



Kansas Farm Management Association

Building Strong Relationships...Producing Excellence

Fall 2019 E-Newsletter

Progress →

Anthony N. Ruiz - KFMA Professional Development Officer

Fall follows summer to reap the bounty that was planted in spring and will be utilized in future days. Our crops and livestock come closer towards completing production cycles as the nights grow longer. Wherever you and your farming or ranching operation is at today, I hope this E-Newsletter finds you well.

Progress seems to be the theme of the Fall 2019 KFMA E-Newsletter. As I reflect on the wonderful articles penned by Extension Ag Economists in the Northwest Association, each seeks to equip you, the member, to take your business into a future optimizing resources and mitigating risks. From fall farm visits to financial management and succession planning, KFMA and our highly skilled statewide team is focused on you and your progress towards a brighter horizon.

Progress isn't staying put. It also isn't heading aimlessly in any direction. No, progress is an intentional advancement toward a destination. What is your destination? What are your goals? Advances in science, agronomy, genetics, and equipment have changed the agricultural landscape. Markets, decisions, and consumers are not the same as last fall let alone decades ago. It often appears ag producers are shooting at a moving target. Amidst these fluid factors KFMA is here to help. This E-Newsletter seeks to bring you timely insight into ways to strengthen your operation. The research article links use KFMA data to ask questions and find solutions you can apply on your operation. Radio segments further elaborate on your data to dig deeper for on-farm application.

The Fall 2019 KFMA E-Newsletter reflects progress our members have made, advancement of our Extension Ag Economists, and momentum our organization is gaining as we seek to build strong relationships and produce excellence. KFMA's purpose is to increase farm profitability and sustainability. To do that, we will sit down at your kitchen table or farm office desk, analyze your data, and deliver farm management insights for your unique situation. Talk to your Extension Ag Economist about how to move your business forward. Tell your friends about KFMA and what we can do for them. Take the initiative to ask questions and plan out a destination for your farm, your family, and your future this fall with KFMA.

Anthony

KFMA Core Values

Relationships

Integrity

Service

Excellence

Fall Farm Visits: What to Expect from Your KFMA Economist

[Ashley Sherman – Northwest KFMA Ag Economist and Ana Stepanovic – Northwest KFMA Ag Economist](#)

It's that time of year again, kids are heading back to school, the hot weather is beginning to subside, and harvest will be here in no time. It is time for KFMA Economists to hit the road for their Fall Farm Visits with members. At a recent KFMA Professional Development meeting held in Great Bend Economists spent some time going over a Fall Farm Visit Checklist and discussing what to expect and what all should be covered. So, what would one expect at a farm visit and why are farm visits so important? This article will help you to better understand what all is involved and what to expect.

The Fall Farm Visits usually occur from August through October and the meeting is held at the member's farm. A large majority of this visit is spent going through the member's records; whether they are manual books, QuickBooks, FarmBooks, or any other form of record keeping the member may use. While going through transactions, your Economist will want to make sure crop and forage sales are split out accordingly and units and price are notated. Similarly, livestock transactions are checked to make sure head counts and weights are included. This information is essential in providing an accurate analysis. Other transactions your Economist will go through and ask for additional information on may be patronage, government payments, crop insurance proceeds, home insurance splits, real estate tax splits, and separating interest and principal on loan payments. If there are any new loans, gathering loan information on loan terms and rates is helpful for the analysis as well. If there are any capital purchases or sales, it's key to go over these with your Economist and update the depreciation schedule. It is important to provide them with any supporting documents, such as purchase agreements for these transactions, so that they may be handled correctly for tax purposes. If time is available, your Economist will want to work through splitting transactions between crops for an enterprise analysis. The main focus being on allocating seed, chemical, fertilizer, cash rent, and machine hire transactions. Also, notating any prepaid expense will help with end of the year inventory and analysis.

Another topic your Economist will spend time on during your farm visit is checking 1099's. Any vendor that the ag producer has paid interest, rent, machine hire, vet services, conservation or attorney expenses to will qualify. If such payments are \$600 or more per year, ag producers are responsible to send the vendor a 1099. Economists will make sure names, addresses and social security numbers or tax id numbers are on file, and remind farmers to obtain missing information prior to meeting in January when finalizing 1099's. It's also important to take time and check payroll at every farm visit. Do payroll liabilities match payroll deposits? Are you or your business paying in correctly: monthly, quarterly, annually? If wages are greater than \$20,000 in a quarter then FUTA, Federal Unemployment Tax, may come into play. If payroll is consistently visited, things should run smoothly in January, and less time can be spent fixing errors that could have been recognized earlier in the year. Time invested to details in the fall saves time spent trying to piece together details during the winter.

