

Financial Performance Measures

Ag Decision Maker -- Iowa State University Extension

See the [Financial Files](#) for more information.

Enter your input values in shaded cells.

Name **Mayer Farm**

Year

2009

Value of unpaid labor per year	\$40,000	
Liquidity	1/1/2009	1/1/2010
Current ratio	1.71	1.48
Working capital	\$235,050	\$178,031
Solvency		
Total debt to asset ratio	40%	38%
Profitability		
Net farm income		\$56,819
Rate of return on farm assets		3.4%
Rate of return on farm equity		0.7%
Operating profit margin ratio		15.5%
Financial Efficiency		
Asset turnover ratio		22%
Operating expense ratio		68%
Depreciation expense ratio		10%
Interest expense ratio		14%
Net farm income ratio		8%
Average interest rate on debt		7.6%
Repayment Capacity		
Term debt and capital lease coverage ratio		93%
Capital replacement and term debt repayment margin		(\$9,209)

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Author: [William Edwards](#)

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