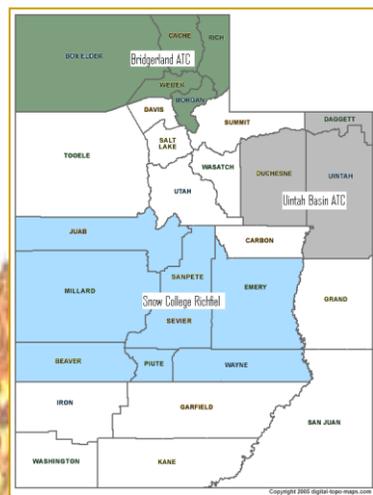




**UTAH**  
**CENTER FOR**  
**FARM &**  
**RANCH**  
**MANAGEMENT**  
**SNOW COLLEGE**

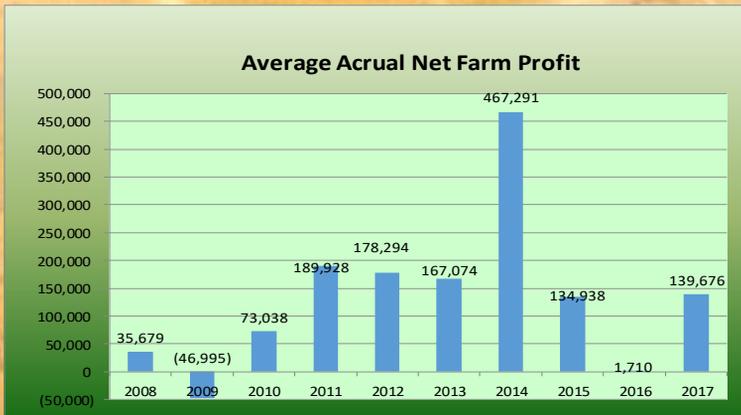


Utah Farm/Ranch Mgt. education service areas

## Quick Facts & Trends, 2017 Annual Report

### Disclaimer and Caution

Data were obtained from farms and ranches enrolled in Farm/Ranch Management education at three colleges in Utah. Enrolled farms are not representative of all producers in these areas nor are they consistently the same farms through all the years. Data in this report should not be used to make inferences about all farms and ranches in Utah. However it can be considered a representation of production agriculture in Utah. Farms and ranches in this report include very small and average size dairies, cow/calf ranches of 50 up to 1200 head and less than 100 acres of range up to over 50,000 acres of range (both private and public grazing), and farms of 50 acres up to 800 acres.



Average accrual adjusted net farm profit for 41 farms included in this 2017 report was \$139,676 compared to \$1,710 in 2016 and \$134,938 in 2015. Accrual net farm income is arrived at by adjusting net cash income by changes in account payables, receivables and inventory.

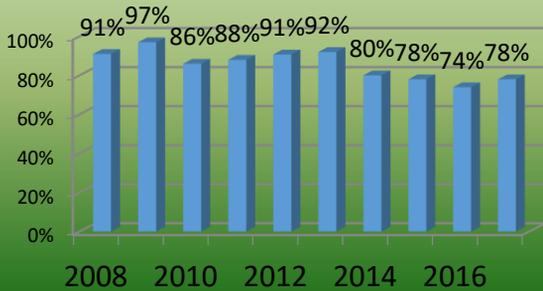
### Money Spent Within the Community by the Ave. Farm

Custom Work & Hire	\$ 14,715
Rent paid	\$ 13,545
Hired Labor	\$ 53,239
Local Utilities	\$ 16,405
Within AG Bus. Community (supplies, repairs, fuel, etc)	\$ 262,673
Lender (interest)	\$ 24,726
Professional (Legal & Acct)	\$ 3,206
Insurance	\$ 11,694
Capital Purchases	\$ 39,419
Local Taxes	\$ 4,534
Owner Wages/Benefits or Family Living	\$ 67,777
<b>Total Money Spent within the Community</b>	<b>\$ 511,933</b>

Contrary to the typical public and political perception production agriculture operations provide a stable and significant economic base to local economies. In 2017, dollars spent locally by the average farm in this report was \$511,933. Applying any economic multiplier adds a significant increase to the value of dollars that farming and ranching contribute to the flow of money in rural economies.

