



State of Agriculture in Minnesota

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Representing 8 MN State Colleges providing Farm Business Management Education

Northland
Alexandria
Central Lakes
Ridgewater

St. Cloud
MN West
Riverland
South Central

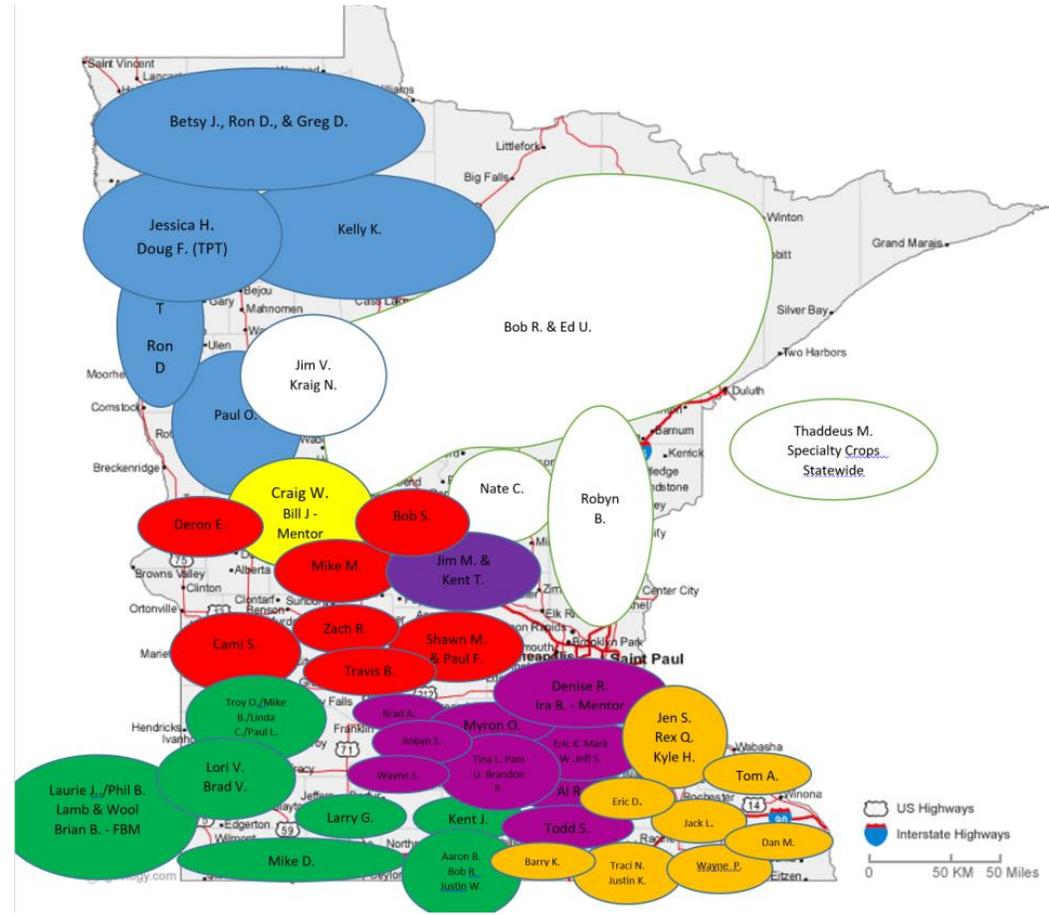


MINNESOTA STATE
Agricultural Centers of Excellence



MN Farm Business Management Education

- In operation for over 65 years.
 - Currently has 67 faculty
- Nearly 3,000 students
- Eight Colleges
- Faculty operate independently
- Supported by 2 MN State Agricultural Centers of Excellence



MN State Agricultural Centers of Excellence



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Minnesota FBM

- Student outcomes (benefits):
 - Benchmarking
 - Records
 - Guidance
 - Team Approach
 - Resiliency

