316 | 135,401 | 146,381 |
| Crops under government loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 4,680 | 5,759 | 706 | 1,871 | 8,156 | 9,161 |
| Other current assets | 4,001 | 3,418 | 7,331 | 6,277 | 1,086 | 916 |
| Total current farm assets | 181,405 | 179,326 | 167,477 | 145,879 | 193,592 | 208,593 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 165,968 | 173,736 | 166,778 | 166,241 | 165,259 | 180,294 |
| Machinery and equipment | 50,213 | 46,737 | 21,640 | 26,080 | 75,214 | 64,811 |
| Titled vehicles | 4,004 | 3,478 | 7,714 | 7,273 | 758 | 158 |
| Other intermediate assets | 10,007 | 10,959 | 5,586 | 6,185 | 13,876 | 15,135 |
| Total intermediate farm assets | 230,192 | 234,910 | 201,718 | 205,780 | 255,107 | 260,399 |
| Long Term Farm Assets | | | | | | |
| Farm land | 142,056 | 146,656 | 89,664 | 89,664 | 187,899 | 196,524 |
| Buildings and improvements | 36,648 | 35,212 | 19,162 | 18,048 | 51,949 | 50,230 |
| Other long-term assets | 475 | 372 | 536 | 427 | 422 | 324 |
| Total long-term farm assets | 179,179 | 182,240 | 109,361 | 108,139 | 240,270 | 247,078 |
| Total Farm Assets | 590,777 | 596,476 | 478,556 | 459,798 | 688,970 | 716,069 |
| Total Nonfarm Assets | 111,032 | 117,224 | 125,259 | 128,861 | 98,585 | 107,042 |
| Total Assets | 701,809 | 713,700 | 603,815 | 588,658 | 787,554 | 823,111 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 757 | 1,060 | 1,501 | 1,935 | 106 | 294 |
| Accounts payable | 9,217 | 10,527 | 16,902 | 20,433 | 2,493 | 1,859 |
| Current notes | 32,704 | 38,763 | 33,970 | 47,183 | 31,596 | 31,396 |
| Government crop loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 23,342 | 22,377 | 19,012 | 17,993 | 27,130 | 26,214 |
| Total current farm liabilities | 66,020 | 72,728 | 71,385 | 87,545 | 61,325 | 59,763 |
| Total intermediate farm liabs | 58,454 | 47,324 | 54,496 | 46,337 | 61,918 | 48,188 |
| Total long term farm liabilities | 184,491 | 182,946 | 134,131 | 125,775 | 228,556 | 232,971 |
| Total farm liabilities | 308,965 | 302,998 | 260,012 | 259,657 | 351,800 | 340,922 |
| Total nonfarm liabilities | 35,036 | 33,280 | 74,119 | 71,315 | 838 | 0 |
| Total liabilities | 344,001 | 336,278 | 334,131 | 330,971 | 352,637 | 340,922 |
| Net worth (farm and nonfarm) | 357,808 | 377,422 | 269,684 | 257,687 | 434,917 | 482,189 |
| Net worth change | | 19,613 | | -11,997 | | 47,272 |
| Percent net worth change | | 5 % | | -4 % | | 11 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 36 % | 41 % | 43 % | 60 % | 32 % | 29 % |
| Intermediate farm liab. / assets | 25 % | 20 % | 27 % | 23 % | 24 % | 19 % |
| Long term farm liab. / assets | 103 % | 100 % | 123 % | 116 % | 95 % | 94 % |
| Total debt to asset ratio | 49 % | 47 % | 55 % | 56 % | 45 % | 41 % |

Table 30

Balance Sheet at Market Values
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of | | Low 50% | High 50% | 8 | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | All Farms | | | | Beginning | Ending |
| Number of farms | 15 | | 7 | | 8 | |
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 20,890 | 17,530 | 22,260 | 16,416 | 19,692 | 18,505 |
| Prepaid expenses & supplies | 13,612 | 17,544 | 11,577 | 12,517 | 15,392 | 21,942 |
| Growing crops | 6,999 | 7,874 | 8,270 | 9,615 | 5,888 | 6,350 |
| Accounts receivable | 10,913 | 9,785 | 14,268 | 14,867 | 7,977 | 5,338 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 120,311 | 117,417 | 103,064 | 84,316 | 135,401 | 146,381 |
| Crops under government loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Market livestock held for sale | 4,680 | 5,759 | 706 | 1,871 | 8,156 | 9,161 |
| Other current assets | 4,001 | 3,418 | 7,331 | 6,277 | 1,086 | 916 |
| Total current farm assets | 181,405 | 179,326 | 167,477 | 145,879 | 193,592 | 208,593 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 175,800 | 184,873 | 180,043 | 181,536 | 172,088 | 187,794 |
| Machinery and equipment | 247,718 | 252,684 | 161,261 | 163,835 | 323,368 | 330,427 |
| Titled vehicles | 3,580 | 3,610 | 5,214 | 5,279 | 2,150 | 2,150 |
| Other intermediate assets | 10,007 | 10,959 | 5,586 | 6,185 | 13,876 | 15,135 |
| Total intermediate farm assets | 437,105 | 452,126 | 352,104 | 356,834 | 511,481 | 535,506 |
| Long Term Farm Assets | | | | | | |
| Farm land | 527,240 | 534,197 | 373,857 | 373,857 | 661,450 | 674,495 |
| Buildings and improvements | 119,357 | 123,569 | 50,633 | 49,275 | 179,491 | 188,575 |
| Other long-term assets | 475 | 372 | 536 | 427 | 422 | 324 |
| Total long-term farm assets | 647,072 | 658,138 | 425,026 | 423,559 | 841,363 | 863,394 |
| Total Farm Assets | 1,265,582 | 1,289,590 | 944,606 | 926,272 | 1,546,436 | 1,607,493 |
| Total Nonfarm Assets | 151,440 | 159,905 | 146,383 | 149,985 | 155,866 | 168,586 |
| Total Assets | 1,417,022 | 1,449,495 | 1,090,989 | 1,076,257 | 1,702,302 | 1,776,079 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 757 | 1,060 | 1,501 | 1,935 | 106 | 294 |
| Accounts payable | 9,217 | 10,527 | 16,902 | 20,433 | 2,493 | 1,859 |
| Current notes | 32,704 | 38,763 | 33,970 | 47,183 | 31,596 | 31,396 |
| Government crop loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal due on term debt | 23,342 | 22,377 | 19,012 | 17,993 | 27,130 | 26,214 |
| Total current farm liabilities | 66,020 | 72,728 | 71,385 | 87,545 | 61,325 | 59,763 |
| Total intermediate farm liabs | 58,454 | 47,324 | 54,496 | 46,337 | 61,918 | 48,188 |
| Total long term farm liabilities | 184,491 | 182,946 | 134,131 | 125,775 | 228,556 | 232,971 |
| Total farm liabilities | 308,965 | 302,998 | 260,012 | 259,657 | 351,800 | 340,922 |
| Total nonfarm liabilities | 35,036 | 33,280 | 74,119 | 71,315 | 838 | 0 |
| Total liabs excluding deferreds | 344,001 | 336,278 | 334,131 | 330,971 | 352,637 | 340,922 |
| Total deferred liabilities | 0 | 1,176 | 0 | 2,520 | 0 | 0 |
| Total liabilities | 344,001 | 337,454 | 334,131 | 333,491 | 352,637 | 340,922 |
| Retained earnings | 357,808 | 377,422 | 269,684 | 257,687 | 434,917 | 482,189 |
| Market valuation equity | 715,213 | 734,619 | 487,174 | 485,079 | 914,747 | 952,967 |
| Net worth (farm and nonfarm) | 1,073,021 | 1,112,041 | 756,857 | 742,766 | 1,349,665 | 1,435,157 |
| Net worth excluding deferreds | 1,073,021 | 1,113,217 | 756,857 | 745,286 | 1,349,665 | 1,435,157 |
| Net worth change | | 39,020 | | -14,092 | | 85,492 |
| Percent net worth change | | 4 % | | -2 % | | 6 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 36 % | 41 % | 43 % | 60 % | 32 % | 29 % |
| Intermediate farm liab. / assets | 13 % | 10 % | 15 % | 13 % | 12 % | 9 % |
| Long term farm liab. / assets | 29 % | 28 % | 32 % | 30 % | 27 % | 27 % |
| Total debt to asset ratio | 24 % | 23 % | 31 % | 31 % | 21 % | 19 % |
| Debt to assets excl deferreds | 24 % | 23 % | 31 % | 31 % | 21 % | 19 % |

Table 31

Statement Of Cash Flows
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------------|----------------------|----------|----------|
| Number of farms | 15 | 7 | 8 |
| Beginning cash (farm & nonfarm) | 23,460 | 25,983 | 21,253 |
| Cash Provided By Operating Activities | | | |
| Gross cash farm income | 398,388 | 422,032 | 377,699 |
| Total cash farm expense | -338,776 | -369,210 | -312,146 |
| Net cash from hedging transactions | - | - | - |
| Cash provided by operating | 59,612 | 52,821 | 65,553 |
| Cash Provided By Investing Activities | | | |
| Sale of breeding livestock | 4,056 | 8,692 | - |
| Sale of machinery & equipment | 230 | 492 | - |
| Sale of titled vehicles | - | - | - |
| Sale of farm land | - | - | - |
| Sale of farm buildings | - | - | - |
| Sale of other farm assets | 3,965 | 8,169 | 288 |
| Sale of nonfarm assets | 2 | 4 | - |
| Purchase of breeding livestock | -6,569 | -14,077 | - |
| Purchase of machinery & equip. | -13,488 | -14,870 | -12,279 |
| Purchase of titled vehicles | - | - | - |
| Purchase of farm land | -4,665 | - | -8,747 |
| Purchase of farm buildings | -5,290 | -1,275 | -8,804 |
| Purchase of other farm assets | -5,520 | -11,006 | -719 |
| Purchase of nonfarm assets | -600 | -714 | -500 |
| Cash provided by investing | -27,880 | -24,587 | -30,762 |
| Cash Provided By Financing Activities | | | |
| Money borrowed | 49,272 | 61,652 | 38,440 |
| Principal payments | -59,266 | -70,189 | -49,708 |
| Personal income | 12,082 | 9,485 | 14,355 |
| Family living/owner withdrawals | -39,345 | -38,917 | -39,719 |
| Income and social security tax | -1,140 | -661 | -1,559 |
| Capital contributions | -1,564 | - | -2,933 |
| Capital distributions | - | - | - |
| Dividends paid | - | - | - |
| Cash gifts and inheritances | 3,777 | 2,168 | 5,186 |
| Gifts given | -345 | -39 | -613 |
| Other cash flows | 1,437 | 3,080 | - |
| Cash provided by financing | -35,091 | -33,421 | -36,553 |
| Net change in cash balance | -3,360 | -5,187 | -1,761 |
| Ending cash (farm & nonfarm) | 20,100 | 20,796 | 19,492 |

Table 32

Financial Standards Measures
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 15 | 7 | 8 |
| Liquidity | | | |
| Current ratio | 2.47 | 1.67 | 3.49 |
| Working capital | 106,599 | 58,334 | 148,830 |
| Working capital to gross inc | 26.7 % | 14.7 % | 37.0 % |
| Solvency (market) | | | |
| Farm debt to asset ratio | 24 % | 28 % | 21 % |
| Farm equity to asset ratio | 76 % | 72 % | 79 % |
| Farm debt to equity ratio | 0.31 | 0.39 | 0.27 |
| Profitability (cost) | | | |
| Rate of return on farm assets | 3.2 % | -2.8 % | 6.7 % |
| Rate of return on farm equity | 1.8 % | -11.6 % | 8.7 % |
| Operating profit margin | 6.6 % | -5.1 % | 15.0 % |
| Net farm income | 39,842 | 12,064 | 64,147 |
| EBIDTA | 77,509 | 36,078 | 113,760 |
| Repayment Capacity | | | |
| Capital debt repayment capacity | 44,249 | -3,636 | 86,149 |
| Capital debt repayment margin | 8,631 | -31,242 | 43,520 |
| Replacement margin | -9,192 | -40,705 | 18,381 |
| Term debt coverage ratio | 1.24 | -0.13 | 2.02 |
| Replacement coverage ratio | 0.83 | -0.10 | 1.27 |
| Efficiency | | | |
| Asset turnover rate (cost) | 48.1 % | 54.3 % | 44.4 % |
| Operating expense ratio | 80.6 % | 90.9 % | 71.7 % |
| Depreciation expense ratio | 6.0 % | 3.2 % | 8.4 % |
| Interest expense ratio | 3.4 % | 2.8 % | 3.9 % |
| Net farm income ratio | 10.0 % | 3.0 % | 15.9 % |

Table 33

Operator and Labor Information
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|---------|-----------|
| Number of farms | 15 | 7 | 8 |
| Operator Information | | | |
| Average number of operators | 1.3 | 1.3 | 1.3 |
| Average age of operators | 51.2 | 44.7 | 57.0 |
| Average number of years farming | 25.4 | 18.0 | 32.0 |
| Results Per Operator | | | |
| Working capital | 84,157 | 45,371 | 119,064 |
| Total assets (market) | 1,144,338 | 837,089 | 1,420,863 |
| Total liabilities | 266,411 | 259,382 | 272,737 |
| Net worth (market) | 877,927 | 577,707 | 1,148,125 |
| Net worth excl deferred liabs | 878,855 | 579,667 | 1,148,125 |
| Gross farm income | 315,325 | 307,785 | 322,111 |
| Total farm expense | 283,871 | 298,402 | 270,794 |
| Net farm income from operations | 31,454 | 9,383 | 51,317 |
| Net nonfarm income | 9,538 | 7,377 | 11,484 |
| Family living & tax withdrawals | 31,962 | 30,783 | 33,023 |
| Total acres owned | 161.7 | 126.4 | 193.4 |
| Total crop acres | 270.7 | 208.9 | 326.3 |
| Crop acres owned | 131.1 | 75.7 | 181.1 |
| Crop acres cash rented | 139.6 | 133.2 | 145.3 |
| Crop acres share rented | - | - | - |
| Total pasture acres | - | - | - |
| Labor Analysis | | | |
| Number of farms | 15 | 7 | 8 |
| Total unpaid labor hours | 4,268 | 3,731 | 4,738 |
| Total hired labor hours | 2,105 | 2,211 | 2,013 |
| Total labor hours per farm | 6,373 | 5,942 | 6,750 |
| Unpaid hours per operator | 3,369 | 2,902 | 3,790 |
| Value of farm production / hour | 44.79 | 42.90 | 46.25 |
| Net farm income / unpaid hour | 9.34 | 3.23 | 13.54 |
| Average hourly hired labor wage | 16.23 | 17.68 | 15.12 |

