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**2006 Michigan Dairy Farm Business
Analysis Summary**

Eric Wittenberg
And
Christopher Wolf

Staff Paper 2007-08

November, 2007



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and
Christopher Wolf

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2006 Michigan Dairy Farm Business Analysis Summary
by

Eric Wittenberg and Christopher Wolf¹

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Summary

This report summarizes the financial and production records of 139 dairy farms from throughout Michigan in 2006. 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 project and the Farm Credit Service system in Michigan. The values were pooled into averages for reporting purposes. The farms are larger than would be the average of all dairy farms in Michigan. While considerable variation in the data exists, average values are reported in the summary tables and discussion that follows.

In 2006, the average dairy farm in the business analysis had 208 cows producing an average of 21,803 pounds of milk per cow (Table 1). Milk price, based on gross income, averaged \$13.44/cwt. Average milk price was down \$2.34/cwt., while milk production was up almost 1000 pounds per cow and average cows number was up from 2005.

Table 1. Average Michigan Dairy Farm Business Analysis Characteristics, 2002-2006

	2002	2003	2004	2005	2006
Average number of cows	206	196	199	194	208
Milk sold per cow (pounds)	20,251	20,638	20,341	20,852	21,803
Average price of milk sold (\$/cwt)	12.47	12.59	16.42	15.70	13.44
Total acres owned	451	452	440	439	468
Total crop acres	757	761	751	723	772
Number of farms	150	141	144	156	139

Net farm income is the return to operator unpaid management, labor and capital invested. Net farm income in 2006 averaged \$84,212 which was 17 percent decrease over the 2005 average. Net farm income decreased with the same magnitude from 2004 to 2005, 17 percent. This average obscures a very large range of net farm income values. For example, the farms in the top 25 percent of the net farm income distribution averaged \$167,391 while those in the bottom 25 percent had a negative \$15,516. Gross cash farm income averaged \$856,551 in 2006. The largest component of these revenues was milk sales, which averaged \$663,027.

Table 2. Average Michigan Dairy Farm Income Statement, 2002-2006

	2002	2003	2004	2005	2006
	(\$)	(\$)	(\$)	(\$)	(\$)
Gross cash farm income	705,145	695,048	838,669	844,096	856,551
- Total cash expense	<u>589,830</u>	<u>584,107</u>	<u>672,012</u>	<u>682,286</u>	<u>720,614</u>
= Net cash farm income	115,314	110,941	166,657	161,811	135,937
+ Inventory change*	-18,757	2,197	31,880	17,451	23,290
+ Depreciation + capital adjustments*	<u>-64,923</u>	<u>-55,619</u>	<u>-77,417</u>	<u>-78,407</u>	<u>-75,015</u>
= Net farm income	31,635	57,519	121,120	100,855	84,212

*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 2006 dairy farm ROA (Market) was 5.5 percent which was less than 2005 and 2004 but an improvement over the dismal years of 2002 and 2003. Return on equity tells a similar story. Operating profit margin is the operating profit (as defined in ROA above) divided by gross revenues. Operating profit margin measures the dollars of profit generated per dollar of revenue. In 2006, Michigan dairy farms generated 19.4 cents of profit per dollar of revenue. Asset turnover (ATO) is the gross farm revenues divided by average asset value. Asset turnover measures the efficiency with which farm assets generate revenue. The average ATO value was a strong 28.2 percent in 2006.

Table 3. Average Michigan Dairy Farm Profitability Indicators, 2002-2006

	2002	2003	2004	2005	2006
	(%)	(%)	(%)	(%)	(%)
Rate of return on assets*	3.2	4.3	7.7	6.3	5.5
Rate of return on equity	2.1	4.1	9.1	6.9	5.4
Operating profit margin	11.0	14.9	23.3	20.0	19.4
Asset turnover rate*	29.3	29.0	32.9	31.7	28.2

* 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 where detailed financial information was provided. Average, accrual adjusted income and expenses per cropped acre are also included. Income items related to the dairy herd are included in the first section. Government payments includes all farm government payments—not just those related to the dairy herd. It was not possible to separate crop payments from dairy payments.

Table 4 contains the average income and expense items across all 139 dairy farms in the 2006 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 the tables. In contrast, only some farms reported BST expense so that item is larger when averaged only across those farms with that expense. By reporting the income and expense items averaged two ways in the tables, it allows for comparison of individual items with farms that had that item. *These tables should not be interpreted as an estimate of the true cost of producing milk.* All farm sales are not included in the income items—only those that are related to the milking herd. Also, 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 of Tables 4 and 5 presents crop related expenses divided by the total cropped acres. To accurately calculate a crop cost of production requires labor and management (among other) expenses that were not separated out in the financial records.

Table 4. Average income and expenses across all farms*, 2006

Income Items:	Per cwt.	Per Cow
Milk	\$13.44	\$2,917.87
Cull Cows and Calves	\$0.80	\$171.01
Dairy Steers	\$0.51	\$101.36
Dairy Heifers	\$0.16	\$33.77
Government Payments	\$0.93	\$197.57
Patronage Dividends, cash	\$0.15	\$32.13
Crop Sales	\$1.56	\$325.23
Other Cash Income	\$0.55	\$104.80
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$3.74	\$804.43
Breeding Fees	\$0.15	\$32.61
Veterinary	\$0.48	\$109.93
BST	\$0.03	\$7.87
Livestock Supplies	\$0.69	\$145.67
DHIA	\$0.03	\$4.91
Milk & Livestock Mkt. & Trucking	\$0.81	\$169.70
Interest	\$0.95	\$189.51
Fuel and Oil	\$0.89	\$183.77
Repairs	\$1.07	\$224.40
Custom Hire	\$0.52	\$111.45
Hired Labor	\$2.23	\$501.00
Leases	\$0.12	\$25.46
Real Estate Taxes	\$0.25	\$50.44
Farm Insurance	\$0.35	\$72.10
Utilities	\$0.47	\$99.09
Dues, Professional Fees	\$0.15	\$28.21
Miscellaneous	\$0.31	\$69.91
Machinery Depreciation	\$1.19	\$251.45
Building Depreciation	\$0.64	\$133.68
Expense Items per Cropped Acre:	Per Acre	
Seed	\$21.49	
Fertilizer	\$28.12	
Crop Chemicals	\$13.22	
Crop Insurance	\$1.02	
Crop Miscellaneous	\$5.67	
Land Rent	\$32.85	

* All income and expense items averaged across all 139 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*, 2006

Income Items:	Per cwt.	Per Cow
Milk	\$13.44	\$2,917.87
Cull Cows and Calves	\$0.82	\$174.79
Dairy Steers	\$1.07	\$213.48
Dairy Heifers	\$0.34	\$73.35
Government Payments	\$0.95	\$200.46
Patronage Dividends, cash	\$0.19	\$41.74
Crop Sales	\$2.24	\$466.04
Other Cash Income	\$0.59	\$112.93
Expense Items:	Per cwt.	Per Cow
Purchased Feeds	\$3.74	\$804.43
Breeding Fees	\$0.18	\$40.84
Veterinary	\$0.48	\$109.93
BST	\$0.30	\$72.96
Livestock Supplies	\$0.77	\$163.29
DHIA	\$0.12	\$25.52
Milk & Livestock Mkt. & Trucking	\$0.81	\$169.70
Interest	\$1.00	\$199.56
Fuel and Oil	\$0.89	\$183.77
Repairs	\$1.07	\$224.40
Custom Hire	\$0.59	\$125.95
Hired Labor	\$2.43	\$544.05
Leases	\$0.24	\$52.82
Real Estate Taxes	\$0.27	\$56.09
Farm Insurance	\$0.35	\$72.10
Utilities	\$0.47	\$99.09
Dues, Professional Fees	\$0.15	\$29.48
Miscellaneous	\$0.33	\$74.18
Machinery Depreciation	\$1.19	\$251.45
Building Depreciation	\$0.64	\$133.68
Expense Items per Cropped Acre:	Per Acre	
Seed	\$22.12	
Fertilizer	\$29.84	
Crop Chemicals	\$15.44	
Crop Insurance	\$2.83	
Crop Miscellaneous	\$22.53	
Land Rent	\$37.13	

* Income and expense items averaged only across farms with that item. For example, all dairy farms had milk income but only some reported BST expense. Thus, milk income is the same as in Table 4 while BST is \$0.30/cwt across farms with that expense compared to \$0.03/cwt across all farms.

Results by Herd Size

To further facilitate financial comparisons and benchmarking, the financial summaries were divided into herd size categories. The smallest size category, 20 to 99 cows, included 30 herds. The medium size category, 100 to 249 cows, included 72 herds. The largest size category, 250 or more cows, contained the remaining 37 herds.

Table 6 displays some average characteristics by herd size category. As expected, average milk production per cow was correlated with herd size across the size categories. Milk price was about the same across all herd sizes. The smallest herds operated 5 crop acres per cow; the medium herds about 4.3 crop acres/cow; and the largest category about 3.1 crop acres/cow.

Table 6. Average 2006 Michigan Dairy Farm Characteristics by Herd Size Category

	20-99 cows	100-249 cows	250+ cows
Average number of cows	67	157	425
Milk sold per cow (pounds)	18,410	21,992	24,173
Average price of milk sold (\$/cwt)	13.29	13.33	13.78
Total acres owned	284	395	760
Total crop acres	337	674	1,317
Number of farms	30	72	37

Table 7 is the average farm income statement by herd size. Net farm income represents the returns to unpaid factors (i.e., labor, management and equity capital). The smallest farms returned \$29,016; the medium farms \$49,930; and the largest farms \$195,677. The small herds net farm income decreased 13 percent from 2005, the medium herds net farm income decreased 43 percent over 2005 on average and the largest herds net farm income decreased 10 percent over 2005 average value.

**Table 7. Average
2006 Michigan Dairy Farm Income Statement by Herd Size**

	20-99 cows (\$)	100-249 cows (\$)	250+ cows (\$)
Gross cash farm income	238,360	619,069	1,819,913
- Total cash expense	193,400	517,566	1,543,204
= Net cash farm income	44,960	101,503	276,708
+ Inventory change *	11,703	5,869	66,586
+ Depreciation and capital adjustments*	-27,648	-57,441	-147,617
= Net farm income	29,016	49,930	195,677

*Changes calculated as ending value minus beginning value.

Table 8 compares profitability measures across herd size with assets valued at market value. ROA and ROE were the highest on the largest farms in 2006. The small size group (20-99 cows) realized the largest average operating profit margin while the largest herds had the largest average asset turnover rate.

Table 8. Average 2006 Michigan Dairy Farm Profitability Indicators by Herd Size

	20-99 cows	100-249 cows	250+ cows
	(percent)		
Rate of return on assets*	5.3	3.2	7.4
Rate of return on equity	5.1	2.4	8.2
Operating profit margin	27.5	13.0	22.8
Asset turnover rate*	19.4	24.9	32.7

* Assets valued at market value (rather than cost).

Table 10

Farm Income Statement
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Cash Farm Income			
Beans, Navy	159	-	632
Corn	23,867	23,627	28,655
Corn Silage	3,032	57	9,466
Corn, Seed	59	-	234
Hay, Alfalfa	817	1,338	701
Hay, Mixed	2,005	335	4,868
Haylage, Mixed	1,066	-	4,183
Oats	179	51	-
Soybeans	18,519	13,492	32,503
Speltz	1,442	-	5,728
Straw	285	9	652
Sugar Beets	8,482	10,437	11,689
Wheat, Winter	5,163	4,007	6,781
Miscellaneous crop income	159	-	-
Beef Cow-Calf, Beef Calves	131	-	183
Beef, Finish Beef Calves	1,059	-	4,206
Dairy, Milk	663,027	420,330	841,642
Dairy, Dairy Calves	7,972	5,751	8,416
Dairy Heifers (for sale)	601	474	40
Dairy Replacement Heifers	1,657	1,742	1,538
Dairy Steer Finishing	13,727	16,404	10,687
Hogs, Farrow-Fin, Raised Hogs	100	-	-
Cull breeding livestock	35,494	26,472	34,499
Misc. livestock income	2,416	1,175	2,976
Direct & CC govt payments	12,594	13,930	13,593
Other government payments	25,990	17,882	34,178
Custom work income	6,024	7,233	7,087
Patronage dividends, cash	9,096	6,069	19,292
Insurance income	2,549	2,795	1,783
Other farm income	8,792	8,829	12,359
Gross Cash Farm Income	856,551	582,437	1,098,922

