

April, 2002

Dear Farm Manager:



EXECUTIVE SUMMARY
2001 ProfitLink Analysis
Kansas Farm Management Associations
www.agecon.ksu.edu/kfma

Cooperative Extension Service

K-State Research and Extension
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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 Larry N. 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,

Martin L. Albright, Administrator
Farm Management Association Program

Michael R. Langemeier, Professor
Department of Agricultural Economics

VALUE OF FARM PRODUCTION

Year	NW	NC	NE	SW	SC	SE
2001	\$256,952	\$193,220	\$206,584	\$230,898	\$214,650	\$207,852
2000	\$258,165	\$197,131	\$182,059	\$258,140	\$213,822	\$208,140
1999	\$265,071	\$201,678	\$178,044	\$254,208	\$214,729	\$187,208
1998	\$250,761	\$160,384	\$163,209	\$212,828	\$175,685	\$150,441
1997	\$212,015	\$192,747	\$217,564	\$243,839	\$216,508	\$234,280
5 Year Avg	\$248,593	\$189,032	\$189,492	\$239,983	\$207,079	\$197,584

NET FARM INCOME

Year	NW	NC	NE	SW	SC	SE
2001	\$27,643	\$28,999	\$33,717	\$13,446	\$11,996	\$38,788
2000	\$38,277	\$30,745	\$28,518	\$48,604	\$36,056	\$49,509
1999	\$67,537	\$44,561	\$25,123	\$55,674	\$43,664	\$37,493
1998	\$50,485	\$14,767	\$12,170	\$31,286	\$16,156	\$3,460
1997	\$30,228	\$51,263	\$51,698	\$48,589	\$60,919	\$81,951
5 Year Avg	\$42,834	\$34,067	\$30,245	\$39,520	\$33,758	\$42,240

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**PERCENT OF FARMS IN INCOME GROUPS
FARM MANAGEMENT ASSOCIATIONS
2001**

	NW %	SW %	NC %	SC %	NE %	SE %	All Assn. %
Over \$140,000 Net Income	6.31	3.38	2.10	1.57	6.06	6.48	4.59
\$120,000 - \$140,000	1.80	0.48	1.40	0.00	1.65	1.85	1.29
\$100,000 - \$120,000	2.70	1.93	3.50	1.88	3.58	2.96	2.84
\$ 80,000 - \$100,000	3.15	1.45	2.10	3.76	4.96	4.44	3.61
\$ 60,000 - \$ 80,000	12.16	7.25	8.39	3.45	8.82	7.59	7.74
\$ 40,000 - \$ 60,000	10.81	10.63	15.38	8.78	14.05	11.85	12.03
\$ 20,000 - \$ 40,000	17.12	15.46	18.18	19.75	13.50	16.30	16.62
\$ 0 - \$ 20,000	19.82	21.26	26.57	21.94	22.59	25.37	23.39
\$ 0 - \$ 20,000 Loss	12.61	15.94	13.99	22.57	14.88	16.11	16.21
\$ 20,000 - \$ 40,000 Loss	5.41	10.14	5.59	7.84	3.86	4.44	5.78
\$ 40,000 - \$ 60,000 Loss	2.70	6.28	1.40	4.08	2.75	1.48	2.79
Over - \$ 60,000 Loss	5.41	5.80	1.40	4.39	3.31	1.11	3.10
TOTAL NUMBER OF FARMS	222	207	286	319	363	540	1,937
AVERAGE NET FARM INCOME	\$27,643	\$13,446	\$28,999	\$11,996	\$33,717	\$38,788	\$27,995

