# Farm Financial Overview and Discussion

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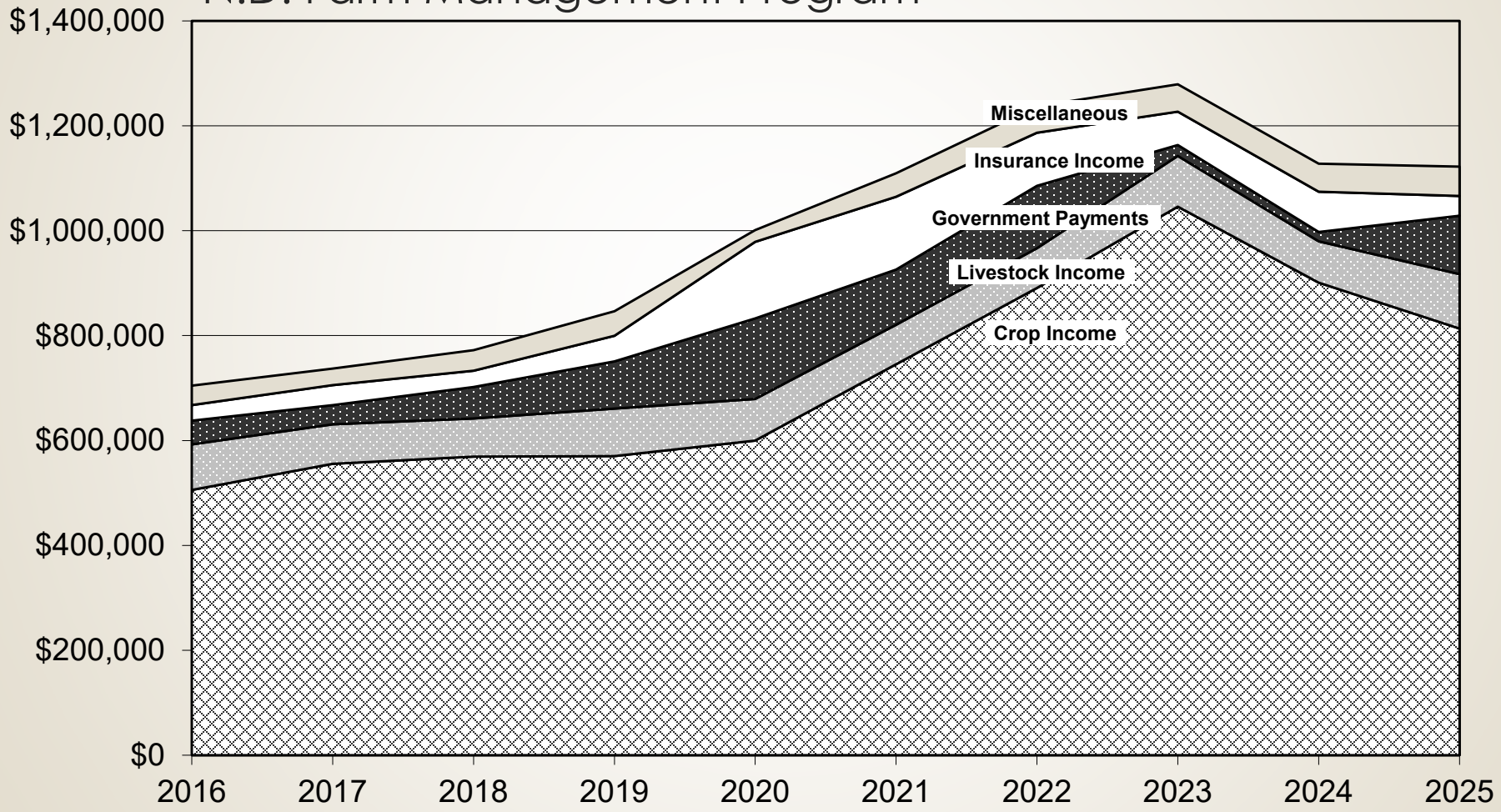
North Dakota State University

# Farm Finances In the U.S. and N.D. End 2025 With Thin Margins and Losses in Some Areas



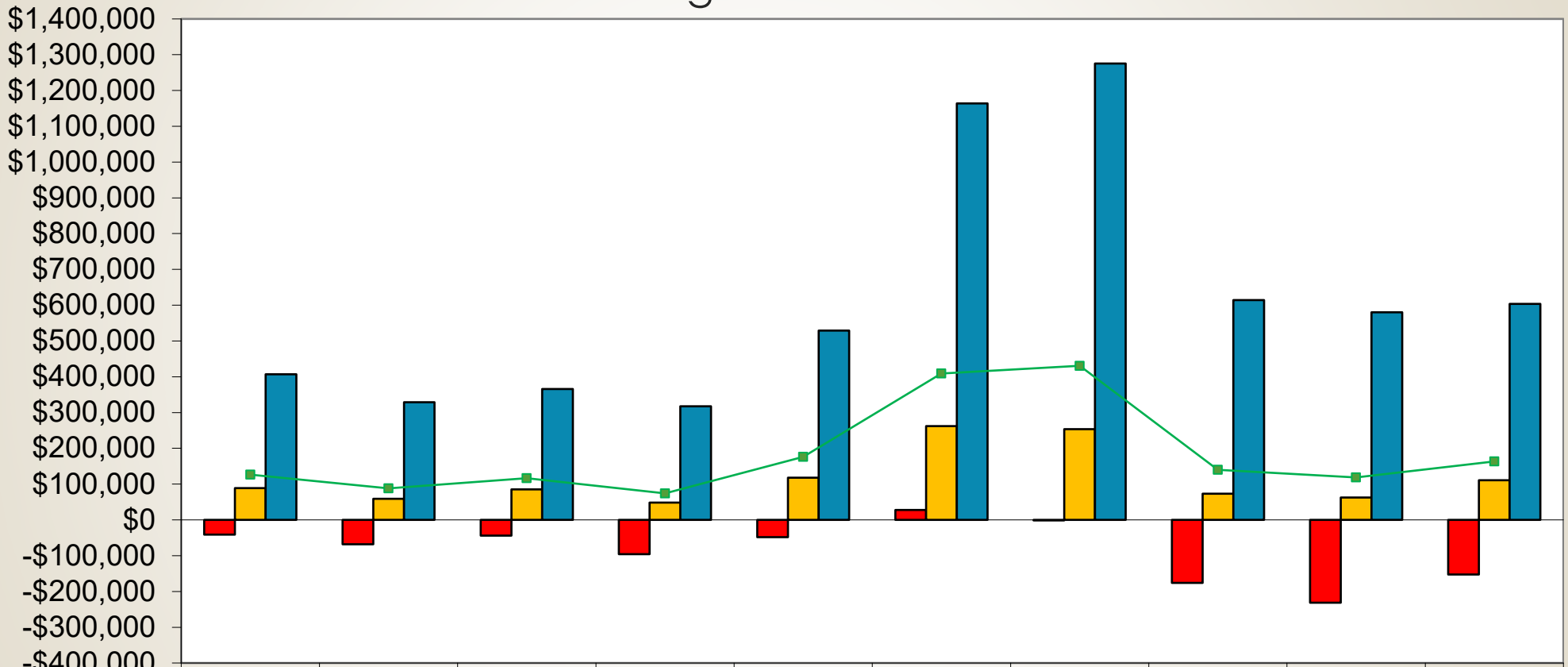
# Gross Cash Income Per Farm

## N.D. Farm Management Program



# Net Farm Income (Accrual) Per Farm

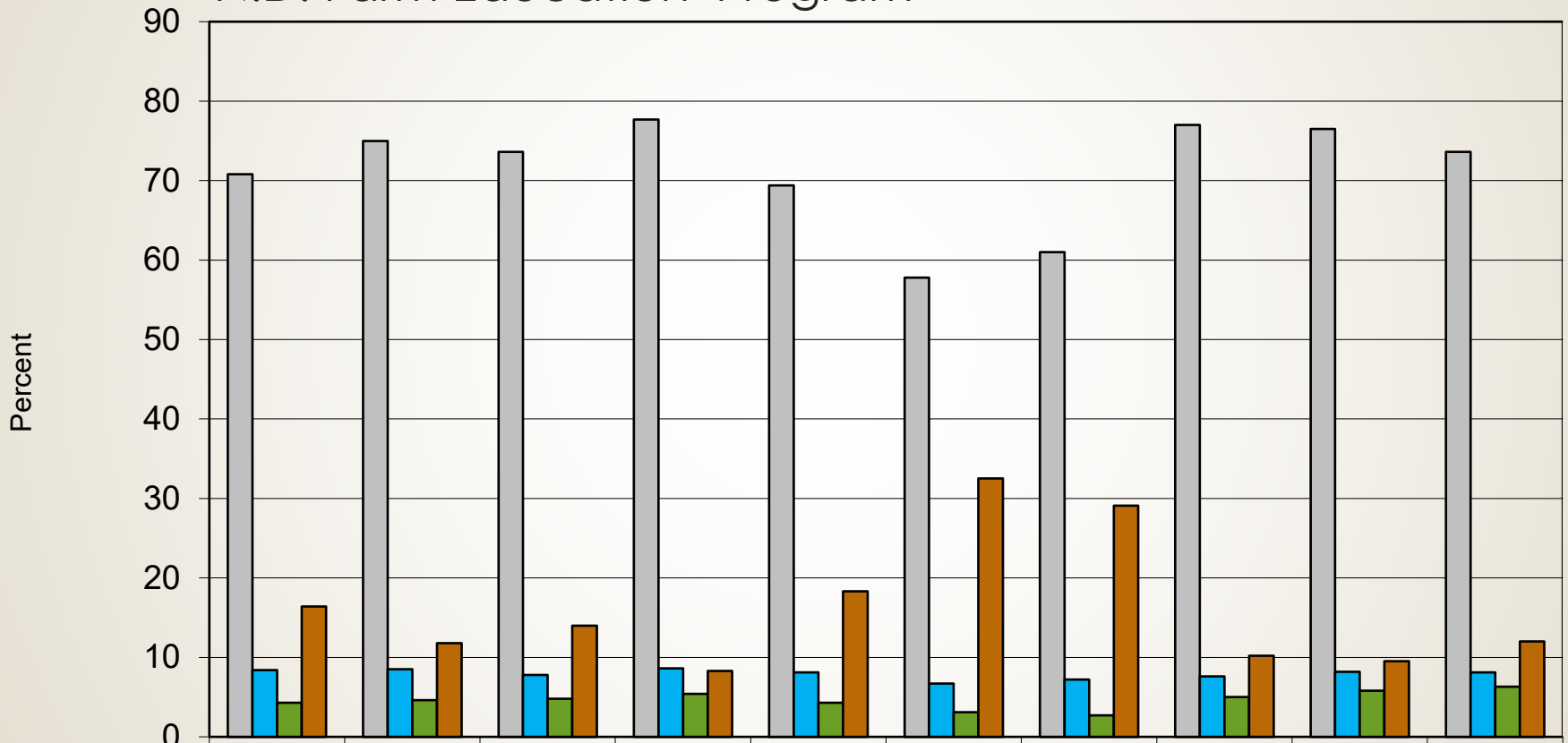
## N.D. Farm Education Program




| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| 20% Low Profit | -41,364 | -68,031 | -43,700 | -96,157 | -48,488 | 27,671 | -1,409 | -176,257 | -231,147 | -152,674 |
| Middle 60% Profit | 88,621 | 59,071 | 85,076 | 48,615 | 118,208 | 262,188 | 253,784 | 73,462 | 62,773 | 111,034 |
| 20% High Profit | 406,621 | 328,621 | 365,638 | 317,478 | 529,298 | 1,163,679 | 1,275,659 | 613,924 | 580,329 | 603,518 |
| Average All Farms | 126,752 | 88,026 | 116,227 | 74,100 | 176,038 | 408,835 | 430,678 | 139,574 | 118,688 | 163,455 |

# Financial Efficiency Measures (As Percent of Gross Revenue)

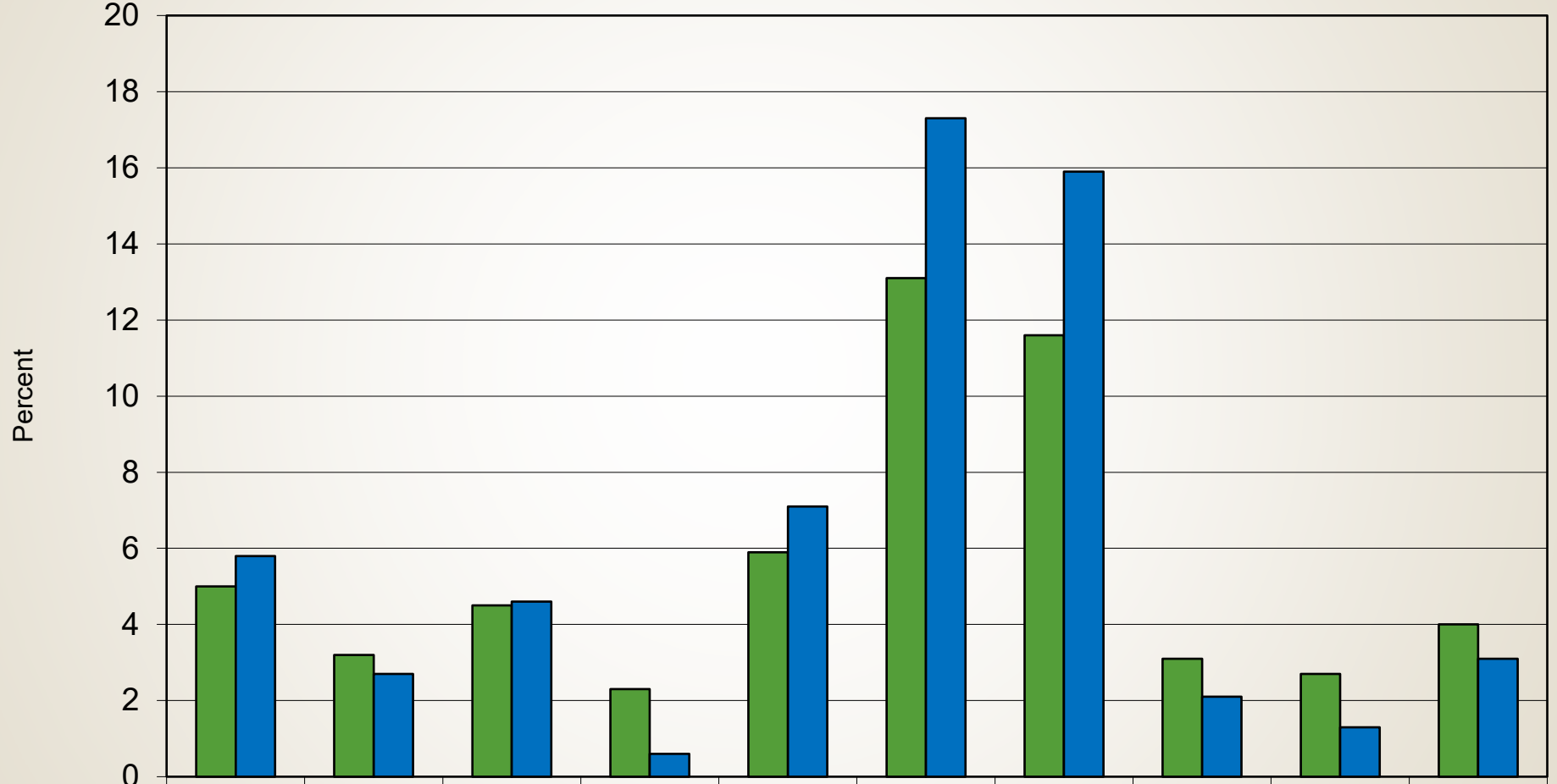
## N.D. Farm Education Program




| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating Exp % | 70.8 | 75 | 73.6 | 77.7 | 69.4 | 57.8 | 61 | 77 | 76.5 | 73.6 |
| Depreciation % | 8.4 | 8.5 | 7.8 | 8.6 | 8.1 | 6.7 | 7.2 | 7.6 | 8.2 | 8.1 |
| Interest Exp. % | 4.3 | 4.6 | 4.8 | 5.4 | 4.3 | 3.1 | 2.7 | 5 | 5.8 | 6.3 |
| Net Farm Inc. % | 16.4 | 11.8 | 14 | 8.3 | 18.3 | 32.5 | 29.1 | 10.2 | 9.5 | 12 |

# Profitability Measures Per Farm

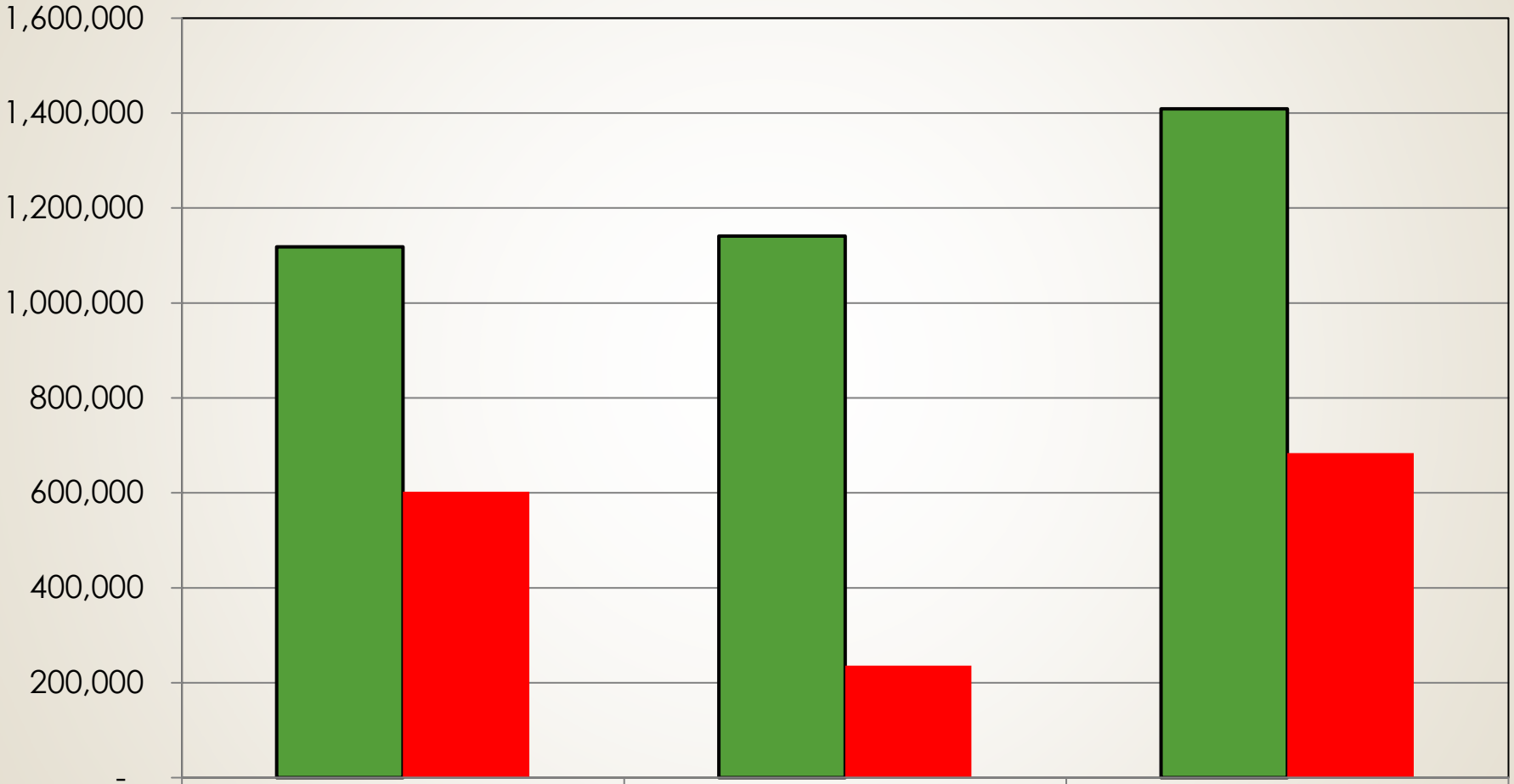
## N.D. Farm Business Education Program




| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Rate of Return on Assets | 5 | 3.2 | 4.5 | 2.3 | 5.9 | 13.1 | 11.6 | 3.1 | 2.7 | 4 |
| Rate of Return on Equity | 5.8 | 2.7 | 4.6 | 0.6 | 7.1 | 17.3 | 15.9 | 2.1 | 1.3 | 3.1 |