Table 10

Farm Income Statement (Continued)
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	139	34	35
Cash Farm Expense			
Seed	18,109	14,348	23,873
Fertilizer	24,619	13,155	34,940
Crop chemicals	11,242	8,080	14,397
Crop insurance	1,139	671	2,019
Drying fuel	295	224	142
CCC buyback	7	28	-
Crop supplies	75	305	-
Crop custom hire	2,107	2,510	981
Crop utilities	252	1,030	-
Crop marketing	247	333	64
Crop miscellaneous	1,829	899	2,370
Feeder livestock purchase	461	907	890
Livestock packaging and supplies	369	-	415
Purchased feed	182,966	124,512	234,028
Breeding fees	7,629	4,199	11,126
Veterinary	25,689	21,660	33,797
BST	1,376	833	1,701
Livestock supplies	29,794	22,650	30,631
DHIA	768	435	1,290
Repair, machinery	78	71	238
Livestock custom hire	316	-	-
Livestock hired labor	251	-	990
Livestock leases	797	26	3,025
Livestock utilities	160	-	-
Livestock hauling and trucking	9,907	8,703	14,563
Livestock marketing	23,041	15,058	23,976
Bedding	1,197	1,493	2,256
Livestock hedging account deposit	111	-	440
Livestock miscellaneous	816	110	213
Interest	38,878	31,924	48,029
Packaging and supplies	1,325	744	2,647
Supplies	1,828	1,556	3,950
Fuel & oil	37,422	32,389	44,578
Repairs	47,871	35,655	65,258
Custom hire	25,292	11,210	34,764
Hired labor	125,633	85,062	148,737
Land rent	26,548	21,477	37,195
Machinery leases	4,901	3,180	4,697
Real estate taxes	8,629	7,901	9,398
Personal property taxes	452	179	1,475
Farm insurance	13,410	11,896	14,484
Utilities	19,591	14,267	22,932
Hauling and trucking	167	-	103
Dues & professional fees	5,111	4,575	5,825
Hedging account deposits	589	-	824
Miscellaneous	17,320	12,780	15,193
Total cash expense	720,614	517,036	898,457
Net cash farm income	135,937	65,401	200,465
Inventory Changes			
Crops and feed	36,349	-217	54,130
Market livestock	-126	-1,144	-2,193
Accounts receivable	-2,404	-2,640	1,599
Prepaid expenses and supplies	-3,441	-4,199	5,852
Accounts payable	-7,088	-12,160	-3,888
Total inventory change	23,290	-20,359	55,500
Net operating profit	159,227	45,042	255,965
Depreciation and Other Capital Adjustments			
Breeding livestock	5,580	-7,373	13,044
Machinery and equipment	-50,597	-35,760	-65,896
Buildings and improvements	-30,337	-17,262	-37,064
Other farm capital	340	-163	1,342
Total depr. and other capital adj	-75,015	-60,558	-88,574
Net farm income	84,212	-15,516	167,391

Table 11

Inventory Changes
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Net cash farm income	135,937	65,401	200,465
Crops and Feed			
Ending inventory	203,864	127,800	269,961
Beginning inventory	167,515	128,017	215,831
Inventory change	36,349	-217	54,130
Market Livestock			
Ending inventory	17,952	12,567	22,150
Beginning inventory	18,078	13,711	24,343
Inventory change	-126	-1,144	-2,193
Accts Receivable & Other Current Assets			
Ending inventory	46,758	36,111	54,356
Beginning inventory	49,162	38,751	52,757
Inventory change	-2,404	-2,640	1,599
Prepaid Expenses and Supplies			
Ending inventory	26,345	7,040	47,915
Beginning inventory	29,786	11,238	42,062
Inventory change	-3,441	-4,199	5,852
Accounts Payable & Accrued Expenses			
Beginning inventory	15,265	18,195	9,628
Ending inventory	22,353	30,355	13,515
Inventory change	-7,088	-12,160	-3,888
Total inventory change	23,290	-20,359	55,500
Net operating profit	159,227	45,042	255,965

Table 12

Depreciation and Other Capital Adjustments
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Net operating profit	159,227	45,042	255,965
Breeding Livestock			
Ending inventory	511,277	396,402	586,362
Capital sales	2,395	692	2,876
Beginning inventory	481,633	388,337	526,614
Capital purchases	26,460	16,130	49,581
Depreciation, capital adjust.	5,580	-7,373	13,044
Machinery and Equipment			
Ending inventory	175,679	118,738	197,064
Capital sales	1,752	1,683	2,718
Beginning inventory	174,808	119,133	189,759
Capital purchases	53,220	37,049	75,920
Depreciation, capital adjust.	-50,597	-35,760	-65,896
Buildings and Improvements			
Ending inventory	202,469	140,188	292,688
Capital sales	55	-	70
Beginning inventory	176,370	139,810	201,457
Capital purchases	56,492	17,640	128,364
Depreciation, capital adjust.	-30,337	-17,262	-37,064
Other Capital Assets			
Ending inventory	48,671	28,804	58,840
Capital sales	7,063	1,995	4,535
Beginning inventory	49,416	29,457	52,535
Capital purchases	5,978	1,505	9,498
Depreciation, capital adjust.	340	-163	1,342
Total depreciation, capital adj.	-75,015	-60,558	-88,574
Net farm income	84,212	-15,516	167,391

Table 13

Profitability Measures
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Profitability (assets valued at cost)			
Net farm income	84,212	-15,516	167,391
Labor and management earnings	35,053	-54,059	116,906
Rate of return on assets	4.1 %	-2.8 %	8.9 %
Rate of return on equity	2.7 %	-10.4 %	12.1 %
Operating profit margin	8.7 %	-7.6 %	16.1 %
Asset turnover rate	47.2 %	36.8 %	55.4 %
Interest on farm net worth	49,160	38,543	50,486
Farm interest expense	39,721	32,457	48,622
Value of operator lbr and mgmt.	62,222	50,930	66,108
Return on farm assets	61,711	-33,989	149,905
Average farm assets	1,510,985	1,212,633	1,680,609
Return on farm equity	21,990	-66,446	101,283
Average farm equity	814,712	641,293	836,636
Value of farm production	712,523	445,644	930,583
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Profitability (assets valued at market)			
Net farm income	160,991	3,556	341,501
Labor and management earnings	51,793	-93,178	223,766
Rate of return on assets	5.5 %	-0.7 %	11.4 %
Rate of return on equity	5.4 %	-2.9 %	14.0 %
Operating profit margin	19.4 %	-3.3 %	34.8 %
Asset turnover rate	28.2 %	20.4 %	32.9 %
Interest on farm net worth	109,198	96,734	117,735
Farm interest expense	39,721	32,457	48,622
Value of operator lbr and mgmt.	62,222	50,930	66,108
Return on farm assets	138,491	-14,917	324,014
Average farm assets	2,523,664	2,183,581	2,830,789
Return on farm equity	98,769	-47,374	275,392
Average farm equity	1,819,969	1,612,242	1,962,250
Value of farm production	712,523	445,644	930,583

Table 14

Liquidity Measures
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Liquidity (cash)			
Net cash farm income	135,937	65,401	200,465
Net nonfarm income	13,603	18,600	13,178
Family living and taxes	67,165	52,525	59,990
Principal due on long term debt	23,564	13,499	29,616
Cash available for interm. debt	58,811	17,978	124,036
Average intermediate debt	191,570	151,332	227,944
Years to turnover interm. debt	3.3	8.4	1.8
Expense as a % of income	84 %	89 %	82 %
Interest as a % of income	5 %	5 %	4 %
Working capital to gross income	19 %	14 %	21 %
Liquidity (accrual)			
Total accrual farm income	890,370	578,436	1,152,458
Total accrual operating expense	731,143	533,394	896,493
Net accrual operating income	159,227	45,042	255,965
Net nonfarm income	13,603	18,600	13,178
Family living and taxes	67,165	52,525	59,990
Principal due on long term debt	23,564	13,499	29,616
Available for intermediate debt	82,101	-2,381	179,536
Average intermediate debt	191,570	151,332	227,944
Years to turnover interm. debt	2.3	**	1.3
Expense as a % of income	82 %	92 %	78 %
Interest as a % of income	4 %	6 %	4 %
Working capital to gross income	18 %	14 %	20 %

** Income insufficient to meet debt servicing requirements

Table 15

Balance Sheet at Cost Values
2006 MI Dairy (All Dairy Farm)
(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	139		34		35	
Assets						
Current Farm Assets						
Cash and checking balance	23,377	23,164	26,052	24,337	15,062	18,671
Prepaid expenses & supplies	29,786	26,345	11,238	7,040	42,062	47,915
Growing crops	11,836	12,153	9,734	9,451	11,151	12,433
Accounts receivable	34,042	30,549	21,548	20,667	36,681	34,346
Hedging accounts	555	557	0	0	1,937	2,017
Crops held for sale or feed	165,794	201,817	122,720	127,800	215,642	263,682
Crops under government loan	1,721	2,046	5,297	0	189	6,278
Market livestock held for sale	18,078	17,952	13,711	12,567	24,343	22,150
Other current assets	2,728	3,498	7,468	5,993	2,988	5,560
Total current farm assets	287,917	318,082	217,769	207,855	350,056	413,053
Intermediate Farm Assets						
Breeding livestock	481,633	511,277	388,337	396,402	526,614	586,362
Machinery and equipment	173,305	174,650	119,080	118,710	186,527	195,560
Titled vehicles	1,503	1,029	53	28	3,231	1,504
Other intermediate assets	32,343	33,626	13,555	12,779	39,257	45,486
Total intermediate farm assets	688,784	720,583	521,024	527,919	755,630	828,912
Long Term Farm Assets						
Farm land	286,585	309,062	317,874	320,900	209,511	283,279
Buildings and improvements	176,370	202,469	139,810	140,188	201,457	292,688
Other long-term assets	17,073	15,045	15,902	16,025	13,277	13,354
Total long-term farm assets	480,027	526,576	473,586	477,113	424,246	589,321
Total Farm Assets	1,456,728	1,565,241	1,212,379	1,212,887	1,529,931	1,831,286
Total Nonfarm Assets	142,342	149,575	173,944	175,817	43,210	53,487
Total Assets	1,599,070	1,714,816	1,386,323	1,388,703	1,573,141	1,884,773
Liabilities						
Current Farm Liabilities						
Accrued interest	902	1,739	506	1,010	262	855
Accounts payable	14,363	20,615	17,689	29,345	9,366	12,660
Current notes	58,561	67,656	48,415	56,324	81,137	79,675
Government crop loans	1,064	1,713	2,648	0	189	5,301
Principal due on term debt	62,771	62,677	44,884	41,945	76,765	86,745
Total current farm liabilities	137,661	154,400	114,142	128,624	167,719	185,236
Total intermediate farm liabs	155,497	149,695	129,802	114,475	173,642	181,643
Total long term farm liabilities	363,132	432,161	301,279	354,358	412,306	567,398
Total farm liabilities	656,290	736,255	545,223	597,457	753,668	934,277
Total nonfarm liabilities	10,027	8,038	10,563	8,217	4,682	456
Total liabilities	666,317	744,293	555,786	605,674	758,349	934,733
Net worth (farm and nonfarm)	932,753	970,522	830,537	783,030	814,792	950,040
Net worth change		37,769		-47,508		135,249
Ratio Analysis						
Current farm liabilities / assets	48 %	49 %	52 %	62 %	48 %	45 %
Curr. & interm farm liab. / assets	30 %	29 %	33 %	33 %	31 %	30 %
Long term farm liab. / assets	76 %	82 %	64 %	74 %	97 %	96 %
Total debt to asset ratio	42 %	43 %	40 %	44 %	48 %	50 %

Table 16

Balance Sheet at Market Values
2006 MI Dairy (All Dairy Farm)
(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	139		34		35	
Assets						
Current Farm Assets						
Cash and checking balance	23,377	23,164	26,052	24,337	15,062	18,671
Prepaid expenses & supplies	29,786	26,345	11,238	7,040	42,062	47,915
Growing crops	11,836	12,153	9,734	9,451	11,151	12,433
Accounts receivable	34,042	30,549	21,548	20,667	36,681	34,346
Hedging accounts	555	557	0	0	1,937	2,017
Crops held for sale or feed	165,794	201,817	122,720	127,800	215,642	263,682
Crops under government loan	1,721	2,046	5,297	0	189	6,278
Market livestock held for sale	18,078	17,952	13,711	12,567	24,343	22,150
Other current assets	2,728	3,498	7,468	5,993	2,988	5,560
Total current farm assets	287,917	318,082	217,769	207,855	350,056	413,053
Intermediate Farm Assets						
Breeding livestock	526,139	563,755	408,509	420,978	613,034	695,490
Machinery and equipment	398,172	418,778	285,108	292,906	466,397	516,758
Titled vehicles	6,325	6,489	6,641	7,647	8,129	8,300
Other intermediate assets	37,663	40,201	13,555	12,779	51,661	62,421
Total intermediate farm assets	968,299	1,029,224	713,812	734,310	1,139,221	1,282,970
Long Term Farm Assets						
Farm land	851,981	902,708	1,029,211	1,038,319	740,788	873,802
Buildings and improvements	303,323	349,944	196,715	196,476	345,364	485,694
Other long-term assets	19,168	16,684	16,285	16,410	16,335	14,297
Total long-term farm assets	1,174,471	1,269,336	1,242,210	1,251,206	1,102,486	1,373,793
Total Farm Assets	2,430,687	2,616,642	2,173,792	2,193,371	2,591,764	3,069,815
Total Nonfarm Assets	217,676	241,770	245,761	280,733	91,569	126,525
Total Assets	2,648,362	2,858,412	2,419,552	2,474,104	2,683,333	3,196,340
Liabilities						
Current Farm Liabilities						
Accrued interest	902	1,739	506	1,010	262	855
Accounts payable	14,363	20,615	17,689	29,345	9,366	12,660
Current notes	58,561	67,656	48,415	56,324	81,137	79,675
Government crop loans	1,064	1,713	2,648	0	189	5,301
Principal due on term debt	62,771	62,677	44,884	41,945	76,765	86,745
Total current farm liabilities	137,661	154,400	114,142	128,624	167,719	185,236
Total intermediate farm liabs	155,497	149,695	129,802	114,475	173,642	181,643
Total long term farm liabilities	363,132	432,161	301,279	354,358	412,306	567,398
Total farm liabilities	656,290	736,255	545,223	597,457	753,668	934,277
Total nonfarm liabilities	10,027	8,038	10,563	8,217	4,682	456
Total liabs excluding deferreds	666,317	744,293	555,786	605,674	758,349	934,733
Total deferred liabilities	7,073	7,737	0	0	23,272	25,861
Total liabilities	673,390	752,031	555,786	605,674	781,621	960,594
Retained earnings	932,753	970,522	830,537	783,030	814,792	950,040
Market valuation equity	1,042,219	1,135,859	1,033,229	1,085,401	1,086,920	1,285,706
Net worth (farm and nonfarm)	1,974,973	2,106,381	1,863,767	1,868,430	1,901,711	2,235,747
Net worth excluding deferreds	1,982,045	2,114,119	1,863,767	1,868,430	1,924,983	2,261,608
Net worth change		131,409		4,664		334,035
Ratio Analysis						
Current farm liabilities / assets	48 %	49 %	52 %	62 %	48 %	45 %
Curr. & interm farm liab. / assets	23 %	23 %	26 %	26 %	23 %	22 %
Long term farm liab. / assets	31 %	34 %	24 %	28 %	37 %	41 %
Total debt to asset ratio	25 %	26 %	23 %	24 %	29 %	30 %
Debt to assets excl deferreds	25 %	26 %	23 %	24 %	28 %	29 %