Income tax management is an important component of overall farm management. During fall farm visits, Economists work with farmers on developing strategies to mitigate high taxes and implement recent changes in laws that benefit ag producers. That is why one of the topics during our recent Professional Development meeting was a payroll-withholding update. Even though it is not required by IRS to submit a new W-4, it is highly recommended to re-examine income tax liability and determine withholding amount. This is particularly important for families who have had major life changes such as getting married, having a baby, or a spouse entering the workplace etc. During the same meeting, the most recent draft for the new 2020 Form W-4 was introduced and followed by discussion on challenges and questions that may arise in filling out this form.

Helping members complete an accurate analysis is a key service KFMA Economists provide to members. The next part of the farm visit will entail going over crop production, inventories, and livestock information. If you have livestock, your Economist will spend time going over livestock typing enterprises and gathering necessary information. For example, for a spring calving cow herd operator the Economist will need to calculate the number of beef cows in the herd, number of

calves born during the year and number of calves weaned, and the average calf weaning weight if this is known. If the member has not filled out their crop production page, their Economist will spend time going over crop production. The following information is needed for Crop Production:

- All full season crop acres (FSA Form 578 is helpful here)
- Wheat acres and production
- Straw acres and production
- Double crop acres
- Brome, Prairie Hay acres and production
- Pasture acres and value per acre
- Total owned vs rented acre

If time allows the Economist and member can spend some time discussing tax planning and working through a tax estimate. Primary focus would be on gross income and comparing current year gross income to-date to prior year gross income. Making notes of quarterly estimates paid and any prior year deferred crop insurance or drought related livestock sales so these aren't missed on the later date tax estimate or tax return. The Fall Farm Visit is an ideal time to catch up on any issues or questions the member may need help with.

Taking time and asking all the necessary questions will help both the Economist and member form a more accurate analysis and smoother tax planning experience. KFMA strives for building strong relationships and producing excellence. The primary goal of the KFMA program is to provide each member with information that can be used to help make farm and family decisions. If you've thought about becoming a member and wondered if KFMA could be an asset to your farm operation, give your local KFMA office a call and see how KFMA can play a role in your operation. For more information visit www.agmanager.info/kfma.

Family Communication and Estate/Succession Planning: Everyone's Favorite Conversation

[Jordan Steele – Northwest KFMA Ag Economist](#)

It is no secret effective communication is a struggle in agriculture, and sometimes family conversations are so rough that operations fail. Most farmers and ranchers would rather work on their finances than talk about generation transfer. That is, if they will come in the house away from the field to work on the books. KFMA economists are continually getting more questions and requests for estate and succession planning from our members as they look to retire and pass the operation down. In early August, I attended the Ranching for Generations Conference in Sheridan, Wyoming hosted by Ranch Management Consultants (<https://ranchmanagement.com/>), founder of The Ranching for Profit School. There were great presenters and even better conversation amongst the attendees about business plans and goals, but first I want to start with a quote:

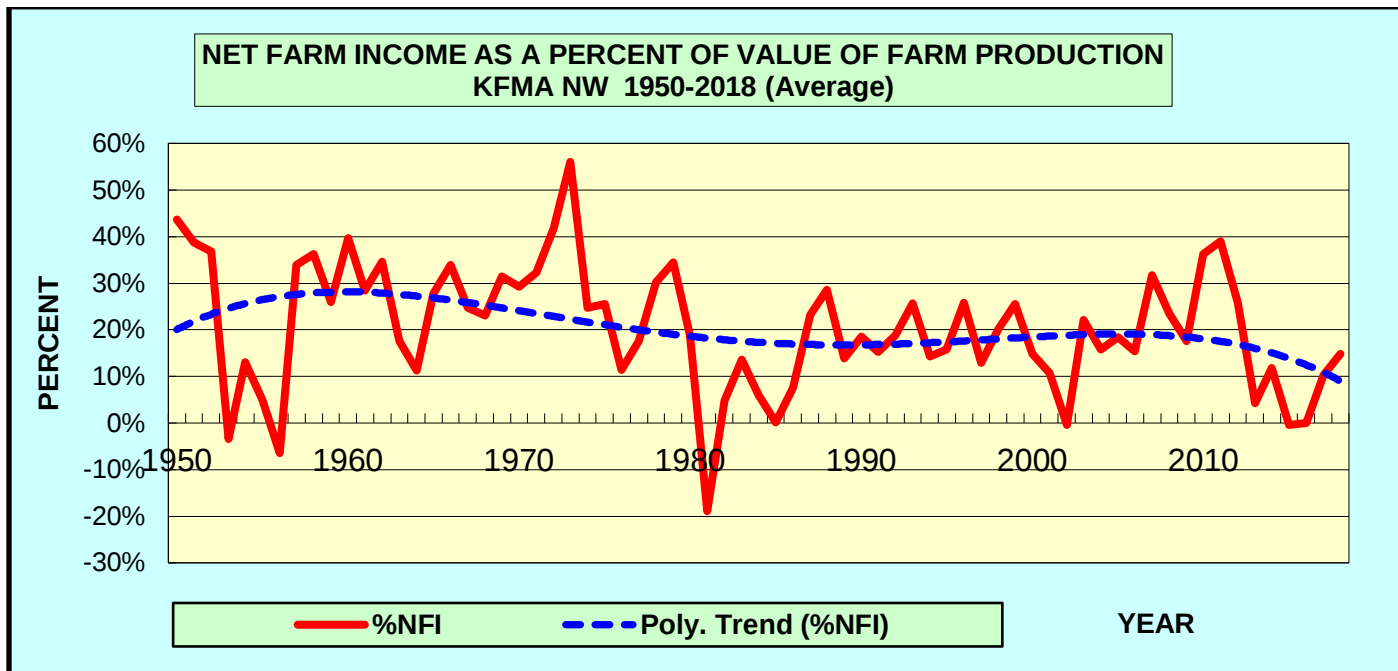
"The children now love luxury; they have bad manners, contempt for authority; they show disrespect for elders and love chatter in place of exercise. Children are now tyrants, not the servants of their households. They no longer rise when elders enter the room. They contradict their parents, chatter before company, gobble up dainties at the table, cross their legs, and tyrannize their teachers." (Socrates, approximately 400 B.C.)

