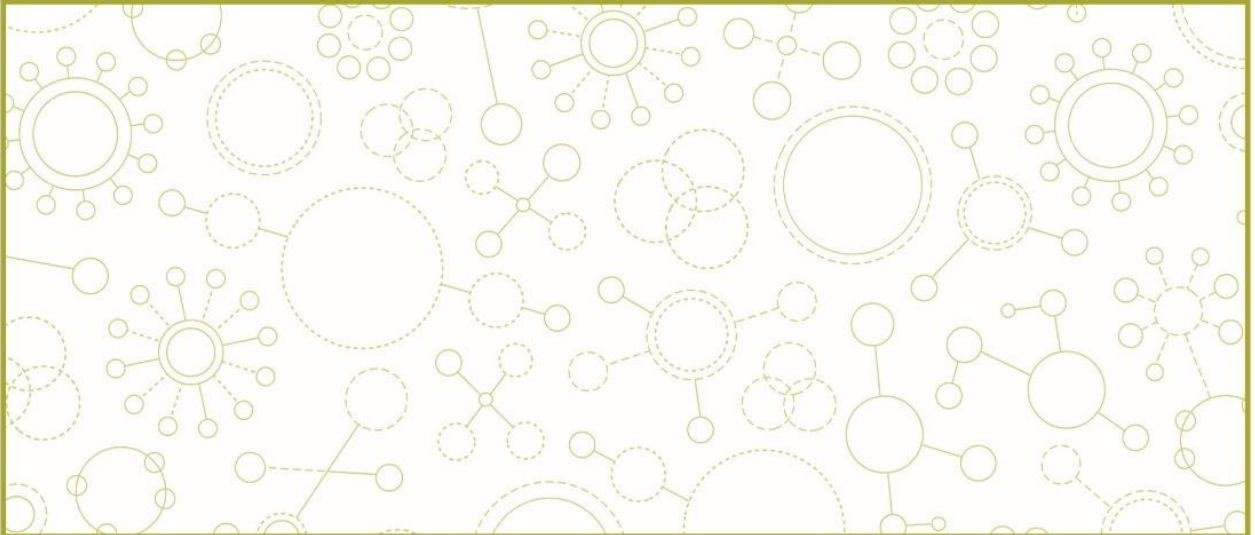




Farmers Market Aggregation

AN ANALYSIS OF ENTERPRISE SUSTAINABILITY AND FARM OPERATOR PARTICIPATION

Authored by Ryan Pesch



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AN ANALYSIS OF MARKET SUSTAINABILITY AND FARMER IMPACT

March 2020

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EXECUTIVE SUMMARY

The farmers market aggregation project is a three-year pilot project started in 2018 to test the financial viability of multiple farmers market vendors selling products together. During the pilot phase, participating vendors will sell to customers via an online ordering system for pickup at a farmers market location. The project is a collaboration between the Minnesota Farmers Market Association (MFMA), Renewing the Countryside, and the Minnesota Institute for Sustainable Agriculture (MISA). Extension conducted an analysis of the 2019 financial performance of farmers markets and farmers market vendors to measure the economic effects of the project.

The economic fundamentals for the farmers market aggregation project—to increase vendor sales to offset marketing costs incurred by selling at a farmers market—were sound. Sales performance, however, fell short of requirements during the first two years of the project, limiting the enterprise's work.

Extension gathered both farm financial and marketing cost data from 17 farm operations, some of which participated in the aggregation project and some that did not (this was done to compare the financial impacts on the farms). The project's purpose was to measure the impact of the aggregation project on participating farms and understand the context in which farm operators make marketing decisions. To do this, Extension conducted a farm financial analysis of each farm to understand the contribution of their aggregation sales, if any. Extension also collected data on the marketing costs associated with each market outlet through which the farms sold their products, including mileage, fees, advertising, and time. Economic impacts were minimal—aggregation sales were less than 2 percent of total sales for participating farms. But a marketing mix analysis of returns and costs for marketing channels was useful to highlight the trade-offs farm operators faced between how they sold their products (whether through farmers market aggregation or another outlet). This report presents the results of Extension's analysis of the aggregation enterprise and the marketing mix of the farm operators who participated in the study.

Main findings

- **Farmers markets are an important marketing channel—but also the least profitable overall.** All farm operators who participated in the study reported selling at one or more farmers markets, and farmers market sales comprised 51 percent of the group's total sales. When compared to other marketing channels by returns to marketing costs, however, farmers markets were the least profitable. For study participants, the gross marketing margin for farmers markets was 67 percent—that is, vendors retained 67 cents of every dollar after subtracting marketing costs associated with selling at the market. The farmers market was the least profitable marketing channel for the study group, lower than wholesale and Community Supported Agriculture (CSA), with 92 and 86 percent gross margins, respectively.
- **Aggregation sales should improve returns at farmers markets.** An analysis of participating farmers who sold through the aggregation enterprise showed they improved their return over marketing costs at farmers markets. These sales offset marketing costs at the market, assuming the direct cost of participation was minimal. With the overall gross

marketing margin for farmers markets at 67 percent, any sales through the aggregation enterprise will raise the margin. This is due to the aggregation margin standing at 87 percent, according to data collected from study participants. Vendor sales through aggregation were minor; however, with average sales per supplier at \$218 in 2019, it stands to reason that each vendor has a threshold below which it is not worthwhile to participate—even if sales would increase the return to a farmers market and costs of participation were minimal.

- Farmers markets will need about \$20,000 in sales to breakeven.** Based on cost estimates from the four farmers markets that had significant sales in 2019—Chisago, Grand Rapids, Rochester, and Wabasha—each market will need to earn about \$2,900 annually through aggregation fees to breakeven on their operating costs. At a 14 percent markup (which participating markets have been using to date), each market would need \$20,000 in sales through aggregation to breakeven. The market share product in which products from multiple farms are used to assemble a box for a customer is key to reaching \$20,000 in sales, as it accounted for 51 percent of total aggregation sales in 2019.

PERFORMANCE OF FARMERS MARKET AGGREGATION ENTERPRISE

In 2019, eight farmers markets participated in the aggregation project, a grant-funded pilot initiative. Throughout the season, market managers tracked their efforts and expenses. Since the lion’s share of expenses for any market participating in an aggregation project is labor, Extension analyzed the labor inputs by activity in detail, categorizing the hours of work by type for all eight participating farmers markets. Labor inputs were divided into three main functions: sales and marketing, operations, and back office (Figure 1).

- Sales and marketing:** Hours spent directly arranging sales between vendors and buyers.
- Operations:** Time focused on handling orders and product.
- Back office:** Work related to overhead, such as bookkeeping, annual set-up tasks, and all grant-related coordination and reporting.

Figure 1: Total and percent of labor by activity for all participating market managers (red = back office, blue = sales and marketing, yellow = operations)

Activity	Total Hours	Percent of Total
Project team contact	172.4	18%
Vendor contact	142.5	15%
Buyer contact	100.1	11%
Setting up online platform	85.4	9%
Training	84.5	9%
Managing online platform	74.0	8%
Community contact	66.6	7%
Managing market stall	56.8	6%
Reporting	44.0	5%
Bookkeeping	29.4	3%
Checking in produce	23.0	2%
Supply acquisition	19.0	2%
Licensing	13.1	1%
Managing supplies	12.8	1%
Delivery	10.4	1%
Packing and Sorting Product	4.8	1%

During the 2019 pilot, the largest subcategory of time for all participating market managers was project team contact, followed by communicating with vendors and buyers. The distribution of time by subcategory makes intuitive sense. As a new initiative during the pilot phase of coordinating across eight markets in the state, one would expect a fair amount of time spent on grant reporting tasks and project team coordination. However, as market managers find efficiencies and move past the grant-funded pilot stage, some of these back office tasks should dissipate. If reporting and project team tasks were dropped, market managers would decrease their time by nearly a quarter.

