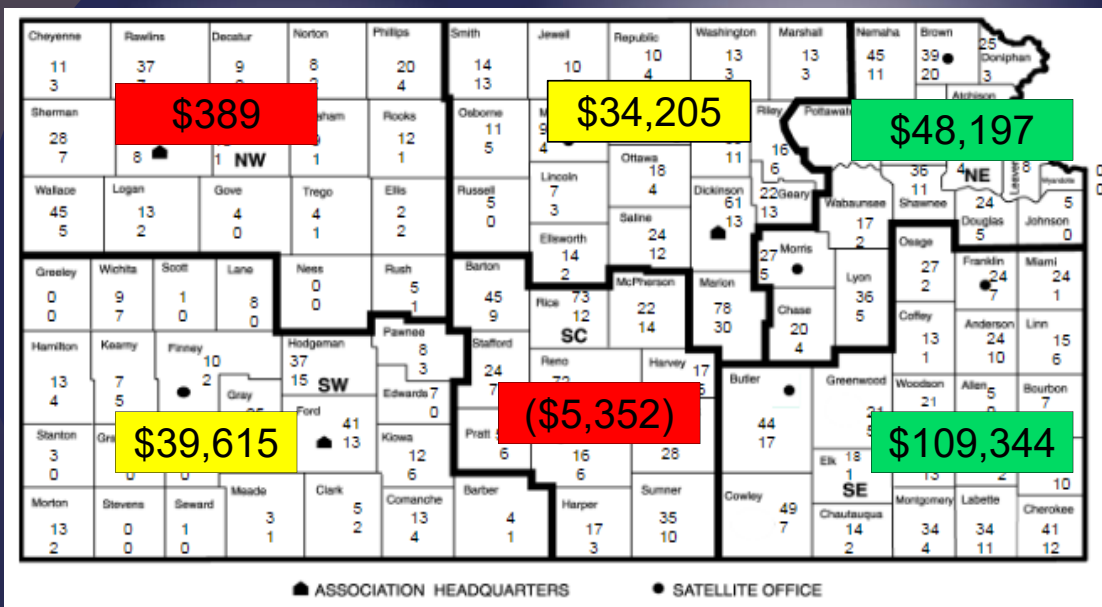


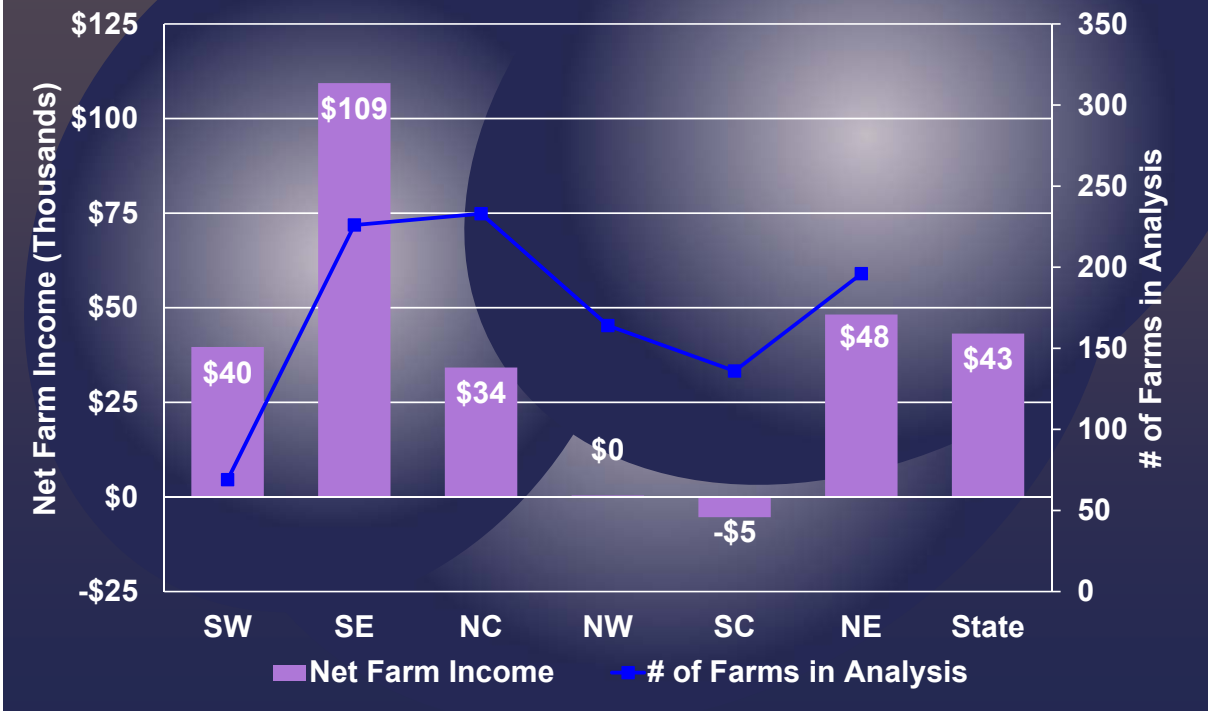
South Central 2016 Annual Summary Meeting