Socrates' quote reminds us that every generation has had preconceived notions about their abilities in the workforce and life in general throughout time. I won't be able to fit the whole conference in this newsletter, but I encourage you to contact me, or follow the included links, if you want more information. The conference served as more than just professional development. It also served as a business transfer for Dallas and Dixie Mount to take over the reins of Ranch Management Consultants from Dave and Kathy Pratt. Tara Kuipers from Cody, Wyoming started the conference with Bridging the Generational Divide (<https://www.tarakuipersconsulting.com/>). A panel interview consisting of Ranching for Profit alumni and Fred Provenza from Utah State University presented life experiences during the night session. Elaine Froese from Manitoba, Canada was in charge of the next day speaking on Who Gets What and When

(<https://elainefroese.com/>). All speakers had a common theme: **Communication is KEY, although sometimes difficult to start, in transition planning.**

Nicole Masters from New Zealand began the third and final day with CSI for Soils: The Scene of the Grime (<https://www.integritysoils.co.nz/>) demonstrating proper soil organisms and management considerations to ensure soil health and resilience. Although Nicole's presentation was on soil health, it fit in with the overall theme of Ranching for Generations because it is the foundation. Successful agricultural operations need a foundation of healthy soil to produce grass or grain just as successful agricultural operations need a foundation of a healthy business structure to operate through more than one generation. Ranch Management Consultants has a great Profit Tips article about passing on a profitable, cash flowing business rather than a pile of expensive assets; sign up for Profit Tips here (<https://ranchmanagement.com/profit-tips/>). Nicole Masters finished her time with a soils workshop at The Padlock Ranch north of Sheridan, Wyoming (<https://padlockranch.com/>). Padlock Ranch is a wonderful operation calving out approximately 11,700 mother-cows on 430,000 acres with a farming operation to supply their feedlot. The Padlock Ranch is also a good reminder that who OWNS assets can be different from who MANAGES assets by following their five elements of purpose: excellent people, stewardship of natural resources, profitability, positive member of community, and a legacy for the Scott family.

KFMA members are provided with an annual ProfitLink Analysis and financial reports which are a huge benefit to help with transition planning. Two important questions are: is the operation big enough for multiple families? And is the operation profitable enough for multiple families? Using KFMA NW data (<http://agmanager.info/kfma>, contact us for a summary book) let's look at an operation's profit margin or Net Farm Income as a Percent of Value of Farm Production on the chart below. There are two important lines. The red jagged line represents each year's Net Farm Income Percentage showing the volatility of farm income; below 0% actually represents a farm loss for the year and above 20% is generally a good Net Farm Income for the year. The dashed blue line is a trend line representing the change in average net farm incomes over the years.



Since 1950 the average NW Kansas operation Net Farm Income Percentage has been 20.3%, or it takes eighty cents to make a dollar. The other twenty cents are profit and can be used for primarily family living and debt payments. However, compare the 26.38% average from 1950 to 1980, the 16.94% average from 1981 to 2012, to the atrocious 6.81% average from 2013-2018. Agricultural profit margins have certainly tightened over the decades.

