



2012 Grain Elevator Surveys

As 2011 came to an end, the outlook for grain elevators in 2012 was strong. Many parts of the country saw good production in 2011, which led to continued strong sales and margins for elevators in 2012. However, as the planting and growing season progressed, much of the country suffered from a severe drought. In the end, the drought resulted in smaller harvests in 2012 and will most significantly impact grain elevators, processors, and livestock producers in 2013.

More concerns are on the horizon in 2013, particularly in the northern Midwest, as the late winter and persistent spring rains reduced the acres of corn planted. Later plantings in the rest of the country will result in a later harvest and the risk of reduced production due to an early frost. Processors, like ethanol plants, and livestock producers, that were counting on an early harvest and September new crop corn, may be looking in September for remaining old crop corn. The grain industry for 2013 will have a volatile year as we struggle to meet demand with the short 2012 crop and the uncertain yield of the late planted 2013 crop.

A Comparison of 37 Grain Elevators

How do your key financial ratios and percentages compare to the competition?

Explanation of ratios

Current ratio — This is the relationship of current assets to current liabilities. It is an indication of the ability of a company to meet its current obligations. A high ratio indicates high liquidity.

Debt to equity ratio — This is the relationship of total liabilities to equity. It indicates the degree of dependence on creditors, rather than owners, in providing funds for operating the business. A low ratio generally indicates greater long-term financial security.

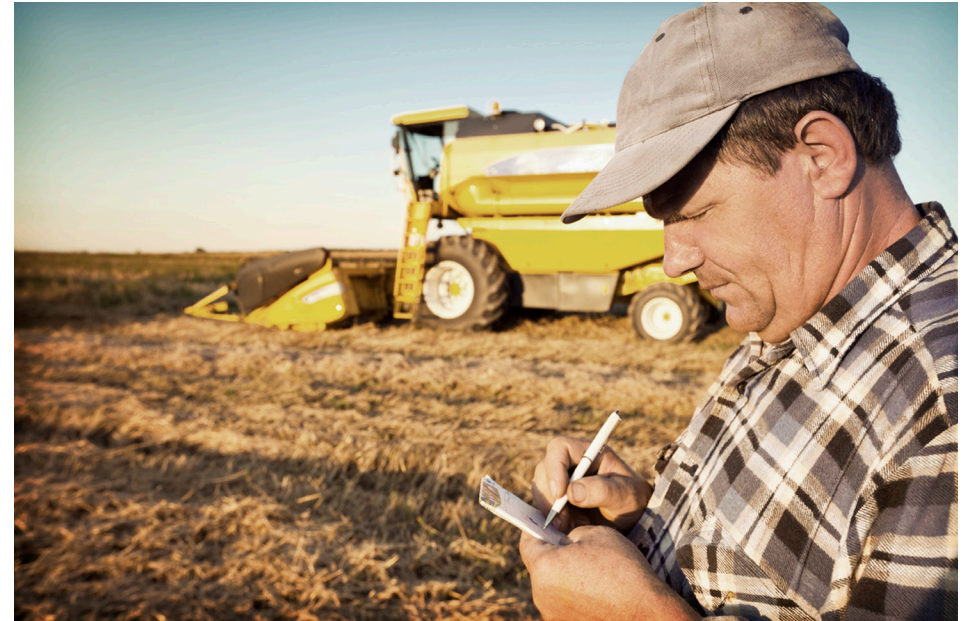
Long-term debt to book value of fixed assets — This measures the extent long-term debt is covered by fixed assets. A low ratio may indicate a company could obtain additional long-term financing if needed.

Gross profit on sales of grain and merchandise — This percentage represents the portion of product sales dollars available for operating expenses, other expenses, income taxes, and profit. This percentage may vary from one company to another, depending on the product sales mix and the margin available on grain and other products such as feed, lumber, etc. The higher the percentage is, the more potential profit.

Total gross profit percent (including service income) — This percentage represents the portion of total sales dollars, including service income, available for operating expenses, other expenses, income taxes, and profit. This percentage may vary from one company to another, depending on the product sales mix, the grain and other product margins, and on the amount of service income that a particular company generates. Service income includes storage, drying, trucking, etc.