Table 17

Statement Of Cash Flows
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Beginning cash (farm & nonfarm)	24,513	26,962	15,769
Cash From Operating Activities			
Gross cash farm income	856,551	582,437	1,098,922
Net nonfarm income	13,603	18,600	13,178
Total cash farm expense	-720,614	-517,036	-898,457
Apparent family living expense	-58,970	-50,181	-49,737
Income and social security tax	-8,195	-2,343	-10,253
Cash from operations	82,375	31,477	153,652
Cash From Investing Activities			
Sale of breeding livestock	2,395	692	2,876
Sale of machinery & equipment	1,701	1,683	2,718
Sale of titled vehicles	51	-	-
Sale of farm land	941	-	94
Sale of farm buildings	55	-	70
Sale of other farm assets	7,063	1,995	4,535
Sale of nonfarm assets	2,922	5,874	152
Purchase of breeding livestock	-26,460	-16,130	-49,581
Purchase of machinery & equip.	-53,143	-37,049	-75,613
Purchase of titled vehicles	-77	-	-307
Purchase of farm land	-20,177	-4,026	-61,801
Purchase of farm buildings	-56,492	-17,640	-128,364
Purchase of other farm assets	-5,978	-1,505	-9,498
Purchase of nonfarm assets	-9,128	-14,683	-10,161
Cash from investing activities	-156,327	-80,789	-324,881
Cash From Financing Activities			
Money borrowed	222,268	160,467	308,501
Cash gifts and inheritances	10,158	9,705	14,736
Principal payments	-150,891	-121,485	-135,957
Dividends paid	-	-	-
Gifts given	-7,332	-588	-11,220
Cash from financing activities	74,204	48,099	176,061
Net change in cash balance	252	-1,213	4,833
Ending cash (farm & nonfarm)	24,765	25,749	20,602

Table 18

Financial Standards Measures
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Liquidity			
Current ratio	2.06	1.62	2.23
Working capital	163,683	79,231	227,817
Solvency (market)			
Farm debt to asset ratio	28 %	27 %	31 %
Farm equity to asset ratio	72 %	73 %	69 %
Farm debt to equity ratio	40 %	37 %	46 %
Profitability (cost)			
Rate of return on farm assets	4.1 %	-2.8 %	8.9 %
Rate of return on farm equity	2.7 %	-10.4 %	12.1 %
Operating profit margin	8.7 %	-7.6 %	16.1 %
Net farm income	84,212	-15,516	167,391
Repayment Capacity			
Term debt coverage ratio	146 %	50 %	229 %
Capital replacement margin	42,393	-35,006	132,312
Efficiency			
Asset turnover rate (cost)	47.2 %	36.8 %	55.4 %
Operating expense ratio	77.7 %	86.6 %	73.6 %
Depreciation expense ratio	8.4 %	10.5 %	7.7 %
Interest expense ratio	4.5 %	5.6 %	4.2 %
Net farm income ratio	9.5 %	-2.7 %	14.5 %

Table 19

Operator and Labor Information
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Operator Information			
Average number of operators	1.5	1.5	1.5
Average age of operators	52.0	53.5	52.7
Average number of years farming	27.5	29.5	28.0
Results Per Operator			
Working capital	106,566	51,311	156,345
Total assets (market)	1,860,980	1,602,277	2,193,567
Total liabilities	489,612	392,246	659,231
Net worth (market)	1,371,368	1,210,031	1,534,336
Net worth excl deferred liabs	1,376,405	1,210,031	1,552,084
Gross farm income	579,679	374,606	790,902
Total farm expense	524,852	384,655	676,026
Net farm income	54,827	-10,048	114,876
Net nonfarm income	8,856	12,046	9,044
Family living & tax withdrawals	43,728	34,016	41,170
Total acres owned	304.7	357.2	251.0
Total crop acres	502.8	480.8	551.3
Crop acres owned	305.0	346.4	340.9
Crop acres cash rented	197.9	134.4	210.3
Crop acres share rented	-	-	-
Total pasture acres	2.4	-	4.2
Labor Analysis			
Number of farms	133	32	35
Total unpaid labor hours	4,480	4,325	4,746
Total hired labor hours	8,571	5,663	11,064
Total labor hours per farm	13,051	9,988	15,810
Unpaid hours per operator	2,900	2,741	3,257
Value of farm production / hour	53.98	43.82	58.86
Net farm income / unpaid hour	19.34	-3.54	35.27
Average hourly hired labor wage	14.18	13.58	13.39
Partnerships & LLCs			
Number of farms	42	4	12
Number of operators	2.1	2.3	1.8
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-
Corporations			
Number of farms	4	1	1
Number of operators	2.3	-	-

Table 20

Financial Summary
2006 MI Dairy (All Dairy Farm)
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	139	34	35
Income Statement			
Gross cash farm income	856,551	582,437	1,098,922
Total cash farm expense	720,614	517,036	898,457
Net cash farm income	135,937	65,401	200,465
Inventory change	23,290	-20,359	55,500
Depreciation and capital adjust	-75,015	-60,558	-88,574
Net farm income	84,212	-15,516	167,391
Profitability (cost)			
Labor and management earnings	35,053	-54,059	116,906
Rate of return on assets	4.1 %	-2.8 %	8.9 %
Rate of return on equity	2.7 %	-10.4 %	12.1 %
Operating profit margin	8.7 %	-7.6 %	16.1 %
Asset turnover rate	47.2 %	36.8 %	55.4 %
Profitability (market)			
Labor and management earnings	51,793	-93,178	223,766
Rate of return on assets	5.5 %	-0.7 %	11.4 %
Rate of return on equity	5.4 %	-2.9 %	14.0 %
Operating profit margin	19.4 %	-3.3 %	34.8 %
Asset turnover rate	28.2 %	20.4 %	32.9 %
Liquidity			
Ending current ratio	2.06	1.62	2.23
Ending working capital	163,683	79,231	227,817
End working capital to gross inc	19.1 %	13.6 %	20.7 %
Term debt coverage ratio	146.3 %	50.0 %	229.0 %
Expense as a percent of income	82.1 %	92.2 %	77.8 %
Interest as a percent of income	4.5 %	5.6 %	4.2 %
Solvency (cost)			
Number of farms	139	34	35
Ending farm assets	1,565,241	1,212,887	1,831,286
Ending farm liabilities	736,255	597,457	934,277
Ending total assets	1,714,816	1,388,703	1,884,773
Ending total liabilities	744,293	605,674	934,733
Ending net worth	970,522	783,030	950,040
Net worth change	37,769	-47,508	135,249
Ending farm debt to asset ratio	47 %	49 %	51 %
Beg total debt to asset ratio	42 %	40 %	48 %
End total debt to asset ratio	43 %	44 %	50 %
Solvency (market)			
Number of farms	139	34	35
Ending farm assets	2,616,642	2,193,371	3,069,815
Ending farm liabilities	744,010	597,457	960,138
Ending total assets	2,858,412	2,474,104	3,196,340
Ending total liabilities	752,031	605,674	960,594
Ending net worth	2,106,381	1,868,430	2,235,747
Net worth change	131,409	4,664	334,035
Ending farm debt to asset ratio	28 %	27 %	31 %
Beg total debt to asset ratio	25 %	23 %	29 %
End total debt to asset ratio	26 %	24 %	30 %
Nonfarm Information			
Net nonfarm income	13,603	18,600	13,178
Farms reporting living expenses	7	1	-
Total family living expense	31,449	-	-
Total living, invest, & capital	45,412	-	-
Crop Acres			
Total acres owned	468	552	366
Total crop acres	772	742	803
Total crop acres owned	468	535	497
Total crop acres cash rented	304	207	306
Total crop acres share rented	-	-	-

Table 22

Farm Income Statement
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Cash Farm Income			
Corn	8,187	-	8,601
Corn Silage	415	64	-
Hay, Alfalfa	843	3,022	110
Hay, Mixed	4,596	831	7,859
Haylage, Mixed	33	-	125
Soybeans	10,194	5,858	13,436
Sugar Beets	949	-	-
Wheat, Winter	1,513	-	720
Miscellaneous crop income	34	-	-
Beef Bulls	98	421	-
Beef Cow-Calf, Beef Calves	213	-	-
Dairy, Milk	167,825	126,308	166,122
Dairy, Dairy Calves	1,938	2,865	1,739
Dairy Heifers (for sale)	308	-	145
Dairy Replacement Heifers	172	738	-
Dairy Steer Finishing	6,901	10,724	6,107
Cull breeding livestock	10,238	8,741	6,695
Misc. livestock income	3,457	38	-
Direct & CC govt payments	4,385	1,755	7,088
Other government payments	9,303	9,251	4,410
Custom work income	444	531	187
Patronage dividends, cash	1,993	1,264	1,618
Insurance income	243	549	255
Other farm income	4,078	1,045	5,965
Gross Cash Farm Income	238,360	174,005	231,181

Table 22

Farm Income Statement (Continued)
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Cash Farm Expense			
Seed	2,861	4,051	3,431
Fertilizer	8,267	3,111	7,074
Crop chemicals	4,083	2,964	3,512
Crop insurance	130	307	38
Crop custom hire	1,466	502	2,209
Crop hauling and trucking	262	-	-
Crop miscellaneous	529	376	1,654
Feeder livestock purchase	1,004	214	929
Livestock packaging and supplies	484	-	1,815
Purchased feed	47,998	37,611	45,684
Breeding fees	1,692	1,797	1,970
Veterinary	5,404	5,993	5,196
BST	785	-	2,629
Livestock supplies	7,015	4,045	3,360
DHIA	579	388	793
Repair, machinery	81	347	-
Livestock utilities	226	-	-
Livestock hauling and trucking	3,967	2,790	4,212
Marketing	5,939	5,505	4,527
Bedding	476	-	1,687
Livestock hedging account deposit	514	-	1,926
Interest	14,198	15,191	14,159
Packaging and supplies	469	-	1,377
Supplies	366	259	897
Fuel & oil	12,466	8,592	12,250
Repairs	14,826	10,976	14,203
Custom hire	4,139	8,132	3,174
Hired labor	21,348	21,062	15,888
Land rent	7,864	1,198	12,741
Machinery leases	358	19	235
Real estate taxes	2,979	3,317	2,225
Personal property taxes	306	497	388
Farm insurance	6,123	3,367	6,186
Utilities	7,331	5,562	5,534
Dues & professional fees	2,096	1,121	3,026
Hedging account deposits	120	-	-
Miscellaneous	4,650	6,043	3,885
Total cash expense	193,400	155,335	188,814
Net cash farm income	44,960	18,671	42,367
Inventory Changes			
Crops and feed	11,389	3,664	19,246
Market livestock	4,382	2,873	-473
Accounts receivable	-2,018	-1,098	-86
Prepaid expenses and supplies	-1,509	-823	-7,238
Accounts payable	-541	-3,813	-474
Total inventory change	11,703	803	10,975
Net operating profit	56,664	19,474	53,341
Depreciation and Other Capital Adjustments			
Breeding livestock	-1,813	-19,548	-2,158
Machinery and equipment	-17,696	-8,098	-21,375
Buildings and improvements	-8,540	-3,824	574
Other farm capital	401	4	871
Total depr. and other capital adj	-27,648	-31,466	-22,088
Net farm income	29,016	-11,993	31,253

Table 23

Inventory Changes
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Net cash farm income	44,960	18,671	42,367
Crops and Feed			
Ending inventory	67,552	40,085	81,475
Beginning inventory	56,163	36,421	62,230
Inventory change	11,389	3,664	19,246
Market Livestock			
Ending inventory	13,083	9,705	1,777
Beginning inventory	8,701	6,832	2,250
Inventory change	4,382	2,873	-473
Accts Receivable & Other Current Assets			
Ending inventory	8,414	3,798	4,188
Beginning inventory	10,433	4,895	4,274
Inventory change	-2,018	-1,098	-86
Prepaid Expenses and Supplies			
Ending inventory	6,593	1,679	3,143
Beginning inventory	8,101	2,502	10,380
Inventory change	-1,509	-823	-7,238
Accounts Payable & Accrued Expenses			
Beginning inventory	4,515	2,585	6,364
Ending inventory	5,056	6,398	6,838
Inventory change	-541	-3,813	-474
Total inventory change	11,703	803	10,975
Net operating profit	56,664	19,474	53,341