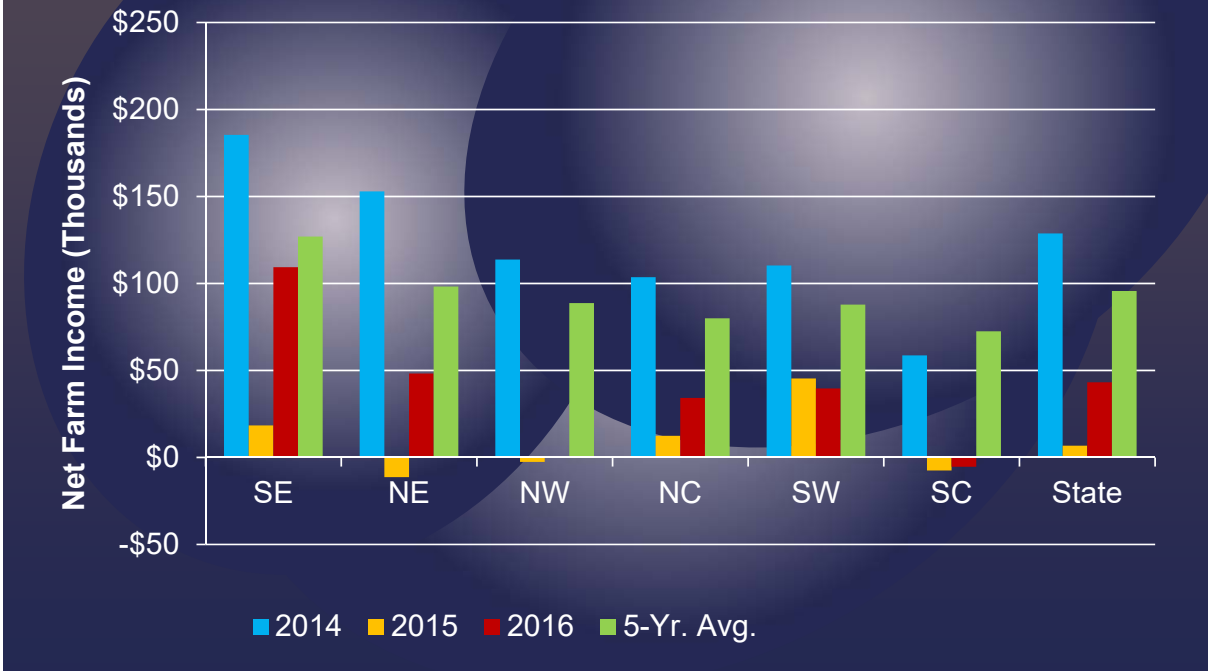
KFMA Association Net Farm Income - 2016



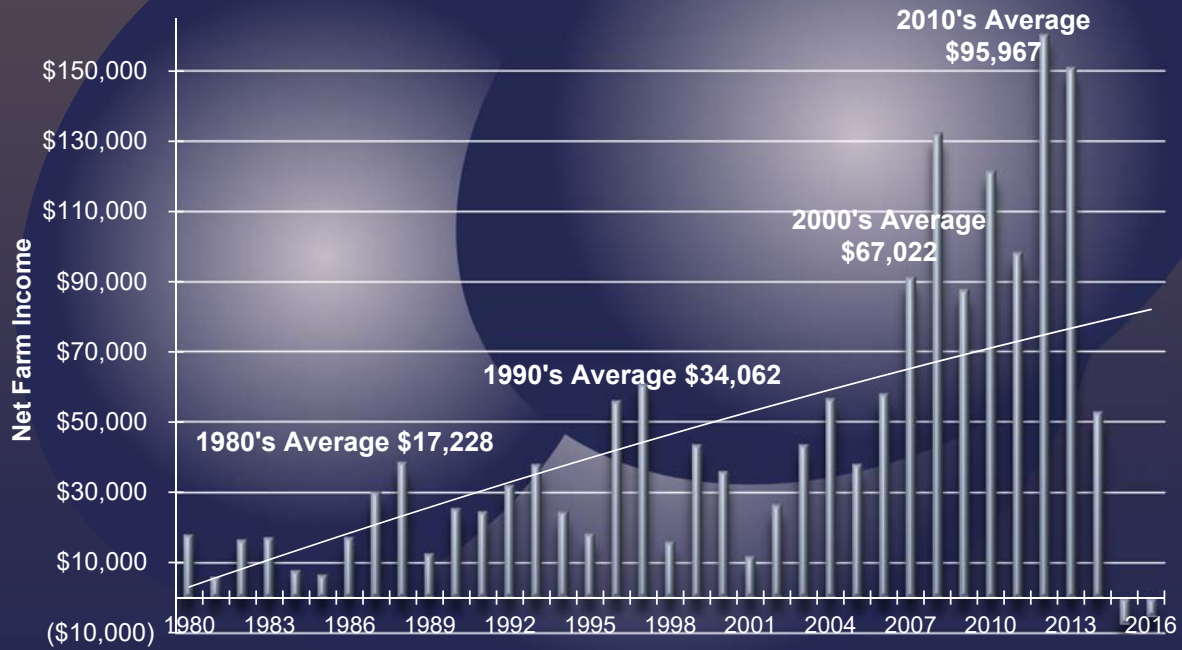
2016 State-wide Net Farm Income



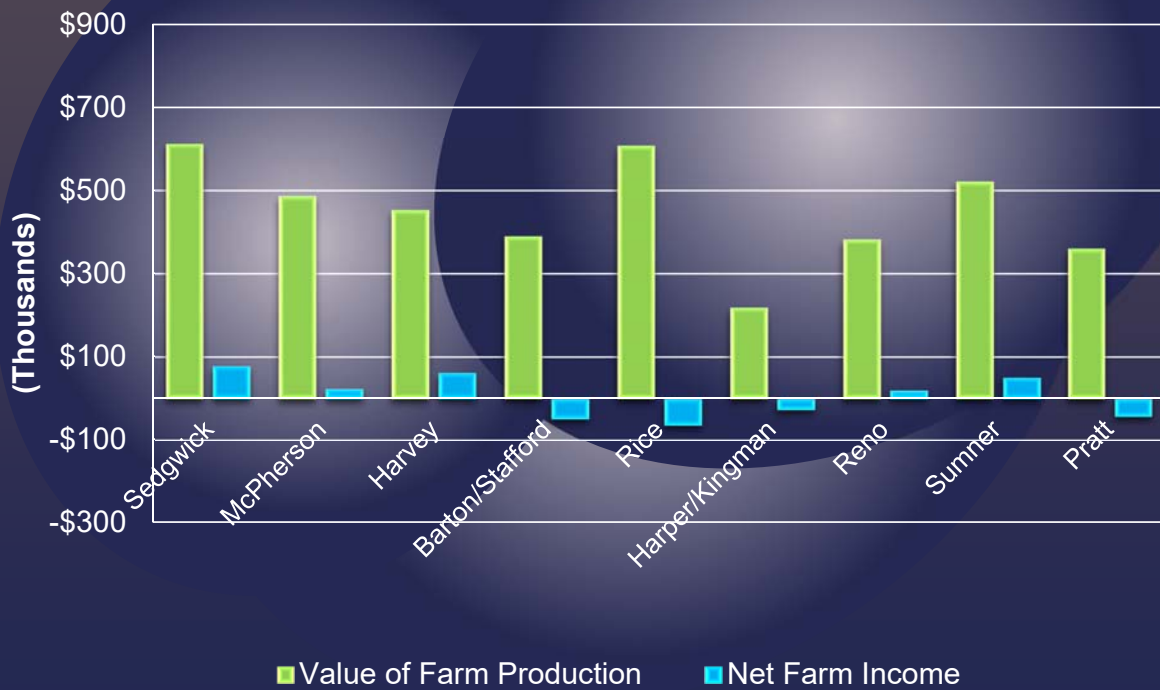
Comparison of Net Farm Income Across Associations & Years



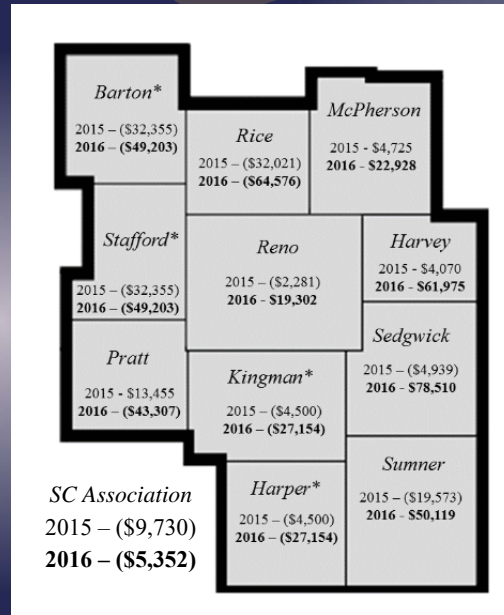
SC Association Net Farm Income 1980 - 2016



Value of Farm Production & Net Farm Income by County - 2016



Net Farm Incomes by County

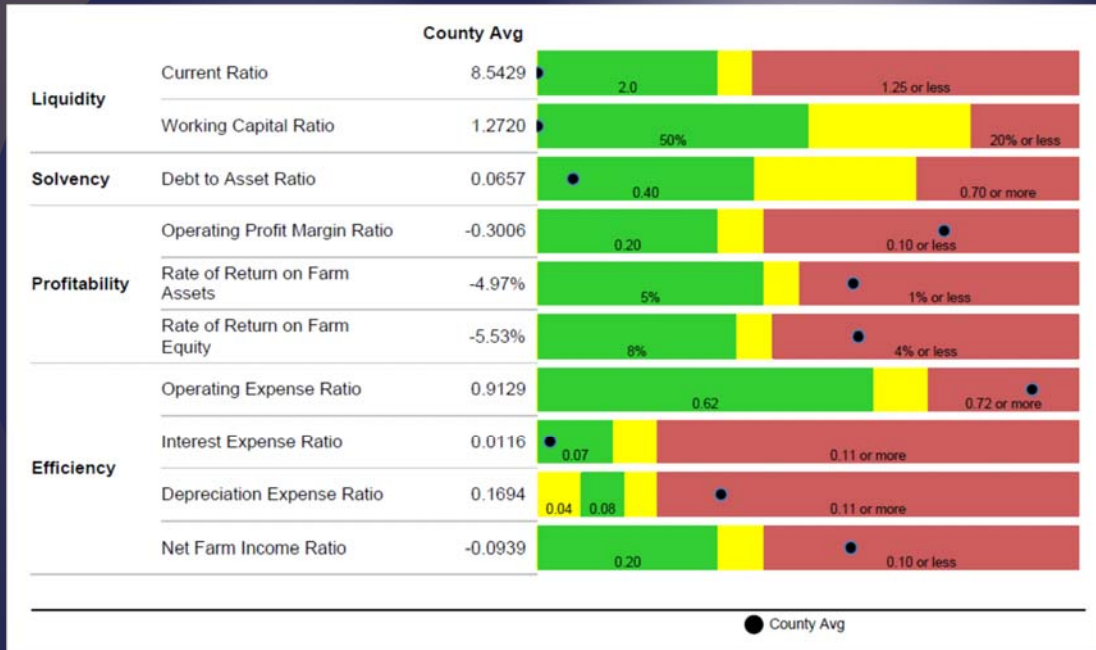


*Due to the small sample size of farms in the analysis in Barton, Stafford, Kingman, and Harper counties, the Barton and Stafford county data was combined and the Kingman and Harper county data was combined.

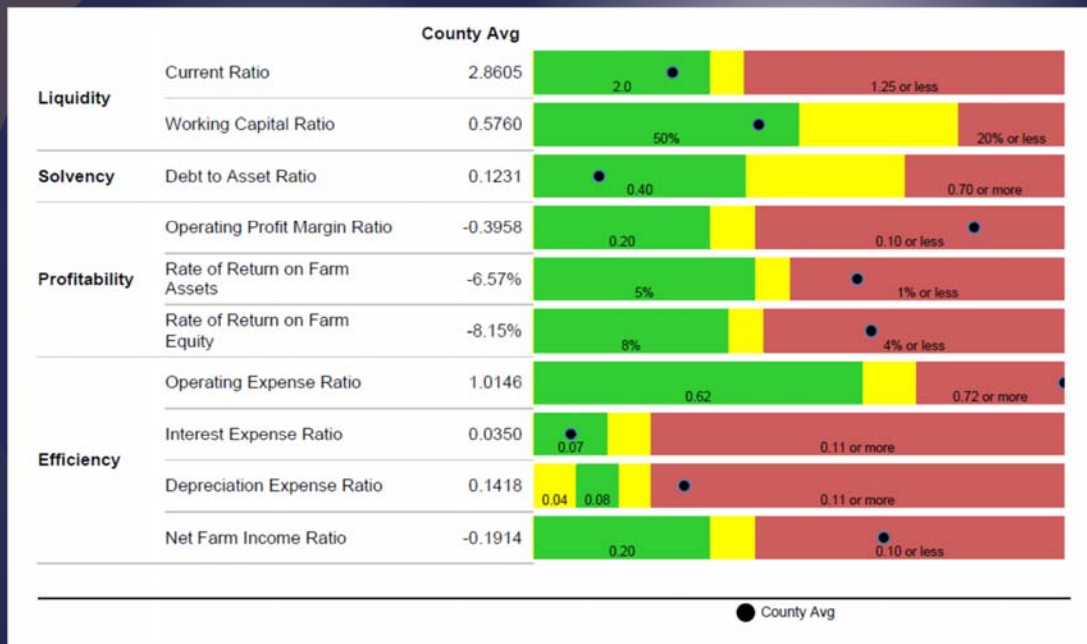
Summary Statistics Comparison

	SC Association	Barton/Stafford County
# Farms	136	18
Net Farm Income	(\$5,352)	(\$49,203)
Return to Labor & Management	\$-117,485	\$-174,661
Livestock Value Produced	\$34,153	\$19,320
Value of Farm Production	\$448,286	\$390,537
Cash Operating Expense	\$373,118	\$369,589
Total Farm Expense	\$453,638	\$439,741
Total Expense Ratio	1.01	1.13
Average Debt to Asset Ratio	0.18	0.09
Net Worth (12-31-16)	\$1,968,773	\$2,113,652
Total Crop Acres	1,744	1,948
Percent of Crop Acres Irrigated	12.01%	12.1%
Total Pasture Acres	485	681
Machinery Investment/Crop Acre	\$284.46	\$283.96
Machinery Cost/Crop Acre	\$90.24	\$78.15
Crop Production Cost/Crop Acre	\$243.55	\$216.71
Fertilizer Cost/Crop Acre	\$42.01	\$38.01
Fuel Cost/Crop Acre	\$11.82	\$10.61
Machinery Repairs/Crop Acre	\$20.12	\$18.59

