

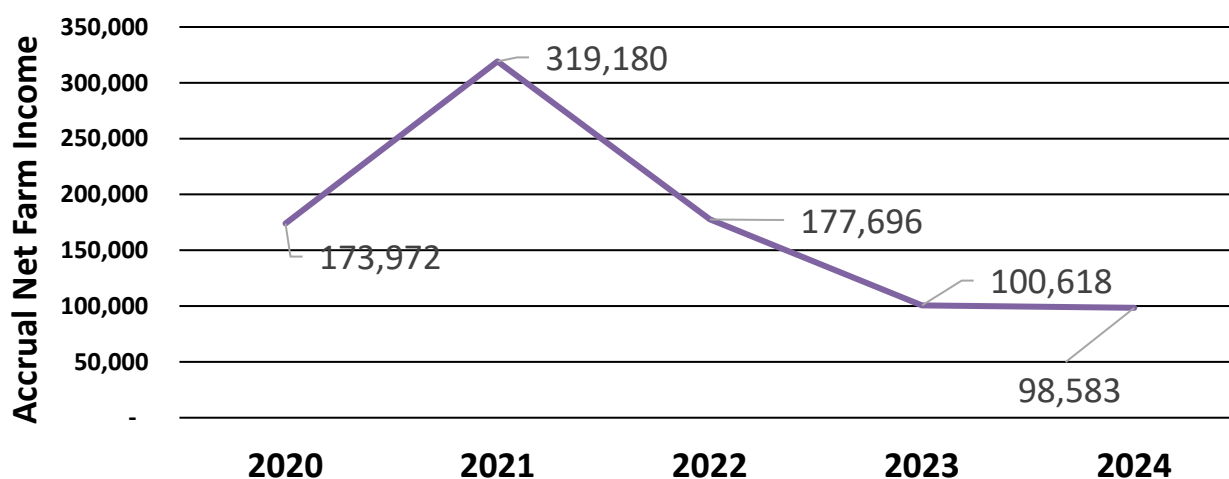


2024 KFMA EXECUTIVE SUMMARY

Although down slightly, net farm income in Kansas remained mostly steady in 2024 compared to 2023. Spotty weather, regional drought, and depressed crop prices led to lower incomes for crop producers. For those in the beef cattle sector, strong market conditions resulted in strong incomes but also made the cost of replacement and expansion difficult. Government program payments, including payments accrued to the 2024 crop year, provided significant support to producers.

KFMA Accrual Net Farm Income for 2024 was **\$98,583**.

KFMA Accrual Net Farm Income, 2020-2024



KFMA ACCRUAL NET FARM INCOME by ASSOCIATION & STATE – 2020 to 2024

	NW	SW	NC	SC	NE	SE	State
2024	139,605	88,334	101,885	68,989	73,379	110,259	98,583
2023	87,626	97,568	92,581	70,214	107,274	120,397	100,618
2022	288,093	144,560	153,731	136,139	215,321	156,898	177,696
2021	412,532	452,584	281,542	267,111	304,963	321,811	319,180
2020	145,390	236,591	173,013	188,231	147,381	196,571	173,972
Weighted Average	230,633	187,214	163,775	146,872	175,884	178,873	176,806

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.

CROP INSURANCE & GOVERNMENT PAYMENTS

NET CROP INSURANCE
25.0% of NFI

In 2024 net crop insurance proceeds (indemnity payments less premiums paid) were \$24,642 or 25% of net farm income. In the western one-third of the state, net crop insurance was a more sizable portion of NFI, accounting for 49.1% in the southwest and 90.8% in the northwest associations.

GOVERNMENT PAYMENTS
68.1% of NFI

The most notable crop related government payment earned and accrued to 2024, though not received until 2025, was the Emergency Commodity Assistance Program (ECAP), which averaged \$44,280 per farm. Other crop-related ad hoc disaster and statutory program payments totaled \$18,951. Livestock related government payments totaled \$3,905. Total average government payments per farm were \$67,136 or 68.1% of net farm income. ECAP payments, accrued to 2024, accounted for 44.9% of net farm income in 2024 or 66.0% of all government payments.

