

April, 2004

Dear Farm Manager:

EXECUTIVE SUMMARY
2003 ProfitLink Analysis
Kansas Farm Management Associations
www.agecon.ksu.edu/kfma
www.agmanager.info

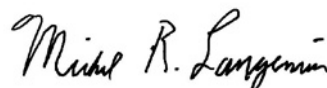
The efforts of many farm families throughout Kansas keeping detailed farm business and financial records make possible the annual report of whole farm and enterprise cost-of-production analysis information. The Association Economists, clerical staff, and the K-MAR-105 staff, have just completed a very 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
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
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
5 Year Avg	\$251,646	\$198,424	\$191,993	\$236,585	\$221,045	\$211,965

NET FARM INCOME

Year	NW	NC	NE	SW	SC	SE
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
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
5 Year Avg	\$38,526	\$34,265	\$27,214	\$31,735	\$32,413	\$45,223

**PERCENT OF FARMS IN INCOME GROUPS
FARM MANAGEMENT ASSOCIATIONS
2003**

	NW %	SW %	NC %	SC %	NE %	SE %	All Assn. %
Over \$140,000 Net Income	13.74%	4.89%	9.40%	4.58%	6.42%	12.61%	9.07%
\$120,000 - \$140,000	3.79%	3.11%	1.50%	3.92%	6.04%	3.11%	3.52%
\$100,000 - \$120,000	3.79%	3.11%	3.38%	4.58%	2.64%	3.29%	3.46%
\$ 80,000 - \$100,000	7.58%	4.89%	7.52%	6.54%	4.15%	6.40%	6.21%
\$ 60,000 - \$ 80,000	7.11%	11.11%	7.89%	10.78%	7.92%	8.78%	8.96%
\$ 40,000 - \$ 60,000	13.27%	11.56%	14.29%	14.71%	10.57%	12.43%	12.80%
\$ 20,000 - \$ 40,000	19.43%	16.44%	22.56%	15.36%	12.45%	17.37%	17.20%
\$ 0 - \$ 20,000	15.17%	22.22%	16.92%	22.88%	24.91%	20.48%	20.60%
\$ 0 - \$ 20,000 Loss	8.06%	12.44%	12.78%	11.11%	13.96%	11.15%	11.59%
\$ 20,000 - \$ 40,000 Loss	4.74%	5.33%	1.88%	3.27%	6.04%	3.11%	3.85%
\$ 40,000 - \$ 60,000 Loss	0.95%	3.56%	0.75%	0.98%	3.40%	0.55%	1.48%
Greater than - \$ 60,000 Loss	2.37%	1.33%	1.13%	1.31%	1.51%	0.73%	1.26%
TOTAL NUMBER OF FARMS	211	225	266	306	265	547	1,820
AVERAGE NET FARM INCOME	\$59,988	\$37,329	\$52,511	\$43,628	\$38,630	\$63,155	\$51,051

**FIVE-YEAR TREND ANALYSIS
TYPE OF FARM
1999-2003**

Type of Farm	No. of Farms	Net Income/Operator					
		(2003)	2003	2002	2001	2000	1999
All Farms	1,820		\$52,410	\$19,343	\$28,169	\$39,273	\$42,246
Cash Crop Dryland	1,210		51,424	20,229	29,534	35,154	34,574
Cash Crop Irrigated	117		57,580	9,743	13,251	60,286	77,954
Stock-Ranch Cowherd	38		34,148	9,291	11,102	21,340	31,550
Cowherd	25		22,458	6,595	2,583	23,804	14,915
Dairy	43		24,484	22,426	42,638	38,891	46,847
Sow & Litter (Market)	5		98,442	2,475	116,495	137,405	136,708
Backgrounding	16		63,035	29,220	5,454	22,515	31,089
Backgrounding-Finishing	--		--	49,158	--	84,807	94,670
Cash Crop-Cowherd	168		33,879	17,544	18,623	28,795	28,742
Cash Crop-Dairy	19		49,643	34,201	40,980	41,602	42,396
Cash Crop-Sow & Litter	7		63,456	20,263	49,187	103,311	47,279
Cash Crop-Backgrounding	27		87,728	3,197	(7,241)	34,755	72,026
Cash Crop-Background Finish	9		144,039	32,919	30,363	102,410	128,708
Cash Crop-Beef	49		89,456	11,028	39,263	40,793	77,391
Turkeys	13		36,777	38,399	30,848	41,617	36,085
Cash Crop - Livestock	53		55,244	20,668	38,433	64,522	61,772