Table 34

Financial Summary
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------------|----------------------|-----------|-----------|
| Number of farms | 15 | 7 | 8 |
| Income Statement | | | |
| Gross cash farm income | 398,388 | 422,032 | 377,699 |
| Total cash farm expense | 338,776 | 369,210 | 312,146 |
| Net cash farm income | 59,612 | 52,821 | 65,553 |
| Inventory change | 4,218 | -27,989 | 32,399 |
| Depreciation | -23,988 | -12,768 | -33,805 |
| Net farm income from operations | 39,842 | 12,064 | 64,147 |
| Gain or loss on capital sales | - | - | - |
| Average net farm income | 39,842 | 12,064 | 64,147 |
| Median net farm income | 36,823 | 24,836 | 53,632 |
| Profitability (cost) | | | |
| Rate of return on assets | 3.2 % | -2.8 % | 6.7 % |
| Rate of return on equity | 1.8 % | -11.6 % | 8.7 % |
| Operating profit margin | 6.6 % | -5.1 % | 15.0 % |
| Asset turnover rate | 48.1 % | 54.3 % | 44.4 % |
| Profitability (market) | | | |
| Rate of return on assets | 2.8 % | -1.6 % | 5.1 % |
| Rate of return on equity | 2.3 % | -3.9 % | 5.3 % |
| Operating profit margin | 12.6 % | -6.0 % | 25.9 % |
| Asset turnover rate | 22.3 % | 27.2 % | 19.8 % |
| Liquidity & Repayment (end of year) | | | |
| Current assets | 179,326 | 145,879 | 208,593 |
| Current liabilities | 72,728 | 87,545 | 59,763 |
| Current ratio | 2.47 | 1.67 | 3.49 |
| Working capital | 106,599 | 58,334 | 148,830 |
| Working capital to gross inc | 26.7 % | 14.7 % | 37.0 % |
| Term debt coverage ratio | 1.24 | -0.13 | 2.02 |
| Replacement coverage ratio | 0.83 | -0.10 | 1.27 |
| Solvency (end of year at cost) | | | |
| Number of farms | 15 | 7 | 8 |
| Total farm assets | 596,476 | 459,798 | 716,069 |
| Total farm liabilities | 302,998 | 259,657 | 340,922 |
| Total assets | 713,700 | 588,658 | 823,111 |
| Total liabilities | 336,278 | 330,971 | 340,922 |
| Net worth | 377,422 | 257,687 | 482,189 |
| Net worth change | 19,613 | -11,997 | 47,272 |
| Farm debt to asset ratio | 51 % | 56 % | 48 % |
| Total debt to asset ratio | 47 % | 56 % | 41 % |
| Solvency (end of year at market) | | | |
| Number of farms | 15 | 7 | 8 |
| Total farm assets | 1,289,590 | 926,272 | 1,607,493 |
| Total farm liabilities | 304,174 | 262,177 | 340,922 |
| Total assets | 1,449,495 | 1,076,257 | 1,776,079 |
| Total liabilities | 337,454 | 333,491 | 340,922 |
| Net worth | 1,112,041 | 742,766 | 1,435,157 |
| Net worth change | 39,020 | -14,092 | 85,492 |
| Farm debt to asset ratio | 24 % | 28 % | 21 % |
| Total debt to asset ratio | 23 % | 31 % | 19 % |
| Nonfarm Information | | | |
| Net nonfarm income | 12,082 | 9,485 | 14,355 |
| Crop Acres | | | |
| Total acres owned | 205 | 163 | 242 |
| Total crop acres | 343 | 269 | 408 |
| Total crop acres owned | 166 | 97 | 226 |
| Total crop acres cash rented | 177 | 171 | 182 |
| Total crop acres share rented | - | - | - |

Table 35

Summary Farm Income Statement
2013 MI Dairy Herds (40-99 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|---------|----------|
| Number of farms | 15 | 7 | 8 |
| Crop sales | 51,191 | 40,204 | 60,805 |
| Crop inventory change | -2,893 | -18,748 | 10,979 |
| Gross crop income | 48,298 | 21,455 | 71,785 |
| Livestock sales | 314,761 | 356,924 | 277,869 |
| Livestock inventory change | 1,080 | 1,165 | 1,005 |
| Gross livestock income | 315,841 | 358,089 | 278,874 |
| Government payments | 9,915 | 9,165 | 10,572 |
| Other cash farm income | 22,520 | 15,739 | 28,454 |
| Change in accounts receivable | -1,128 | 599 | -2,640 |
| Gain or loss on hedging accounts | - | - | - |
| Change in other assets | -1,289 | -3,402 | 560 |
| Gain or loss on breeding lvst | 5,255 | -5,922 | 15,034 |
| Gross farm income | 399,412 | 395,724 | 402,639 |
| Cash operating expenses | 325,400 | 358,399 | 296,526 |
| Change in prepaids and supplies | -3,932 | -939 | -6,551 |
| Change in growing crops | -875 | -1,345 | -463 |
| Change in accounts payable | 1,310 | 3,531 | -634 |
| Depreciation | 23,988 | 12,768 | 33,805 |
| Total operating expense | 345,891 | 372,413 | 322,684 |
| Interest paid | 13,376 | 10,812 | 15,620 |
| Change in accrued interest | 303 | 435 | 188 |
| Total interest expense | 13,679 | 11,247 | 15,808 |
| Total expenses | 359,570 | 383,659 | 338,492 |
| Net farm income from operations | 39,842 | 12,064 | 64,147 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 39,842 | 12,064 | 64,147 |

C. Financial Summary Information, Herds with 100-249 Cows

| Table 36 Crop Production and Marketing Summary | | | |
|---|----------------------|---------|----------|
| 2013 MI Dairy Herds (100-249 Cows) | | | |
| (Farms Sorted By Rate of Return on Assets - Mkt) | | | |
| | Avg. Of All Farms | Low 50% | High 50% |
| Dairy | | | |
| Number of farms | 35 | 17 | 18 |
| Average number of cows | 168 | 161 | 175 |
| Milk production per cow lbs., | 24,131 | 23,732 | 24,507 |
| Average milk price per cwt., | \$20.22 | \$20.18 | \$20.26 |
| Acreage Summary | | | |
| Total acres owned | 380 | 318 | 437 |
| Total crop acres | 670 | 651 | 688 |
| Crop acres owned | 392 | 362 | 420 |
| Crop acres cash rented | 278 | 289 | 268 |
| Crop acres share rented | - | - | - |
| Total pasture acres | 0 | - | 1 |
| Percent crop acres owned | 58 % | 56 % | 61 % |
| Mach invest/crop acre cost | 148 | 132 | 162 |
| Mach invest/crop acre market | 486 | 482 | 491 |
| Average Price Received (Cash Sales Only) | | | |
| Corn per bushel | 6.65 | - | 6.37 |

Table 37

Farm Income Statement
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------|----------------------|---------|-----------|
| Number of farms | 35 | 17 | 18 |
| Cash Farm Income | | | |
| Cordwood | 81 | 129 | 36 |
| Corn | 18,187 | 17,045 | 19,266 |
| Corn Silage | 15,122 | 29,508 | 1,535 |
| Corn, Seed | 134 | - | 261 |
| Hay, Alfalfa | 828 | 431 | 1,204 |
| Hay, Mixed | 490 | 980 | 28 |
| Oats | 495 | 928 | 86 |
| Rye | 185 | 381 | - |
| Soybeans | 5,566 | 2,244 | 8,704 |
| Straw | 1,959 | 76 | 3,737 |
| Sugar Beets | 996 | 2,051 | - |
| Wheat, Winter | 4,287 | 4,591 | 4,001 |
| Miscellaneous crop income | 37 | 76 | - |
| Dairy, Milk | 826,908 | 784,622 | 866,844 |
| Dairy, Dairy Calves | 3,746 | 2,787 | 4,652 |
| Dairy Heifers (for sale) | 74 | - | 144 |
| Dairy Replacement Heifers | 3,602 | 3,167 | 4,012 |
| Dairy Finishing | 9,599 | 10,136 | 9,092 |
| Dairy Feeder | 10,254 | 8,742 | 11,682 |
| Cull breeding livestock | 45,292 | 44,443 | 46,094 |
| Misc. livestock income | 126 | - | 245 |
| Direct, CCP & ACRE pymts | 1,047 | 629 | 1,443 |
| CRP payments | 19,789 | 15,941 | 23,423 |
| Livestock govt payments | 5,494 | - | 10,683 |
| Other government payments | 16,996 | 11,205 | 22,464 |
| Custom work income | 7,956 | 5,765 | 10,024 |
| Patronage dividends, cash | 6,383 | 7,518 | 5,311 |
| Crop insurance income | 6,152 | 3,153 | 8,984 |
| Property insurance income | 5,491 | 2,310 | 8,495 |
| Sale of resale items | 399 | 528 | 278 |
| Other farm income | 14,149 | 2,923 | 24,752 |
| Gross Cash Farm Income | 1,032,152 | 962,983 | 1,097,479 |

Table 37

Farm Income Statement (Continued)
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|--------------------------------|----------------------|---------|----------|
| Number of farms | 35 | 17 | 18 |
| Cash Farm Expense | | | |
| Seed | 29,618 | 28,280 | 30,881 |
| Fertilizer | 36,294 | 30,583 | 41,688 |
| Crop chemicals | 12,055 | 12,444 | 11,688 |
| Crop insurance | 2,198 | 1,619 | 2,744 |
| Drying expense | 132 | 271 | - |
| Storage | 1,561 | 647 | 2,424 |
| Crop packaging and supplies | 409 | - | 796 |
| Crop custom hire | 2,536 | 1,348 | 3,658 |
| Crop land rent | 632 | - | 1,228 |
| Crop miscellaneous | 2,442 | 4,208 | 775 |
| Feeder livestock purchase | 102 | 100 | 103 |
| Purchased feed | 262,224 | 257,088 | 267,074 |
| Breeding fees | 9,086 | 8,835 | 9,324 |
| Veterinary | 22,904 | 18,370 | 27,186 |
| Livestock supplies | 16,385 | 17,771 | 15,075 |
| DHIA | 2,039 | 2,202 | 1,886 |
| Contract production exp. | 1,855 | 428 | 3,202 |
| Livestock hired labor | 1,170 | - | 2,274 |
| Livestock leases | 372 | 767 | - |
| Livestock hauling and trucking | 19,200 | 22,590 | 16,000 |
| Marketing | 11,632 | 9,735 | 13,423 |
| Bedding | 8,886 | 7,390 | 10,299 |
| Livestock miscellaneous | 1,595 | 2,359 | 873 |
| Interest | 31,766 | 30,361 | 33,092 |
| Packaging and supplies | 200 | 412 | - |
| Supplies | 15,975 | 14,283 | 17,574 |
| Fuel & oil | 50,757 | 47,934 | 53,423 |
| Repairs | 47,556 | 49,782 | 45,454 |
| Repair, machinery | 2,704 | - | 5,257 |
| Repair, livestock equip | 271 | - | 527 |
| Custom hire | 21,582 | 21,996 | 21,191 |
| Repair, buildings | 4,782 | 5,850 | 3,773 |
| Hired labor | 103,236 | 107,275 | 99,422 |
| Land rent | 19,945 | 20,426 | 19,491 |
| Machinery leases | 11,842 | 7,505 | 15,938 |
| Building leases | 2,309 | 3,694 | 1,000 |
| Real estate taxes | 11,136 | 11,096 | 11,174 |
| Personal property taxes | 304 | 156 | 444 |
| Farm insurance | 17,913 | 17,429 | 18,371 |
| Utilities | 22,562 | 20,754 | 24,270 |
| Hauling and trucking | 891 | - | 1,733 |
| Dues & professional fees | 6,513 | 6,186 | 6,822 |
| Miscellaneous | 11,820 | 6,331 | 17,003 |
| Total cash expense | 829,390 | 798,506 | 858,558 |
| Net cash farm income | 202,763 | 164,477 | 238,921 |

| | | | |
|---------------------------------|---------|---------|----------|
| Inventory Changes | | | |
| Prepays and supplies | -10,467 | -4,598 | -16,009 |
| Accounts receivable | -158 | 247 | -539 |
| Hedging accounts | -240 | - | -468 |
| Other current assets | 9,007 | 13,556 | 4,710 |
| Crops and feed | 25,470 | -39,231 | 86,577 |
| Market livestock | 386 | 1,139 | -325 |
| Breeding livestock | 2,520 | -8,260 | 12,700 |
| Other assets | 2,016 | -3,819 | 7,526 |
| Accounts payable | -16,292 | -17,448 | -15,201 |
| Accrued interest | -882 | 4 | -1,719 |
| Total inventory change | 11,358 | -58,411 | 77,251 |
| Net operating profit | 214,121 | 106,066 | 316,173 |
| Depreciation | | | |
| Machinery and equipment | -56,579 | -50,021 | -62,773 |
| Titled vehicles | -574 | -6 | -1,110 |
| Buildings and improvements | -33,781 | -30,141 | -37,219 |
| Total depreciation | -90,934 | -80,168 | -101,102 |
| Net farm income from operations | 123,187 | 25,897 | 215,071 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 123,187 | 25,897 | 215,071 |

Table 38

Inventory Changes
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------|----------------------|---------|----------|
| Number of farms | 35 | 17 | 18 |
| Net cash farm income | 202,763 | 164,477 | 238,921 |
| Crops and Feed | | | |
| Ending inventory | 292,657 | 249,008 | 333,881 |
| Beginning inventory | 267,187 | 288,239 | 247,304 |
| Inventory change | 25,470 | -39,231 | 86,577 |
| Market Livestock | | | |
| Ending inventory | 17,327 | 16,540 | 18,070 |
| Beginning inventory | 16,941 | 15,402 | 18,396 |
| Inventory change | 386 | 1,139 | -325 |
| Accts Receivable | | | |
| Ending inventory | 37,582 | 36,431 | 38,669 |
| Beginning inventory | 37,740 | 36,184 | 39,209 |
| Inventory change | -158 | 247 | -539 |
| Prepaid Expenses and Supplies | | | |
| Ending inventory | 33,623 | 18,758 | 47,662 |
| Beginning inventory | 44,089 | 23,356 | 63,671 |
| Inventory change | -10,467 | -4,598 | -16,009 |
| Hedging Activities | | | |
| Ending inventory | 149 | - | 290 |
| Withdrawals | -390 | - | -758 |
| Beginning inventory | - | - | - |
| Deposits | - | - | - |
| Gain or loss | -240 | - | -468 |
| Other Current Assets | | | |
| Ending inventory | 30,400 | 39,108 | 22,176 |
| Beginning inventory | 21,394 | 25,553 | 17,466 |
| Inventory change | 9,007 | 13,556 | 4,710 |
| Breeding Livestock | | | |
| Ending inventory | 429,195 | 413,442 | 444,073 |
| Capital sales | 2,848 | 747 | 4,832 |
| Beginning inventory | 420,930 | 420,303 | 421,523 |
| Capital purchases | 8,593 | 2,145 | 14,682 |
| Depreciation, capital adjust | 2,520 | -8,260 | 12,700 |
| Other Capital Assets | | | |
| Ending inventory | 55,130 | 46,494 | 63,285 |
| Capital sales | 6,816 | 2,938 | 10,478 |
| Beginning inventory | 48,640 | 33,871 | 62,588 |
| Capital purchases | 11,290 | 19,380 | 3,649 |
| Depreciation, capital adjust | 2,016 | -3,819 | 7,526 |
| Accounts Payable | | | |
| Beginning inventory | 28,537 | 44,225 | 13,720 |
| Ending inventory | 44,829 | 61,673 | 28,921 |
| Inventory change | -16,292 | -17,448 | -15,201 |
| Accrued Interest | | | |
| Beginning inventory | 560 | 120 | 976 |
| Ending inventory | 1,443 | 116 | 2,696 |
| Inventory change | -882 | 4 | -1,719 |
| Total inventory change | 11,358 | -58,411 | 77,251 |
| Net operating profit | 214,121 | 106,066 | 316,173 |

Table 39

Depreciation
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|---------|----------|
| Number of farms | 35 | 17 | 18 |
| Net operating profit | 214,121 | 106,066 | 316,173 |
| Machinery and Equipment | | | |
| Ending inventory | 187,823 | 187,305 | 188,312 |
| Capital sales | 4,239 | 6,173 | 2,413 |
| Beginning inventory | 171,919 | 187,509 | 157,194 |
| Capital purchases | 76,722 | 55,989 | 96,304 |
| Depreciation, capital adjust. | -56,579 | -50,021 | -62,773 |
| Titled Vehicles | | | |
| Ending inventory | 3,587 | 229 | 6,758 |
| Capital sales | - | - | - |
| Beginning inventory | 2,425 | - | 4,715 |
| Capital purchases | 1,736 | 235 | 3,153 |
| Depreciation, capital adjust. | -574 | -6 | -1,110 |
| Buildings and Improvements | | | |
| Ending inventory | 222,916 | 203,513 | 241,240 |
| Capital sales | 17 | - | 33 |
| Beginning inventory | 170,251 | 167,796 | 172,568 |
| Capital purchases | 86,463 | 65,858 | 105,923 |
| Depreciation, capital adjust. | -33,781 | -30,141 | -37,219 |
| Total depreciation, capital adj. | -90,934 | -80,168 | -101,102 |
| Net farm income from operations | 123,187 | 25,897 | 215,071 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 123,187 | 25,897 | 215,071 |