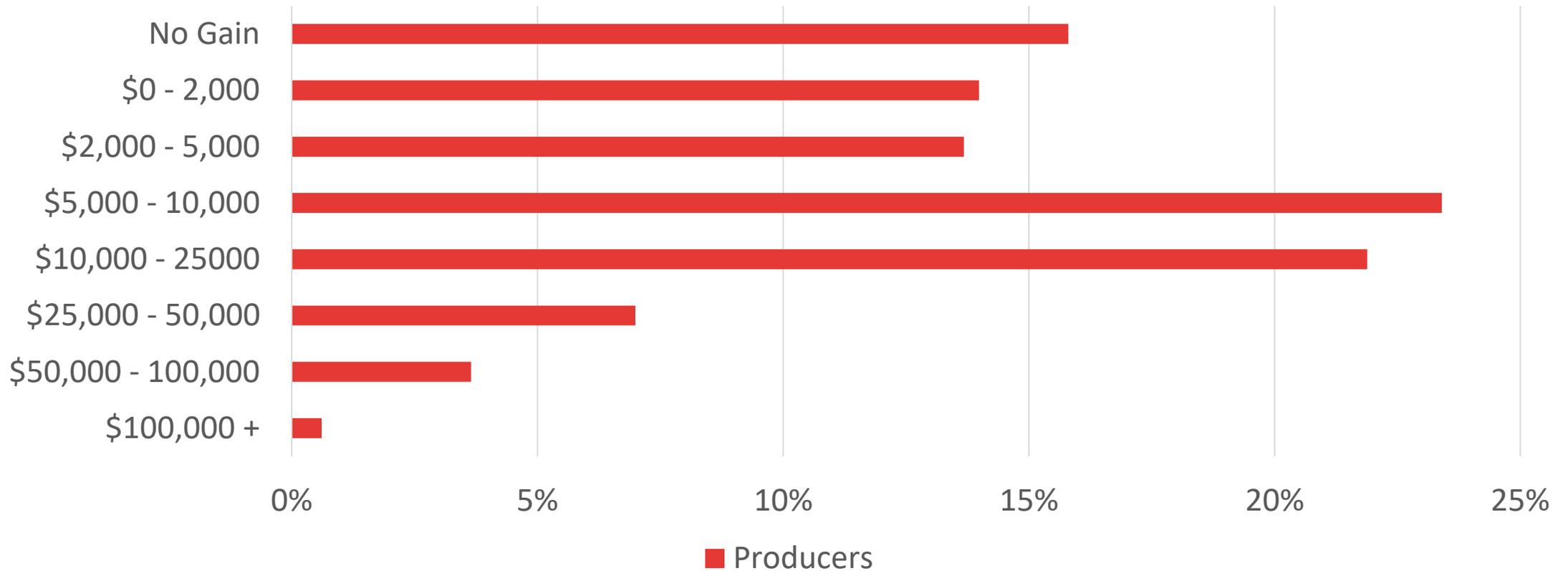


Minnesota FBM

- FINBIN Database
 - Largest dataset in the nation
 - Receives over 34,000 queries annually
 - Used to guide policy, standards, rates
 - Supports farm economy



How much do FBM student/farmers estimate they gain per year in combined increased income and reduced expenses from benchmarking their farm against other farms?



Assistance to Beginning Farmers

- MN Department of Agriculture - \$600,000 for 638 farmers
- Tax credit option for landlords / farmers
- Over 1000 individuals that don't meet Beginning Farmer that are experiencing financial stress



Looking at historical numbers

- 2018 was a challenging year for farmers
- 5th year in a row with very low profitability
- Difficult conditions for planting, growing season, and harvest
- Variance across the state



Generate a Summary Report**WHOLE FARM****CROP****LIVESTOCK****Generate a Benchmark Report****WHOLE FARM****CROP****LIVESTOCK****Compare Your Farm****FINANCIAL RATIOS**

Welcome to FINBIN

FINBIN is one of the largest and most accessible sources of farm financial and production benchmark information in the world. FINBIN places detailed reports on whole farm, crop, and livestock financials at your fingertips.

With just a few clicks of the mouse, you can see reports such as:

- [Soybean cost and returns by tillage system](#)
- [Dairy cost and returns by size or location of herd](#)
- [Farm financial standards measures by type or size of farm](#)

The possibilities are endless. Select Whole Farm Reports, Crop Reports, or Livestock Reports to create your own custom report.

Data providers:

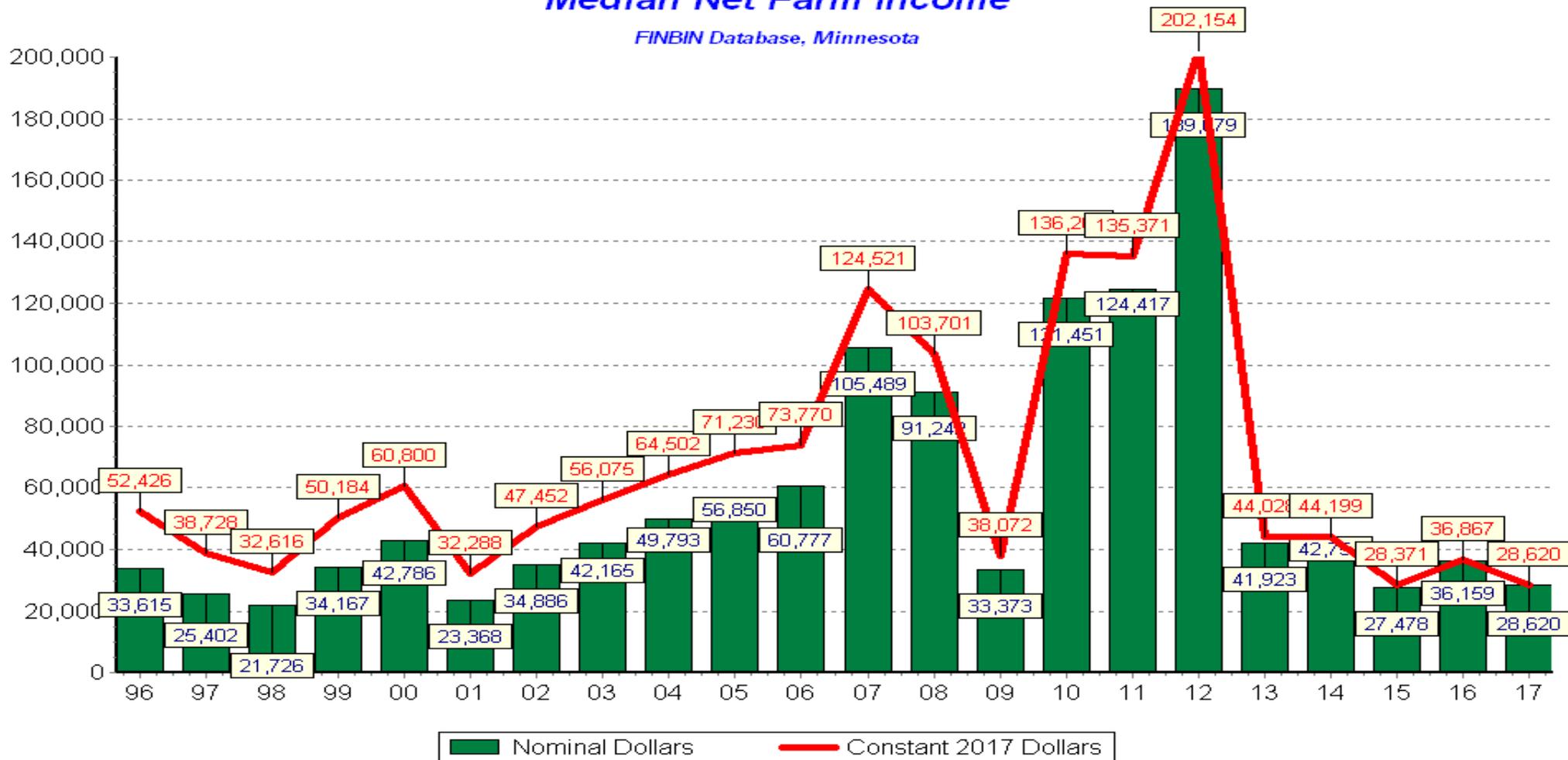
Farm business management associations

Farm management education programs

www.finbin.umn.edu

Median Net Farm Income

FINBIN Database, Minnesota



Data Sources: Minnesota Farm Business Management Education, Minnesota State Southwestern Minnesota Farm Business Management Associations, U of M
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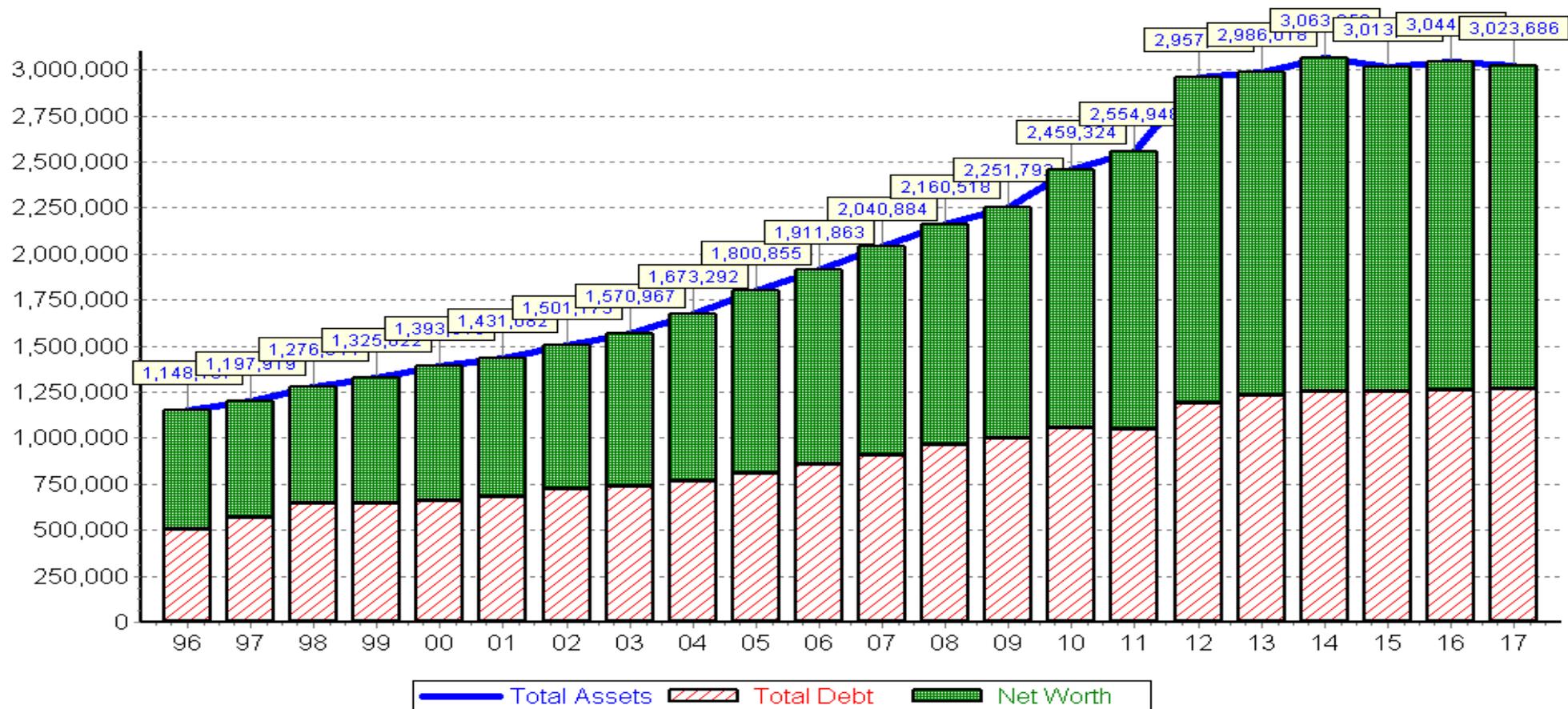