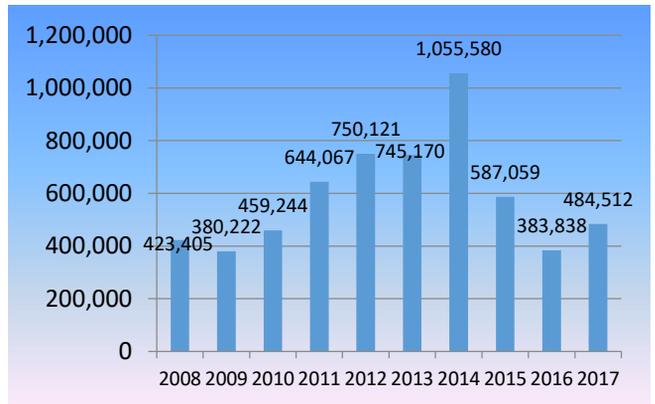
# Financial Data

## Cash Expense as a % of Income



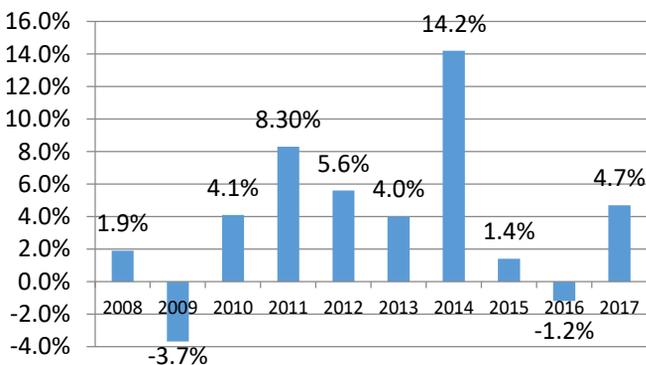
Cash expenses as a percent of income increased 4 % to 78%. As producers realized a slight increase in crop and livestock prices they allowed for a small increase in their operating expenses.

## Value of Farm Production



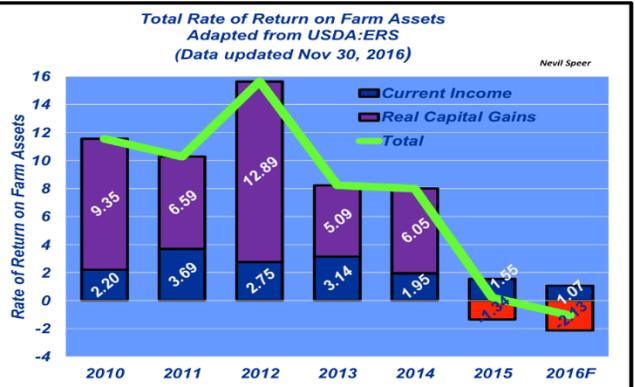
Value of farm production increased \$100,674 over 2016 production values. The increased value is a reflection of improved market value of all farm commodities.

## Rate of Return on Average Farm Assets



The rate of return on farm assets (ROA) increased to a more typical ROA .

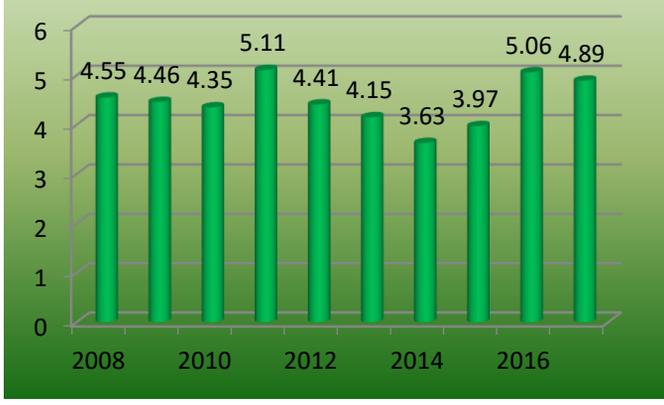
Utah's farms ROA trends are in line with USDA's Economic Research Service trends and forecasts for US agriculture, a negative ROA. Utah farms ROA experienced a respectable increase to 4.7% in 2017



# Crop Data

Alfalfa hay yield decreased slightly from 2016 but is within the long term average yield.