Table 24

Depreciation and Other Capital Adjustments
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Net operating profit	56,664	19,474	53,341
Breeding Livestock			
Ending inventory	161,506	112,891	140,463
Capital sales	548	930	104
Beginning inventory	155,869	124,029	128,150
Capital purchases	7,997	9,341	14,575
Depreciation, capital adjust.	-1,813	-19,548	-2,158
Machinery and Equipment			
Ending inventory	51,355	50,201	63,442
Capital sales	1,173	2,217	688
Beginning inventory	54,080	40,115	70,474
Capital purchases	16,143	20,402	15,030
Depreciation, capital adjust.	-17,696	-8,098	-21,375
Buildings and Improvements			
Ending inventory	68,618	35,181	107,282
Capital sales	-	-	-
Beginning inventory	53,813	39,005	86,809
Capital purchases	23,345	-	19,898
Depreciation, capital adjust.	-8,540	-3,824	574
Other Capital Assets			
Ending inventory	9,664	8,127	5,224
Capital sales	6,850	786	-
Beginning inventory	15,895	8,069	4,353
Capital purchases	219	839	-
Depreciation, capital adjust.	401	4	871
Total depreciation, capital adj.	-27,648	-31,466	-22,088
Net farm income	29,016	-11,993	31,253

Table 25

Profitability Measures
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Profitability (assets valued at cost)			
Net farm income	29,016	-11,993	31,253
Labor and management earnings	13,995	-17,165	19,496
Rate of return on assets	1.3 %	-6.9 %	2.7 %
Rate of return on equity	-3.3 %	-48.6 %	-0.8 %
Operating profit margin	3.1 %	-19.8 %	6.3 %
Asset turnover rate	41.1 %	34.8 %	42.0 %
Interest on farm net worth	15,020	5,172	11,757
Farm interest expense	14,368	15,146	14,183
Value of operator lbr and mgmt.	37,139	27,333	32,740
Return on farm assets	6,245	-24,179	12,696
Average farm assets	490,249	350,974	478,398
Return on farm equity	-8,124	-39,325	-1,486
Average farm equity	249,107	80,922	195,948
Value of farm production	201,299	122,071	201,095
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Profitability (assets valued at market)			
Net farm income	78,216	-11,112	131,763
Labor and management earnings	30,340	-43,253	99,301
Rate of return on assets	5.3 %	-2.9 %	13.7 %
Rate of return on equity	5.1 %	-7.2 %	18.3 %
Operating profit margin	27.5 %	-19.1 %	56.3 %
Asset turnover rate	19.4 %	15.2 %	24.4 %
Interest on farm net worth	47,876	32,142	32,462
Farm interest expense	14,368	15,146	14,183
Value of operator lbr and mgmt.	37,139	27,333	32,740
Return on farm assets	55,446	-23,298	113,206
Average farm assets	1,039,079	805,747	823,476
Return on farm equity	41,077	-38,444	99,023
Average farm equity	797,937	535,695	541,026
Value of farm production	201,299	122,071	201,095

Table 26

Liquidity Measures
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Liquidity (cash)			
Net cash farm income	44,960	18,671	42,367
Net nonfarm income	19,300	34,670	30,780
Family living and taxes	35,134	40,632	34,836
Principal due on long term debt	9,262	8,041	10,113
Cash available for interm. debt	19,864	4,667	28,197
Average intermediate debt	70,518	48,670	95,508
Years to turnover interm. debt	3.5	10.4	3.4
Expense as a % of income	81 %	89 %	82 %
Interest as a % of income	6 %	9 %	6 %
Working capital to gross income	25 %	17 %	14 %
Liquidity (accrual)			
Total accrual farm income	252,113	179,444	249,866
Total accrual operating expense	195,450	159,971	196,525
Net accrual operating income	56,664	19,474	53,341
Net nonfarm income	19,300	34,670	30,780
Family living and taxes	35,134	40,632	34,836
Principal due on long term debt	9,262	8,041	10,113
Available for intermediate debt	31,568	5,470	39,172
Average intermediate debt	70,518	48,670	95,508
Years to turnover interm. debt	2.2	8.9	2.4
Expense as a % of income	78 %	89 %	79 %
Interest as a % of income	6 %	8 %	6 %
Working capital to gross income	23 %	17 %	13 %

Table 27

Balance Sheet at Cost Values
2006 MI Dairy 20-99 Cows
(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	30		7		8	
Assets						
Current Farm Assets						
Cash and checking balance	8,906	9,229	13,838	11,195	5,566	5,624
Prepaid expenses & supplies	8,101	6,593	2,502	1,679	10,380	3,143
Growing crops	3,784	3,883	1,293	1,243	575	1,475
Accounts receivable	6,112	4,030	3,490	2,555	3,250	2,269
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	56,163	67,552	36,421	40,085	62,230	81,475
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	8,701	13,083	6,832	9,705	2,250	1,777
Other current assets	536	501	113	0	449	444
Total current farm assets	92,305	104,871	64,488	66,461	84,700	96,206
Intermediate Farm Assets						
Breeding livestock	155,869	161,506	124,029	112,891	128,150	140,463
Machinery and equipment	52,514	49,822	40,115	50,201	70,474	63,442
Titled vehicles	1,567	1,533	0	0	0	0
Other intermediate assets	5,573	6,153	7,864	7,910	1,975	3,153
Total intermediate farm assets	215,522	219,013	172,008	171,003	200,598	207,057
Long Term Farm Assets						
Farm land	107,562	104,960	76,690	76,690	81,759	87,934
Buildings and improvements	53,813	68,618	39,005	35,181	86,809	107,282
Other long-term assets	10,322	3,511	205	216	2,379	2,071
Total long-term farm assets	171,696	177,089	115,900	112,087	170,947	197,287
Total Farm Assets	479,524	500,974	352,396	349,551	456,245	500,551
Total Nonfarm Assets	43,259	48,785	48,173	59,317	33,840	35,637
Total Assets	522,782	549,760	400,569	408,868	490,086	536,188
Liabilities						
Current Farm Liabilities						
Accrued interest	257	427	140	95	3	26
Accounts payable	4,259	4,629	2,444	6,303	6,361	6,811
Current notes	18,764	19,243	7,311	11,240	32,881	33,620
Government crop loans	0	0	0	0	0	0
Principal due on term debt	22,228	21,359	13,469	18,375	29,462	23,361
Total current farm liabilities	45,507	45,658	23,364	36,013	68,707	63,819
Total intermediate farm liabs	58,910	55,701	37,207	41,890	83,987	75,289
Total long term farm liabilities	130,048	146,460	202,413	199,217	115,488	157,609
Total farm liabilities	234,465	247,819	262,984	277,120	268,182	296,717
Total nonfarm liabilities	5,447	5,268	14,538	15,384	0	0
Total liabilities	239,912	253,087	277,522	292,503	268,182	296,717
Net worth (farm and nonfarm)	282,870	296,672	123,047	116,365	221,904	239,471
Net worth change		13,802		-6,682		17,567
Ratio Analysis						
Current farm liabilities / assets	49 %	44 %	36 %	54 %	81 %	66 %
Curr. & interm farm liab. / assets	34 %	31 %	26 %	33 %	54 %	46 %
Long term farm liab. / assets	76 %	83 %	175 %	178 %	68 %	80 %
Total debt to asset ratio	46 %	46 %	69 %	72 %	55 %	55 %

Table 28

Balance Sheet at Market Values
2006 MI Dairy 20-99 Cows
(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	30		7		8	
Assets						
Current Farm Assets						
Cash and checking balance	8,906	9,229	13,838	11,195	5,566	5,624
Prepaid expenses & supplies	8,101	6,593	2,502	1,679	10,380	3,143
Growing crops	3,784	3,883	1,293	1,243	575	1,475
Accounts receivable	6,112	4,030	3,490	2,555	3,250	2,269
Hedging accounts	0	0	0	0	0	0
Crops held for sale or feed	56,163	67,552	36,421	40,085	62,230	81,475
Crops under government loan	0	0	0	0	0	0
Market livestock held for sale	8,701	13,083	6,832	9,705	2,250	1,777
Other current assets	536	501	113	0	449	444
Total current farm assets	92,305	104,871	64,488	66,461	84,700	96,206
Intermediate Farm Assets						
Breeding livestock	164,803	175,780	124,029	114,114	134,000	156,240
Machinery and equipment	191,844	197,190	107,420	112,410	147,157	160,047
Titled vehicles	2,257	2,257	0	0	0	125
Other intermediate assets	6,884	7,033	7,864	7,910	4,592	3,153
Total intermediate farm assets	365,787	382,260	239,313	234,434	285,748	319,566
Long Term Farm Assets						
Farm land	417,406	440,470	418,076	420,619	268,839	347,751
Buildings and improvements	116,705	142,064	84,646	83,034	109,402	130,290
Other long-term assets	11,550	4,740	205	216	2,379	2,071
Total long-term farm assets	545,662	587,274	502,927	503,869	380,620	480,112
Total Farm Assets	1,003,754	1,074,405	806,728	804,765	751,068	895,883
Total Nonfarm Assets	110,043	130,412	134,394	156,647	54,993	69,383
Total Assets	1,113,797	1,204,817	941,123	961,411	806,061	965,266
Liabilities						
Current Farm Liabilities						
Accrued interest	257	427	140	95	3	26
Accounts payable	4,259	4,629	2,444	6,303	6,361	6,811
Current notes	18,764	19,243	7,311	11,240	32,881	33,620
Government crop loans	0	0	0	0	0	0
Principal due on term debt	22,228	21,359	13,469	18,375	29,462	23,361
Total current farm liabilities	45,507	45,658	23,364	36,013	68,707	63,819
Total intermediate farm liabs	58,910	55,701	37,207	41,890	83,987	75,289
Total long term farm liabilities	130,048	146,460	202,413	199,217	115,488	157,609
Total farm liabilities	234,465	247,819	262,984	277,120	268,182	296,717
Total nonfarm liabilities	5,447	5,268	14,538	15,384	0	0
Total liabs excluding deferreds	239,912	253,087	277,522	292,503	268,182	296,717
Total deferred liabilities	0	0	0	0	0	0
Total liabilities	239,912	253,087	277,522	292,503	268,182	296,717
Retained earnings	282,870	296,672	123,047	116,365	221,904	239,471
Market valuation equity	591,014	655,057	540,554	552,543	315,976	429,078
Net worth (farm and nonfarm)	873,884	951,730	663,601	668,908	537,879	668,549
Net worth excluding deferreds	873,884	951,730	663,601	668,908	537,879	668,549
Net worth change		77,845		5,307		130,670
Ratio Analysis						
Current farm liabilities / assets	49 %	44 %	36 %	54 %	81 %	66 %
Curr. & interm farm liab. / assets	23 %	21 %	20 %	26 %	41 %	33 %
Long term farm liab. / assets	24 %	25 %	40 %	40 %	30 %	33 %
Total debt to asset ratio	22 %	21 %	29 %	30 %	33 %	31 %
Debt to assets excl deferreds	22 %	21 %	29 %	30 %	33 %	31 %

Table 29

Statement Of Cash Flows
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Beginning cash (farm & nonfarm)	12,207	13,838	8,034
Cash From Operating Activities			
Gross cash farm income	238,360	174,005	231,181
Net nonfarm income	19,300	34,670	30,780
Total cash farm expense	-193,400	-155,335	-188,814
Apparent family living expense	-33,110	-37,512	-34,024
Income and social security tax	-2,024	-3,120	-813
Cash from operations	29,126	12,708	38,310
Cash From Investing Activities			
Sale of breeding livestock	548	930	104
Sale of machinery & equipment	1,173	2,217	688
Sale of titled vehicles	-	-	-
Sale of farm land	4,248	-	-
Sale of farm buildings	-	-	-
Sale of other farm assets	6,850	786	-
Sale of nonfarm assets	579	-	-
Purchase of breeding livestock	-7,997	-9,341	-14,575
Purchase of machinery & equip.	-16,143	-20,402	-15,030
Purchase of titled vehicles	-	-	-
Purchase of farm land	-2,147	-	-8,050
Purchase of farm buildings	-23,345	-	-19,898
Purchase of other farm assets	-219	-839	-
Purchase of nonfarm assets	-904	558	-
Cash from investing activities	-37,356	-26,091	-56,762
Cash From Financing Activities			
Money borrowed	76,621	87,117	75,583
Cash gifts and inheritances	6,297	-	20,407
Principal payments	-63,987	-75,949	-47,522
Dividends paid	-	-	-
Gifts given	-10,049	-	-29,680
Cash from financing activities	8,883	11,168	18,788
Net change in cash balance	653	-2,215	335
Ending cash (farm & nonfarm)	12,859	11,624	8,370

Table 30

Financial Standards Measures
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Liquidity			
Current ratio	2.30	1.85	1.51
Working capital	59,213	30,448	32,388
Solvency (market)			
Farm debt to asset ratio	23 %	34 %	33 %
Farm equity to asset ratio	77 %	66 %	67 %
Farm debt to equity ratio	30 %	53 %	50 %
Profitability (cost)			
Rate of return on farm assets	1.3 %	-6.9 %	2.7 %
Rate of return on farm equity	-3.3 %	-48.6 %	-0.8 %
Operating profit margin	3.1 %	-19.8 %	6.3 %
Net farm income	29,016	-11,993	31,253
Repayment Capacity			
Term debt coverage ratio	156 %	94 %	158 %
Capital replacement margin	18,047	-1,671	19,822
Efficiency			
Asset turnover rate (cost)	41.1 %	34.8 %	42.0 %
Operating expense ratio	71.8 %	80.7 %	73.0 %
Depreciation expense ratio	11.0 %	17.5 %	8.8 %
Interest expense ratio	5.7 %	8.4 %	5.7 %
Net farm income ratio	11.5 %	-6.7 %	12.5 %