Net crop insurance and government payments accounted for \$91,778 or 93.1% of net farm income. Net farm income would have been \$6,805 for 2024 absent crop insurance or government payment support.

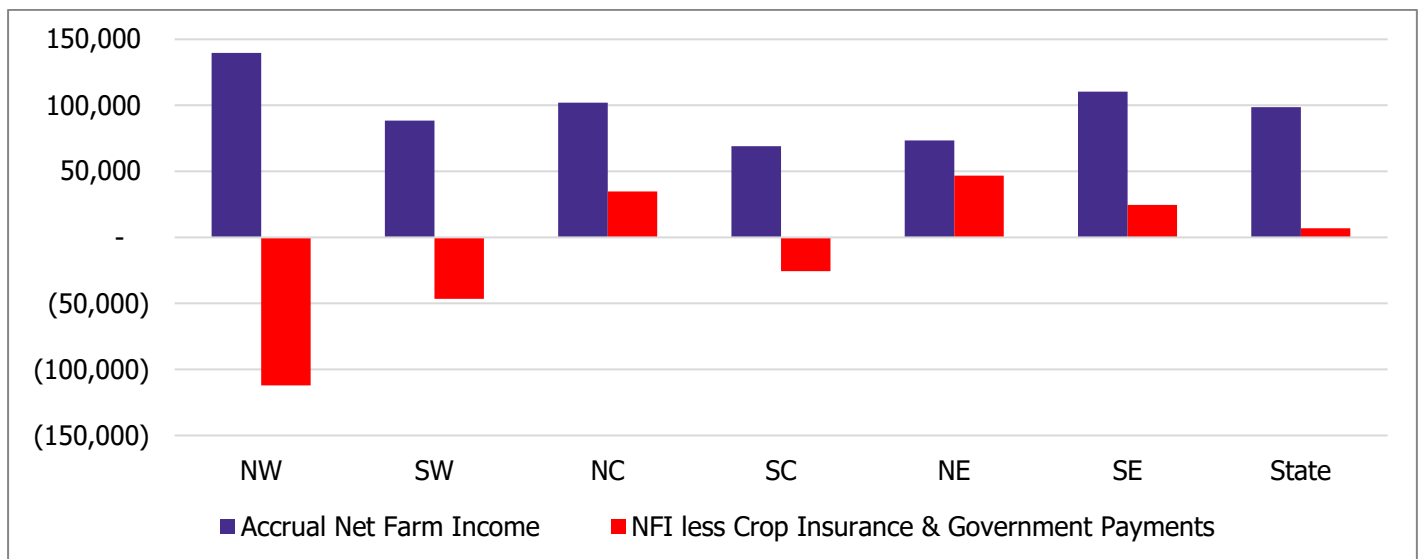
KFMA GOVERNMENT PAYMENTS & NET CROP INSURANCE – 2023 & 2024

		NW	SW	NC	SC	NE	SE	State
2024	ECAP Pmts ¹ /Farm	83,073	50,504	40,319	44,171	29,717	42,112	44,280
	Total Gov't Pmts/Farm	125,002	91,543	63,321	69,597	38,111	62,018	67,136
	Total Gov't Pmts % of NFI	89.5%	103.6%	62.1%	100.9%	51.9%	56.2%	68.1%
	Net Crop Insurance ² /Farm	126,809	43,347	3,834	25,035	(11,459)	23,771	24,642
	Net Crop Insurance % of NFI	90.8%	49.1%	3.8%	36.3%	-15.6%	21.6%	25.0%
2023 ³	Total Gov't Pmts/Farm	63,967	46,091	30,014	24,975	18,411	41,683	34,320
	Total Gov't Pmts % of NFI	73.0%	47.2%	32.4%	35.6%	17.2%	34.6%	34.1%
	Net Crop Insurance/Farm	109,877	156,769	126,839	107,180	13,961	56,690	83,857
	Net Crop Insurance % of NFI	125.4%	160.7%	137.0%	152.6%	13.0%	47.1%	83.3%

¹ Emergency Commodity Assistance Program (ECAP) payments were based on 2024 planted acres and were treated as accrued income owed to producers at year end.