Tax	\$	14,628
Health Ins	\$	13,199
Household	\$	13,177
Personal	\$	12,090
Food	\$	8,757
Medical	\$	5,035
Gifts	\$	4,886
Life Ins	\$	4,659
Donations	\$	4,173
Utilities	\$	3,051
Repairs	\$	2,752
Auto	\$	2,571
Clothing	\$	1,602
Education	\$	1,224
Furniture	\$	1,178
Interest	\$	1,082
Child Care	\$	217
Total	\$	94,281

The average family living cost for KFMA NW members is \$94,281 which sounds like an overwhelming amount of money but look at the table to the left for details (remember these are averages of all analyses included in the summary). **It is highly critical for members to understand the amount of money LEAVING the farm or ranch.** Also remember there may be off farm income coming into the operation, so each transition plan is different and will be advised accordingly. Generally, I recommend \$500,000 value of farm production per family on the operation; value of farm production includes the accrual adjusted amount of livestock, crop, and other income of the operation. Multiplying \$500,000 (VFP) by 20% (Profit Margin) ends up with \$100,000 (Net Farm Income) which is sufficient to cover the average family living. Remember, every operation is different, and we have only compared averages. Overall, the operation must be profitable first, then size comes next, and excess family living cannot be allowed to drain farm profits.

Last, I want to finish on the importance of your team and accountability—nobody can make a successful business transfer by themselves. Your team should include family (EVERYONE involved, especially spouses), employees, KFMA economist, attorney, possibly a mediator, and anyone else you want input from. Without a team and set timelines, it is too easy to postpone setting up a transition and estate plan. Postponing does not benefit anyone involved. I encourage you to look at your KFMA analysis to compare profitability numbers and contact your KFMA economist to start a plan today (<http://agmanager.info/kfma/kfma-contacts>).

Managing Through Challenges: Past, Present, and Future

[Mark Wood – Northwest KFMA Ag Economist](#)

Agriculture in America can be characterized by three to five years of excitement (1914-1918, 1945-1948, 1973-1976, and 2007-2012) followed by 25 to 30-year periods of breakeven, at best, prices. All of these are similar in the sense that there were unexpected demand shocks, world wars, ag commodity fluctuations, energy needs, and accompanying currency fluctuations followed by years of excess production. From this brief thumbnail view of US Agriculture Economic history, one can state challenges are the norm in agriculture. Weather, markets, equipment breakdowns, employees, financial uncertainty, and physical or mental stress are challenges for every farm operation. How operators manage these challenges can be quite different. I would like to take a few minutes to note observations from 33 years serving KFMA members in northwest Kansas that separate those operators that plan for, and manage, challenges versus those who react to them.

Planning, by my definition, simply means being prepared. On farm visits I make as a KFMA Extension Ag Economist, the discussion frequently focuses on problems and limitations for the current situation on one farm, only to shift when I move down the road and the next operator has a plan and is moving forward. **Operators that make decisions in a forward-thinking manner are generally more successful and satisfied with their career in agriculture.** I have found that to have made a decision, even if the future shows it was not “right,” frequently is better than NOT making a decision, which is a decision in itself. After all, “A ship that is not moving does not steer very well.” It seems when there are no “good” choices available, the tendency is to make NO decision because of the fear of making the wrong one. I call this management paralysis. Operators with this management pattern rarely have a farm operation suitable to hand off to the next generation; often becoming the terminal generation on that farm.

Step 1. Know your financial position: I am not talking just a balance sheet in this case. I handed a farmer a print out of his projected cash flow several years ago. He took one look at the balance sheet and said, “Good, I still have \$10 million in net worth.” I pointed out the cash flow projection showed a shortfall of \$1 million. He was focused on equity, not on

profitability. Many operations today have healthy equity positions, mostly due to persistence in land values, while they have lost liquidity and have ballooning operating debt. I have witnessed farms with excess operating debt to restructure on land twice or even three times. The squeeze is on and lenders feel it, too. Many are unwilling to extend additional credit leading to much of the financial stress I currently see.

Step 2. Focus on profitability through the “exercise” of creating a cash flow projection: **Operators that know their costs have a decided advantage over those that do not.** Obviously, no one knows what the weather is going to do in a given year, but you need to know whether it takes 80 bushel or 50 bushel per acre wheat to break even at \$4. If your breakeven yield for a given enterprise is well beyond the normal yield expectations, consider moving to another crop enterprise or rotation. Alternatives are much easier to consider during the planning phase of a cash flow projection rather than after the resources have been committed or by making “knee jerk” decisions during the year.