Table 31

Operator and Labor Information

2006 MI Dairy 20-99 Cows

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

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Operator Information			
Average number of operators	1.3	1.3	1.6
Average age of operators	52.9	53.7	57.1
Average number of years farming	27.7	26.3	30.1
Results Per Operator			
Working capital	44,410	23,682	19,931
Total assets (market)	903,613	747,764	594,010
Total liabilities	189,815	227,503	182,595
Net worth (market)	713,797	520,262	411,415
Net worth excl deferred liabs	713,797	520,262	411,415
Gross farm income	189,085	139,568	153,764
Total farm expense	167,323	148,895	134,531
Net farm income	21,762	-9,328	19,233
Net nonfarm income	14,475	26,965	18,941
Family living & tax withdrawals	26,350	31,603	21,438
Total acres owned	212.8	194.6	134.2
Total crop acres	252.8	180.6	251.3
Crop acres owned	162.8	164.5	115.3
Crop acres cash rented	90.0	16.1	136.0
Crop acres share rented	-	-	-
Total pasture acres	-	-	-
Labor Analysis			
Number of farms	30	7	8
Total unpaid labor hours	3,940	2,815	4,345
Total hired labor hours	1,671	1,690	694
Total labor hours per farm	5,610	4,505	5,039
Unpaid hours per operator	2,955	2,189	2,674
Value of farm production / hour	35.88	27.10	39.91
Net farm income / unpaid hour	7.36	-4.26	7.19
Average hourly hired labor wage	12.36	12.46	19.39
Partnerships & LLCs			
Number of farms	6	-	4
Number of operators	2.0	-	2.0
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 32

Financial Summary
2006 MI Dairy 20-99 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	30	7	8
Income Statement			
Gross cash farm income	238,360	174,005	231,181
Total cash farm expense	193,400	155,335	188,814
Net cash farm income	44,960	18,671	42,367
Inventory change	11,703	803	10,975
Depreciation and capital adjust	-27,648	-31,466	-22,088
Net farm income	29,016	-11,993	31,253
Profitability (cost)			
Labor and management earnings	13,995	-17,165	19,496
Rate of return on assets	1.3 %	-6.9 %	2.7 %
Rate of return on equity	-3.3 %	-48.6 %	-0.8 %
Operating profit margin	3.1 %	-19.8 %	6.3 %
Asset turnover rate	41.1 %	34.8 %	42.0 %
Profitability (market)			
Labor and management earnings	30,340	-43,253	99,301
Rate of return on assets	5.3 %	-2.9 %	13.7 %
Rate of return on equity	5.1 %	-7.2 %	18.3 %
Operating profit margin	27.5 %	-19.1 %	56.3 %
Asset turnover rate	19.4 %	15.2 %	24.4 %
Liquidity			
Ending current ratio	2.30	1.85	1.51
Ending working capital	59,213	30,448	32,388
End working capital to gross inc	24.8 %	17.5 %	14.0 %
Term debt coverage ratio	155.8 %	93.6 %	158.4 %
Expense as a percent of income	77.5 %	89.1 %	78.7 %
Interest as a percent of income	5.7 %	8.4 %	5.7 %
Solvency (cost)			
Number of farms	30	7	8
Ending farm assets	500,974	349,551	500,551
Ending farm liabilities	247,819	277,120	296,717
Ending total assets	549,760	408,868	536,188
Ending total liabilities	253,087	292,503	296,717
Ending net worth	296,672	116,365	239,471
Net worth change	13,802	-6,682	17,567
Ending farm debt to asset ratio	49 %	79 %	59 %
Beg total debt to asset ratio	46 %	69 %	55 %
End total debt to asset ratio	46 %	72 %	55 %
Solvency (market)			
Number of farms	30	7	8
Ending farm assets	1,074,405	804,765	895,883
Ending farm liabilities	247,819	277,120	296,717
Ending total assets	1,204,817	961,411	965,266
Ending total liabilities	253,087	292,503	296,717
Ending net worth	951,730	668,908	668,549
Net worth change	77,845	5,307	130,670
Ending farm debt to asset ratio	23 %	34 %	33 %
Beg total debt to asset ratio	22 %	29 %	33 %
End total debt to asset ratio	21 %	30 %	31 %
Nonfarm Information			
Net nonfarm income	19,300	34,670	30,780
Crop Acres			
Total acres owned	284	250	218
Total crop acres	337	232	408
Total crop acres owned	217	212	187
Total crop acres cash rented	120	21	221
Total crop acres share rented	-	-	-

Table 34

Farm Income Statement
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Cash Farm Income			
Barley	139	-	-
Beans, Navy	307	-	1,164
Corn	15,640	37,949	5,099
Corn Silage	1,208	88	4,499
Hay, Alfalfa	903	706	161
Hay, Mixed	330	1	11
Oats	75	101	45
Soybeans	9,436	18,445	1,454
Straw	222	-	307
Sugar Beets	4,929	20,874	-
Wheat, Spring	171	-	648
Wheat, Winter	3,837	7,394	2,319
Miscellaneous crop income	110	-	46
Beef Cow-Calf, Beef Calves	87	-	330
Dairy, Milk	475,920	459,185	480,599
Dairy, Dairy Calves	5,683	7,790	3,099
Dairy Heifers (for sale)	1,032	926	453
Dairy Replacement Heifers	2,388	1,133	3,238
Dairy Steer Finishing	10,840	11,941	11,000
Hogs, Farrow-Fin, Raised Hogs	194	-	-
Horses, Boarding	36	-	137
Cull breeding livestock	30,771	27,102	27,941
Misc. livestock income	2,626	170	-
Direct & CC govt payments	15,123	17,152	11,603
Other government payments	18,054	18,696	16,872
Custom work income	5,130	4,734	8,363
Patronage dividends, cash	4,331	8,171	4,286
Insurance income	3,065	3,364	107
Cash from hedging accts	179	-4	417
Other farm income	6,303	4,459	8,490
Gross Cash Farm Income	619,069	650,375	592,689

Table 34

Farm Income Statement (Continued)
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		
	All Farms	Low 25%	High 25%
Number of farms	72	17	19
Cash Farm Expense			
Seed	13,917	20,709	9,672
Fertilizer	16,112	19,578	9,737
Crop chemicals	6,977	9,161	6,231
Crop insurance	440	785	298
Drying fuel	130	-	-
CCC buyback	13	56	-
Crop supplies	144	609	-
Crop custom hire	2,624	2,269	3,807
Crop utilities	486	2,059	-
Crop marketing	211	665	112
Crop miscellaneous	808	709	744
Feeder livestock purchase	436	1,726	-
Livestock packaging and supplies	511	-	1,937
Purchased feed	129,470	134,418	129,003
Breeding fees	4,871	3,753	5,612
Veterinary	17,684	25,619	13,430
BST	1,182	2	1,662
Livestock supplies	21,761	24,149	18,705
DHIA	737	467	933
Repair, machinery	116	-	439
Repair, buildings	31	-	117
Livestock hired labor	485	-	1,824
Livestock utilities	215	-	-
Livestock hauling and trucking	9,331	10,227	10,596
Livestock marketing	16,622	14,537	15,586
Bedding	633	255	994
Livestock miscellaneous	281	-	648
Interest	29,096	24,312	30,194
Packaging and supplies	1,569	1,488	1,293
Supplies	1,376	2,593	632
Fuel & oil	30,341	37,411	23,518
Repairs	33,940	37,525	28,852
Custom hire	14,114	8,422	17,698
Hired labor	80,280	105,451	63,955
Land rent	21,568	30,979	20,457
Machinery leases	5,643	5,738	4,574
Real estate taxes	9,138	10,366	6,540
Personal property taxes	69	124	44
Farm insurance	11,630	13,121	9,269
Utilities	15,216	13,683	16,225
Hauling and trucking	273	-	-
Dues & professional fees	4,987	4,984	5,489
Hedging account deposits	342	-	857
Miscellaneous	11,753	11,803	10,068
Total cash expense	517,566	579,754	471,752
Net cash farm income	101,503	70,621	120,937
Inventory Changes			
Crops and feed	20,064	-3,666	22,189
Market livestock	-2,167	-3,582	-410
Accounts receivable	-2,196	862	-2,222
Prepaid expenses and supplies	-4,112	-3,322	-4,819
Accounts payable	-5,720	-18,661	-1,874
Total inventory change	5,869	-28,368	12,865
Net operating profit	107,372	42,253	133,802
Depreciation and Other Capital Adjustments			
Breeding livestock	4,839	1,607	7,530
Machinery and equipment	-40,695	-44,371	-37,759
Buildings and improvements	-21,794	-19,092	-25,764
Other farm capital	209	-138	208
Total depr. and other capital adj	-57,441	-61,994	-55,785
Net farm income	49,930	-19,741	78,018

Table 35

Inventory Changes
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Net cash farm income	101,503	70,621	120,937
Crops and Feed			
Ending inventory	143,308	129,663	129,675
Beginning inventory	123,244	133,329	107,486
Inventory change	20,064	-3,666	22,189
Market Livestock			
Ending inventory	11,244	7,304	7,819
Beginning inventory	13,411	10,886	8,228
Inventory change	-2,167	-3,582	-410
Accts Receivable & Other Current Assets			
Ending inventory	32,885	36,551	24,615
Beginning inventory	35,081	35,689	26,836
Inventory change	-2,196	862	-2,222
Prepaid Expenses and Supplies			
Ending inventory	12,369	8,387	14,422
Beginning inventory	16,482	11,709	19,242
Inventory change	-4,112	-3,322	-4,819
Accounts Payable & Accrued Expenses			
Beginning inventory	13,036	18,159	10,838
Ending inventory	18,756	36,820	12,712
Inventory change	-5,720	-18,661	-1,874
Total inventory change	5,869	-28,368	12,865
Net operating profit	107,372	42,253	133,802

Table 36

Depreciation and Other Capital Adjustments
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Net operating profit	107,372	42,253	133,802
Breeding Livestock			
Ending inventory	400,477	409,700	365,025
Capital sales	1,397	1,000	809
Beginning inventory	388,297	405,512	348,850
Capital purchases	8,738	3,581	9,454
Depreciation, capital adjust.	4,839	1,607	7,530
Machinery and Equipment			
Ending inventory	138,841	139,341	125,081
Capital sales	1,364	144	2,759
Beginning inventory	141,706	145,956	118,867
Capital purchases	39,195	37,900	46,731
Depreciation, capital adjust.	-40,695	-44,371	-37,759
Buildings and Improvements			
Ending inventory	152,199	185,434	191,257
Capital sales	73	-	-
Beginning inventory	145,305	182,245	163,560
Capital purchases	28,761	22,280	53,461
Depreciation, capital adjust.	-21,794	-19,092	-25,764
Other Capital Assets			
Ending inventory	30,007	33,858	25,946
Capital sales	2,757	2,709	1,095
Beginning inventory	31,940	34,788	32,177
Capital purchases	615	1,916	-5,343
Depreciation, capital adjust.	209	-138	208
Total depreciation, capital adj.	-57,441	-61,994	-55,785
Net farm income	49,930	-19,741	78,018

Table 37

Profitability Measures
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Profitability (assets valued at cost)			
Net farm income	49,930	-19,741	78,018
Labor and management earnings	9,611	-67,508	50,940
Rate of return on assets	2.0 %	-3.4 %	5.7 %
Rate of return on equity	-0.9 %	-8.6 %	6.4 %
Operating profit margin	4.7 %	-8.4 %	11.7 %
Asset turnover rate	42.6 %	41.0 %	48.8 %
Interest on farm net worth	40,319	47,767	27,077
Farm interest expense	29,711	25,331	30,279
Value of operator lbr and mgmt.	55,866	48,373	50,753
Return on farm assets	23,775	-42,783	57,543
Average farm assets	1,197,226	1,243,171	1,006,712
Return on farm equity	-5,936	-68,115	27,265
Average farm equity	665,184	796,111	425,532
Value of farm production	509,704	509,453	490,775
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Profitability (assets valued at market)			
Net farm income	92,430	-4,227	169,685
Labor and management earnings	1,798	-117,072	97,569
Rate of return on assets	3.2 %	-1.2 %	8.4 %
Rate of return on equity	2.4 %	-2.8 %	9.9 %
Operating profit margin	13.0 %	-5.4 %	30.4 %
Asset turnover rate	24.9 %	21.9 %	27.5 %
Interest on farm net worth	90,632	112,845	72,117
Farm interest expense	29,711	25,331	30,279
Value of operator lbr and mgmt.	55,866	48,373	50,753
Return on farm assets	66,275	-27,269	149,211
Average farm assets	2,044,962	2,327,816	1,783,125
Return on farm equity	36,564	-52,600	118,932
Average farm equity	1,510,533	1,880,757	1,201,945
Value of farm production	509,704	509,453	490,775