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Balance Sheet in Constant 2017 Dollars

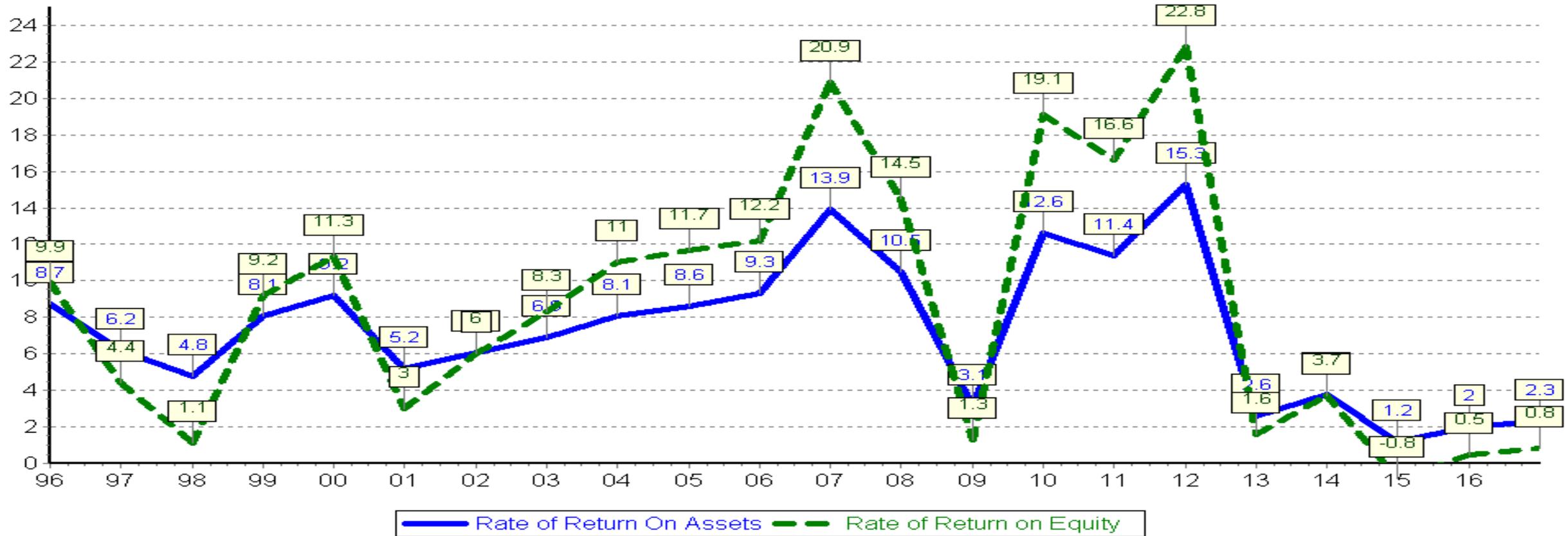
FINBIN Database, Assets at Estimated Market Value, Minnesota Average



Data Sources: Minnesota Farm Business Management, Minnesota State
 Southwestern Minnesota Farm Business Management Associations, U of MN
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Rates of Return -- All Farms