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME
by INCOME --2003**

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	53	\$529,643	\$357,524	\$172,118	\$152,915	\$174,904	(\$21,989)	211	\$271,200	\$211,212	\$59,988
SW	56	\$410,578	\$294,284	\$116,294	\$189,016	\$212,370	(\$23,354)	225	\$242,700	\$205,371	\$37,329
NC	67	\$402,958	\$256,050	\$146,908	\$141,884	\$151,997	(\$10,114)	266	\$226,788	\$174,278	\$52,511
SC	77	\$454,011	\$334,777	\$119,234	\$126,540	\$140,325	(\$13,785)	306	\$247,129	\$203,501	\$43,628
NE	66	\$403,930	\$275,093	\$128,837	\$86,966	\$111,802	(\$24,837)	265	\$213,380	\$174,750	\$38,630
SE	137	\$524,830	\$341,286	\$183,544	\$108,921	\$117,499	(\$8,578)	547	\$244,661	\$181,506	\$63,155
2003	455	\$462,290	\$312,084	\$150,206	\$126,220	\$141,845	(\$15,625)	1,820	\$240,059	\$189,008	\$51,051
State Average											
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
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

FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
1999 - 2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Number of Farms	1,820	1,921	1,937	2,083	2,097
Livestock Gross Income	55,650	44,717	44,712	51,008	57,134
Value of Farm Production	240,059	198,706	214,664	214,104	207,858
Cash Operating Expense - Interest	153,185	143,100	148,047	137,934	129,242
Interest Expense	15,218	16,244	18,056	17,202	16,905
Depreciation	20,606	20,256	20,566	19,772	19,223
Total Farm Expense	189,009	179,600	186,669	174,908	165,370
Accrual Net Farm Income	51,051	19,106	27,995	39,197	42,488
Return to Labor-Management	9,932	(20,590)	(12,034)	443	6,351
Return to Capital	25,770	(196)	8,920	17,474	19,817
<u>Values / \$100 of Farm Production:</u>					
Operating Expense	63.81	72.02	68.97	64.42	62.18
Interest Expense	6.34	8.17	8.41	8.03	8.13
Depreciation Expense	8.58	10.19	9.58	9.23	9.25
Total Expense	78.73	90.38	86.96	81.69	79.56
Net Farm Income	21.27	9.62	13.04	18.31	20.44
% Return on Net Worth	2.13	(3.43)	(1.89)	0.06	0.67
Total Loans (Dec. 31)	261,786	258,637	251,166	224,758	219,063
Total Assets (Dec. 31)	773,034	735,964	736,735	700,302	665,129
Current Assets/Current Liabilities (Dec. 31)	2.30	2.01	2.07	2.32	2.28
Total Loans/Total Assets (Dec. 31)	0.34	0.35	0.34	0.32	0.33
Total Acres	1,836	1,809	1,770	1,754	1,738
Crop Acres	1,224	1,187	1,154	1,144	1,095
Number of Workers	1.38	1.42	1.46	1.41	1.46
Number of Operators	0.97	0.99	0.99	1.00	1.01
Gross Crop Value / Crop Acre	186.97	153.05	173.76	163.46	162.09
Crop Production Costs / Crop Acre	119.97	112.57	120.69	113.93	109.48
Machinery Investment / Crop Acre	115.37	112.42	114.44	108.00	108.40
Machinery Costs / Crop Acre	47.11	45.69	49.38	48.00	47.09
Total Family Living Expense	38,989	36,635	36,332	34,467	35,261