Table 38

Liquidity Measures
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Liquidity (cash)			
Net cash farm income	101,503	70,621	120,937
Net nonfarm income	9,541	16,426	9,231
Family living and taxes	56,607	52,204	53,954
Principal due on long term debt	17,401	12,212	18,821
Cash available for interm. debt	37,035	22,631	57,393
Average intermediate debt	161,248	144,503	168,478
Years to turnover interm. debt	4.4	6.4	2.9
Expense as a % of income	84 %	89 %	80 %
Interest as a % of income	5 %	4 %	5 %
Working capital to gross income	17 %	15 %	10 %
Liquidity (accrual)			
Total accrual farm income	634,770	643,990	612,247
Total accrual operating expense	527,399	601,738	478,445
Net accrual operating income	107,372	42,253	133,802
Net nonfarm income	9,541	16,426	9,231
Family living and taxes	56,607	52,204	53,954
Principal due on long term debt	17,401	12,212	18,821
Available for intermediate debt	42,904	-5,738	70,258
Average intermediate debt	161,248	144,503	168,478
Years to turnover interm. debt	3.8	**	2.4
Expense as a % of income	83 %	93 %	78 %
Interest as a % of income	5 %	4 %	5 %
Working capital to gross income	17 %	15 %	10 %

** Income insufficient to meet debt servicing requirements

Table 39

Balance Sheet at Cost Values
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 25%		High 25%	
	All Farms					
Number of farms	72		17		19	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	24,918	23,143	40,694	39,778	10,927	12,961
Prepaid expenses & supplies	16,482	12,369	11,709	8,387	19,242	14,422
Growing crops	10,515	10,262	11,997	11,117	6,787	6,438
Accounts receivable	23,997	21,175	23,169	24,824	19,673	18,040
Hedging accounts	229	132	0	0	376	137
Crops held for sale or feed	120,014	142,410	122,735	129,663	107,486	129,675
Crops under government loan	3,230	898	10,594	0	0	0
Market livestock held for sale	13,411	11,244	10,886	7,304	8,228	7,819
Other current assets	339	1,316	524	610	0	0
Total current farm assets	213,136	222,950	232,307	221,683	172,719	189,491
Intermediate Farm Assets						
Breeding livestock	388,297	400,477	405,512	409,700	348,850	365,025
Machinery and equipment	140,892	138,140	145,851	139,286	117,265	123,673
Titled vehicles	814	701	106	56	1,602	1,408
Other intermediate assets	14,526	13,739	15,790	14,949	9,741	9,801
Total intermediate farm assets	544,528	553,056	567,258	563,990	477,458	499,908
Long Term Farm Assets						
Farm land	262,944	266,651	244,759	250,759	140,251	140,199
Buildings and improvements	145,305	152,199	182,245	185,434	163,560	191,257
Other long-term assets	17,414	16,268	18,998	18,908	22,436	16,145
Total long-term farm assets	425,663	435,118	446,002	455,101	326,247	347,601
Total Farm Assets	1,183,327	1,211,124	1,245,567	1,240,774	976,424	1,037,000
Total Nonfarm Assets	118,805	123,425	302,040	295,253	44,942	53,401
Total Assets	1,302,132	1,334,550	1,547,607	1,536,027	1,021,366	1,090,401
Liabilities						
Current Farm Liabilities						
Accrued interest	830	1,431	727	1,690	493	577
Accounts payable	12,206	17,325	17,432	35,131	10,345	12,135
Current notes	40,468	43,948	43,327	49,413	61,801	59,448
Government crop loans	1,962	731	5,297	0	0	0
Principal due on term debt	48,526	51,217	46,643	40,485	50,897	58,228
Total current farm liabilities	103,993	114,652	113,426	126,718	123,536	130,388
Total intermediate farm liabs	137,728	123,073	121,423	106,606	135,085	134,001
Total long term farm liabilities	275,622	309,017	183,590	242,356	304,268	335,082
Total farm liabilities	517,342	546,742	418,438	475,680	562,889	599,471
Total nonfarm liabilities	9,600	8,155	15,139	10,100	7,023	7,023
Total liabilities	526,942	554,897	433,577	485,779	569,912	606,494
Net worth (farm and nonfarm)	775,189	779,653	1,114,030	1,050,247	451,453	483,907
Net worth change		4,464		-63,782		32,454
Ratio Analysis						
Current farm liabilities / assets	49 %	51 %	49 %	57 %	72 %	69 %
Curr. & interm farm liab. / assets	32 %	31 %	29 %	30 %	40 %	38 %
Long term farm liab. / assets	65 %	71 %	41 %	53 %	93 %	96 %
Total debt to asset ratio	40 %	42 %	28 %	32 %	56 %	56 %

Table 40

Balance Sheet at Market Values
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of		Low 25%	High 25%	19	
	All Farms				Beginning	Ending
Number of farms	72		17			
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	24,918	23,143	40,694	39,778	10,927	12,961
Prepaid expenses & supplies	16,482	12,369	11,709	8,387	19,242	14,422
Growing crops	10,515	10,262	11,997	11,117	6,787	6,438
Accounts receivable	23,997	21,175	23,169	24,824	19,673	18,040
Hedging accounts	229	132	0	0	376	137
Crops held for sale or feed	120,014	142,410	122,735	129,663	107,486	129,675
Crops under government loan	3,230	898	10,594	0	0	0
Market livestock held for sale	13,411	11,244	10,886	7,304	8,228	7,819
Other current assets	339	1,316	524	610	0	0
Total current farm assets	213,136	222,950	232,307	221,683	172,719	189,491
Intermediate Farm Assets						
Breeding livestock	419,947	438,232	442,568	454,856	389,649	424,168
Machinery and equipment	346,855	359,140	308,980	311,295	344,348	374,319
Titled vehicles	6,972	7,719	11,224	13,235	2,158	3,421
Other intermediate assets	18,879	18,098	15,790	14,949	11,448	11,355
Total intermediate farm assets	792,653	823,189	778,561	794,335	747,603	813,262
Long Term Farm Assets						
Farm land	733,232	752,570	1,080,845	1,088,296	424,270	473,940
Buildings and improvements	250,774	262,420	211,796	210,006	336,591	362,787
Other long-term assets	20,007	18,994	18,947	18,857	25,820	19,766
Total long-term farm assets	1,004,014	1,033,984	1,311,588	1,317,159	786,682	856,493
Total Farm Assets	2,009,802	2,080,123	2,322,455	2,333,177	1,707,003	1,859,247
Total Nonfarm Assets	187,201	205,872	387,498	416,158	92,372	118,021
Total Assets	2,197,002	2,285,995	2,709,953	2,749,335	1,799,375	1,977,268
Liabilities						
Current Farm Liabilities						
Accrued interest	830	1,431	727	1,690	493	577
Accounts payable	12,206	17,325	17,432	35,131	10,345	12,135
Current notes	40,468	43,948	43,327	49,413	61,801	59,448
Government crop loans	1,962	731	5,297	0	0	0
Principal due on term debt	48,526	51,217	46,643	40,485	50,897	58,228
Total current farm liabilities	103,993	114,652	113,426	126,718	123,536	130,388
Total intermediate farm liabs	137,728	123,073	121,423	106,606	135,085	134,001
Total long term farm liabilities	275,622	309,017	183,590	242,356	304,268	335,082
Total farm liabilities	517,342	546,742	418,438	475,680	562,889	599,471
Total nonfarm liabilities	9,600	8,155	15,139	10,100	7,023	7,023
Total liabs excluding deferreds	526,942	554,897	433,577	485,779	569,912	606,494
Total deferred liabilities	2,341	2,366	0	0	0	0
Total liabilities	529,284	557,262	433,577	485,779	569,912	606,494
Retained earnings	775,189	779,653	1,114,030	1,050,247	451,453	483,907
Market valuation equity	892,529	949,080	1,162,346	1,213,309	778,009	886,867
Net worth (farm and nonfarm)	1,667,719	1,728,733	2,276,376	2,263,556	1,229,462	1,370,774
Net worth excluding deferreds	1,670,060	1,731,098	2,276,376	2,263,556	1,229,462	1,370,774
Net worth change		61,014		-12,820		141,311
Ratio Analysis						
Current farm liabilities / assets	49 %	51 %	49 %	57 %	72 %	69 %
Curr. & interm farm liab. / assets	24 %	23 %	23 %	23 %	28 %	26 %
Long term farm liab. / assets	27 %	30 %	14 %	18 %	39 %	39 %
Total debt to asset ratio	24 %	24 %	16 %	18 %	32 %	31 %
Debt to assets excl deferreds	24 %	24 %	16 %	18 %	32 %	31 %

Table 41

Statement Of Cash Flows
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Beginning cash (farm & nonfarm)	25,736	40,694	11,348
Cash From Operating Activities			
Gross cash farm income	619,069	650,375	592,689
Net nonfarm income	9,541	16,426	9,231
Total cash farm expense	-517,566	-579,754	-471,752
Apparent family living expense	-53,696	-50,725	-51,098
Income and social security tax	-2,911	-1,479	-2,856
Cash from operations	54,436	34,843	76,214
Cash From Investing Activities			
Sale of breeding livestock	1,397	1,000	809
Sale of machinery & equipment	1,265	144	2,759
Sale of titled vehicles	99	-	-
Sale of farm land	-	-	-
Sale of farm buildings	73	-	-
Sale of other farm assets	2,757	2,709	1,095
Sale of nonfarm assets	2,013	8,354	-
Purchase of breeding livestock	-8,738	-3,581	-9,454
Purchase of machinery & equip.	-39,195	-37,900	-46,731
Purchase of titled vehicles	-	-	-
Purchase of farm land	-5,333	-6,000	-3,684
Purchase of farm buildings	-28,761	-22,280	-53,461
Purchase of other farm assets	-615	-1,916	5,343
Purchase of nonfarm assets	-7,325	-26,202	-1,109
Cash from investing activities	-82,363	-85,672	-104,434
Cash From Financing Activities			
Money borrowed	142,184	162,849	166,103
Cash gifts and inheritances	11,461	15,051	17,664
Principal payments	-119,153	-126,812	-131,394
Dividends paid	-	-	-
Gifts given	-7,581	-1,176	-19,982
Cash from financing activities	26,911	49,912	32,391
Net change in cash balance	-1,015	-917	4,171
Ending cash (farm & nonfarm)	24,721	39,778	15,519

Table 42

Financial Standards Measures
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Liquidity			
Current ratio	1.94	1.75	1.45
Working capital	108,298	94,965	59,103
Solvency (market)			
Farm debt to asset ratio	26 %	20 %	32 %
Farm equity to asset ratio	74 %	80 %	68 %
Farm debt to equity ratio	36 %	26 %	48 %
Profitability (cost)			
Rate of return on farm assets	2.0 %	-3.4 %	5.7 %
Rate of return on farm equity	-0.9 %	-8.6 %	6.4 %
Operating profit margin	4.7 %	-8.4 %	11.7 %
Net farm income	49,930	-19,741	78,018
Repayment Capacity			
Term debt coverage ratio	115 %	38 %	149 %
Capital replacement margin	11,148	-41,942	37,909
Efficiency			
Asset turnover rate (cost)	42.6 %	41.0 %	48.8 %
Operating expense ratio	78.4 %	89.5 %	73.2 %
Depreciation expense ratio	9.0 %	9.6 %	9.1 %
Interest expense ratio	4.7 %	3.9 %	4.9 %
Net farm income ratio	7.9 %	-3.1 %	12.7 %

Table 43

Operator and Labor Information
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Operator Information			
Average number of operators	1.5	1.4	1.4
Average age of operators	50.9	54.2	49.4
Average number of years farming	26.6	31.4	24.9
Results Per Operator			
Working capital	70,565	65,894	41,591
Total assets (market)	1,489,517	1,907,702	1,391,411
Total liabilities	363,103	337,071	426,792
Net worth (market)	1,126,414	1,570,631	964,619
Net worth excl deferred liabs	1,127,955	1,570,631	964,619
Gross farm income	413,606	446,850	430,841
Total farm expense	381,072	460,548	375,940
Net farm income	32,534	-13,698	54,901
Net nonfarm income	6,217	11,398	6,496
Family living & tax withdrawals	36,884	36,223	37,968
Total acres owned	257.4	334.1	220.5
Total crop acres	439.1	547.0	385.7
Crop acres owned	260.2	382.0	201.5
Crop acres cash rented	178.9	165.0	184.2
Crop acres share rented	-	-	-
Total pasture acres	3.6	-	3.5
Labor Analysis			
Number of farms	68	15	19
Total unpaid labor hours	4,636	3,929	4,484
Total hired labor hours	5,846	7,168	5,103
Total labor hours per farm	10,481	11,097	9,587
Unpaid hours per operator	2,960	2,619	3,156
Value of farm production / hour	47.88	45.15	51.19
Net farm income / unpaid hour	11.14	-5.06	17.40
Average hourly hired labor wage	13.12	12.67	13.00
Partnerships & LLCs			
Number of farms	17	1	5
Number of operators	2.2	-	2.2
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 44