Overall, market managers spent the most time on back office tasks (47.9 percent), sales and marketing (46.6 percent), and operations (5.5 percent).

Variation existed between the eight markets. The four farmers markets with less sales through aggregation spent very little time on operations, as they only handled a few transactions. However, the general pattern of splitting time between the back office and sales and marketing tasks held (Figure 3).

Figure 2: Labor inputs of aggregation market managers by type of activity (n=8)

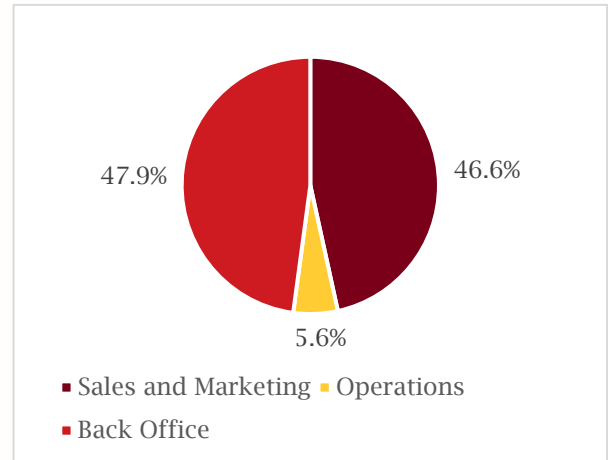
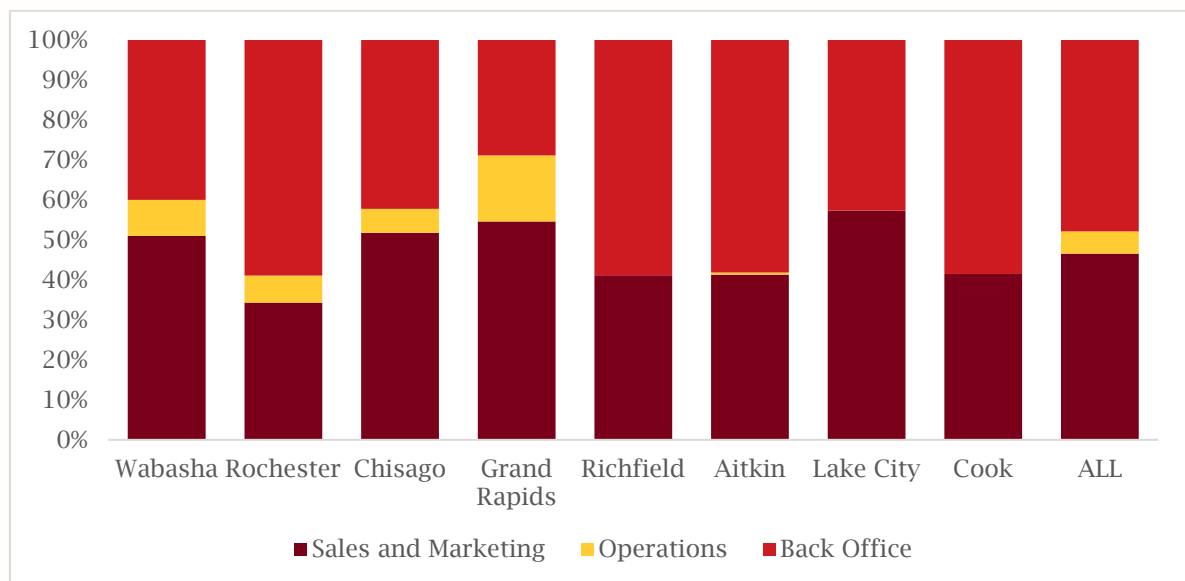


Figure 3: Percent of market manager time on aggregation by activity (n=8)



SUSTAINABILITY OF FARMERS MARKET AGGREGATION

At the end of the 2019 season, each market manager projected direct costs to continue the aggregation project at their farmers markets. They also estimated their time to manage the effort. Extension used the figures from the four farmers markets with the most sales (Grand Rapids, Wabasha, Chisago, and Rochester) for analysis since they provided the most insight into the costs and returns of operating an aggregation enterprise (Figure 4).

Clearly, no market manager reached enough in sales in 2019 to breakeven on their aggregation enterprise (which included a 14 percent markup on sales). To understand what it would take to breakeven, market managers projected future costs that aggregation fees would need to cover to reach sustainability. All market managers reported they would have direct costs in licensing, website subscription, and operations (e.g., mileage and supplies). Some market managers also expected aggregation efforts to cover some insurance and utility costs (Figure 4). Additionally, each market manager estimated the labor hours to manage aggregation efforts. Chisago City was on the low end, having estimated 59 hours for the season. Grand Rapids was on the high end at 207 hours. Extension estimated break-even sales for each market, based on a 14 percent mark up and proposed costs per market.

Figure 4: Sustainability estimates by market (n=4)

	Chisago City	Grand Rapids	Rochester	Wabasha
2019 Sales	\$ 2,257	\$ 1,386	\$ 4,739	\$ 6,388
2019 Net Revenue from Mark-up (14%)	\$ 316	\$ 194	\$ 663	\$ 894
Direct costs (sustainability est)				
License	\$ 57	\$ 57	\$ 57	\$ 57
Website subscription	\$ 500	\$ 333	\$ 333	\$ 333
Insurance	\$ -	\$ 192		\$ 260
Mileage	\$ 52	\$ 312	\$ 95	\$ 560
Supplies	\$ 260	\$ 260	\$ 500	\$ 100
Utilities		\$ 78		\$ 100
Subtotal	\$ 869	\$ 1,232	\$ 985	\$ 1,410
Labor costs (sustainability est.)				
Hours	59	207	185	100
Cost of labor@\$15/hr	\$ 885	\$ 3,105	\$ 2,775	\$ 1,500
Total costs	\$ 1,754	\$ 4,337	\$ 3,760	\$ 2,910
Breakeven Gross Sales	\$ 12,525	\$ 30,979	\$ 26,857	\$ 20,786
Breakeven Net Sales	\$ 10,772	\$ 26,642	\$ 23,097	\$ 17,876

Using the average estimates from the top four markets, Extension created a ballpark budget for market managers to use when planning the 2020 season (Figure 5). This budget provides a sales target and expense budget that market managers can aim toward to approach breakeven.

Generally, a market would need about \$20,000 in gross sales (with markup included) to cover approximately \$2,900 in average costs.