Operating expense as a percent of total gross profit — This percentage represents the portion of total gross profit dollars needed to cover operating expenses. Total gross profit is equal to product sales, less related cost of goods sold, plus any service income. Operating expenses include all normal operating expenses except interest, income taxes, and any other non-operating expenses.

Feed inventory turnover — This ratio is obtained by dividing the year-end feed inventory into feed cost of sales. It measures how quickly inventory is sold. A low ratio may indicate that a company is carrying too much feed inventory for the volume of sales.



Coverage ratio (times interest earned) — This ratio is calculated by dividing interest paid into net income before income taxes and before interest expense. This ratio indicates the firm's ability to service debt. A high ratio indicates a company has little trouble covering its interest obligations.

Return on equity — This percent is calculated by dividing net income after taxes by the beginning-of-the-year equity amount. A high percentage indicates a high return on the owner's investment.

Key

gw – grain warehouse
f – feed
ft – fertilizer

c – chemicals
oth – other products or services
N/A – not applicable
NR – not received

	Current ratio	Debt to equity ratio	Long-term debt to book value of fixed assets	Gross profit percent on sales of grain	Gross profit percent on sales of merchandise	Total gross profit percent (including service income)	Operating expense as a percent of total gross profit	Operating profit or loss as a percent of total gross profit	Interest expense as a percent of total gross profit	Profit or loss before tax as a percent of total gross profit	Net profit or loss as a percent of total gross profit	Total salaries as a percent of total gross profit	Depreciation as a percent of total gross profit	Coverage ratio (times interest earned)	Return on equity	
#1	gw,ft	2.05	0.83	0.10	1.48%	7.51%	8.11%	85.35%	14.65%	0.67%	14.15%	9.51%	29.68%	4.85%	22.00	8.10
#2	gw	NR	NR	NR	4.55%	N/A	4.42%	105.26%	Op. Profit (-)	1.97%	105.26%	89.47%	45.08%	11.82%	54.45	NR
#3	gw,ft,c,oth	1.25	1.15	0.18	1.66%	8.45%	9.02%	77.44%	22.81%	3.24%	18.31%	17.87%	27.09%	13.36%	6.65	8.58
#4	gw,ft,c,oth	NR	NR	NR	5.39%	18.81%	6.10%	132.73%	8.23%	23.36%	8.23%	8.23%	15.56%	34.74%	1.35	NR
#5	gw	2.19	0.81	0.66	7.29%	N/A	9.61%	75.29%	24.71%	3.92%	20.80%	20.80%	15.50%	1.58%	6.31	16.61
#6	gw,ft,c,oth	NR	NR	NR	3.37%	7.06%	3.38%	137.01%	34.09%	20.13%	44.97%	31.91%	34.31%	22.13%	3.23	NR
#7	gw,ft,c,oth	NR	NR	NR	4.30%	11.08%	6.98%	54.81%	45.19%	0.15%	59.41%	51.69%	20.30%	10.70%	397.62	NR
#8	gw	NR	NR	NR	2.38%	13.86%	2.37%	116.71%	2.72%	19.45%	19.71%	19.27%	29.28%	3.82%	2.01	NR
#9	gw,ft,c,oth	1.46	1.37	0.67	6.02%	12.44%	12.14%	64.83%	38.48%	3.90%	43.03%	44.87%	32.09%	13.53%	12.03	18.87
#10	gw,ft,c,oth	1.38	2.63	0.00	2.33%	N/A	3.13%	57.97%	42.03%	8.78%	33.42%	33.42%	20.01%	N/A	4.81	24.69
#11	gw,oth	1.37	1.10	0.00	1.94%	3.78%	4.17%	109.34%	Op. Profit (-)	5.29%	3.46%	1.73%	33.02%	20.99%	1.66	0.57
