

# WISCONSIN DAIRY DATA

Fact sheet series from the Center for Dairy Profitability

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2006-04

August 2006

## Benchmarks – Balance Sheet, 2005

Below are the final benchmarks for the 2005 financial year. We currently have 617 farm financial records.

The Balance Sheet shows total farm assets increased by approximately \$665 per head during 2005. Breakdown of this number is as follows: non-current assets increased roughly \$576 and current assets increased about \$89. The biggest change in current assets is in the raised feed inventory, an increase of \$55 per head. There was also an increase of \$21 in the prepaid expenses category. An increase in prepaid expenses normally occurs in better financial years. In addition, the cost basis of non-current assets increased by \$301 per head. This means dairy farm managers purchased more non-current assets than the total amount of tax depreciation they took in 2005. It is also an indication that the production side of the dairy industry is expanding.

Total liabilities increased by approximately \$264 per cow. Non-current liabilities increased roughly \$262 and current liabilities increased about \$2 per cow

Total farm equities increased from \$6,035 to \$6436 per head, an increase of \$400. Retained earnings accounted for \$240 and valuation adjustment accounts for the remaining \$160. Retained earnings are 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>	2005	<u>End Dollars</u>	<u>Cost Basis</u>
<b>Current Assets</b>				
Cash Accounts	174.35		172.55	
Prepaid Expenses & Purchased Inventories	112.74		133.90	
Raised Feed Inventories	575.89		631.32	
Basis in Resale Livestock Purchased	2.13		13.24	
Accounts Receivable	2.15		3.22	
Market Livestock & Etc.	7.02		8.83	
<b>Total Current Assets</b>	<b>874.28</b>		<b>963.06</b>	
<b>Non-Current Assets</b>				
Raised Breeding Livestock	1,872.16		1,987.62	
Purchased Breeding Livestock	488.20		480.16	367.25
Machinery & Equipment	1,457.68		1,573.24	684.65
Buildings	1,717.75		1,964.75	1,210.47
Land & House	2,693.10		2,770.68	1,136.04
Other Non-Current Assets	184.35		213.21	132.28
<b>Total Non-Current Assets</b>	<b>8,413.24</b>		<b>8,989.67</b>	<b>3,530.70</b>
<b>Total Farm Assets</b>	<b>9,287.52</b>		<b>9,952.72</b>	
<b>Current Liabilities</b>				
Accounts Payable	46.34		43.78	
Current Portion of Non-Current Liabilities	135.85		139.51	
Other Current Liabilities	111.55		112.92	
<b>Total Current Liabilities</b>	<b>293.75</b>		<b>296.21</b>	
<b>Non-Current Liabilities</b>				
Intermediate Liabilities	1,194.08		1,211.68	
Long-Term Liabilities	1,764.34		2,009.09	
Contingent Liabilities	0.00		0.00	
<b>Total Non-Current Liabilities</b>	<b>2,958.42</b>		<b>3,220.77</b>	
<b>Total Farm Liabilities</b>	<b>3,252.17</b>		<b>3,516.98</b>	
Non-Farm Assets	675.04		717.52	
Non-Farm Liabilities	49.17		47.18	

### Statement of Equities (Net Worth)

	<u>Beginning</u>	<u>Ending</u>	<u>Change</u>	
Contributed Capital	2.07	2.07	0.00	
Retained Earnings	3,022.90	3,263.35	240.45	1 All current assets and raised breeding livestock are included in retained earnings
Valuation Adjustment	3,010.38	3,170.33	159.95	
	6,035.34	6,435.75	400.41	
<b>Total Farm Equities</b>				
Non-Farm Equities	625.87	670.34	44.47	
<b>Total Equities</b>	<b>6,661.21</b>	<b>7,106.09</b>	<b>444.88</b>	