



United States Department of Agriculture
National Agricultural Statistics Service

AGRI-VIEW



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ISSUE AV-18-07

RELEASED
SEPTEMBER 28, 2007

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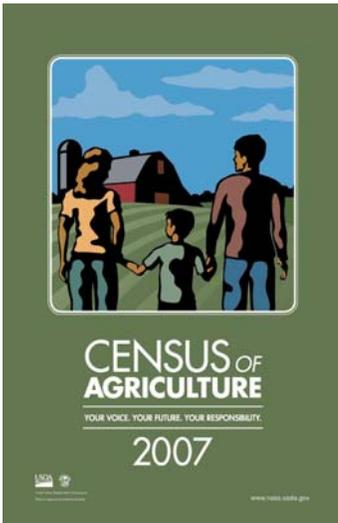
**OUR ANNUAL FARM
INCOME ISSUE**

MINNESOTA NET FARM INCOME DOWN 16 PERCENT IN 2006

SUMMARY: Net farm income received by Minnesota farmers in 2006 was down 16 percent from 2005. Farm expenses for Seed and Fertilizers and lime were up 4 percent and 6 percent, respectively, while Pesticides were down 7 percent from last year. Livestock and Poultry purchases increased 3 percent but Repair and Maintenance of capital items declined 11 percent from 2005.

Government payments to Minnesota farmers in 2006 were down 45 percent from 2005. Payments totaled \$768 million.

CASH RECEIPTS: Total cash receipts for Minnesota farms totaled \$9.77 billion, 5 percent above the revised 2005 level of \$9.31 billion. The total value of crops sold, at \$5.13 billion, increased 18 percent from 2005. Corn, the state's largest crop in terms of cash receipts, rose 37 percent. Soybean value rose 13 percent from the previous year, while all wheat registered an 8 percent increase in cash receipts. Cash receipts from total livestock marketings, at 4.64 billion, were down 6 percent from 2005. This decrease was led by a 14 percent decrease in dairy cash receipts. Hog receipts were down 4 percent. Sheep and lamb cash receipts decreased 13 percent from 2005. A 5 percent increase was recorded for turkeys.



Watch for your
Census Questionnaire
in late December 2007.



FARM INCOME AND EXPENSES: Minnesota, 2002-2006

Item 1/	2002	2003	2004	2005	2006
			Thousand Dollars		
Value of Production	4,354,098	4,308,299	5,044,372	4,587,304	4,992,676
Food grains	273,598	278,583	320,830	279,885	301,933
Feed crops	1,699,756	1,728,796	2,011,254	1,619,353	2,180,808
Oil crops	1,461,017	1,731,244	1,453,646	1,500,506	1,708,473
Fruits and tree nuts	13,299	15,185	15,305	15,296	15,147
Vegetables	248,882	264,239	231,976	271,640	279,050
All other crops	540,857	657,915	589,242	657,926	642,176
Home consumption	9,523	6,190	3,147	1,071	1,966
Value of inventory adjustment 2/	107,166	-373,853	418,971	241,626	-136,878
Value of livestock production	3,615,553	4,074,296	4,937,126	4,936,507	4,746,166
Meat animals	1,913,037	2,269,255	2,722,592	2,875,927	2,689,828
Dairy products	1,011,318	1,044,224	1,336,334	1,246,630	1,073,670
Poultry and eggs	642,895	705,437	811,627	783,306	817,883
Miscellaneous livestock	60,004	60,788	59,076	56,241	60,544
Home consumption	3,654	4,711	7,053	10,146	13,096
Value of inventory adjustment 2/	-15,355	-10,119	444	-35,743	91,145
Revenues from services and forestry	887,461	1,070,674	1,234,822	1,391,313	1,305,379
Machine hire and customwork	68,165	106,810	130,695	193,119	136,963
Forest products sold	6,610	6,610	6,610	6,510	6,510
Other farm income	248,816	330,247	392,214	412,781	334,803
Gross imputed rental value of farm dwellings	563,870	627,007	705,303	778,903	827,103
Value of agricultural sector production	8,857,112	9,453,269	11,216,320	10,915,124	11,044,220
Purchased inputs	5,471,083	5,737,992	6,031,978	5,867,366	5,842,435
Farm origin	2,085,075	2,333,759	2,393,741	2,058,590	2,100,936
Feed purchased	1,103,459	1,300,000	1,220,000	910,000	910,000
Livestock and poultry purchased	373,396	433,759	493,741	468,590	480,936
Seed purchased	608,220	600,000	680,000	680,000	710,000
Manufactured inputs	1,392,736	1,451,804	1,723,384	1,740,983	1,769,144
Fertilizers and lime	467,812	550,000	640,000	650,000	690,000
Pesticides	435,545	440,000	440,000	450,000	420,000
Petroleum fuel and oils	334,466	312,717	472,291	505,699	535,814
Electricity	154,913	149,087	171,093	135,284	123,330
Other purchased inputs	1,993,272	1,952,429	1,914,853	2,067,793	1,972,355
Repair and maintenance of capital items	493,719	602,737	630,424	714,256	635,091
Machine hire and customwork	181,690	134,914	129,591	165,248	158,244
Marketing, storage, and transportation expenses	273,907	244,429	199,646	183,869	180,798
Contract labor	16,760	15,854	21,615	20,559	13,344
Miscellaneous expenses	1,027,196	954,495	933,577	983,861	984,878
Net government transactions	122,774	507,842	400,122	1,031,823	372,960
Direct government payments	476,885	789,560	704,626	1,391,866	767,576
Motor vehicle registration and licensing fees	15,742	21,718	24,504	40,043	24,616
Property taxes	338,369	260,000	280,000	320,000	370,000
Gross value added	3,508,802	4,223,119	5,584,465	6,079,580	5,574,745
Capital consumption	1,002,271	1,035,011	1,120,457	1,208,642	1,263,597
Net value added	2,506,531	3,188,108	4,464,008	4,870,938	4,311,148
Payments to stakeholder	1,704,188	1,527,503	1,651,781	1,899,021	1,817,596
Employee compensation (total hired labor)	561,047	484,146	528,385	480,266	471,378
Net rent received by nonoperator landlords	500,253	464,129	546,655	761,186	600,021
Real estate and nonreal estate interest	642,888	579,228	576,741	657,569	746,197
Net farm income	802,343	1,660,605	2,812,227	2,971,917	2,493,552

