

April, 2003

Dear Farm Manager:



EXECUTIVE SUMMARY

2002 ProfitLink Analysis

Kansas Farm Management Associations

www.agecon.ksu.edu/kfma

www.AgManager.info

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 is available on www.AgManager.info.

Sincerely,

Martin L. Albright, Administrator
Kansas Farm Management Association

Michael R. Langemeier, Professor
Department of Agricultural Economics

VALUE OF FARM PRODUCTION

Year	NW	NC	NE	SW	SC	SE
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
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
5 Year Avg	\$247,558	\$185,143	\$181,959	\$230,611	\$206,757	\$193,121

Kansas State University
Agricultural Experiment
Station and Cooperative
Extension Service

NET FARM INCOME

Year	NW	NC	NE	SW	SC	SE
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
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
5 Year Avg	\$36,625	\$26,717	\$21,922	\$30,527	\$26,918	\$33,284

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and U.S. Department of
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**PERCENT OF FARMS IN INCOME GROUPS
FARM MANAGEMENT ASSOCIATIONS
2002**

	NW %	SW %	NC %	SC %	NE %	SE %	All Assn. %
Over \$140,000 Net Income	0.00	1.49	0.35	3.29	2.86	6.84	3.18
\$120,000 - \$140,000	0.45	1.98	1.05	1.20	0.86	2.09	1.35
\$100,000 - \$120,000	0.90	2.97	1.40	3.29	2.29	2.28	2.24
\$ 80,000 - \$100,000	2.69	1.98	3.85	4.19	0.57	4.94	3.28
\$ 60,000 - \$ 80,000	5.83	4.46	6.64	8.38	4.86	6.08	6.14
\$ 40,000 - \$ 60,000	9.87	8.91	8.74	10.18	8.00	10.65	9.53
\$ 20,000 - \$ 40,000	13.90	7.92	18.88	16.77	13.43	15.78	14.94
\$ 0 - \$ 20,000	20.63	19.31	25.52	22.16	22.57	23.57	22.64
\$ 0 - \$ 20,000 Loss	19.28	20.79	18.88	17.66	25.43	17.87	19.83
\$ 20,000 - \$ 40,000 Loss	8.97	13.86	7.34	8.68	10.29	5.32	8.43
\$ 40,000 - \$ 60,000 Loss	5.83	8.91	3.15	1.20	3.43	2.28	3.54
Over - \$ 60,000 Loss	11.66	7.43	4.20	2.99	5.43	2.80	4.89
TOTAL NUMBER OF FARMS	223	202	286	334	350	526	1,921
AVERAGE NET FARM INCOME	(\$817)	\$3,623	\$14,511	\$26,720	\$10,082	\$37,168	\$19,106

**FIVE-YEAR TREND ANALYSIS
TYPE OF FARM
1998-2002**

Type of Farm	No. of Farms	Net Income/Operator					
		<u>(2002)</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
All Farms	1,921		\$19,343	\$28,169	\$39,273	\$42,246	\$16,608
Cash Crop Dryland	1,270		20,229	29,534	35,154	34,574	17,981
Cash Crop Irrigated	122		9,743	13,251	60,286	77,954	56,395
Stock-Ranch Cowherd	37		9,291	11,102	21,340	31,550	5,726
Cowherd	26		6,595	2,583	23,804	14,915	(2,932)
Dairy	47		22,426	42,638	38,891	46,847	41,945
Sow & Litter (Market)	8		2,475	116,495	137,405	136,708	(42,228)
Backgrounding	19		29,220	5,454	22,515	31,089	(30,490)
Backgrounding-Finishing	6		49,158	--	84,807	94,670	(10,475)
Cash Crop-Cowherd	172		17,544	18,623	28,795	28,742	9,313
Cash Crop-Dairy	22		34,201	40,980	41,602	42,396	34,418
Cash Crop-Sow & Litter	10		20,263	49,187	103,311	47,279	(341)
Cash Crop-Backgrounding	31		3,197	(7,241)	34,755	72,026	(14,983)
Cash Crop-Background Finish	24		32,919	30,363	102,410	128,708	(14,558)
Cash Crop-Beef	50		11,028	39,263	40,793	77,391	1,651
Turkeys	9		38,399	30,848	41,617	36,085	41,414
Cash Crop - Livestock	53		20,668	38,433	64,522	61,772	(8,644)