Table 40

Profitability Measures
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---|----------------------|-----------|-----------|
| Number of farms | 35 | 17 | 18 |
| Profitability (assets valued at cost) | | | |
| Net farm income from operations | 123,187 | 25,897 | 215,071 |
| Rate of return on assets | 5.8 % | -0.4 % | 11.0 % |
| Rate of return on equity | 7.8 % | -5.0 % | 18.1 % |
| Operating profit margin | 11.7 % | -1.0 % | 20.2 % |
| Asset turnover rate | 49.9 % | 44.4 % | 54.5 % |
| Farm interest expense | 32,648 | 30,357 | 34,811 |
| Value of operator lbr and mgmt. | 61,596 | 62,674 | 60,579 |
| Return on farm assets | 94,238 | -6,419 | 189,303 |
| Average farm assets | 1,619,715 | 1,509,576 | 1,723,736 |
| Return on farm equity | 61,590 | -36,777 | 154,492 |
| Average farm equity | 794,003 | 732,533 | 852,057 |
| Value of farm production | 808,205 | 669,674 | 939,040 |
| | Avg. Of All Farms | Low 50% | High 50% |
| Number of farms | 35 | 17 | 18 |
| Profitability (assets valued at market) | | | |
| Net farm income from operations | 162,692 | -38,481 | 352,688 |
| Rate of return on assets | 4.8 % | -2.7 % | 11.1 % |
| Rate of return on equity | 5.2 % | -5.5 % | 14.0 % |
| Operating profit margin | 16.5 % | -10.6 % | 34.8 % |
| Asset turnover rate | 29.1 % | 25.7 % | 31.8 % |
| Farm interest expense | 32,648 | 30,357 | 34,811 |
| Value of operator lbr and mgmt. | 61,596 | 62,674 | 60,579 |
| Return on farm assets | 133,743 | -70,797 | 326,920 |
| Average farm assets | 2,781,598 | 2,602,431 | 2,950,811 |
| Return on farm equity | 101,095 | -101,155 | 292,109 |
| Average farm equity | 1,955,885 | 1,825,388 | 2,079,132 |
| Value of farm production | 808,205 | 669,674 | 939,040 |

Table 41

Liquidity & Repayment Capacity Measures
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|---------|-----------|
| Number of farms | 35 | 17 | 18 |
| Liquidity | | | |
| Current ratio | 2.58 | 2.35 | 2.78 |
| Working capital | 265,604 | 216,534 | 311,948 |
| Working capital to gross inc | 24.8 % | 23.4 % | 25.9 % |
| Current assets | 433,689 | 376,947 | 487,279 |
| Current liabilities | 168,085 | 160,413 | 175,330 |
| Gross revenues (accrual) | 1,070,530 | 926,862 | 1,206,217 |
| Repayment capacity | | | |
| Net farm income from operations | 123,187 | 25,897 | 215,071 |
| Depreciation | 90,934 | 80,168 | 101,102 |
| Personal income | 11,967 | 7,620 | 16,072 |
| Family living/owner withdrawals | -50,362 | -59,141 | -42,070 |
| Payments on personal debt | -925 | - | -1,799 |
| Income taxes paid | -2,234 | -1,850 | -2,596 |
| Interest on term debt | 36,681 | 37,767 | 35,654 |
| Capital debt repayment capacity | 208,656 | 89,245 | 321,433 |
| Scheduled term debt payments | -90,555 | -89,397 | -91,649 |
| Capital debt repayment margin | 118,101 | -152 | 229,784 |
| Cash replacement allowance | -28,665 | -33,848 | -23,769 |
| Replacement margin | 89,436 | -34,000 | 206,015 |
| Term debt coverage ratio | 2.30 | 1.00 | 3.51 |
| Replacement coverage ratio | 1.75 | 0.72 | 2.78 |

Table 42

Balance Sheet at Cost Values
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 50% | | High 50% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | 35 | | 17 | | 18 | |
| Number of farms | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 26,617 | 21,376 | 23,183 | 17,102 | 29,860 | 25,413 |
| Prepaid expenses & supplies | 44,089 | 33,623 | 23,356 | 18,758 | 63,671 | 47,662 |
| Growing crops | 21,404 | 22,025 | 25,573 | 25,325 | 17,466 | 18,909 |
| Accounts receivable | 37,740 | 37,582 | 36,184 | 36,431 | 39,209 | 38,669 |
| Hedging accounts | 0 | 149 | 0 | 0 | 0 | 290 |
| Crops held for sale or feed | 267,708 | 292,136 | 288,239 | 249,008 | 248,318 | 332,868 |
| Crops under government loan | 53 | 1,096 | 0 | 0 | 104 | 2,130 |
| Market livestock held for sale | 16,941 | 17,327 | 15,402 | 16,540 | 18,396 | 18,070 |
| Other current assets | -10 | 8,375 | -21 | 13,784 | 0 | 3,267 |
| Total current farm assets | 414,542 | 433,689 | 411,917 | 376,947 | 417,022 | 487,279 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 420,930 | 429,195 | 420,303 | 413,442 | 421,523 | 444,073 |
| Machinery and equipment | 171,919 | 187,823 | 187,509 | 187,305 | 157,194 | 188,312 |
| Titled vehicles | 2,425 | 3,587 | 0 | 229 | 4,715 | 6,758 |
| Other intermediate assets | 34,624 | 39,749 | 17,483 | 29,564 | 50,813 | 49,368 |
| Total intermediate farm assets | 629,898 | 660,353 | 625,296 | 630,541 | 634,245 | 688,510 |
| Long Term Farm Assets | | | | | | |
| Farm land | 300,573 | 377,813 | 250,912 | 318,913 | 347,475 | 433,441 |
| Buildings and improvements | 170,251 | 222,916 | 167,796 | 203,513 | 172,568 | 241,240 |
| Other long-term assets | 14,015 | 15,381 | 16,388 | 16,930 | 11,774 | 13,917 |
| Total long-term farm assets | 484,839 | 616,109 | 435,096 | 539,356 | 531,818 | 688,598 |
| Total Farm Assets | 1,529,280 | 1,710,151 | 1,472,309 | 1,546,844 | 1,583,085 | 1,864,387 |
| Total Nonfarm Assets | 63,240 | 69,096 | 68,464 | 74,493 | 58,306 | 63,999 |
| Total Assets | 1,592,519 | 1,779,247 | 1,540,773 | 1,621,336 | 1,641,391 | 1,928,386 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 560 | 1,443 | 120 | 116 | 976 | 2,696 |
| Accounts payable | 28,537 | 44,829 | 44,225 | 61,673 | 13,720 | 28,921 |
| Current notes | 53,399 | 48,310 | 49,437 | 32,721 | 57,142 | 63,032 |
| Government crop loans | 19 | 548 | 0 | 0 | 38 | 1,065 |
| Principal due on term debt | 53,875 | 72,955 | 51,630 | 65,903 | 55,995 | 79,616 |
| Total current farm liabilities | 136,390 | 168,085 | 145,411 | 160,413 | 127,871 | 175,330 |
| Total intermediate farm liabs | 229,982 | 209,116 | 182,904 | 181,346 | 274,444 | 235,343 |
| Total long term farm liabilities | 421,187 | 486,666 | 431,307 | 452,705 | 411,630 | 518,740 |
| Total farm liabilities | 787,560 | 863,866 | 759,623 | 794,463 | 813,944 | 929,414 |
| Total nonfarm liabilities | 7,962 | 6,139 | 353 | 353 | 15,148 | 11,604 |
| Total liabilities | 795,521 | 870,005 | 759,976 | 794,816 | 829,092 | 941,017 |
| Net worth (farm and nonfarm) | 796,998 | 909,242 | 780,797 | 826,520 | 812,299 | 987,368 |
| Net worth change | | 112,244 | | 45,723 | | 175,069 |
| Percent net worth change | | 14 % | | 6 % | | 22 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 33 % | 39 % | 35 % | 43 % | 31 % | 36 % |
| Intermediate farm liab. / assets | 37 % | 32 % | 29 % | 29 % | 43 % | 34 % |
| Long term farm liab. / assets | 87 % | 79 % | 99 % | 84 % | 77 % | 75 % |
| Total debt to asset ratio | 50 % | 49 % | 49 % | 49 % | 51 % | 49 % |

Table 43

Balance Sheet at Market Values
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 50% | | High 50% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Number of farms | 35 | | 17 | | 18 | |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 26,617 | 21,376 | 23,183 | 17,102 | 29,860 | 25,413 |
| Prepaid expenses & supplies | 44,089 | 33,623 | 23,356 | 18,758 | 63,671 | 47,662 |
| Growing crops | 21,404 | 22,025 | 25,573 | 25,325 | 17,466 | 18,909 |
| Accounts receivable | 37,740 | 37,582 | 36,184 | 36,431 | 39,209 | 38,669 |
| Hedging accounts | 0 | 149 | 0 | 0 | 0 | 290 |
| Crops held for sale or feed | 267,708 | 292,136 | 288,239 | 249,008 | 248,318 | 332,868 |
| Crops under government loan | 53 | 1,096 | 0 | 0 | 104 | 2,130 |
| Market livestock held for sale | 16,941 | 17,327 | 15,402 | 16,540 | 18,396 | 18,070 |
| Other current assets | -10 | 8,375 | -21 | 13,784 | 0 | 3,267 |
| Total current farm assets | 414,542 | 433,689 | 411,917 | 376,947 | 417,022 | 487,279 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 454,720 | 462,649 | 449,408 | 436,666 | 459,737 | 487,190 |
| Machinery and equipment | 510,639 | 548,587 | 571,358 | 573,850 | 453,294 | 524,728 |
| Titled vehicles | 14,198 | 16,734 | 8,229 | 8,154 | 19,834 | 24,837 |
| Other intermediate assets | 47,991 | 51,148 | 45,002 | 53,033 | 50,813 | 49,368 |
| Total intermediate farm assets | 1,027,548 | 1,079,118 | 1,073,998 | 1,071,702 | 983,678 | 1,086,123 |
| Long Term Farm Assets | | | | | | |
| Farm land | 807,141 | 901,002 | 695,686 | 722,970 | 912,404 | 1,069,144 |
| Buildings and improvements | 404,901 | 458,699 | 400,004 | 415,296 | 409,525 | 499,690 |
| Other long-term assets | 17,277 | 19,278 | 15,747 | 20,595 | 18,722 | 18,034 |
| Total long-term farm assets | 1,229,319 | 1,378,979 | 1,111,437 | 1,158,860 | 1,340,652 | 1,586,869 |
| Total Farm Assets | 2,671,409 | 2,891,786 | 2,597,352 | 2,607,509 | 2,741,352 | 3,160,270 |
| Total Nonfarm Assets | 186,512 | 187,006 | 236,750 | 249,124 | 139,064 | 128,339 |
| Total Assets | 2,857,921 | 3,078,792 | 2,834,102 | 2,856,633 | 2,880,416 | 3,288,609 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 560 | 1,443 | 120 | 116 | 976 | 2,696 |
| Accounts payable | 28,537 | 44,829 | 44,225 | 61,673 | 13,720 | 28,921 |
| Current notes | 53,399 | 48,310 | 49,437 | 32,721 | 57,142 | 63,032 |
| Government crop loans | 19 | 548 | 0 | 0 | 38 | 1,065 |
| Principal due on term debt | 53,875 | 72,955 | 51,630 | 65,903 | 55,995 | 79,616 |
| Total current farm liabilities | 136,390 | 168,085 | 145,411 | 160,413 | 127,871 | 175,330 |
| Total intermediate farm liabs | 229,982 | 209,116 | 182,904 | 181,346 | 274,444 | 235,343 |
| Total long term farm liabilities | 421,187 | 486,666 | 431,307 | 452,705 | 411,630 | 518,740 |
| Total farm liabilities | 787,560 | 863,866 | 759,623 | 794,463 | 813,944 | 929,414 |
| Total nonfarm liabilities | 7,962 | 6,139 | 353 | 353 | 15,148 | 11,604 |
| Total liabs excluding deferreds | 795,521 | 870,005 | 759,976 | 794,816 | 829,092 | 941,017 |
| Total deferred liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 795,521 | 870,005 | 759,976 | 794,816 | 829,092 | 941,017 |
| Retained earnings | 796,998 | 909,242 | 780,797 | 826,520 | 812,299 | 987,368 |
| Market valuation equity | 1,265,402 | 1,299,545 | 1,293,329 | 1,235,297 | 1,239,025 | 1,360,224 |
| Net worth (farm and nonfarm) | 2,062,400 | 2,208,787 | 2,074,126 | 2,061,817 | 2,051,324 | 2,347,592 |
| Net worth excluding deferreds | 2,062,400 | 2,208,787 | 2,074,126 | 2,061,817 | 2,051,324 | 2,347,592 |
| Net worth change | | 146,387 | | -12,309 | | 296,268 |
| Percent net worth change | | 7 % | | -1 % | | 14 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 33 % | 39 % | 35 % | 43 % | 31 % | 36 % |
| Intermediate farm liab. / assets | 22 % | 19 % | 17 % | 17 % | 28 % | 22 % |
| Long term farm liab. / assets | 34 % | 35 % | 39 % | 39 % | 31 % | 33 % |
| Total debt to asset ratio | 28 % | 28 % | 27 % | 28 % | 29 % | 29 % |
| Debt to assets excl deferreds | 28 % | 28 % | 27 % | 28 % | 29 % | 29 % |

Table 44

Statement Of Cash Flows
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------------|----------------------|----------|-----------|
| Number of farms | 35 | 17 | 18 |
| Beginning cash (farm & nonfarm) | 27,188 | 23,183 | 30,971 |
| Cash Provided By Operating Activities | | | |
| Gross cash farm income | 1,032,152 | 962,983 | 1,097,479 |
| Total cash farm expense | -829,390 | -798,506 | -858,558 |
| Net cash from hedging transactions | -390 | - | -758 |
| Cash provided by operating | 202,373 | 164,477 | 238,164 |
| Cash Provided By Investing Activities | | | |
| Sale of breeding livestock | 2,848 | 747 | 4,832 |
| Sale of machinery & equipment | 4,239 | 6,173 | 2,413 |
| Sale of titled vehicles | - | - | - |
| Sale of farm land | 2,963 | 6,100 | - |
| Sale of farm buildings | 17 | - | 33 |
| Sale of other farm assets | 6,816 | 2,938 | 10,478 |
| Sale of nonfarm assets | 3,174 | 4,770 | 1,667 |
| Purchase of breeding livestock | -8,593 | -2,145 | -14,682 |
| Purchase of machinery & equip. | -76,722 | -55,989 | -96,304 |
| Purchase of titled vehicles | -1,736 | -235 | -3,153 |
| Purchase of farm land | -58,733 | -9,666 | -105,074 |
| Purchase of farm buildings | -86,463 | -65,858 | -105,923 |
| Purchase of other farm assets | -11,290 | -19,380 | -3,649 |
| Purchase of nonfarm assets | -4,188 | -6,847 | -1,676 |
| Cash provided by investing | -227,669 | -139,394 | -311,039 |
| Cash Provided By Financing Activities | | | |
| Money borrowed | 242,847 | 145,357 | 334,920 |
| Principal payments | -185,500 | -127,960 | -239,843 |
| Personal income | 11,967 | 7,620 | 16,072 |
| Family living/owner withdrawals | -50,362 | -59,141 | -42,070 |
| Income and social security tax | -2,234 | -1,850 | -2,596 |
| Capital contributions | 2,220 | - | 4,316 |
| Capital distributions | -1,038 | - | -2,018 |
| Dividends paid | - | - | - |
| Cash gifts and inheritances | 7,646 | 10,619 | 4,837 |
| Gifts given | -5,347 | -5,809 | -4,911 |
| Other cash flows | - | - | - |
| Cash provided by financing | 19,607 | -32,380 | 68,706 |
| Net change in cash balance | -5,689 | -7,298 | -4,169 |
| Ending cash (farm & nonfarm) | 22,090 | 17,102 | 26,802 |

Table 45

Financial Standards Measures
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 35 | 17 | 18 |
| Liquidity | | | |
| Current ratio | 2.58 | 2.35 | 2.78 |
| Working capital | 265,604 | 216,534 | 311,948 |
| Working capital to gross inc | 24.8 % | 23.4 % | 25.9 % |
| Solvency (market) | | | |
| Farm debt to asset ratio | 30 % | 30 % | 29 % |
| Farm equity to asset ratio | 70 % | 70 % | 71 % |
| Farm debt to equity ratio | 0.43 | 0.44 | 0.42 |
| Profitability (cost) | | | |
| Rate of return on farm assets | 5.8 % | -0.4 % | 11.0 % |
| Rate of return on farm equity | 7.8 % | -5.0 % | 18.1 % |
| Operating profit margin | 11.7 % | -1.0 % | 20.2 % |
| Net farm income | 123,187 | 25,897 | 215,071 |
| EBIDTA | 246,769 | 136,423 | 350,984 |
| Repayment Capacity | | | |
| Capital debt repayment capacity | 208,656 | 89,245 | 321,433 |
| Capital debt repayment margin | 118,101 | -152 | 229,784 |
| Replacement margin | 89,436 | -34,000 | 206,015 |
| Term debt coverage ratio | 2.30 | 1.00 | 3.51 |
| Replacement coverage ratio | 1.75 | 0.72 | 2.78 |
| Efficiency | | | |
| Asset turnover rate (cost) | 49.9 % | 44.4 % | 54.5 % |
| Operating expense ratio | 76.9 % | 85.3 % | 70.9 % |
| Depreciation expense ratio | 8.5 % | 8.6 % | 8.4 % |
| Interest expense ratio | 3.0 % | 3.3 % | 2.9 % |
| Net farm income ratio | 11.5 % | 2.8 % | 17.8 % |