# Assets and Liabilities Per Farm, 2025

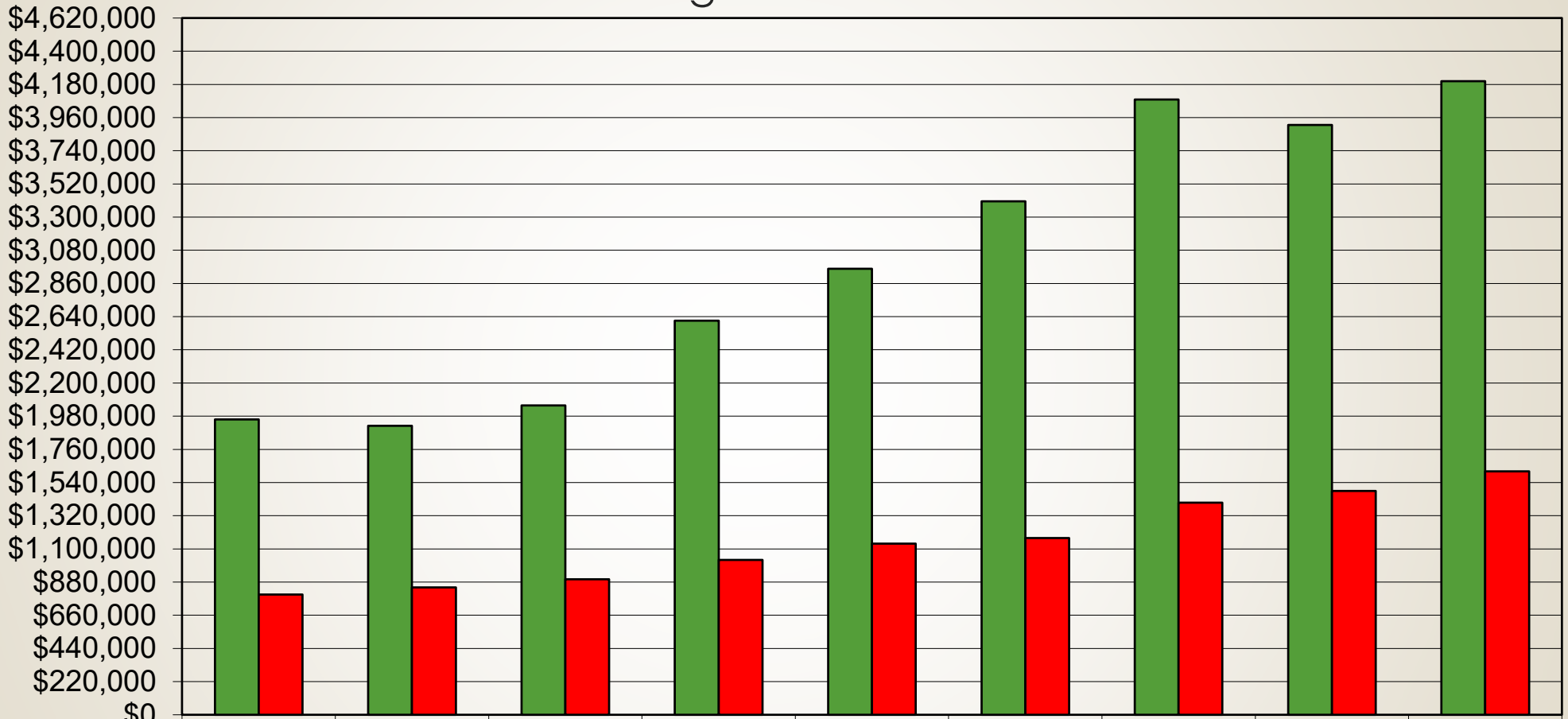
## N.D. Farm Education Program




| | Current | Intermediate | Longterm |
|---|---|---|---|
| Farm Assets | 1,118,236 | 1,140,964 | 1,408,959 |
| Farm Liabilities | 602,263 | 235,982 | 684,012 |

# Total Farm Assets and Liabilities

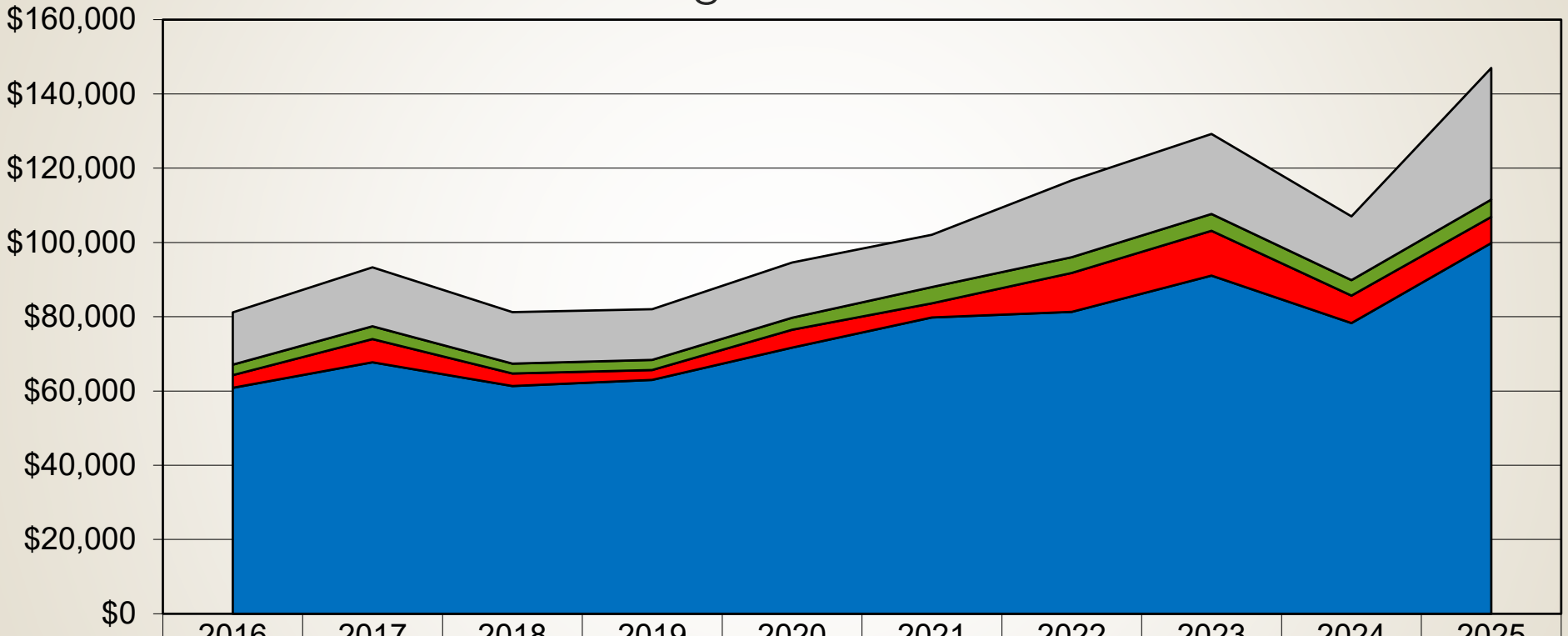
## N.D. Farm Education Program




| | 2016 | 2017 | 2018 | 2019 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Farm Assets | 1,958,439 | 1,916,310 | 2,051,129 | 2,612,371 | 2,956,850 | 3,405,319 | 4,079,752 | 3,911,394 | 4,201,938 |
| Farm Liabilities | 797,601 | 845,018 | 899,340 | 1,026,200 | 1,134,578 | 1,171,695 | 1,406,870 | 1,484,595 | 1,614,804 |

# Household and Personal Expenses

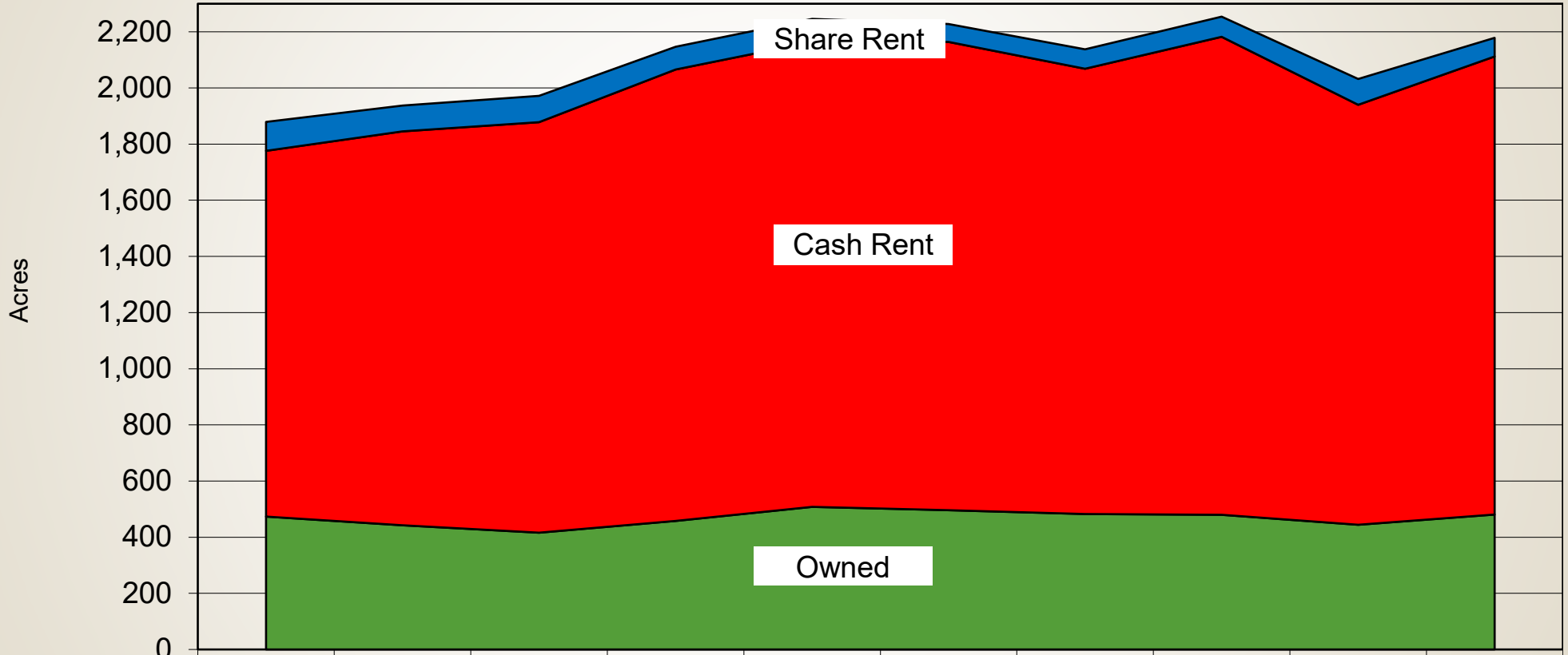
## N.D. Farm Education Program




| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Income Taxes | 14,097 | 15,869 | 13,835 | 13,667 | 14,908 | 14,083 | 20,672 | 21,527 | 17,128 | 35,426 |
| Life Insurance | 2,834 | 3,416 | 2,667 | 2,702 | 3,173 | 4,396 | 4,269 | 4,544 | 4,225 | 4,671 |
| Furnishings & Vehicle | 3,404 | 6,221 | 3,354 | 2,718 | 4,857 | 3,851 | 10,501 | 12,052 | 7401 | 7042 |
| Family Living | 60,857 | 67,762 | 61,352 | 62,951 | 71,664 | 79,764 | 81,286 | 91,063 | 78,257 | 99,842 |

# Crop Acreage Per Farm

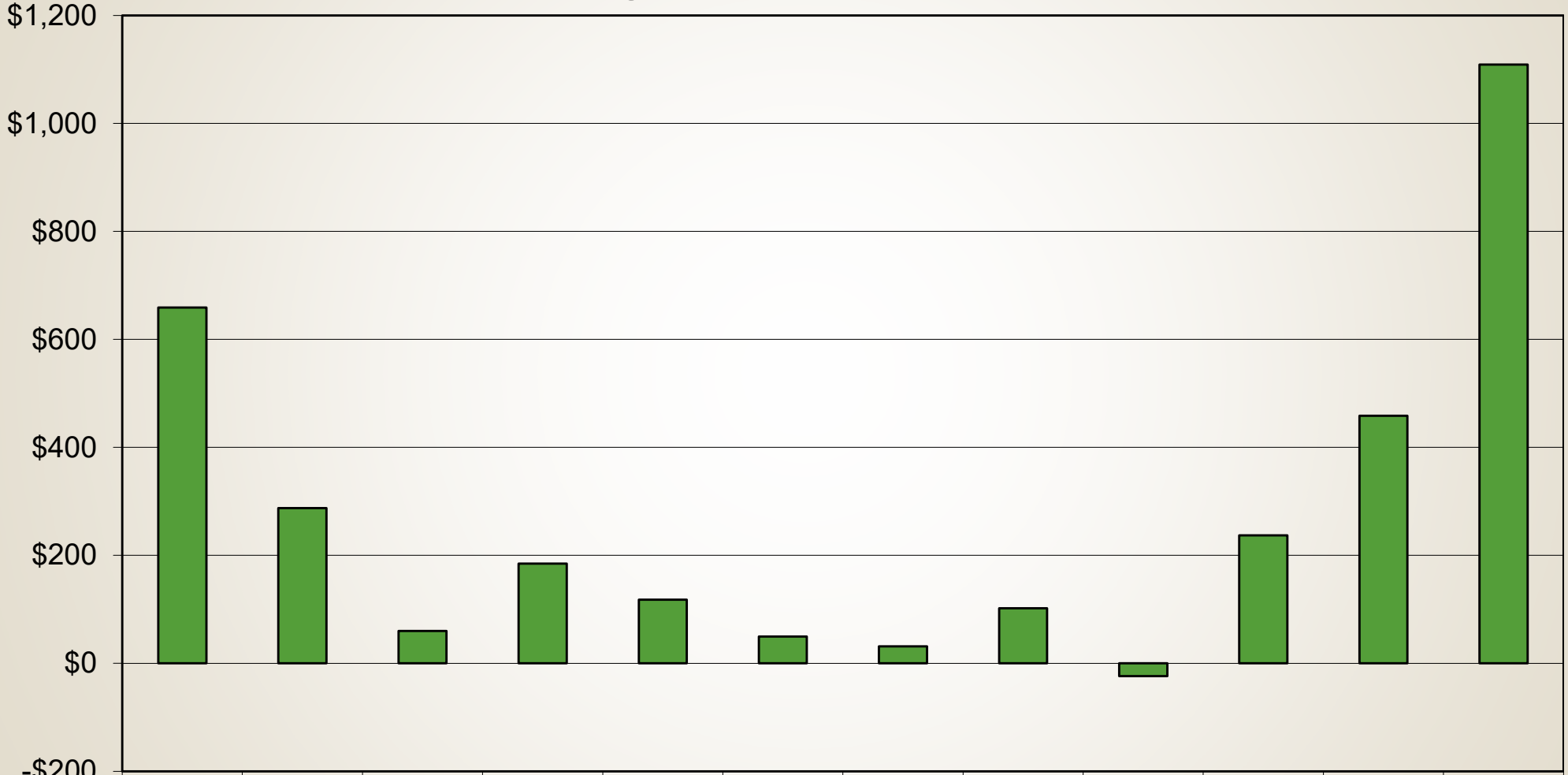
## N.D. Farm Education Program




| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Share Rent | 103 | 92 | 94 | 81 | 82 | 64 | 70 | 72 | 92 | 67 |
| Cash Rent | 1,303 | 1,403 | 1,462 | 1,608 | 1,656 | 1,668 | 1,586 | 1,702 | 1,496 | 1,631 |
| Owned | 473 | 442 | 416 | 458 | 508 | 496 | 482 | 480 | 444 | 481 |

# Average Net Return Per Beef Cow

## N.D. Farm Education Program




| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Avg. Net Return | 659.23 | 287.66 | 60.06 | 184.58 | 118.07 | 49.68 | 31.45 | 102.12 | -23.63 | 236.98 | 458.78 | 1109.00 |

Financial ratio analysis is a quantitative method of evaluating a farm or company's
financial health and performance. It is a major component of fundamental equity
analysis.

**In agriculture there are 17 (formerly 21)** widely accepted and utilized financial ratios falling into
1 of 5 different categories recommended by the **Farm Financial Standards Council**
(FFSC).

