Highlights from the 2011 North Dakota Region 4 Averages

Overview for Region 4

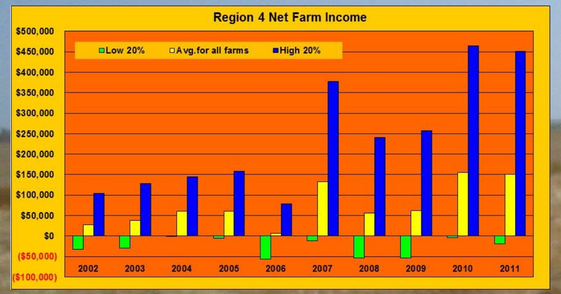
The production year in Western North Dakota was a mixed bag. While yields for most crops were lower crop prices were higher. Corn was an exception with both yields and prices being higher. In general crop yields varied significantly throughout the region. The cool, wet spring led to a considerable number of acres being too wet to plant and thus were submitted to crop insurance for Prevent Planting payments. This was especially so in the northern part of region 4.

For livestock producers the cold, cruel winter and late spring contributed to increased feed costs. The nasty spring also caused difficulties in keeping calves healthy. Although the death loss for calves was 8.7% in 2011 compared to 5.1% in 2010, the cow/calf producer netted a higher return of $150.32 per cow compared to $109.34 in 2010. The increase in net return was due largely to higher prices per pound for both calves and cows.

2011 Crop Yields and Returns on Cash Rented Land

	Spring Wheat	Sunflowers	Corn Grain	Lentils	Alfalfa Hay	Alfalfa/ Grass Hay
Yield per acre	24.23 bu	12.47 cwt	84.36 bu	14.08 cwt	2.84 ton	1.80 ton
Income per acre	$231.86	$348.19	$508.85	$374.67	$160.35	$92.59
Direct Expense per acre	$202.82	$224.86	$242.08	$138.58	$53.48	$43.77
Total Expense per acre	$234.33	$259.20	$285.88	$172.09	$79.36	$61.57
Net Return per acre	-$2.48	$89.00	$222.97	$202.58	$80.68	$31.20
Cost per Unit Produced	$9.67	$20.79	$3.39	$12.22	$28.08	$34.20

Costs & Returns per Beef Cow for Region 4



The average net farm income for 2011 was $150,100 compared to $154,809 in 2010. Net farm income is calculated on the accrual basis and is the amount of income available for family living, term debt principal payments, and new investments. Non-farm income is also available to accomplish these goals and in 2011 nonfarm earnings averaged $57,118.

For more details check out the website at finbin.umn.edu.

More Highlights from the 2011 North Dakota Farm and Ranch Business Management Averages

Beef Production in North Dakota for 2011

Cow-Calf Herds

The average weaning weight for 2011 was 539 pounds which was 16 pounds lower than the 555 pounds recorded in 2010.

Net Return per Cow:

Average	$167.31
Low 20%	-$60.43
High 20%	$356.32

The average price received for calves sold directly off the cows was $150.27 in 2011 compared to $117.54 in 2010.

Feed cost went up from $290.06 in 2010 to $300.40 in 2011.

Beef Backgrounding

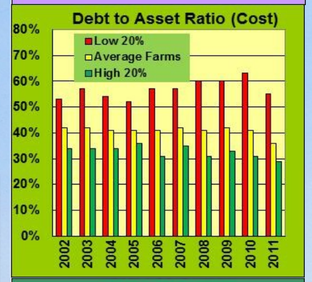
The average beef backgrounding program added 116.6 pounds per head in 2011 compared to 145.0 pounds in 2010.

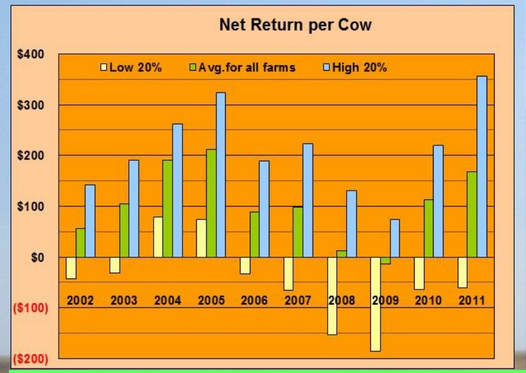
Net Return per cwt produced:

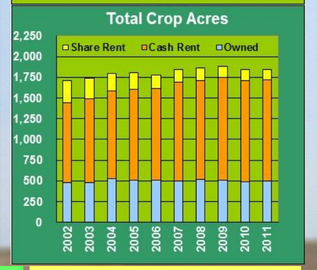
Average	$43.53
Low 20%	-$37.24
High 20%	$91.99

The average sales price in 2011 was $131.61 compared to $104.49 in the previous year.