Producers not completing a full projected cash flow can use their prior year ProfitLink analysis to get a good idea of enterprise profitability. A completed ProfitLink enterprise analysis looks at total cost per acre from the prior year. Begin with this and make some back of the envelope adjustments for current input costs (or use the KFMA Enterprise Projection spreadsheet) and plug in the anticipated yields based on crop conditions at the current time. Once those values are determined, we have a market price objective to cover cash flow needs. The key here is using the total expense value on the enterprise analysis which has all variable and fixed costs including operator labor charges (family living draws), depreciation (equipment payments), and a land charge (proxy for land payments on owned land). In most cases, the market is not providing resources to cover total expenses, but it is important for the cash flow plan to find a way to cover total variable cost and operator labor (the family living proxy). This leaves the machinery and land payments to the operating note and potential restructure if there are no other options.

Step 3. Income Timing: Once cash flow needs are established and market price objectives are defined, the next challenge is timing of income. In times past, lenders attempted to time term payments to match cash flow availability to make payments. Interestingly, I find most machine financing arrangements are simply termed to match the annual or semiannual date of purchase. Rarely does that coincide with cash flow sufficient to cover the payments. Buying a combine ahead of harvest and setting the payment date with that timing does not match well with selling grain after harvest. Land term debt is more likely to be scheduled with cash flow in mind, but frequently the payment is scheduled for December 31 so interest can be timed as a tax deduction either in the current year or following year. My experience working with farmers has shown December 31 is probably the worst cash flow timing for a land payment. The farm operator is likely focused on prepaying expenditures to lower taxes and will typically be running a negative cash balance at the end of the year. This can be mitigated by substantial deferred grain or livestock sales contracts receivable on January 2 to cover the “float” of the checks. The problem gets serious when the farm operation no longer has grain inventory priced for January 2 receipt. The past few years have found some operations with farm stored grain not deliverable due to full elevators or the weather, or simply not having the grain priced. I have strongly pushed my KFMA members to work on grain marketing with an eye to future cash flow needs and pull the trigger on grain sales whenever the market provides an opportunity. Many farm operators don’t like to price much grain ahead due to the uncertainty of production, which is understandable...but what about 25, 30 or 50% of the past several years production? **Progressive managers have adequate commodities priced ahead at breakeven levels to keep their cash flow timed properly almost every year.**

Step 4. Be willing to pay some taxes: A large part of the thought process for operators holding back on sales is the desire for a higher selling price *and* to reduce tax liabilities. Functioning on operating debt, they will not pay much if any taxes, but once grains are sold to repay loans, might pay some taxes. I argue that **preparing for an appropriate tax liability is part of a successful plan.** Those perpetually trying to avoid paying taxes, while still covering term debt payments and family living draws, are likely to experience continual financial stress.

Let us examine the results of the KMFA NW 2018 analysis by quartile of Net Farm Income in *Table 1* on the following page. This is not a perfect comparison since accrual net farm income is used and is treated as if it were Schedule F cash

income. I did assume \$25,000 of the net farm income was from machinery or breeding livestock sales. Note how the Low 25% quartile needs an estimated Adjusted Gross Income on their tax return of \$119,727 to cover family living and term debt payments. These farms are short of their Adjusted Gross Income needs and have an estimated earned equity change of (\$116,105). The KFMA NW average for 2018 column shows an after tax estimated earned equity change of \$44,140 after a tax bill of \$46,196. The KFMA NW High 25% showed an estimated Earned Equity Change of \$255,087 after paying \$121,471 in taxes. Note that the term debt payments are greater for the Low 25% and their depreciation is much lower. The Low 25% farm income is negative, the debt is the highest and the machinery older and likely worn out or less reliable. These are indications of current or impending financial stress.

Table 1.

KFMA, NW 2018 ProfitLink Analysis		Net Farm Income Quartile		
		Low 25%	Avg.	Hi 25%
+	Family Living (KFMA, NW Avg 2018)	\$ 94,279	\$ 94,279	\$ 94,279
+	Term Debt Payments (KFMA, NW Avg Term Debt/7)	\$ 74,595	\$ 55,806	\$ 69,794
-	KFMA, NW Management Depreciation	\$ (49,147)	\$ (63,170)	\$ (119,659)
	Approximate Adjusted Gross Income needed	\$ 119,727	\$ 86,915	\$ 44,414
	Contribution from non-farm income sources (KFMA, NW avg) (W-2, Misc Taxable income, Rent/Royalties, Social Security)	63965	63965	63965
	Accrual Net Farm Income, KFMA, NW	-60343	113286	357006
	Approximate Adjusted Gross Income Earned	\$ 3,622	\$ 177,251	\$ 420,971
	Estimate Tax Liability (Married, Joint, 2 Kids)	\$ -	\$ 46,196	\$ 121,471
	After Tax Earned Equity Change	\$ (116,105)	\$ 44,140	\$ 255,087

In which farm income category would you like to be? I would take the High 25% tax bill and earned equity change any day. KFMA members who have learned and applied this years ago are not likely in current financial stress. Many are ready, willing, and able to buy real estate from the Low 25% income farms when it comes up for sale. Think about it.