Barton County Benchmark Ratios



Stafford County Benchmark Ratios



Summary Statistics Comparison

	SC Association	Harper/Kingman County
# Farms	136	10
Net Farm Income	(\$5,352)	(\$27,154)
Return to Labor & Management	-\$117,485	-\$110,225
Livestock Value Produced	\$34,153	\$38,060
Value of Farm Production	\$448,286	\$219,373
Cash Operating Expense	\$373,118	\$189,344
Total Farm Expense	\$453,638	\$246,527
Total Expense Ratio	1.01	1.12
Average Debt to Asset Ratio	0.18	0.19
Net Worth (12-31-16)	\$1,968,773	\$1,504,753
Total Crop Acres	1,744	1,251
Percent of Crop Acres Irrigated	12.01%	5.05%
Total Pasture Acres	485	811
Machinery Investment/Crop Acre	\$284.46	\$214.06
Machinery Cost/Crop Acre	\$90.24	\$76.10
Crop Production Cost/Crop Acre	\$243.55	\$163.70
Fertilizer Cost/Crop Acre	\$42.01	\$25.76
Fuel Cost/Crop Acre	\$11.82	\$12.98
Machinery Repairs/Crop Acre	\$20.12	\$21.26

Harper County Benchmark Ratios



Summary Statistics Comparison

	SC Association	Harvey
# Farms	136	8
Net Farm Income	(\$5,352)	\$61,975
Return to Labor & Management	\$-117,485	\$-71,782
Livestock Value Produced	\$34,153	\$53,362
Value of Farm Production	\$448,286	\$453,405
Cash Operating Expense	\$373,118	\$319,312
Total Farm Expense	\$453,638	\$391,430
Total Expense Ratio	1.01	.86
Average Debt to Asset Ratio	0.18	0.17
Net Worth (12-31-16)	\$1,968,773	\$2,434,643
Total Crop Acres	1,744	1,529
Percent of Crop Acres Irrigated	12.01%	3.09%
Total Pasture Acres	485	471
Machinery Investment/Crop Acre	\$284.46	\$252.46
Machinery Cost/Crop Acre	\$90.24	\$76.84
Crop Production Cost/Crop Acre	\$243.55	\$212.39
Fertilizer Cost/Crop Acre	\$42.01	\$43.07
Fuel Cost/Crop Acre	\$11.82	\$6.27
Machinery Repairs/Crop Acre	\$20.12	\$20.78

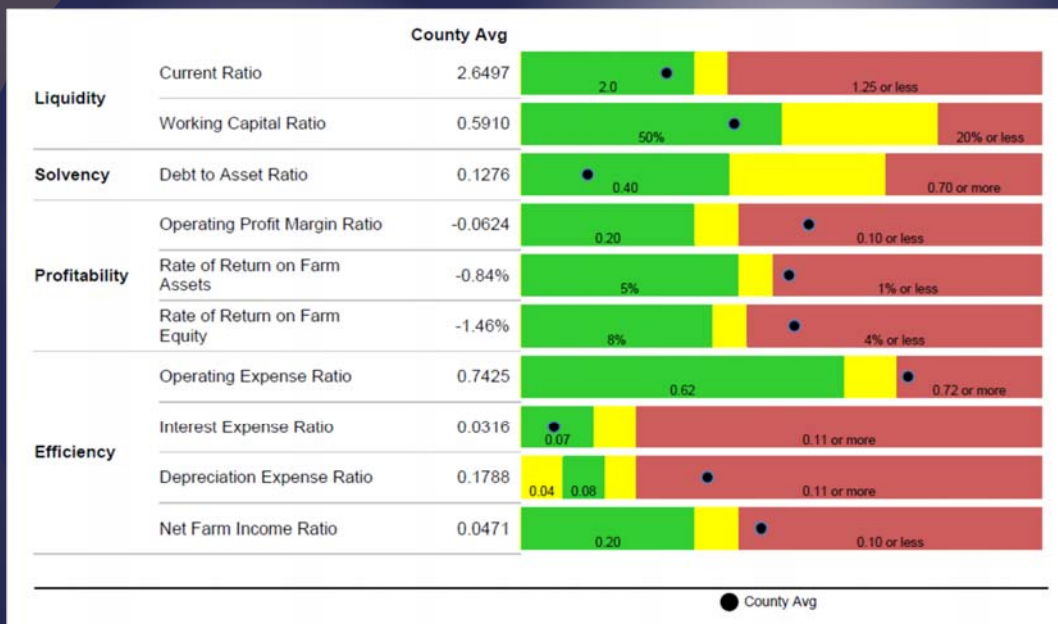
Harvey County Benchmark Ratios



Summary Statistics Comparison

	SC Association	McPherson
# Farms	136	11
Net Farm Income	(\$5,352)	\$22,928
Return to Labor & Management	\$-117,485	\$-147,705
Livestock Value Produced	\$34,153	\$63,211
Value of Farm Production	\$448,286	\$486,943
Cash Operating Expense	\$373,118	\$361,550
Total Farm Expense	\$453,638	\$464,015
Total Expense Ratio	1.01	.95
Average Debt to Asset Ratio	0.18	0.13
Net Worth (12-31-16)	\$1,968,773	\$3,135,826
Total Crop Acres	1,744	1,404
Percent of Crop Acres Irrigated	12.01%	17.21%
Total Pasture Acres	485	248
Machinery Investment/Crop Acre	\$284.46	\$471.01
Machinery Cost/Crop Acre	\$90.24	\$130.05
Crop Production Cost/Crop Acre	\$243.55	\$319.68
Fertilizer Cost/Crop Acre	\$42.01	\$49.37
Fuel Cost/Crop Acre	\$11.82	\$14.15
Machinery Repairs/Crop Acre	\$20.12	\$28.44

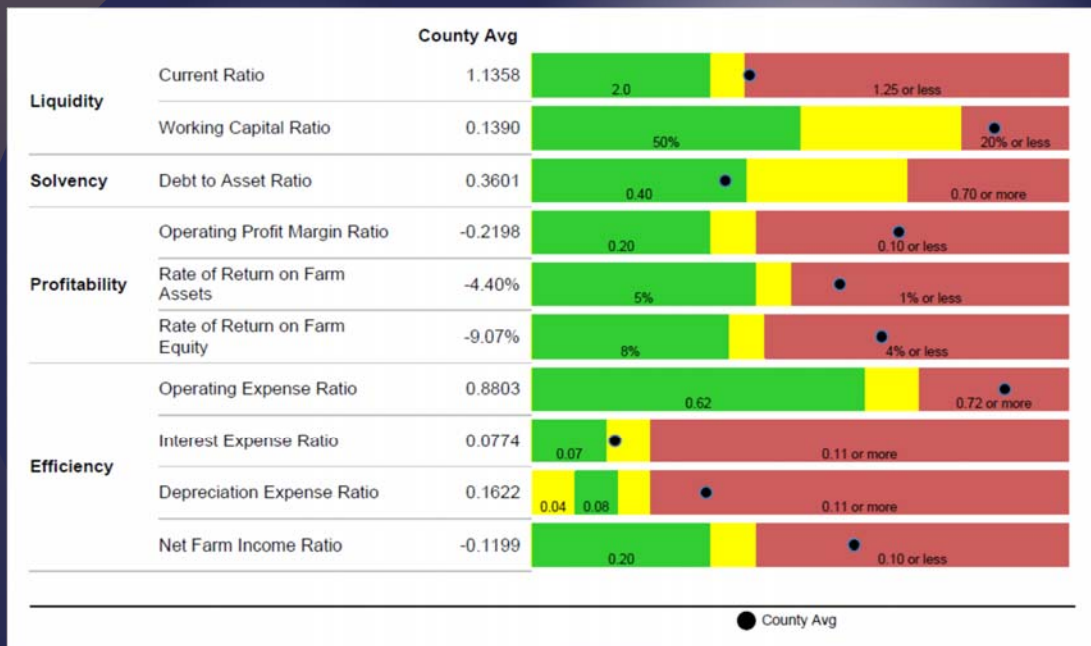
McPherson County Benchmark Ratios



Summary Statistics Comparison

	SC Association	Pratt
# Farms	136	17
Net Farm Income	(\$5,352)	(\$43,307)
Return to Labor & Management	\$-117,485	\$-107,376
Livestock Value Produced	\$34,153	\$19,493
Value of Farm Production	\$448,286	\$361,165
Cash Operating Expense	\$373,118	\$317,925
Total Farm Expense	\$453,638	\$404,472
Total Expense Ratio	1.01	1.12
Average Debt to Asset Ratio	0.18	0.34
Net Worth (12-31-16)	\$1,968,773	\$1,136,311
Total Crop Acres	1,744	1,685
Percent of Crop Acres Irrigated	12.01%	19.16%
Total Pasture Acres	485	357
Machinery Investment/Crop Acre	\$284.46	\$271.43
Machinery Cost/Crop Acre	\$90.24	\$100.91
Crop Production Cost/Crop Acre	\$243.55	\$225.32
Fertilizer Cost/Crop Acre	\$42.01	\$44.10
Fuel Cost/Crop Acre	\$11.82	\$13.78
Machinery Repairs/Crop Acre	\$20.12	\$27.61