**FIVE-YEAR TREND ANALYSIS
TYPE OF FARM
1997-2001**

Type of Farm	No. of Farms	Net Income/Operator					
		<u>(2001)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
All Farms	1,937		\$28,169	\$39,273	\$42,246	\$16,608	\$58,235
Cash Crop Dryland	1,261		29,534	35,154	34,574	17,981	61,975
Cash Crop Irrigated	129		13,251	60,286	77,954	56,395	50,127
Stock-Ranch Cowherd	41		11,102	21,340	31,550	5,726	26,644
Cowherd	21		2,583	23,804	14,915	(2,932)	15,056
Dairy	50		42,638	38,891	46,847	41,945	39,179
Sow & Litter (Market)	10		116,495	137,405	136,708	(42,228)	103,127
Backgrounding	22		5,454	22,515	31,089	(30,490)	58,220
Cash Crop-Cowherd	174		18,623	28,795	28,742	9,313	31,147
Cash Crop-Dairy	22		40,980	41,602	42,396	34,418	65,888
Cash Crop-Sow & Litter (Market)	7		49,187	103,311	47,279	(341)	58,709
Cash Crop -Livestock	59		38,433	64,522	61,772	(8,644)	60,211
Cash Crop-Backgrounding	36		(7,241)	34,755	72,026	(14,983)	67,982
Cash Crop-Background Finish	15		30,363	102,410	128,708	(14,558)	89,072
Cash Crop-Beef	51		39,263	40,793	77,391	1,651	60,433
Turkeys	12		30,848	41,617	36,085	41,414	42,122
Cash Crop - Feeder Pig	5		92,219	80,987	--	--	--

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME
by INCOME --2001**

Assn	Number Farms (25% of Total)	High Income Farms (25%)				Low Income Farms (25%)				Average of all Farms				
		Value of Farm Production	Government Payments	Total Farm Expenses	Net Farm Income	Value of Farm Production	Government Payments	Total Farm Expenses	Net Farm Income	Number of Farms	Value of Farm Production	Government Payments	Total Farm Expenses	Net Farm Income
NW	56	\$405,977	\$73,798	\$299,897	\$106,080	\$242,307	\$56,077	\$292,824	(\$50,518)	222	\$256,952	\$52,606	\$229,309	\$27,643
SW	52	\$335,121	\$58,849	\$247,359	\$87,762	\$261,787	\$56,211	\$319,849	(\$58,061)	207	\$230,898	\$48,244	\$217,452	\$13,446
NC	72	\$319,199	\$52,811	\$230,726	\$88,473	\$129,657	\$25,276	\$148,869	(\$19,212)	286	\$193,220	\$34,791	\$164,221	\$28,999
SC	80	\$304,962	\$48,883	\$237,339	\$67,623	\$245,779	\$46,773	\$285,426	(\$39,647)	319	\$214,650	\$38,952	\$202,654	\$11,996
NE	91	\$379,278	\$66,292	\$266,780	\$112,499	\$151,273	\$22,365	\$180,721	(\$29,447)	363	\$206,584	\$36,563	\$172,867	\$33,717
SE	135	\$431,862	\$71,548	\$307,846	\$124,015	\$121,974	\$23,881	\$139,596	(\$17,622)	540	\$207,852	\$36,040	\$169,064	\$38,788
2001	484	\$367,089	\$62,918	\$264,222	\$102,867	\$182,642	\$36,000	\$214,652	(\$32,010)	1,937	\$214,664	\$39,636	\$186,669	\$27,995
State Average														
2000	521	\$393,589	\$77,393	\$271,536	\$122,053	\$134,965	\$33,280	\$155,068	(\$20,103)	2,083	\$214,104	\$45,614	\$174,907	\$39,197
1999	524	\$398,602	\$81,154	\$272,377	\$126,225	\$117,669	\$31,480	\$133,792	(\$16,123)	2,097	\$207,858	\$47,056	\$165,370	\$42,488
1998	535	\$304,419	\$42,525	\$220,779	\$83,640	\$135,548	\$21,914	\$177,607	(\$42,058)	2,139	\$175,615	\$26,504	\$158,836	\$16,778
1997	541	\$410,484	\$22,648	\$257,880	\$152,604	\$115,173	\$11,206	\$121,628	(\$ 6,455)	2,164	\$220,426	\$14,980	\$161,074	\$59,352
1996	529	\$420,075	\$27,018	\$257,734	\$162,341	\$91,087	\$13,299	\$95,924	(\$ 4,837)	2,115	\$208,860	\$17,496	\$146,945	\$ 61,915
1995	532	\$277,591	\$15,517	\$189,164	\$ 88,427	\$109,340	\$8,224	\$139,173	(\$29,833)	2,126	\$157,621	\$9,800	\$135,268	\$22,353
1994	534	\$285,498	\$17,946	\$194,762	\$ 90,736	\$103,126	\$8,945	\$123,585	(\$20,459)	2,136	\$159,788	\$11,663	\$131,136	\$28,652
1993	529	\$289,189	\$33,718	\$183,020	\$106,120	\$93,369	\$14,695	\$104,293	(\$10,924)	2,110	\$159,371	\$21,005	\$121,202	\$ 38,170
1992	524	\$307,000	\$19,395	\$190,701	\$116,299	\$85,483	\$11,379	\$89,235	(\$ 3,752)	2,096	\$163,164	\$14,529	\$117,689	\$ 45,475
1991	504	\$237,268	\$26,097	\$158,613	\$ 78,655	\$103,153	\$14,135	\$126,357	(\$23,204)	2,013	\$138,121	\$17,267	\$115,234	\$ 22,887

FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
1997 - 2001

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Number of Farms	1,937	2,083	2,097	2,139	2,164
Livestock Gross Income	44,712	51,008	57,134	33,266	49,709
Value of Farm Production	214,664	214,104	207,858	175,615	220,426
Cash Operating Expense - Interest	148,047	137,934	129,242	124,037	128,666
Interest Expense	18,056	17,202	16,905	16,217	15,573
Depreciation	20,566	19,772	19,223	18,582	16,835
Total Farm Expense	186,669	174,908	165,370	158,836	161,074
Accrual Net Farm Income	27,995	39,197	42,488	16,778	59,352
Return to Labor-Management	(12,034)	443	6,351	(18,675)	24,202
Return to Capital	8,920	17,474	19,817	(2,507)	18,913
<u>Values / \$100 of Farm Production:</u>					
Operating Expense	68.97	64.42	62.18	70.63	58.37
Interest Expense	8.41	8.03	8.13	9.23	7.06
Depreciation Expense	9.58	9.23	9.25	10.58	7.64
Total Expense	86.96	81.69	79.56	90.45	73.07
Net Farm Income	13.04	18.31	20.44	9.55	26.93
% Return on Net Worth	(1.89)	0.06	0.67	(4.46)	0.81
Total Loans (Dec. 31)	251,166	224,758	219,063	209,746	207,818
Total Assets (Dec. 31)	736,735	700,302	665,129	626,118	634,881
Total Capital Managed	1,402,614	1,347,954	1,250,010	1,189,423	1,163,752
Current Assets/Current Liabilities (Dec. 31)	2.07	2.32	2.28	2.19	2.52
Total Loans/Total Assets (Dec. 31)	0.34	0.32	0.33	0.33	0.33
Total Acres	1,770	1,754	1,738	1,684	1,686
Crop Acres	1,154	1,144	1,095	1,076	1,062
Number of Workers	1.46	1.41	1.46	1.45	1.49
Number of Operators	0.99	1.00	1.01	1.01	1.02
Gross Crop Value / Crop Acre	173.76	163.46	162.09	165.90	203.31
Crop Production Costs / Crop Acre	120.69	113.93	109.48	108.21	111.29
Machinery Investment / Crop Acre	114.44	108.00	108.40	102.80	94.72
Machinery Costs / Crop Acre	49.38	48.00	47.09	46.14	46.73
Total Family Living Expense	36,332	34,467	35,261	33,611	33,059