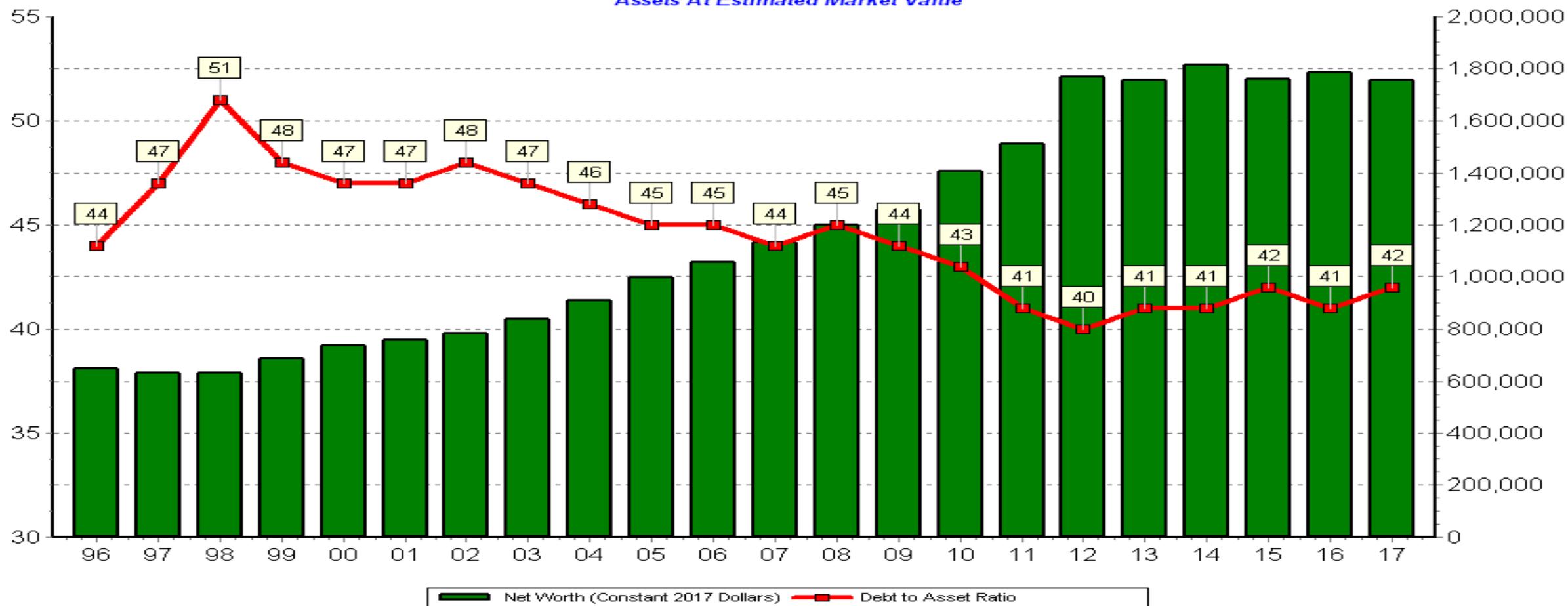
FINBIN Database, Minnesota Average
Assets Valued at Adjusted Cost Basis



Data Sources: Minnesota Farm Business Management Education, Minnesota State
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Net Worth and Debt To Asset Ratio

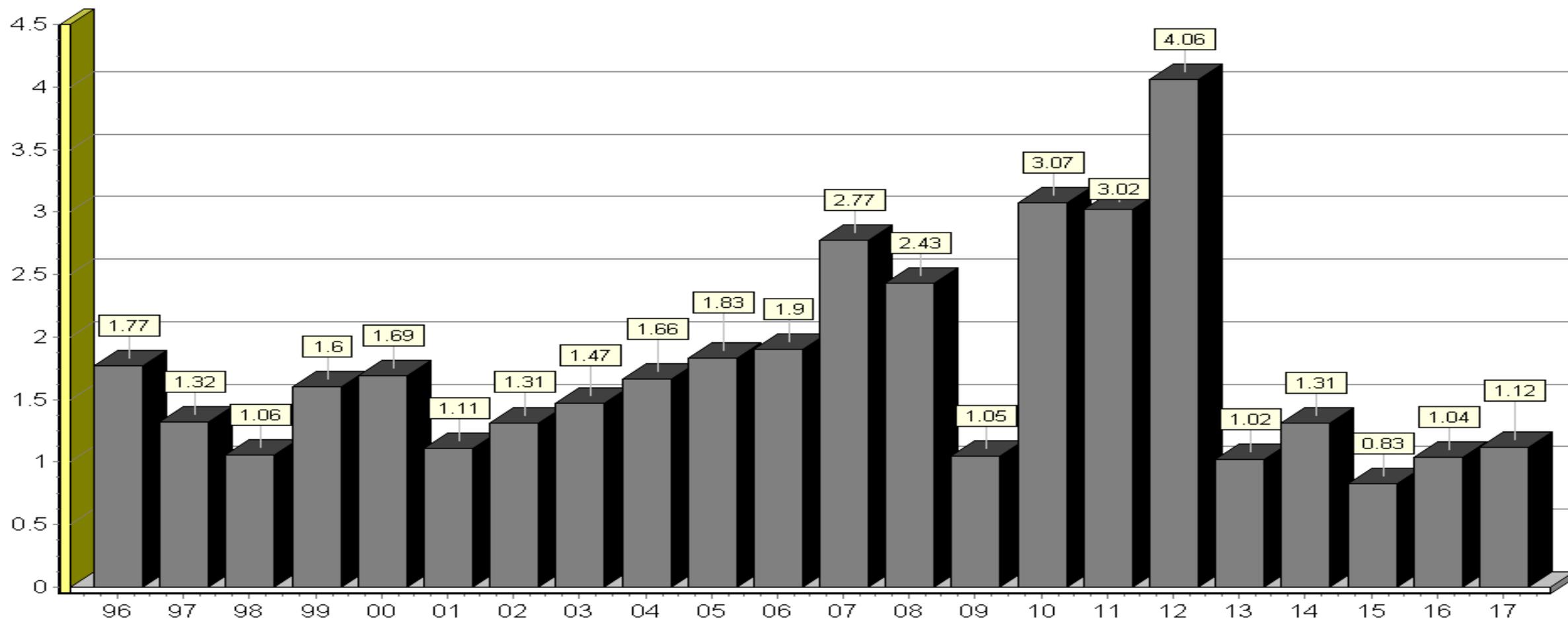
FINBIN Database, Minnesota Average
Assets At Estimated Market Value