Categories Include:

1: Liquidity – Balance Sheet
2: Solvency - Balance Sheet
3: Profitability – Income Statement
4: Repayment Capacity – Cash Flow Statement
5: Financial Efficiency – Financial Statements

**Farm Name** ND non-RRV **Year** 2025

## Liquidity

| | | | Farm Rating | Vulnerable | Stable | Strong |
|---|---|---|---|---|---|---|
| Current Ratio | 1.88 | | | 1.3 | 2.0 | |
| Working Capital to Gross Revenue | 46.3 | % | | 10% | 30% | |
| Working Capital to Operating Expense | 64.5 | % | | 20% | 40% | |

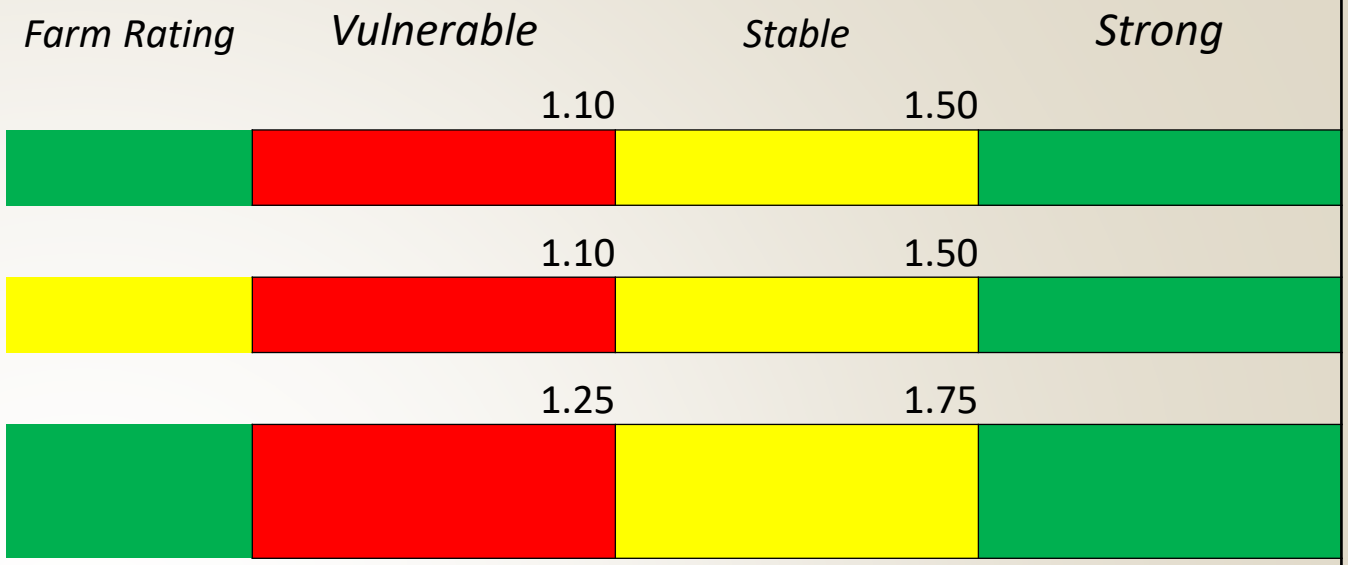
## Solvency

| | | | Farm Rating | Vulnerable | Stable | Strong |
|---|---|---|---|---|---|---|
| Debt-to-Asset Ratio | 34 | % | | 60% | 30% | |
| Equity-to-Asset Ratio | 66 | % | | 40% | 70% | |
| Debt-to-Equity Ratio | .51 | | | 1.5 | 0.43 | |

## Profitability

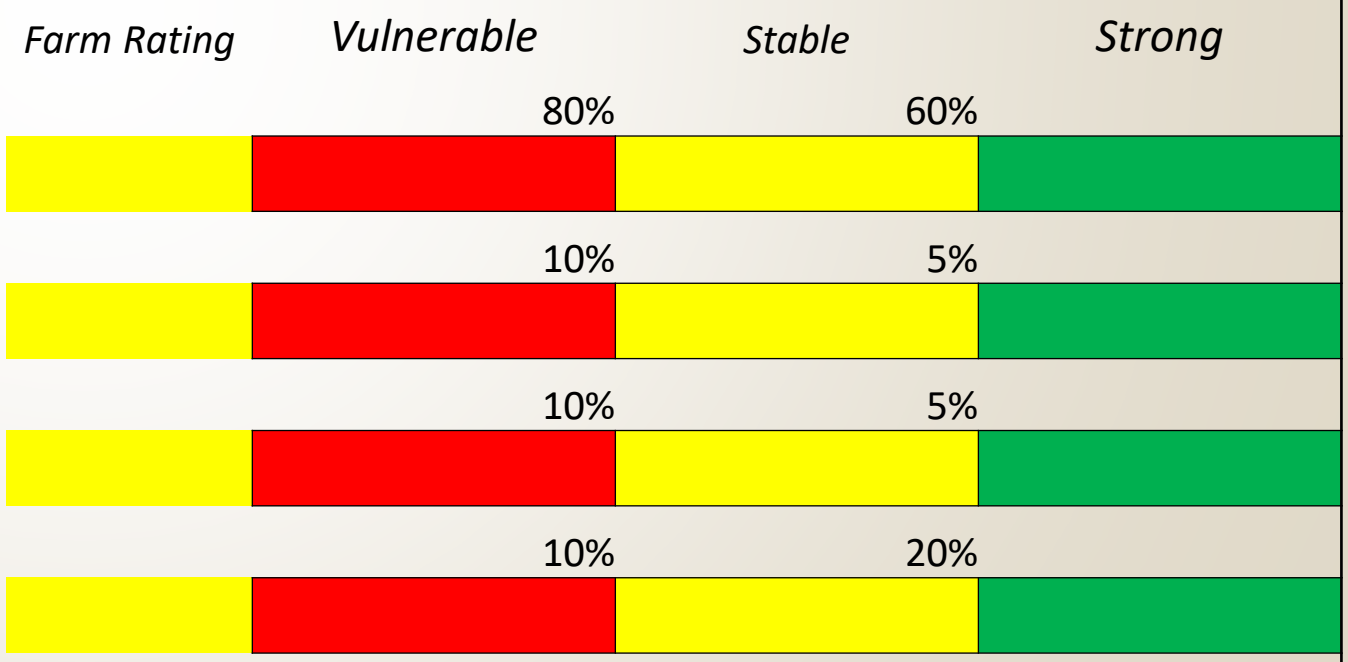
| | | | Farm Rating | Vulnerable | Stable | Strong |
|---|---|---|---|---|---|---|
| Rate of Return on Farm Assets | 4.2 | % | | 4% | 8% | |
| Rate of Return on Farm Equity | 3.5 | % | | 3% | 10% | |
| Operating Profit Margin | 13.1 | % | | 15% | 25% | |
| Asset-Turnover Rate | 31.9 | % | | 30% | 45% | |

## Repayment Capacity




| | |
|---|---|
| (Total) Debt Coverage Ratio | 1.6 |
| Replacement Margin Coverage Ratio | 1.13 |
| Term Debt & Finance Lease Coverage Ratio | 1.8 |

## Financial Efficiency




| | | |
|---|---|---|
| Operating Expense Ratio | 71.8 | % |
| Depreciation Expense Ratio | 8.4 | % |
| Interest Expense Ratio | 6.3 | % |
| Net Farm Income Ratio | 14.3 | % |

| Farm Name | RRV | Year | 2025 |
|---|---|---|---|

## Liquidity

| | | | Farm Rating | Vulnerable | Stable | Strong |
|---|---|---|---|---|---|---|
| Current Ratio | 1.6 | | | 1.3 | 2.0 | |
| Working Capital to Gross Revenue | 29.8 | % | | 10% | 30% | |
| Working Capital to Operating Expense | 35.9 | % | | 20% | 40% | |

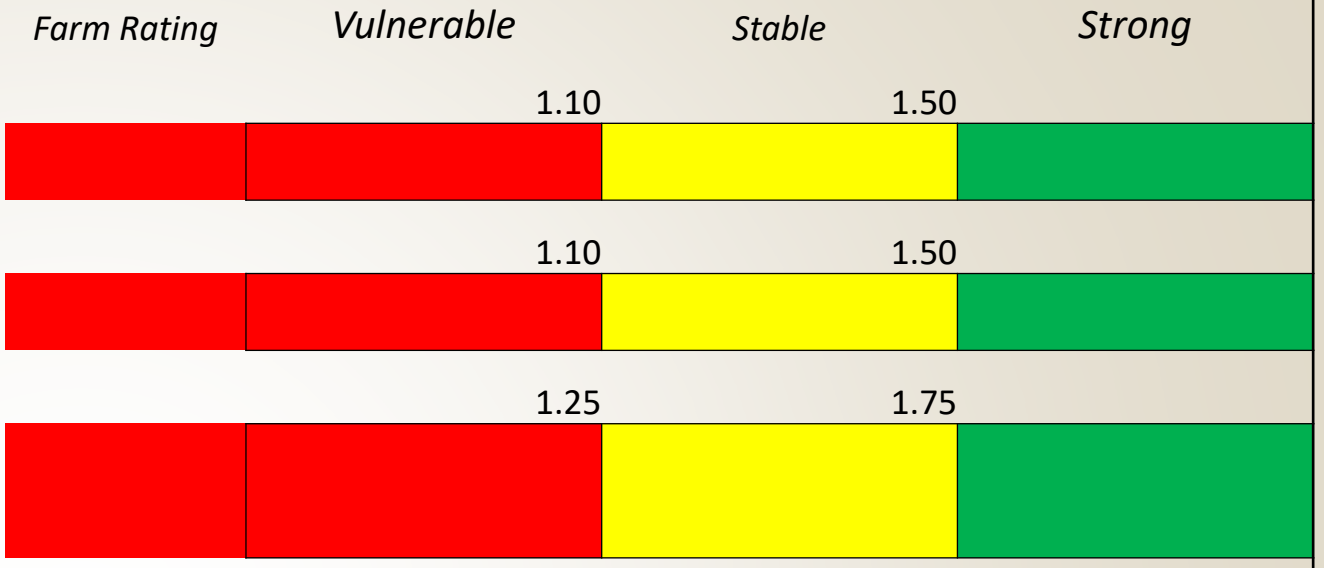
## Solvency

| | | | Farm Rating | Vulnerable | Stable | Strong |
|---|---|---|---|---|---|---|
| Debt-to-Asset Ratio | 43 | % | | 60% | 30% | |
| Equity-to-Asset Ratio | 57 | % | | 40% | 70% | |
| Debt-to-Equity Ratio | 0.74 | | | 1.5 | 0.43 | |

## Profitability

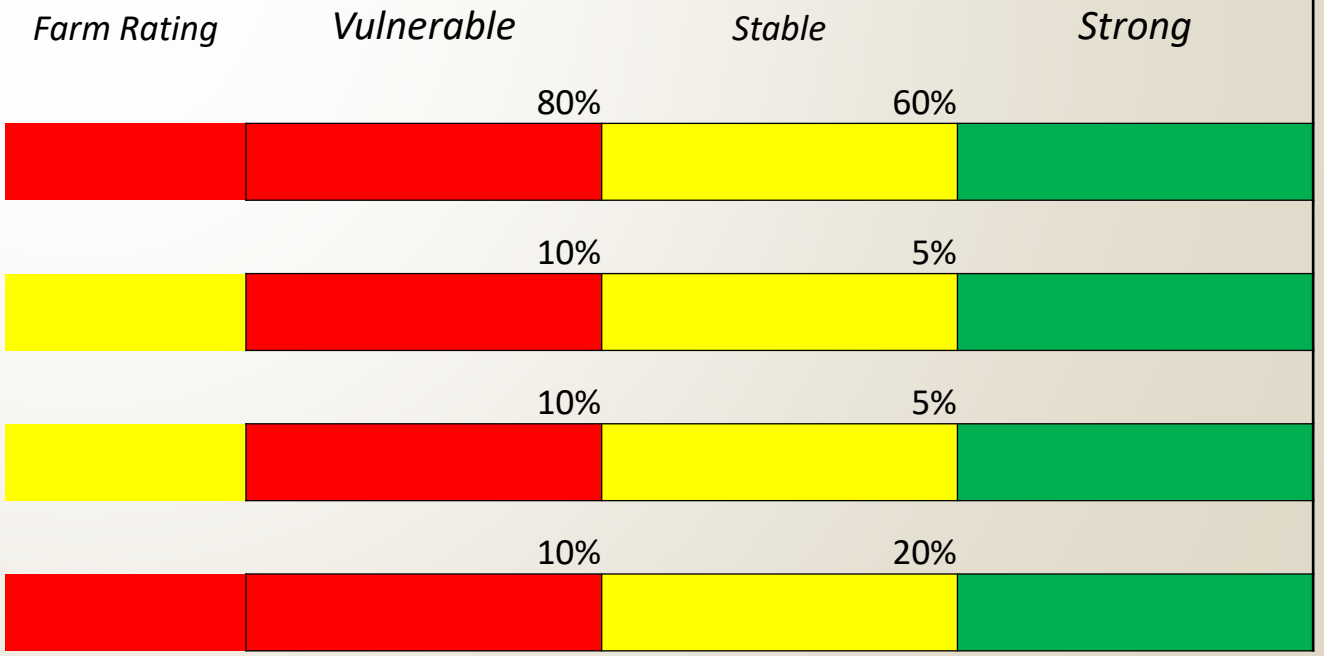
| | | | Farm Rating | Vulnerable | Stable | Strong |
|---|---|---|---|---|---|---|
| Rate of Return on Farm Assets | 1.3 | % | | 4% | 8% | |
| Rate of Return on Farm Equity | -1.5 | % | | 3% | 10% | |
| Operating Profit Margin | 3.7 | % | | 15% | 25% | |
| Asset-Turnover Rate | 33.6 | % | | 30% | 45% | |

## Repayment Capacity




| | |
|---|---|
| (Total) Debt Coverage Ratio | 0.75 |
| Replacement Margin Coverage Ratio | 0.57 |
| Term Debt Ratio | 0.7 |

## Financial Efficiency




| | | |
|---|---|---|
| Operating Expense Ratio | 83.1 | % |
| Depreciation Expense Ratio | 7.3 | % |
| Interest Expense Ratio | 6.2 | % |
| Net Farm Income Ratio | 3.4 | % |

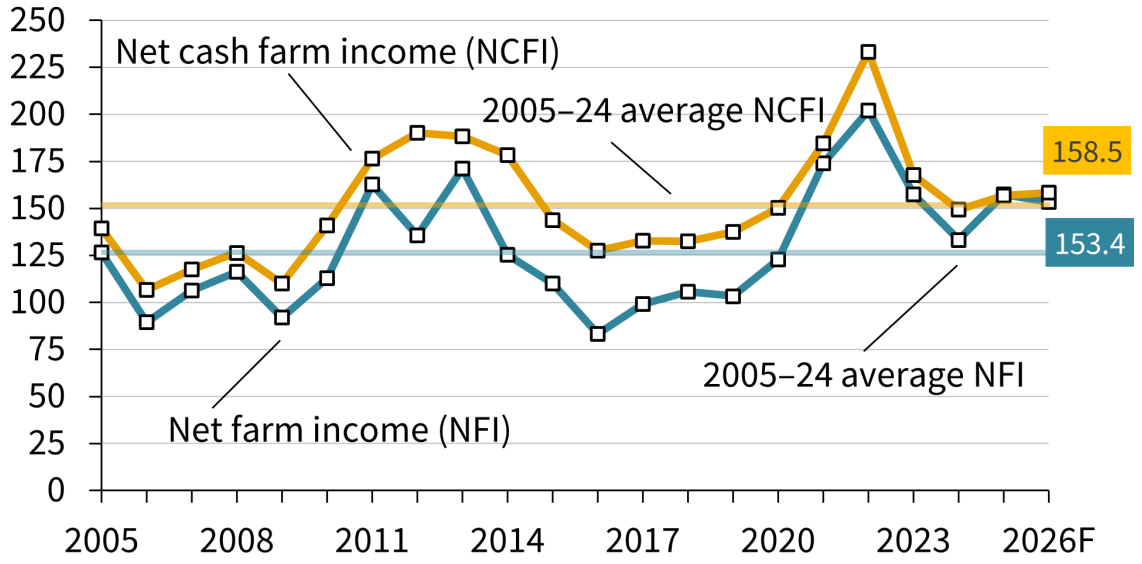
# Valley vs. Non-Valley Financial Scorecard 2025

| | RR Valley | Non Valley |
|---|---|---|
| Current Ratio | 1.6 | 1.88 |
| Working Capital to Gross Revenue | 29.8% | 46.3% |
| Working Capital to Operating Expense | 35.9% | 64.5% |
| Debt-to-Asset Ratio | 43% | 34% |
| Equity-to-Asset Ratio | 57% | 51% |
| Debt-to-Equity Ratio | 0.74 | 0.71 |
| Rate of Return on Farm Assets | 1.3% | 4.2% |
| Rate of Return on Farm Equity | -1.5%% | 3.5% |
| Operating Profit Margin | 3.7% | 13.1% |
| Asset-Turnover Rate | 33.6% | 31.9% |
| (Total) Debt Coverage Ratio | 0.75 | 1.6 |
| Replacement Margin Coverage Ratio | 0.57 | 1.13 |
| Term Debt | 0.7 | 1.8 |
| Operating Expense Ratio | 83.1% | 71.8% |
| Depreciation Expense Ratio | 7.3% | 8.4% |
| Interest Expense Ratio | 6.2% | 6.3% |
| Net Farm Income Ratio | 3.4% | 14.3% |

U.S. Department of Agriculture, Economic Research Service. (2026, September 3). Farm sector income & finances: Farm sector income forecast.