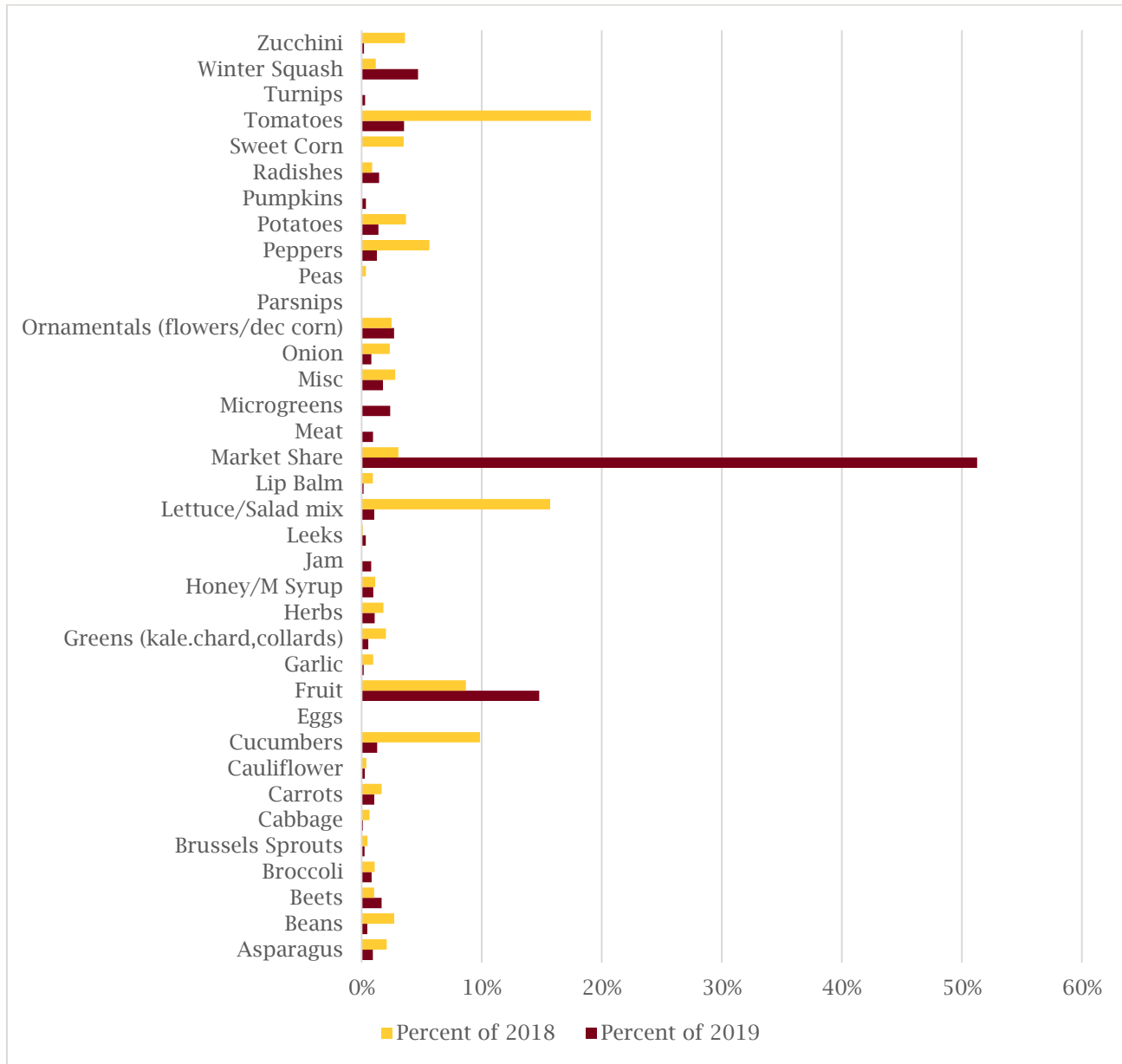
Figure 5: Break-even estimate for aggregation enterprise based on average of four markets

Direct costs (sustainability est)	TYPICAL BUDGET
License	\$ 57
Website subscription	\$ 333
Insurance	\$ 226
Mileage	\$ 255
Supplies	\$ 280
Utilities	\$ 89
Subtotal	\$ 1,240
Labor costs (sustainability est.)	
Hours	110
Cost of labor@\$15/hr	\$ 1,650
Total costs	\$ 2,890
Breakeven Gross Sales	\$ 20,640
Breakeven Net Sales	\$ 17,751

PRODUCT MIX SCENARIOS FOR MARKETS TO BREAKEVEN

To breakeven, each market manager will need to sell a mix of products from a mix of vendors. In 2019, vendors at participating markets sold \$218 on average for the season. When comparing 2018 sales to 2019 sales by vendor, no discernable change in pattern existed between some vendors selling less and others selling more. The largest product change from 2018 to 2019, however, came from the introduction of the market share program (a mixed box of products aggregated from multiple vendors) by Wabasha’s market manager. In 2019, the market share offering accounted for 51 percent of all sales at participating markets (Figure 6).

Figure 6: Product mix sold through aggregation enterprise in 2018 and 2019



Assuming an average market manager needs \$20,000 in gross sales to breakeven, Extension calculated two scenarios for a product mix to reach this goal. These calculations are based on the proportion of products sold in 2019 with and without a market share program (Figure 7).

Figure 7: Estimated sales of products to reach \$20,000 breakeven target, with and without market share

	Percent of 2019	With Marketshare	Without Marketshare
Asparagus	1%	\$187	\$384
Beans	0%	\$96	\$197
Beets	2%	\$333	\$682
Broccoli	1%	\$165	\$340
Brussels Sprouts	0%	\$48	\$99
Cabbage	0%	\$23	\$47
Carrots	1%	\$211	\$434
Cauliflower	0%	\$53	\$110
Cucumbers	1%	\$259	\$532
Eggs	0%	\$6	\$11
Fruit	15%	\$2,959	\$6,073
Garlic	0%	\$34	\$71
Greens (kale, chard, collards)	1%	\$111	\$228
Herbs	1%	\$216	\$444
Honey/M Syrup	1%	\$194	\$399
Jam	1%	\$160	\$329
Leeks	0%	\$70	\$144
Lettuce/Salad mix	1%	\$210	\$431
Lip Balm	0%	\$33	\$67
Market Share	51%	\$10,254	\$0
Meat	1%	\$191	\$391
Microgreens	2%	\$475	\$975
Misc	2%	\$357	\$732
Onion	1%	\$162	\$332
Ornamentals (flowers/dec corn)	3%	\$540	\$1,109
Parsnips	0%	\$5	\$9
Peas	0%	\$6	\$12
Peppers	1%	\$254	\$520
Potatoes	1%	\$279	\$572
Pumpkins	0%	\$72	\$149
Radishes	1%	\$291	\$597
Sweet Corn	0%	\$0	\$0
Tomatoes	4%	\$706	\$1,449
Turnips	0%	\$58	\$118
Winter Squash	5%	\$940	\$1,929
Zucchini	0%	\$40	\$82

MARKETING MIX OF FARMERS

The success of the aggregation project hinges on the ability of market managers to recruit participating vendors. This supply issue is complicated by the complex marketing mix of farmers market vendors who often attempt to serve many outlets and customers (Figure 8). In this situation, growers will favor supplying outlets with the best pricing and demand. With several competing market channels, farm operators will substitute or not engage with an outlet that does not have steady demand or pricing.

To understand how aggregation as a market outlet fits within the overall financial viability of commercial vegetable operations, Extension collected data from 17 farms about production and marketing costs to benchmark and compare their financial performance (Figure 8). Marketing costs related to each market outlet are most useful for understanding the relative importance of each market outlet; however, the benchmarks also provide a useful snapshot of commercial vegetable farms that primarily direct market. See Appendix A for details.