#12	gw,ft,c,oth	1.54	1.35	0.20	1.71%	22.52%	8.93%	85.53%	14.47%	2.77%	13.05%	9.00%	52.76%	7.41%	5.71	9.20
#13	gw	1.16	5.23	0.00	3.85%	N/A	7.38%	90.46%	9.54%	4.94%	3.94%	2.76%	9.90%	0.77%	1.80	13.31
#14	gw	1.67	1.49	0.18	9.28%	N/A	9.75%	74.87%	25.13%	11.31%	17.04%	10.25%	N/A	13.15%	2.51	4.72
#15	gw,oth	1.97	0.45	0.00	2.72%	N/A	4.99%	47.87%	52.13%	2.58%	49.90%	46.93%	15.03%	8.99%	20.31	23.00
#16	gw,ft,c,oth	1.29	3.79	0.66	2.61%	14.71%	5.16%	80.08%	19.92%	10.45%	10.26%	6.96%	7.11%	16.15%	1.98	5.51
#17	gw,ft,c,oth	1.37	5.40	1.08	N/A	9.43%	13.18%	68.14%	31.86%	11.13%	26.28%	12.73%	18.70%	16.49%	3.36	13.05
#18	gw,ft,c,oth	1.26	3.11	0.31	4.61%	14.41%	8.27%	64.54%	35.46%	4.57%	34.35%	29.22%	19.66%	9.85%	8.52	18.72
#19	gw,ft,c,oth	2.63	0.85	0.35	6.02%	16.57%	11.78%	59.52%	40.48%	7.21%	38.64%	24.62%	18.29%	9.87%	6.36	14.06
#20	gw,ft,c,oth	NR	NR	NR	1.62%	11.76%	9.27%	103.51%	20.53%	5.14%	24.12%	23.36%	41.85%	13.51%	5.69	NR
#21	gw,ft,c,oth	1.49	1.06	0.35	8.74%	14.31%	15.08%	81.03%	19.58%	2.77%	31.61%	30.33%	34.01%	11.86%	12.42	17.69
#22	gw,ft,c,oth	2.23	0.48	0.33	4.63%	12.57%	11.65%	92.27%	7.61%	3.45%	13.83%	13.44%	32.11%	9.26%	5.01	6.22
#23	gw,ft,c,oth	3.46	0.22	0.00	13.99%	13.43%	16.66%	80.20%	19.80%	0.26%	25.88%	22.78%	38.42%	9.02%	101.69	9.58
#24	gw,ft,c,oth	1.36	1.06	0.51	2.95%	11.06%	9.46%	81.63%	20.54%	4.71%	39.35%	32.72%	32.19%	12.06%	9.35	17.12
#25	gw,ft,c,oth	1.53	0.52	0.02	5.49%	11.82%	14.31%	76.95%	23.05%	1.63%	32.70%	28.71%	33.51%	7.37%	21.00	14.32
#26	gw,ft,c,oth	1.51	0.85	0.28	7.83%	11.88%	14.42%	112.59%	Op. Profit (-)	4.50%	EBT is (-)	NI is (-)	46.28%	11.24%	0.32	-1.00
#27	gw,ft,c,oth	1.60	2.62	0.86	9.89%	19.97%	18.34%	89.12%	10.88%	5.63%	9.84%	9.65%	33.49%	9.81%	2.75	15.72
#28	gw	NR	NR	NR	12.78%	N/A	11.22%	79.48%	20.52%	40.96%	EBT is (-)	NI is (-)	19.14%	15.76%	0.90	NR
#29	gw,ft,c,oth	1.52	0.58	0.06	12.57%	15.90%	18.06%	84.88%	16.17%	0.87%	29.85%	24.88%	40.16%	9.28%	35.32	16.02
#30	gw,ft,c,oth	1.69	1.46	0.00	6.91%	12.69%	13.91%	66.48%	33.60%	0.80%	39.63%	49.41%	24.52%	12.52%	50.30	19.67
#31	gw,ft,oth	1.32	0.87	0.50	5.03%	11.70%	13.07%	86.64%	13.77%	3.75%	23.38%	19.77%	38.37%	9.53%	7.23	9.13
#32	gw,oth	1.38	2.04	0.64	4.25%	17.24%	6.49%	57.70%	42.30%	4.23%	59.67%	56.09%	16.38%	5.02%	15.11	35.50
#33	gw,ft,c,oth	1.15	1.85	0.07	6.91%	13.58%	13.64%	70.99%	29.11%	5.23%	29.82%	28.36%	23.33%	8.56%	6.70	19.11
#34	gw,ft,c,oth	1.48	1.38	0.46	1.48%	22.78%	4.59%	100.96%	Op. Profit (-)	8.11%	2.21%	1.69%	44.40%	6.39%	1.27	1.41
#35	gw	1.31	2.12	0.16	2.50%	N/A	6.86%	95.12%	4.88%	9.25%	0.35%	0.28%	22.09%	12.65%	1.04	0.21
#36	gw,ft,c,oth	1.30	0.95	0.25	7.55%	13.31%	15.72%	77.60%	22.45%	3.61%	33.73%	34.74%	25.10%	9.39%	10.36	16.96
#37	gw,ft,c,oth	1.94	0.45	0.21	5.53%	16.07%	16.14%	75.97%	24.03%	2.20%	29.62%	30.15%	32.44%	11.06%	14.45	17.46
Minimum ratio	1.15	0.22	0.00	1.48%	3.78%	2.37%	47.87%	2.72%	0.15%	0.35%	28.00%	7.11%	0.00%	0.32	-1.00	
Average ratio	1.63	1.60	0.30	5.34%	13.47%	9.94%	83.81%	23.96%	6.84%	28.28%	25.07%	28.37%	11.24%	23.34	13.14	
Maximum ratio	3.46	5.40	1.08	13.99%	22.78%	18.34%	137.01%	52.13%	40.96%	105.26%	89.47%	52.76%	34.74%	397.62	35.50	