² Crop insurance indemnity payments less crop insurance premiums paid.

³ Historical data for years prior to 2024 has been updated to include fiscal year farms and other farms added after the initial summary for each year.



FARM TYPE⁴

Livestock focused producers continued to see strong profits in 2024, especially cattle backgrounding and feeding operations. After multiple years of high purchased feed costs, producers realized some relief due to a tempering in the forage market. The accrual value of livestock produced, less purchased feed cost, increased 1.6% over 2023 for all farms and increased 8.36% for the most profitable 25% of farms.

For those in the grain industry, net income varied significantly by farm type. The most frequent farm type, dryland farms, saw a 14.6% decrease in net income per operator for 2024. Farms with a moderate portion of irrigated acres (20-60% of labor devoted to irrigated acres) saw a 66.1% increase in net farm income per operator. Farms with a high portion of irrigated acres (>60% of labor devoted to irrigated acres) experienced an 85.9% decrease in net farm income per operator.

KFMA NET INCOME PER OPERATOR by TYPE OF FARM⁴ – 2020 to 2024⁵

Type of Farm	# Farms 2024	2024	2023	2022	2021	2020
All Farms	761	\$ 105,586	\$ 105,249	\$ 184,118	\$ 319,180	\$ 171,663
Crop Dryland	520	78,214	91,581	169,249	312,289	181,396
Crop 20-60% Irrigated	67	142,537	85,796	308,208	463,499	217,600
Crop >60% Irrigated	16	23,190	164,133	477,800	828,003	216,755
Cowherd	23	123,378	266,285	80,465	45,265	60,029
Crop – Cowherd	55	159,180	164,952	59,339	140,937	70,120
Backgrounding	7	638,169	538,878	--	231,069	31,295
Crop – Backgrounding	18	267,011	320,835	314,543	384,903	173,655
Crop – Background-Finish	5	273,033	--	221,666	282,379	210,843
Crop – Beef	10	167,238	227,048	182,674	309,684	102,980
Dairy	7	239,158	98,427	239,275	116,341	185,096
General Farm	14	(36,038)	54,686	110,656	286,337	108,113

⁴ Farm-Type is defined based on labor utilization for the production activities of the farms

⁵ Historical data for years prior to 2024 has been updated to include fiscal year farms and other farms added after the initial summary for each year



ITEMS OF NOTE

Distribution of Income

Agricultural diversity in Kansas, combined with varying impacts of drought and lower crop prices, resulted in a wide range of farm profitability in 2024. While statewide average accrual net farm income was \$98,583, the distribution of income is important to consider. The most profitable 25% of farms showed \$386,515 of accrual net farm income and 5.38% return on equity. For the least profitable 25% of farms expenses exceeded value of farm production resulting in accrual net farm income of \$(104,508) and return on equity of -8.41%. The average value of livestock produced for the most profitable 25% of farms in 2024 was \$484,888 while the least profitable 25% of farms showed value of livestock produced of only \$85,313.

NEARLY 50%
OF FARMS HAD NFI
BELOW \$50,000

Across the distribution, 49.4% of KFMA farms had an accrual net farm income of \$50,000 or less in 2024, similar to 49.2% of farms in 2023. Slightly more farms showed negative income in 2024, with 29.3% in 2024, up from 26.7% and 17.1% in 2023 and 2022, respectively. Conversely, 6.3% of farms had accrual net farm income greater than \$400,000, down from 7.5% in 2023 and a marked decrease from 12.2% in 2022.

Farm Balance Sheet

In 2024, total liabilities increased by \$58,529 to end at \$782,455 while total assets increased by \$114,449 to \$3,591,488. Because the increase in total assets outpaced the increase in total debt, net worth for the average KFMA farm increased by \$55,919 to \$2,809,032 despite reduced income compared to the previous five years.

\$55,919 AVERAGE
INCREASE IN NET WORTH

The value of intermediate assets on hand at year end, including machinery, equipment, and breeding stock, increased by \$38,056. The value of current assets on hand, including market livestock, grain, feed, and prepaid expenses, increased by \$29,324.