Figure 8: Marketing mix of farm operations that participated in study (n=16)

	Sales	No. of market channels	No. of Farmers Markets	CSA	Farm Stand	Direct-to-retail or restaurant	Wholesale or Food Hub	Aggregation *any year	Other
Farm A	\$12,329	2	4					●	
Farm B	\$29,912	4	1			●		●	●
Farm C	\$53,399	4	1	●	●	●			
Farm D	\$53,637	3	2			●	●		
Farm E	\$109,669	4	1			●		●	●
Farm F	\$1,600	1	1						
Farm G	\$309	2	1					●	
Farm H	\$47,437	3	2	●			●	●	
Farm I	\$40,394	2	7		●				
Farm J	\$14,138	5	2	●	●		●		●
Farm K	\$966	2	1					●	
Farm L	\$9,642	2	1					●	
Farm M	\$264,429	5	1	●		●	●		●
Farm N	\$33,790	8	4			●			●
Farm O	\$26,283	5	6		●	●	●		●
Farm P	\$18,518	2	1						

Farmers who direct market also commonly double up on market channels. In this case, a farmer will deliver products to an outlet while already in route to another. This increased efficiency decreases the total marketing costs per dollar of sale.

An Example of Combined Market Channels

One participating farm operator had two wholesale accounts (a grocery and a retail establishment). All three deliveries to the grocery (outlet 1) were delivered when in town for a farmers market. Deliveries to retail establishments were part of a CSA route. The combined return over marketing at the farmers market and grocery together was greater than each outlet alone (Figure 9).

Figure 9: Marketing Mix from Example Participating Farm

	Wholesale	Outlet 1	FM	Comb.		Outlet 2	CSA	Comb.
Sales	\$ 2,047	\$ 272	\$ 3,549	\$ 3,821		\$ 1,464	\$ 36,693	\$ 38,157
Costs per trip:								
Travel (RT miles)	50	50	50	50		64	184	184
Travel time (hrs)	0.8	1	1	1		1.3	3	3
Selling time (hrs)	0.2	0.2	3.5	3.7		0.5	0.5	1
Mileage cost	\$ 27	\$ 27	\$ 27	\$ 27		\$ 35	\$ 100	\$ 100
Travel time cost	\$ 12	\$ 15	\$ 15	\$ 15		\$ 20	\$ 45	\$ 45
Selling time cost	\$ 3	\$ 3	\$ 53	\$ 56		\$ 8	\$ 8	\$ 15
No of trips	6	4	12	12		12	16	16
Cost per season	\$ 254	\$ 181	\$ 1,137	\$ 1,173		\$ 743	\$ 2,444	\$ 2,564
Annual Costs								
Supplies			\$ -				\$ 580	\$ 580
Market fees			\$ -					
Total Marketing Costs	\$ 254	\$ 181	\$ 1,137	\$ 1,173		\$ 743	\$ 3,024	\$ 3,144
Return over Marketing	\$ 0.88	\$ 0.33	\$ 0.68	\$ 0.69		\$ 0.49	\$ 0.92	\$ 0.92

MARKETING MIX CONTEXT FOR FARM OPERATIONS PARTICIPATING IN STUDY

A marketing mix analysis is helpful for comparing the return over marketing costs in an apples-to-apples fashion. In this study, Extension gathered data from participating farms about their marketing costs and sales by market channel and outlet (Figure 10). All told, the 16 participating farms sold through 51 outlets. To understand the relative profitability of each market channel, Extension calculated return over marketing costs for individual farms, as well as an overall average for those participating in each market channel.

Figure 10: Total Marketing Costs by Outlet (n=16)

	FM	CSA	Stand	Direct	Wholesale	All
Sales	\$ 316,519	\$ 119,390	\$ 21,017	\$ 46,251	\$ 118,628	\$ 621,805
Aggregation Sales						
Costs per trip:						
Travel (RT miles)	96.2	285.6	0.4	85.4	99.3	79.9
Travel time (hrs)	280.0	157.9	0.1	2.1	1.8	150.7
Selling time (hrs)	1143.4	3398.9	0.3	0.7	1.3	788.7
Mileage cost	\$ 556	\$ 3,162	\$ 0	\$ 47	\$ 49	\$ 486
Travel time cost	\$ 4,199	\$ 2,365	\$ 2	\$ 32	\$ 27	\$ 2,261
Selling time cost	\$ 1,460	\$ 1,318	\$ 7	\$ 11	\$ 19	\$ 820
No of trips	650	82	370	129	65	1296
Cost per season	\$ 93,173	\$ 11,140	\$ 3,155	\$ 9,129	\$ 6,165	\$ 122,761
Annual Costs						
Market fees/supplies	\$ 12,632	\$ 5,030	\$ 114	\$ 905	\$ 3,261	\$ 21,942
Total Costs	\$ 105,804.50	\$ 16,170.25	\$ 3,268.20	\$ 10,034.39	\$ 9,425.52	\$ 144,703
Return over Marketing Costs	\$ 0.67	\$ 0.86	\$ 0.84	\$ 0.78	\$ 0.92	\$ 0.77

For this aggregation project, marketing costs associated with farmers markets were the most important to consider. Five of the seven participating farm operators did so through a farmers market in which they were already a member. Great variation existed between farms regarding total costs, returns, and sales. The highest-grossing farm sold more than \$92,000 at 60 farmers market days, whereas the lowest-grossing farm sold just \$300 at two markets. The range across other variables was equally as great (Figure 11).

Figure 11: Marketing Costs for Farms Participating in Aggregation Project (n=7)

		Lowest Return	Highest Return	All Farms
	Range	Farm F	Farm H	OVERALL
Sales	\$306 to \$92,207	\$1,600	\$24,545	\$316,519
Costs per trip:				
Travel (RT miles)	10 to 140 miles	38.0	46.0	69.7
Travel time (hrs)	20 min to 2.2 hours	0.8	2.0	1.5
Selling time (hrs)	3 to 12 hours	6.0	6.5	5.6
Mileage cost	\$5.50 to \$65.90	\$21	\$25	\$38
Travel time cost	\$3.80 to \$30.00	\$12	\$30	\$22
Selling time cost	\$45.00 to \$180.00	\$90	\$98	\$84
No of trips	2 to 147 trips	30	20	650
Cost per season	\$211 to \$22,841	\$3,681	\$3,051	\$93,173
Annual Costs				
Market fees/supplies	\$0 to \$3,434	\$150	\$965	\$12,632
Total Costs	\$211 to \$24,761	\$3,831	\$4,016	\$105,805
Return over Marketing Costs	From -1.39 to 0.84	-1.39	0.84	0.67

AGGREGATION WITHIN MARKETING MIX

During the project’s pilot phase, aggregation sales were a small percentage of the seven participants’ marketing mix, comprising 1.9 percent of total farm sales.

Five of the seven farms that participated in the project did so through their farmers market. For these farm operators, sales via the aggregation project accounted for 1.2 percent of their total sales. In this context, the impact of aggregation sales on farm operations was small and difficult to measure. However, assuming aggregation sales were in addition to general farmers market sales (rather than substituting for these sales), Extension calculated returns over marketing costs in the farmers market marketing channel in two ways. One with and one without aggregation sales and an associated fee at a 14 percent markup (Figures 12 and 13).

When examining the return over marketing costs this way, Extension found that aggregation sales did increase the return—but in proportion to the importance of aggregation to total farmers market sales. For example, Farm C increased its return significantly from -1.105 to 0.236 when adding in aggregation sales, whereas the return for Farm B changed slightly from 0.673 to 0.674 (Figure 12).