February 2026
Forecast for 2026 and 2025 Revision

**U.S. net farm income and net cash farm income, inflation adjusted, 2005–26F**

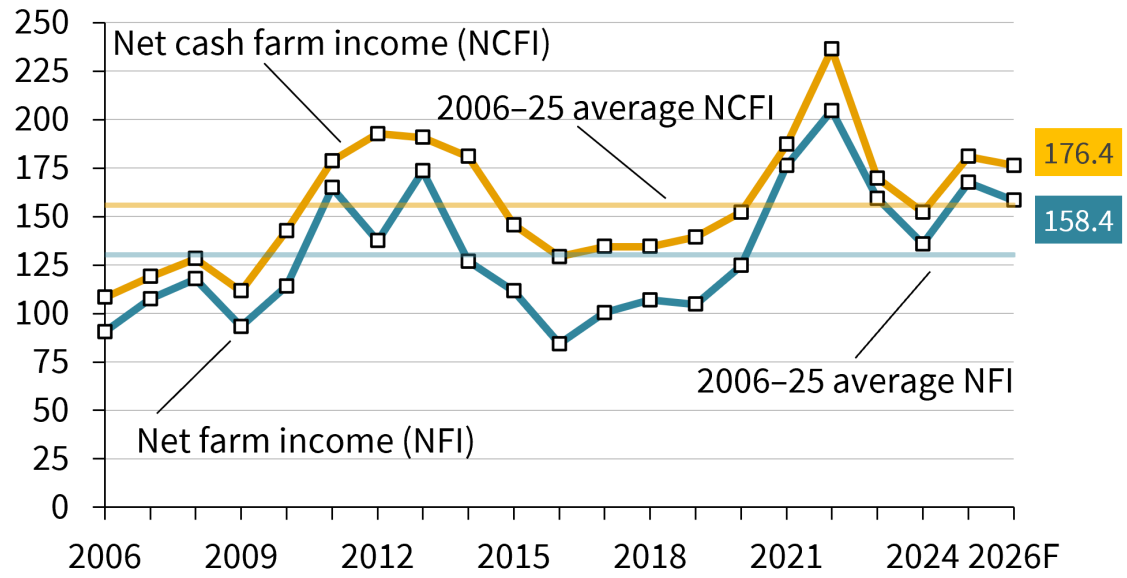



Note: F = forecast; data for 2025 and 2026 are forecasts. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2026 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 5, 2026.

September 2026 Forecast for 2026

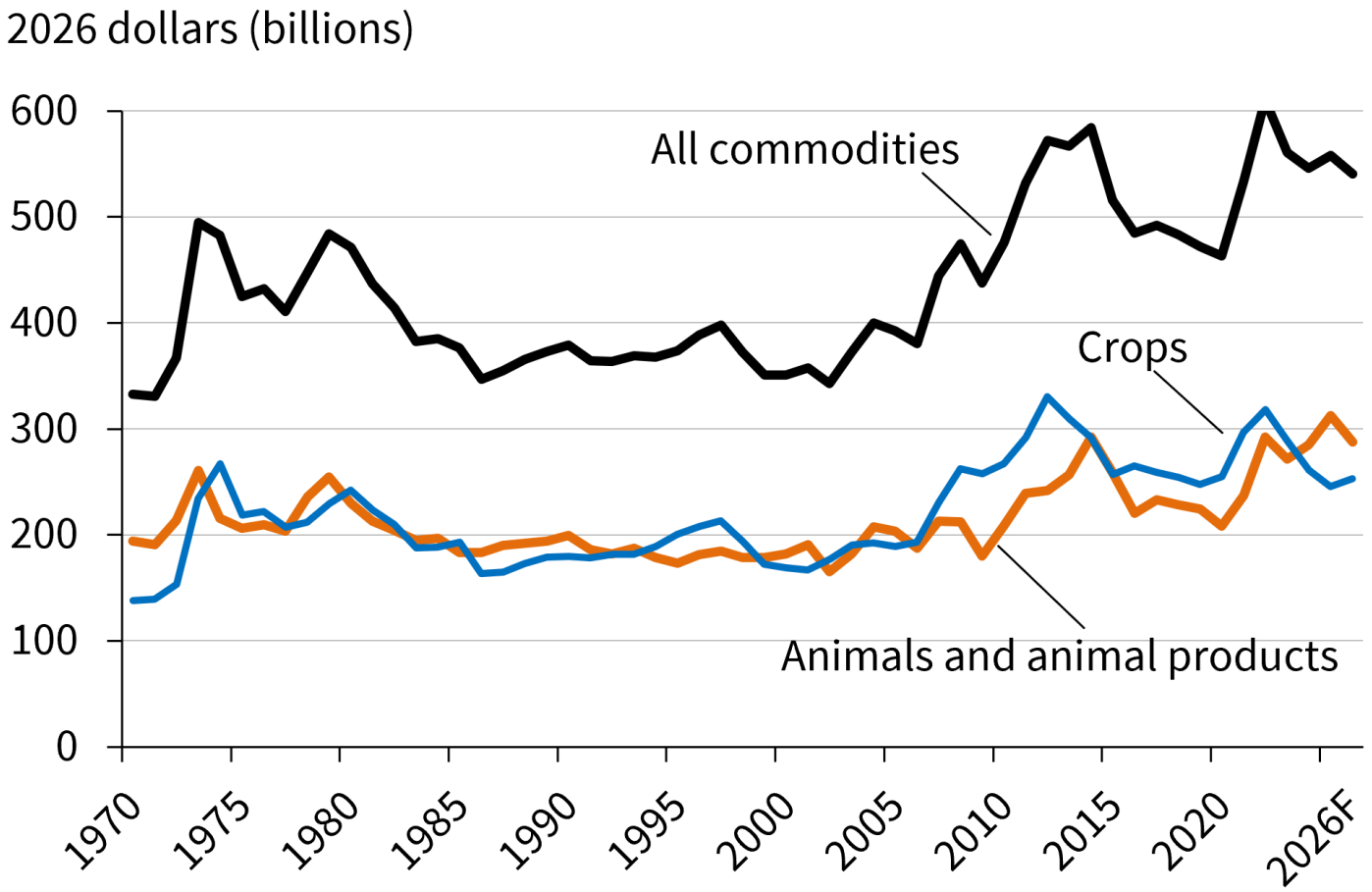
**U.S. net farm income and net cash farm income, inflation adjusted, 2006–26F**




Note: F = forecast. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2026 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2026.

## U.S. farm sector cash receipts, inflation adjusted, 1970–2026F



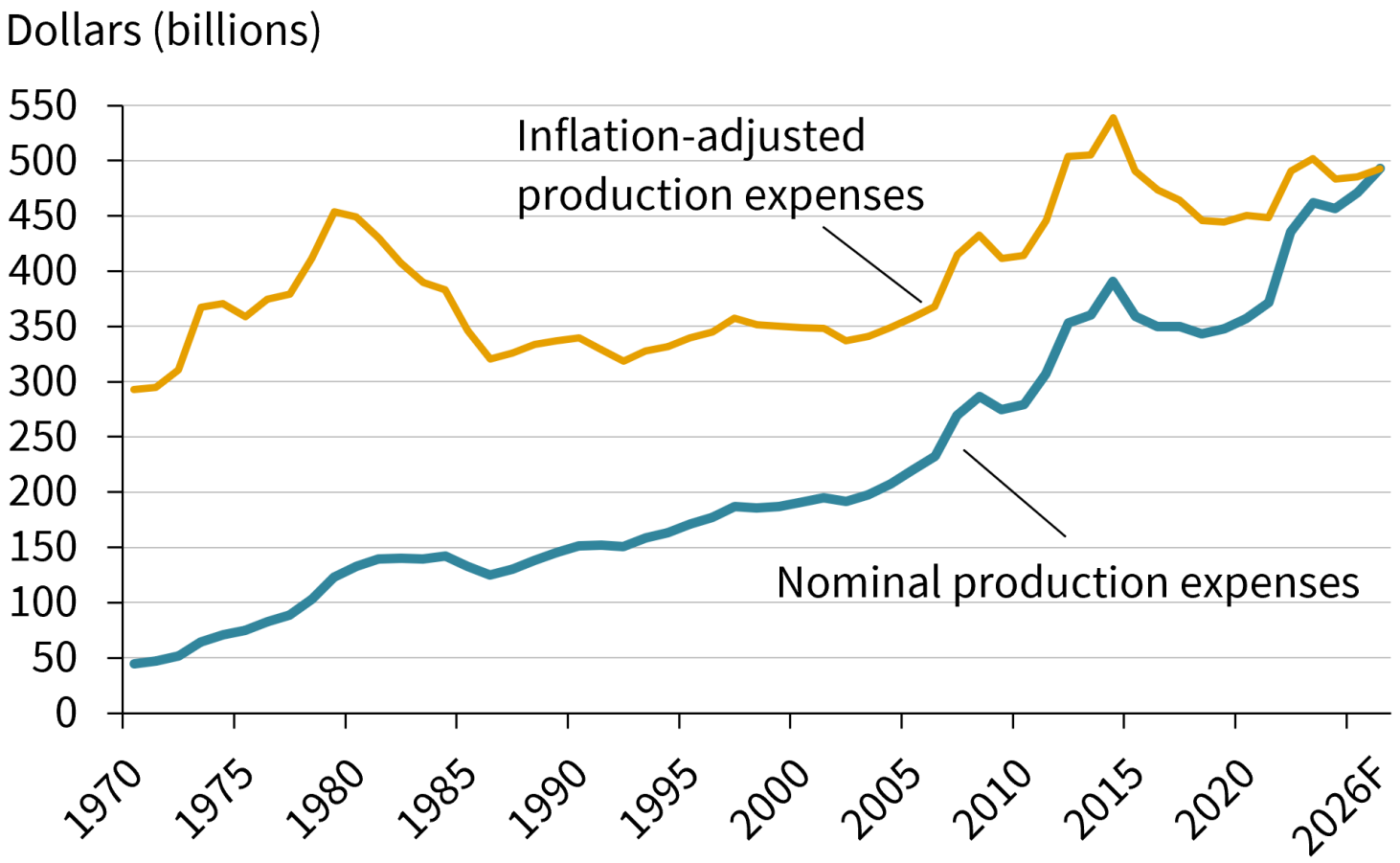

Note: F = forecast. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2026 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2026.

**Cash receipts for crops to increase 3.1%**

**Cash receipts for livestock to fall 8.1%**

## Nominal and inflation-adjusted U.S. farm production expenses, 1970–26F

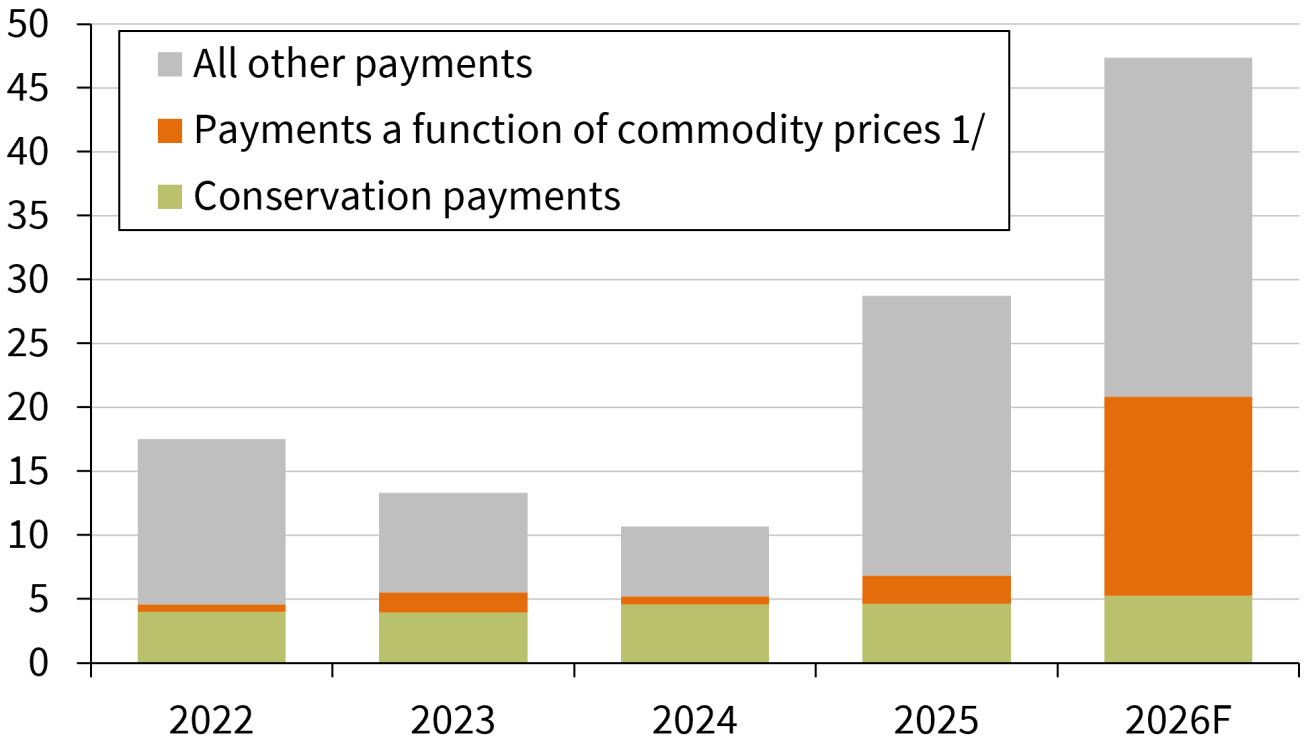



Note: F = forecast. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2026 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of September 3, 2026.

- Overall production expenses are expected to increase $21.2 billion
- This is a 4.5% overall increase from 2025 - 2026

## Direct Government payments to U.S. farm producers, 2022–26F




Note: F = forecast. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2026 by USDA, Economic Research Service.
1/ Includes Price Loss Coverage, Agriculture Risk Coverage, loan deficiency payments (excluding grazeout payments), marketing loan gains, and Dairy Margin Coverage payments.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.
Data as of September 3, 2026.

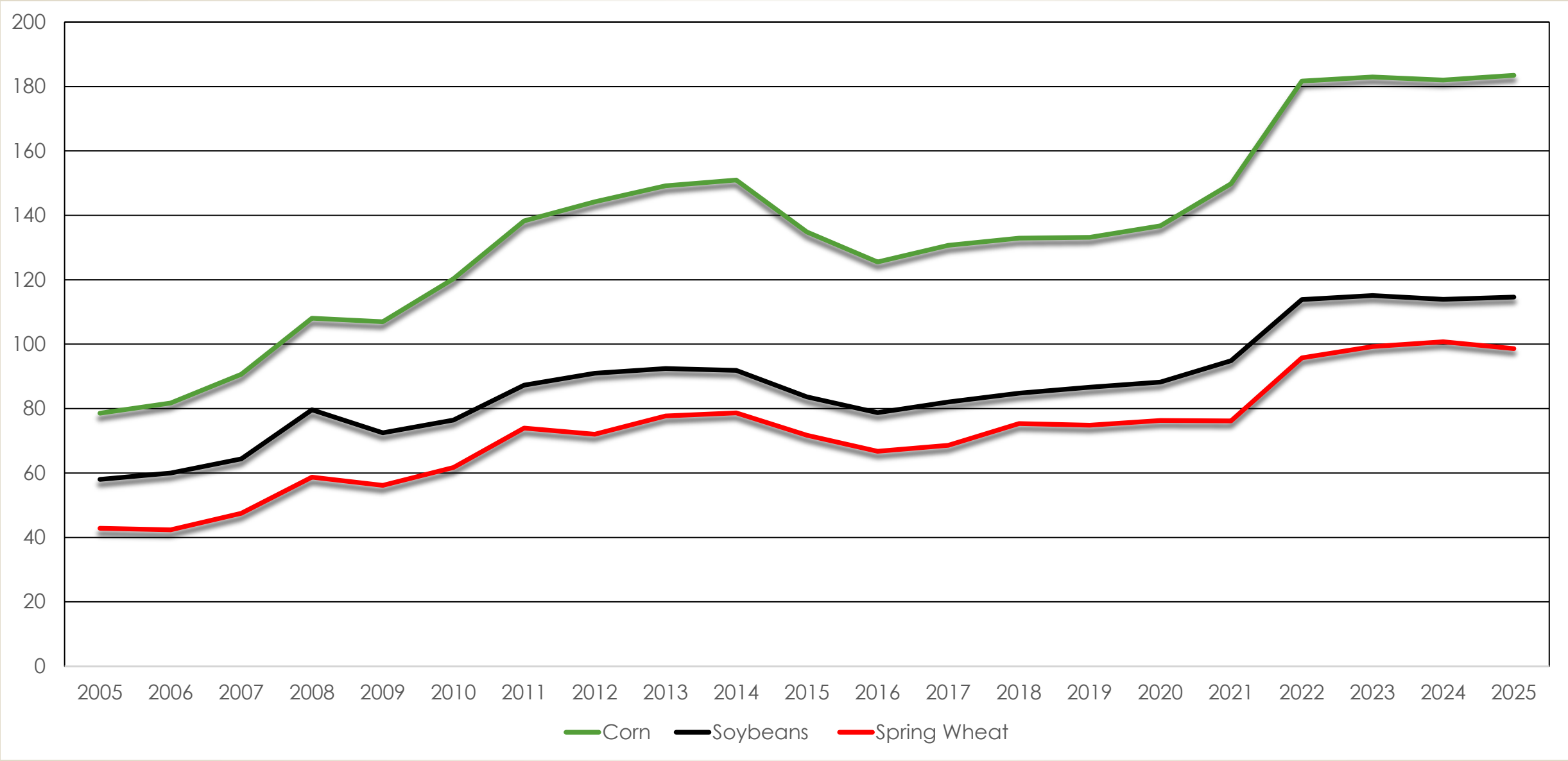
Ad hoc payments mostly from the
Farmer Bridge Assistance Program of
$26.5 Billion.