A Comparison of 41 Grain Elevators

How do your grain commissions, drying rates, and storage rates compare to the competition?

	Gross commission (including trucking per bushel)			Trucking rate (per bushel)			Miles to primary terminal	Customer drying rate (per point)			Customer storage rate (per bushel per month)		
	Wheat	Corn	Beans	Wheat	Corn	Beans		Wheat	Corn	Beans	Wheat	Corn	Beans
#1	\$0.40	\$0.35	\$0.45	From field to elevator \$0.13	\$0.13	\$0.13	47 Wheat 91 Corn 47 Beans	\$0.025/ 1/2 pt not over 13.5	\$0.04/pt down to 15.0	\$0.025/1/2 pt over 13.0 0.8 shrink/1/2 pt over 13.0	\$0.04 \$0.10 min. first 60 days	\$0.04 \$0.15 min first 90 days	\$0.04 \$0.15 min first 90 days
#2	\$1.54	\$0.64	\$1.01	\$0.55	\$0.28	\$0.55	160 Wheat 50 Corn 180 Beans	\$0.03/1/2 pt \$0.06	\$0.02 1/2 pt \$0.04	\$0.05 1/2 pt \$0.10	\$0.05/month	\$0.05/month	\$0.05/month
#3	—	—	—	\$0.22	\$0.15	\$0.16	8 Wheat 30 Corn 30 Beans	—	0.035	1% = 1/2%	\$0.20 to 9/30 then \$0.04/ month	\$0.15 to 12/1 then \$0.03/ month	\$0.17 to 12/1 then \$0.03/ month
#4	—	\$0.20	\$0.30	\$0.14	\$0.14	\$0.15	42 Wheat 23 Corn 42 Beans	N/A	\$0.03	N/A	N/A	\$0.16 min to 3/1 \$0.02/month thereafter	\$0.16 min to 1/1 \$0.02/month thereafter
#5	\$0.32	\$0.15	\$0.32	\$0.21	\$0.09	\$0.21	50 Wheat 10 Corn 50 Beans	N/A	\$0.03	N/A	N/A	\$0.02	\$0.02
#6	\$0.0075 on net \$ settlement	N/A	\$0.01 on net \$ settlement	\$0.40/bushel	N/A	\$0.67/cwt	119 Wheat N/A Corn 71 Beans	N/A	\$0.03	N/A	\$0.000726/ bu/day	N/A	\$0.00137/bu/day
#7	N/A	N/A	N/A	N/A	\$0.22	N/A	20 Corn	N/A	\$0.04/pt	N/A	N/A	\$0.04/month	N/A
#8	N/A	\$0.50	\$0.58	N/A	\$0.25	\$0.28	50 Corn 50 Beans	N/A	\$0.18+1.8/pt above 17.1	\$0.18+1.8/pt above 17.1	N/A	\$0.03	\$0.03