Figure 12: Sales and Marketing Costs at Farmers Markets Outlets for Aggregation Farms (n=5)

	Farm A	Farm B	Farm C	Farm D	Farm E
Total Farm Sales	\$12,329	\$109,669	\$309	\$966	\$9,542
Farmers Market sales with aggregation	\$12,329	\$18,617	\$309	\$966	\$9,542
Farmers Market sales no aggregation	\$12,310	\$18,473	\$100	\$945	\$9,427
Costs per trip:					
Travel (RT miles)	42.2	80.0	28.0	10.0	60.0
Travel time (hrs)	1.4	2.0	1.0	0.3	1.2
Selling time (hrs)	4.2	5.0	5.0	3.0	7.0
Mileage cost	\$22.99	\$43.60	\$15.26	\$5.45	\$32.70
Travel time cost	\$21.02	\$30.00	\$15.00	\$4.50	\$18.00
Selling time cost	\$62.43	\$75.00	\$75.00	\$45.00	\$105.00
No of trips	68	40	2	10	25
Cost per season	\$7,238	\$5,944	\$211	\$550	\$3,893
Annual Costs					
Market fees/supplies	\$740	\$100	\$0	\$35	\$0
Aggregation fees	\$2	\$18	\$26	\$3	\$14
Total costs with aggregation	\$7,980	\$6,062	\$236	\$587	\$3,907
Total costs without aggregation	\$7,978	\$6,044	\$211	\$585	\$3,893
Return over Marketing Costs (with aggregation)	0.353	0.674	0.236	0.392	0.591
Return over Marketing Costs (without aggregation)	0.352	0.673	-1.105	0.381	0.587

When combining all five farm operators who aggregated their farmers markets, the effect of aggregation sales was more observable. Total aggregation sales between the five farms were \$556, with \$62 going to the market as fees through a 14 percent markup. Without aggregation sales, the group would have sold \$41,255 and had \$18,709 in annual marketing costs, for a 0.547 gross margin or return over marketing costs. After including \$508 in aggregation sales and \$62 in aggregation fees, the group had a 0.552 gross market or return over marketing costs (Figure 13).

Figure 13: Comparison of Farms with and without Aggregation at Farmers Market Outlet (n=5)

	Group with aggregation	Group without aggregation
FM Sales	\$ 41,255	\$ 41,255
Aggregation Sales at FM	\$508	
Total Sales	\$ 41,763	\$ 41,255
Costs per trip:		
Travel (RT miles)	53.3	53.3
Travel time (hrs)	1.5	1.5
Selling time (hrs)	4.8	4.8
Mileage cost	\$29	\$29
Travel time cost	\$22	\$22
Selling time cost	\$72	\$72
No of trips	48	48
Cost per season	\$17,834	\$17,834
Annual Costs		
Market fees/supplies	\$875	\$875
Aggregation fees	\$62	
Total costs	\$18,771	\$18,709
Return over Marketing Costs	0.552	0.547

To put these figures into perspective, the increase in sales more than covered the increase in marketing costs, which, in this case, are the aggregation fees. Whether aggregation sales will increase or decrease profitability at a farmers market depends on a farm's relative gross margin on marketing at its farmers market. Since aggregation fees are a 14 percent markup on product, the gross margin on marketing is 87.8 percent. If a farm's gross marketing margin were 90 percent, the addition of aggregation sales would decrease its returns. If a farm had a gross marketing margin of 40 percent, the addition of aggregation sales and costs would increase its returns.

Since the average gross marketing margin was 67 percent at farmers markets for participating farms, taking part in the aggregation project made sense to increase sales. It was also a way to see a better return on marketing costs already incurred at an existing farmers market. This assumes, however, that the additional costs of participating in aggregation are the aggregation fees themselves, and any other costs are minimal. From conversations with farm operators who aggregated product through a farmers market, this assumption holds true due to the efforts of market managers whose work made it easy for vendors to participate.

The benefit of aggregation sales is much the same as for the combined outlet example (Figure 9). Stacking additional sales on top of farmers market sales helps offset marketing costs, and thereby increases the return over marketing cost.

APPENDIX A: Benchmarks on Financial Performance of Participating Farms (n=17)

RankEm

Vegetables, Assorted 2019; Owned Land

Benchmark Report, 17 Enterprises

	Group Median	Count	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Yield per acre (\$)	9,487.00	17	1.00	4,571.43	6,366.50	7,683.16	9,155.00	9,773.70	12,031.38	22,722.13	26,037.63	163,970.00
Value per unit	1.00	17	0.00	0.00	0.50	1.00	1.00	1.00	1.00	1.00	1.00	2,254.00
Total product value	9,051.00	17	0.00	0.00	1,127.00	5,304.46	7,017.75	9,155.00	10,753.25	16,897.02	24,175.75	27,417.25
Gross return	9,051.00	17	0.00	0.00	1,127.00	5,304.46	7,017.75	9,155.00	10,753.25	16,897.02	24,175.75	27,417.25
Seed and plants	757.64	16	10,320.00	1,757.89	1,479.31	1,254.21	1,090.90	458.53	310.38	255.13	168.05	142.31
Fertilizer	274.15	10	2,705.26	545.60	313.48	300.00	293.85	254.45	240.00	114.00	64.50	36.20
Crop chemicals	0.00	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Packaging and supplies	243.74	12	24,240.00	3,742.11	1,476.92	750.00	390.61	133.33	100.00	86.09	16.50	11.54
Fuel & oil	517.48	12	14,850.00	2,769.37	1,553.59	1,268.42	850.39	322.13	181.54	110.45	68.35	12.50
Repairs	428.57	11	10,512.50	1,792.00	1,094.74	505.22	456.25	372.94	186.83	106.92	103.00	36.75
Hired labor	0.00	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing	559.46	14	37,890.00	1,720.00	1,528.00	1,231.75	740.98	516.00	257.68	202.55	60.00	45.50
Organic certification	0.00	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	0.00	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total direct expenses	4,750.43	17	160,390.00	18,975.63	9,977.45	8,041.50	5,708.13	4,129.47	2,714.02	2,253.40	440.16	0.00
Return over direct expenses	3,543.55	17	-160,390.00	-12,938.13	-6,994.87	1,594.45	2,482.07	4,980.40	7,115.89	10,501.80	20,329.50	23,693.50
Real estate taxes	0.00	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm insurance	0.00	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dues & professional fees	0.00	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Machinery depreciation	0.00	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	0.00	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
User Added Expense	1,921.93	10	7,606.00	2,880.00	2,824.50	2,610.00	1,955.29	1,888.57	1,259.00	848.40	789.23	201.67
Total overhead expenses	2,321.57	17	32,580.53	9,496.00	6,220.00	3,176.06	2,948.37	2,256.78	2,028.65	663.94	458.28	0.00
Total dir & ovhd expenses	8,888.64	17	166,650.00	44,059.47	16,949.75	10,740.59	9,246.64	7,787.89	6,143.87	4,409.70	1,104.10	0.00
Net return	3,130.86	17	-166,650.00	-44,059.47	-9,036.70	-2,640.21	761.63	3,136.31	5,213.56	8,208.77	14,266.20	23,693.50
Government payments	0.00	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net return with govt pymts	3,130.86	17	-166,650.00	-44,059.47	-9,036.70	-2,640.21	761.63	3,136.31	5,213.56	8,208.77	14,266.20	23,693.50
Labor & management charge	0.00	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net return over lbr & mgt	3,130.86	17	-166,650.00	-44,059.47	-9,036.70	-2,640.21	761.63	3,136.31	5,213.56	8,208.77	14,266.20	23,693.50
Direct cost of prod per unit	0.39	17	509.10	3.14	1.20	0.78	0.57	0.38	0.27	0.23	0.13	0.00
Dir & ovhd cost of prod/unit	0.65	17	1,047.75	5.49	2.59	1.05	0.85	0.62	0.53	0.46	0.25	0.00
COP less govt & other income	0.65	17	1,047.75	5.49	2.59	1.05	0.85	0.62	0.53	0.46	0.25	0.00
Cost of prod with lbr & mgt	0.65	17	1,047.75	5.49	2.59	1.05	0.85	0.62	0.53	0.46	0.25	0.00
Machinery cost per acre	1,516.63	17	22,170.00	14,850.00	9,000.94	2,595.62	1,738.43	1,394.41	600.93	282.06	50.00	0.00
Est. labor hours per acre	0.00	17	543.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Financial Summary 2019