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Term Debt Coverage Ratio

FINBIN Database, Minnesota Average

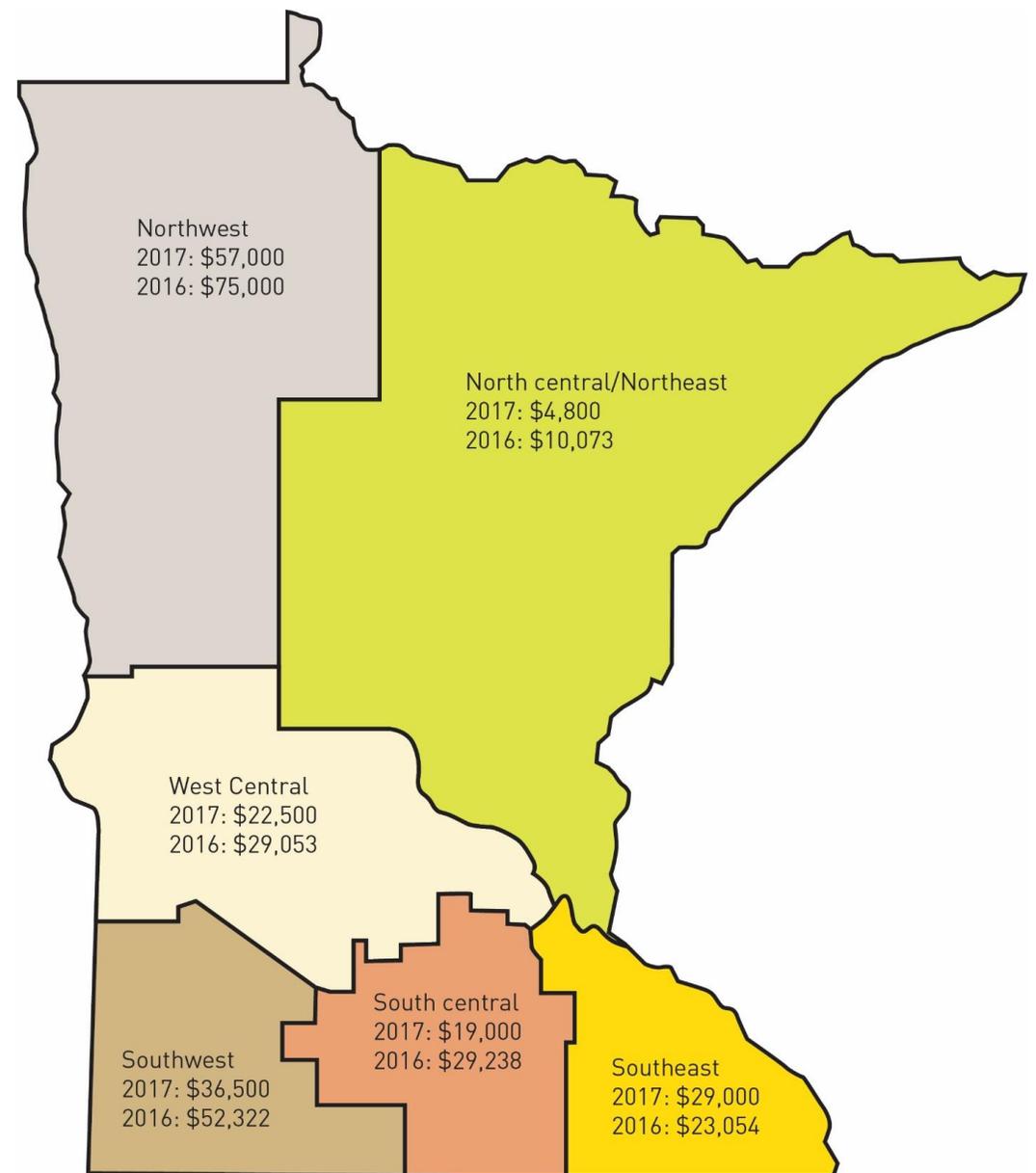


Data Sources: Minnesota Farm Business Management Education, Minnesota State
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Variation in farm income by region

