Input costs for various cattle production enterprises are critical factors in the net return farmers receive after a year of hard work. Keeping track of and managing those costs often is the difference between success and failure.

The USDA National Agricultural Statistics Service (NASS) collects farm financial data for the Ag Resource Management Study (ARMS). This project is sponsored by the USDA's Economic Research Service (ERS). Annual national, regional and state expense and farm financial indicators are generated.

Locally, the University of Minnesota’s Center for Farm Financial Management compiles annual farm financial data from participating operations. The FINBIN database includes 12 states and provides a detailed income statement for 13 commodity enterprises for Minnesota.

These data are valuable to farmers because there is constant pressure to reduce cost and this can point to areas that might still have room for savings. Feed and ration inputs are major expenses so understanding the historical movement of those items helps to evaluate the current year’s situation.

It’s valuable to lending institutions because it provides two independent sources of farm financial information that benchmark an average for comparison to the details of a farm’s annual business plan.

The data is valuable to those outside of agriculture too. It explains the net effect of input costs on returns to a farmer’s business in a way that consumers will understand.

The following pages show a 25 year history of cow/calf, beef finishing and dairy production costs and net returns.