Big increase in ARC/PLC payments
of $15.6 billion

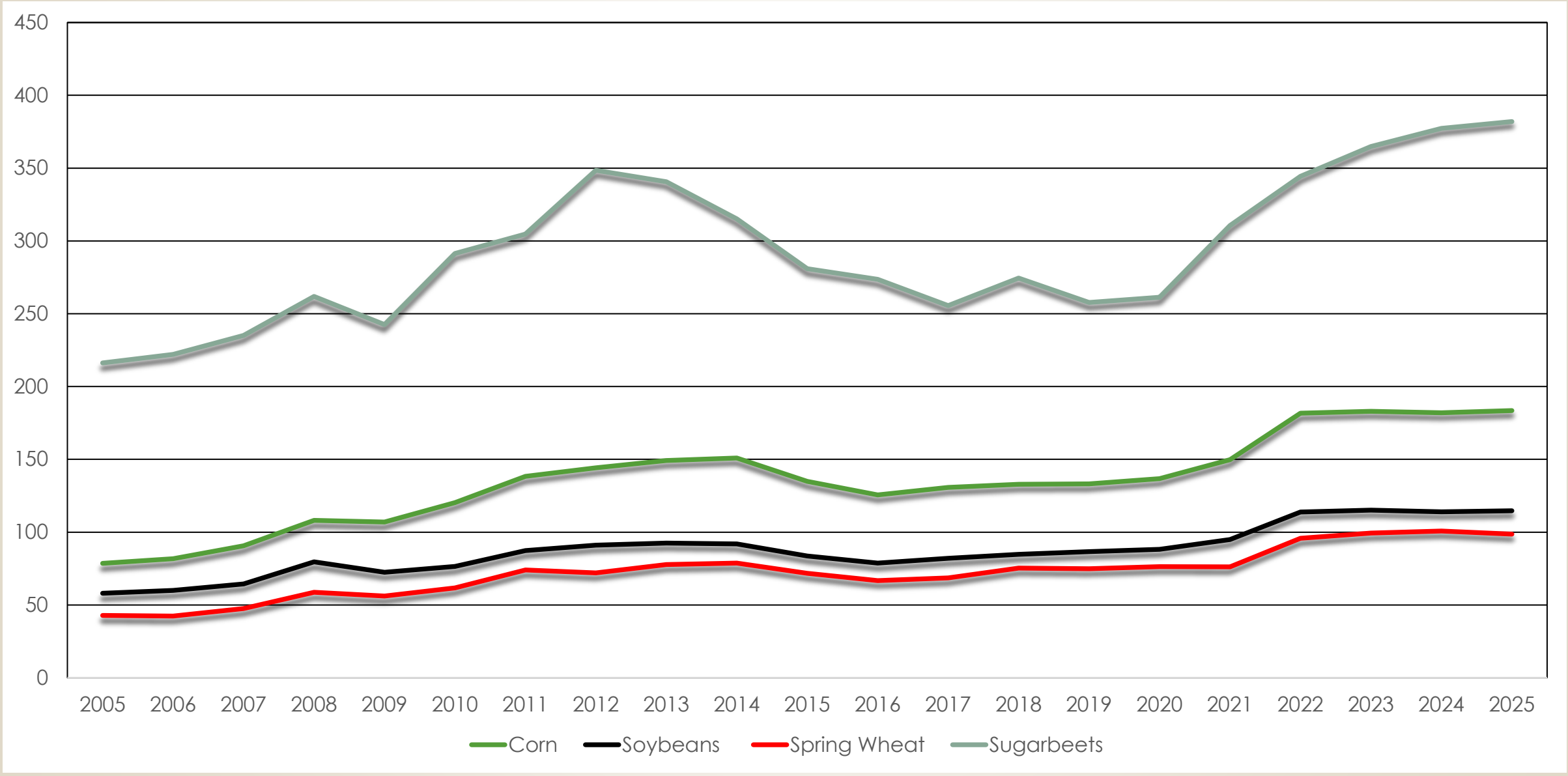
Dairy Margin Payments $170 million.

Conservation $5.3 billion

# Machinery Cost per acre For Major Region Crops

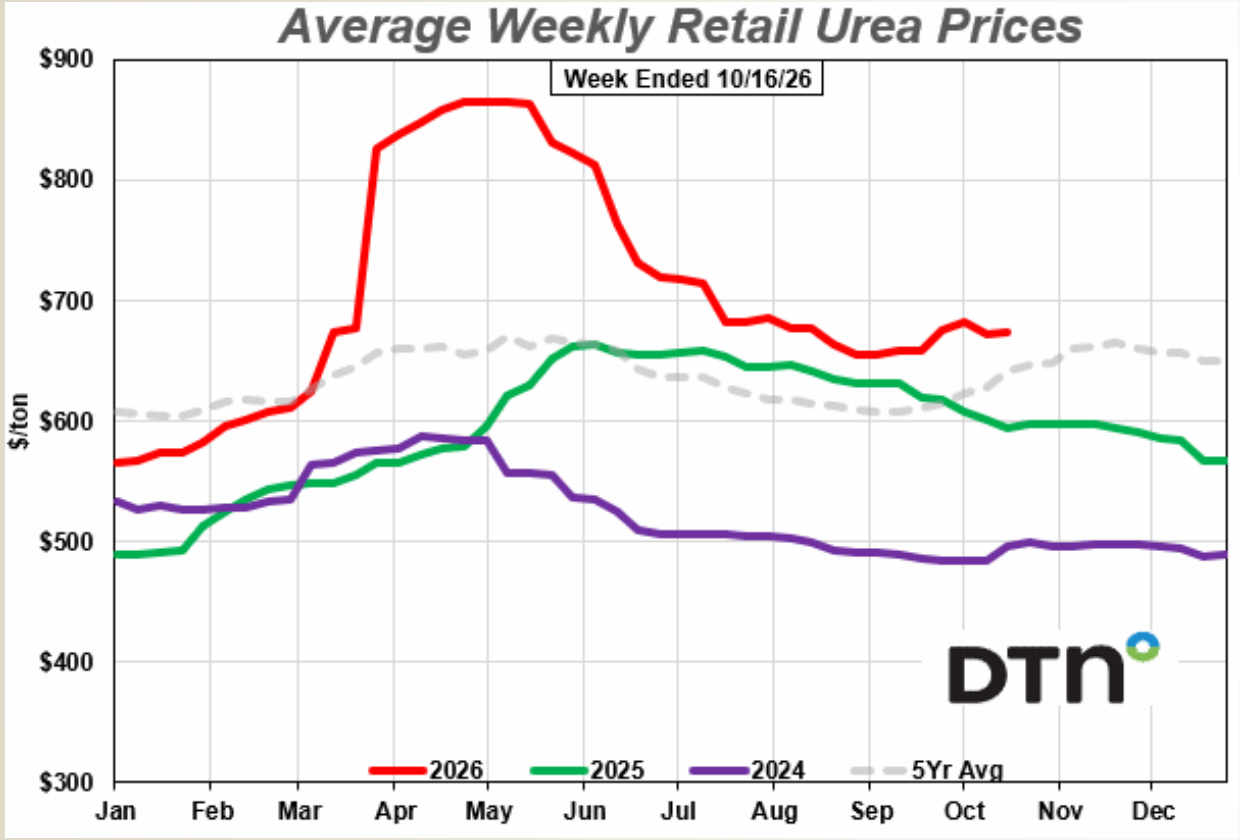


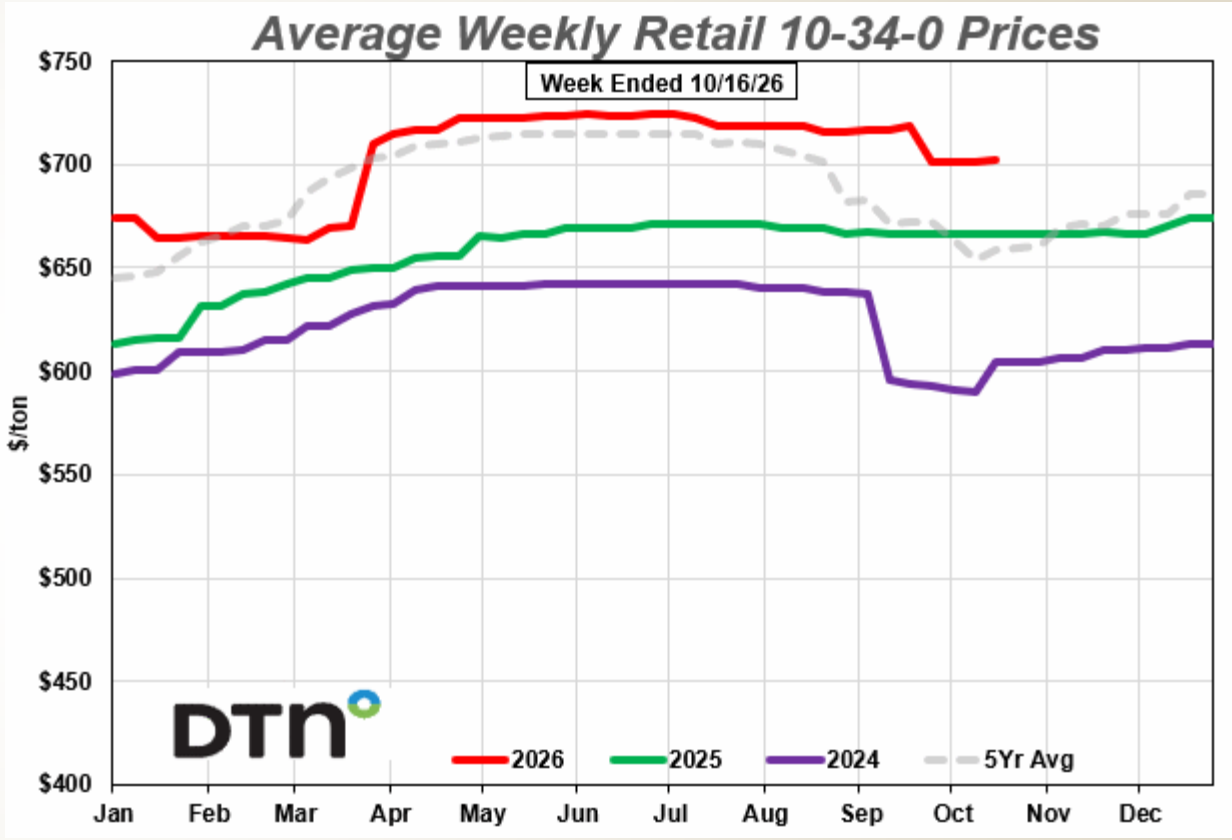
# Machinery Cost per acre For Major Region Crops



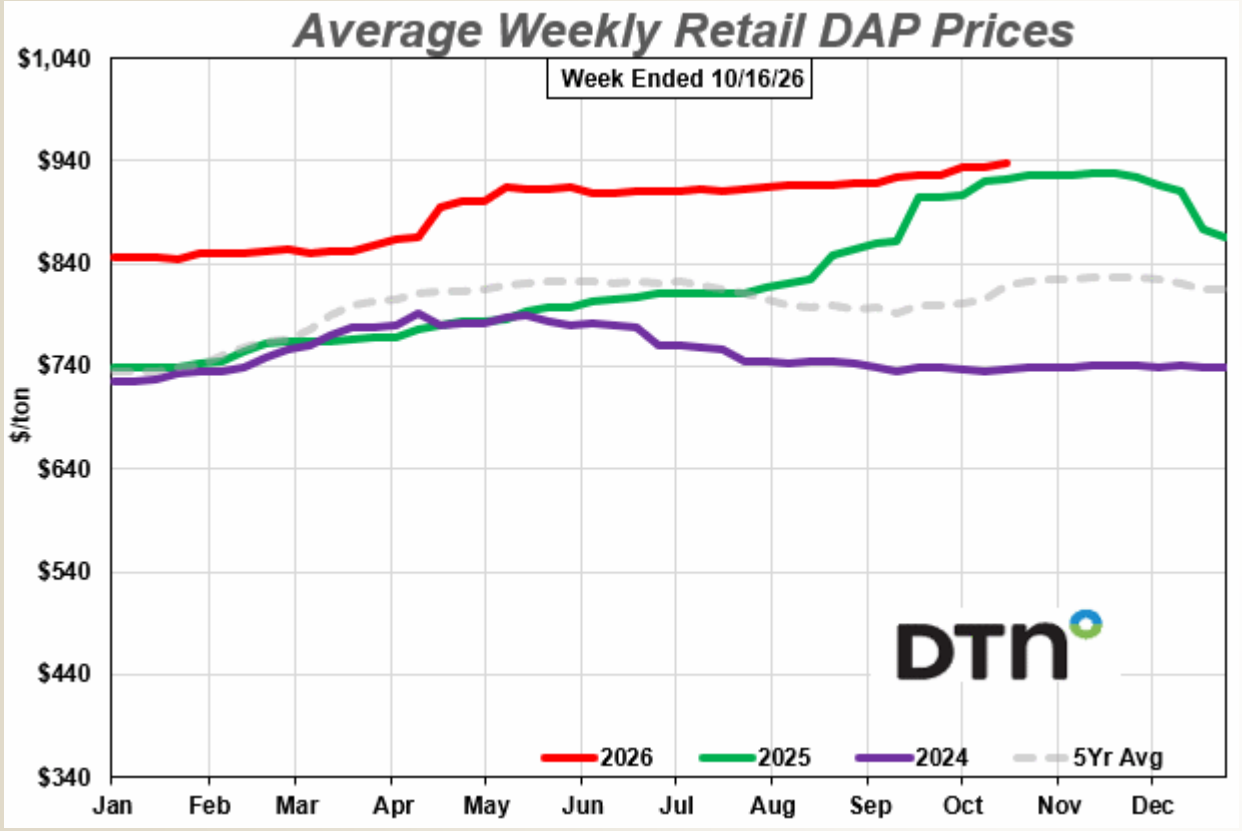

DIESEL FUEL PRICES
N
NITROGEN FERTILIZER PRICES
P
PHOSPHORUS FERTILIZER PRICES
K
POTASH FERTILIZER PRICES

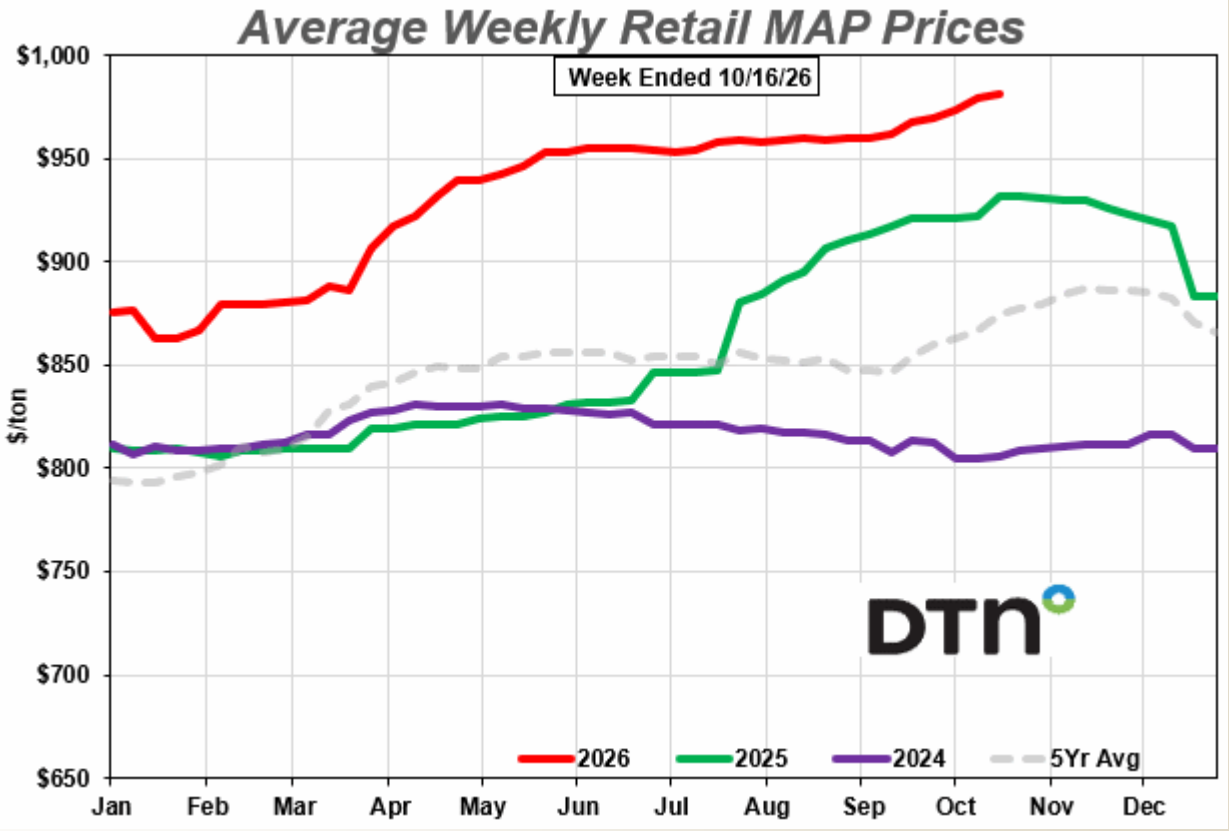
# Fall Fertilizer Prices, National Average



