

## Farm Finance Scorecard--Established Operation (Owned Cows)

### Established Operation Ratios

	During Transition	After Transition	Vulnerable 1.1		Strong 1.7		Avg of All Farms	High 20%
<b>Liquidity</b>								
1. Current ratio	3.7	999					2.5	2.86
2. Working capital	\$ 62,625	\$ 188,878					\$ 43,600	\$ 68,034
<b>Solvency</b>								
3. Farm debt-to-asset ratio	27.1	0%	60%		30%		31%	27%
4. Farm equity-to-asset ratio	72.9	100%	40%		70%		69%	73%
5. Farm debt-to-equity ratio	37.2	0%	150%		43%		44%	38%
<b>Profitability</b>								
6. Net farm income - cost	\$ (3,481)	\$ 95,786					\$ 62,388	\$ 125,301
7. Rate of return on farm assets -cost	-48.2	34.7%	4%		8%		10.8%	15.7%
8. Rate of return on farm equity--cost	-56.6	34.7%	3%		10%		13.5%	19.3%
9. Operating profit margin--cost	-47.3	29.6%	15%		25%		24.9%	32.9%
<b>Repayment capacity</b>								
10. Term-debt coverage ratio--cash	999	999%	110%		140%		178%	273%
Term-debt coverage ratio-accrual								
11. Capital-replacement margin--cash	\$ (28,481)	\$ 55,786					\$ 23,581	\$ 68,492
Capital-replacement margin-accrual								
<b>Financial efficiency</b>								
12. Asset-turnover rate - market	102	117.1%	30%		45%		43.6%	47.8%
13. Operating-expense ratio	101.3	68.8%	80%		60%		65.2%	60.2%
14. Depreciation-expense ratio	0	0%	15%		5%		1.6%	1.2%
15. Interest-expense ratio	0.4	0.0%	10%		5%		4.8%	3.0%
16. Net farm income ratio	-1.7	31.2%	10%		20%		28.4%	35.6%

A minimum of 10 farms required per column. Some columns were omitted.



Copyright (c) 2005-2007, University of Minnesota

Data Source(s): Minnesota Farm Business Management Education, 45 farms  
Southeast Minnesota Farm Business Management Association, 1 farms