Benchmark Report, 17 Farms

	Group Median	Count	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Net farm income	10,166	17	-19,517	-12,423	-2,730	-760	4,087	11,367	12,863	25,714	34,927	61,826
Rate of return on assets (cost)	0.0	17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate of return on equity (cost)	0.0	17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit margin (cost)	22.7	17	-3,312.9	-253.7	-30.9	-5.1	10.8	24.8	39.1	45.6	60.3	72.3
Asset turnover rate (cost)	0.0	17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate of return on assets (mkt)	4.3	17	-10.6	-9.8	-2.4	-0.9	1.4	5.1	12.8	15.2	17.6	19.9
Rate of return on equity (mkt)	3.9	17	-5.7	-3.2	-1.7	-0.5	2.5	7.9	16.5	19.5	21.0	23.1
Operating profit margin (mkt)	22.7	17	-3,312.9	-253.7	-30.9	-5.1	10.8	24.8	39.1	47.1	60.3	72.3
Asset turnover rate (mkt)	20.1	17	0.3	1.0	2.6	6.7	9.1	20.7	30.7	54.7	108.7	495.5
Current ratio	0.64	17	0.06	0.11	0.24	0.26	0.55	0.94	1.28	1.48	3.71	21.91
Working capital	1,500	17	-64,404	-13,298	-6,985	-3,213	522	1,743	3,210	16,589	30,303	47,036
Working capital to revenue ratio	11.5	17	-3,546.1	-68.0	-36.7	-7.4	2.9	11.5	16.4	27.9	51.4	144.3
Term debt coverage ratio	1.04	17	-2.56	0.00	0.00	0.68	0.94	1.16	1.35	2.12	2.65	4.64
Replacement coverage ratio	1.16	17	-29.80	-4.90	-0.95	0.79	1.04	1.28	1.98	2.58	2.70	6.27
Term debt to EBITDA	0.00	17	167.53	13.99	7.96	4.26	0.36	0.00	0.00	-10.04	-151.83	-439.06
Farm debt to asset ratio	37	17	2,373	189	166	87	55	35	19	0	0	0
Total debt to asset ratio	40	17	109	103	74	57	42	30	15	0	0	0
Change in earned net worth %	0	17	0	0	0	0	0	0	0	0	0	0
Total crop acres	2	17	0	0	0	0	1	2	3	4	13	22
Crop acres owned	2	17	0	0	0	0	1	2	3	4	13	22
Crop acres cash rented	0	17	0	0	0	0	0	0	0	0	0	0
Crop acres share rented	0	17	0	0	0	0	0	0	0	0	0	0
Machinery investment per acre	0	17	5,608	0	0	0	0	0	0	0	0	0

Financial Summary
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Income Statement		
Gross cash farm income	51,359	51,359
Total cash farm expense	39,004	39,004
Net cash farm income	12,355	12,355
Inventory change	2,188	2,188
Depreciation	-2,730	-2,730
Net farm income from operations	11,813	11,813
Gain or loss on capital sales	-	-
Average net farm income	11,813	11,813
Median net farm income	10,166	10,166
Profitability (cost)		
Rate of return on assets	- %	- %
Rate of return on equity	- %	- %
Operating profit margin	- %	- %
Asset turnover rate	- %	- %
Profitability (market)		
Rate of return on assets	4.5 %	4.5 %
Rate of return on equity	7.2 %	7.2 %
Operating profit margin	25.1 %	25.1 %
Asset turnover rate	17.8 %	17.8 %
Liquidity & Repayment (end of year)		
Current assets	11,908	11,908
Current liabilities	8,751	8,751
Current ratio	1.36	1.36
Working capital	3,157	3,157
Change in working capital	15,648	15,648
Working capital to gross inc	6.3 %	6.3 %
Term debt coverage ratio	0.39	0.39
Replacement coverage ratio	0.33	0.33
Term debt to EBITDA	46.55	46.55
Solvency (end of year at cost)		
Number of farms	1	1
Total assets	-	-
Total liabilities	-	-
Net worth	-	-
Net worth change	-	-
Farm debt to asset ratio	- %	- %
Total debt to asset ratio	- %	- %
Change in earned net worth %	- %	- %
Solvency (end of year at market)		
Number of farms	17	17
Total assets	517,932	517,932
Total liabilities	120,919	120,919
Net worth	397,013	397,013
Total net worth change	58,533	58,533
Farm debt to asset ratio	38 %	38 %
Total debt to asset ratio	23 %	23 %
Change in total net worth %	17 %	17 %
Nonfarm Information		
Net nonfarm income	32,102	32,102
Crop Acres		
Total crop acres	4	4
Total crop acres owned	4	4
Total crop acres cash rented	-	-
Total crop acres share rented	-	-
Machinery value per crop acre	367	367

**Financial Standards Measures
(Farms Sorted By Years)**

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Liquidity		
Current ratio	1.36	1.36
Working capital	3,157	3,157
Working capital to gross inc	6.3 %	6.3 %
Solvency (market)		
Farm debt to asset ratio	38 %	38 %
Farm equity to asset ratio	62 %	62 %
Farm debt to equity ratio	0.61	0.61
Profitability (cost)		
Rate of return on farm assets	- %	- %
Rate of return on farm equity	- %	- %
Operating profit margin	- %	- %
Net farm income	-	-
EBITDA	-	-
Repayment Capacity		
Capital debt repayment capacity	3,478	3,478
Capital debt repayment margin	-5,513	-5,513
Replacement margin	-7,091	-7,091
Term debt coverage ratio	0.39	0.39
Replacement coverage ratio	0.33	0.33
Efficiency		
Asset turnover rate (cost)	- %	- %
Operating expense ratio	70.1 %	70.1 %
Depreciation expense ratio	5.4 %	5.4 %
Interest expense ratio	0.9 %	0.9 %
Net farm income ratio	23.5 %	23.5 %