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME
by INCOME --2002**

		High Income Farms (25%)			Low Income Farms (25%)			Average of all Farms			
Assn.	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	56	\$316,263	\$258,233	\$58,030	\$203,221	\$274,476	(\$71,255)	223	\$206,840	\$207,657	(\$817)
SW	51	\$333,671	\$260,103	\$73,567	\$196,243	\$256,629	(\$60,386)	202	\$196,980	\$193,357	\$3,623
NC	72	\$278,387	\$210,814	\$67,573	\$150,617	\$186,023	(\$35,406)	286	\$173,304	\$158,793	\$14,511
SC	84	\$355,015	\$258,036	\$96,979	\$189,127	\$219,554	(\$30,427)	334	\$214,897	\$188,177	\$26,720
NE	88	\$326,312	\$251,495	\$74,817	\$157,219	\$203,375	(\$46,156)	350	\$179,899	\$169,818	\$10,082
SE	132	\$388,259	\$259,233	\$129,027	\$148,053	\$173,297	(\$25,244)	526	\$211,965	\$174,797	\$37,168
2002	480	\$345,541	\$253,105	\$92,436	\$166,575	\$207,732	(\$41,156)	1,921	\$198,706	\$179,600	\$19,106
State Average											
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
1994	534	\$285,498	\$194,762	\$ 90,736	\$103,126	\$123,585	(\$20,459)	2,136	\$159,788	\$131,136	\$28,652
1993	529	\$289,189	\$183,020	\$106,120	\$93,369	\$104,293	(\$10,924)	2,110	\$159,371	\$121,202	\$ 38,170
1992	524	\$307,000	\$190,701	\$116,299	\$85,483	\$89,235	(\$ 3,752)	2,096	\$163,164	\$117,689	\$ 45,475

FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
1998 - 2002

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Number of Farms	1,921	1,937	2,083	2,097	2,139
Livestock Gross Income	44,717	44,712	51,008	57,134	33,266
Value of Farm Production	198,706	214,664	214,104	207,858	175,615
Cash Operating Expense - Interest	143,100	148,047	137,934	129,242	124,037
Interest Expense	16,244	18,056	17,202	16,905	16,217
Depreciation	20,256	20,566	19,772	19,223	18,582
Total Farm Expense	179,600	186,669	174,908	165,370	158,836
Accrual Net Farm Income	19,106	27,995	39,197	42,488	16,778
Return to Labor-Management	(20,590)	(12,034)	443	6,351	(18,675)
Return to Capital	(196)	8,920	17,474	19,817	(2,507)
<u>Values / \$100 of Farm Production:</u>					
Operating Expense	72.02	68.97	64.42	62.18	70.63
Interest Expense	8.17	8.41	8.03	8.13	9.23
Depreciation Expense	10.19	9.58	9.23	9.25	10.58
Total Expense	90.38	86.96	81.69	79.56	90.45
Net Farm Income	9.62	13.04	18.31	20.44	9.55
% Return on Net Worth	(3.43)	(1.89)	0.06	0.67	(4.46)
Total Loans (Dec. 31)	258,637	251,166	224,758	219,063	209,746
Total Assets (Dec. 31)	735,964	736,735	700,302	665,129	626,118
Total Capital Managed	1,452,517	1,402,614	1,347,954	1,250,010	1,189,423
Current Assets/Current Liabilities (Dec. 31)	2.01	2.07	2.32	2.28	2.19
Total Loans/Total Assets (Dec. 31)	0.35	0.34	0.32	0.33	0.33
Total Acres	1,809	1,770	1,754	1,738	1,684
Crop Acres	1,187	1,154	1,144	1,095	1,076
Number of Workers	1.42	1.46	1.41	1.46	1.45
Number of Operators	0.99	0.99	1.00	1.01	1.01
Gross Crop Value / Crop Acre	153.05	173.76	163.46	162.09	165.90
Crop Production Costs / Crop Acre	112.57	120.69	113.93	109.48	108.21
Machinery Investment / Crop Acre	112.42	114.44	108.00	108.40	102.80
Machinery Costs / Crop Acre	45.69	49.38	48.00	47.09	46.14
Total Family Living Expense	36,635	36,332	34,467	35,261	33,611