1/ Value of agricultural sector production is the gross value of the commodities and services produced within a year. Net value-added is the sector's contribution to the national economy and is the sum of the income from production earned by all factors-of-production, regardless of ownership. Net farm income is the farm operators' share of income from the sector's production activities. The concept presented is consistent with that employed by the Organization for Economic Cooperation and Development.

2/ A positive value of inventory change represents current-year production not sold by December 31. A negative value is an offset to production from prior years included in current-year sales.

NOTE: Totals may not add due to rounding.

Source: Economic Research Service, United States Department of Agriculture, Washington, D.C.

Internet Web Site: (www.ers.usda.gov/data/)

CASH RECEIPTS FROM FARM MARKETINGS: Minnesota, 2004-2006 1/

Commodity	2004		2005		2006	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
	1,000	Percent	1,000	Percent	1,000	Percent
Crops	4,622,253	48.4%	4,344,606	46.7%	5,127,587	52.5%
Food grains	320,830	3.4%	279,885	3.0%	301,933	3.1%
Wheat	319,439	3.3%	278,870	3.0%	300,816	3.1%
Feed crops	2,011,254	21.1%	1,619,353	17.4%	2,180,808	22.3%
Barley	7,878	0.1%	7,714	0.1%	7,023	0.1%
Corn	1,927,324	20.2%	1,478,560	15.9%	2,029,081	20.8%
Hay	67,468	0.7%	125,148	1.3%	135,995	1.4%
Oats	8,584	0.1%	7,930	0.1%	8,708	0.1%
Oil crops	1,453,646	15.2%	1,500,506	16.1%	1,708,473	17.5%
Flaxseed 2/	563	0.0%	686	0.0%	728	0.0%
Soybeans	1,428,773	15.0%	1,478,263	15.9%	1,676,210	17.2%
Sunflower	17,116	0.2%	18,418	0.2%	27,945	0.3%
Vegetables	231,976	2.4%	271,640	2.9%	279,050	2.9%
Beans, dry	31,010	0.3%	44,868	0.5%	49,472	0.5%
Potatoes, Fall	92,113	1.0%	99,511	1.1%	107,889	1.1%
Corn, sweet, processing	64,887	0.7%	69,960	0.8%	64,904	0.7%
Peas, green, processing	30,579	0.3%	40,325	0.4%	39,924	0.4%
Misc. vegetables	11,600	0.1%	12,117	0.1%	12,960	0.1%
Fruits/nuts	15,305	0.2%	15,296	0.2%	15,147	0.2%
Apples	9,005	0.1%	8,996	0.1%	8,847	0.1%
Other berries	5,940	0.1%	5,940	0.1%	5,940	0.1%
Misc. fruits & nuts 2/	360	0.0%	360	0.0%	360	0.0%
All other crops	589,242	6.2%	657,926	7.1%	642,176	6.6%
Sugar beets	371,309	3.9%	411,019	4.4%	411,019	4.2%
Other seeds	8,820	0.1%	19,820	0.2%	17,995	0.2%
Other field crops	11,025	0.1%	11,163	0.1%	12,485	0.1%
Greenhouse/nursery	197,734	2.1%	215,626	2.3%	200,400	2.1%
Livestock and products	4,929,629	51.6%	4,962,104	53.3%	4,641,925	47.5%
Meat animals	2,722,592	28.5%	2,875,927	30.9%	2,689,828	27.5%
Cattle and calves	978,693	10.2%	1,040,408	11.2%	925,531	9.5%
Hogs	1,730,583	18.1%	1,820,308	19.6%	1,751,000	17.9%
Sheep and lambs	13,316	0.1%	15,211	0.2%	13,297	0.1%