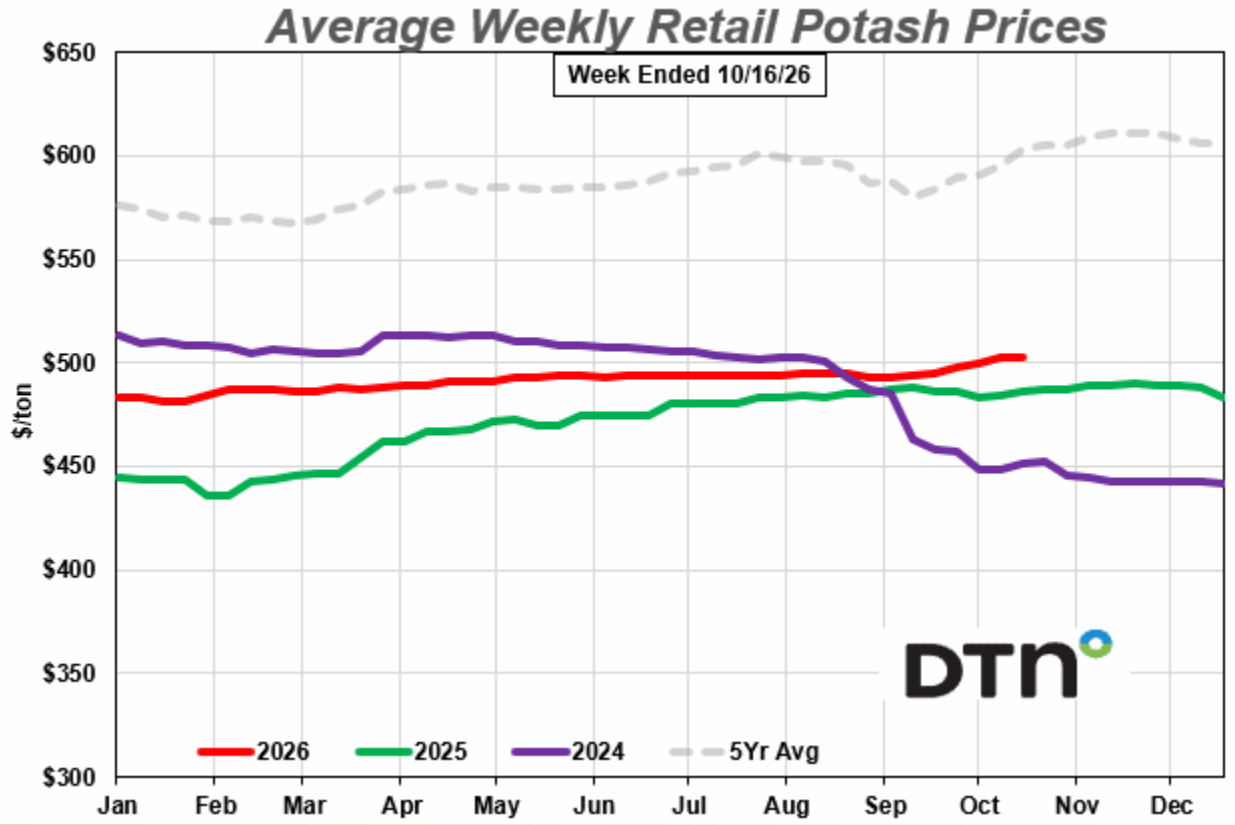



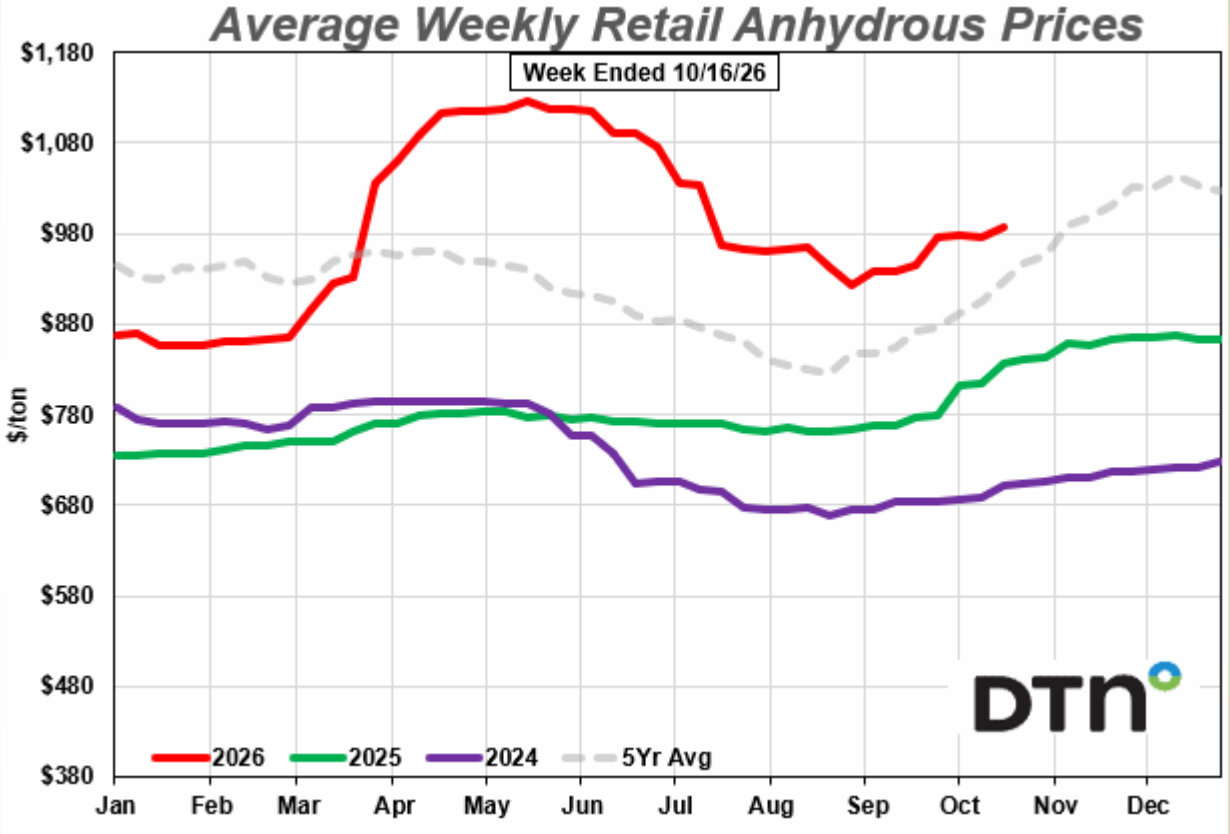
# Fall Fertilizer Prices, National Average



# Fall Fertilizer Prices, National Average



# Off Road Diesel Prices Central North Dakota



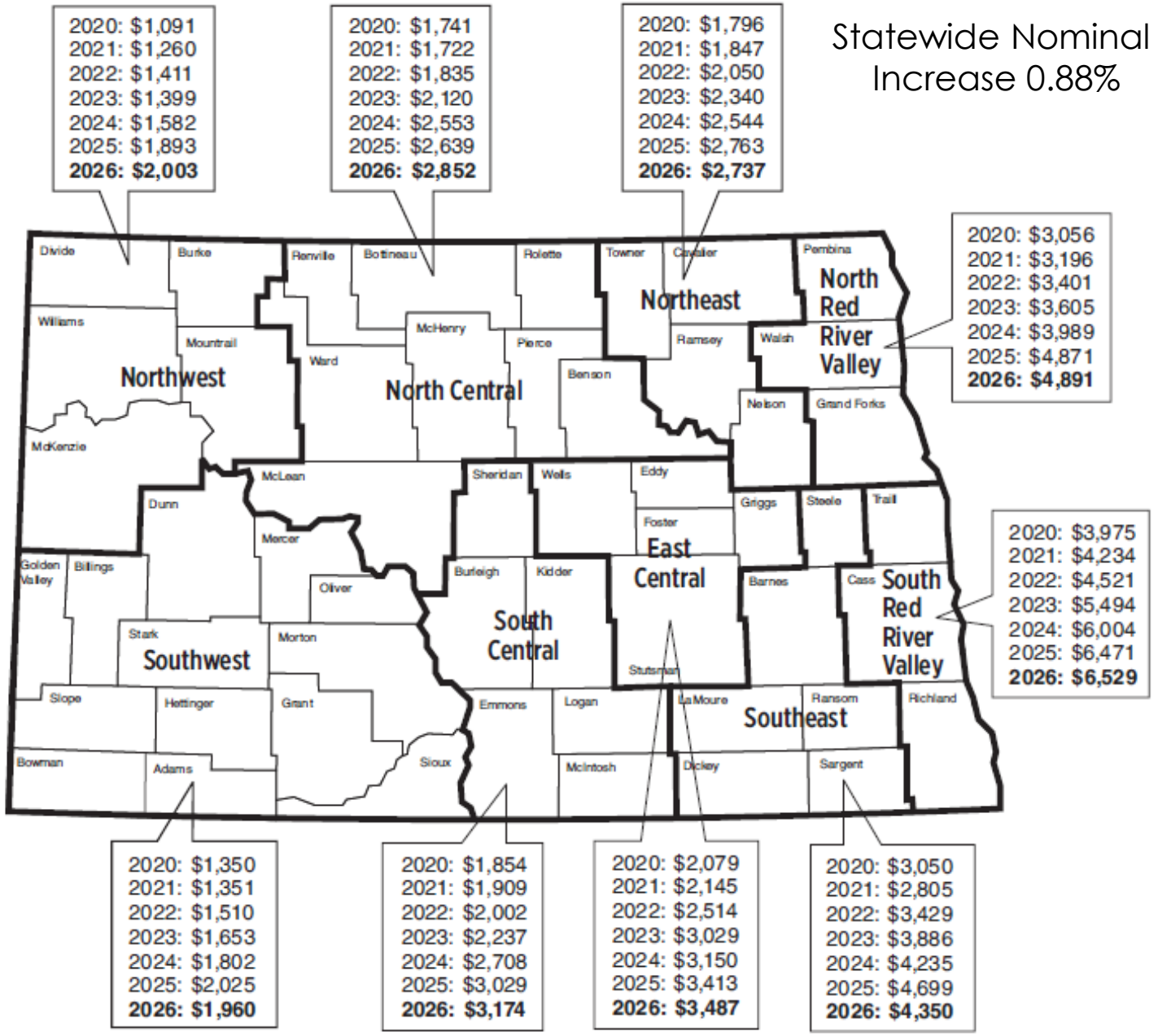
# North Dakota

## Crop and Pasture Land Prices

Average Value Per Acre (2024)

