



KANSAS FARM MANAGEMENT ASSOCIATION

Your Farm - Your Information - Your Decision

EXECUTIVE SUMMARY 2009 PROFITLINK ANALYSIS

May, 2010

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 KFMA Economists, association support staff, and the K-MAR-105 Association staff, work together with the Farm Management Association member families to make this information available.

The following tables provide you with a glimpse of the information on a state-wide basis. Historical data for years prior to 2009 has been updated to include fiscal year farms and other farms added after the initial summary for each year. More detailed analysis information for 2009 will be available soon. KFMA data for 2009 and prior years can be found on the KFMA program website: www.agmanager.info/kfma.

Sincerely,

Kevin L. Herbel
KFMA Program Administrator
K-MAR-105 Executive Director
kherbel@ksu.edu

Michael R. Langemeier
Professor and Extension Agricultural Economist
Department of Agricultural Economics
mlange@agecon.ksu.edu

VALUE OF FARM PRODUCTION*

YEAR	NW	SW	NC	SC	NE	SE	STATE
2009	\$665,758	\$443,845	\$374,201	\$436,996	\$486,751	\$454,361	\$463,742
2008	\$619,242	\$418,748	\$412,729	\$496,805	\$471,706	\$469,082	\$477,582
2007	\$677,220	\$416,085	\$341,512	\$386,529	\$403,806	\$382,191	\$410,453
2006	\$387,486	\$258,041	\$276,194	\$317,213	\$303,127	\$285,001	\$301,484
2005	\$363,318	\$255,719	\$268,438	\$280,740	\$292,960	\$298,949	\$293,584
5 Year Avg	\$542,605	\$358,488	\$334,615	\$383,657	\$391,670	\$377,917	\$389,369

ACCRUAL NET FARM INCOME*

YEAR	NW	SW	NC	SC	NE	SE	STATE
2009	\$117,311	\$84,462	\$88,274	\$85,983	\$117,854	\$119,381	\$104,781
2008	\$144,839	\$82,605	\$104,516	\$132,575	\$121,891	\$133,820	\$124,617
2007	\$237,620	\$114,450	\$85,280	\$91,586	\$114,903	\$108,458	\$115,312
2006	\$59,098	\$22,764	\$43,712	\$58,196	\$54,341	\$39,183	\$46,930
2005	\$67,013	\$22,010	\$43,708	\$38,081	\$68,520	\$70,390	\$56,131
5 Year Avg	\$125,176	\$65,258	\$73,098	\$81,284	\$95,502	\$94,246	\$89,554

* Historical data for years prior to 2009 has been updated to include fiscal year farms and other farms added after the initial summary for each year.

**PERCENT OF FARMS IN NET INCOME GROUPS
KANSAS FARM MANAGEMENT ASSOCIATIONS
2009**

	NW %	SW %	NC %	SC %	NE %	SE %	STATE %
Over \$240,000 Net Income	14.81%	4.55%	9.03%	11.64%	16.81%	15.80%	13.13%
\$210,000 - \$240,000	4.32%	3.41%	4.69%	1.45%	2.16%	3.39%	3.18%
\$180,000 - \$210,000	3.09%	5.68%	1.44%	2.55%	5.60%	3.39%	3.32%
\$150,000 - \$180,000	4.94%	4.55%	3.61%	8.36%	8.19%	4.74%	5.75%
\$120,000 - \$150,000	9.26%	7.95%	7.58%	3.27%	3.45%	4.51%	5.42%
\$90,000 - \$120,000	7.41%	13.64%	12.27%	8.00%	11.21%	8.35%	9.68%
\$60,000 - \$90,000	8.64%	10.23%	13.72%	10.55%	11.64%	8.58%	10.49%
\$30,000 - \$60,000	11.11%	10.23%	15.52%	16.36%	10.34%	15.58%	14.08%
\$0 - \$30,000	10.49%	21.59%	15.52%	16.00%	14.22%	17.38%	15.91%
\$0 - \$30,000 Loss	13.58%	11.36%	10.11%	13.09%	7.33%	10.38%	10.77%
\$30,000 - \$60,000 Loss	6.79%	5.68%	3.61%	4.36%	6.47%	4.51%	4.94%
Greater than - \$60,000 Loss	5.56%	1.14%	2.89%	4.36%	2.59%	2.93%	3.32%
TOTAL NUMBER OF FARMS	162	88	277	275	232	443	1,477
AVERAGE NET FARM INCOME	\$117,311	\$84,462	\$88,274	\$85,983	\$117,854	\$119,381	\$104,781

**NET INCOME PER OPERATOR BY TYPE OF FARM
FIVE-YEAR TREND ANALYSIS
2005-2009***

Type of Farm	No. of Farms (2009)	Net Income/Operator					
		2009	2008	2007	2006	2005	5-year avg
All Farms	1,477	\$104,224	\$124,015	\$116,149	\$47,030	\$56,762	\$89,636
Cash Crop Dryland	1,050	122,463	147,965	120,926	50,168	49,022	98,109
Cash Crop Irrigated	54	187,034	197,047	287,350	88,728	59,338	163,899
Stock-Ranch Cowherd	17	(4,745)	(27,478)	19,026	34,395	55,928	15,425
Cowherd	15	(17,936)	33,019	25,630	11,926	46,668	19,861
Backgrounding	15	82,676	3,626	54,090	(18,055)	87,328	41,933
Dairy	37	28,250	66,956	92,066	25,131	53,846	53,250
Contract Turkeys	8	43,051	41,506	39,168	46,732	48,111	43,714
Cash Crop-Cowherd	140	31,152	38,387	57,793	31,236	46,884	41,090
Cash Crop - Backgrounding	28	61,721	69,578	72,010	(3,924)	78,109	55,499
Cash Crop - Beef	44	63,604	77,818	106,481	11,580	90,629	70,022
Cash Crop - Dairy	14	65,878	99,735	154,421	55,341	72,799	89,635
Cash Crop - Livestock	26	36,751	56,996	73,132	31,919	81,265	56,013

*Historical data for years prior to 2009 has been updated to include fiscal year farms and other farms added after the initial summary for each year.