#9	\$0.20	\$0.28	\$0.28	\$0.12	\$0.14	\$0.15	45 Corn 45 Beans N/A Wheat	N/A	\$0.01.5	N/A	—	\$0.03/month	\$0.04/month
#10	—	—	—	\$0.45	\$0.12	\$0.42	175 Wheat 15 Corn 190 Beans	—	—	—	—	—	—
#11	—	\$0.25	\$0.35	—	\$0.20	\$0.25	20 Corn 20 Beans	—	\$0.04/pt to 15%	Shrink 2% each %	—	\$0.04/month	\$0.05/month
#12	\$0.40	\$0.20	\$0.50	\$0.20	\$0.10	\$0.30	80 Wheat 35 Corn 100 Beans	—	\$0.04.25/ 15%	—	—	min — \$0.10 \$0.03/month after Jan. 1	min — \$0.12 \$0.035/month after Jan. 1
#13	\$0.08	\$0.08	\$0.16	\$0.08	\$0.08	\$0.10	6 Wheat 6 Corn 6 Beans	\$0.06	\$0.04	\$0.06	\$0.04	\$0.03	\$0.04
#14	—	\$0.40	\$0.62	—	\$0.16	\$0.16	26 Corn 26 Beans	—	\$0.08 + .02%	—	—	\$0.04	\$0.04
#15	—	\$0.27.66	\$26.66	—	\$0.07	\$0.07	11 Corn 10 Beans	—	\$0.14 @ 20%	1.5% shrink/pt.	—	\$0.12	\$0.14
#16	\$1.21	\$0.48	\$0.34	\$0.29	\$0.19	\$0.23	85 Wheat 65 Corn 75 Beans	—	\$0.03/pt. + 1.4% shrink	0.01375%/.5% start @ 13% moist	\$0.20 flat + .05/ month	\$0.18 to Jan. 1 + .025/month	\$0.20 to Jan. 1 + \$0.03/month
#17	\$0.20	\$0.14	\$0.20	\$0.19	\$0.13	\$0.19	35 Wheat 18 Corn 35 Beans	—	\$0.03	—	—	\$0.16 \$0.03/month after	\$0.16 min
#18	—	\$0.20	\$0.15	—	\$0.10	\$0.12	65 Corn 65 Beans	—	\$0.02125/ 1/2 pt starting at 14.1 to store .15.1 to sell	\$0.045/point starting at 13.1	—	\$0.14 to 12/31, then \$0.013334 daily	\$0.16 to Dec. 31 then \$0.013334 daily
#19	\$0.38	\$0.38	\$0.40	\$0.30	\$0.33	\$0.33	75 Wheat 88 Corn 90 Beans	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
#20	\$0.55	—	\$0.55	\$0.45	—	\$0.45	125 Wheat 125 Beans	—	—	—	\$0.03/month	\$0.03/month	\$0.04