### Alfalfa Hay ton/per Acre



Alfalfa hay experienced a slight increase from 2016 prices.

### Alfalfa Hay Cash Prices/ton



### Alfalfa Hay Breakeven and Sales Price per Ton of Hay



The breakeven cost/price spread narrowed to the narrowest margin seen in the past 10 years.

The majority of crop acres in Utah continue to be owned by the farm operator. Over the past ten years the number of acres cash rented has varied between 79 and 129 acres. Share rented acres are minimal and have no real effect on overall crop or farm profitability.

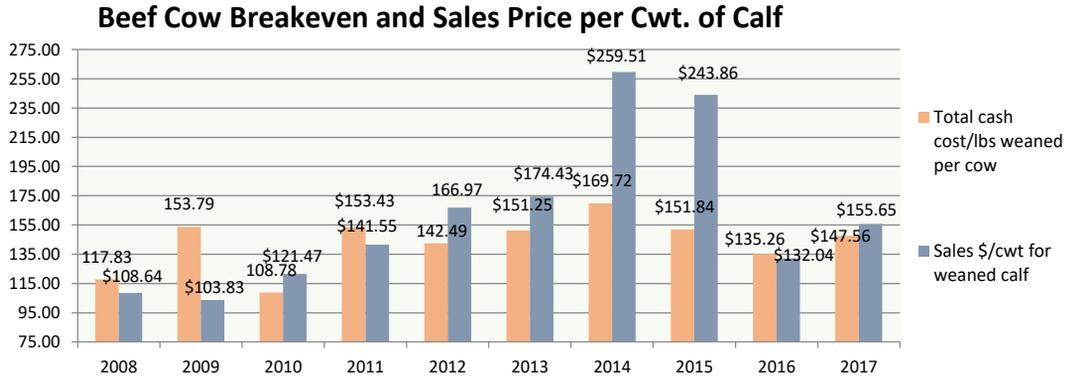
In certain locations, where absentee ownership of small acreages is more common, we see a trend to more acres being cash rented and at times share cropped.

### Crop Acres



# Livestock Data

2017 calf sales rose slightly above breakeven price. The historical variability in breakeven costs and sales prices support the premise that cost management is the key to profitability. BEING LOW COST = BEING PROFITABLE



Price Received for Weaned and Background Calves, and Price spread between the two

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sales \$/cwt. for weaned calf	108.64	103.83	121.47	141.55	166.97	174.43	259.51	243.86	132.04	155.65
Sales \$/cwt. for Background beef	95.40	89.91	98.10	127.73	132.63	140.81	177.39	215.25	137.64	141.73
Spread - weaned & bckgrd calves	13.24	13.92	23.37	13.82	34.34	33.62	82.12	28.61	(5.60)	13.92

The \$13.92 price spread between weaned calves and backgrounded calves per lbs. is common but less than we typically see in long term trends.

