

# WISCONSIN DAIRY DATA

Fact sheet series from the Center for Dairy Profitability

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2005-04

June 2005

## **Preliminary Benchmarks – Balance Sheet 2004**

Below are preliminary benchmarks for the 2004 financial year. We currently have 644 farm financial records complete. At the end of July 2005 when all records are complete we will provide you with a final 2004 Benchmark Report.

The Balance Sheet shows total farm assets increased by approximately \$540 per head during 2004. Breakdown of this number is as follows: non-current assets increased roughly \$440 and current assets increased about \$100. The biggest change in current assets is in the prepaid expenses category, an increase of \$56 per head. An increase in prepaid expenses normally occurs in better financial years. Also, the cost basis of non-current assets increased by \$125 per head. In other words farmers purchased more non-current assets than the total amount of tax depreciation they took in 2004.

Total liabilities decreased by approximately \$17 per cow. Non-current liabilities decreased roughly \$4 and current liabilities decreased about \$13 per cow. The largest change in current liabilities is in the accounts payable category, a decrease of \$11 per cow. A decrease in accounts payable normally occurs in better financial years.

Total farm equities increased from \$5,483 to \$6,038 per head, an increase of \$555. Additional capital contributions account for \$8 of this increase. Retained earnings accounted for \$315 and valuation adjustment accounts for the remaining \$232. Retained earnings is the profit of the business after family draw but excluding any increase in the fair market value of assets. Valuation adjustment is the increase in the fair market value of assets.



## Balance Sheet

Report Basis: per Head

	<u>Beg. Dollars</u>	<u>2004</u>	<u>End Dollars</u>	<u>Cost Basis</u>
<b>Current Assets</b>				
Cash Accounts	154.21		178.23	
Prepaid Expenses & Purchased Inventories	75.13		131.32	
Raised Feed Inventories	564.15		579.03	
Basis in Resale Livestock Purchased	1.14		1.45	
Accounts Receivable	3.87		3.32	
Market Livestock & Etc.	6.25		8.05	
<b>Total Current Assets</b>	<b>804.76</b>		<b>901.40</b>	
<b>Non-Current Assets</b>				
Raised Breeding Livestock	1,843.41		1,928.32	
Purchased Breeding Livestock	465.21		448.93	379.89 352.88
Machinery & Equipment	1,351.07		1,483.49	655.79 686.07
Buildings	1,640.78		1,746.32	1,175.38 1,198.39
Land & House	2,527.79		2,647.94	1,037.64 1,119.69
Other Non-Current Assets	176.27		191.32	114.93 131.06
<b>Total Non-Current Assets</b>	<b>8,004.53</b>		<b>8,446.32</b>	<b>3,363.63 3,488.10</b>
<b>Total Farm Assets</b>	<b>8,809.29</b>		<b>9,347.71</b>	
<b>Current Liabilities</b>				
Accounts Payable	61.71		50.81	
Current Portion of Non-Current Liabilities	179.98		186.04	
Other Current Liabilities	121.63		113.24	
<b>Total Current Liabilities</b>	<b>363.31</b>		<b>350.09</b>	
<b>Non-Current Liabilities</b>				
Intermediate Liabilities	1,144.08		1,142.14	
Long-Term Liabilities	1,819.07		1,817.07	
Contingent Liabilities	0.00		0.00	
<b>Total Non-Current Liabilities</b>	<b>2,963.15</b>		<b>2,959.21</b>	
<b>Total Farm Liabilities</b>	<b>3,326.46</b>		<b>3,309.30</b>	
Non-Farm Assets	569.39		631.52	
Non-Farm Liabilities	35.50		39.59	

### Statement of Equities (Net Worth)

	<u>Beginning</u>	<u>Ending</u>	<u>Change</u>
Contributed Capital	8.53	16.54	8.01
Retained Earnings <sup>1</sup>	2,676.81	2,991.98	315.17
Valuation Adjustment	2,797.50	3,029.90	232.40
<b>Total Farm Equities</b>	<b>5,482.83</b>	<b>6,038.41</b>	<b>555.58</b>
Non-Farm Equities	533.89	591.93	58.05
<b>Total Equities</b>	<b>6,016.72</b>	<b>6,630.35</b>	<b>613.63</b>

<sup>1</sup> All current assets and raised breeding livestock are included in retained earnings.