Summary Farm Income Statement
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Crop sales	44,801	44,801
Crop inventory change	15	15
Gross crop income	44,816	44,816
Livestock sales	979	979
Livestock inventory change	-	-
Gross livestock income	979	979
Government payments	753	753
Other cash farm income	4,826	4,826
Change in accounts receivable	-369	-369
Gain or loss on hedging accounts	-	-
Change in other assets	-786	-786
Gain or loss on breeding lvst	-27	-27
Gross farm income	50,192	50,192
Cash operating expenses	38,561	38,561
Change in prepaids and supplies	93	93
Change in growing crops	-216	-216
Change in accounts payable	-3,233	-3,233
Depreciation	2,730	2,730
Total operating expense	37,936	37,936
Interest paid	443	443
Change in accrued interest	-	-
Total interest expense	443	443
Total expenses	38,379	38,379
Net farm income from operations	11,813	11,813
Gain or loss on capital sales	-	-
Net farm income	11,813	11,813

Profitability Measures
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Profitability (assets valued at market)		
Net farm income from operations	11,915	11,915
Rate of return on assets	4.5 %	4.5 %
Rate of return on equity	7.2 %	7.2 %
Operating profit margin	25.1 %	25.1 %
Asset turnover rate	17.8 %	17.8 %
Farm interest expense	443	443
Value of operator lbr and mgmt.	-	-
Return on farm assets	12,358	12,358
Average farm assets	277,299	277,299
Return on farm equity	11,915	11,915
Average farm equity	165,926	165,926
Value of farm production	49,313	49,313

**Liquidity & Repayment Capacity Measures
(Farms Sorted By Years)**

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Liquidity		
Current ratio	1.36	1.36
Working capital	3,157	3,157
Working capital to gross inc	6.3 %	6.3 %
Current assets	11,908	11,908
Current liabilities	8,751	8,751
Gross revenues (accrual)	50,192	50,192
Repayment capacity		
Net farm income from operations	11,813	11,813
Depreciation	2,730	2,730
Personal income	32,102	32,102
Family living/owner withdrawals	-33,895	-33,895
Cash discrepancy	1,318	1,318
Payments on personal debt	-469	-469
Income taxes paid	-171	-171
Interest on term debt	-9,952	-9,952
Capital debt repayment capacity	3,478	3,478
Scheduled term debt payments	-8,991	-8,991
Capital debt repayment margin	-5,513	-5,513
Cash replacement allowance	-1,578	-1,578
Replacement margin	-7,091	-7,091
Term debt coverage ratio	0.39	0.39
Replacement coverage ratio	0.33	0.33

**Balance Sheet at Market Values
(Farms Sorted By Years)**

	<u>Avg. Of All Farms</u>		<u>2019</u>	
	<u>Beginning</u>	<u>Ending</u>	<u>Beginning</u>	<u>Ending</u>
Number of farms		17		17
Assets				
Current Farm Assets				
Cash and checking balance	8,954	7,517	8,954	7,517
Prepaid expenses & supplies	1,405	1,311	1,405	1,311
Growing crops	984	1,200	984	1,200
Accounts receivable	1,033	664	1,033	664
Hedging accounts	0	0	0	0
Crops held for sale or feed	469	484	469	484
Crops under government loan	0	0	0	0
Market livestock held for sale	242	242	242	242
Other current assets	639	491	639	491
Total current farm assets	13,726	11,908	13,726	11,908
Intermediate Farm Assets				
Breeding livestock	265	265	265	265
Machinery and equipment	25,946	26,223	25,946	26,223
Titled vehicles	5,624	7,066	5,624	7,066
Other intermediate assets	10,953	11,091	10,953	11,091
Total intermediate farm assets	42,787	44,645	42,787	44,645
Long Term Farm Assets				
Farm land	153,698	168,354	153,698	168,354
Buildings and improvements	54,559	56,990	54,559	56,990
Other long-term assets	3,941	3,989	3,941	3,989
Total long-term farm assets	212,198	229,332	212,198	229,332
Total Farm Assets	268,711	285,886	268,711	285,886
Total Nonfarm Assets	197,148	232,046	197,148	232,046
Total Assets	465,860	517,932	465,860	517,932
Liabilities				
Current Farm Liabilities				
Accrued interest	2,190	2,190	2,190	2,190
Accounts payable	3,296	63	3,296	63
Current notes	1,788	1,696	1,788	1,696
Government crop loans	0	0	0	0
Principal due on term debt	18,943	4,802	18,943	4,802
Total current farm liabilities	26,217	8,751	26,217	8,751
Total intermediate farm liabs	14,159	12,603	14,159	12,603
Total long term farm liabilities	74,143	86,872	74,143	86,872
Total farm liabilities	114,519	108,226	114,519	108,226
Total nonfarm liabilities	12,861	12,693	12,861	12,693
Total liabs excluding deferreds	127,380	120,919	127,380	120,919
Total deferred liabilities	0	0	0	0
Total liabilities	127,380	120,919	127,380	120,919
Net worth (farm and nonfarm)	338,480	397,013	338,480	397,013
Net worth excluding deferreds	338,480	397,013	338,480	397,013
Net worth change		58,533		58,533
Percent net worth change		17 %		17 %
Ratio Analysis				
Current farm liabilities / assets	191 %	73 %	191 %	73 %
Intermediate farm liab. / assets	33 %	28 %	33 %	28 %
Long term farm liab. / assets	35 %	38 %	35 %	38 %
Total debt to asset ratio	27 %	23 %	27 %	23 %
Debt to assets excl deferreds	27 %	23 %	27 %	23 %

Statement Of Cash Flows
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Beginning cash (farm & nonfarm)	12,989	12,989
Cash Provided By Operating Activities		
Gross cash farm income	51,359	51,359
Total cash farm expense	-39,004	-39,004
Net cash from hedging transactions	-	-
Cash provided by operating	12,355	12,355
Cash Provided By Investing Activities		
Sale of breeding livestock	-	-
Sale of machinery & equipment	-	-
Sale of titled vehicles	-	-
Sale of farm land	14,189	14,189
Sale of farm buildings	-	-
Sale of other farm assets	-	-
Sale of nonfarm assets	290	290
Purchase of breeding livestock	-27	-27
Purchase of machinery & equip.	-1,976	-1,976
Purchase of titled vehicles	-1,824	-1,824
Purchase of farm land	-4,921	-4,921
Purchase of farm buildings	-2,942	-2,942
Purchase of other farm assets	-859	-859
Purchase of nonfarm assets	-11,779	-11,779
Cash provided by investing	-9,849	-9,849
Cash Provided By Financing Activities		
Money borrowed	16,846	16,846
Principal payments	-19,478	-19,478
Personal income	32,102	32,102
Family living/owner withdrawals	-33,895	-33,895
Income and social security tax	-171	-171
Capital contributions	-	-
Capital distributions	-	-
Dividends paid	-	-
Cash gifts and inheritances	-	-
Gifts given	-	-
Other cash flows	-	-
Cash provided by financing	-4,594	-4,594
Net change in cash balance	-2,088	-2,088
Ending cash (farm & nonfarm)	12,219	12,219
Discrepancy	-1,318	-1,318

Crop Production and Marketing Summary
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Acreage Summary		
Total acres owned	1	1
Total crop acres	4	4
Crop acres owned	4	4
Crop acres cash rented	-	-
Crop acres share rented	-	-
Total pasture acres	-	-
Percent crop acres owned	100 %	100 %
Mach invest/crop acre cost	260	260
Mach invest/crop acre market	367	367
Average Price Received (Cash Sales Only)		
Average Yield Per Acre		
Vegetables, Assorted (\$)	9,043.35	9,043.35