	Gross commission (including trucking per bushel)			Trucking rate (per bushel)			Miles to primary terminal	Customer drying rate (per point)			Customer storage rate (per bushel per month)		
	Wheat	Corn	Beans	Wheat	Corn	Beans		Wheat	Corn	Beans	Wheat	Corn	Beans
#21	\$0.23	\$0.235	\$0.26	\$0.15	\$0.16.5	\$0.15	30 Wheat 45 Corn 30 Beans	—	1.50. — 16% = \$0.25 1/2 pt 16.1% — 20.0% = \$0.15 each 1/2 pt 20.1% and above \$0.01.25 each 1/2 pt	1% shrink for each 1/2 pt over 13%	\$0.00	\$0.16 — Jan. 31 and \$0.035/month thereafter	\$0.19 — Jan. 31 \$0.04/month thereafter
#22	\$0.50	\$0.40	\$0.90	\$0.30	\$0.25	\$0.60	100 Wheat 75 Corn 200 Beans	—	\$0.02/pt	2%/pt	\$0.03	\$0.03/month	\$0.04/month
#23	\$0.76	\$0.20	\$0.71	\$0.20	\$0.20	\$0.20	10 Wheat 10 Corn 10 Beans	\$0.01/pt	\$0.01/pt	\$0.01/pt	\$0.24	\$0.24	\$0.24
#24	\$0.40	\$0.25	\$0.40	\$0.55	\$0.15	\$0.55	200 Wheat 20 Corn 200 Beans	\$0.04/pt	\$0.04/pt	\$0.10/pt	\$0.04/mo	\$0.035/month	\$0.045/month
#25	\$0.30	\$0.15	\$0.36	—	—	—	800 Corn 60 Beans	—	\$0.03/pt. 1.4 shrink	1% each 1/2 pt	—	\$0.15	\$0.17
#26	\$1.02	\$0.27	\$0.17	\$0.32	\$0.07	\$0.09	80 Wheat 30 Corn 30 Beans	0 to 0.30 13.6 — 16.0 moisture	\$0.0375/pt	1.25% 13.1 — 15.0 2.0% — 15.0	\$0.08 7/16 \$0.08/month after	\$0.22 to 12/31 \$0.001/day after	\$0.22 to 12/31 \$0.001/day after
#27	—	—	—	—	—	—	10 Corn 10 Beans	—	\$0.07	—	—	—	—
#28	\$0.22	\$0.21	\$0.23	\$0.20	\$0.19	\$0.21	20 Wheat 20 Corn 20 Beans	\$0.04	\$0.04	\$0.04	\$0.035	\$0.03	\$0.04
#29	—	—	—	\$0.18	\$0.12	\$0.18	75 Wheat 25 Corn 70 Beans	—	—	—	—	—	—
#30	\$0.09	\$0.04	\$0.09	\$0.03	\$0.10	\$0.15	80 Wheat 15 Corn 20 Beans	—	\$0.03	—	—	\$0.16	\$0.18
#31	\$0.25.2	\$0.30	\$0.44	\$0.35	\$0.15	\$0.35	170 Wheat 50 Corn 170 Beans	\$0.06	\$0.04	\$0.05	\$0.04	\$0.04 \$0.14 min/90 days	\$0.04 \$0.16 min/90 days
#32	—	\$0.37.8	\$0.84.6	—	\$0.15	\$0.42	45 Corn 177 Beans	—	15.5 — \$0.05 + \$0.06 IN 17.1 — \$0.18.25	—	—	\$0.04	\$0.04
#33	—	—	—	\$0.18	—	—	30 Wheat	—	—	—	\$0.02/month	—	—
#34	—	\$0.12	\$0.24	—	\$0.09	\$0.20	6 Corn 36 Beans	—	3.5 down to 13.5 storage. Shrink over 13% at 2%/pt/ point-min \$0.13 \$0.14 sale	3.5 down to 13.5 storage. Shrink over 13% at 2%/ pt/point-min \$0.13 \$0.26 sale	—	\$0.20 min then \$0.03/bu/month	\$0.20 min then \$0.03/bu/month
#35	\$0.35	\$0.20	\$0.25	\$0.15 — \$0.18	\$0.20 — \$0.25	FOB	45 Wheat 84 Corn	\$0.06	\$0.04/pt	\$0.02/pt	\$0.03.5	\$0.03.5	\$0.04
#36	\$0.45.8	\$0.73.6	\$0.30.9	\$0.10	—	\$0.10	10 Wheat 10 Corn 10 Beans	\$0.12	\$0.05	\$0.05	\$0.05	—	\$0.10
#37	—	\$0.16	—	—	\$0.16	—	36 Corn	—	\$0.05	—	—	\$0.02	—
#38	—	\$0.25	\$0.71	—	\$0.08	\$0.24	15 Corn 65 Beans	—	\$0.04/bu	—	—	\$0.03.5/mo	\$0.03.5/mo
#39	\$0.19	\$0.17	\$0.19	\$0.13	\$0.12	\$0.13	23 Wheat 23 Corn 23 Beans	—	\$0.02 + 1/4% shrink	1% per 1/2 pt. shrink	—	\$0.18	\$0.22
#40	—	\$0.45	\$0.65	—	\$0.25	\$0.35	100 Corn 250 Beans	—	\$0.25	—	—	\$0.04/bu. base \$0.035/bu./ month	\$0.06/bu. base \$0.045/bu./ month
#41	—	\$0.40	\$0.50	—	\$0.19	\$0.14	42 Corn 20 Beans	—	\$0.12 + \$0.02/pt	—	—	\$0.04	\$0.05