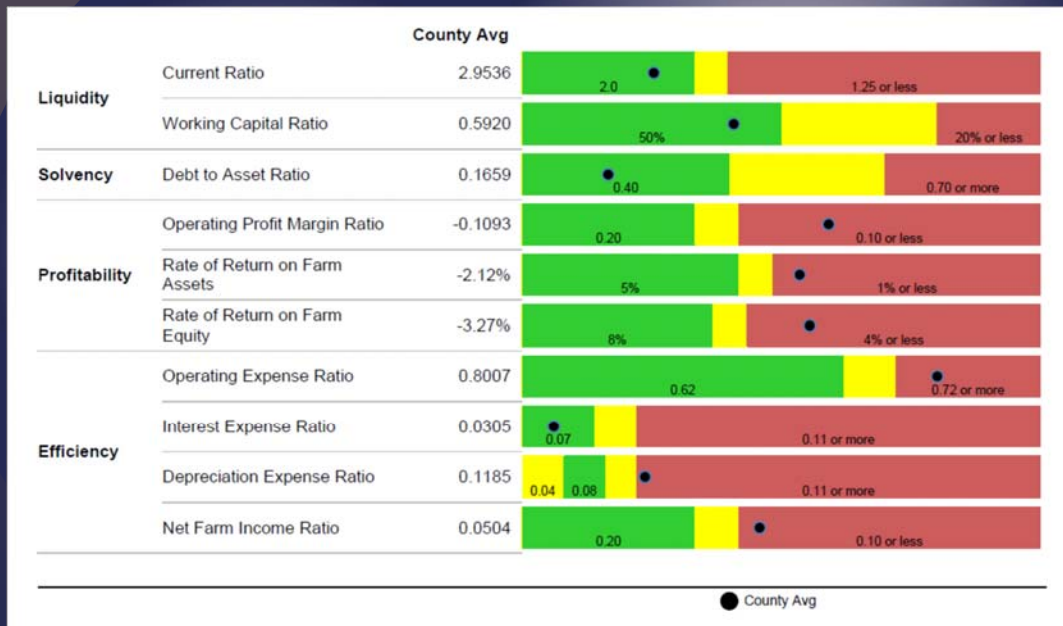
Pratt County Benchmark Ratios



Summary Statistics Comparison

	SC Association	Reno
# Farms	136	29
Net Farm Income	(\$5,352)	\$19,302
Return to Labor & Management	\$-117,485	\$-75,840
Livestock Value Produced	\$34,153	\$52,520
Value of Farm Production	\$448,286	\$383,136
Cash Operating Expense	\$373,118	\$306,774
Total Farm Expense	\$453,638	\$363,384
Total Expense Ratio	1.01	.95
Average Debt to Asset Ratio	0.18	0.17
Net Worth (12-31-16)	\$1,968,773	\$1,648,464
Total Crop Acres	1,744	1,363
Percent of Crop Acres Irrigated	12.01%	4.40%
Total Pasture Acres	485	492
Machinery Investment/Crop Acre	\$284.46	\$259.62
Machinery Cost/Crop Acre	\$90.24	\$86.07
Crop Production Cost/Crop Acre	\$243.55	\$241.03
Fertilizer Cost/Crop Acre	\$42.01	\$48.05
Fuel Cost/Crop Acre	\$11.82	\$12.49
Machinery Repairs/Crop Acre	\$20.12	\$18.79

Reno County Benchmark Ratios



Summary Statistics Comparison

	SC Association	Rice
# Farms	136	23
Net Farm Income	(\$5,352)	(\$64,576)
Return to Labor & Management	\$-117,485	\$-190,728
Livestock Value Produced	\$34,153	\$13,259
Value of Farm Production	\$448,286	\$608,077
Cash Operating Expense	\$373,118	\$566,251
Total Farm Expense	\$453,638	\$672,653
Total Expense Ratio	1.01	1.11
Average Debt to Asset Ratio	0.18	0.23
Net Worth (12-31-16)	\$1,968,773	\$2,167,972
Total Crop Acres	1,744	2,250
Percent of Crop Acres Irrigated	12.01%	13.46%
Total Pasture Acres	485	521
Machinery Investment/Crop Acre	\$284.46	\$263.31
Machinery Cost/Crop Acre	\$90.24	\$91.73
Crop Production Cost/Crop Acre	\$243.55	\$275.82
Fertilizer Cost/Crop Acre	\$42.01	\$43.95
Fuel Cost/Crop Acre	\$11.82	\$11.15
Machinery Repairs/Crop Acre	\$20.12	\$23.89

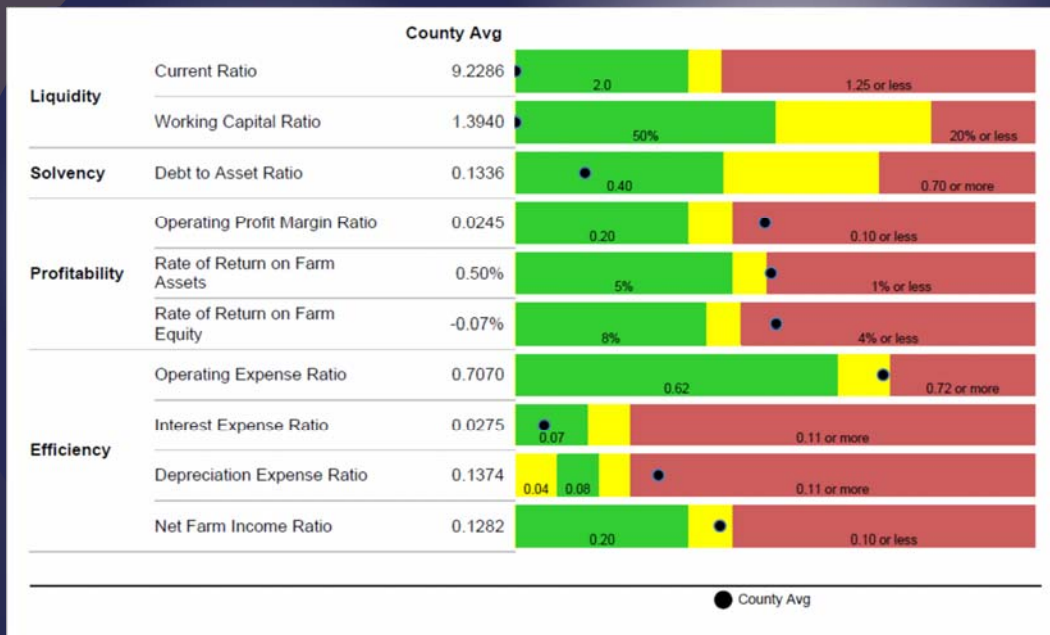
Rice County Benchmark Ratios



Summary Statistics Comparison

	SC Association	Sedgwick
# Farms	136	12
Net Farm Income	(\$5,352)	\$78,510
Return to Labor & Management	\$-117,485	\$-65,581
Livestock Value Produced	\$34,153	\$38,097
Value of Farm Production	\$448,286	\$612,410
Cash Operating Expense	\$373,118	\$432,949
Total Farm Expense	\$453,638	\$533,900
Total Expense Ratio	1.01	.87
Average Debt to Asset Ratio	0.18	0.14
Net Worth (12-31-16)	\$1,968,773	\$2,585,330
Total Crop Acres	1,744	2,021
Percent of Crop Acres Irrigated	12.01%	23.99%
Total Pasture Acres	485	
Machinery Investment/Crop Acre	\$284.46	\$345.09
Machinery Cost/Crop Acre	\$90.24	\$102.54
Crop Production Cost/Crop Acre	\$243.55	\$271.20
Fertilizer Cost/Crop Acre	\$42.01	\$40.41
Fuel Cost/Crop Acre	\$11.82	\$14.63
Machinery Repairs/Crop Acre	\$20.12	\$5.57

Sedgwick County Benchmark Ratios



Summary Statistics Comparison

	SC Association	Sumner
# Farms	136	8
Net Farm Income	(\$5,352)	\$50,119
Return to Labor & Management	\$-117,485	\$-41,786
Livestock Value Produced	\$34,153	\$6,033
Value of Farm Production	\$448,286	\$521,804
Cash Operating Expense	\$373,118	\$393,258
Total Farm Expense	\$453,638	\$471,685
Total Expense Ratio	1.01	.90
Average Debt to Asset Ratio	0.18	0.16
Net Worth (12-31-16)	\$1,968,773	\$1,584,822
Total Crop Acres	1,744	2,216
Percent of Crop Acres Irrigated	12.01%	3.14%
Total Pasture Acres	485	
Machinery Investment/Crop Acre	\$284.46	\$249.93
Machinery Cost/Crop Acre	\$90.24	\$69.50
Crop Production Cost/Crop Acre	\$243.55	\$211.26
Fertilizer Cost/Crop Acre	\$42.01	\$33.95
Fuel Cost/Crop Acre	\$11.82	\$8.66
Machinery Repairs/Crop Acre	\$20.12	\$14.43