Table 46

Operator and Labor Information
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 35 | 17 | 18 |
| Operator Information | | | |
| Average number of operators | 1.4 | 1.5 | 1.3 |
| Average age of operators | 50.3 | 50.8 | 49.8 |
| Average number of years farming | 23.7 | 25.4 | 21.7 |
| Results Per Operator | | | |
| Working capital | 185,923 | 141,580 | 233,961 |
| Total assets (market) | 2,155,155 | 1,867,799 | 2,466,457 |
| Total liabilities | 609,004 | 519,688 | 705,763 |
| Net worth (market) | 1,546,151 | 1,348,111 | 1,760,694 |
| Net worth excl deferred liabs | 1,546,151 | 1,348,111 | 1,760,694 |
| Gross farm income | 749,371 | 606,025 | 904,663 |
| Total farm expense | 663,141 | 589,092 | 743,359 |
| Net farm income from operations | 86,231 | 16,933 | 161,303 |
| Net nonfarm income | 8,377 | 4,982 | 12,054 |
| Family living & tax withdrawals | 36,817 | 39,879 | 33,500 |
| Total acres owned | 265.7 | 208.2 | 328.0 |
| Total crop acres | 469.0 | 425.6 | 516.0 |
| Crop acres owned | 274.2 | 236.4 | 315.1 |
| Crop acres cash rented | 194.8 | 189.2 | 200.9 |
| Crop acres share rented | - | - | - |
| Total pasture acres | 0.2 | - | 0.4 |
| Labor Analysis | | | |
| Number of farms | 35 | 17 | 18 |
| Total unpaid labor hours | 4,647 | 4,721 | 4,576 |
| Total hired labor hours | 6,713 | 6,810 | 6,620 |
| Total labor hours per farm | 11,359 | 11,531 | 11,197 |
| Unpaid hours per operator | 3,253 | 3,087 | 3,432 |
| Value of farm production / hour | 71.15 | 58.07 | 83.87 |
| Net farm income / unpaid hour | 26.51 | 5.49 | 47.00 |
| Average hourly hired labor wage | 15.82 | 15.75 | 15.89 |
| Partnerships & LLCs | | | |
| Number of farms | 14 | 10 | 4 |
| Number of operators | 2.0 | 1.9 | - |
| Owner withdrawals per farm | - | - | - |
| Withdrawals per operator | - | - | - |

Table 47

Financial Summary
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------------|----------------------|-----------|-----------|
| Number of farms | 35 | 17 | 18 |
| Income Statement | | | |
| Gross cash farm income | 1,032,152 | 962,983 | 1,097,479 |
| Total cash farm expense | 829,390 | 798,506 | 858,558 |
| Net cash farm income | 202,763 | 164,477 | 238,921 |
| Inventory change | 11,358 | -58,411 | 77,251 |
| Depreciation | -90,934 | -80,168 | -101,102 |
| Net farm income from operations | 123,187 | 25,897 | 215,071 |
| Gain or loss on capital sales | - | - | - |
| Average net farm income | 123,187 | 25,897 | 215,071 |
| Median net farm income | 75,655 | 12,792 | 122,051 |
| Profitability (cost) | | | |
| Rate of return on assets | 5.8 % | -0.4 % | 11.0 % |
| Rate of return on equity | 7.8 % | -5.0 % | 18.1 % |
| Operating profit margin | 11.7 % | -1.0 % | 20.2 % |
| Asset turnover rate | 49.9 % | 44.4 % | 54.5 % |
| Profitability (market) | | | |
| Rate of return on assets | 4.8 % | -2.7 % | 11.1 % |
| Rate of return on equity | 5.2 % | -5.5 % | 14.0 % |
| Operating profit margin | 16.5 % | -10.6 % | 34.8 % |
| Asset turnover rate | 29.1 % | 25.7 % | 31.8 % |
| Liquidity & Repayment (end of year) | | | |
| Current assets | 433,689 | 376,947 | 487,279 |
| Current liabilities | 168,085 | 160,413 | 175,330 |
| Current ratio | 2.58 | 2.35 | 2.78 |
| Working capital | 265,604 | 216,534 | 311,948 |
| Working capital to gross inc | 24.8 % | 23.4 % | 25.9 % |
| Term debt coverage ratio | 2.30 | 1.00 | 3.51 |
| Replacement coverage ratio | 1.75 | 0.72 | 2.78 |
| Solvency (end of year at cost) | | | |
| Number of farms | 35 | 17 | 18 |
| Total farm assets | 1,710,151 | 1,546,844 | 1,864,387 |
| Total farm liabilities | 863,866 | 794,463 | 929,414 |
| Total assets | 1,779,247 | 1,621,336 | 1,928,386 |
| Total liabilities | 870,005 | 794,816 | 941,017 |
| Net worth | 909,242 | 826,520 | 987,368 |
| Net worth change | 112,244 | 45,723 | 175,069 |
| Farm debt to asset ratio | 51 % | 51 % | 50 % |
| Total debt to asset ratio | 49 % | 49 % | 49 % |
| Solvency (end of year at market) | | | |
| Number of farms | 35 | 17 | 18 |
| Total farm assets | 2,891,786 | 2,607,509 | 3,160,270 |
| Total farm liabilities | 863,866 | 794,463 | 929,414 |
| Total assets | 3,078,792 | 2,856,633 | 3,288,609 |
| Total liabilities | 870,005 | 794,816 | 941,017 |
| Net worth | 2,208,787 | 2,061,817 | 2,347,592 |
| Net worth change | 146,387 | -12,309 | 296,268 |
| Farm debt to asset ratio | 30 % | 30 % | 29 % |
| Total debt to asset ratio | 28 % | 28 % | 29 % |
| Nonfarm Information | | | |
| Net nonfarm income | 11,967 | 7,620 | 16,072 |
| Crop Acres | | | |
| Total acres owned | 380 | 318 | 437 |
| Total crop acres | 670 | 651 | 688 |
| Total crop acres owned | 392 | 362 | 420 |
| Total crop acres cash rented | 278 | 289 | 268 |
| Total crop acres share rented | - | - | - |

Table 48

Summary Farm Income Statement
2013 MI Dairy Herds (100-249 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|---------|-----------|
| Number of farms | 35 | 17 | 18 |
| Crop sales | 48,696 | 59,113 | 38,858 |
| Crop inventory change | 25,470 | -39,231 | 86,577 |
| Gross crop income | 74,166 | 19,882 | 125,434 |
| Livestock sales | 854,183 | 809,454 | 896,426 |
| Livestock inventory change | 386 | 1,139 | -325 |
| Gross livestock income | 854,569 | 810,593 | 896,101 |
| Government payments | 43,326 | 27,775 | 58,013 |
| Other cash farm income | 85,947 | 66,640 | 104,182 |
| Change in accounts receivable | -158 | 247 | -539 |
| Gain or loss on hedging accounts | -240 | - | -468 |
| Change in other assets | 10,401 | 9,985 | 10,793 |
| Gain or loss on breeding lvst | 2,520 | -8,260 | 12,700 |
| Gross farm income | 1,070,530 | 926,862 | 1,206,217 |
| Cash operating expenses | 797,624 | 768,145 | 825,466 |
| Change in prepaids and supplies | 10,467 | 4,598 | 16,009 |
| Change in growing crops | -622 | 249 | -1,443 |
| Change in accounts payable | 16,292 | 17,448 | 15,201 |
| Depreciation | 90,934 | 80,168 | 101,102 |
| Total operating expense | 914,696 | 870,607 | 956,334 |
| Interest paid | 31,766 | 30,361 | 33,092 |
| Change in accrued interest | 882 | -4 | 1,719 |
| Total interest expense | 32,648 | 30,357 | 34,811 |
| Total expenses | 947,344 | 900,965 | 991,146 |
| Net farm income from operations | 123,187 | 25,897 | 215,071 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 123,187 | 25,897 | 215,071 |

D. Financial Summary Information, Herds with 250-449 Cows

Table 49

Crop Production and Marketing Summary
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|--|----------------------|---------|----------|
| Dairy | | | |
| Number of farms | 13 | 6 | 7 |
| Average number of cows | 311 | 300 | 306 |
| Milk production per cow lbs., | 25,369 | 24,993 | 25,526 |
| Average milk price per cwt., | \$20.72 | \$20.19 | \$21.42 |
| Acreage Summary | | | |
| Total acres owned | 522 | 313 | 702 |
| Total crop acres | 1,087 | 1,007 | 1,155 |
| Crop acres owned | 712 | 312 | 1,055 |
| Crop acres cash rented | 375 | 695 | 100 |
| Crop acres share rented | - | - | - |
| Total pasture acres | - | - | - |
| Percent crop acres owned | 66 % | 31 % | 91 % |
| Mach invest/crop acre cost | 146 | 103 | 178 |
| Mach invest/crop acre market | 497 | 306 | 641 |
| Average Price Received (Cash Sales Only) | | | |
| Corn per bushel | 5.68 | - | - |

Average Yield Per Acre

Table 50

Farm Income Statement
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Cash Farm Income | | | |
| Corn | 57,211 | 38,767 | 73,019 |
| Hay, Mixed | 1,396 | 2,199 | 707 |
| Soybeans | 85,568 | 25,991 | 136,635 |
| Sugar Beets | 3,478 | - | 6,460 |
| Wheat, Winter | 11,404 | 5,641 | 16,344 |
| Beef Cow-Calf, Beef Calves | 28,078 | 60,837 | - |
| Beef Finishing | 20,730 | - | 38,498 |
| Dairy, Milk | 1,608,683 | 1,614,297 | 1,603,871 |
| Dairy, Dairy Calves | 5,272 | 5,275 | 5,269 |
| Dairy Replacement Heifers | 431 | 934 | - |
| Dairy Finishing | 5,362 | 11,618 | - |
| Dairy Feeder | 37,455 | 11,474 | 59,725 |
| Cull breeding livestock | 104,282 | 94,722 | 112,475 |
| Misc. livestock income | 457 | 990 | - |
| Direct, CCP & ACRE pymts | 6,257 | - | 11,620 |
| CRP payments | 5,957 | 9,905 | 2,572 |
| Other government payments | 17,153 | 14,881 | 19,100 |
| Custom work income | 2,924 | 571 | 4,941 |
| Patronage dividends, cash | 12,202 | 11,106 | 13,142 |
| Crop insurance income | 2,028 | - | 3,766 |
| Property insurance income | 11,107 | 23,435 | 541 |
| Tax refunds | 398 | 200 | 567 |
| Other farm income | 15,692 | 12,951 | 18,042 |
| Gross Cash Farm Income | 2,043,524 | 1,945,792 | 2,127,295 |

Table 50

Farm Income Statement (Continued)
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Cash Farm Expense | | | |
| Seed | 68,553 | 52,223 | 82,549 |
| Fertilizer | 69,130 | 69,696 | 68,646 |
| Crop chemicals | 22,414 | 14,873 | 28,878 |
| Crop insurance | 4,645 | 694 | 8,031 |
| Drying expense | 758 | - | 1,408 |
| Storage | 1,392 | - | 2,584 |
| Crop custom hire | 5,996 | - | 11,136 |
| Crop miscellaneous | 3,199 | 50 | 5,898 |
| Feeder livestock purchase | 5,071 | - | 9,417 |
| Purchased feed | 563,778 | 607,990 | 525,882 |
| Breeding fees | 13,897 | 10,503 | 16,806 |
| Veterinary | 55,145 | 55,632 | 54,728 |
| Livestock supplies | 28,766 | 18,436 | 37,620 |
| DHIA | 3,764 | 3,283 | 4,177 |
| Contract production exp. | 27,315 | 24,944 | 29,347 |
| Livestock hired labor | 330 | - | 613 |
| Hauling and trucking | 42,905 | 36,978 | 47,986 |
| Marketing | 19,020 | 15,336 | 22,178 |
| Bedding | 23,964 | 24,189 | 23,771 |
| Consultants | 877 | - | 1,628 |
| Interest | 71,174 | 56,886 | 83,421 |
| Packaging and supplies | 3,152 | 6,005 | 706 |
| Supplies | 15,549 | 25,595 | 6,938 |
| Fuel & oil | 86,152 | 88,371 | 84,251 |
| Repairs | 77,743 | 75,462 | 79,698 |
| Repair, machinery | 3,262 | - | 6,058 |
| Custom hire | 23,815 | 29,904 | 18,596 |
| Repair, buildings | 5,631 | 5,041 | 6,136 |
| Hired labor | 216,072 | 178,903 | 247,932 |
| Land rent | 56,961 | 61,178 | 53,348 |
| Machinery leases | 6,113 | 8,545 | 4,030 |
| Building leases | 769 | - | 1,429 |
| Real estate taxes | 20,774 | 17,825 | 23,302 |
| Personal property taxes | 3,071 | 6,100 | 475 |
| Farm insurance | 22,343 | 23,255 | 21,562 |
| Utilities | 45,167 | 43,406 | 46,676 |
| Dues & professional fees | 9,519 | 10,435 | 8,734 |
| Miscellaneous | 21,608 | 15,173 | 27,124 |
| Total cash expense | 1,649,794 | 1,586,907 | 1,703,697 |
| Net cash farm income | 393,731 | 358,886 | 423,598 |
| Inventory Changes | | | |
| Prepays and supplies | 1,061 | -4,250 | 5,613 |
| Accounts receivable | 47,712 | 8,469 | 81,350 |
| Hedging accounts | 378 | - | 703 |
| Other current assets | 608 | 11,966 | -9,128 |

| | | | |
|---------------------------------|----------|----------|----------|
| Crops and feed | -5,854 | -62,800 | 42,956 |
| Market livestock | 67,960 | -2,788 | 128,601 |
| Breeding livestock | -13,407 | -69,307 | 34,507 |
| Other assets | 7,218 | 2,947 | 10,878 |
| Accounts payable | 4,266 | -6,189 | 13,227 |
| Accrued interest | -840 | -1,018 | -688 |
| Total inventory change | 109,101 | -122,971 | 308,020 |
| Net operating profit | 502,832 | 235,915 | 731,618 |
| Depreciation | | | |
| Machinery and equipment | -123,126 | -90,396 | -151,180 |
| Titled vehicles | -769 | - | -1,429 |
| Buildings and improvements | -53,508 | -41,260 | -64,007 |
| Total depreciation | -177,403 | -131,655 | -216,616 |
| Net farm income from operations | 325,428 | 104,259 | 515,001 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 325,428 | 104,259 | 515,001 |

Table 51

Inventory Changes
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------|----------------------|----------|----------|
| Number of farms | 13 | 6 | 7 |
| Net cash farm income | 393,731 | 358,886 | 423,598 |
| Crops and Feed | | | |
| Ending inventory | 513,788 | 512,823 | 514,614 |
| Beginning inventory | 519,642 | 575,623 | 471,658 |
| Inventory change | -5,854 | -62,800 | 42,956 |
| Market Livestock | | | |
| Ending inventory | 105,424 | 40,933 | 160,701 |
| Beginning inventory | 37,464 | 43,722 | 32,100 |
| Inventory change | 67,960 | -2,788 | 128,601 |
| Accts Receivable | | | |
| Ending inventory | 102,401 | 61,033 | 137,860 |
| Beginning inventory | 54,689 | 52,564 | 56,510 |
| Inventory change | 47,712 | 8,469 | 81,350 |
| Prepaid Expenses and Supplies | | | |
| Ending inventory | 94,573 | 82,140 | 105,230 |
| Beginning inventory | 93,512 | 86,390 | 99,617 |
| Inventory change | 1,061 | -4,250 | 5,613 |
| Hedging Activities | | | |
| Ending inventory | - | - | - |
| Withdrawals | 378 | - | 703 |
| Beginning inventory | - | - | - |
| Deposits | - | - | - |
| Gain or loss | 378 | - | 703 |
| Other Current Assets | | | |
| Ending inventory | 39,547 | 45,758 | 34,223 |
| Beginning inventory | 38,939 | 33,793 | 43,351 |
| Inventory change | 608 | 11,966 | -9,128 |
| Breeding Livestock | | | |
| Ending inventory | 832,038 | 840,770 | 824,554 |
| Capital sales | - | - | - |
| Beginning inventory | 822,994 | 862,184 | 789,404 |
| Capital purchases | 22,451 | 47,893 | 643 |
| Depreciation, capital adjust | -13,407 | -69,307 | 34,507 |
| Other Capital Assets | | | |
| Ending inventory | 68,727 | 55,391 | 80,159 |
| Capital sales | 0 | - | 0 |
| Beginning inventory | 58,259 | 50,009 | 65,330 |
| Capital purchases | 3,251 | 2,435 | 3,950 |
| Depreciation, capital adjust | 7,218 | 2,947 | 10,878 |
| Accounts Payable | | | |
| Beginning inventory | 73,427 | 50,934 | 92,707 |
| Ending inventory | 69,161 | 57,124 | 79,480 |
| Inventory change | 4,266 | -6,189 | 13,227 |
| Accrued Interest | | | |
| Beginning inventory | 2,356 | 2,031 | 2,634 |
| Ending inventory | 3,196 | 3,049 | 3,322 |
| Inventory change | -840 | -1,018 | -688 |
| Total inventory change | 109,101 | -122,971 | 308,020 |
| Net operating profit | 502,832 | 235,915 | 731,618 |