Total debt per farm has trended upward since 1990. In 2024, current liabilities increased by \$42,132 and non-current liabilities increased by \$16,397. Current liabilities include accounts payable, accrued interest, operating loans, and principal payments due in the next 12 months on non-current liabilities (liabilities on machinery, equipment, breeding livestock, real estate, or restructured debt).

Land values per acre in the KFMA data are held steady on the beginning and ending balance sheets. Therefore, changes in net worth for KFMA farms are viewed as earned net worth changes or the result of production and marketing activities during the year. Land values per acre are adjusted every five years to the current market value. This adjustment last occurred in 2020 on both the beginning and ending balance sheets. Any land value changes in 2024 from the beginning to the end of the year are the result of land purchases or sales.

Solvency and Liquidity

Solvency and liquidity positions eroded during the year. Of the farms included in the 2024 KFMA summary, debt to asset ratio increased from 0.208 to 0.218 during the year, led by increased current liabilities. Working capital (current assets minus current liabilities) eroded \$12,808 to \$553,981. For the third year in a row, the current ratio (current assets divided by current liabilities) fell, decreasing from 2.99 at the beginning of the year to 2.70 at the end.

CURRENT RATIO
DECREASED FROM
2.99 to 2.70

Another measure of liquidity is a ratio of working capital to operating expenses plus interest expense. A ratio of less than 100% may indicate that the operation will need borrowed funds to cover operating expenses and necessary interest payments. KFMA farms ended 2024 with this ratio at 86.9%, down from 89.7%

in 2023, indicating potential cash flow struggles for producers in 2025.

Cost of Credit

The effective interest rate is determined by dividing the average interest paid by average total debt. The effective interest rate paid by KFMA members during 2024 was 4.9%, rising 0.5% from 2023. Therefore, the amount of interest paid in relation to total debt of each operation is increasing. A 1% increase in effective interest rate results in a decrease in accrual net farm income of about \$7,600.

EFFECTIVE INTEREST
RATE OF **4.90%**

Crop Value and Production Costs

In 2024, gross crop value per crop acre fell to \$443.07, a 4.6% decrease from \$464.55 in 2023. During the same time period, crop production costs decreased \$15.85 per acre, from \$372.46 in 2023 to \$356.61 in 2024. Average investment in crop machinery and equipment increased 3.3% to \$360.83 per crop acre. Total crop machinery cost (fuel, repairs, depreciation, etc.) increased 0.6% to \$133.76 per crop acre in 2024.

Family Living

FAMILY LIVING COST OF
\$122,681

Average family living cost, including taxes, was \$122,681. Food, clothing, personal recreation, and other household expenses accounted for \$62,614 of the total. Income tax, self-employment tax, and personal property tax averaged \$29,741. Other family living expenses include health insurance of \$12,143, drug and doctor expense of \$4,952, and charitable contributions of \$6,272.

Farm Recordkeeping

Each farm manager can build a solid foundation for their decision-making with good farm financial and production records and utilizing those records to compare themselves with others to identify strengths and opportunities for improvement. Accurate records allow the identification of production costs, provide a starting point for market planning, and can help a farm manager understand their farm business better. An investment of time into this process is important to manage the uncertainty and volatility of today's production and economic environment successfully.

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Additional information for 2024 and prior years can be found at www.AgManager.info/KFMA.

