



## Financial Measures

Report Basis: Whole Farm

### These Financial Measures Were Calculated Using the Cost Basis of Assets and Cost (Tax) Depreciation

The financial calculations using the Market Basis of Assets and Economic Depreciation are on the following page.

#### Profitability

	2006
Net Farm Income From Operations	\$69,739
Net Farm Income	\$69,927
Rate of Return on Assets (ROROA)	13.23%
Cost (Tax) Depreciation Claimed	\$23,554
Rate of Return on Equity	22.15 %
Net Profit Margin	19.68 %

#### Financial Efficiency Ratios (These ratios are calculated using Total Farm Income, not Value of Farm Production.)

Asset Turnover Ratio	0.672
Basic Cost Ratio	0.536
Wages Paid Ratio	0.065
Interest Paid Ratio	0.051
Depreciation Ratio	0.086
Net Farm Income from Operations Ratio	0.261

Note: Some methods of calculating ratios combine the Basic Cost and Wages Paid Ratios into a single ratio (Operating Cost Ratio).

#### Repayment Capacity

Capital Replacement & Debt Repayment Capacity	\$73,267
Coverage Margin	\$45,319
Term Debt Coverage Ratio	2.70

#### Liquidity

Net Cash Income	\$74,277
Working Capital	\$16,144
Current Ratio	1.53

#### Solvency (Assets at Cost, including current assets and raised breeding livestock)

Beginning Total Farm Assets	\$373,539
Beginning Total Farm Liabilities	\$220,587
Beginning Farm Net Worth	\$152,952
Farm Debt to Asset Ratio - Beginning of Year	0.597
Ending Total Farm Assets	\$421,468
Ending Total Farm Liabilities	\$222,909
Ending Farm Net Worth	\$198,560
Year Ending Farm Debt to Asset Ratio	0.529
Cost Basis Change in Farm Net Worth	\$45,608



## Financial Measures

Report Basis: Whole Farm

### These Financial Measures Were Calculated Using the Market Value of Assets and Economic Depreciation

The financial calculations using the Cost Basis of Assets and Cost (Tax) Depreciation are on the previous page.

#### Profitability

	<b>2006</b>
Net Farm Income From Operations	\$72,253
Net Farm Income	\$72,440
Rate of Return on Assets (ROROA)	8.65 %
Economic Depreciation Claimed	\$21,040
Rate of Return on Equity	9.98 %
Net Profit Margin	20.62 %

#### Financial Efficiency Ratios (These ratios are calculated using Total Farm Income, not Value of Farm Production.)

Asset Turnover Ratio	0.419
Basic Cost Ratio	0.536
Wages Paid Ratio	0.065
Interest Paid Ratio	0.051
Depreciation Ratio	0.077
Net Farm Income from Operations Ratio	0.270

Note: Some methods of calculating ratios combine the Basic Cost and Wages Paid Ratios into a single ratio (**Operating Cost Ratio**).

#### Repayment Capacity

Capital Replacement & Debt Repayment Capacity	\$73,267
Coverage Margin	\$45,319
Term Debt Coverage Ratio	2.70

#### Liquidity

Net Cash Income	\$74,277
Working Capital	\$16,144
Current Ratio	1.53

#### Solvency (Assets at Market Value)

Beginning Total Farm Assets	\$611,840
Beginning Total Farm Liabilities	\$220,587
Beginning Farm Net Worth	\$391,253
Farm Debt to Asset Ratio - Beginning of Year	0.361
Ending Total Farm Assets	\$662,167
Ending Total Farm Liabilities	\$222,909
Ending Farm Net Worth	\$439,259
Year Ending Farm Debt to Asset Ratio	0.337
Total Change in Farm Net Worth	\$48,006



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Report Basis: Whole Farm

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Benchmark Criteria	2006
Number of Cows	64.94
Pounds of Milk Sold per Cow	14,193
Hundredweight Equivalent (CWT EQ) per Cow	319
Gross Milk Price	\$23.39
Total Crop Acres per Cow	3.76
Pasture Acres per Cow	0.56
Owner/Operator/Families	1.00
Primary Enterprise:	<b>Dairy</b>
Report On:	<b>All Data Sets</b>
2006 Data Sets:	<b>8</b>
Data Sets:	<b>0</b>
Data Sets:	<b>0</b>
Confidence Level Range:	<b>80 to 100</b>
States:	<b>Wisconsin</b>
Organic Producer:	<b>Yes</b>

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