Plan for the future you desire and manage accordingly.

Additional Thoughts...

Avoid the trap of too much debt: The term-debt payment schedule is a primary culprit for many farms in financial stress. Simply put, an operator may have a healthy profitability for their farm size but lack adequate cash flow to support purchasing habits. Frequently, operators have purchased too much land, too recently, for their cash flow to adequately support. Two things bloat line of credit balances these days, term debt payments and family living draws that exceed cash flow available. It is always wise to spend some time to annually review debt and overhead cost items.

The challenge of machinery costs—balancing reliability, cost and ego: Equipment costs, including repairs, fuel, machine hire, and management depreciation, should be evaluated. The KFMA ProfitLink analysis provides an opportunity to compare your costs to farms of similar type and size. I use machinery cost per harvested acre as a discussion point at farm visits, when evaluating cost issues, and when building a cash flow. Rarely are these costs easily controlled but identifying where issues exist can be worth the time. *Labor utilization* is a key to efficient management on any farm. Labor is not just the hired hand, but also the operator or family members contributing to the farm labor resource. As the operator ages, the ability to do the more difficult, physical jobs starts to slip. Frequently maintenance begins to skid as well. This can contribute to more expensive equipment repairs, more services from dealers, or trading for newer equipment to improve dependability or timeliness of accomplishing farming tasks. Success requires sufficient equipment productivity to get the job done in a timely fashion. Whether your operation runs older equipment that is well maintained, or newer equipment, also well maintained, does not really matter, as long as, you get the job done timely and at a sustainable cost per harvested acre. It is important to have machinery costs balanced to your operation over time. Management attitude, when discouraged, frequently leads to neglect of equipment maintenance and personal

health maintenance as well. It seems avoiding the problem can compound other issues in a variety of ways. For help making wise decisions and progressing forward, contact your local KFMA Economist.

Income and tax planning: At fall farm visits, I typically work through a year-end income planning projection. This entails current income and expenses year-to-date from computer records and adding expenses spent last year from the date of the last entry in their current year records through the end of last year. This total is a good proxy for estimated expenses to year-end for the current year. The focus is to plan for appropriate income to cover anticipated cash flow and tax planning objectives. I have found few think in August about how much income is needed to cover operating expenses and term debt payments by year-end.

For tax planning in a cash flow crunch year, start thinking of deferring expenses into next year. One can set major repair expenses on depreciation to stretch out the expenses, which raises taxable income, but does not help with cash flow stress. An infusion of income from the sale of unneeded assets is a possibility. Frequently the response to this is, “It really isn’t worth much, so why sell it?” It will be worth less next year and even less the next, so why ride the value on down to zero. Some opt to liquidate real estate to reduce a portion of their term debt payment schedule and try to fix their cash flow crisis. A non-farm income strategy that does not help cash flow but takes advantage of a negative tax situation is to roll Traditional IRA accounts into Roth IRA Accounts, if they qualify, while at a loss or in a lower tax bracket. You may pay some state income taxes, but at least you would use up your federal standard deduction and farm losses this way and eliminate future taxes on those dollars. On farms that are doing very well and generating income, they might have other problems. If carrying too much inventory over from 2018 when income is already higher than desired, future sales this year should be deferred into 2020. Though not common this year, operations in this strong position are out there and looking to continue thriving.

KFMA Vision

The Kansas Farm Management Association (KFMA), through its affiliation with K-State Research and Extension, will be the valued and trusted provider of integrated data management systems to apply critical thinking and strategic business planning for farm and ranch decision makers; and will be the premier source of farm-level economic data in the world.

Upcoming Agricultural Economics Events

- October - December 2019 (8 dates): Kansas Income Tax Institute (8 locations)
 - o <https://agmanager.info/events/kansas-income-tax-institute>
- October 29 – November 1, 2019 (4 dates): Kansas Crop Insurance Workshop (4 locations)
 - o <https://www.agmanager.info/events/kansas-crop-insurance-workshop>
- February 13-14, 2020: Women Managing the Farm Conference, Manhattan
 - o <https://www.agmanager.info/events/women-managing-farm-conference>

For more information about these and other events, visit <http://www.agmanager.info/events/> or contact Rich Llewelyn at rwl@ksu.edu or 785.532.1504. Other events hosted by the Department of Agricultural Economics can be found at <http://www.ageconomics.k-state.edu/events/index.html>.