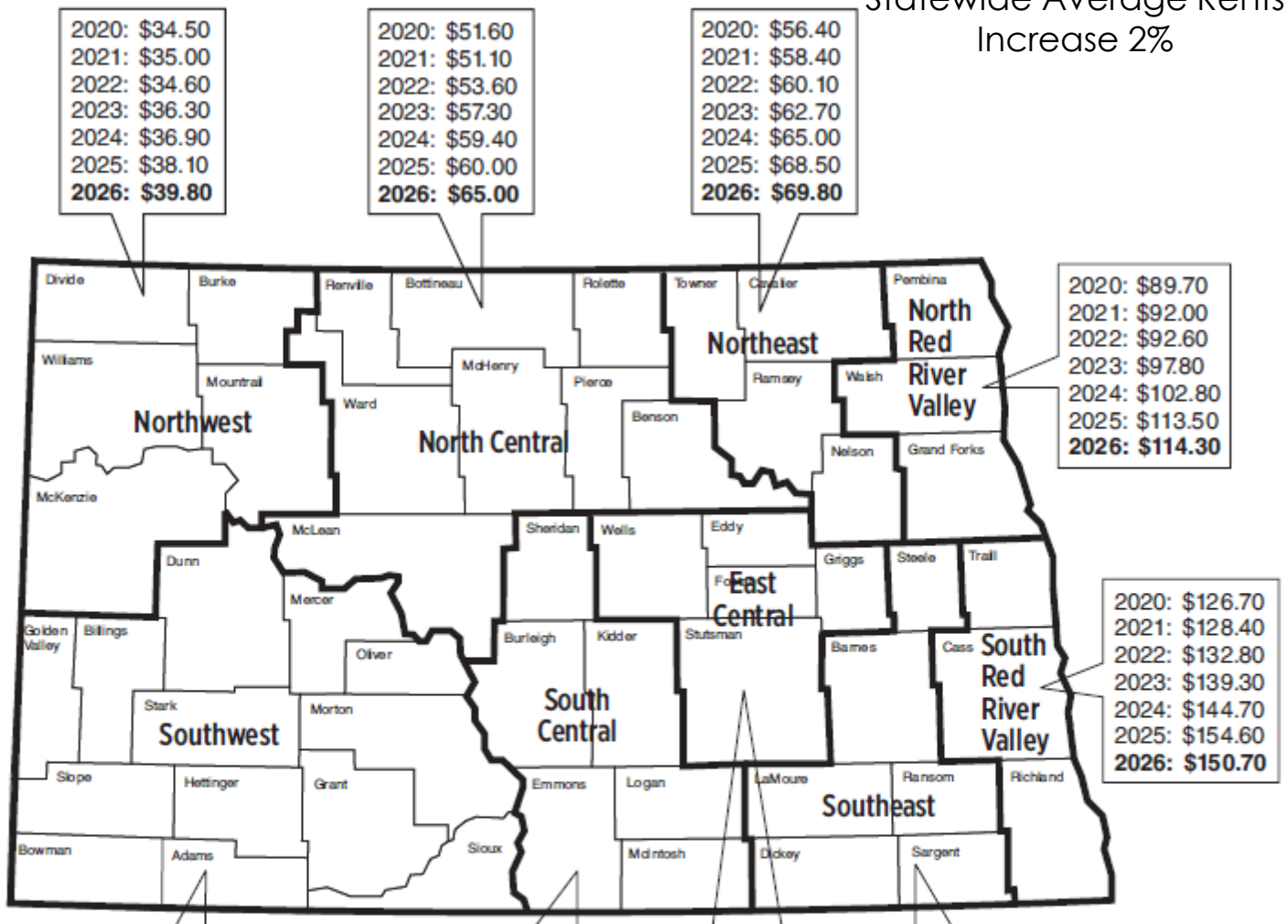


Statewide Nominal Increase 0.88%



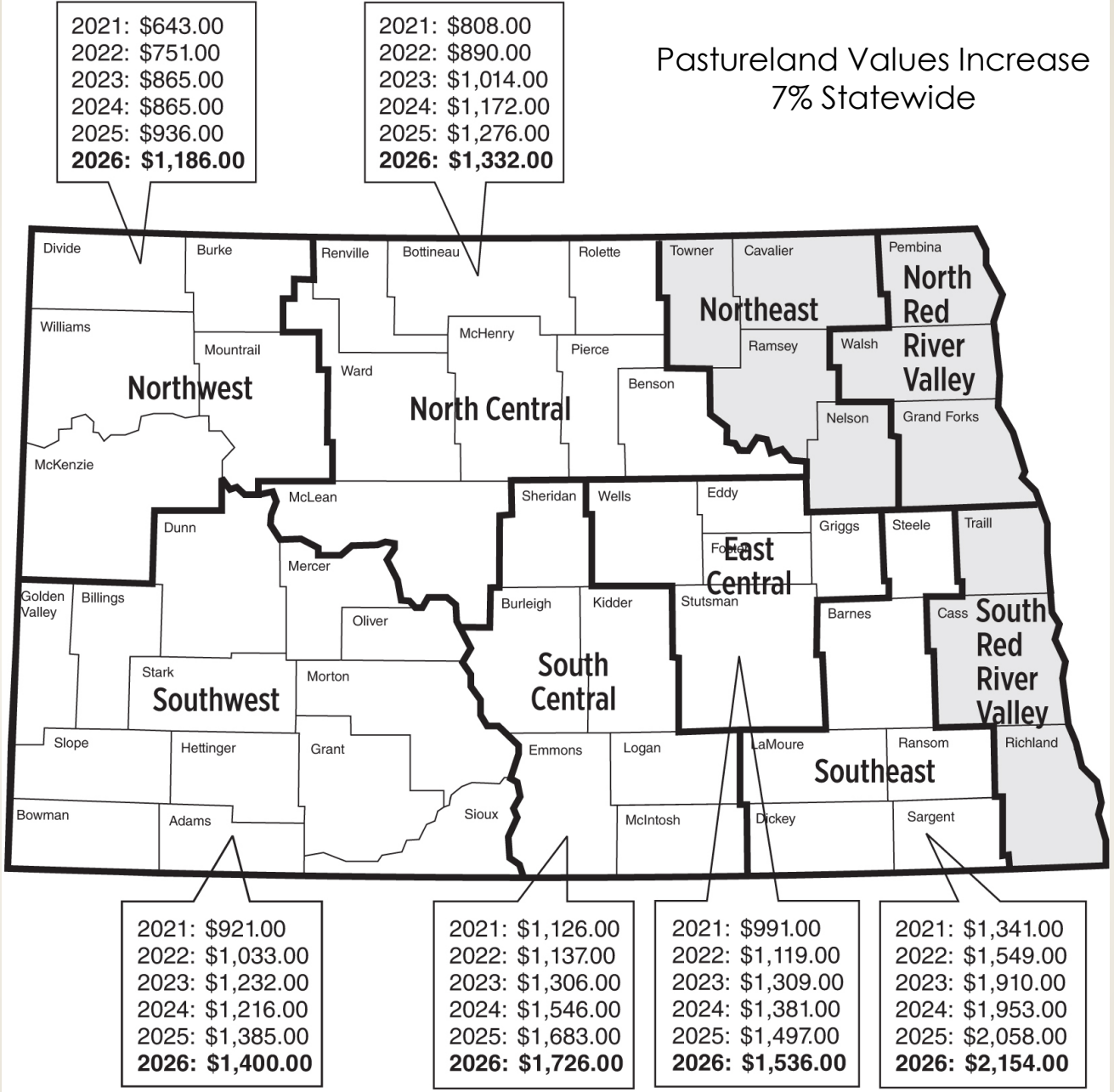

**Estimated average per-acre values of cropland in North Dakota from 2020 to 2026.**

Statewide Average Rents Increase 2%



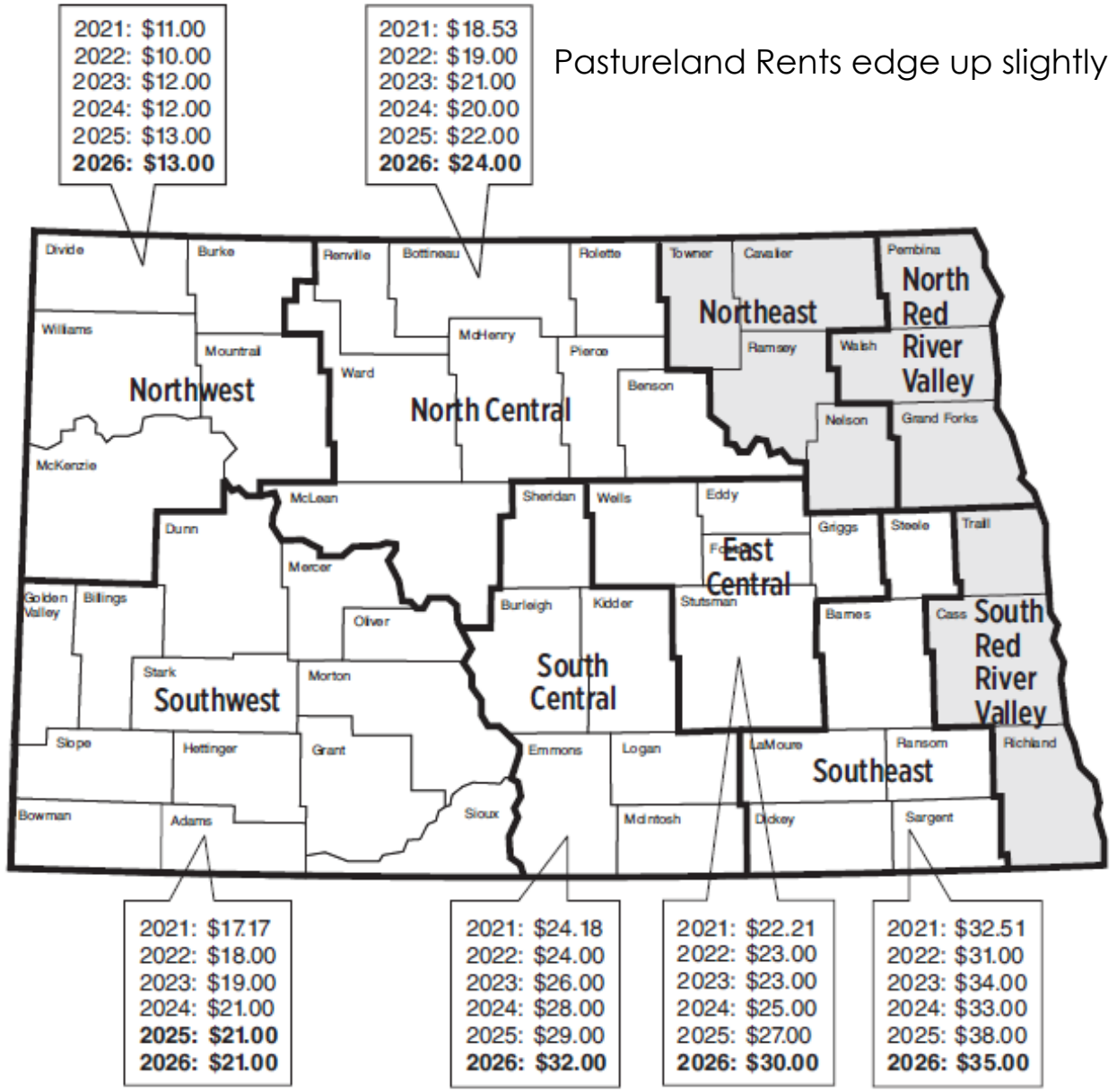

**Estimated average cash rent per acre of cropland in North Dakota from 2020 to 2026.**

Pastureland Values Increase
7% Statewide

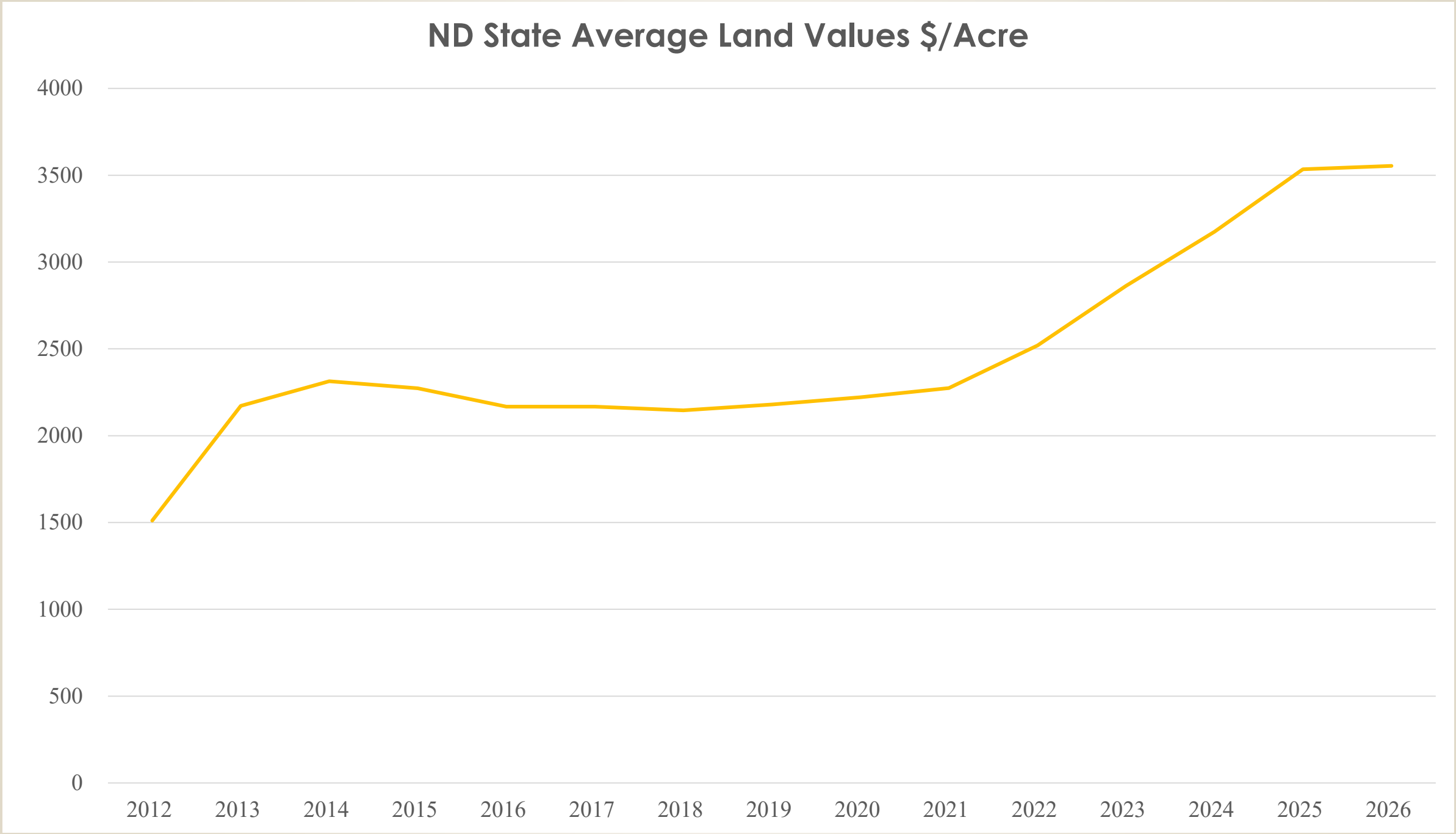



**Estimated average per acre values of pasture in North Dakota from 2021 to 2026.**

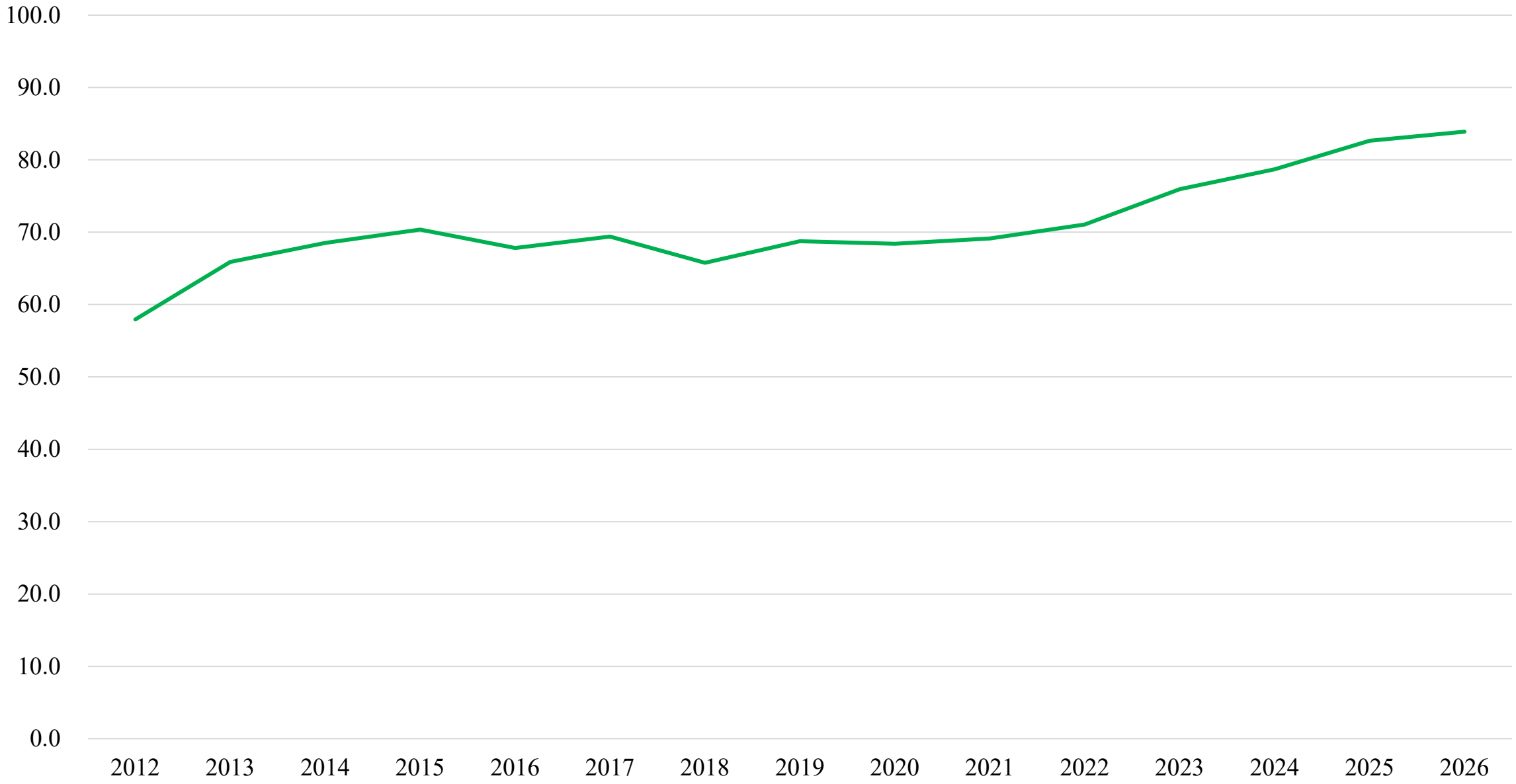
Pastureland Rents edge up slightly

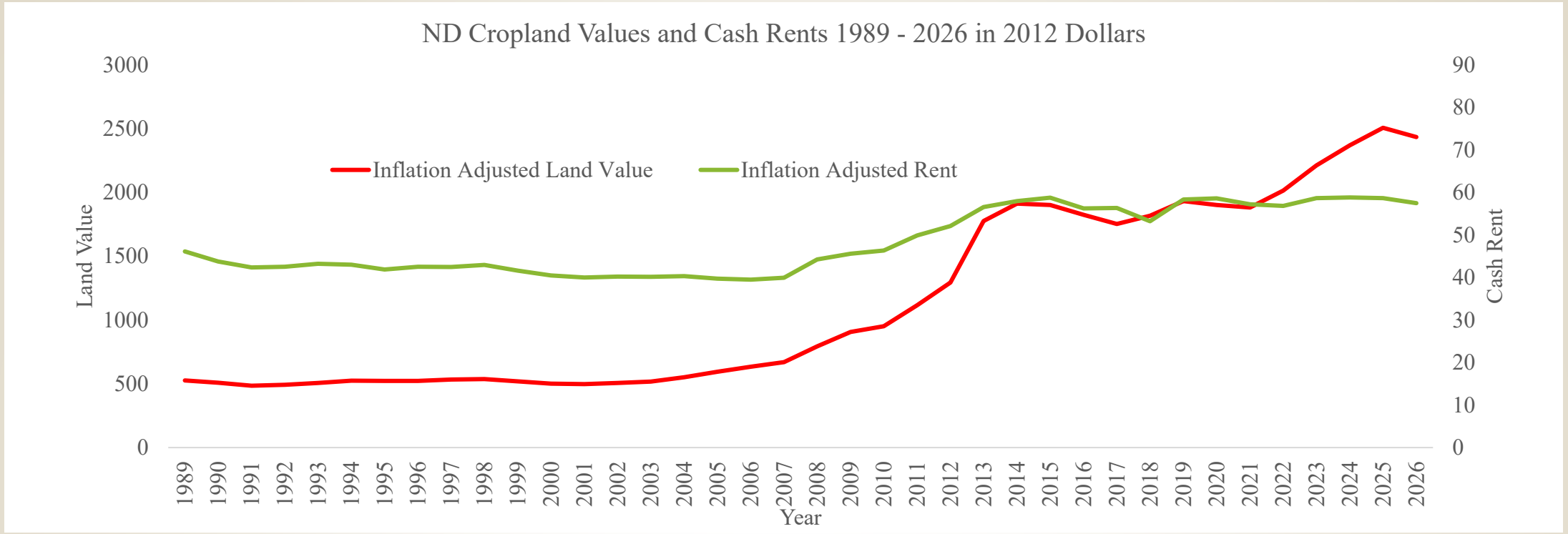


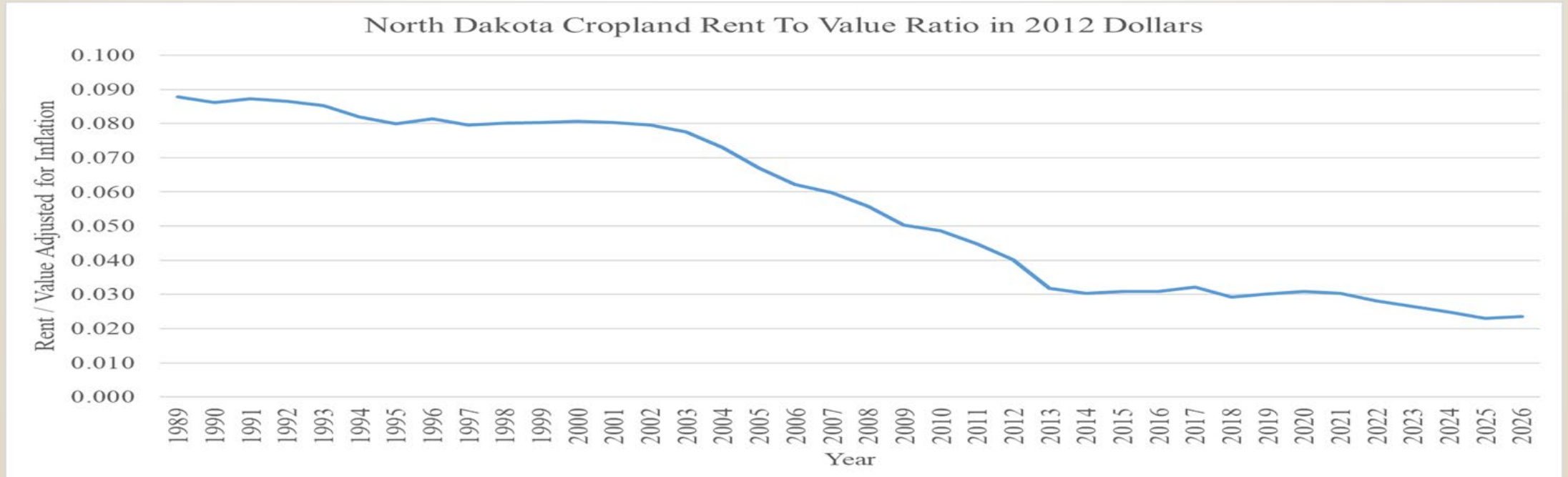

**Estimated average cash rent per acre of pasture in North Dakota from 2021 to 2026.**


ND State Average Land Values $/Acre
4000
3500
3000
2500
2000
1500
1000
500
0
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026

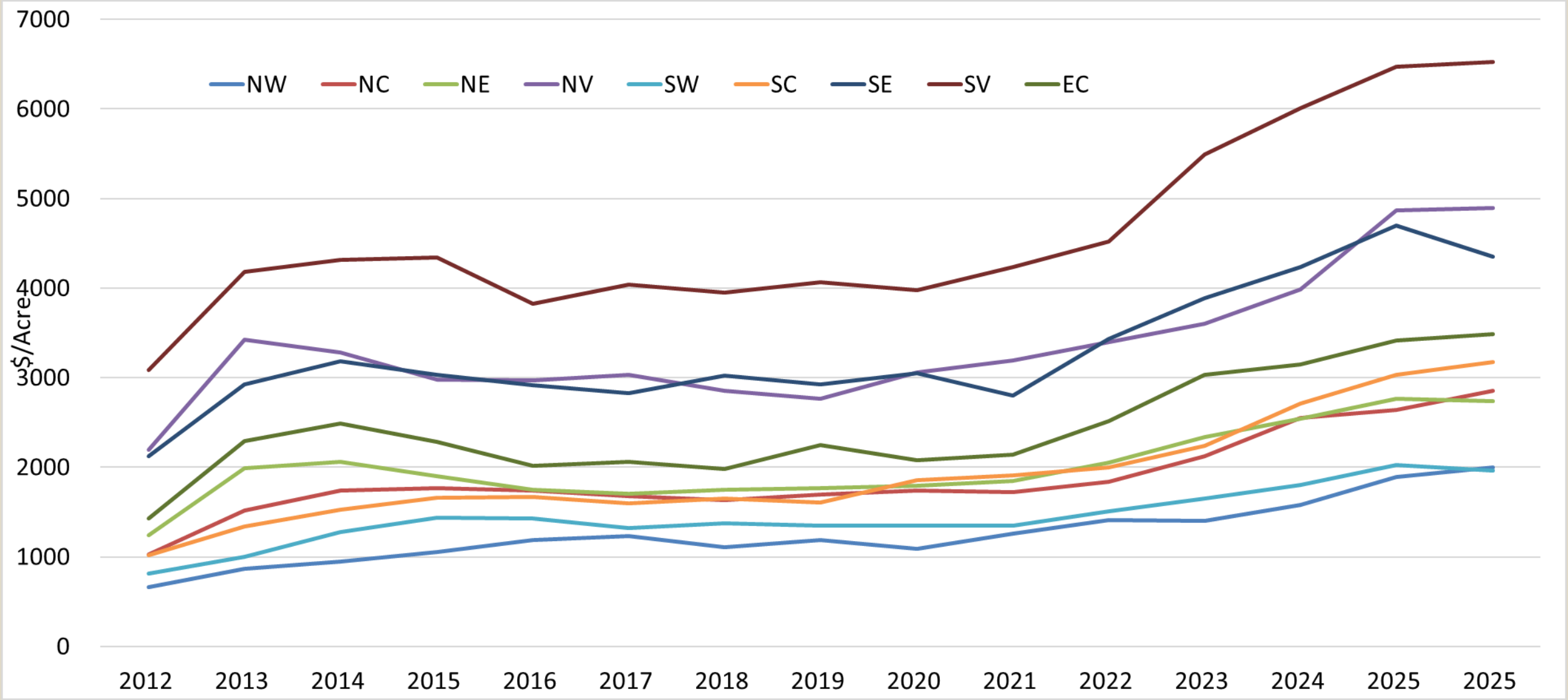
# North Dakota Cash Rents $/Acre Cropland