2024 KFMA EXECUTIVE SUMMARY

KFMA PERCENT OF FARMS IN NET INCOME GROUPS – 2024

	NW	SW	NC	SC	NE	SE	State
> \$400,000 Net Income	10.14 %	4.08 %	3.05 %	6.00 %	5.79 %	8.14 %	6.31 %
\$350,000 - \$400,000	2.90 %	2.04 %	4.27 %	--	3.31 %	1.16 %	2.23 %
\$300,000 - \$350,000	5.80 %	2.04 %	2.44 %	2.00 %	4.13 %	1.94 %	2.76 %
\$250,000 - \$300,000	2.90 %	--	3.66 %	2.00 %	0.83 %	3.88 %	2.76 %
\$200,000 - \$250,000	2.90 %	6.12 %	4.27 %	4.00 %	4.96 %	3.88 %	4.20 %
\$150,000 - \$200,000	4.35 %	8.16 %	9.15 %	5.00 %	6.61 %	4.26 %	6.04 %
\$100,000 - \$150,000	4.35 %	16.33 %	12.20 %	5.00 %	5.79 %	11.24 %	9.46 %
\$50,000 - \$100,000	17.39 %	12.24 %	17.07 %	17.00 %	14.05 %	18.60 %	16.82 %
\$0 - \$50,000	18.84 %	18.37 %	21.34 %	28.00 %	15.70 %	18.99 %	20.11 %
\$0 - \$50,000 Loss	11.59 %	18.37 %	12.80 %	20.00 %	19.83 %	13.95 %	15.51 %
< \$50,000 Loss	18.84 %	12.24 %	9.76 %	11.00 %	19.01 %	13.95 %	13.80 %
Net Farm Income	\$ 139,605	\$ 88,334	\$ 101,885	\$ 68,989	\$ 73,379	\$ 110,259	\$ 98,583

KFMA VALUE OF PRODUCTION, TOTAL EXPENSE, & NET FARM INCOME by NET FARM INCOME GROUP – 2024

		Farms (25% Total)	High Income Farms (25%)			Low Income Farms (25%)				Average of all Farms		
			Value of Farm Production	Total Farm Expenses	Net Farm Income	Value of Farm Production	Total Farm Expenses	Net Farm Income	Farms	Value of Farm Production	Total Farm Expenses	Net Farm Income
ASSOCIATION	NW	18	2,351,063	1,792,733	558,330	1,243,864	1,377,415	(133,551)	69	1,175,363	1,035,758	139,605
	SW	13	1,374,071	1,096,487	277,584	796,694	856,603	(59,910)	49	802,375	714,041	88,334
	NC	41	1,290,593	960,750	329,843	561,559	626,705	(65,146)	164	749,171	647,286	101,885
	SC	25	1,129,419	845,923	283,496	575,464	656,391	(80,927)	100	645,007	576,018	68,989
	NE	31	1,461,059	1,080,370	380,689	716,570	888,402	(171,832)	121	794,956	721,576	73,379
	SE	65	1,858,679	1,432,242	426,437	725,688	831,986	(106,298)	258	879,463	769,204	110,258
STATE ⁶	2024	191	1,600,936	1,214,421	386,515	694,916	799,424	(104,508)	761	829,162	730,579	98,583
	2023	212	1,585,457	1,206,006	379,450	702,170	797,819	(95,650)	848	834,926	734,308	100,618
	2022	214	1,865,911	1,330,209	535,703	485,938	524,416	(38,478)	853	895,659	717,963	177,696
	2021	222	2,149,856	1,327,243	822,613	265,565	246,372	19,193	886	964,826	645,646	319,180
	2020	244	1,663,542	1,179,542	484,000	353,070	375,882	(22,813)	976	777,559	603,587	173,972

KFMA GROSS CROP VALUE⁶, CROP PRODUCTION COST⁷, CROP MACHINERY COST⁸ PER CROP ACRE by NET FARM INCOME GROUP – 2024

		Farms (25% Total)	High Income Farms (25%)			Low Income Farms (25%)				Average of all Farms		
			Gross Crop Value/ Crop Acre	Crop Prod. Cost/ Crop Acre	Crop Mach. Cost/ Crop Acre	Gross Crop Value/ Crop Acre	Crop Prod. Cost/ Crop Acre	Crop Mach. Cost/ Crop Acre	Farms	Gross Crop Value/ Crop Acre	Crop Prod. Cost/ Crop Acre	Crop Mach. Cost/ Crop Acre
ASSOCIATION	NW	18	\$ 386.32	\$ 289.79	\$ 96.56	\$ 403.45	\$ 359.12	\$ 119.07	69	\$ 357.72	\$ 284.20	\$ 95.53
	SW	13	357.24	261.38	102.17	226.44	207.58	84.55	49	285.06	224.74	91.19
	NC	41	489.95	341.65	126.29	416.42	398.35	151.57	164	454.52	361.68	135.78
	SC	25	487.61	342.59	123.26	356.23	331.21	136.82	100	418.55	323.14	122.32
	NE	31	620.02	467.99	172.94	629.81	560.45	212.48	121	613.85	483.61	178.95
	SE	65	531.79	420.14	163.54	495.08	480.76	183.82	258	490.25	411.14	158.79
STATE		191	483.32	363.66	133.94	419.06	390.59	146.23	761	443.07	356.61	133.76