Sumner County Benchmark Ratios

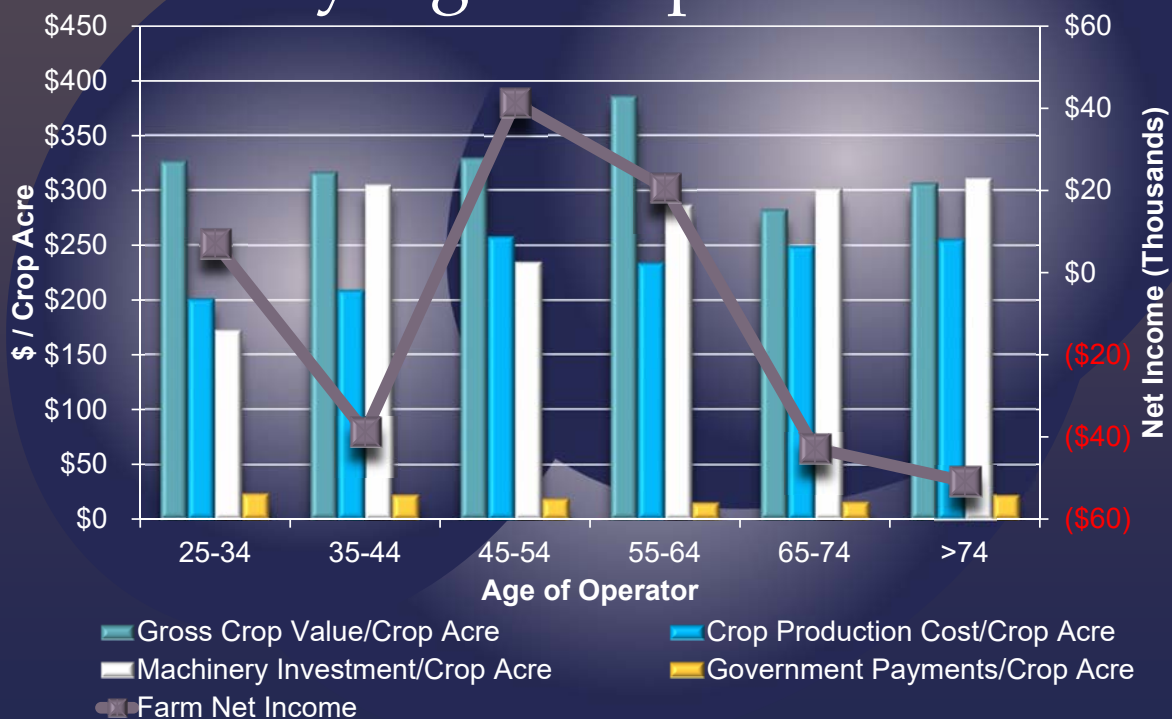




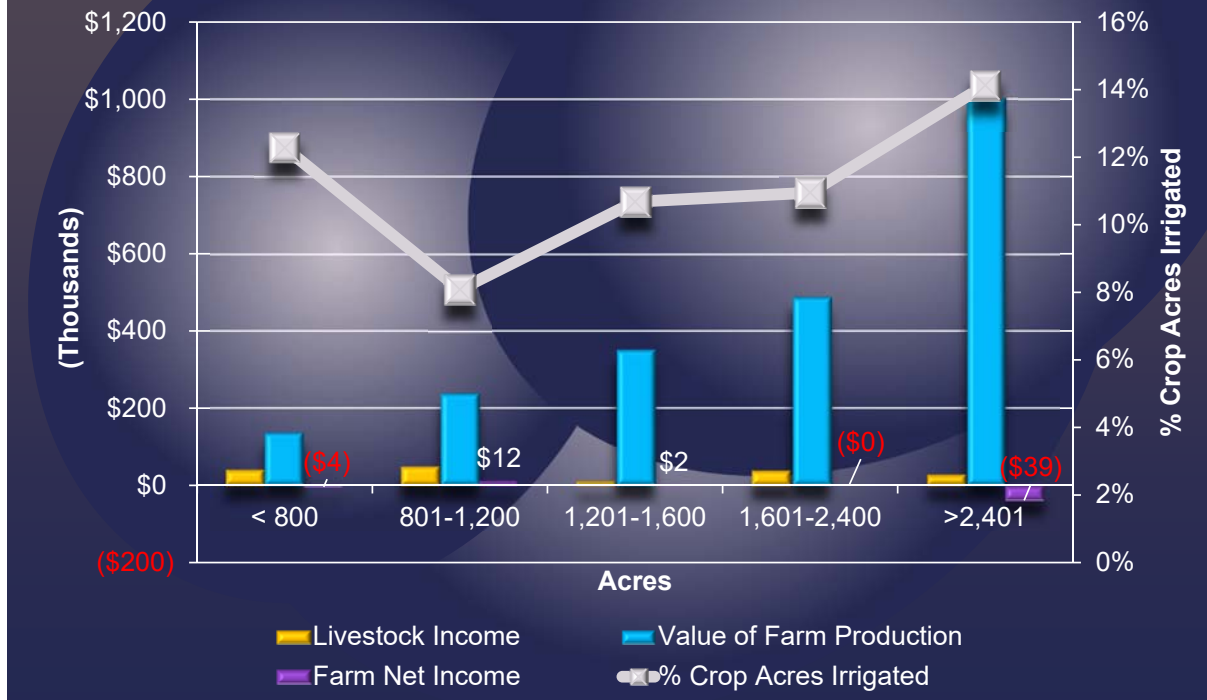
Analysis Factors



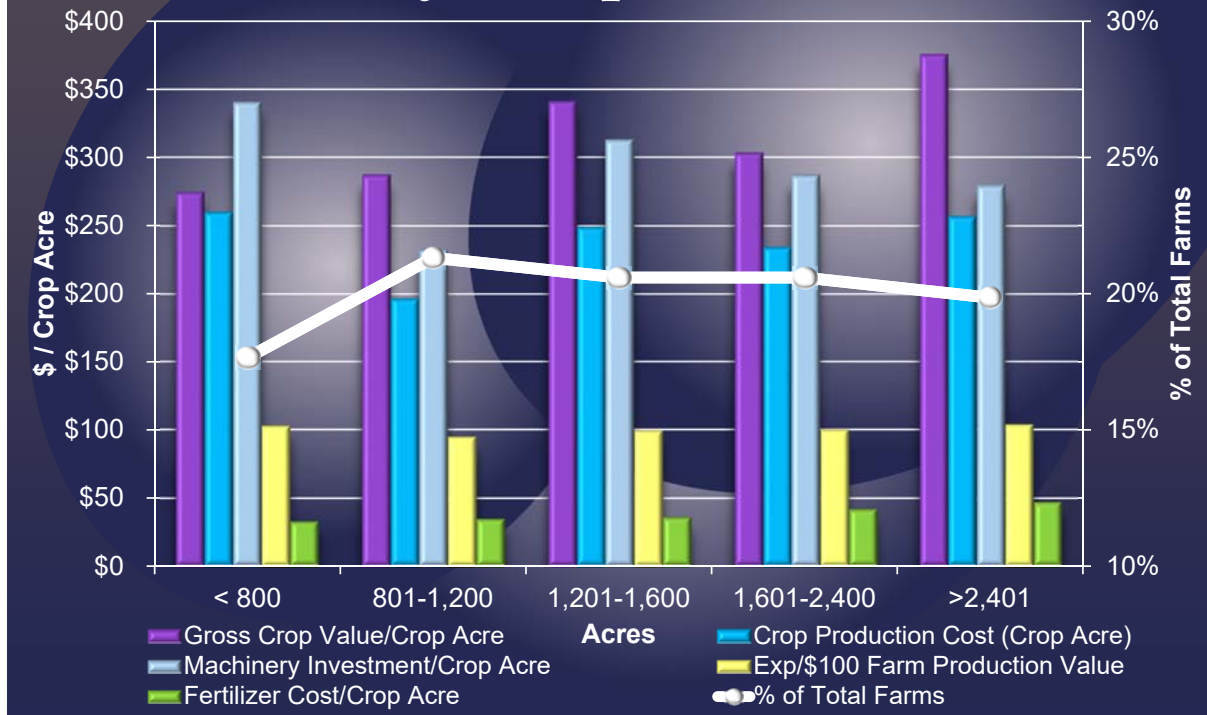
2016 Analysis Factors by Age of Operator