Table 52

Depreciation
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|----------|----------|
| Number of farms | 13 | 6 | 7 |
| Net operating profit | 502,832 | 235,915 | 731,618 |
| Machinery and Equipment | | | |
| Ending inventory | 341,856 | 354,440 | 331,070 |
| Capital sales | 1,909 | 2,130 | 1,719 |
| Beginning inventory | 314,668 | 296,990 | 329,820 |
| Capital purchases | 152,223 | 149,974 | 154,150 |
| Depreciation, capital adjust. | -123,126 | -90,396 | -151,180 |
| Titled Vehicles | | | |
| Ending inventory | 3,462 | - | 6,429 |
| Capital sales | - | - | - |
| Beginning inventory | 4,231 | - | 7,857 |
| Capital purchases | - | - | - |
| Depreciation, capital adjust. | -769 | - | -1,429 |
| Buildings and Improvements | | | |
| Ending inventory | 695,214 | 418,418 | 932,468 |
| Capital sales | - | - | - |
| Beginning inventory | 557,274 | 370,038 | 717,762 |
| Capital purchases | 191,448 | 89,639 | 278,713 |
| Depreciation, capital adjust. | -53,508 | -41,260 | -64,007 |
| Total depreciation, capital adj. | -177,403 | -131,655 | -216,616 |
| Net farm income from operations | 325,428 | 104,259 | 515,001 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 325,428 | 104,259 | 515,001 |

Table 53

Profitability Measures
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Profitability (assets valued at cost) | | | |
| Net farm income from operations | 325,428 | 104,259 | 515,001 |
| Rate of return on assets | 9.2 % | 2.8 % | 13.3 % |
| Rate of return on equity | 14.0 % | 1.4 % | 24.2 % |
| Operating profit margin | 20.0 % | 6.7 % | 27.5 % |
| Asset turnover rate | 46.0 % | 42.2 % | 48.5 % |
| Farm interest expense | 72,014 | 57,903 | 84,110 |
| Value of operator lbr and mgmt. | 80,133 | 80,288 | 80,000 |
| Return on farm assets | 317,310 | 81,875 | 519,111 |
| Average farm assets | 3,438,068 | 2,900,433 | 3,898,899 |
| Return on farm equity | 245,295 | 23,972 | 435,001 |
| Average farm equity | 1,751,652 | 1,694,228 | 1,800,874 |
| Value of farm production | 1,582,664 | 1,222,948 | 1,890,992 |
| | Avg. Of All Farms | Low 50% | High 50% |
| Number of farms | 13 | 6 | 7 |
| Profitability (assets valued at market) | | | |
| Net farm income from operations | 546,442 | 136,203 | 898,075 |
| Rate of return on assets | 10.1 % | 2.5 % | 15.1 % |
| Rate of return on equity | 12.7 % | 1.6 % | 21.2 % |
| Operating profit margin | 34.0 % | 9.3 % | 47.7 % |
| Asset turnover rate | 29.6 % | 26.4 % | 31.7 % |
| Farm interest expense | 72,014 | 57,903 | 84,110 |
| Value of operator lbr and mgmt. | 80,133 | 80,288 | 80,000 |
| Return on farm assets | 538,324 | 113,819 | 902,185 |
| Average farm assets | 5,345,196 | 4,628,936 | 5,959,134 |
| Return on farm equity | 466,309 | 55,916 | 818,075 |
| Average farm equity | 3,658,780 | 3,422,731 | 3,861,109 |
| Value of farm production | 1,582,664 | 1,222,948 | 1,890,992 |

Table 54

Liquidity & Repayment Capacity Measures
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Liquidity | | | |
| Current ratio | 3.43 | 3.87 | 3.18 |
| Working capital | 667,757 | 607,753 | 719,188 |
| Working capital to gross inc | 31.0 % | 33.2 % | 29.6 % |
| Current assets | 942,867 | 819,163 | 1,048,899 |
| Current liabilities | 275,110 | 211,410 | 329,711 |
| Gross revenues (accrual) | 2,151,512 | 1,830,938 | 2,426,291 |
| Repayment capacity | | | |
| Net farm income from operations | 325,428 | 104,259 | 515,001 |
| Depreciation | 177,403 | 131,655 | 216,616 |
| Personal income | 6,273 | 12,947 | 553 |
| Family living/owner withdrawals | -81,587 | -81,752 | -81,446 |
| Payments on personal debt | -3,658 | -1,236 | -5,734 |
| Income taxes paid | -8,107 | -16,641 | -792 |
| Interest on term debt | 83,268 | 84,584 | 82,141 |
| Capital debt repayment capacity | 499,021 | 233,817 | 726,340 |
| Scheduled term debt payments | -188,161 | -166,165 | -207,014 |
| Capital debt repayment margin | 310,861 | 67,652 | 519,325 |
| Cash replacement allowance | -40,983 | -30,386 | -50,067 |
| Replacement margin | 269,877 | 37,266 | 469,259 |
| Term debt coverage ratio | 2.65 | 1.41 | 3.51 |
| Replacement coverage ratio | 2.18 | 1.19 | 2.83 |

Table 55

Balance Sheet at Cost Values
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 50% | | High 50% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Number of farms | 13 | | 6 | | 7 | |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 49,043 | 83,614 | 44,075 | 68,847 | 53,302 | 96,271 |
| Prepaid expenses & supplies | 93,512 | 94,573 | 86,390 | 82,140 | 99,617 | 105,230 |
| Growing crops | 31,312 | 27,939 | 17,268 | 20,608 | 43,351 | 34,223 |
| Accounts receivable | 54,689 | 102,401 | 52,564 | 61,033 | 56,510 | 137,860 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 516,121 | 517,308 | 567,995 | 520,452 | 471,658 | 514,614 |
| Crops under government loan | 7,042 | 0 | 15,257 | 0 | 0 | 0 |
| Market livestock held for sale | 37,464 | 105,424 | 43,722 | 40,933 | 32,100 | 160,701 |
| Other current assets | 7,627 | 11,608 | 16,525 | 25,150 | 0 | 0 |
| Total current farm assets | 796,810 | 942,867 | 843,795 | 819,163 | 756,537 | 1,048,899 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 822,994 | 832,038 | 862,184 | 840,770 | 789,404 | 824,554 |
| Machinery and equipment | 314,668 | 341,856 | 296,990 | 354,440 | 329,820 | 331,070 |
| Titled vehicles | 4,231 | 3,462 | 0 | 0 | 7,857 | 6,429 |
| Other intermediate assets | 43,861 | 48,514 | 28,581 | 29,899 | 56,958 | 64,470 |
| Total intermediate farm assets | 1,185,754 | 1,225,870 | 1,187,755 | 1,225,109 | 1,184,038 | 1,226,522 |
| Long Term Farm Assets | | | | | | |
| Farm land | 641,627 | 796,110 | 444,835 | 444,835 | 810,306 | 1,097,203 |
| Buildings and improvements | 557,274 | 695,214 | 370,038 | 418,418 | 717,762 | 932,468 |
| Other long-term assets | 14,398 | 20,213 | 21,429 | 25,492 | 8,372 | 15,689 |
| Total long-term farm assets | 1,213,299 | 1,511,537 | 836,301 | 888,744 | 1,536,440 | 2,045,360 |
| Total Farm Assets | 3,195,863 | 3,680,274 | 2,867,851 | 2,933,016 | 3,477,016 | 4,320,781 |
| Total Nonfarm Assets | 409,135 | 462,837 | 93,281 | 157,614 | 679,867 | 724,456 |
| Total Assets | 3,604,998 | 4,143,111 | 2,961,132 | 3,090,630 | 4,156,883 | 5,045,237 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 2,356 | 3,196 | 2,031 | 3,049 | 2,634 | 3,322 |
| Accounts payable | 73,427 | 69,161 | 50,934 | 57,124 | 92,707 | 79,480 |
| Current notes | 74,177 | 70,387 | 61,354 | 54,510 | 85,168 | 83,997 |
| Government crop loans | 1,426 | 0 | 3,089 | 0 | 0 | 0 |
| Principal due on term debt | 104,892 | 132,366 | 81,581 | 96,727 | 124,873 | 162,913 |
| Total current farm liabilities | 256,278 | 275,110 | 198,990 | 211,410 | 305,381 | 329,711 |
| Total intermediate farm liabs | 282,805 | 268,942 | 273,145 | 250,946 | 291,085 | 284,367 |
| Total long term farm liabilities | 1,036,077 | 1,253,620 | 713,346 | 764,574 | 1,312,704 | 1,672,802 |
| Total farm liabilities | 1,575,160 | 1,797,672 | 1,185,481 | 1,226,930 | 1,909,170 | 2,286,880 |
| Total nonfarm liabilities | 24,714 | 21,542 | 11,750 | 11,717 | 35,826 | 29,963 |
| Total liabilities | 1,599,874 | 1,819,214 | 1,197,231 | 1,238,646 | 1,944,996 | 2,316,843 |
| Net worth (farm and nonfarm) | 2,005,124 | 2,323,897 | 1,763,901 | 1,851,984 | 2,211,887 | 2,728,394 |
| Net worth change | | 318,772 | | 88,083 | | 516,506 |
| Percent net worth change | | 16 % | | 5 % | | 23 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 32 % | 29 % | 24 % | 26 % | 40 % | 31 % |
| Intermediate farm liab. / assets | 24 % | 22 % | 23 % | 20 % | 25 % | 23 % |
| Long term farm liab. / assets | 85 % | 83 % | 85 % | 86 % | 85 % | 82 % |
| Total debt to asset ratio | 44 % | 44 % | 40 % | 40 % | 47 % | 46 % |

Table 56

Balance Sheet at Market Values
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 50% | | High 50% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Number of farms | 13 | | 6 | | 7 | |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 49,043 | 83,614 | 44,075 | 68,847 | 53,302 | 96,271 |
| Prepaid expenses & supplies | 93,512 | 94,573 | 86,390 | 82,140 | 99,617 | 105,230 |
| Growing crops | 31,312 | 27,939 | 17,268 | 20,608 | 43,351 | 34,223 |
| Accounts receivable | 54,689 | 102,401 | 52,564 | 61,033 | 56,510 | 137,860 |
| Hedging accounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Crops held for sale or feed | 516,121 | 517,308 | 567,995 | 520,452 | 471,658 | 514,614 |
| Crops under government loan | 7,042 | 0 | 15,257 | 0 | 0 | 0 |
| Market livestock held for sale | 37,464 | 105,424 | 43,722 | 40,933 | 32,100 | 160,701 |
| Other current assets | 7,627 | 11,608 | 16,525 | 25,150 | 0 | 0 |
| Total current farm assets | 796,810 | 942,867 | 843,795 | 819,163 | 756,537 | 1,048,899 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 871,187 | 878,138 | 919,734 | 898,320 | 829,575 | 860,839 |
| Machinery and equipment | 910,833 | 1,021,533 | 815,913 | 864,787 | 992,194 | 1,155,886 |
| Titled vehicles | 11,385 | 8,231 | 0 | 0 | 21,143 | 15,286 |
| Other intermediate assets | 43,861 | 48,514 | 28,581 | 29,899 | 56,958 | 64,470 |
| Total intermediate farm assets | 1,837,265 | 1,956,416 | 1,764,227 | 1,793,006 | 1,899,870 | 2,096,481 |
| Long Term Farm Assets | | | | | | |
| Farm land | 1,427,362 | 1,694,362 | 1,238,930 | 1,265,589 | 1,588,875 | 2,061,882 |
| Buildings and improvements | 914,225 | 1,084,326 | 712,001 | 774,838 | 1,087,559 | 1,349,602 |
| Other long-term assets | 16,822 | 19,938 | 21,429 | 24,896 | 12,873 | 15,690 |
| Total long-term farm assets | 2,358,409 | 2,798,626 | 1,972,360 | 2,065,322 | 2,689,307 | 3,427,173 |
| Total Farm Assets | 4,992,484 | 5,697,909 | 4,580,382 | 4,677,490 | 5,345,714 | 6,572,553 |
| Total Nonfarm Assets | 512,559 | 543,589 | 216,245 | 233,714 | 766,541 | 809,196 |
| Total Assets | 5,505,042 | 6,241,498 | 4,796,627 | 4,911,205 | 6,112,256 | 7,381,749 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 2,356 | 3,196 | 2,031 | 3,049 | 2,634 | 3,322 |
| Accounts payable | 73,427 | 69,161 | 50,934 | 57,124 | 92,707 | 79,480 |
| Current notes | 74,177 | 70,387 | 61,354 | 54,510 | 85,168 | 83,997 |
| Government crop loans | 1,426 | 0 | 3,089 | 0 | 0 | 0 |
| Principal due on term debt | 104,892 | 132,366 | 81,581 | 96,727 | 124,873 | 162,913 |
| Total current farm liabilities | 256,278 | 275,110 | 198,990 | 211,410 | 305,381 | 329,711 |
| Total intermediate farm liabs | 282,805 | 268,942 | 273,145 | 250,946 | 291,085 | 284,367 |
| Total long term farm liabilities | 1,036,077 | 1,253,620 | 713,346 | 764,574 | 1,312,704 | 1,672,802 |
| Total farm liabilities | 1,575,160 | 1,797,672 | 1,185,481 | 1,226,930 | 1,909,170 | 2,286,880 |
| Total nonfarm liabilities | 24,714 | 21,542 | 11,750 | 11,717 | 35,826 | 29,963 |
| Total liabs excluding deferreds | 1,599,874 | 1,819,214 | 1,197,231 | 1,238,646 | 1,944,996 | 2,316,843 |
| Total deferred liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 1,599,874 | 1,819,214 | 1,197,231 | 1,238,646 | 1,944,996 | 2,316,843 |
| Retained earnings | 2,005,124 | 2,323,897 | 1,763,901 | 1,851,984 | 2,211,887 | 2,728,394 |
| Market valuation equity | 1,900,045 | 2,098,387 | 1,835,495 | 1,820,575 | 1,955,373 | 2,336,512 |
| Net worth (farm and nonfarm) | 3,905,169 | 4,422,284 | 3,599,396 | 3,672,558 | 4,167,260 | 5,064,906 |
| Net worth excluding deferreds | 3,905,169 | 4,422,284 | 3,599,396 | 3,672,558 | 4,167,260 | 5,064,906 |
| Net worth change | | 517,115 | | 73,163 | | 897,646 |
| Percent net worth change | | 13 % | | 2 % | | 22 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 32 % | 29 % | 24 % | 26 % | 40 % | 31 % |
| Intermediate farm liab. / assets | 15 % | 14 % | 15 % | 14 % | 15 % | 14 % |
| Long term farm liab. / assets | 44 % | 45 % | 36 % | 37 % | 49 % | 49 % |
| Total debt to asset ratio | 29 % | 29 % | 25 % | 25 % | 32 % | 31 % |
| Debt to assets excl deferreds | 29 % | 29 % | 25 % | 25 % | 32 % | 31 % |