Financial Summary
2006 MI Dairy 100-249 Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	72	17	19
Income Statement			
Gross cash farm income	619,069	650,375	592,689
Total cash farm expense	517,566	579,754	471,752
Net cash farm income	101,503	70,621	120,937
Inventory change	5,869	-28,368	12,865
Depreciation and capital adjust	-57,441	-61,994	-55,785
Net farm income	49,930	-19,741	78,018
Profitability (cost)			
Labor and management earnings	9,611	-67,508	50,940
Rate of return on assets	2.0 %	-3.4 %	5.7 %
Rate of return on equity	-0.9 %	-8.6 %	6.4 %
Operating profit margin	4.7 %	-8.4 %	11.7 %
Asset turnover rate	42.6 %	41.0 %	48.8 %
Profitability (market)			
Labor and management earnings	1,798	-117,072	97,569
Rate of return on assets	3.2 %	-1.2 %	8.4 %
Rate of return on equity	2.4 %	-2.8 %	9.9 %
Operating profit margin	13.0 %	-5.4 %	30.4 %
Asset turnover rate	24.9 %	21.9 %	27.5 %
Liquidity			
Ending current ratio	1.94	1.75	1.45
Ending working capital	108,298	94,965	59,103
End working capital to gross inc	17.5 %	14.6 %	10.0 %
Term debt coverage ratio	115.3 %	38.4 %	149.4 %
Expense as a percent of income	83.1 %	93.4 %	78.1 %
Interest as a percent of income	4.7 %	3.9 %	4.9 %
Solvency (cost)			
Number of farms	72	17	19
Ending farm assets	1,211,124	1,240,774	1,037,000
Ending farm liabilities	546,742	475,680	599,471
Ending total assets	1,334,550	1,536,027	1,090,401
Ending total liabilities	554,897	485,779	606,494
Ending net worth	779,653	1,050,247	483,907
Net worth change	4,464	-63,782	32,454
Ending farm debt to asset ratio	45 %	38 %	58 %
Beg total debt to asset ratio	40 %	28 %	56 %
End total debt to asset ratio	42 %	32 %	56 %
Solvency (market)			
Number of farms	72	17	19
Ending farm assets	2,080,123	2,333,177	1,859,247
Ending farm liabilities	549,141	475,680	599,471
Ending total assets	2,285,995	2,749,335	1,977,268
Ending total liabilities	557,262	485,779	606,494
Ending net worth	1,728,733	2,263,556	1,370,774
Net worth change	61,014	-12,820	141,311
Ending farm debt to asset ratio	26 %	20 %	32 %
Beg total debt to asset ratio	24 %	16 %	32 %
End total debt to asset ratio	24 %	18 %	31 %
Nonfarm Information			
Net nonfarm income	9,541	16,426	9,231
Farms reporting living expenses	7	1	1
Total family living expense	31,449	-	-
Total living, invest, & capital	45,412	-	-
Crop Acres			
Total acres owned	395	481	313
Total crop acres	674	788	548
Total crop acres owned	399	550	286
Total crop acres cash rented	275	238	262
Total crop acres share rented	-	-	-

Table 46

Farm Income Statement
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Cash Farm Income			
Corn	52,590	27,810	53,982
Corn Silage	8,702	-	31,930
Corn, Seed	221	-	-
Hay, Alfalfa	630	-	2,316
Hay, Mixed	3,162	71	-
Haylage, Mixed	3,979	-	14,186
Oats	525	-	-
Soybeans	42,944	17,990	83,227
Speltz	5,418	-	-
Straw	609	-	2,233
Sugar Beets	21,504	-	40,912
Wheat, Winter	10,702	4,801	18,695
Miscellaneous crop income	114	-	-
Beef Cow-Calf, Beef Calves	149	27	-
Beef, Finish Beef Calves	3,979	-	14,722
Dairy, Milk	1,428,645	916,786	1,399,588
Dairy, Dairy Calves	17,318	16,948	12,108
Dairy Replacement Heifers	1,437	468	4,282
Dairy Steer Finishing	24,878	24,716	27,027
Cull breeding livestock	65,162	47,760	50,274
Misc. livestock income	1,015	3,910	-
Direct & CC govt payments	14,330	16,531	26,983
Other government payments	54,963	33,082	63,694
Custom work income	12,286	17,982	21,896
Patronage dividends, cash	24,128	9,406	11,542
Insurance income	3,414	3,778	5,843
Other farm income	17,110	26,785	22,929
Gross Cash Farm Income	1,819,913	1,168,852	1,908,371

Table 46

Farm Income Statement (Continued)
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Cash Farm Expense			
Seed	38,630	15,144	46,689
Fertilizer	54,430	15,871	76,830
Crop chemicals	25,344	15,100	30,879
Crop insurance	3,320	1,270	5,901
Drying fuel	777	816	232
Crop custom hire	1,622	4,444	-
Crop marketing	483	-	99
Crop miscellaneous	4,869	1,380	2,310
Feeder livestock purchase	68	-	251
Purchased feed	396,502	261,107	419,322
Breeding fees	17,809	12,518	18,181
Veterinary	57,716	39,069	52,133
BST	2,235	2,108	3,851
Livestock supplies	63,895	48,672	52,942
DHIA	981	-	1,473
Livestock custom hire	1,185	-	-
Livestock leases	2,972	454	10,586
Livestock hauling and trucking	15,843	7,675	30,113
Livestock marketing	49,399	41,001	34,242
Bedding	2,878	5,041	5,286
Livestock miscellaneous	2,517	-	-
Interest	77,924	61,947	93,899
Packaging and supplies	1,543	-	5,708
Supplies	3,891	-	3,831
Fuel & oil	71,435	48,064	78,701
Repairs	101,774	66,474	136,022
Custom hire	64,196	51,329	49,782
Hired labor	298,441	171,479	243,939
Land rent	51,388	33,700	63,719
Machinery leases	7,141	4,860	8,623
Real estate taxes	12,218	7,949	16,244
Personal property taxes	1,315	-	2,665
Farm insurance	22,781	20,652	19,727
Utilities	38,046	28,958	33,059
Hauling and trucking	97	-	358
Dues & professional fees	7,795	8,167	10,274
Hedging account deposits	1,448	-	2,163
Miscellaneous	38,297	34,864	26,962
Total cash expense	1,543,204	1,010,116	1,586,994
Net cash farm income	276,708	158,736	321,377
Inventory Changes			
Crops and feed	88,275	11,657	141,524
Market livestock	192	388	-17,353
Accounts receivable	-3,122	-9,044	14,718
Prepaid expenses and supplies	-3,700	-25,593	30,539
Accounts payable	-15,059	-8,867	-2,607
Total inventory change	66,586	-31,459	166,821
Net operating profit	343,294	127,277	488,198
Depreciation and Other Capital Adjustments			
Breeding livestock	13,016	9,187	976
Machinery and equipment	-96,542	-51,450	-109,418
Buildings and improvements	-64,635	-51,059	-71,563
Other farm capital	544	-355	5,998
Total depr. and other capital adj	-147,617	-93,678	-174,008
Net farm income	195,677	33,600	314,190

Table 47

Inventory Changes
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Net cash farm income	276,708	158,736	321,377
Crops and Feed			
Ending inventory	432,224	246,167	457,082
Beginning inventory	343,949	234,510	315,558
Inventory change	88,275	11,657	141,524
Market Livestock			
Ending inventory	34,953	26,403	44,923
Beginning inventory	34,762	26,015	62,276
Inventory change	192	388	-17,353
Accts Receivable & Other Current Assets			
Ending inventory	104,842	96,071	105,639
Beginning inventory	107,964	105,115	90,921
Inventory change	-3,122	-9,044	14,718
Prepaid Expenses and Supplies			
Ending inventory	69,555	12,883	102,979
Beginning inventory	73,255	38,477	72,440
Inventory change	-3,700	-25,593	30,539
Accounts Payable & Accrued Expenses			
Beginning inventory	28,318	53,260	13,619
Ending inventory	43,377	62,127	16,225
Inventory change	-15,059	-8,867	-2,607
Total inventory change	66,586	-31,459	166,821
Net operating profit	343,294	127,277	488,198

Table 48

Depreciation and Other Capital Adjustments
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Net operating profit	343,294	127,277	488,198
Breeding Livestock			
Ending inventory	1,010,488	796,557	979,155
Capital sales	5,832	572	5,167
Beginning inventory	927,391	717,022	886,615
Capital purchases	75,914	70,921	96,731
Depreciation, capital adjust.	13,016	9,187	976
Machinery and Equipment			
Ending inventory	348,168	189,306	318,957
Capital sales	2,978	5,245	3,859
Beginning inventory	337,112	191,123	305,053
Capital purchases	110,577	54,879	127,180
Depreciation, capital adjust.	-96,542	-51,450	-109,418
Buildings and Improvements			
Ending inventory	408,820	242,881	438,901
Capital sales	66	-	245
Beginning inventory	336,190	170,561	292,915
Capital purchases	137,331	123,379	217,793
Depreciation, capital adjust.	-64,635	-51,059	-71,563
Other Capital Assets			
Ending inventory	116,616	113,672	68,645
Capital sales	15,616	7,530	582
Beginning inventory	110,604	102,003	56,792
Capital purchases	21,084	19,554	6,438
Depreciation, capital adjust.	544	-355	5,998
Total depreciation, capital adj.	-147,617	-93,678	-174,008
Net farm income	195,677	33,600	314,190

Table 49

Profitability Measures
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Profitability (assets valued at cost)			
Net farm income	195,677	33,600	314,190
Labor and management earnings	101,633	-37,625	254,349
Rate of return on assets	6.1 %	-0.1 %	12.0 %
Rate of return on equity	6.4 %	-5.5 %	22.7 %
Operating profit margin	11.9 %	-0.3 %	19.5 %
Asset turnover rate	51.6 %	38.2 %	61.5 %
Interest on farm net worth	94,043	71,225	59,841
Farm interest expense	79,757	63,062	94,083
Value of operator lbr and mgmt.	94,928	99,476	90,699
Return on farm assets	180,506	-2,814	317,574
Average farm assets	2,949,166	2,407,441	2,648,022
Return on farm equity	100,749	-65,876	223,491
Average farm equity	1,564,285	1,187,083	985,866
Value of farm production	1,521,704	919,933	1,628,662
	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Profitability (assets valued at market)			
Net farm income	361,523	83,863	592,139
Labor and management earnings	166,475	-64,166	432,036
Rate of return on assets	7.4 %	1.3 %	13.8 %
Rate of return on equity	8.2 %	-0.6 %	18.8 %
Operating profit margin	22.8 %	5.2 %	36.6 %
Asset turnover rate	32.7 %	24.9 %	37.6 %
Interest on farm net worth	195,047	148,029	160,103
Farm interest expense	79,757	63,062	94,083
Value of operator lbr and mgmt.	94,928	99,476	90,699
Return on farm assets	346,352	47,450	595,523
Average farm assets	4,658,910	3,687,509	4,330,537
Return on farm equity	266,595	-15,613	501,440
Average farm equity	3,250,791	2,467,151	2,668,382
Value of farm production	1,521,704	919,933	1,628,662

Table 50

Liquidity Measures
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Liquidity (cash)			
Net cash farm income	276,708	158,736	321,377
Net nonfarm income	16,797	4,986	7,042
Family living and taxes	113,590	94,980	65,095
Principal due on long term debt	47,153	19,531	71,611
Cash available for interm. debt	132,762	49,211	191,713
Average intermediate debt	348,726	309,283	370,333
Years to turnover interm. debt	2.6	6.3	1.9
Expense as a % of income	85 %	86 %	83 %
Interest as a % of income	4 %	5 %	5 %
Working capital to gross income	20 %	12 %	21 %
Liquidity (accrual)			
Total accrual farm income	1,905,258	1,171,853	2,047,259
Total accrual operating expense	1,561,964	1,044,576	1,559,062
Net accrual operating income	343,294	127,277	488,198
Net nonfarm income	16,797	4,986	7,042
Family living and taxes	113,590	94,980	65,095
Principal due on long term debt	47,153	19,531	71,611
Available for intermediate debt	199,348	17,753	358,534
Average intermediate debt	348,726	309,283	370,333
Years to turnover interm. debt	1.7	17.4	1.0
Expense as a % of income	82 %	89 %	76 %
Interest as a % of income	4 %	5 %	5 %
Working capital to gross income	19 %	12 %	20 %

Table 51

Balance Sheet at Cost Values
2006 MI Dairy 250 Plus Cows
(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	37		9		10	
Assets						
Current Farm Assets						
Cash and checking balance	32,111	34,503	14,310	30,029	-15,726	29,642
Prepaid expenses & supplies	73,255	69,555	38,477	12,883	72,440	102,979
Growing crops	20,936	22,538	10,324	11,191	21,079	25,438
Accounts receivable	76,236	70,292	69,038	64,281	53,777	56,095
Hedging accounts	1,639	1,838	0	0	5,965	5,000
Crops held for sale or feed	343,770	426,285	234,510	246,167	315,558	447,842
Crops under government loan	179	5,939	0	0	0	9,239
Market livestock held for sale	34,762	34,953	26,015	26,403	62,276	44,923
Other current assets	9,153	10,174	25,753	20,599	10,100	19,106
Total current farm assets	592,041	676,078	418,427	411,553	525,469	740,264
Intermediate Farm Assets						
Breeding livestock	927,391	1,010,488	717,022	796,557	886,615	979,155
Machinery and equipment	334,320	346,910	191,123	189,306	296,788	316,367
Titled vehicles	2,792	1,258	0	0	8,266	2,590
Other intermediate assets	88,722	94,601	52,637	64,751	24,374	35,946
Total intermediate farm assets	1,353,224	1,453,258	960,781	1,050,615	1,216,042	1,334,058
Long Term Farm Assets						
Farm land	477,743	557,080	730,888	730,888	280,257	403,021
Buildings and improvements	336,190	408,820	170,561	242,881	292,915	438,901
Other long-term assets	21,882	22,015	49,366	48,921	32,418	32,699
Total long-term farm assets	835,816	987,916	950,816	1,022,691	605,590	874,621
Total Farm Assets	2,781,081	3,117,251	2,330,024	2,484,859	2,347,101	2,948,943
Total Nonfarm Assets	268,482	282,183	403,318	412,789	16,624	28,248
Total Assets	3,049,563	3,399,433	2,733,342	2,897,648	2,363,725	2,977,191
Liabilities						
Current Farm Liabilities						
Accrued interest	1,566	3,400	550	1,665	13	197
Accounts payable	26,753	39,978	52,711	60,462	13,606	16,028
Current notes	126,038	153,044	100,397	140,516	125,423	147,185
Government crop loans	179	5,015	0	0	0	5,821
Principal due on term debt	123,364	118,478	87,335	72,647	146,165	166,290
Total current farm liabilities	277,899	319,914	240,993	275,290	285,206	335,521
Total intermediate farm liabs	268,387	277,712	273,514	225,187	278,052	299,540
Total long term farm liabilities	722,408	903,440	606,565	819,166	950,264	1,175,726
Total farm liabilities	1,268,694	1,501,067	1,121,072	1,319,644	1,513,523	1,810,788
Total nonfarm liabilities	14,572	10,058	27,618	26,493	0	0
Total liabilities	1,283,267	1,511,125	1,148,690	1,346,137	1,513,523	1,810,788
Net worth (farm and nonfarm)	1,766,296	1,888,309	1,584,652	1,551,511	850,202	1,166,403
Net worth change		122,012		-33,141		316,201
Ratio Analysis						
Current farm liabilities / assets	47 %	47 %	58 %	67 %	54 %	45 %
Curr. & interm farm liab. / assets	28 %	28 %	37 %	34 %	32 %	31 %
Long term farm liab. / assets	86 %	91 %	64 %	80 %	157 %	134 %
Total debt to asset ratio	42 %	44 %	42 %	46 %	64 %	61 %