## Return Over All Listed Costs

Enterprise	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cow/Calf (\$ return/cow)	-97.18	110.45	28.57	173.9	114.32	313.1	645.64	223.85	-22.71	55.03
Beef Backgrounding (\$ return/head)	-17.77	37.2	50.62	67.6	174.69	207.47	360.7	46.47	8.09	<b>132.84</b>
Beef Replacement Heifer Costs (\$/head)	1118.69	998.17	1058.83	1278.54	1331.85	1561.27	1661.64	1977.59	1492.06	1333.59
Dairy Cows (\$ return/cow)	737.13	-287.93	860.81	741.74	-324.8	428.88	1956.32	442.51	382.82	<b>655.32</b>
Dairy, Milk Production (\$ return/cwt)	3.5	-1.31	4.23	3.68	-1.52	2.12	8.37	2.07	2.24	<b>4.21</b>

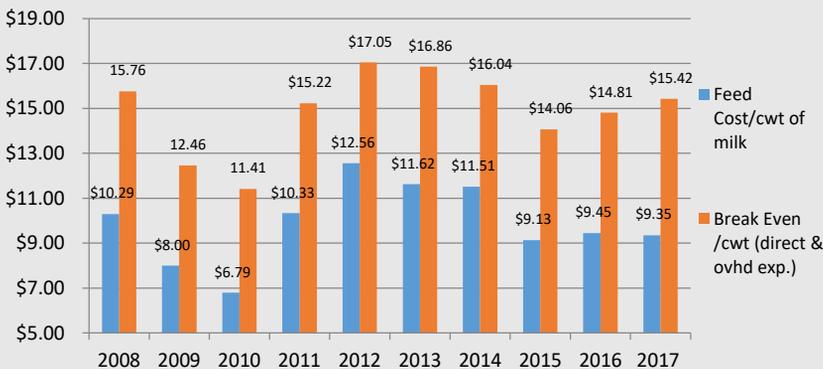
Beef operators saw a positive return per cow in 2017. Those who chose to background 2017 calves saw a respectable net revenue per head of **\$132.84**

Return on the dairy cow increased to **\$655.32**. Correspondingly the return per cwt of milk increased to **\$4.21** almost double from 2016.

## Milk Breakeven and Sales Price per Cwt. of Milk



## Feed Cost per Cwt. of Milk as a Part of Breakeven Costs



Considerable variation exists between the sales price of a cwt. of milk and the breakeven (all direct and indirect costs), evidence that dairy is a volatile agriculture business.

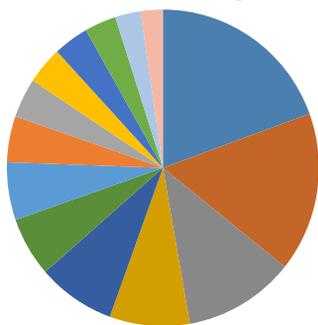
The difference between feed costs and milk price remains at approximately \$5.00 indicating that the high correlation that exists between feed and milk price. For dairies to survive there must be intensive management of all direct and indirect costs.

# Family Living Data

## Family living Expenses

	2010	2011	2012	2013	2014	2015	2016	2017
Average Family Size	4.0	4.6	4.2	3.4	3.4	3.7	3.4	3.3
Food & Meals	5,870	7,179	7,213	8,409	19,952	10,308	8,442	8,325
Medical & Health Ins.	10,172	7,838	8,746	6,285	8,417	12,540	9,957	14,075
Cash Donations	2,274	6,602	7,785	5,887	7,514	3,268	4,628	6,003
Recreation	1,352	3,316	1,004	4,160	6,997	9,164	6,921	4,273
Clothing	1,259	2,531	57	2,020	2,569	1,518	2,096	1,657
Gifts	1,603	2,603	1,889	1,474	2,127	2,906	3,598	2,643
Vehicle	1,153	1,900	104	575	2,059	3,095	1,797	3,401
Utilities	2,983	3,073	1,449	1,796	1,945	2,215	2,195	2,369
Income and Property Tax	1,607	9,466	1,130	4,444	1,532	63,371	8,133	11,789
Personal Interest	3,018	2,755	1,919	762	2,009	731	556	660
Family Savings & Invest.	247	0	0	857	1,406	6,429	333	0
Other (home supply&repair,personal care, pers. Vehicle, & misc&fam living from farm)	<u>5,201</u>	<u>6,683</u>	<u>7,524</u>	<u>3,208</u>	<u>1,170</u>	<u>15,646</u>	<u>8,174</u>	<u>17,192</u>
Total Cash Living exp	36,739	53,946	38,820	39,877	57,697	131,191	56,830	72,387
Non Farm Income	16,590	17,956	19,737	13,246	16,438	4,616	8,802	14,841