2016 Analysis Factors by Crop Acres



2016 Analysis Factors by Crop Acres

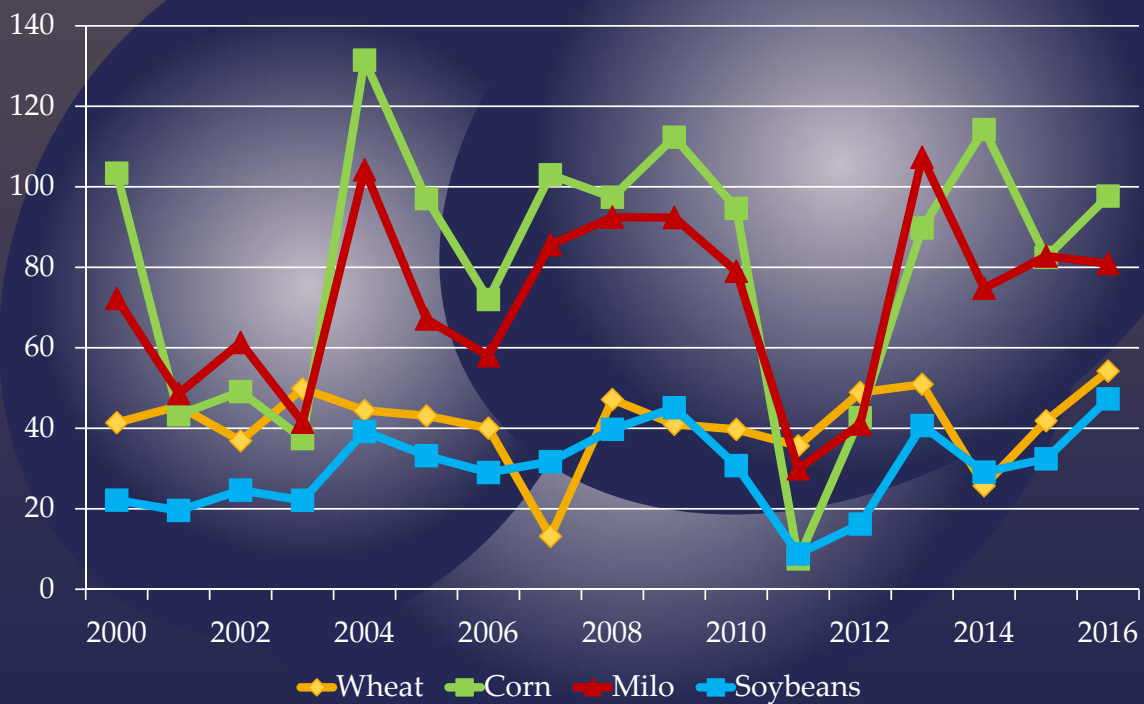




Crop Yields



S.C. Kansas Farm Management Association
Non-Irrigated Crop Yields, 2000-2016



Non-Irrigated County Yields

	WHEAT	CORN	SOYBEANS	MILO
	Yield (bu)			
Barton/Stafford	53.9	97.7	43.9	91.6
Harper/Kingman	40.2	--	--	--
Harvey	52.4	106.4	53.3	--
McPherson	61.7	--	45.7	81.8
Pratt	55.1	92.7	--	73.3
Reno	54.1	98.8	47.7	78.3
Rice	54.3	101.8	45.0	83.1
Sedgwick	60.6	93.6	50.6	--
Sumner	54.1	--	--	--
SC Association	54.2	97.7	47.3	80.9

Irrigated County Yields

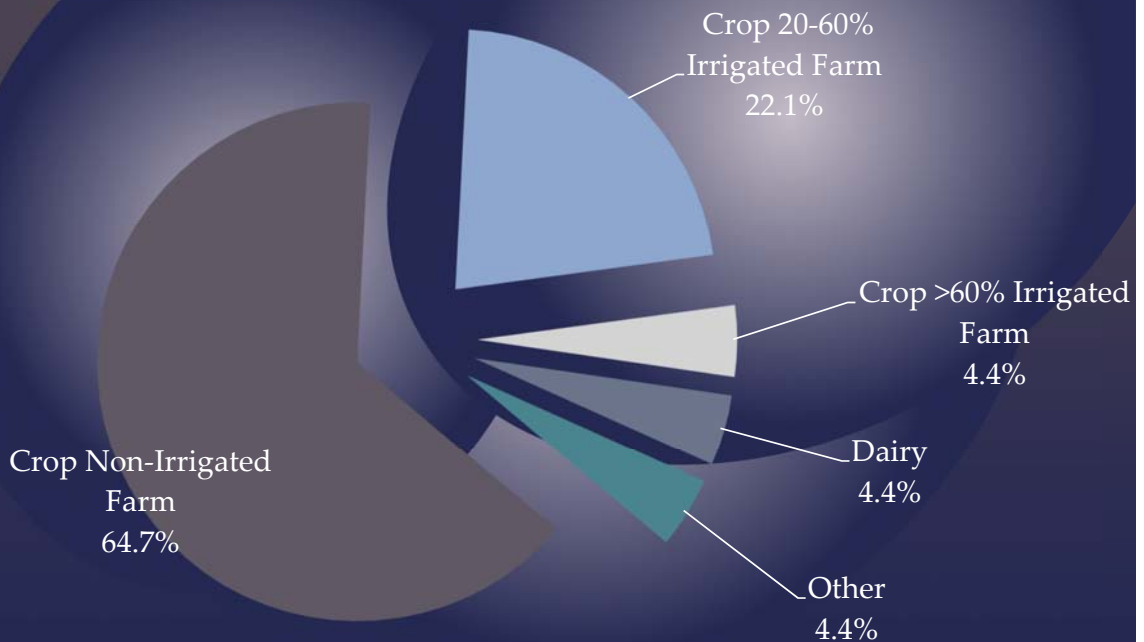
	WHEAT	CORN	SOYBEANS	MILO
	Yield (bu)			
Barton/Stafford	--	182.6	--	--
Pratt	--	199.9	--	--
Rice	83.86	168.5	54.5	--
Sedgwick	--	163.7	60.2	--
SC Association	77.6	198.3	60.8	--