Table 52

Balance Sheet at Market Values
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms		Low 25%		High 25%	
Number of farms	37		9		10	
	Beginning	Ending	Beginning	Ending	Beginning	Ending
Assets						
Current Farm Assets						
Cash and checking balance	32,111	34,503	14,310	30,029	-15,726	29,642
Prepaid expenses & supplies	73,255	69,555	38,477	12,883	72,440	102,979
Growing crops	20,936	22,538	10,324	11,191	21,079	25,438
Accounts receivable	76,236	70,292	69,038	64,281	53,777	56,095
Hedging accounts	1,639	1,838	0	0	5,965	5,000
Crops held for sale or feed	343,770	426,285	234,510	246,167	315,558	447,842
Crops under government loan	179	5,939	0	0	0	9,239
Market livestock held for sale	34,762	34,953	26,015	26,403	62,276	44,923
Other current assets	9,153	10,174	25,753	20,599	10,100	19,106
Total current farm assets	592,041	676,078	418,427	411,553	525,469	740,264
Intermediate Farm Assets						
Breeding livestock	1,025,757	1,122,591	717,022	796,557	995,540	1,141,245
Machinery and equipment	665,326	714,498	484,489	499,685	658,397	731,354
Titled vehicles	8,365	7,527	0	0	23,150	21,150
Other intermediate assets	99,173	110,106	52,637	64,751	63,043	92,414
Total intermediate farm assets	1,798,621	1,954,722	1,254,148	1,360,994	1,740,130	1,986,164
Long Term Farm Assets						
Farm land	1,435,417	1,569,656	1,496,796	1,511,263	1,190,124	1,335,349
Buildings and improvements	556,890	688,814	366,347	457,441	395,101	675,957
Other long-term assets	23,710	21,872	49,242	48,808	39,818	32,699
Total long-term farm assets	2,016,017	2,280,342	1,912,385	2,017,511	1,625,043	2,044,005
Total Farm Assets	4,406,679	4,911,142	3,584,960	3,790,058	3,890,642	4,770,432
Total Nonfarm Assets	364,248	401,916	623,839	694,050	102,197	150,288
Total Assets	4,770,927	5,313,058	4,208,798	4,484,108	3,992,839	4,920,721
Liabilities						
Current Farm Liabilities						
Accrued interest	1,566	3,400	550	1,665	13	197
Accounts payable	26,753	39,978	52,711	60,462	13,606	16,028
Current notes	126,038	153,044	100,397	140,516	125,423	147,185
Government crop loans	179	5,015	0	0	0	5,821
Principal due on term debt	123,364	118,478	87,335	72,647	146,165	166,290
Total current farm liabilities	277,899	319,914	240,993	275,290	285,206	335,521
Total intermediate farm liabs	268,387	277,712	273,514	225,187	278,052	299,540
Total long term farm liabilities	722,408	903,440	606,565	819,166	950,264	1,175,726
Total farm liabilities	1,268,694	1,501,067	1,121,072	1,319,644	1,513,523	1,810,788
Total nonfarm liabilities	14,572	10,058	27,618	26,493	0	0
Total liabs excluding deferreds	1,283,267	1,511,125	1,148,690	1,346,137	1,513,523	1,810,788
Total deferred liabilities	22,014	24,463	0	0	0	0
Total liabilities	1,305,280	1,535,588	1,148,690	1,346,137	1,513,523	1,810,788
Retained earnings	1,766,296	1,888,309	1,584,652	1,551,511	850,202	1,166,403
Market valuation equity	1,699,350	1,889,161	1,475,457	1,586,460	1,629,115	1,943,530
Net worth (farm and nonfarm)	3,465,646	3,777,470	3,060,109	3,137,971	2,479,317	3,109,933
Net worth excluding deferreds	3,487,660	3,801,933	3,060,109	3,137,971	2,479,317	3,109,933
Net worth change		311,824		77,862		630,616
Ratio Analysis						
Current farm liabilities / assets	47 %	47 %	58 %	67 %	54 %	45 %
Curr. & interm farm liab. / assets	23 %	23 %	31 %	28 %	25 %	23 %
Long term farm liab. / assets	36 %	40 %	32 %	41 %	58 %	58 %
Total debt to asset ratio	27 %	29 %	27 %	30 %	38 %	37 %
Debt to assets excl deferreds	27 %	28 %	27 %	30 %	38 %	37 %

Table 53

Statement Of Cash Flows
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Beginning cash (farm & nonfarm)	32,111	14,310	-15,726
Cash From Operating Activities			
Gross cash farm income	1,819,913	1,168,852	1,908,371
Net nonfarm income	16,797	4,986	7,042
Total cash farm expense	-1,543,204	-1,010,116	-1,586,994
Apparent family living expense	-90,110	-92,951	-56,082
Income and social security tax	-23,480	-2,029	-9,013
Cash from operations	179,915	68,742	263,324
Cash From Investing Activities			
Sale of breeding livestock	5,832	572	5,167
Sale of machinery & equipment	2,978	5,245	3,859
Sale of titled vehicles	-	-	-
Sale of farm land	89	-	329
Sale of farm buildings	66	-	245
Sale of other farm assets	15,616	7,530	582
Sale of nonfarm assets	6,589	21,793	-
Purchase of breeding livestock	-75,914	-70,921	-96,731
Purchase of machinery & equip.	-110,286	-54,879	-127,180
Purchase of titled vehicles	-290	-	-
Purchase of farm land	-63,680	-	-78,264
Purchase of farm buildings	-137,331	-123,379	-217,793
Purchase of other farm assets	-21,084	-19,554	-6,438
Purchase of nonfarm assets	-19,304	-9,659	-19,764
Cash from investing activities	-396,719	-243,252	-535,989
Cash From Financing Activities			
Money borrowed	496,200	406,789	516,868
Cash gifts and inheritances	10,753	1,650	23,374
Principal payments	-283,113	-218,211	-222,209
Dividends paid	-	-	-
Gifts given	-4,644	-	-
Cash from financing activities	219,196	190,229	318,033
Net change in cash balance	2,392	15,718	45,368
Ending cash (farm & nonfarm)	34,503	30,029	29,642

Table 54

Financial Standards Measures
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Liquidity			
Current ratio	2.11	1.49	2.21
Working capital	356,164	136,263	404,743
Solvency (market)			
Farm debt to asset ratio	31 %	35 %	38 %
Farm equity to asset ratio	69 %	65 %	62 %
Farm debt to equity ratio	45 %	53 %	61 %
Profitability (cost)			
Rate of return on farm assets	6.1 %	-0.1 %	12.0 %
Rate of return on farm equity	6.4 %	-5.5 %	22.7 %
Operating profit margin	11.9 %	-0.3 %	19.5 %
Net farm income	195,677	33,600	314,190
Repayment Capacity			
Term debt coverage ratio	170 %	63 %	249 %
Capital replacement margin	122,934	-50,887	283,980
Efficiency			
Asset turnover rate (cost)	51.6 %	38.2 %	61.5 %
Operating expense ratio	77.8 %	83.8 %	71.6 %
Depreciation expense ratio	7.7 %	8.0 %	8.5 %
Interest expense ratio	4.2 %	5.4 %	4.6 %
Net farm income ratio	10.3 %	2.9 %	15.3 %

Table 55

Operator and Labor Information
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Operator Information			
Average number of operators	1.7	2.1	1.5
Average age of operators	53.4	51.4	50.9
Average number of years farming	29.2	26.2	28.2
Results Per Operator			
Working capital	205,907	64,546	269,828
Total assets (market)	3,071,612	2,124,051	3,280,480
Total liabilities	887,762	637,644	1,207,192
Net worth (market)	2,183,850	1,486,407	2,073,288
Net worth excl deferred liabs	2,197,993	1,486,407	2,073,288
Gross farm income	1,101,477	555,088	1,364,840
Total farm expense	988,352	539,173	1,155,379
Net farm income	113,126	15,916	209,460
Net nonfarm income	9,711	2,362	4,695
Family living & tax withdrawals	65,669	44,991	43,397
Total acres owned	439.1	475.5	335.3
Total crop acres	761.2	530.9	868.5
Crop acres owned	469.0	439.1	538.5
Crop acres cash rented	292.2	91.8	330.0
Crop acres share rented	-	-	-
Total pasture acres	1.9	-	-
Labor Analysis			
Number of farms	35	9	10
Total unpaid labor hours	4,641	4,881	4,789
Total hired labor hours	19,780	11,674	19,592
Total labor hours per farm	24,421	16,554	24,381
Unpaid hours per operator	2,707	2,312	3,193
Value of farm production / hour	62.63	55.57	66.80
Net farm income / unpaid hour	43.99	6.88	65.61
Average hourly hired labor wage	14.91	14.69	12.27
Partnerships & LLCs			
Number of farms	19	5	5
Number of operators	2.0	2.4	1.6
Owner withdrawals per farm	-	-	-
Withdrawals per operator	-	-	-

Table 56

Financial Summary
2006 MI Dairy 250 Plus Cows
(Farms Sorted By Rate of Return on Assets - Mkt)

	Avg. Of All Farms	Low 25%	High 25%
Number of farms	37	9	10
Income Statement			
Gross cash farm income	1,819,913	1,168,852	1,908,371
Total cash farm expense	1,543,204	1,010,116	1,586,994
Net cash farm income	276,708	158,736	321,377
Inventory change	66,586	-31,459	166,821
Depreciation and capital adjust	-147,617	-93,678	-174,008
Net farm income	195,677	33,600	314,190
Profitability (cost)			
Labor and management earnings	101,633	-37,625	254,349
Rate of return on assets	6.1 %	-0.1 %	12.0 %
Rate of return on equity	6.4 %	-5.5 %	22.7 %
Operating profit margin	11.9 %	-0.3 %	19.5 %
Asset turnover rate	51.6 %	38.2 %	61.5 %
Profitability (market)			
Labor and management earnings	166,475	-64,166	432,036
Rate of return on assets	7.4 %	1.3 %	13.8 %
Rate of return on equity	8.2 %	-0.6 %	18.8 %
Operating profit margin	22.8 %	5.2 %	36.6 %
Asset turnover rate	32.7 %	24.9 %	37.6 %
Liquidity			
Ending current ratio	2.11	1.49	2.21
Ending working capital	356,164	136,263	404,743
End working capital to gross inc	19.6 %	11.7 %	21.2 %
Term debt coverage ratio	169.9 %	63.3 %	249.4 %
Expense as a percent of income	82.0 %	89.1 %	76.2 %
Interest as a percent of income	4.2 %	5.4 %	4.6 %
Solvency (cost)			
Number of farms	37	9	10
Ending farm assets	3,117,251	2,484,859	2,948,943
Ending farm liabilities	1,501,067	1,319,644	1,810,788
Ending total assets	3,399,433	2,897,648	2,977,191
Ending total liabilities	1,511,125	1,346,137	1,810,788
Ending net worth	1,888,309	1,551,511	1,166,403
Net worth change	122,012	-33,141	316,201
Ending farm debt to asset ratio	48 %	53 %	61 %
Beg total debt to asset ratio	42 %	42 %	64 %
End total debt to asset ratio	44 %	46 %	61 %
Solvency (market)			
Number of farms	37	9	10
Ending farm assets	4,911,142	3,790,058	4,770,432
Ending farm liabilities	1,525,530	1,319,644	1,810,788
Ending total assets	5,313,058	4,484,108	4,920,721
Ending total liabilities	1,535,588	1,346,137	1,810,788
Ending net worth	3,777,470	3,137,971	3,109,933
Net worth change	311,824	77,862	630,616
Ending farm debt to asset ratio	31 %	35 %	38 %
Beg total debt to asset ratio	27 %	27 %	38 %
End total debt to asset ratio	29 %	30 %	37 %
Nonfarm Information			
Net nonfarm income	16,797	4,986	7,042
Crop Acres			
Total acres owned	760	1,004	503
Total crop acres	1,317	1,121	1,303
Total crop acres owned	811	927	808
Total crop acres cash rented	505	194	495
Total crop acres share rented	-	-	-

