

Dairy Business Analysis Project: 2002 Preliminary Financial Summary

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Table 1. DBAP 2002 Preliminary Summary - Business size and production efficiency by overall average, median, standard deviation, and top 6 dairies based on highest net farm income per cwt.

Category	Average	Overall Median	Std ¹	Top 6 Average
Number of farms	20	20	20	6
<i>Business Size</i>				
Average number of cows	1,324	813	1,209	1,952
Average number of heifers	667	408	879	1,029
Milk sold (million lbs)	24.10	11.93	26.46	38.55
FTE workers	17	10	22	12
Acres of pasture + cultivated land	467	254	662	340
<i>Production Efficiency</i>				
Milk sold / cow (lbs)	16,352	15,647	3,814	17,203
Cows / FTE worker	64.10	61.54	26.51	69.46
Milk sold / FTE worker (million lbs)	1.00	0.90	0.39	1.04
Cull rate	0.34	0.36	0.11	0.32

¹ Standard deviation

Table 2. DBAP 2002 Preliminary Summary - Revenues and expenses by overall average, median, standard deviation, and top 6 dairies based on highest net farm income per cwt.

Category	Average	Overall Median	Std ¹	Top 6 Average
Number of farms	20	20	20	6
<i>Revenues (per cwt)</i>				
Milk sold (\$)	16.08	16.13	0.89	16.36
Raised, leased cow sales (\$)	0.57	0.60	0.59	0.40
Heifer sales (\$)	0.18	0.20	0.71	0.34
Gain on purchased livestock sales (\$)	(0.40)	(0.01)	1.24	(0.52)
Other revenues (\$)	1.11	0.70	1.87	0.79
Total revenues (\$)	17.53	17.58	1.83	17.38
<i>Expenses (per cwt)</i>				
Personnel (\$)	3.11	3.00	0.88	2.92
Purchased feed (\$)	7.51	7.45	1.92	6.32
Crops (\$)	0.24	0.20	0.26	0.32
Machinery (\$)	0.81	0.81	0.47	0.64
Livestock (\$)	1.74	1.70	0.81	1.46
Milk marketing (\$)	0.91	0.90	0.23	0.96
Buildings and land (\$)	0.54	0.39	0.44	0.42
Interest (\$)	0.57	0.55	0.45	0.42
<i>Depreciation:</i>				
Livestock (\$)	1.01	0.92	0.92	0.88
Machinery (\$)	0.68	0.53	0.87	1.04
Buildings (\$)	0.29	0.21	0.31	0.17
Other expenses (\$)	0.92	0.84	0.39	0.65
Total expenses (\$)	18.34	18.21	2.47	16.21
Net farm income from operations (\$)	(0.80)	(0.77)	2.25	1.17
Gain on sale of capital assets (\$)	0.15	0.00	1.04	0.69
Net farm income (\$)	(0.66)	(0.09)	2.48	1.86

Table 3. DBAP 2002 Preliminary Summary - Financial performance by overall average, median, standard deviation, and top 6 dairies based on highest net farm income per cwt.

Category	Average	Overall Median	Std ¹	Top 6 Average
Number of farms	20	20	20	6
<i>Liquidity</i>				
Current ratio	0.97	0.40	0.98	1.91
Working capital	(142,375)	(160,095)	1,080,904	93,293
<i>Solvency</i>				
Debt to asset ratio	0.44	0.41	0.19	0.38
Equity to asset ratio	0.56	0.59	0.19	0.62
Debt to equity ratio	1.08	0.69	1.01	0.74
<i>Profitability</i>				
Rate of return on assets	(0.03)	(0.03)	0.08	0.05
Rate of return on equity	(0.10)	(0.10)	0.20	0.04
Operating profit margin ratio	(0.05)	(0.05)	0.13	0.03
<i>Financial efficiency</i>				
Asset turnover rate	0.61	0.61	0.25	0.61
Operating expense ratio	0.90	0.90	0.15	0.78
Depreciation expense ratio	0.11	0.10	0.08	0.13
Interest expense ratio	0.03	0.03	0.03	0.03
Net farm income ratio	(0.05)	(0.04)	0.13	0.06
<i>Repayment capacity</i>				
Cash flow coverage ratio	1.15	0.26	2.12	2.69
Term debt coverage ratio ¹	1.21	1.17	2.57	3.35
Capital replacement margin ²	(54,111)	(55,415)	946,881	240,720

¹ Term debt and capital lease coverage ratio

² Capital replacement and term debt repayment margin

Table 4. DBAP 2002 Preliminary Summary - Balance sheet by overall average, median, standard deviation, and top 6 dairies based on highest net farm income per cwt.

Category	Average	Overall Median	Std ¹	Top 6 Average
Number of farms	20	20	20	6
<i>Balance sheet (January 1)</i>				
Current assets / cow (\$)	425	229	455	851
Total assets / cow (\$)	5,345	4,274	2,602	5,518
Current liabilities / cow (\$)	441	274	386	524
Total liabilities / cow (\$)	1,893	1,851	1,130	2,051
Equity / cow (\$)	3,205	2,375	2,021	3,467
<i>Balance sheet (December 31)</i>				
Current assets / cow (\$)	415	211	439	776
Total assets / cow (\$)	5,575	4,159	2,964	5,769
Current liabilities / cow (\$)	595	468	566	629
Total liabilities / cow (\$)	2,189	2,095	1,043	2,199
Equity / cow (\$)	3,130	2,316	2,386	3,569