The average farm fed 14.75 lbs of feed per lb of gain, with 3.64 lbs of that being concentrates. This resulted in an average daily gain of 1.25







For More Information

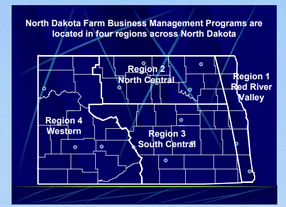
If you would like a complete averages book or additional information please contact your local Farm and Ranch Business Management Education Program or the North Dakota Agricultural Education Supervisor at (701) 328-3162. You can also find more detailed information by checking out our website a www.ndfarmmanagement.com or the Finbin website at www.finbin.umn.edu.

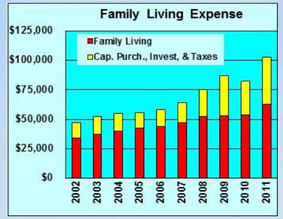
Our Mission

To provide lifelong learning opportunities in economic and financial management for adults involved in the farming and ranching business.

North Dakota Farm & Ranch Business Management Education Programs

Highlights from the 2011 North Dakota Averages





Nonfarm Income

The average nonfarm income for 2011 for the farms enrolled in the North Dakota Farm and Ranch Business Management Programs was $33.551 compared to $36,345 in 2010.

Overview of North Dakota Averages

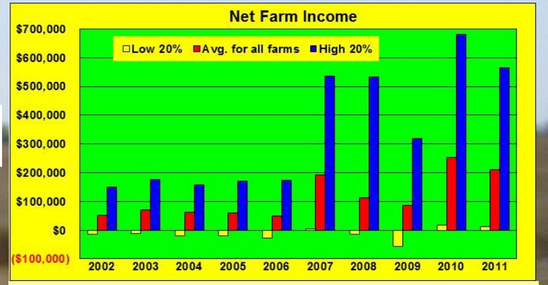
Average farm profit for the 551 farms that were included in the 2011 North Dakota Farm and Ranch Business Management Report was $210,218 compared to $252,658 in 2010. Median net farm income, probably a better measure of the typical farm, was $145,570 compared to $174,010 in 2010 and $47,768 in 2009.

North Dakota crop producers had generally lower yields on most crops. These lower yields were partially offset by higher selling prices. Producers in the northern part of the state were also affected by the extremely wet spring which result in a large number of unplanted acres. Farmers also saw increases in almost all operating expenses.

Prices for livestock also increased but were tempered by larger than normal death losses (calf death losses went from 5.6% in 2010 to 8.8% in 2011) and increased operating expenses. The increased death losses were due to extremely harsh spring conditions and flooding. These factors led to an increased net return of $54.02 per cow in the cow/calf enterprises and a decrease of $3.56 per cwt in the beef backgrounding program.

Farm financial measures continued their strong five year trend. Current assets averaged over twice that of current liabilities and, on average, there was three times the capacity needed to make scheduled term principal and interest payments. The rate of return on equity of 15.6 percent was greater than the rate of return on assets of 11.5 percent. This indicates that, on average, debt capital was profitably employed in 2011.

The average farm was 2,619 acres in size, of which 774 acres were pasture. The average age of the farmers was 44.7 years.



Net farm income is the amount of income available for family living, term debt principal payments, and new investments.

ND FARM MANAGEMENT EDUCATION

North Dakota cte Career and Technical Education

Highlights from the 2011 Red River Valley Averages

Overview

This report includes information from 250 farmers enrolled in the Farm Business Management Programs in the Red River Valley. These programs are located in North Dakota and Minnesota.

In 2011 the average farmer was 45 years of age, had farmed for 29 years, and farmed 1755 acres. This average farmer spent $789,890 for inputs in the local community.

In 2011 net farm income for the 250 farms averaged $307,053 which was a decrease of $67,589 from 2010. The primary reasons for the decreased net farm income were lower yields and increased costs.