Table 57

Statement Of Cash Flows
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------------|----------------------|------------|------------|
| Number of farms | 13 | 6 | 7 |
| Beginning cash (farm & nonfarm) | 49,489 | 45,041 | 53,302 |
| Cash Provided By Operating Activities | | | |
| Gross cash farm income | 2,043,524 | 1,945,792 | 2,127,295 |
| Total cash farm expense | -1,649,794 | -1,586,907 | -1,703,697 |
| Net cash from hedging transactions | 378 | - | 703 |
| Cash provided by operating | 394,109 | 358,886 | 424,301 |
| Cash Provided By Investing Activities | | | |
| Sale of breeding livestock | - | - | - |
| Sale of machinery & equipment | 1,909 | 2,130 | 1,719 |
| Sale of titled vehicles | - | - | - |
| Sale of farm land | - | - | - |
| Sale of farm buildings | - | - | - |
| Sale of other farm assets | 0 | - | 0 |
| Sale of nonfarm assets | 2,848 | - | 5,289 |
| Purchase of breeding livestock | -22,451 | -47,893 | -643 |
| Purchase of machinery & equip. | -152,223 | -149,974 | -154,150 |
| Purchase of titled vehicles | - | - | - |
| Purchase of farm land | -157,004 | - | -291,578 |
| Purchase of farm buildings | -191,448 | -89,639 | -278,713 |
| Purchase of other farm assets | -3,251 | -2,435 | -3,950 |
| Purchase of nonfarm assets | -1,939 | - | -3,602 |
| Cash provided by investing | -523,559 | -287,812 | -725,627 |
| Cash Provided By Financing Activities | | | |
| Money borrowed | 628,034 | 247,854 | 953,903 |
| Principal payments | -404,743 | -213,646 | -568,541 |
| Personal income | 6,273 | 12,947 | 553 |
| Family living/owner withdrawals | -81,587 | -81,752 | -81,446 |
| Income and social security tax | -8,107 | -16,641 | -792 |
| Capital contributions | 9,873 | - | 18,335 |
| Capital distributions | - | - | - |
| Dividends paid | - | - | - |
| Cash gifts and inheritances | 19,689 | 15,791 | 23,030 |
| Gifts given | -7,142 | -10,855 | -3,960 |
| Other cash flows | 1,731 | - | 3,214 |
| Cash provided by financing | 164,020 | -46,302 | 344,296 |
| Net change in cash balance | 34,571 | 24,772 | 42,969 |
| Ending cash (farm & nonfarm) | 84,060 | 69,814 | 96,272 |

Table 58

Financial Standards Measures
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|---------|----------|
| Number of farms | 13 | 6 | 7 |
| Liquidity | | | |
| Current ratio | 3.43 | 3.87 | 3.18 |
| Working capital | 667,757 | 607,753 | 719,188 |
| Working capital to gross inc | 31.0 % | 33.2 % | 29.6 % |
| Solvency (market) | | | |
| Farm debt to asset ratio | 32 % | 26 % | 35 % |
| Farm equity to asset ratio | 68 % | 74 % | 65 % |
| Farm debt to equity ratio | 0.46 | 0.36 | 0.53 |
| Profitability (cost) | | | |
| Rate of return on farm assets | 9.2 % | 2.8 % | 13.3 % |
| Rate of return on farm equity | 14.0 % | 1.4 % | 24.2 % |
| Operating profit margin | 20.0 % | 6.7 % | 27.5 % |
| Net farm income | 325,428 | 104,259 | 515,001 |
| EBIDTA | 574,846 | 293,818 | 815,727 |
| Repayment Capacity | | | |
| Capital debt repayment capacity | 499,021 | 233,817 | 726,340 |
| Capital debt repayment margin | 310,861 | 67,652 | 519,325 |
| Replacement margin | 269,877 | 37,266 | 469,259 |
| Term debt coverage ratio | 2.65 | 1.41 | 3.51 |
| Replacement coverage ratio | 2.18 | 1.19 | 2.83 |
| Efficiency | | | |
| Asset turnover rate (cost) | 46.0 % | 42.2 % | 48.5 % |
| Operating expense ratio | 73.3 % | 84.0 % | 66.4 % |
| Depreciation expense ratio | 8.2 % | 7.2 % | 8.9 % |
| Interest expense ratio | 3.3 % | 3.2 % | 3.5 % |
| Net farm income ratio | 15.1 % | 5.7 % | 21.2 % |

Table 59

Operator and Labor Information
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Operator Information | | | |
| Average number of operators | 1.8 | 1.5 | 2.0 |
| Average age of operators | 51.9 | 49.7 | 53.2 |
| Average number of years farming | 25.5 | 22.7 | 27.2 |
| Results Per Operator | | | |
| Working capital | 377,428 | 405,169 | 359,594 |
| Total assets (market) | 3,527,803 | 3,274,136 | 3,690,875 |
| Total liabilities | 1,028,251 | 825,764 | 1,158,422 |
| Net worth (market) | 2,499,552 | 2,448,372 | 2,532,453 |
| Net worth excl deferred liabs | 2,499,552 | 2,448,372 | 2,532,453 |
| Gross farm income | 1,216,072 | 1,220,625 | 1,213,145 |
| Total farm expense | 1,032,135 | 1,151,119 | 955,645 |
| Net farm income from operations | 183,938 | 69,506 | 257,501 |
| Net nonfarm income | 3,546 | 8,631 | 277 |
| Family living & tax withdrawals | 50,697 | 65,595 | 41,119 |
| Total acres owned | 295.2 | 208.6 | 350.9 |
| Total crop acres | 614.1 | 671.3 | 577.4 |
| Crop acres owned | 402.4 | 208.2 | 527.3 |
| Crop acres cash rented | 211.7 | 463.1 | 50.1 |
| Crop acres share rented | - | - | - |
| Total pasture acres | - | - | - |
| Labor Analysis | | | |
| Number of farms | 13 | 6 | 7 |
| Total unpaid labor hours | 5,001 | 4,232 | 5,660 |
| Total hired labor hours | 14,390 | 11,318 | 17,022 |
| Total labor hours per farm | 19,390 | 15,550 | 22,682 |
| Unpaid hours per operator | 2,826 | 2,821 | 2,830 |
| Value of farm production / hour | 81.62 | 78.65 | 83.37 |
| Net farm income / unpaid hour | 65.08 | 24.64 | 90.99 |
| Average hourly hired labor wage | 15.04 | 15.81 | 14.60 |
| Partnerships & LLCs | | | |
| Number of farms | 8 | 3 | 5 |
| Number of operators | 2.1 | - | 2.2 |
| Owner withdrawals per farm | 106,769 | - | - |
| Withdrawals per operator | 48,531 | - | - |

Table 60

Financial Summary
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Income Statement | | | |
| Gross cash farm income | 2,043,524 | 1,945,792 | 2,127,295 |
| Total cash farm expense | 1,649,794 | 1,586,907 | 1,703,697 |
| Net cash farm income | 393,731 | 358,886 | 423,598 |
| Inventory change | 109,101 | -122,971 | 308,020 |
| Depreciation | -177,403 | -131,655 | -216,616 |
| Net farm income from operations | 325,428 | 104,259 | 515,001 |
| Gain or loss on capital sales | - | - | - |
| Average net farm income | 325,428 | 104,259 | 515,001 |
| Median net farm income | 214,803 | 94,017 | 331,800 |
| Profitability (cost) | | | |
| Rate of return on assets | 9.2 % | 2.8 % | 13.3 % |
| Rate of return on equity | 14.0 % | 1.4 % | 24.2 % |
| Operating profit margin | 20.0 % | 6.7 % | 27.5 % |
| Asset turnover rate | 46.0 % | 42.2 % | 48.5 % |
| Profitability (market) | | | |
| Rate of return on assets | 10.1 % | 2.5 % | 15.1 % |
| Rate of return on equity | 12.7 % | 1.6 % | 21.2 % |
| Operating profit margin | 34.0 % | 9.3 % | 47.7 % |
| Asset turnover rate | 29.6 % | 26.4 % | 31.7 % |
| Liquidity & Repayment (end of year) | | | |
| Current assets | 942,867 | 819,163 | 1,048,899 |
| Current liabilities | 275,110 | 211,410 | 329,711 |
| Current ratio | 3.43 | 3.87 | 3.18 |
| Working capital | 667,757 | 607,753 | 719,188 |
| Working capital to gross inc | 31.0 % | 33.2 % | 29.6 % |
| Term debt coverage ratio | 2.65 | 1.41 | 3.51 |
| Replacement coverage ratio | 2.18 | 1.19 | 2.83 |
| Solvency (end of year at cost) | | | |
| Number of farms | 13 | 6 | 7 |
| Total farm assets | 3,680,274 | 2,933,016 | 4,320,781 |
| Total farm liabilities | 1,797,672 | 1,226,930 | 2,286,880 |
| Total assets | 4,143,111 | 3,090,630 | 5,045,237 |
| Total liabilities | 1,819,214 | 1,238,646 | 2,316,843 |
| Net worth | 2,323,897 | 1,851,984 | 2,728,394 |
| Net worth change | 318,772 | 88,083 | 516,506 |
| Farm debt to asset ratio | 49 % | 42 % | 53 % |
| Total debt to asset ratio | 44 % | 40 % | 46 % |
| Solvency (end of year at market) | | | |
| Number of farms | 13 | 6 | 7 |
| Total farm assets | 5,697,909 | 4,677,490 | 6,572,553 |
| Total farm liabilities | 1,797,672 | 1,226,930 | 2,286,880 |
| Total assets | 6,241,498 | 4,911,205 | 7,381,749 |
| Total liabilities | 1,819,214 | 1,238,646 | 2,316,843 |
| Net worth | 4,422,284 | 3,672,558 | 5,064,906 |
| Net worth change | 517,115 | 73,163 | 897,646 |
| Farm debt to asset ratio | 32 % | 26 % | 35 % |
| Total debt to asset ratio | 29 % | 25 % | 31 % |
| Nonfarm Information | | | |
| Net nonfarm income | 6,273 | 12,947 | 553 |
| Crop Acres | | | |
| Total acres owned | 522 | 313 | 702 |
| Total crop acres | 1,087 | 1,007 | 1,155 |
| Total crop acres owned | 712 | 312 | 1,055 |
| Total crop acres cash rented | 375 | 695 | 100 |
| Total crop acres share rented | - | - | - |

Table 61

Summary Farm Income Statement
2013 MI Dairy Herds (250-449 Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Crop sales | 159,057 | 72,598 | 233,165 |
| Crop inventory change | -5,854 | -62,800 | 42,956 |
| Gross crop income | 153,203 | 9,798 | 276,122 |
| Livestock sales | 1,706,011 | 1,704,434 | 1,707,364 |
| Livestock inventory change | 67,960 | -2,788 | 128,601 |
| Gross livestock income | 1,773,971 | 1,701,645 | 1,835,965 |
| Government payments | 29,366 | 24,786 | 33,292 |
| Other cash farm income | 149,090 | 143,975 | 153,474 |
| Change in accounts receivable | 47,712 | 8,469 | 81,350 |
| Gain or loss on hedging accounts | 378 | - | 703 |
| Change in other assets | 11,199 | 11,572 | 10,878 |
| Gain or loss on breeding lvst | -13,407 | -69,307 | 34,507 |
| Gross farm income | 2,151,512 | 1,830,938 | 2,426,291 |
| Cash operating expenses | 1,578,620 | 1,530,021 | 1,620,276 |
| Change in prepaids and supplies | -1,061 | 4,250 | -5,613 |
| Change in growing crops | 3,373 | -3,341 | 9,128 |
| Change in accounts payable | -4,266 | 6,189 | -13,227 |
| Depreciation | 177,403 | 131,655 | 216,616 |
| Total operating expense | 1,754,070 | 1,668,775 | 1,827,180 |
| Interest paid | 71,174 | 56,886 | 83,421 |
| Change in accrued interest | 840 | 1,018 | 688 |
| Total interest expense | 72,014 | 57,903 | 84,110 |
| Total expenses | 1,826,084 | 1,726,678 | 1,911,289 |
| Net farm income from operations | 325,428 | 104,259 | 515,001 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 325,428 | 104,259 | 515,001 |

Table 63

Farm Income Statement
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Cash Farm Income | | | |
| Corn | 102,035 | 167,926 | 45,556 |
| Corn Silage | 5,808 | 778 | 10,119 |
| Hay, Mixed | 2,578 | 484 | 4,372 |
| Oats | 663 | 1,437 | - |
| Soybeans | 106,505 | 51,445 | 153,699 |
| Speltz | 11,734 | 25,424 | - |
| Straw | 115 | 250 | - |
| Wheat, Winter | 67,737 | 76,670 | 60,080 |
| Miscellaneous crop income | 10 | - | 19 |
| Beef Cow-Calf, Beef Calves | 1,175 | 1,345 | 1,029 |
| Dairy, Milk | 4,026,678 | 4,227,268 | 3,854,744 |
| Dairy, Dairy Calves | 29,827 | 25,865 | 33,223 |
| Dairy Replacement Heifers | 67,724 | 1,548 | 124,446 |
| Dairy Finishing | 38,759 | 83,408 | 489 |
| Dairy Feeder | 17,469 | - | 32,442 |
| Cull breeding livestock | 195,627 | 239,950 | 157,636 |
| Misc. livestock income | 1,155 | - | 2,144 |
| Direct, CCP & ACRE pymts | 10,669 | 8,936 | 12,154 |
| CRP payments | 5,271 | - | 9,789 |
| Other government payments | 35,818 | 35,452 | 36,131 |
| Custom work income | 13,048 | 9,543 | 16,053 |
| Patronage dividends, cash | 63,003 | 33,248 | 88,507 |
| Crop insurance income | 81,567 | - | 151,482 |
| Property insurance income | 35,945 | 74,113 | 3,229 |
| Tax refunds | 87 | 189 | - |
| Other farm income | 107,245 | 33,916 | 170,099 |
| Gross Cash Farm Income | 5,053,585 | 5,154,086 | 4,967,441 |

Table 63

Farm Income Statement (Continued)
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|--------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Cash Farm Expense | | | |
| Seed | 136,907 | 153,421 | 122,752 |
| Fertilizer | 155,045 | 189,901 | 125,169 |
| Crop chemicals | 78,311 | 79,047 | 77,680 |
| Crop insurance | 17,824 | 32,950 | 4,858 |
| Drying expense | 1,193 | 1,878 | 605 |
| Storage | 187 | 405 | - |
| Crop land rent | 11,513 | 24,946 | - |
| Crop hauling and trucking | 6,541 | 14,173 | - |
| Crop marketing | 155 | 100 | 203 |
| Crop miscellaneous | 25,938 | 40,302 | 13,625 |
| Purchased feed | 1,210,686 | 1,179,984 | 1,237,003 |
| Breeding fees | 36,871 | 30,937 | 41,957 |
| Veterinary | 111,510 | 109,856 | 112,929 |
| Livestock supplies | 122,505 | 157,945 | 92,127 |
| DHIA | 8,472 | 9,230 | 7,823 |
| Livestock hauling and trucking | 101,764 | 114,106 | 91,186 |
| Livestock marketing | 43,988 | 40,724 | 46,787 |
| Bedding | 57,318 | 78,069 | 39,531 |
| Consultants | 1,719 | 3,724 | - |
| Interest | 132,527 | 89,717 | 169,222 |
| Packaging and supplies | 879 | - | 1,632 |
| Supplies | 19,814 | 29,783 | 11,270 |
| Fuel & oil | 187,797 | 226,600 | 154,536 |
| Repairs | 202,493 | 224,092 | 183,981 |
| Repair, machinery | 11,069 | 23,983 | - |
| Custom hire | 188,517 | 105,834 | 259,388 |
| Repair, buildings | 16,932 | 16,583 | 17,231 |
| Hired labor | 605,202 | 749,884 | 481,189 |
| Land rent | 155,887 | 173,322 | 140,942 |
| Machinery leases | 27,715 | 28,312 | 27,204 |
| Building leases | 165 | 358 | - |
| Real estate taxes | 36,067 | 24,105 | 46,321 |
| Personal property taxes | 3,557 | 4,977 | 2,341 |
| Farm insurance | 54,867 | 57,597 | 52,527 |
| Utilities | 141,787 | 91,462 | 184,922 |
| Dues & professional fees | 14,468 | 16,442 | 12,775 |
| Miscellaneous | 47,290 | 69,026 | 28,660 |
| Total cash expense | 3,975,482 | 4,193,773 | 3,788,375 |
| Net cash farm income | 1,078,104 | 960,314 | 1,179,066 |
| Inventory Changes | | | |
| Prepays and supplies | 62,782 | 71,704 | 55,134 |
| Accounts receivable | -1,979 | -18,093 | 11,834 |
| Hedging accounts | -126 | - | -234 |
| Other current assets | -200 | 4,357 | -4,107 |
| Crops and feed | -18,658 | -194,610 | 132,157 |

| | | | |
|---------------------------------|-----------|----------|-----------|
| Market livestock | 7,820 | 19,234 | -1,964 |
| Breeding livestock | 79,555 | 97,756 | 63,953 |
| Other assets | -36,254 | 6,447 | -72,855 |
| Accounts payable | 14,193 | -9,753 | 34,717 |
| Accrued interest | 940 | 273 | 1,512 |
| Total inventory change | 108,072 | -22,684 | 220,148 |
| Net operating profit | 1,186,175 | 937,630 | 1,399,214 |
| Depreciation | | | |
| Machinery and equipment | -401,828 | -351,610 | -444,871 |
| Titled vehicles | -1,236 | -1,112 | -1,343 |
| Buildings and improvements | -191,616 | -155,360 | -222,693 |
| Total depreciation | -594,681 | -508,082 | -668,908 |
| Net farm income from operations | 591,495 | 429,548 | 730,306 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 591,495 | 429,548 | 730,306 |