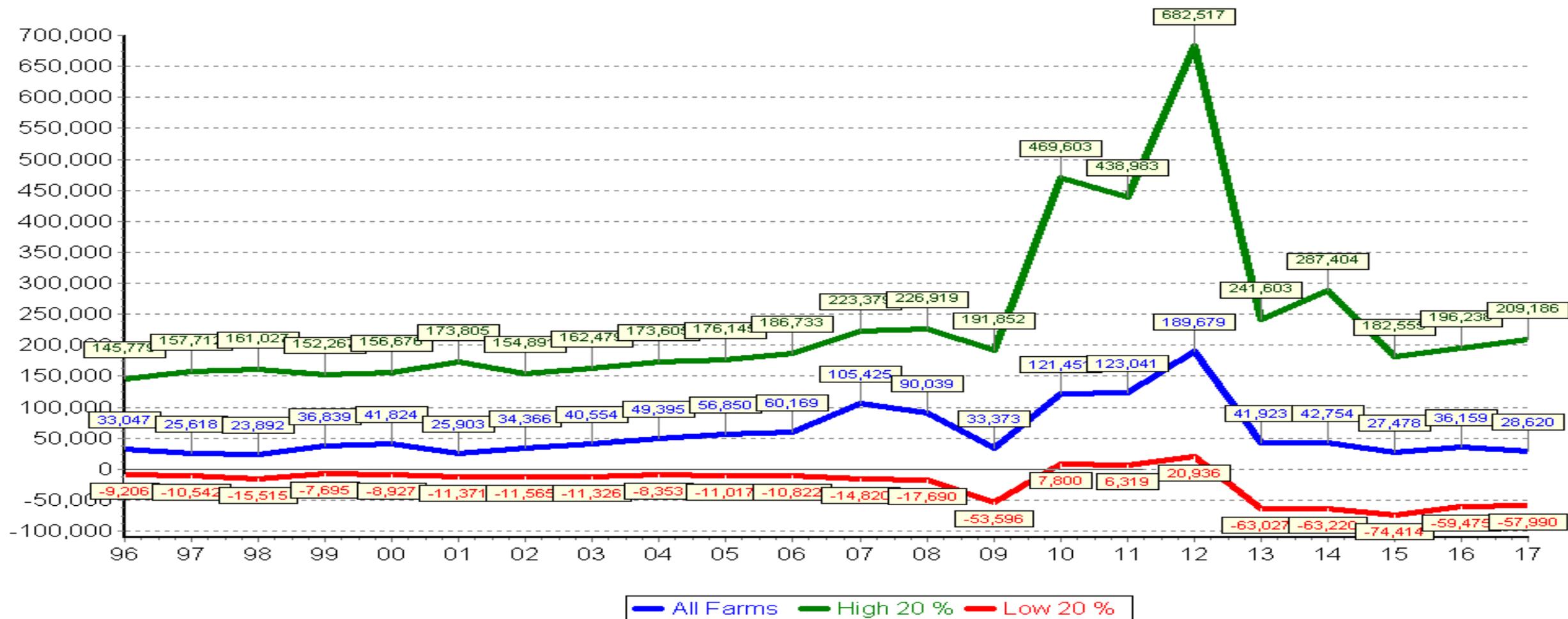
And comparison by Year for 2016 & 2017, current close outs for 2018 are underway.

Results of the 2018 data are anticipated by April, 2019



Median Net Farm Income

FINBIN Database, Minnesota



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 SW Minnesota Farm Business Management Association, U of M
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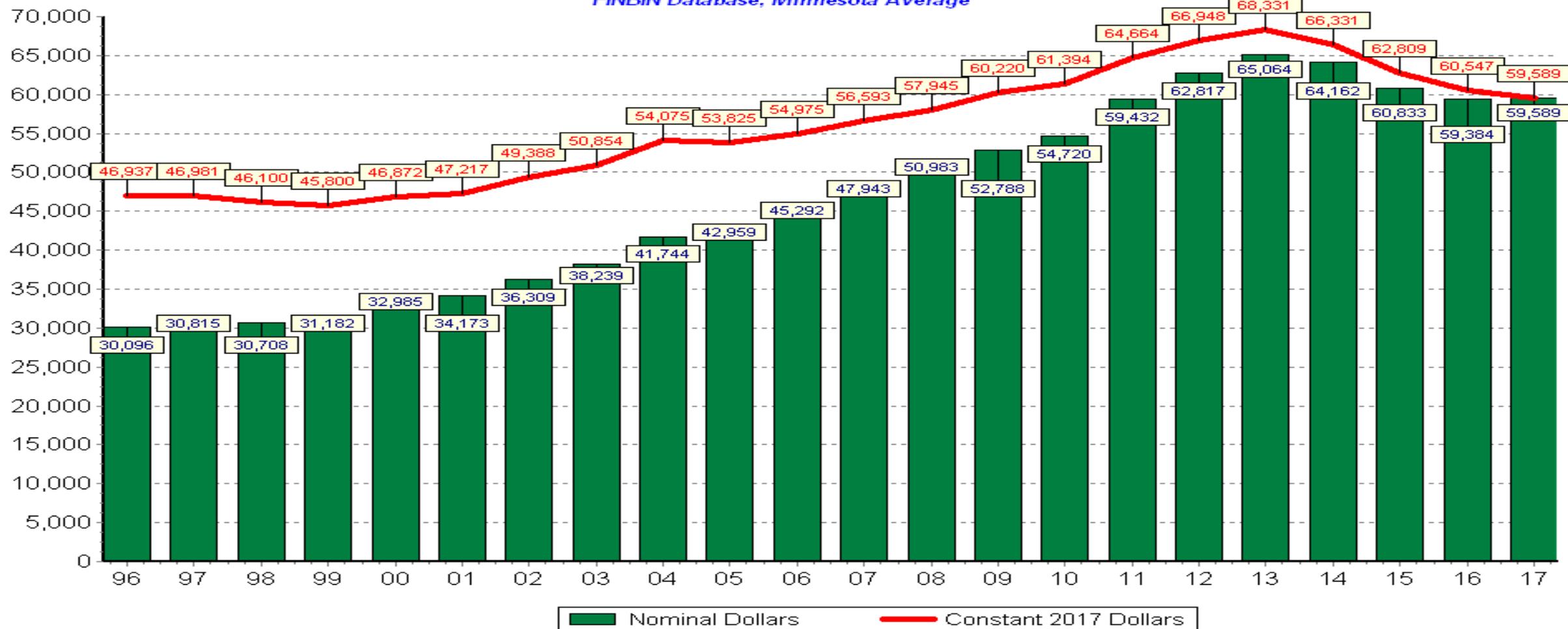


