

May, 2006

Dear Farm Manager:

EXECUTIVE SUMMARY
2005 ProfitLink Analysis
Kansas Farm Management Associations
www.agecon.ksu.edu/kfma
www.agmanager.info

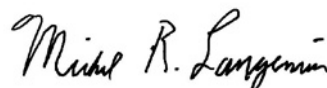
The efforts of many farm families throughout Kansas keeping detailed farm business and financial records make possible the annual report of whole farm and enterprise cost-of-production analysis information. The Association Economists, clerical staff, and the K-MAR-105 staff, have just completed a very successful year of working with the Farm Management Association member families to make this information available. The K-MAR-105 Association (www.kmar105.com), under the direction of Michael Langemeier, Administrator, has developed the *ProfitLink* Analysis program and other software required to process each farm's production and financial records.

The following tables provide you with a glimpse of the information on a state-wide basis. More detailed analysis will be published soon.

Sincerely,



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VALUE OF FARM PRODUCTION

Year	NW	NC	NE	SW	SC	SE
2005	\$364,436	\$258,323	\$290,570	\$264,536	\$268,648	\$312,390
2004	\$289,904	\$241,269	\$269,048	\$233,102	\$259,927	\$283,622
2003	\$271,200	\$226,788	\$213,380	\$242,700	\$247,129	\$244,661
2002	\$206,840	\$173,304	\$179,899	\$196,980	\$214,897	\$211,965
2001	\$256,952	\$193,220	\$206,584	\$230,898	\$214,650	\$207,852
5 Year Avg	\$277,866	\$218,581	\$231,896	\$233,643	\$241,050	\$252,098

NET FARM INCOME

Year	NW	NC	NE	SW	SC	SE
2005	\$66,930	\$42,065	\$68,325	\$23,779	\$36,535	\$76,283
2004	\$45,801	\$51,670	\$77,393	\$29,927	\$52,709	\$84,394
2003	\$59,988	\$52,511	\$38,630	\$37,329	\$43,628	\$63,155
2002	(\$817)	\$14,511	\$10,082	\$3,623	\$26,720	\$37,168
2001	\$27,643	\$28,999	\$33,717	\$13,446	\$11,996	\$38,788
5 Year Avg	\$39,909	\$37,951	\$45,629	\$21,621	\$34,318	\$59,958

**PERCENT OF FARMS IN INCOME GROUPS
FARM MANAGEMENT ASSOCIATIONS
2005**

	NW %	SW %	NC %	SC %	NE %	SE %	All Assn. %
Over \$140,000 Net Income	12.71%	3.06%	6.23%	6.21%	17.09%	14.69%	10.97%
\$120,000 - \$140,000	3.87%	3.06%	3.66%	1.03%	3.85%	3.51%	3.13%
\$100,000 - \$120,000	7.18%	3.06%	3.30%	4.48%	6.84%	5.04%	5.03%
\$ 80,000 - \$100,000	9.39%	7.14%	6.23%	6.90%	5.13%	7.68%	7.05%
\$ 60,000 - \$ 80,000	12.71%	7.14%	6.96%	6.90%	8.55%	7.46%	8.03%
\$ 40,000 - \$ 60,000	11.05%	11.22%	14.29%	12.41%	8.97%	14.25%	12.53%
\$ 20,000 - \$ 40,000	17.13%	10.20%	17.95%	12.76%	14.53%	15.13%	15.01%
\$ 0 - \$ 20,000	13.26%	28.57%	21.61%	21.38%	20.09%	17.11%	19.45%
\$ 0 - \$ 20,000 Loss	7.18%	7.14%	12.09%	18.28%	10.26%	10.31%	11.55%
\$ 20,000 - \$ 40,000 Loss	2.21%	4.08%	5.13%	6.21%	1.71%	1.97%	3.46%
\$ 40,000 - \$ 60,000 Loss	0.55%	7.14%	1.47%	1.72%	2.56%	1.75%	2.02%
Greater than - \$ 60,000 Loss	2.76%	8.16%	1.10%	1.72%	0.43%	1.10%	1.76%
TOTAL NUMBER OF FARMS	181	98	273	290	234	456	1,532
AVERAGE NET FARM INCOME	\$66,930	\$23,779	\$42,065	\$36,535	\$68,325	\$76,283	\$56,982

**FIVE-YEAR TREND ANALYSIS
TYPE OF FARM
2001-2005**

Type of Farm	No. of Farms (2005)	Net Income/Operator				
		2005	2004	2003	2002	2001
All Farms	1,532	\$57,584	\$63,491	\$52,410	\$19,343	\$28,169
Cash Crop Dryland	1,064	49,422	57,087	51,424	20,229	29,534
Cash Crop Irrigated	69	64,955	62,729	57,580	9,743	13,251
Stock-Ranch Cowherd	29	45,396	51,366	34,148	9,291	11,102
Cowherd	27	24,914	32,088	22,458	6,595	2,583
Dairy	37	52,658	71,192	24,484	22,426	42,638
Backgrounding	13	63,279	82,252	63,035	29,220	5,454
Cash Crop-Cowherd	131	50,149	49,613	33,879	17,544	18,623
Cash Crop-Dairy	13	72,799	81,068	49,643	34,201	40,980
Cash Crop-Backgrounding	29	83,820	79,308	87,728	3,197	(7,241)
Cash Crop-Beef	40	97,138	80,306	89,456	11,028	39,263
Turkeys	11	48,093	47,912	36,777	38,399	30,848
Cash Crop - Livestock	33	85,253	110,064	55,244	20,668	38,433