Table 64

Inventory Changes
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Net cash farm income | 1,078,104 | 960,314 | 1,179,066 |
| Crops and Feed | | | |
| Ending inventory | 1,328,361 | 1,449,185 | 1,224,797 |
| Beginning inventory | 1,347,019 | 1,643,795 | 1,092,639 |
| Inventory change | -18,658 | -194,610 | 132,157 |
| Market Livestock | | | |
| Ending inventory | 85,103 | 93,336 | 78,046 |
| Beginning inventory | 77,283 | 74,102 | 80,010 |
| Inventory change | 7,820 | 19,234 | -1,964 |
| Accts Receivable | | | |
| Ending inventory | 171,636 | 161,832 | 180,039 |
| Beginning inventory | 173,614 | 179,925 | 168,205 |
| Inventory change | -1,979 | -18,093 | 11,834 |
| Prepaid Expenses and Supplies | | | |
| Ending inventory | 328,100 | 411,083 | 256,973 |
| Beginning inventory | 265,319 | 339,378 | 201,839 |
| Inventory change | 62,782 | 71,704 | 55,134 |
| Hedging Activities | | | |
| Ending inventory | 231 | 500 | - |
| Withdrawals | -126 | - | -234 |
| Beginning inventory | 231 | 500 | - |
| Deposits | - | - | - |
| Gain or loss | -126 | - | -234 |
| Other Current Assets | | | |
| Ending inventory | 77,454 | 95,006 | 62,408 |
| Beginning inventory | 77,654 | 90,649 | 66,515 |
| Inventory change | -200 | 4,357 | -4,107 |
| Breeding Livestock | | | |
| Ending inventory | 1,942,373 | 1,832,850 | 2,036,250 |
| Capital sales | 12,810 | 12,784 | 12,831 |
| Beginning inventory | 1,849,488 | 1,708,042 | 1,970,728 |
| Capital purchases | 26,140 | 39,837 | 14,400 |
| Depreciation, capital adjust | 79,555 | 97,756 | 63,953 |
| Other Capital Assets | | | |
| Ending inventory | 248,754 | 179,917 | 307,757 |
| Capital sales | 81,998 | 9,830 | 143,856 |
| Beginning inventory | 241,921 | 159,746 | 312,357 |
| Capital purchases | 125,084 | 23,554 | 212,110 |
| Depreciation, capital adjust | -36,254 | 6,447 | -72,855 |
| Accounts Payable | | | |
| Beginning inventory | 126,754 | 40,268 | 200,884 |
| Ending inventory | 112,561 | 50,021 | 166,166 |
| Inventory change | 14,193 | -9,753 | 34,717 |
| Accrued Interest | | | |
| Beginning inventory | 3,558 | 1,291 | 5,501 |
| Ending inventory | 2,618 | 1,019 | 3,989 |
| Inventory change | 940 | 273 | 1,512 |
| Total inventory change | 108,072 | -22,684 | 220,148 |
| Net operating profit | 1,186,175 | 937,630 | 1,399,214 |

Table 65

Depreciation
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Net operating profit | 1,186,175 | 937,630 | 1,399,214 |
| Machinery and Equipment | | | |
| Ending inventory | 571,759 | 407,316 | 712,710 |
| Capital sales | 17,870 | 17,040 | 18,581 |
| Beginning inventory | 621,635 | 473,361 | 748,727 |
| Capital purchases | 369,822 | 302,606 | 427,435 |
| Depreciation, capital adjust. | -401,828 | -351,610 | -444,871 |
| Titled Vehicles | | | |
| Ending inventory | 1,154 | 2,500 | - |
| Capital sales | - | - | - |
| Beginning inventory | 1,877 | 2,500 | 1,343 |
| Capital purchases | 513 | 1,112 | - |
| Depreciation, capital adjust. | -1,236 | -1,112 | -1,343 |
| Buildings and Improvements | | | |
| Ending inventory | 1,052,439 | 849,916 | 1,226,031 |
| Capital sales | - | - | - |
| Beginning inventory | 963,622 | 835,017 | 1,073,854 |
| Capital purchases | 280,434 | 170,258 | 374,870 |
| Depreciation, capital adjust. | -191,616 | -155,360 | -222,693 |
| Total depreciation, capital adj. | -594,681 | -508,082 | -668,908 |
| Net farm income from operations | 591,495 | 429,548 | 730,306 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 591,495 | 429,548 | 730,306 |

Table 66

Profitability Measures
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---|----------------------|------------|------------|
| Number of farms | 13 | 6 | 7 |
| Profitability (assets valued at cost) | | | |
| Net farm income from operations | 591,495 | 429,548 | 730,306 |
| Rate of return on assets | 7.6 % | 4.8 % | 9.7 % |
| Rate of return on equity | 10.0 % | 5.2 % | 15.1 % |
| Operating profit margin | 14.8 % | 8.9 % | 19.8 % |
| Asset turnover rate | 51.4 % | 54.2 % | 49.2 % |
| Farm interest expense | 131,587 | 89,444 | 167,709 |
| Value of operator lbr and mgmt. | 151,227 | 172,659 | 132,857 |
| Return on farm assets | 571,854 | 346,333 | 765,158 |
| Average farm assets | 7,538,195 | 7,166,405 | 7,856,872 |
| Return on farm equity | 440,268 | 256,889 | 597,449 |
| Average farm equity | 4,408,005 | 4,947,556 | 3,945,534 |
| Value of farm production | 3,873,379 | 3,884,837 | 3,863,558 |
| | Avg. Of All Farms | Low 50% | High 50% |
| Number of farms | 13 | 6 | 7 |
| Profitability (assets valued at market) | | | |
| Net farm income from operations | 1,167,306 | 692,748 | 1,574,071 |
| Rate of return on assets | 9.2 % | 4.6 % | 13.6 % |
| Rate of return on equity | 10.8 % | 4.7 % | 18.2 % |
| Operating profit margin | 29.6 % | 15.7 % | 41.6 % |
| Asset turnover rate | 31.0 % | 29.2 % | 32.7 % |
| Farm interest expense | 131,587 | 89,444 | 167,709 |
| Value of operator lbr and mgmt. | 151,227 | 172,659 | 132,857 |
| Return on farm assets | 1,147,666 | 609,533 | 1,608,923 |
| Average farm assets | 12,503,922 | 13,287,348 | 11,832,414 |
| Return on farm equity | 1,016,079 | 520,089 | 1,441,214 |
| Average farm equity | 9,373,732 | 11,068,499 | 7,921,075 |
| Value of farm production | 3,873,379 | 3,884,837 | 3,863,558 |

Table 67

Liquidity & Repayment Capacity Measures
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Liquidity | | | |
| Current ratio | 5.41 | 5.41 | 5.41 |
| Working capital | 2,007,997 | 2,265,348 | 1,787,409 |
| Working capital to gross inc | 39.5 % | 44.7 % | 35.0 % |
| Current assets | 2,463,365 | 2,778,794 | 2,192,998 |
| Current liabilities | 455,369 | 513,446 | 405,588 |
| Gross revenues (accrual) | 5,084,066 | 5,064,821 | 5,100,561 |
| Repayment capacity | | | |
| Net farm income from operations | 591,495 | 429,548 | 730,306 |
| Depreciation | 594,681 | 508,082 | 668,908 |
| Personal income | 62,628 | 94,620 | 35,207 |
| Family living/owner withdrawals | -136,026 | -139,853 | -132,746 |
| Payments on personal debt | -6,819 | -12,275 | -2,143 |
| Income taxes paid | -37,782 | -81,860 | - |
| Interest on term debt | 137,470 | 92,240 | 176,239 |
| Capital debt repayment capacity | 1,205,647 | 890,502 | 1,475,771 |
| Scheduled term debt payments | -395,314 | -390,604 | -399,351 |
| Capital debt repayment margin | 810,333 | 499,898 | 1,076,420 |
| Cash replacement allowance | -55,956 | -26,266 | -81,404 |
| Replacement margin | 754,377 | 473,631 | 995,016 |
| Term debt coverage ratio | 3.05 | 2.28 | 3.70 |
| Replacement coverage ratio | 2.67 | 2.14 | 3.07 |

Table 68

Balance Sheet at Cost Values
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 50% | | High 50% | |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
| | 13 | | 6 | | 7 | |
| Number of farms | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 273,712 | 455,496 | 356,739 | 531,049 | 202,545 | 390,735 |
| Prepaid expenses & supplies | 265,319 | 328,100 | 339,378 | 411,083 | 201,839 | 256,973 |
| Growing crops | 63,423 | 63,099 | 90,649 | 95,006 | 40,085 | 35,750 |
| Accounts receivable | 173,614 | 171,636 | 179,925 | 161,832 | 168,205 | 180,039 |
| Hedging accounts | 231 | 231 | 500 | 500 | 0 | 0 |
| Crops held for sale or feed | 1,330,033 | 1,345,347 | 1,606,992 | 1,485,989 | 1,092,639 | 1,224,797 |
| Crops under government loan | 33,972 | 0 | 73,607 | 0 | 0 | 0 |
| Market livestock held for sale | 77,283 | 85,103 | 74,102 | 93,336 | 80,010 | 78,046 |
| Other current assets | 14,232 | 14,355 | 0 | 0 | 26,430 | 26,659 |
| Total current farm assets | 2,231,818 | 2,463,365 | 2,721,892 | 2,778,794 | 1,811,754 | 2,192,998 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 1,849,488 | 1,942,373 | 1,708,042 | 1,832,850 | 1,970,728 | 2,036,250 |
| Machinery and equipment | 621,635 | 571,759 | 473,361 | 407,316 | 748,727 | 712,710 |
| Titled vehicles | 1,877 | 1,154 | 2,500 | 2,500 | 1,343 | 0 |
| Other intermediate assets | 203,429 | 194,295 | 159,746 | 179,917 | 240,871 | 206,620 |
| Total intermediate farm assets | 2,676,429 | 2,709,581 | 2,343,648 | 2,422,583 | 2,961,669 | 2,955,580 |
| Long Term Farm Assets | | | | | | |
| Farm land | 1,259,282 | 1,626,902 | 1,107,700 | 1,273,260 | 1,389,210 | 1,930,024 |
| Buildings and improvements | 963,622 | 1,052,439 | 835,017 | 849,916 | 1,073,854 | 1,226,031 |
| Other long-term assets | 38,493 | 54,459 | 0 | 0 | 71,487 | 101,137 |
| Total long-term farm assets | 2,261,397 | 2,733,800 | 1,942,717 | 2,123,175 | 2,534,550 | 3,257,192 |
| Total Farm Assets | 7,169,643 | 7,906,747 | 7,008,257 | 7,324,553 | 7,307,974 | 8,405,770 |
| Total Nonfarm Assets | 486,283 | 548,749 | 770,791 | 832,328 | 242,419 | 305,681 |
| Total Assets | 7,655,926 | 8,455,496 | 7,779,048 | 8,156,881 | 7,550,393 | 8,711,452 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 3,558 | 2,618 | 1,291 | 1,019 | 5,501 | 3,989 |
| Accounts payable | 126,754 | 112,561 | 40,268 | 50,021 | 200,884 | 166,166 |
| Current notes | 125,692 | 91,368 | 116,822 | 166,764 | 133,296 | 26,742 |
| Government crop loans | 6,984 | 0 | 15,131 | 0 | 0 | 0 |
| Principal due on term debt | 257,844 | 248,823 | 298,364 | 295,642 | 223,112 | 208,691 |
| Total current farm liabilities | 520,832 | 455,369 | 471,876 | 513,446 | 562,793 | 405,588 |
| Total intermediate farm liabs | 613,715 | 673,621 | 444,805 | 355,341 | 758,495 | 946,433 |
| Total long term farm liabilities | 1,963,975 | 2,032,866 | 1,263,548 | 1,388,681 | 2,564,341 | 2,585,026 |
| Total farm liabilities | 3,098,522 | 3,161,857 | 2,180,230 | 2,257,468 | 3,885,630 | 3,937,047 |
| Total nonfarm liabilities | 90,533 | 106,568 | 160,989 | 187,385 | 30,143 | 37,297 |
| Total liabilities | 3,189,056 | 3,268,425 | 2,341,219 | 2,444,853 | 3,915,773 | 3,974,344 |
| Net worth (farm and nonfarm) | 4,466,871 | 5,187,071 | 5,437,829 | 5,712,028 | 3,634,620 | 4,737,108 |
| Net worth change | | 720,200 | | 274,199 | | 1,102,488 |
| Percent net worth change | | 16 % | | 5 % | | 30 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 23 % | 18 % | 17 % | 18 % | 31 % | 18 % |
| Intermediate farm liab. / assets | 23 % | 25 % | 19 % | 15 % | 26 % | 32 % |
| Long term farm liab. / assets | 87 % | 74 % | 65 % | 65 % | 101 % | 79 % |
| Total debt to asset ratio | 42 % | 39 % | 30 % | 30 % | 52 % | 46 % |