Economist Spotlight



Logan Hedlund

Our Ag Economist Spotlight shines on Logan Hedlund in the Southwest Association this edition. Logan joined KFMA at the Dodge City office in December of 2018. He jumped right in and began making an impact for his members as soon as he got keys to the front door of the new offices. He may be a fresh face to KFMA, but Logan is a well-versed professional and local of southwest Kansas. A native of Montezuma, Logan is at home in the unique environment the 23 counties Southwest Association covers.

Logan graduated South Gray High School, Dodge City Community College, and K-State University. His degree at K-State was in Ag Business with minors in Agronomy and Business. Logan has extensive experience in lending with over nine years serving numerous positions and eventually focusing on agricultural lending. This understanding has helped jump-start Logan into the role of helping members with record-keeping, financial analysis, and tax management. Meeting members and getting to know their unique operations between the Colorado border and Pratt, learning how to better serve them, and becoming an excellent resource they can depend on are Logan's favorite portions of being a KFMA Ag Economist.

When not building relationships with members, Logan enjoys spending time outdoors. He is an avid golfer in the Montezuma recreational league, loves working on his landscaping to get it just right, and routinely heads to the lake for a dip in its cool water if he slips while wake surfing. Logan is married to Kelsey and together they have a nine-month-old son, Calvin. Calvin is crawling everywhere and pulling up on anything he can get his hands on. Logan can't wait until Calvin is old enough to join him outside spending quality time enjoying outdoor activities together.

Outstanding, service-minded Ag Economists are what makes KFMA so meaningful to our numerous members. If you haven't met Logan yet, stop by the new Dodge City office, across the hall from the previous one, and introduce yourself. Whether talking golf, Farm Bill, or K-State sports, Logan is always glad to meet members and deliver KFMA's characteristic integrity and excellence to their farm.

AgManager.info KFMA Research Articles

The following research articles can be found on the KFMA webpage (<http://www.agmanager.info/kfma/research-articles>). Each newsletter will feature new publications that are available.

Financial Benchmarking Tool

[Robin Reid – K-State Agricultural Economics, Kevin Herbel – Kansas Farm Management Association](#)

A tool to assess a farm's financial position relative to other similar farms in the same region. Updated and enhanced from the 2018 release. A terrific tool with excellent visuals. It has caught on really well with those in the lending arena.

<https://www.agmanager.info/finpack/financial-benchmarking-tool>

Effects of Crop Insurance on Farm Disinvestment and Exit Decisions

[Youngjune Kim – K-State Agricultural Economics, Jisang Yu – K-State Agricultural Economics, and Dustin L. Pendell – K-State Agricultural Economics](#)

Over the last two decades, the US federal crop insurance program expanded rapidly. Despite growing importance of crop insurance programs, little is known about the relationship between crop insurance and disinvestment and exit decisions of farms. Using KFMA's dataset, authors estimate the effects of crop insurance on farm disinvestment and farm exits with carefully developed identification strategies.

<https://academic.oup.com/erae/advance-article/doi/10.1093/erae/jbz035/5541507>

Farm Generations and Net Farm Income

[Gregg Ibendahl – K-State Agricultural Economics, Terry Griffin – K-State Agricultural Economics, Aleksan Shanoyan – K-State Agricultural Economics, and Elizabeth Yeager – K-State Agricultural Economics](#)

Generational analysis seems to be common practice today. However, there have been few studies on the generational effects on farming. This may be because less data is available on a farm level about each operator on a farm. K-State Agricultural Economics researchers dive into the KFMA database to determine if certain generations have been more profitable than other generations.

<https://www.agmanager.info/finance-business-planning/research-papers-and-presentations/farm-generations-and-net-farm-income>

The KFMA Operator Database: A Short Note On Age and Experience of Kansas Farmers

[Terry Griffin – K-State Agricultural Economics, Elizabeth Yeager – K-State Agricultural Economics, Aleksan Shanoyan – K-State Agricultural Economics, and Gregg Ibendahl – K-State Agricultural Economics](#)

Age, experience, and other demographic information are of interest to many applied research projects. This short note is intended to serve as an example to assist researchers using farm demographics such as age and experience from the Kansas Farm Management Association (KFMA) Operator Database. This unique KFMA data empowers researchers to conduct advanced analyses. This data demonstrations supports applied research and outreach projects by reporting details otherwise not readily available in respective studies.

<https://www.agmanager.info/kfma/research-articles/kfma-operator-database-short-note-age-and-experience-kansas-farmers>

Agriculture Today Interviews with Eric Atkinson

Spending Differences in Farm and Ranch Generations

[Terry Griffin – K-State Agricultural Economics and Gregg Ibendahl – K-State Agricultural Economics](#)

K-State agricultural economists Terry Griffin and Gregg Ibendahl discuss the initial findings of a forthcoming research series on the generational makeup of Kansas farm operations and how that impacts managerial decisions on the farm.

