

May, 2007

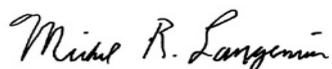
Dear Farm Manager:

EXECUTIVE SUMMARY
2006 ProfitLink Analysis
Kansas Farm Management Associations
www.kmar105.com
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
2006	\$377,128	\$259,335	\$294,436	\$260,130	\$314,336	\$291,010
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
5 Year Avg	\$301,902	\$231,804	\$249,467	\$239,490	\$260,987	\$268,730

NET FARM INCOME

Year	NW	NC	NE	SW	SC	SE
2006	\$58,517	\$40,742	\$52,259	\$21,779	\$57,960	\$40,026
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
5 Year Avg	\$46,084	\$40,300	\$49,338	\$23,287	\$43,510	\$60,205

**PERCENT OF FARMS IN INCOME GROUPS
FARM MANAGEMENT ASSOCIATIONS
2006**

	NW %	SW %	NC %	SC %	NE %	SE %	All Assn. %
Over \$140,000 Net Income	13.64%	5.88%	5.81%	11.08%	15.29%	7.83%	9.85%
\$120,000 - \$140,000	5.11%	0.98%	3.49%	5.70%	3.72%	2.83%	3.80%
\$100,000 - \$120,000	6.25%	4.90%	5.04%	6.65%	3.31%	3.91%	4.89%
\$ 80,000 - \$100,000	5.11%	2.94%	7.75%	6.65%	4.13%	6.09%	5.86%
\$ 60,000 - \$ 80,000	7.95%	7.84%	10.85%	8.86%	9.50%	6.52%	8.43%
\$ 40,000 - \$ 60,000	11.93%	6.86%	11.63%	12.66%	9.50%	10.43%	10.88%
\$ 20,000 - \$ 40,000	13.07%	14.71%	17.05%	12.97%	18.18%	13.04%	14.61%
\$ 0 - \$ 20,000	17.05%	16.67%	13.95%	14.87%	16.53%	19.35%	16.67%
\$ 0 - \$ 20,000 Loss	9.66%	21.57%	14.34%	12.34%	11.16%	12.83%	12.93%
\$ 20,000 - \$ 40,000 Loss	3.98%	7.84%	4.65%	4.11%	2.89%	9.13%	5.73%
\$ 40,000 - \$ 60,000 Loss	2.27%	4.90%	1.55%	1.58%	2.07%	1.96%	2.06%
Greater than - \$ 60,000 Loss	3.98%	4.90%	3.88%	2.53%	3.72%	6.09%	4.31%
TOTAL NUMBER OF FARMS	176	102	258	316	242	460	1,554
AVERAGE NET FARM INCOME	\$58,517	\$21,779	\$40,742	\$57,960	\$52,259	\$40,026	\$46,593

**FIVE-YEAR TREND ANALYSIS
TYPE OF FARM
2002-2006**

Type of Farm	No. of Farms (2006)	Net Income/Operator				
		2006	2005	2004	2003	2002
All Farms	1,554	\$46,804	\$57,584	\$63,491	\$52,410	\$19,343
Cash Crop Dryland	1,065	49,366	49,422	57,087	51,424	20,229
Cash Crop Irrigated	73	92,335	64,955	62,729	57,580	9,743
Stock-Ranch Cowherd	33	35,986	45,396	51,366	34,148	9,291
Cowherd	21	13,344	24,914	32,088	22,458	6,595
Dairy	38	25,663	52,658	71,192	24,484	22,426
Backgrounding	14	-5,823	63,279	82,252	63,035	29,220
Cash Crop-Cowherd	155	31,132	50,149	49,613	33,879	17,544
Cash Crop-Dairy	11	55,538	72,799	81,068	49,643	34,201
Cash Crop-Backgrounding	33	1,203	83,820	79,308	87,728	3,197
Cash Crop-Beef	32	12,898	97,138	80,306	89,456	11,028
Turkeys	10	46,732	48,093	47,912	36,777	38,399
Cash Crop - Livestock	34	34,629	85,253	110,064	55,244	20,668