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Family Living Expense Sole Proprietors Who Kept Detailed Living Records

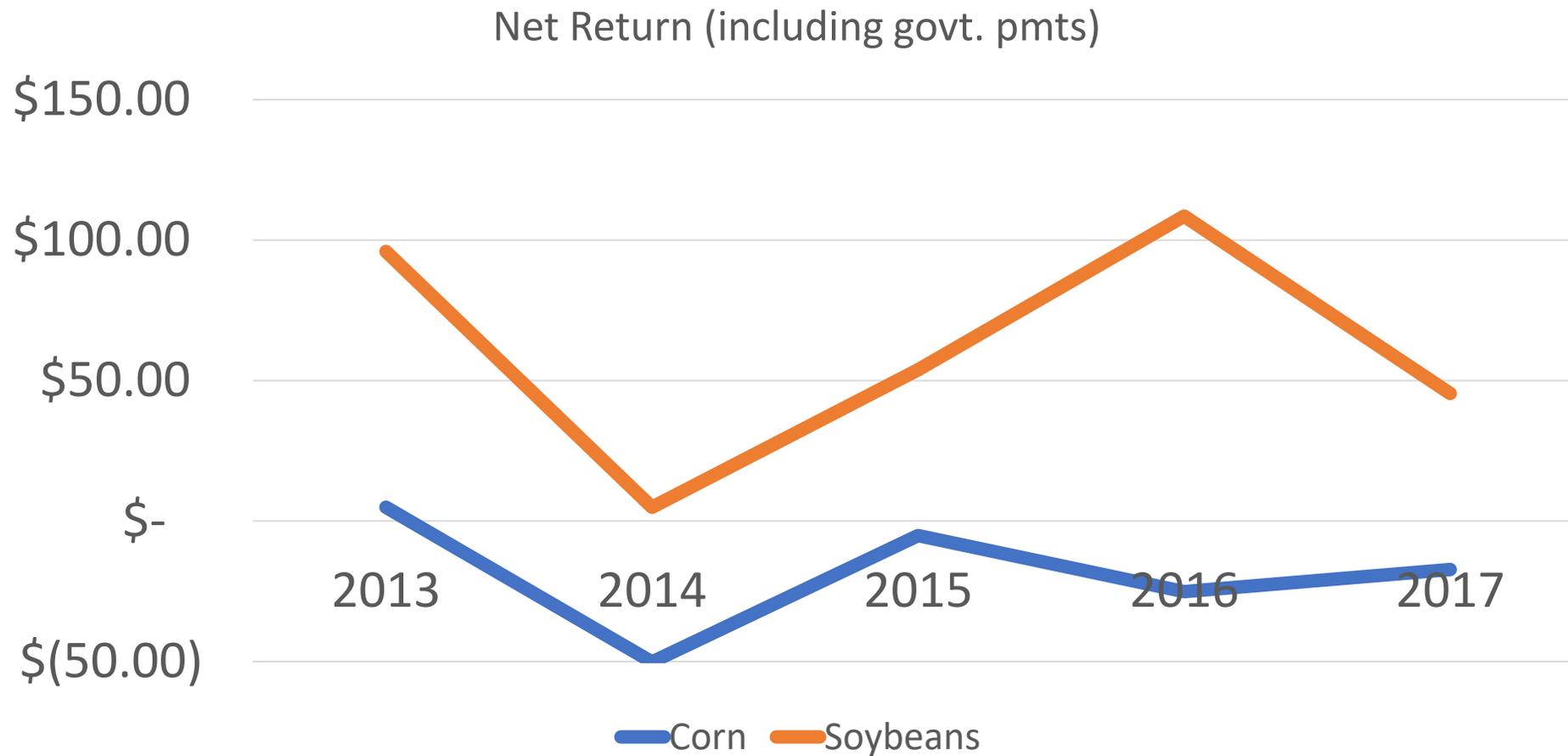
FINBIN Database, Minnesota Average



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SW Minnesota Farm Business Management Associations, U of M
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What's on the horizon?

Corn & Soybean/acre Profitability (Southern MN)



Looking forward, what's in sight?

- **Projecting 2018 data to reflect 5th straight year of decreasing financial strength**
- **2019 cash flow projections have difficulty showing positive results – 6th year running**
 - **Need restructure, if possible, or asset liquidation**
- **Access to credit is reduced or eliminated**
- **Most sectors difficult to show profit**
- **Increasing requests for education and support in FBM**



Additional Farmer Challenges

- Tax conformity is creating an issue with planning for business
- Succession planning
- National news impacting home farm
- Increase in number of Farmer – Lender Mediations

Farmer Mental Health

- Currently one farm psychologist in Minnesota – Ted Matthews
- Suicide hotlines being sent in milk checks
- Stress taking a toll on families and communities
- Student perspectives from close-outs, faculty sharing
- Visits/consultations are increasing on Campuses with Ted





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Questions ?

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