<http://agtodayksu.libsyn.com/kansas-farm-operations-the-generations-tomato-challenges>

Financial Benchmarking Tool

[Robin Reid – K-State Agricultural Economics](#)

A tool to assess a farm's financial position relative to other similar farms in the same region. Updated and enhanced from the 2018 release. This is a terrific tool with excellent visuals. It has caught on with those in the lending arena.

<http://agtodayksu.libsyn.com/>

Volatility of Farm Incomes

[Nathan Hendricks – K-State Agricultural Economics and Whitney Bowman – K-State Agricultural Economics Graduate Student](#)

Nathan Hendricks and graduate researcher Whitney Bowman talk about their new analysis of the volatility of Kansas farm incomes over time, based on information from the Kansas Farm Management Association. They explain why understanding those volatility trends can be helpful in farm financial management.

<http://agtodayksu.libsyn.com/>

KFMA Data in Action Elsewhere

2019 Risk & Profit Presentations & Slides

[Kansas Farm Management Association Extension Agricultural Economists & K-State Agricultural Economics Faculty](#)

Once again, KFMA staff and data took center stage at K-State Ag Economics Department's Risk and Profit Conference. Be sure to visit the link below to see the premier farm-level data set at work!

Market Facilitation Payments

In this year of trade uncertainty, there is much interest in the impact of the Market Facilitation Payments (MFP) made in 2018 and projections for the impact of these payments in 2019. Some information presented at the Risk and Profit Conference, particularly a presentation by Nathan Hendricks and Joe Janzen, looks specifically at the impact of expected payments being received from MFP2 in 2019.

<https://www.agmanager.info/events/risk-and-profit-conference/previous-conference-proceedings/2019-risk-and-profit-conference>

Early Weaning Cuts Cow Maintenance Cost

[Beef Magazine – by Wes Ishmael](#)

In a year where forage is a plenty, it's hard to consider early weaning. But in reality, this year's tough spring has some cows still recovering. Weaning those calves might be your economical answer to improve body condition score.

<https://www.beefmagazine.com/cow-calf/early-weaning-cuts-cow-maintenance-cost>

Do Weaning Weights Pay the Bills?

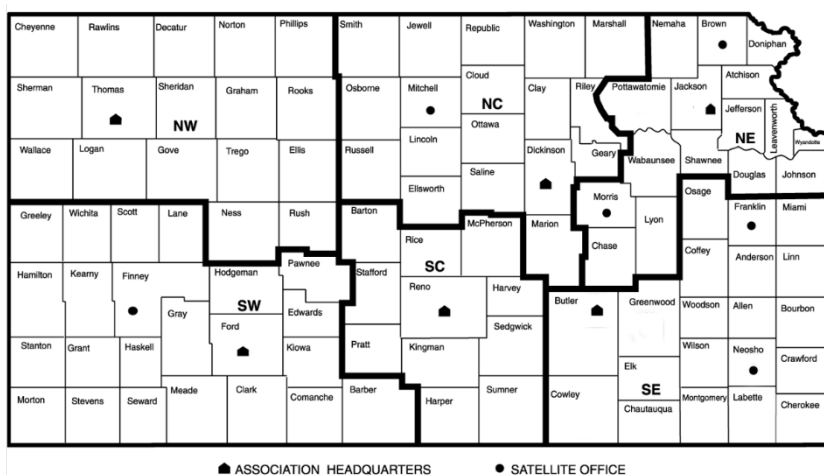
[Beef Magazine – by Wes Ishmael](#)

Flat weaning trend emphasizes the importance of reducing cost.

<https://www.beefmagazine.com/weaning/do-weaning-weights-pay-bills>

Formal Invitation to KFMA Facebook Page

Looking for up-to-date information on KFMA events and activities? KFMA has a Facebook page that is routinely updated with information and articles geared toward Kansas agricultural producers as well as links and scholarly articles of KFMA data in action. If you are on Facebook, be sure to search @KSFarmMgmt and like our page. Since Facebook is social media, be sociable and interact with your team there. Take a tour of the page, let us know what you like, and what you'd like to see. KFMA has been member-driven since the first day. As we strive to be the valued and trusted provider of integrated data management systems, we will continue to embrace technology, various media tools, and firm handshakes to deliver the service and excellence members have come to expect since 1931.



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Department of Agricultural Economics

Vision: The Kansas Farm Management Association (KFMA), through its affiliation with K-State Research and Extension, will be the valued and trusted provider of integrated data management systems to apply critical thinking and strategic business planning for farm and ranch decision makers; and will be the premier source of farm-level economic data in the world.

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