The operating expense ratio was 64.4% in 2011 compared to 58% in 2010.

The term debt coverage ratio for 2011 was 3.29 with a capital replacement margin of $191,421 compared with $273,647 in 2010.

2011 Crop Yields and Returns on Cash Rented Land

Hard Red Spring Wheat

The average yield for 2011 was 44.49 bushels per acre compared to 64.60 bushels in 2010.

Net Return per acre:

Average	$19.35
Low 20%	-$95.05
High 20%	$113.70

The average price for HRSW was $8.02 per bushel vs $6.39 in 2010.

Corn

	Bu/acre	Net Return
2005	145 bu	$37.54
2006	138 bu	$51.51
2007	131 bu	$140.54
2008	155 bu	$132.49
2009	132 bu	-$47.95
2010	149 bu	$223.91
2011	115 bu	$154.78

The average price for corn was $5.75 per bushel vs $4.59 in 2010.

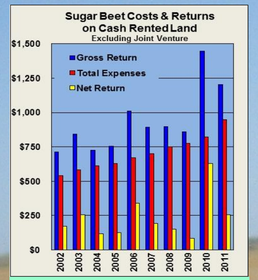
Soybeans

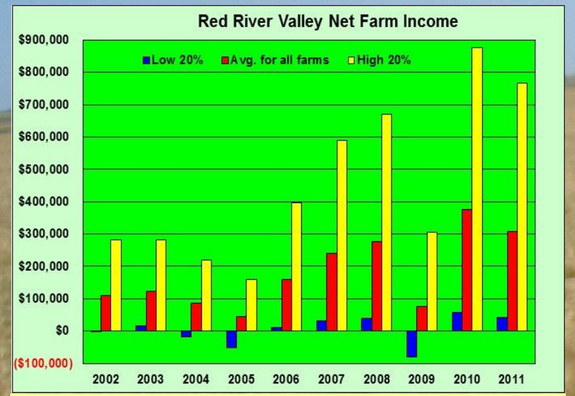
The average yield for soybeans in 2011 was 31.32 bushels per acre down 4.9 bushels from last year.

Net Return per acre:

Average	$82.52
Low 20%	$3.87
High 20%	$186.14

The average price for soybeans in 2011 was $11.42 per bushel compared to $10.59 in 2010.





Net farm income is the amount of income available for family living, term debt principal payments, and new investments.

Summary of Cash Flows

Gross Farm Income	$1,104,421
Non Farm Income	$15,105
Total Cash Farm Exp.	$789,890
Income Taxes	$23,712
Family Living	$77,101
Investing	$293823
Money Borrowed	$510,082
Principal Payments	$437,049

Highlights from the 2011 North Dakota Region 2 Averages

Overview for Region 2

The North Central region of North Dakota enjoyed the second highest net farm income since these averages were started. The average farm profit for the 173 farms enrolled in the area Farm and Ranch Business Management Education Programs was $205,803 a decrease of 12% from 2010. Lower yields combined with higher input costs and increased prevented planting in the western portions of the region led to lower profitability.

The average farm consisted of 1929 acres of cropland and 438 acres of pasture. This is a slight drop from 2010 but is similar to the 10 year average. The average age was 43.8 years with the number of years farming at 20 years. A slight drop in these numbers over the last couple of years reflects the move to younger producers becoming engaged in farming.

The average farm in 2011 continued to show a decrease in debt to asset ratio (33%), a stronger current ration (2.61) and working capital of $285,959. An operating expense ration of 58.8% and a net farm income ratio of 33.2% indicated a slightly higher operating cost for 2011.

2011 Crop Yields and Returns on Cash Rented Land

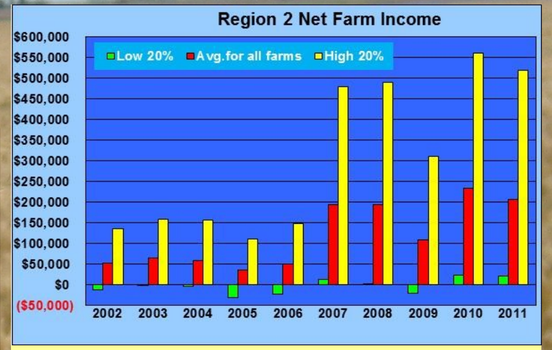
Crop production continued to show good returns for most of the major crops grown within the region. The net returns for most crops were good because higher prices largely offset lower yields and increased operating costs. Pinto Beans, corn, barley and soybeans led the way in being the highest net return crops for the region in 2011.