## 2017 Family Costs Ave Family Size 3.3

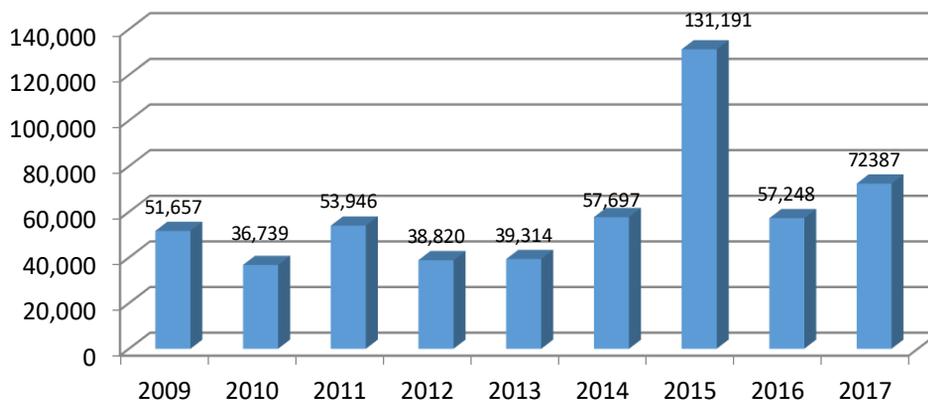


- Medical & Health Ins.
- Income & Property Tax
- Food & Meals
- Cash Donations
- Household Supplies & Repair
- Life Insurance
- Recreation
- Personal Vehicle
- Misc.
- Education
- Gifts

Cash family living is the out-of-pocket cash items and non-farm capital purchases, real estate, investments and savings, and income and property taxes.

Family living expenses should be looked at with caution, only 11 of 41 farm families reported family living costs. Medical (including medical care and medical insurance) Income & Property Tax, Food and meals, and Cash Donations make up the four largest family living expenses.

## Cash Family Living Expenses



In 1988 Utah Farm/Ranch Business Management program began at six applied technology colleges. It is estimated that over 1,700 Utah farm families have benefited from participating in the program. Currently there are approximately 120 farm businesses enrolled in three Farm/Ranch Business Management programs at Snow College, Bridgerland Technical College and Uintah Basin Technical College.

#### What is Farm Management Education?

Farm/ranch management education has helped Utah producers develop management skills through one-on-one education in financial and production record keeping and analysis since 1988. Participating producers receive a detailed business financial analysis based on their complete fiscal year financial and production records as well as comparative data from the averages of all participating Utah producers. Participating producers are also guided to the National Database of Farm Management data ([www.finbin.umn.edu](http://www.finbin.umn.edu)) for national benchmarking farm/ranch data.

#### Farm Management Education is Concerned With:

Creating an awareness of the need for accurate financial & production enterprise records.

Individualized on-farm instruction based on the producer's needs.

Stimulating families to establish goals and set priorities.

Developing the farm/ranch operator's understanding of the function of management.

Develop skills in analyzing and interpreting farm/ranch business records and make informed management decisions based on analysis and benchmarking.

#### Contact the instructor in your area for more information:

**Bridgerland Technical College** : Kathryn Rawson  
Bridgerland ATC, 1301 N. 600 W. Logan, UT 84321  
(435) 757-8120



**Snow College**: Jay Olsen ,Kendra Bagley, Matt Goble  
Snow College 150 E. College Ave. Ephraim, UT 84627  
(435) 283-7335 or (435) 283-7336 (435) 283-7334

**Uintah Basin Technical College**: David Gillman  
Uintah Basin ATC, 1100 E Lagoon St, Roosevelt, UT 84066  
(435) 722-6956



## Program Partners



United States Department of Agriculture  
National Institute of Food and Agriculture