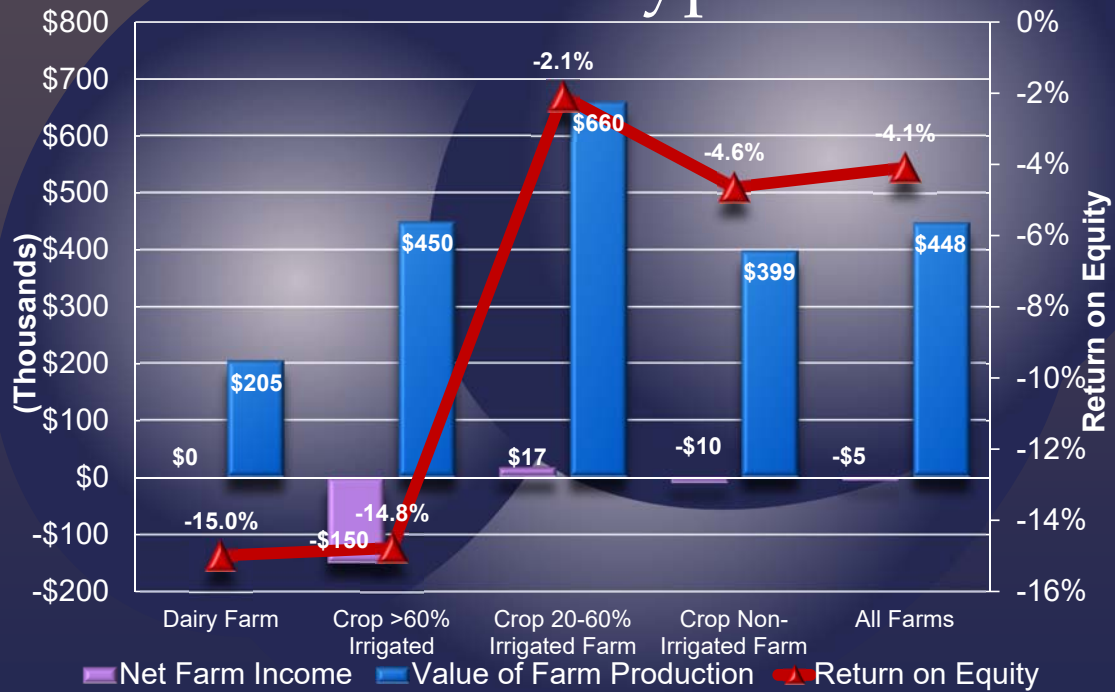
Farm Typing



2016 Farm Type for South Central Kansas



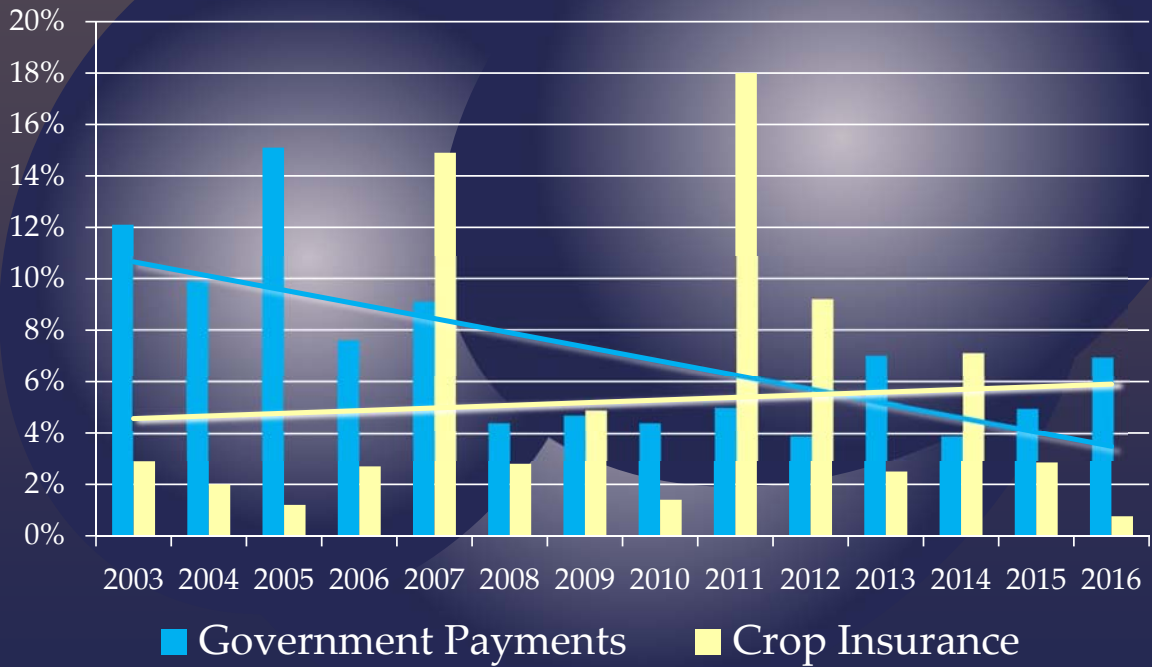
Comparison by 2016 Farm Type



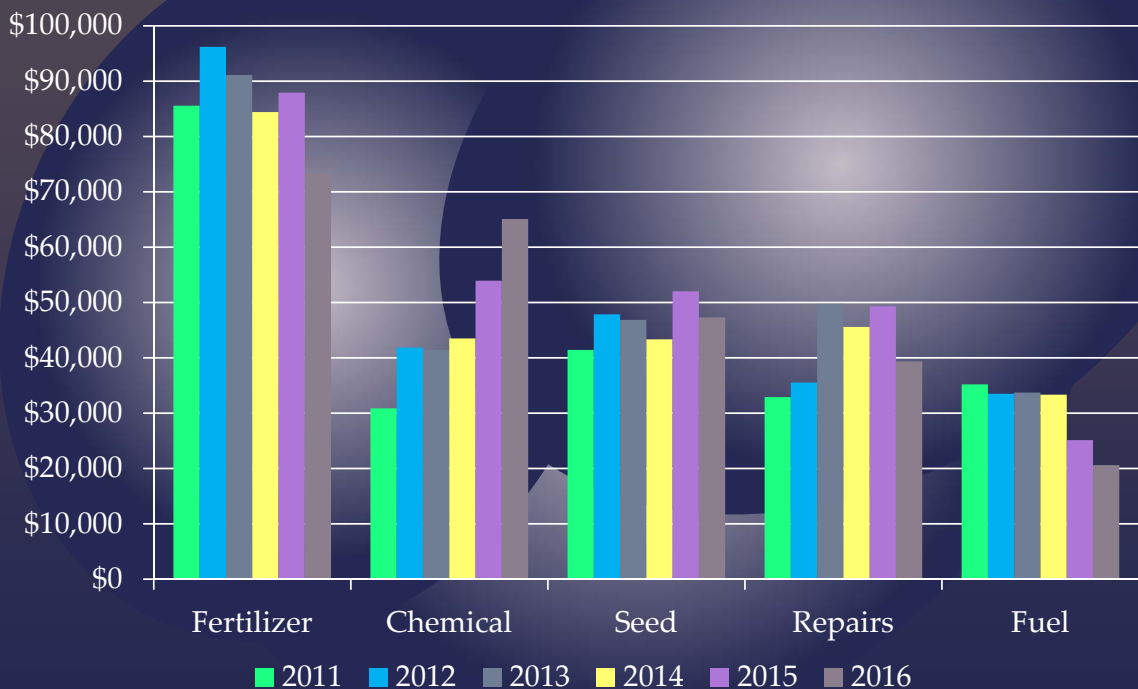
Farm Revenue and Cost Comparisons



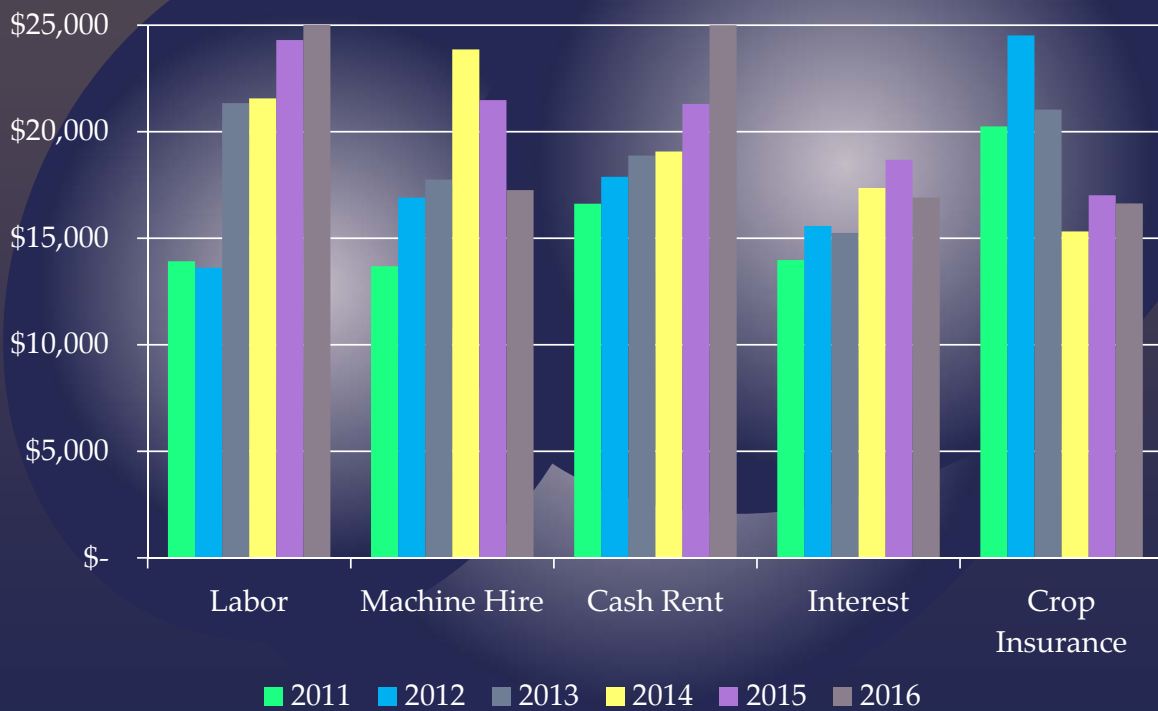
Government Payments vs. Crop Insurance (As a percentage of Value of Farm Production)



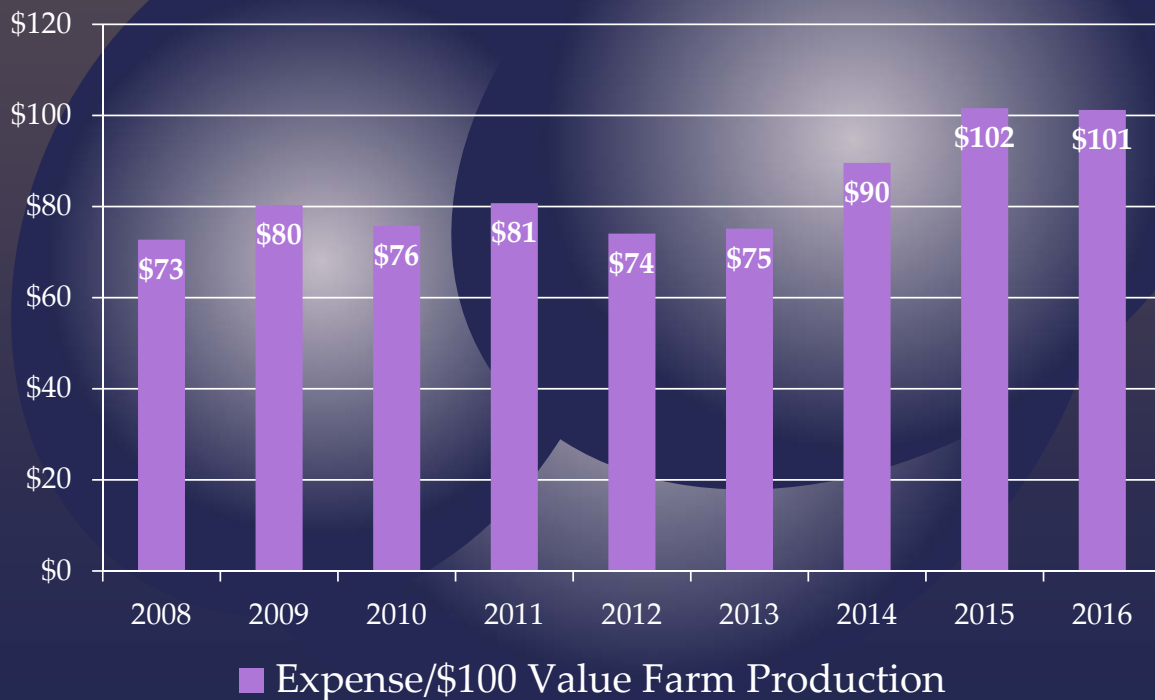
Top 5 Farm Expenses, 2011-2016



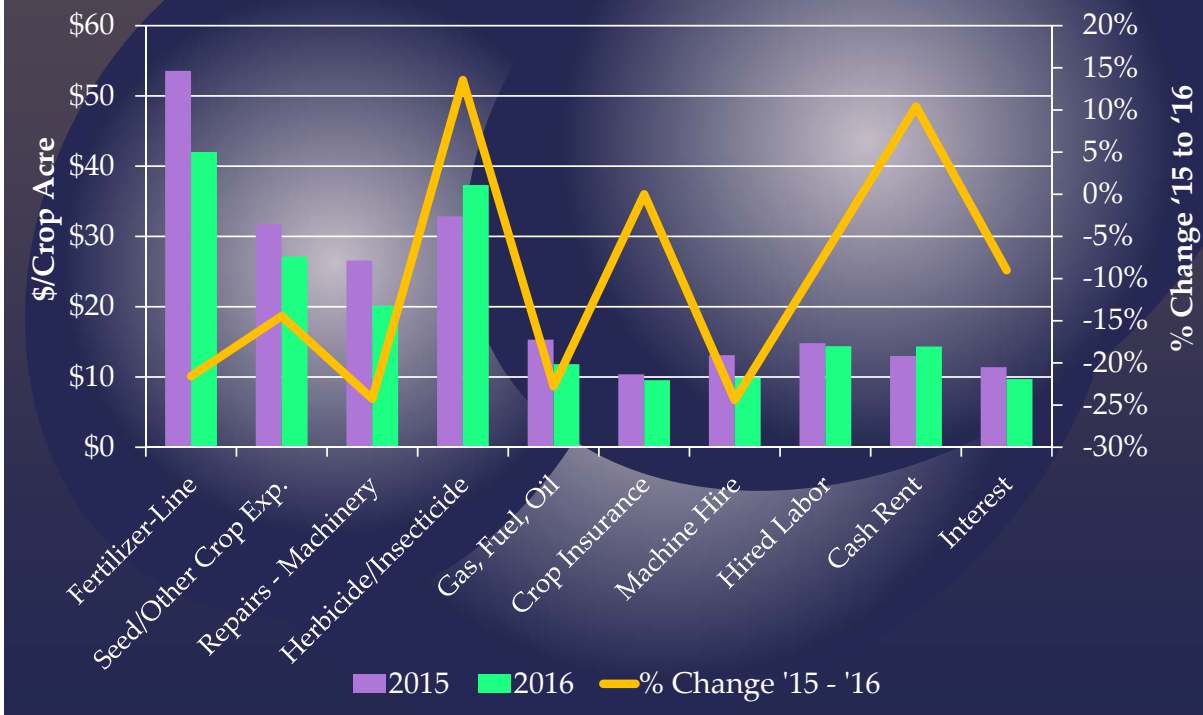
Top 10 Farm Expenses, 2011-2016



Expense & Value of Farm Production



Expense per Crop Acre



What If...?