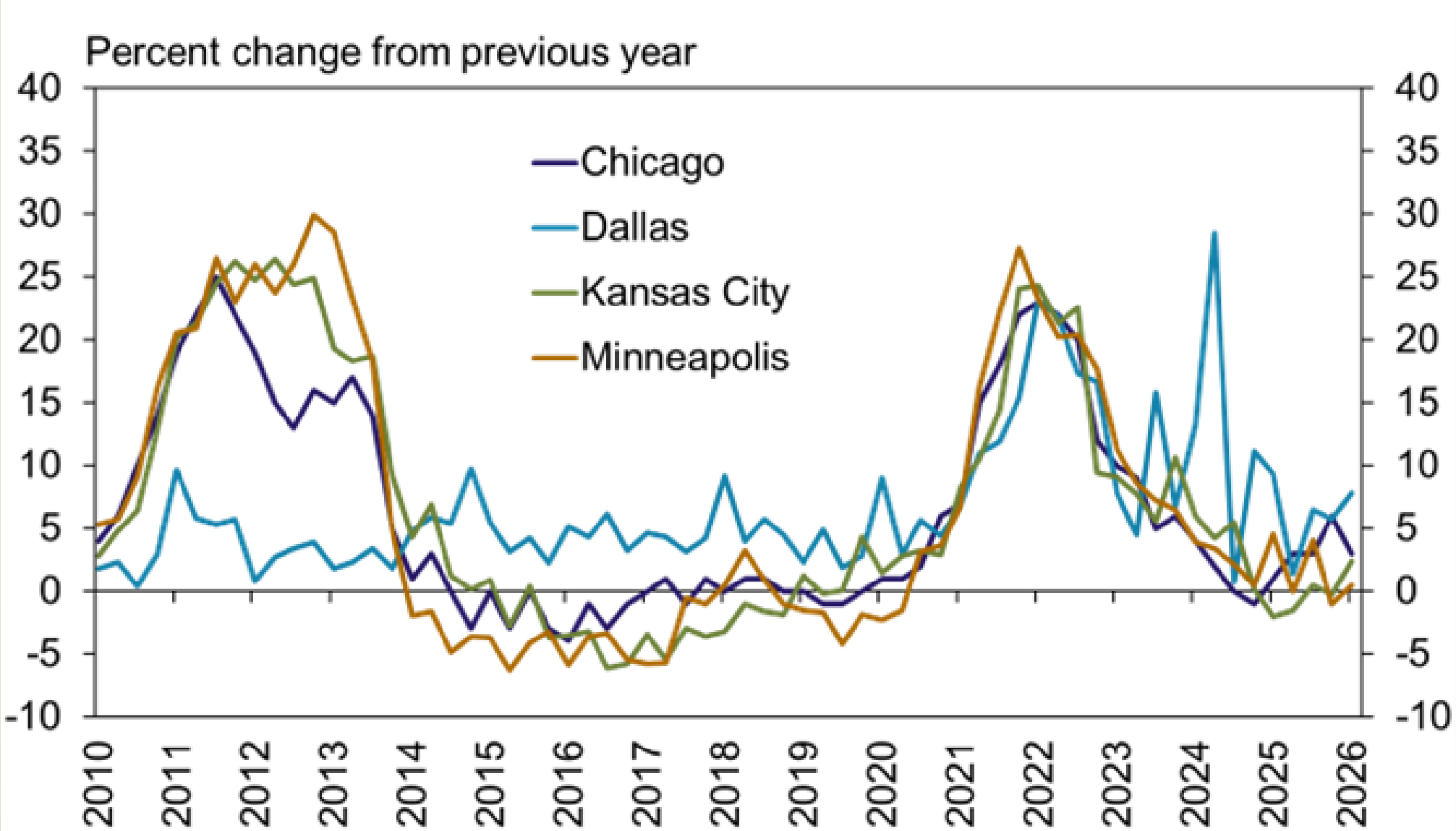

ND Cropland Values and Cash Rents 1989 - 2026 in 2012 Dollars
Land Value
Cash Rent
Inflation Adjusted Land Value
Inflation Adjusted Rent
Year


North Dakota Cropland Rent To Value Ratio in 2012 Dollars
Rent / Value Adjusted for Inflation
Year

# ND Cropland Values By Extension Region



# Chart From the Kansas City Federal Reserve June 3rd 2026 Report



# Sales Volumes Down Across the Region According to Ag. Country Report

Number of land transactions compared to the 2nd quarter of 2025

- North Dakota -11%
- Nebraska -50%
- South Dakota -45%
- Minnesota -68%
- Wisconsin -57%
- Iowa -38%

# The FINBIN Data Set

Mn State College & University South 39867 farms
Mn State College & University North 12575 farms

ND Farm and Ranch Business Management 11589 farms

Mn State College & University Red River Valley 3509 farms

Southwest Minnesota Farm Business Management Association 3043 farms
Nebraska Farm Business Inc 3041 farms

Missouri Farm Business Management Analysis 2394 farms
Michigan State University Extension 2338 farms
Wisconsin Technical College System 2086 farms

South Dakota Center for Farm/Ranch Management 1271 farms
The Ohio State University Extension 957 farms
Utah Farm/Ranch Business Management 703 farms
MN Other 701 farms

Western Illinois Farm Business Farm Management Association 398 farms
Other Contributors 350 farms
Penn State Extension 218 farms

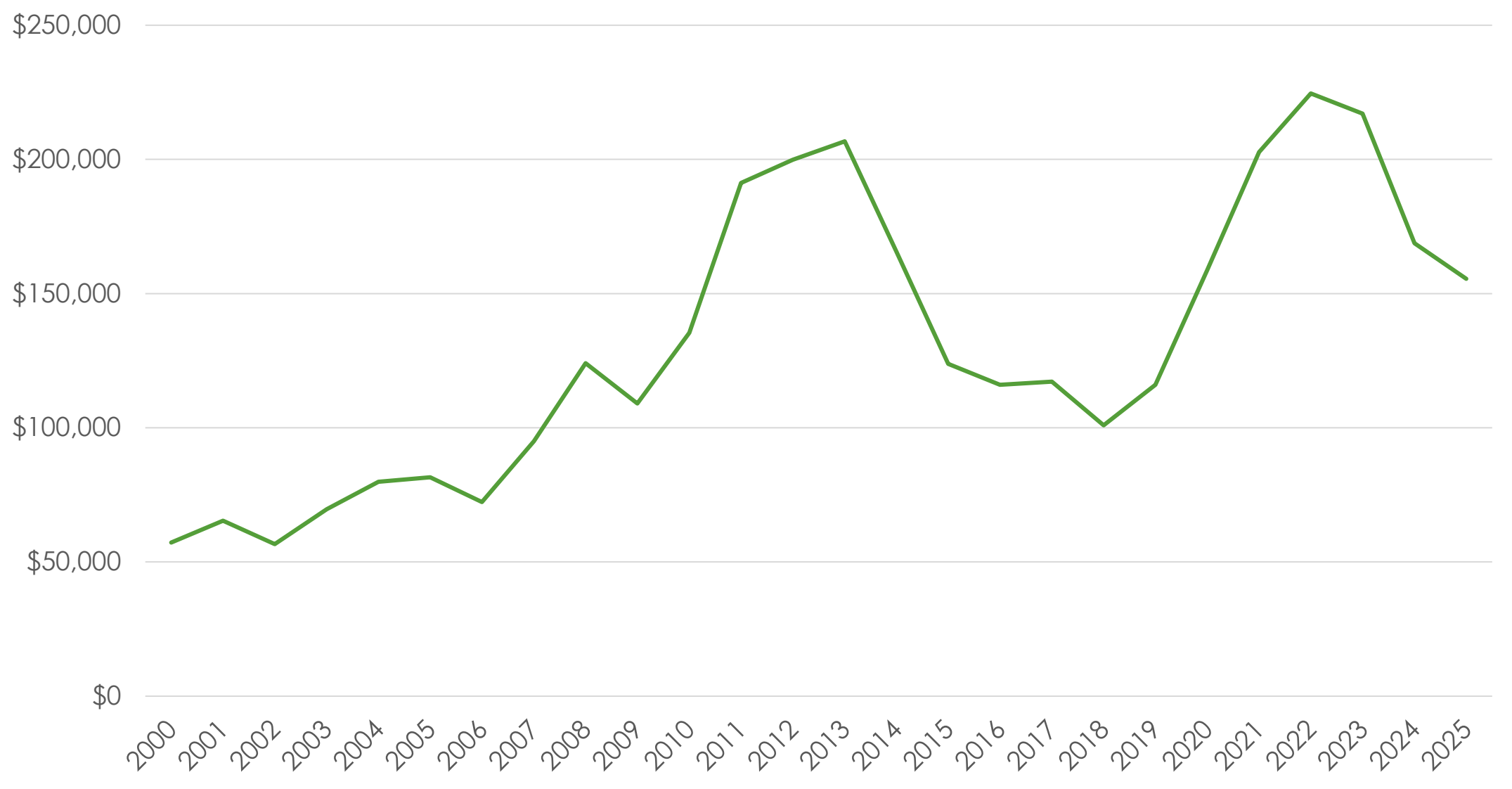
South Carolina Farm Management Association 76 farms

New England Direct Marketing Benchmark Project 52 farms

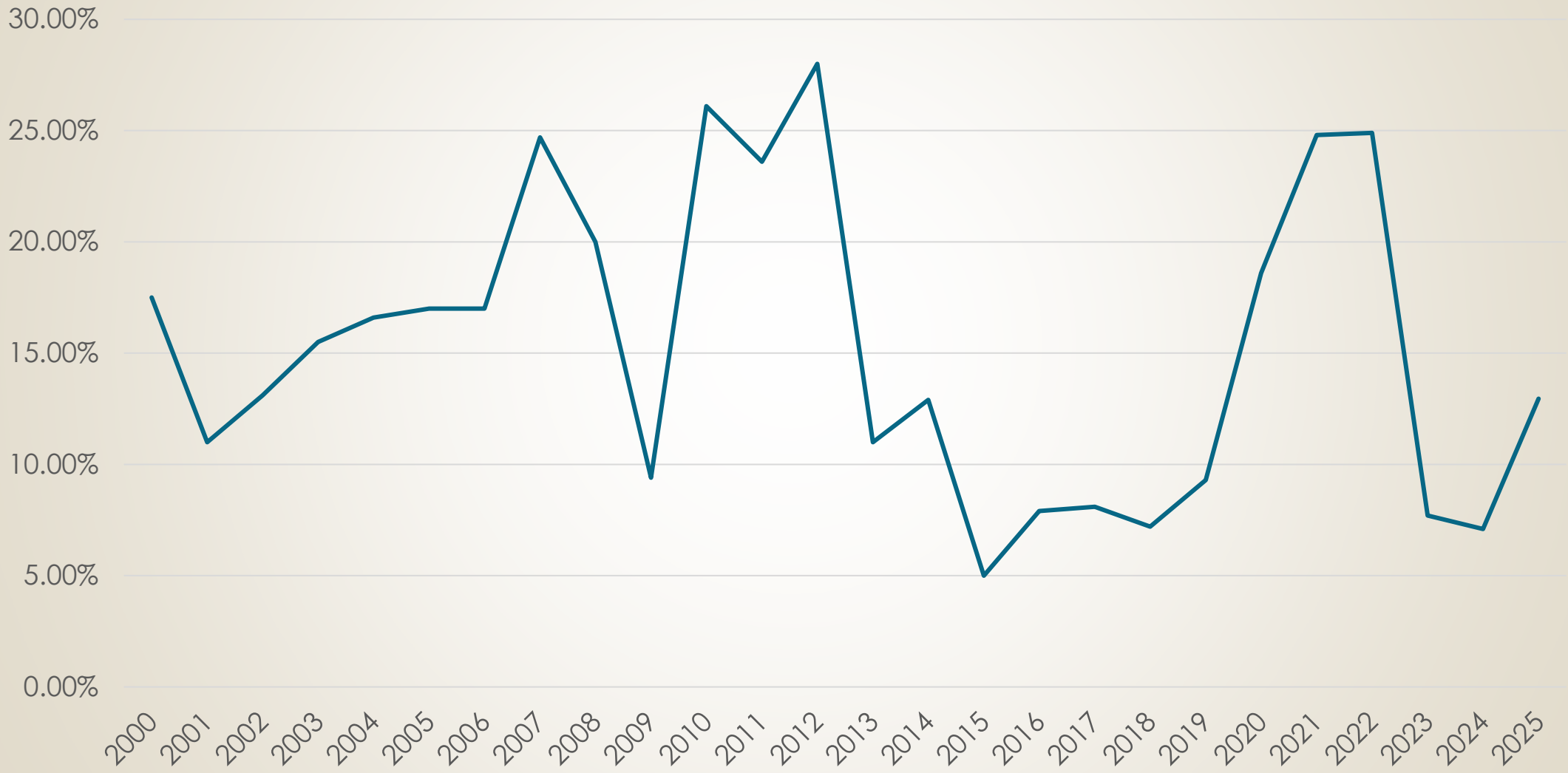
FINBIN (2025). Center for Farm Financial Management: University of Minnesota. Retrieved from http://finbin.umn.edu (originally created August 6 2025).

Center for Farm Financial Management

# FINBIN Data Set Net Cash Farm Income



# FINBIN Net Farm Income / Gross Farm Income Ratio



# FINBIN Data Set ROR on Assets and Equity

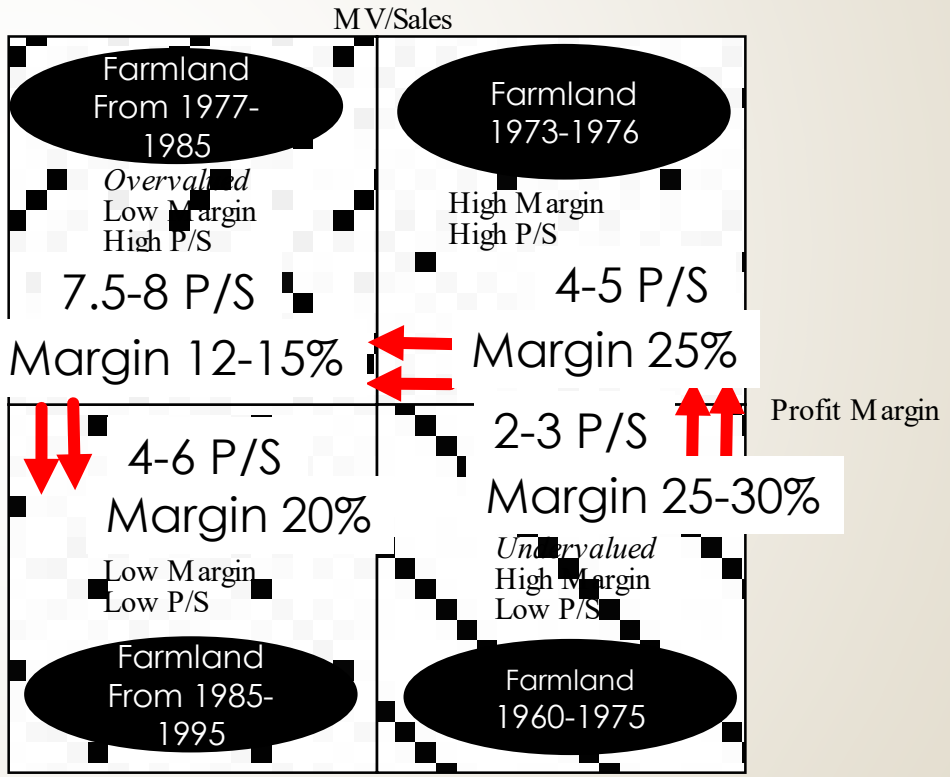


# Applying Earnings Multiples to Farmland and Income in The 1980's

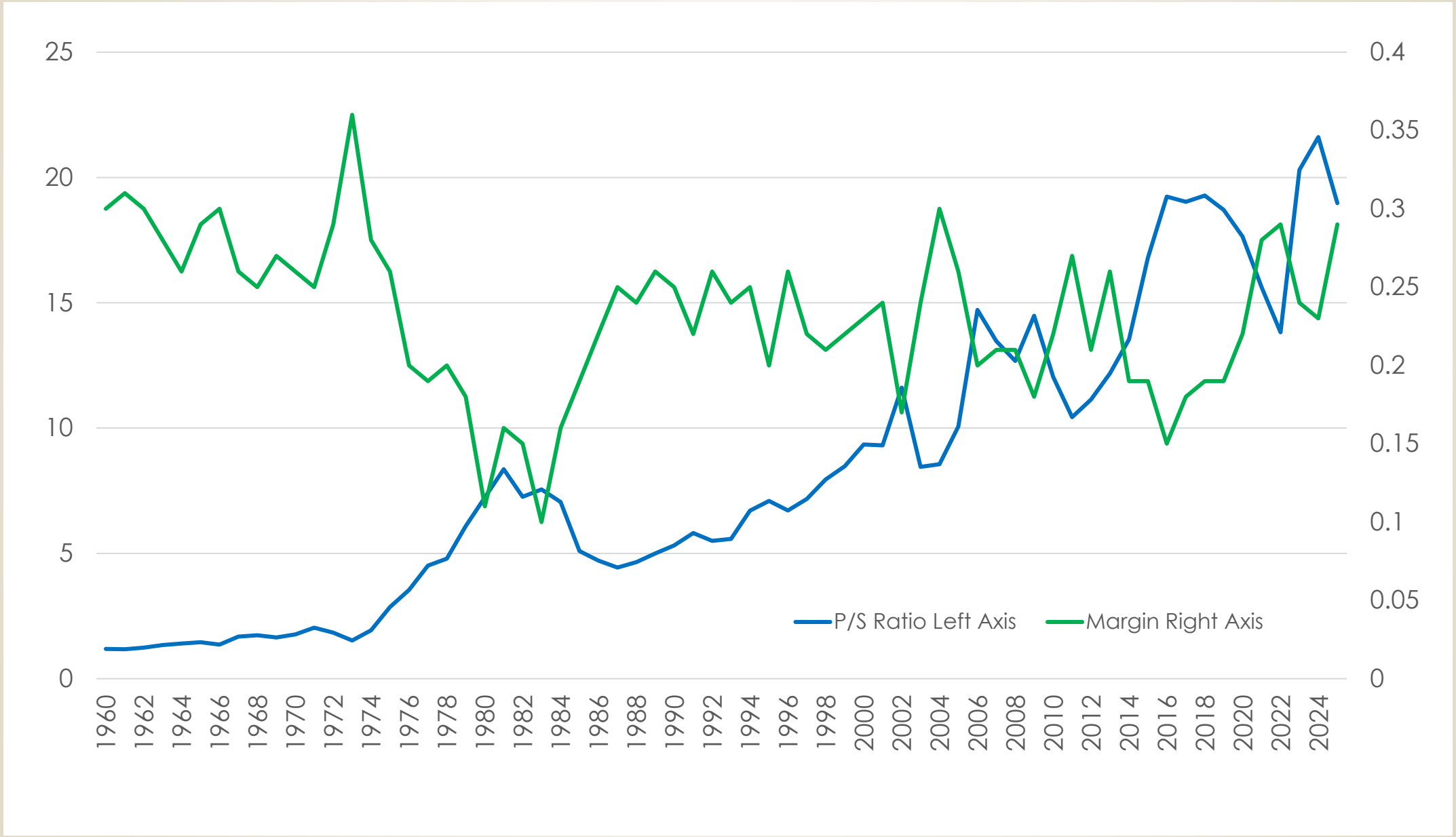
P/S = Price of land/Sales of production

$$\text{Price to Sales Ratio} = \frac{\text{Market Value of Equity}}{\text{Revenues}}$$

$$\text{Margin} = \frac{\textit{Net Farm Income}}{\textit{Cost of Production}}$$



# Land Price To Net Cash Income



# Thank You!

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