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME
by INCOME --2005**

Assn	High Income Farms (25%)			Low Income Farms (25%)			Average of all Farms				
	Number Farms (25% of Total)	Value of Farm Production	Total Farm Expenses	Net Farm Income	Value of Farm Production	Total Farm Expenses	Net Farm Income	Number of Farms	Value of Farm Production	Total Farm Expenses	Net Farm Income
NW	45	\$644,310	\$472,686	\$171,624	\$191,329	\$203,210	(\$11,881)	181	\$364,436	\$297,506	\$66,930
SW	25	\$387,444	\$284,874	\$102,570	\$224,600	\$277,887	(\$53,287)	98	\$264,536	\$240,757	\$23,779
NC	68	\$408,201	\$283,430	\$124,771	\$201,794	\$217,526	(\$15,732)	273	\$258,323	\$216,257	\$42,065
SC	73	\$448,512	\$329,035	\$119,477	\$179,733	\$203,784	(\$24,051)	290	\$268,648	\$232,112	\$36,535
NE	59	\$583,286	\$393,255	\$190,031	\$119,504	\$131,497	(\$11,993)	234	\$290,570	\$222,245	\$68,325
SE	114	\$660,873	\$436,961	\$223,912	\$136,497	\$147,061	(\$10,564)	456	\$312,390	\$236,106	\$76,283
2005	383	\$556,264	\$386,252	\$170,012	\$167,705	\$185,426	(\$17,721)	1,532	\$294,230	\$237,248	\$56,982
State Average											
2004	437	\$521,796	\$345,625	\$176,171	\$129,382	\$141,523	(\$12,142)	1,746	\$265,629	\$203,025	\$62,604
2003	455	\$462,290	\$312,084	\$150,206	\$126,220	\$141,845	(\$15,625)	1,820	\$240,059	\$189,008	\$51,051
2002	480	\$345,541	\$253,105	\$92,436	\$166,575	\$207,732	(\$41,156)	1,921	\$198,706	\$179,600	\$19,106
2001	486	\$367,089	\$264,222	\$102,867	\$182,642	\$214,652	(\$32,010)	1,937	\$214,664	\$186,669	\$27,995
2000	521	\$393,589	\$271,536	\$122,053	\$134,965	\$155,068	(\$20,103)	2,083	\$214,104	\$174,907	\$39,197
1999	524	\$398,602	\$272,377	\$126,225	\$117,669	\$133,792	(\$16,123)	2,097	\$207,858	\$165,370	\$42,488
1998	535	\$304,419	\$220,779	\$83,640	\$135,548	\$177,607	(\$42,058)	2,139	\$175,615	\$158,836	\$16,778
1997	541	\$410,484	\$257,880	\$152,604	\$115,173	\$121,628	(\$6,455)	2,164	\$220,426	\$161,074	\$59,352
1996	529	\$420,075	\$257,734	\$162,341	\$91,087	\$95,924	(\$4,837)	2,115	\$208,860	\$146,945	\$61,915
1995	532	\$277,591	\$189,164	\$88,427	\$109,340	\$139,173	(\$29,833)	2,126	\$157,621	\$135,268	\$22,353

**FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
2001 - 2005**

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Number of Farms	1,532	1,746	1,820	1,921	1,937
Livestock Gross Income	77,765	70,261	55,650	44,717	44,712
Value of Farm Production	294,230	265,629	240,059	198,706	214,664
Cash Operating Expense - Interest	194,618	166,241	153,185	143,100	148,047
Interest Expense	16,865	14,269	15,218	16,244	18,056
Depreciation	25,764	22,515	20,606	20,256	20,566
Total Farm Expense	237,247	203,025	189,009	179,600	186,669
Accrual Net Farm Income	56,982	62,604	51,051	19,106	27,995
Return to Labor-Management	(1,274)	18,244	9,932	(20,590)	(12,034)
Return to Capital	30,995	33,818	25,770	(196)	8,920
<u>Values / \$100 of Farm Production:</u>					
Operating Expense	66.14	62.58	63.81	72.02	68.97
Interest Expense	5.73	5.37	6.34	8.17	8.41
Depreciation Expense	8.76	8.48	8.58	10.19	9.58
Total Expense	80.63	76.43	78.73	90.38	86.96
Net Farm Income	19.37	23.57	21.27	9.62	13.04
% Return on Net Worth	2.00%	3.66%	2.13%	-3.43%	-1.89%
Total Loans (Dec. 31)	306,458	275,174	261,786	258,637	251,166
Total Assets (Dec. 31)	1,029,784	829,309	773,034	735,964	736,735
Current Assets/Current Liabilities (Dec. 31)	2.41	2.49	2.30	2.01	2.07
Total Loans/Total Assets (Dec. 31)	0.30	0.33	0.34	0.35	0.34
Total Acres	1,861	1,823	1,836	1,809	1,770
Crop Acres	1,244	1,206	1,224	1,187	1,154
Number of Workers	1.42	1.40	1.38	1.42	1.46
Number of Operators	0.98	0.98	0.97	0.99	0.99
Gross Crop Value / Crop Acre	212.10	190.42	186.97	153.05	173.76
Crop Production Costs / Crop Acre	147.79	130.70	119.97	112.57	120.69
Machinery Investment / Crop Acre	134.10	124.91	115.37	112.42	114.44
Machinery Costs / Crop Acre	58.47	51.85	47.11	45.69	49.38
Total Family Living Expense	44,864	41,365	38,989	36,635	36,332