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

		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
ASSOCIATION – 2009	NW	41	\$1,316,717	\$954,969	\$361,748	\$429,052	\$470,601	(\$41,549)	162	\$665,758	\$548,447	\$117,311
	SW	22	\$1,026,927	\$796,520	\$230,407	\$160,192	\$178,088	(\$17,896)	88	\$443,845	\$359,383	\$84,462
	NC	69	\$719,621	\$478,152	\$241,468	\$219,950	\$243,499	(\$23,549)	277	\$374,201	\$285,927	\$88,274
	SC	69	\$810,551	\$543,469	\$267,082	\$296,331	\$337,135	(\$40,804)	275	\$436,996	\$351,013	\$85,983
	NE	58	\$996,934	\$675,469	\$321,465	\$156,691	\$180,318	(\$23,627)	232	\$486,751	\$368,897	\$117,854
	SE	111	\$1,033,343	\$665,023	\$368,320	\$163,829	\$191,354	(\$27,525)	443	\$454,361	\$334,980	\$119,381
STATE OF KANSAS	2009	369	\$969,571	\$658,046	\$311,525	\$231,898	\$261,571	(\$29,673)	1,477	\$463,742	\$358,961	\$104,781
	2008	386	\$1,004,403	\$642,516	\$361,888	\$189,914	\$218,415	(\$28,501)	1,543	\$477,582	\$352,965	\$124,617
	2007	392	\$858,891	\$536,887	\$322,004	\$177,535	\$194,170	(\$16,634)	1,567	\$410,453	\$295,141	\$115,312
	2006	411	\$550,550	\$394,036	\$156,513	\$215,300	\$251,983	(\$36,683)	1,642	\$301,484	\$254,554	\$46,930
	2005	427	\$562,239	\$391,438	\$170,801	\$165,965	\$185,830	(\$19,865)	1,709	\$293,594	\$237,453	\$56,131
	2004	471	\$558,447	\$368,840	\$189,607	\$128,739	\$140,536	(\$11,797)	1,884	\$277,915	\$211,256	\$66,659
	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	

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**KANSAS FARM MANAGEMENT ASSOCIATION – AVERAGE OF ALL FARMS
FIVE-YEAR TREND ANALYSIS
2005 - 2009**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Number of Farms	1,477	1,543	1,567	1,642	1,709
Value of Livestock Produced	59,854	57,848	74,872	65,735	81,423
Value of Farm Production	463,742	477,582	410,453	301,484	293,584
Cash Operating Expense (excluding interest)	300,872	298,372	242,287	207,580	194,571
Interest Expense	21,455	22,459	23,748	19,954	17,285
Depreciation	36,634	32,134	29,106	27,021	25,596
Total Farm Expense	358,961	352,965	295,141	254,554	237,453
Accrual Net Farm Income	104,781	124,617	115,312	46,930	56,131
Return to Operator Labor and Management	22,910	50,469	48,432	(14,681)	(2,636)
Return to Capital	73,195	96,485	90,960	24,779	30,624
Values / \$100 of Farm Production:					
Operating Expense	64.88	62.48	59.03	68.85	66.27
Interest Expense	4.63	4.70	5.79	6.62	5.89
Depreciation Expense	7.90	6.73	7.09	8.96	8.72
Total Expense	77.41	73.91	71.91	84.43	80.88
Net Farm Income	22.59	26.09	28.09	15.57	19.12
Operating Profit Margin	15.78%	20.20%	22.16%	8.22%	10.43%
Return on Net Worth	5.24%	8.34%	8.38%	0.65%	1.87%
Total Liabilities – Dec. 31	392,374	368,031	347,905	328,825	314,609
Total Assets – Dec. 31	1,414,082	1,302,757	1,195,094	1,086,824	1,043,580
Total Equity (Net Worth) – Dec. 31	1,021,708	934,726	847,189	757,999	728,971
Current Assets/Current Liabilities – Dec. 31	3.23	3.00	2.73	2.28	2.38
Total Liabilities/Total Assets – Dec. 31	0.277	0.283	0.291	0.303	0.301
Total Acres	2,125	2,083	1,935	1,953	1,912
Crop Acres	1,431	1,387	1,310	1,269	1,231
Harvested Acres	1,369	1,341	1,285	1,219	1,161
Number of Workers	1.49	1.49	1.44	1.47	1.46
Number of Operators	1.00	1.00	0.99	0.99	0.98
Gross Crop Value / Crop Acre	336.77	341.92	311.67	214.74	204.04
Crop Production Costs / Crop Acre	198.56	198.64	168.75	146.84	143.02
Machinery Investment / Crop Acre	171.56	152.14	145.11	135.11	129.98
Machinery Costs / Crop Acre	70.15	70.35	62.81	57.69	56.55
Total Family Living Expense	54,201	52,818	50,556	46,380	45,816

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Kansas State University Agricultural Experiment Station and Cooperative Extension Service.

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