Dairy products	1,336,334	14.0%	1,246,630	13.4%	1,073,670	11.0%
Poultry/eggs	811,627	8.5%	783,306	8.4%	817,883	8.4%
Broilers	101,860	1.1%	98,814	1.1%	87,210	0.9%
Farm chickens 2/	10	0.0%	18	0.0%	35	0.0%
Chicken eggs	142,183	1.5%	90,899	1.0%	107,303	1.1%
Turkeys	515,592	5.4%	540,675	5.8%	568,935	5.8%
Other poultry	51,982	0.5%	52,900	0.6%	54,400	0.6%
Miscellaneous livestock	59,076	0.6%	56,241	0.6%	60,544	0.6%
Honey	10,530	0.1%	7,015	0.1%	8,900	0.1%
Wool 2/	337	0.0%	369	0.0%	309	0.0%
Other livestock	48,209	0.5%	48,857	0.5%	51,335	0.5%
All commodities	9,551,882		9,306,710		9,769,512	

1/ USDA estimates and publishes individual cash receipt values only for major commodities and major producing states. The U.S. receipts for individual commodities, computed as the sum of the reported states, may understate the value of sales for some commodities, with the balance included in the appropriate category labeled "other" or "miscellaneous". The degree of underestimation in some of the minor commodities can be substantial.

2/ Indicates less than 1/10th of 1 percent.

NOTE: Totals may not add due to rounding.

AVERAGE FARM BUSINESS BALANCE SHEET
United States, 2004-2006 1/

Item	2004	2005	2006
		<u>Dollars</u>	
Farms	2,112,970	2,098,690	2,089,790
Farm assets	1,584,842,000	1,769,339,000	1,979,087,000
Real estate	1,307,597,000	1,484,989,000	1,682,381,000
Livestock and poultry	79,420,000	81,097,000	80,747,000
Machinery & motor vehicles 1/ 2/	102,190,000	105,006,000	113,144,000
Crops 2/	24,435,000	24,291,000	22,699,000
Purchased inputs	5,700,000	6,491,000	6,460,000
Financial	65,500,000	67,465,000	73,656,000
Farm debt 3/	182,965,065	193,230,218	207,325,181
Real estate	96,871,867	101,517,822	109,038,260
Farm Credit System	37,722,787	40,125,202	43,850,504
Farm Service Agency	2,222,323	2,050,287	2,259,711
Commercial banks	35,232,520	36,938,827	40,521,098
Life insurance companies	10,912,282	11,019,099	11,019,099
Individuals and others	10,781,955	11,384,407	11,387,848
Nonreal estate	86,093,198	91,712,396	98,286,921
Farm Credit System	21,895,671	24,218,292	27,905,183
Farm Service Agency	3,242,152	3,015,243	2,758,175
Commercial banks	45,830,160	48,522,862	51,670,870
Individuals and others	15,125,215	15,955,999	15,952,693
Equity	1,401,876,935	1,576,108,782	1,771,761,819
Ratio:			
Debt/equity	13.1	12.3	11.7
Debt/assets	11.5	10.9	10.5

1/ Includes only farm share of value for trucks and automobiles.

2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC.

3/ Includes CCC storage and drying facilities loans but excludes debt on operator dwellings and for nonfarm purposes.

Note: The current forecast and historic information can be found at <http://www.ers.usda.gov/data/farmincome/finfidmu.htm>

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