

WISCONSIN DAIRY DATA

Fact sheet series from the Center for Dairy Profitability

2008-02

May 2008

Preliminary Benchmarks – Balance Sheet, 2007

Below are the preliminary benchmarks for the 2007 financial year. We currently have 189 farm financial records. We will complete a final report in August/September 2008.

The Balance Sheet shows total farm assets increased by approximately \$726 per head during 2007. Breakdown of this number is as follows: non-current assets increased roughly \$510 and current assets increased about \$216. The biggest change in current assets is in prepaid expenses and purchased inventories at an increase of \$97 per head. Cash accounts also had a significant change by approximately \$80 per head. Feed inventories, normally seeing the biggest change was \$39 per head. The cost basis of non-current assets increased by \$314 per head this is a difference of \$145 from 2006. This means dairy farm managers purchased more non-current assets than the total amount of tax depreciation they took in 2007. It is also an indication that the production side of the dairy industry is expanding.

Total liabilities increased by approximately \$211 per cow. Non-current liabilities increased roughly \$214. Current liabilities decreased about \$4 per cow

Total farm equities increased from \$6,791 to \$7,306 per head, an increase of \$515. Retained earnings accounted for in 2007 were \$388 and valuation adjustment was \$77. 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>	2007	<u>End Dollars</u>	<u>Cost Basis</u>	
Current Assets					
Cash Accounts	162.66		242.50		
Prepaid Expenses & Purchased Inventories	95.76		193.59		
Raised Feed Inventories	702.98		742.21		
Basis in Resale Livestock Purchased	0.47		0.00		
Accounts Receivable	2.37		2.70		
Market Livestock & Etc.	3.03		2.35		
Total Current Assets	967.28		1,183.35		
Non-Current Assets					
Raised Breeding Livestock	2,169.71		2,289.03	<u>Beg. Dollars</u>	<u>End Dollars</u>
Purchased Breeding Livestock	613.13		544.46	380.39	353.90
Machinery & Equipment	1,469.35		1,597.70	679.87	694.15
Buildings	2,012.55		2,256.50	1,673.50	1,833.37
Land & House	2,946.65		3,011.87	1,173.64	1,315.82
Other Non-Current Assets	238.81		260.96	152.75	177.33
Total Non-Current Assets	9,450.19		9,960.52	4,060.15	4,374.57
Total Farm Assets	10,417.47		11,143.87		
Current Liabilities					
Accounts Payable	26.77		13.04		
Current Portion of Non-Current Liabilities	134.07		138.99		
Other Current Liabilities	138.75		143.48		
Total Current Liabilities	299.59		295.51		
Non-Current Liabilities					
Intermediate Liabilities	1,240.68		1,221.20		
Long-Term Liabilities	2,086.03		2,320.71		
Contingent Liabilities	0.00		0.00		
Total Non-Current Liabilities	3,326.71		3,541.92		
Total Farm Liabilities	3,626.30		3,837.43		
Non-Farm Assets	2,227.36		2,318.82		
Non-Farm Liabilities	86.76		102.30		

Statement of Equities (Net Worth)

	<u>Beginning</u>	<u>Ending</u>	<u>Change</u>
Contributed Capital	44.95	95.73	50.79
Retained Earnings ¹	3,525.89	3,913.78	387.90
Valuation Adjustment	3,220.33	3,296.92	76.58
Total Farm Equities	6,791.17	7,306.44	515.27
Non-Farm Equities	2,140.60	2,216.52	75.92
Total Equities	8,931.77	9,522.95	591.18

¹ All current assets and raised breeding livestock are included in retained earnings.