	HRS Wheat	Corn	Soybeans	Barley
2011 yield/acre	38.61 bu	110.87 bu	29.28 bu	55.23 bu
2010 yield/acre	47.66 bu	121.06 bu	32.31 bu	64.89 bu
2011 net return/acre				
all farms	$65.88	$189.81	$84.09	$87.83
low 20%	-$11.81		-$18.98	$6.47
high 20%	$184.58		$177.72	$193.34
2011 Price/unit	$8.17	$5.52	$11.16	$5.76
2010 Price/unit	$6.76	$4.58	$10.35	$3.82

Beef Summary

Cow-calf herds saw continued improvement with a net return per cow of $201.57. This was an increase of $75.06 per cow compared to 2010. Stronger beef prices contributed to the higher net return, offsetting higher feed and overall costs.

Background beef continued to show positive returns in 2011 with the average net return being $64.00 per hundred weight produced. This was an increase of $15.56 over 2010 and was due to slightly lower costs combined with increased selling prices.



Net farm income is the amount of income available for family living, term debt principal payments, and new investments.

Highlights from the 2011 North Dakota Region 3 Averages

Overview for Region 3

The south central region of North Dakota enjoyed a profitable year. The average profit for the 154 farms enrolled in the area Farm and Ranch Business Management Programs was $230,398 and was 16% less than the average profit of $273,012 generated in 2010. The average farm consisted of 1970 crop acres and 614 acres of pasture or rangeland. The average farm operator was 45.8 years of age and had been farming for 21.9 years.

The farm profits were the result of a combination of smaller carry over inventories and decreased crop yields for many producers. Leading the list of profitable crops were pinto beans, corn, soybeans and canola.

The net income per cow in the region was $154.62 an increase of $51.75 per cow over 2010's net return of $102.87. The average net income per backgrounded calf increased from $84.63 per head in 2010 to $114.85 per head in 2011.

2011 Crop Yields and Returns on Cash Rented Land

Hard Red Spring Wheat

The average yield for hard red spring wheat was 32.17 bushels per acre compared to 55.74 bushels in 2010.

Net Return per Acre:

Average	$16.72
Low 20%	-$66.64
High 20%	$101.33

The average price for hard red spring wheat was $8.10 per bu.

Corn

The average yield for corn grain was 110.06 bushels per acre which was 24.11 bushels less than the 134.20 bushels in 2010.

Net Return per Acre:

Average	$234.21
Low 20%	$29.83
High 20%	$411.94

The average price for corn was $5.59 per bushel.

Soybeans

The average yield for soybeans in 2010 was 28.79 bushels per acre compared to 35.30 bushels in 2010.

Net Return per Acre:

Average	$93.07
Low 20%	$2.37
High 20%	$200.75

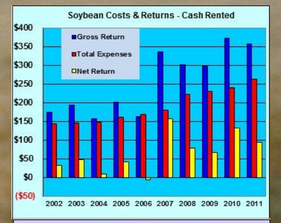
The average price for soybeans in 2011 was $11.36 per bushel

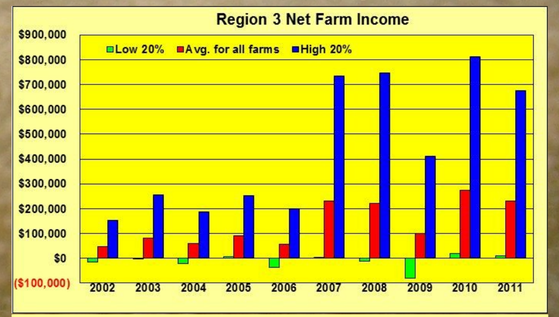
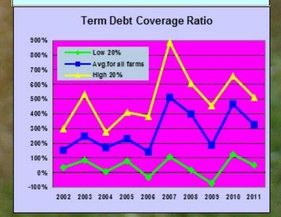
Canola

The average yield for canola in 2011 was 14.49 cwt per acre compared to 18.62 cwt in 2010.

Net Return per Acre for the average farm was $91.34.

The average price for canola in 2010 was $22.44 per cwt.





Net farm income is the amount of income available for family living, term debt principal payments, and new investments.