**Financial Summary Excluding Deferred Liabilities
(Farms Sorted By Years)**

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Income Statement		
Gross cash farm income	51,359	51,359
Total cash farm expense	39,004	39,004
Net cash farm income	12,355	12,355
Inventory change	2,188	2,188
Depreciation	-2,730	-2,730
Net farm income from operations	11,813	11,813
Gain or loss on capital sales	-	-
Average net farm income	11,813	11,813
Median net farm income	10,166	10,166
Profitability (cost)		
Rate of return on assets	-	-
Rate of return on equity	-	-
Operating profit margin	-	-
Asset turnover rate	-	-
Profitability (market)		
Rate of return on assets	4.5 %	4.5 %
Rate of return on equity	7.8 %	7.8 %
Operating profit margin	25.1 %	25.1 %
Asset turnover rate	17.8 %	17.8 %
Liquidity & Repayment (end of year)		
Current assets	11,908	11,908
Current liabilities	8,751	8,751
Current ratio	1.36	1.36
Working capital	3,157	3,157
Change in working capital	15,648	15,648
Working capital to gross inc	6.3 %	6.3 %
Term debt coverage ratio	0.39	0.39
Replacement coverage ratio	0.33	0.33
Term debt to EBITDA	46.55	46.55
Solvency (end of year at cost)		
Number of farms	1	1
Total assets	-	-
Total liabilities	-	-
Net worth	-	-
Net worth change	-	-
Farm debt to asset ratio	-	-
Total debt to asset ratio	-	-
Change in earned net worth %	-	-
Solvency (end of year at market)		
Number of farms	17	17
Total assets	517,932	517,932
Total liabilities	120,919	120,919
Net worth	397,013	397,013
Total net worth change	58,533	58,533
Farm debt to asset ratio	38 %	38 %
Total debt to asset ratio	23 %	23 %
Change in total net worth %	17 %	17 %
Nonfarm Information		
Net nonfarm income	32,102	32,102
Crop Acres		
Total crop acres	4	4
Total crop acres owned	4	4
Total crop acres cash rented	-	-
Total crop acres share rented	-	-
Machinery value per crop acre	367	367

Farm Income Statement
(Farms Sorted By Years)

	<u>Avg. Of</u> <u>All Farms</u>	<u>2019</u>
Number of farms	17	17
Cash Farm Income		
Soybeans	1,034	1,034
Vegetables, Assorted	42,468	42,468
Plants, Bedding Plants	667	667
Hay	631	631
Miscellaneous crop income	73	73
Beef Finishing	195	195
Broilers	239	239
Chickens, Egg Production, Eggs	296	296
Hogs, Finish Feeder Pigs	249	249
Other government payments	753	753
Conservation govt payment	378	378
Other farm income	4,375	4,375
Gross Cash Farm Income	51,359	51,359

Farm Income Statement (continued)
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Cash Farm Expense		
Seed and plants	2,643	2,643
Fertilizer	1,045	1,045
Crop chemicals	146	146
Crop insurance	113	113
Packaging and supplies	1,028	1,028
Supplies	5,909	5,909
Crop miscellaneous	217	217
Purchased feed	618	618
Interest	443	443
Fuel & oil	3,074	3,074
Repairs	1,218	1,218
Hired labor	8,063	8,063
Land rent	666	666
Building leases	133	133
Real estate taxes	1,121	1,121
Personal property taxes	159	159
Farm insurance	1,672	1,672
Utilities	1,875	1,875
Marketing	2,252	2,252
Dues & professional fees	290	290
Organic certification	355	355
Purchase of resale items	236	236
Miscellaneous	5,727	5,727
Total cash expense	39,004	39,004
Net cash farm income	12,355	12,355
Inventory Changes		
Prepays and supplies	-93	-93
Accounts receivable	-369	-369
Hedging accounts	-	-
Other current assets	67	67
Crops and feed	15	15
Market livestock	-	-
Breeding livestock	-27	-27
Other assets	-637	-637
Accounts payable	3,233	3,233
Accrued interest	-	-
Total inventory change	2,188	2,188
Net operating profit	14,543	14,543
Depreciation		
Machinery and equipment	-1,654	-1,654
Titled vehicles	-381	-381
Buildings and improvements	-695	-695
Total depreciation	-2,730	-2,730
Net farm income from operations	11,813	11,813
Gain or loss on capital sales	-	-
Net farm income	11,813	11,813

Inventory Changes
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Net cash farm income	12,355	12,355
Crops and Feed		
Ending inventory	484	484
Beginning inventory	469	469
Inventory change	15	15
Market Livestock		
Ending inventory	242	242
Beginning inventory	242	242
Inventory change	-	-
Accts Receivable		
Ending inventory	664	664
Beginning inventory	1,033	1,033
Inventory change	-369	-369
Prepaid Expenses and Supplies		
Ending inventory	1,311	1,311
Beginning inventory	1,405	1,405
Inventory change	-93	-93
Hedging Activities		
Ending inventory	-	-
Withdrawals	-	-
Beginning inventory	-	-
Deposits	-	-
Gain or loss	-	-
Other Current Assets		
Ending inventory	1,690	1,690
Beginning inventory	1,623	1,623
Inventory change	67	67
Breeding Livestock		
Ending inventory	265	265
Capital sales	-	-
Beginning inventory	265	265
Capital purchases	27	27
Depreciation, capital adjust	-27	-27
Other Capital Assets		
Ending inventory	14,379	14,379
Capital sales	-	-
Beginning inventory	14,157	14,157
Capital purchases	859	859
Depreciation, capital adjust	-637	-637
Accounts Payable		
Beginning inventory	3,296	3,296
Ending inventory	63	63
Inventory change	3,233	3,233
Accrued Interest		
Beginning inventory	2,190	2,190
Ending inventory	2,190	2,190
Inventory change	-	-
Total inventory change	2,188	2,188
Net operating profit	14,543	14,543

FINPACK Score Card Items
(Farms Sorted By Years)

	<u>Avg. Of All Farms</u>	<u>2019</u>
Number of farms	17	17
Liquidity		
Current ratio	1.36	1.36
Working capital	3,157	3,157
Working capital to gross inc	6.3 %	6.3 %
Solvency (market)		
Farm debt to asset ratio	38 %	38 %
Farm equity to asset ratio	62 %	62 %
Farm debt to equity ratio	0.61	0.61
Profitability (cost)		
Rate of ret on fm assets - mkt	4.5 %	4.5 %
Rate of ret on fm assets - cst	- %	- %
Rate of ret on fm equity - mkt	7.2 %	7.2 %
Rate of ret on fm equity - cst	- %	- %
Operating profit margin - mkt	- %	- %
Operating profit margin - cst	- %	- %
Net farm income - mkt	11,915	11,915
Net farm income - cst	-	-
EBITDA - cst	-	-
Repayment Capacity		
Capital debt repayment capacity	3,478	3,478
Capital debt repayment margin	-5,513	-5,513
Replacement margin	-7,091	-7,091
Term debt coverage ratio	0.39	0.39
Replacement coverage ratio	0.33	0.33
Efficiency		
Asset turnover rate (cost)	- %	- %
Asset turnover rate (market)	17.8 %	17.8 %
Operating expense ratio	70.1 %	70.1 %
Depreciation expense ratio	5.4 %	5.4 %
Interest expense ratio	0.9 %	0.9 %
Net farm income ratio	23.5 %	23.5 %