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME
by INCOME --2006**

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	44	\$661,710	\$481,353	\$180,357	\$291,665	\$326,819	(\$35,154)	176	\$377,128	\$318,612	\$58,517
SW	26	\$398,177	\$292,192	\$105,985	\$316,136	\$367,479	(\$51,343)	102	\$260,130	\$238,531	\$21,779
NC	65	\$419,614	\$296,516	\$123,098	\$194,069	\$227,329	(\$33,260)	258	\$259,335	\$218,593	\$40,742
SC	79	\$525,152	\$359,493	\$165,659	\$226,922	\$248,134	(\$21,212)	316	\$314,336	\$256,375	\$57,960
NE	61	\$576,566	\$407,648	\$168,918	\$183,772	\$199,856	(\$39,570)	242	\$294,436	\$242,177	\$52,259
SE	115	\$559,013	\$402,983	\$156,030	\$203,754	\$248,535	(\$44,782)	460	\$291,010	\$250,984	\$40,026
2006	389	\$539,153	\$383,574	\$155,469	\$217,221	\$254,172	(\$36,951)	1,554	\$298,754	\$252,161	\$46,593
State Average											
2005	383	\$556,264	\$386,252	\$170,012	\$167,705	\$185,426	(\$17,721)	1,532	\$294,230	\$237,248	\$56,982
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

FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
2002 - 2006

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Number of Farms	1,554	1,532	1,746	1,820	1,921
Livestock Gross Income	60,860	77,765	70,261	55,650	44,717
Value of Farm Production	298,754	294,230	265,629	240,059	198,706
Cash Operating Expense - Interest	206,136	194,618	166,241	153,185	143,100
Interest Expense	19,378	16,865	14,269	15,218	16,244
Depreciation	26,647	25,764	22,515	20,606	20,256
Total Farm Expense	252,161	237,247	203,025	189,009	179,600
Accrual Net Farm Income	46,593	56,982	62,604	51,051	19,106
Return to Labor-Management	(13,635)	(1,274)	18,244	9,932	(20,590)
Return to Capital	24,137	30,995	33,818	25,770	(196)
<u>Values / \$100 of Farm Production:</u>					
Operating Expense	69.00	66.14	62.58	63.81	72.02
Interest Expense	6.49	5.73	5.37	6.34	8.17
Depreciation Expense	8.92	8.76	8.48	8.58	10.19
Total Expense	84.40	80.63	76.43	78.73	90.38
Net Farm Income	15.60	19.37	23.57	21.27	9.62
% Return on Net Worth	0.65%	2.00%	3.66%	2.13%	-3.43%
Total Loans (Dec. 31)	318,994	306,458	275,174	261,786	258,637
Total Assets (Dec. 31)	1,060,720	1,029,784	829,309	773,034	735,964
Current Assets/Current Liabilities (Dec. 31)	2.32	2.41	2.49	2.30	2.01
Total Loans/Total Assets (Dec. 31)	0.30	0.30	0.33	0.34	0.35
Total Acres	1,918	1,861	1,823	1,836	1,809
Crop Acres	1,269	1,244	1,206	1,224	1,187
Number of Workers	1.45	1.42	1.40	1.38	1.42
Number of Operators	0.99	0.98	0.98	0.97	0.99
Gross Crop Value / Crop Acre	217.90	212.10	190.42	186.97	153.05
Crop Production Costs / Crop Acre	148.71	147.79	130.70	119.97	112.57
Machinery Investment / Crop Acre	135.07	134.10	124.91	115.37	112.42
Machinery Costs / Crop Acre	57.67	58.47	51.85	47.11	45.69
Total Family Living Expense	45,752	44,864	41,365	38,989	36,635