⁶ Gross Crop Value per Crop Acre reflects the landlord and operators share of crop produced, government payments, and crop insurance proceeds

⁷ Crop Production Cost per Crop Acre includes direct and indirect production costs plus an opportunity cost on crop share of machinery and building investment

⁸ Crop Machinery Cost per Crop Acre includes crop share of machinery cost (depreciation, fuel, repairs, etc) plus an opportunity cost on crop share of machinery investment

KFMA AVERAGE OF ALL FARMS – 2020 to 2024⁹

	2024		2023	2022	2021	2020
Number of Farms	761		848	853	886	976
Value of Livestock Produced	192,673		189,579	146,818	131,251	117,122
Value of Farm Production (VFP)	829,162		834,926	895,659	964,826	777,559
Operating Expense (excluding interest)	600,613		616,915	616,129	546,639	502,760
Interest Expense	37,130		31,318	25,062	26,269	32,667
Depreciation	92,836		86,075	76,773	72,738	68,159
Total Farm Expense	730,579		734,308	717,963	645,646	603,586
Accrual Net Farm Income	98,583		100,618	177,696	319,180	173,972
Return to Op. Labor and Management	(133,873)		(112,381)	35,602	193,260	40,301
Return to Capital	25,408		29,939	106,943	250,868	112,176
<u>Values / \$100 of Farm Production:</u>						
Operating Expense	72.44		73.89	68.79	56.66	64.66
Interest Expense	4.48		3.75	2.80	2.72	4.20
Depreciation Expense	11.20		10.31	8.57	7.54	8.77
Total Expense	88.11		87.95	80.16	66.92	77.63
Net Farm Income	11.89		12.05	19.84	33.08	22.37
Operating Profit Margin	3.06%		3.59%	11.94%	26.00%	14.43%
Return on Net Worth	-0.42%		-0.05%	3.11%	8.79%	3.25%
	Dec 31	Jan 1	December 31 (End of Year)			
Total Liabilities	782,455	723,926	747,979	698,498	736,425	713,057
Total Assets	3,591,488	3,477,039	3,454,302	3,394,998	3,426,556	3,226,986
Total Equity (Net Worth) ¹⁰	2,809,032	2,753,113	2,706,323	2,696,500	2,690,131	2,513,930
Change in Net Worth During Year ¹¹	55,919		52,864	128,768	271,165	137,590
Total Liabilities/Total Assets	0.218	0.208	0.217	0.206	0.215	0.221
Current Assets/Current Liabilities	2.70	2.99	2.92	3.36	3.31	2.64
Ending Working Cap./(Oper Exp + Int Exp)	86.87%		89.70%	96.09%	111.10%	84.82%
Total Acres	2,357		2,338	2,365	2,551	2,603
Crop Acres	1,689		1,644	1,653	1,774	1,796
Harvested Acres	1,754		1,748	1,704	1,803	1,755
Number of Workers	1.56		1.56	1.57	1.65	1.68
Number of Operators	0.93		0.96	0.97	1.00	1.01
Gross Crop Value / Crop Acre	443.07		464.55	507.60	540.03	414.78
Crop Production Costs / Crop Acre	356.61		372.46	355.91	291.97	265.38
Crop Machinery Investment / Crop Acre	360.83		349.26	315.73	280.40	261.05
Crop Machinery Costs / Crop Acre	133.76		132.96	117.91	101.62	91.62
Family Living (excluding income taxes)	92,940		89,648	89,559	82,557	72,400
Income and Self-Employment Taxes	29,741		32,270	26,732	21,133	18,477

⁹ Historical data for years prior to 2024 has been updated to include fiscal year farms other farms added after the initial summary¹⁰ Land and breeding stock values are updated every five years in the KFMA dataset (both beginning and end of year values) and were updated in 2020¹¹ Change in net worth is the change from beginning to end of year for the farms in the dataset for that year