Table 69

Balance Sheet at Market Values
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | | Low 50% | | High 50% | |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Beginning | Ending | Beginning | Ending | Beginning | Ending |
| Number of farms | 13 | | 6 | | 7 | |
| Assets | | | | | | |
| Current Farm Assets | | | | | | |
| Cash and checking balance | 273,712 | 455,496 | 356,739 | 531,049 | 202,545 | 390,735 |
| Prepaid expenses & supplies | 265,319 | 328,100 | 339,378 | 411,083 | 201,839 | 256,973 |
| Growing crops | 63,423 | 63,099 | 90,649 | 95,006 | 40,085 | 35,750 |
| Accounts receivable | 173,614 | 171,636 | 179,925 | 161,832 | 168,205 | 180,039 |
| Hedging accounts | 231 | 231 | 500 | 500 | 0 | 0 |
| Crops held for sale or feed | 1,330,033 | 1,345,347 | 1,606,992 | 1,485,989 | 1,092,639 | 1,224,797 |
| Crops under government loan | 33,972 | 0 | 73,607 | 0 | 0 | 0 |
| Market livestock held for sale | 77,283 | 85,103 | 74,102 | 93,336 | 80,010 | 78,046 |
| Other current assets | 14,232 | 14,355 | 0 | 0 | 26,430 | 26,659 |
| Total current farm assets | 2,231,818 | 2,463,365 | 2,721,892 | 2,778,794 | 1,811,754 | 2,192,998 |
| Intermediate Farm Assets | | | | | | |
| Breeding livestock | 2,036,419 | 2,124,165 | 2,023,392 | 2,159,783 | 2,047,585 | 2,093,636 |
| Machinery and equipment | 1,701,728 | 1,950,564 | 1,865,281 | 1,958,978 | 1,561,539 | 1,943,351 |
| Titled vehicles | 29,100 | 27,563 | 36,067 | 35,403 | 23,129 | 20,843 |
| Other intermediate assets | 208,239 | 198,951 | 170,169 | 185,667 | 240,871 | 210,337 |
| Total intermediate farm assets | 3,975,486 | 4,301,243 | 4,094,909 | 4,339,831 | 3,873,124 | 4,268,167 |
| Long Term Farm Assets | | | | | | |
| Farm land | 3,510,058 | 3,947,666 | 4,114,853 | 4,264,253 | 2,991,662 | 3,676,305 |
| Buildings and improvements | 2,094,713 | 2,394,102 | 2,065,947 | 2,194,217 | 2,119,369 | 2,565,432 |
| Other long-term assets | 35,390 | 54,003 | 0 | 0 | 65,725 | 100,292 |
| Total long-term farm assets | 5,640,160 | 6,395,771 | 6,180,800 | 6,458,470 | 5,176,755 | 6,342,030 |
| Total Farm Assets | 11,847,464 | 13,160,380 | 12,997,600 | 13,577,096 | 10,861,633 | 12,803,194 |
| Total Nonfarm Assets | 598,831 | 655,528 | 790,608 | 852,332 | 434,450 | 486,839 |
| Total Assets | 12,446,295 | 13,815,908 | 13,788,208 | 14,429,428 | 11,296,083 | 13,290,033 |
| Liabilities | | | | | | |
| Current Farm Liabilities | | | | | | |
| Accrued interest | 3,558 | 2,618 | 1,291 | 1,019 | 5,501 | 3,989 |
| Accounts payable | 126,754 | 112,561 | 40,268 | 50,021 | 200,884 | 166,166 |
| Current notes | 125,692 | 91,368 | 116,822 | 166,764 | 133,296 | 26,742 |
| Government crop loans | 6,984 | 0 | 15,131 | 0 | 0 | 0 |
| Principal due on term debt | 257,844 | 248,823 | 298,364 | 295,642 | 223,112 | 208,691 |
| Total current farm liabilities | 520,832 | 455,369 | 471,876 | 513,446 | 562,793 | 405,588 |
| Total intermediate farm liabs | 613,715 | 673,621 | 444,805 | 355,341 | 758,495 | 946,433 |
| Total long term farm liabilities | 1,963,975 | 2,032,866 | 1,263,548 | 1,388,681 | 2,564,341 | 2,585,026 |
| Total farm liabilities | 3,098,522 | 3,161,857 | 2,180,230 | 2,257,468 | 3,885,630 | 3,937,047 |
| Total nonfarm liabilities | 90,533 | 106,568 | 160,989 | 187,385 | 30,143 | 37,297 |
| Total liabs excluding deferreds | 3,189,056 | 3,268,425 | 2,341,219 | 2,444,853 | 3,915,773 | 3,974,344 |
| Total deferred liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 3,189,056 | 3,268,425 | 2,341,219 | 2,444,853 | 3,915,773 | 3,974,344 |
| Retained earnings | 4,466,871 | 5,187,071 | 5,437,829 | 5,712,028 | 3,634,620 | 4,737,108 |
| Market valuation equity | 4,790,368 | 5,360,412 | 6,009,160 | 6,272,547 | 3,745,690 | 4,578,582 |
| Net worth (farm and nonfarm) | 9,257,239 | 10,547,483 | 11,446,989 | 11,984,575 | 7,380,310 | 9,315,690 |
| Net worth excluding deferreds | 9,257,239 | 10,547,483 | 11,446,989 | 11,984,575 | 7,380,310 | 9,315,690 |
| Net worth change | | 1,290,244 | | 537,586 | | 1,935,379 |
| Percent net worth change | | 14 % | | 5 % | | 26 % |
| Ratio Analysis | | | | | | |
| Current farm liabilities / assets | 23 % | 18 % | 17 % | 18 % | 31 % | 18 % |
| Intermediate farm liab. / assets | 15 % | 16 % | 11 % | 8 % | 20 % | 22 % |
| Long term farm liab. / assets | 35 % | 32 % | 20 % | 22 % | 50 % | 41 % |
| Total debt to asset ratio | 26 % | 24 % | 17 % | 17 % | 35 % | 30 % |
| Debt to assets excl deferreds | 26 % | 24 % | 17 % | 17 % | 35 % | 30 % |

Table 70

Statement Of Cash Flows
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------------|----------------------|------------|------------|
| Number of farms | 13 | 6 | 7 |
| Beginning cash (farm & nonfarm) | 273,712 | 356,739 | 202,545 |
| Cash Provided By Operating Activities | | | |
| Gross cash farm income | 5,053,585 | 5,154,086 | 4,967,441 |
| Total cash farm expense | -3,975,482 | -4,193,773 | -3,788,375 |
| Net cash from hedging transactions | -126 | - | -234 |
| Cash provided by operating | 1,077,977 | 960,314 | 1,178,832 |
| Cash Provided By Investing Activities | | | |
| Sale of breeding livestock | 12,810 | 12,784 | 12,831 |
| Sale of machinery & equipment | 17,870 | 17,040 | 18,581 |
| Sale of titled vehicles | - | - | - |
| Sale of farm land | - | - | - |
| Sale of farm buildings | - | - | - |
| Sale of other farm assets | 81,998 | 9,830 | 143,856 |
| Sale of nonfarm assets | 504 | - | 937 |
| Purchase of breeding livestock | -26,140 | -39,837 | -14,400 |
| Purchase of machinery & equip. | -369,822 | -302,606 | -427,435 |
| Purchase of titled vehicles | -513 | -1,112 | - |
| Purchase of farm land | -153,401 | -163,576 | -144,679 |
| Purchase of farm buildings | -280,434 | -170,258 | -374,870 |
| Purchase of other farm assets | -125,084 | -23,554 | -212,110 |
| Purchase of nonfarm assets | -29,512 | -63,560 | -329 |
| Cash provided by investing | -871,724 | -724,848 | -997,618 |
| Cash Provided By Financing Activities | | | |
| Money borrowed | 565,612 | 591,334 | 543,564 |
| Principal payments | -471,103 | -497,165 | -448,763 |
| Personal income | 62,628 | 94,620 | 35,207 |
| Family living/owner withdrawals | -136,026 | -139,853 | -132,746 |
| Income and social security tax | -37,782 | -81,860 | - |
| Capital contributions | -5,064 | -22,433 | 9,823 |
| Capital distributions | - | - | - |
| Dividends paid | - | - | - |
| Cash gifts and inheritances | 654 | 1,417 | - |
| Gifts given | -3,330 | -7,215 | - |
| Other cash flows | -58 | 0 | -108 |
| Cash provided by financing | -24,469 | -61,156 | 6,976 |
| Net change in cash balance | 181,784 | 174,310 | 188,190 |
| Ending cash (farm & nonfarm) | 455,496 | 531,049 | 390,735 |

Table 71

Financial Standards Measures
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Liquidity | | | |
| Current ratio | 5.41 | 5.41 | 5.41 |
| Working capital | 2,007,997 | 2,265,348 | 1,787,409 |
| Working capital to gross inc | 39.5 % | 44.7 % | 35.0 % |
| Solvency (market) | | | |
| Farm debt to asset ratio | 24 % | 17 % | 31 % |
| Farm equity to asset ratio | 76 % | 83 % | 69 % |
| Farm debt to equity ratio | 0.32 | 0.20 | 0.44 |
| Profitability (cost) | | | |
| Rate of return on farm assets | 7.6 % | 4.8 % | 9.7 % |
| Rate of return on farm equity | 10.0 % | 5.2 % | 15.1 % |
| Operating profit margin | 14.8 % | 8.9 % | 19.8 % |
| Net farm income | 591,495 | 429,548 | 730,306 |
| EBIDTA | 1,317,762 | 1,027,074 | 1,566,923 |
| Repayment Capacity | | | |
| Capital debt repayment capacity | 1,205,647 | 890,502 | 1,475,771 |
| Capital debt repayment margin | 810,333 | 499,898 | 1,076,420 |
| Replacement margin | 754,377 | 473,631 | 995,016 |
| Term debt coverage ratio | 3.05 | 2.28 | 3.70 |
| Replacement coverage ratio | 2.67 | 2.14 | 3.07 |
| Efficiency | | | |
| Asset turnover rate (cost) | 51.4 % | 54.2 % | 49.2 % |
| Operating expense ratio | 74.1 % | 79.7 % | 69.3 % |
| Depreciation expense ratio | 11.7 % | 10.0 % | 13.1 % |
| Interest expense ratio | 2.6 % | 1.8 % | 3.3 % |
| Net farm income ratio | 11.6 % | 8.5 % | 14.3 % |

Table 72

Operator and Labor Information
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|---------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Operator Information | | | |
| Average number of operators | 2.0 | 2.3 | 1.7 |
| Average age of operators | 53.8 | 53.2 | 54.4 |
| Average number of years farming | 25.2 | 24.8 | 25.8 |
| Results Per Operator | | | |
| Working capital | 1,003,998 | 970,864 | 1,042,655 |
| Total assets (market) | 6,907,954 | 6,184,040 | 7,752,519 |
| Total liabilities | 1,634,212 | 1,047,794 | 2,318,367 |
| Net worth (market) | 5,273,741 | 5,136,246 | 5,434,152 |
| Net worth excl deferred liabs | 5,273,741 | 5,136,246 | 5,434,152 |
| Gross farm income | 2,542,033 | 2,170,637 | 2,975,327 |
| Total farm expense | 2,246,285 | 1,986,546 | 2,549,315 |
| Net farm income from operations | 295,747 | 184,092 | 426,012 |
| Net nonfarm income | 31,314 | 40,551 | 20,537 |
| Family living & tax withdrawals | 86,904 | 95,020 | 77,435 |
| Total acres owned | 510.3 | 564.5 | 447.2 |
| Total crop acres | 974.0 | 947.2 | 1,005.3 |
| Crop acres owned | 656.6 | 728.8 | 572.3 |
| Crop acres cash rented | 317.5 | 218.4 | 433.1 |
| Crop acres share rented | - | - | - |
| Total pasture acres | 10.5 | 17.9 | 1.8 |
| Labor Analysis | | | |
| Number of farms | 12 | 6 | 6 |
| Total unpaid labor hours | 6,159 | 7,667 | 4,652 |
| Total hired labor hours | 58,071 | 41,374 | 74,768 |
| Total labor hours per farm | 64,230 | 49,041 | 79,419 |
| Unpaid hours per operator | 3,080 | 3,286 | 2,791 |
| Value of farm production / hour | 62.28 | 79.22 | 51.82 |
| Net farm income / unpaid hour | 97.26 | 56.02 | 165.23 |
| Average hourly hired labor wage | 10.49 | 16.57 | 7.13 |
| Partnerships & LLCs | | | |
| Number of farms | 9 | 4 | 5 |
| Number of operators | 2.2 | - | 2.0 |
| Owner withdrawals per farm | - | - | - |
| Withdrawals per operator | - | - | - |

Table 73

Financial Summary
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|-------------------------------------|----------------------|------------|------------|
| Number of farms | 13 | 6 | 7 |
| Income Statement | | | |
| Gross cash farm income | 5,053,585 | 5,154,086 | 4,967,441 |
| Total cash farm expense | 3,975,482 | 4,193,773 | 3,788,375 |
| Net cash farm income | 1,078,104 | 960,314 | 1,179,066 |
| Inventory change | 108,072 | -22,684 | 220,148 |
| Depreciation | -594,681 | -508,082 | -668,908 |
| Net farm income from operations | 591,495 | 429,548 | 730,306 |
| Gain or loss on capital sales | - | - | - |
| Average net farm income | 591,495 | 429,548 | 730,306 |
| Median net farm income | 439,228 | 263,457 | 546,775 |
| Profitability (cost) | | | |
| Rate of return on assets | 7.6 % | 4.8 % | 9.7 % |
| Rate of return on equity | 10.0 % | 5.2 % | 15.1 % |
| Operating profit margin | 14.8 % | 8.9 % | 19.8 % |
| Asset turnover rate | 51.4 % | 54.2 % | 49.2 % |
| Profitability (market) | | | |
| Rate of return on assets | 9.2 % | 4.6 % | 13.6 % |
| Rate of return on equity | 10.8 % | 4.7 % | 18.2 % |
| Operating profit margin | 29.6 % | 15.7 % | 41.6 % |
| Asset turnover rate | 31.0 % | 29.2 % | 32.7 % |
| Liquidity & Repayment (end of year) | | | |
| Current assets | 2,463,365 | 2,778,794 | 2,192,998 |
| Current liabilities | 455,369 | 513,446 | 405,588 |
| Current ratio | 5.41 | 5.41 | 5.41 |
| Working capital | 2,007,997 | 2,265,348 | 1,787,409 |
| Working capital to gross inc | 39.5 % | 44.7 % | 35.0 % |
| Term debt coverage ratio | 3.05 | 2.28 | 3.70 |
| Replacement coverage ratio | 2.67 | 2.14 | 3.07 |
| Solvency (end of year at cost) | | | |
| Number of farms | 13 | 6 | 7 |
| Total farm assets | 7,906,747 | 7,324,553 | 8,405,770 |
| Total farm liabilities | 3,161,857 | 2,257,468 | 3,937,047 |
| Total assets | 8,455,496 | 8,156,881 | 8,711,452 |
| Total liabilities | 3,268,425 | 2,444,853 | 3,974,344 |
| Net worth | 5,187,071 | 5,712,028 | 4,737,108 |
| Net worth change | 720,200 | 274,199 | 1,102,488 |
| Farm debt to asset ratio | 40 % | 31 % | 47 % |
| Total debt to asset ratio | 39 % | 30 % | 46 % |
| Solvency (end of year at market) | | | |
| Number of farms | 13 | 6 | 7 |
| Total farm assets | 13,160,380 | 13,577,096 | 12,803,194 |
| Total farm liabilities | 3,161,857 | 2,257,468 | 3,937,047 |
| Total assets | 13,815,908 | 14,429,428 | 13,290,033 |
| Total liabilities | 3,268,425 | 2,444,853 | 3,974,344 |
| Net worth | 10,547,483 | 11,984,575 | 9,315,690 |
| Net worth change | 1,290,244 | 537,586 | 1,935,379 |
| Farm debt to asset ratio | 24 % | 17 % | 31 % |
| Total debt to asset ratio | 24 % | 17 % | 30 % |
| Nonfarm Information | | | |
| Net nonfarm income | 62,628 | 94,620 | 35,207 |
| Crop Acres | | | |
| Total acres owned | 1,021 | 1,317 | 767 |
| Total crop acres | 1,948 | 2,210 | 1,723 |
| Total crop acres owned | 1,313 | 1,701 | 981 |
| Total crop acres cash rented | 635 | 510 | 742 |
| Total crop acres share rented | - | - | - |

Table 74

Summary Farm Income Statement
2013 MI Dairy Herds (450 + Cows)
(Farms Sorted By Rate of Return on Assets - Mkt)

| | Avg. Of All Farms | Low 50% | High 50% |
|----------------------------------|----------------------|-----------|-----------|
| Number of farms | 13 | 6 | 7 |
| Crop sales | 322,520 | 379,307 | 273,845 |
| Crop inventory change | -18,658 | -194,610 | 132,157 |
| Gross crop income | 303,862 | 184,697 | 406,002 |
| Livestock sales | 4,181,631 | 4,339,433 | 4,046,372 |
| Livestock inventory change | 7,820 | 19,234 | -1,964 |
| Gross livestock income | 4,189,451 | 4,358,668 | 4,044,408 |
| Government payments | 51,757 | 44,388 | 58,074 |
| Other cash farm income | 497,677 | 390,958 | 589,151 |
| Change in accounts receivable | -1,979 | -18,093 | 11,834 |
| Gain or loss on hedging accounts | -126 | - | -234 |
| Change in other assets | -36,131 | 6,447 | -72,626 |
| Gain or loss on breeding lvst | 79,555 | 97,756 | 63,953 |
| Gross farm income | 5,084,066 | 5,064,821 | 5,100,561 |
| Cash operating expenses | 3,842,954 | 4,104,056 | 3,619,153 |
| Change in prepaids and supplies | -62,782 | -71,704 | -55,134 |
| Change in growing crops | 324 | -4,357 | 4,336 |
| Change in accounts payable | -14,193 | 9,753 | -34,717 |
| Depreciation | 594,681 | 508,082 | 668,908 |
| Total operating expense | 4,360,984 | 4,545,829 | 4,202,546 |
| Interest paid | 132,527 | 89,717 | 169,222 |
| Change in accrued interest | -940 | -273 | -1,512 |
| Total interest expense | 131,587 | 89,444 | 167,709 |
| Total expenses | 4,492,571 | 4,635,273 | 4,370,255 |
| Net farm income from operations | 591,495 | 429,548 | 730,306 |
| Gain or loss on capital sales | - | - | - |
| Net farm income | 591,495 | 429,548 | 730,306 |