In 1984, interest was the #1 ranking farm expense.

1985	2016
Total Debt (12/31/85) = \$163,652	Total Debt (12/31/16) = \$423,842
Interest Paid = \$17,362	Interest Paid = \$16,908
Effective Interest Rate of 10.61%	Effective Interest Rate of 3.99%

What if average interest rates increased to values realized in 1985?

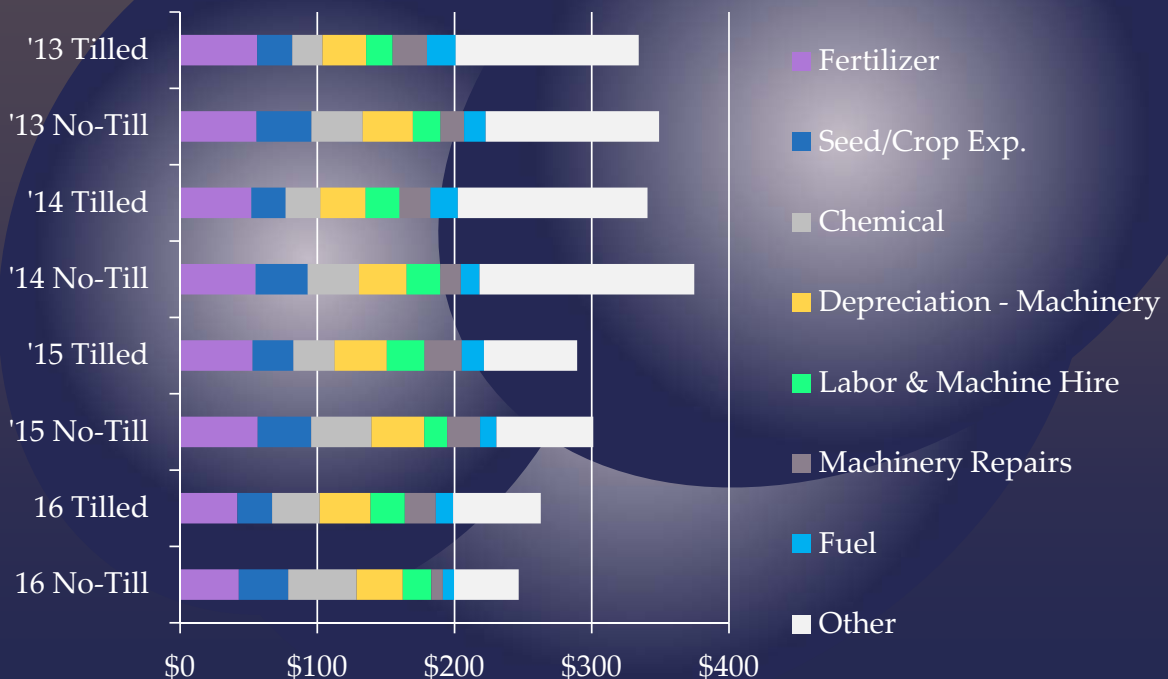
Interest paid per farm in South Central Kansas would increase to **\$44,970** with current debt levels, moving it from #9 to #3 in terms of highest ranking farm expenses.



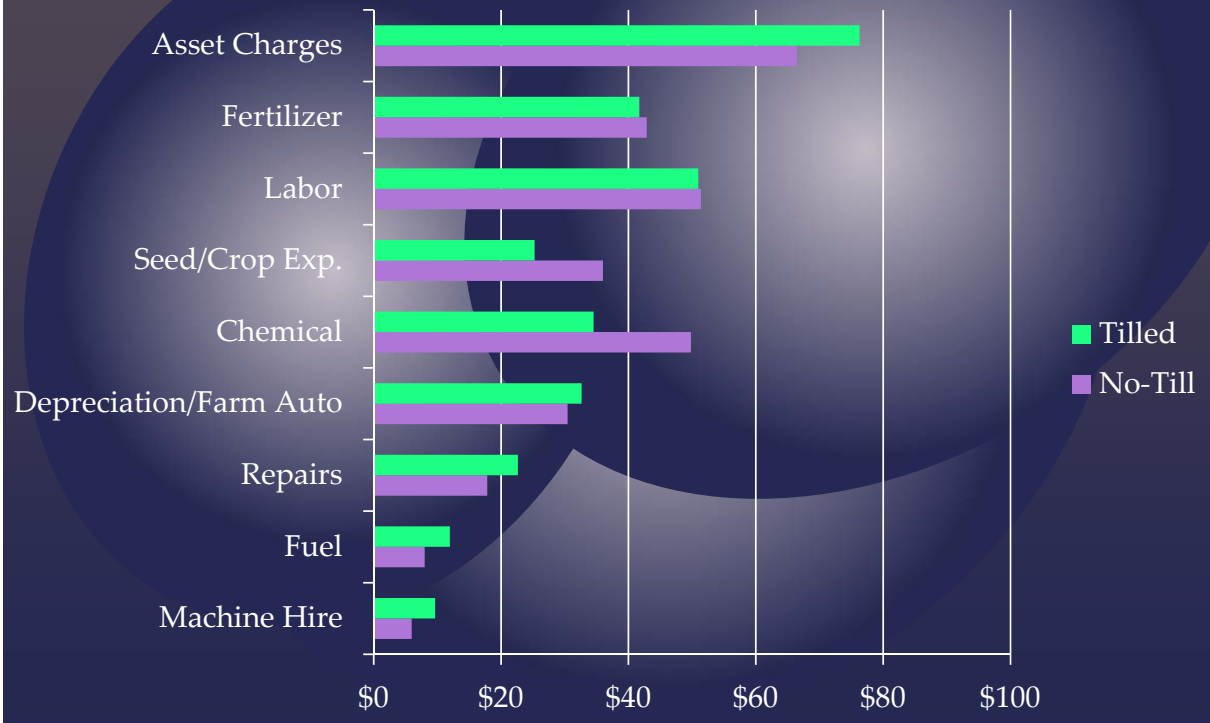
Tillage Practice Comparisons



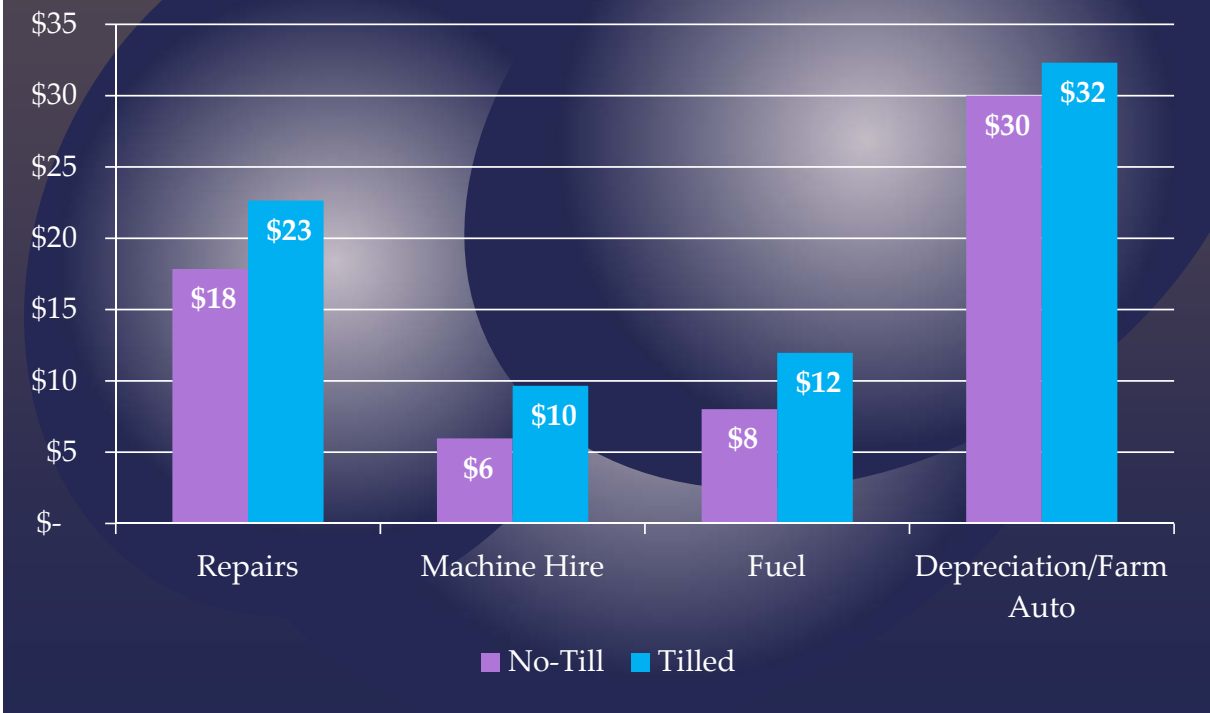
No-Till versus Tilled Farms
Total Cost Comparison per Crop Acre, 2013-2016



Total Cost Comparison Per Crop Acre, 2016



Machinery Cost Comparison Per Crop Acre, 2016

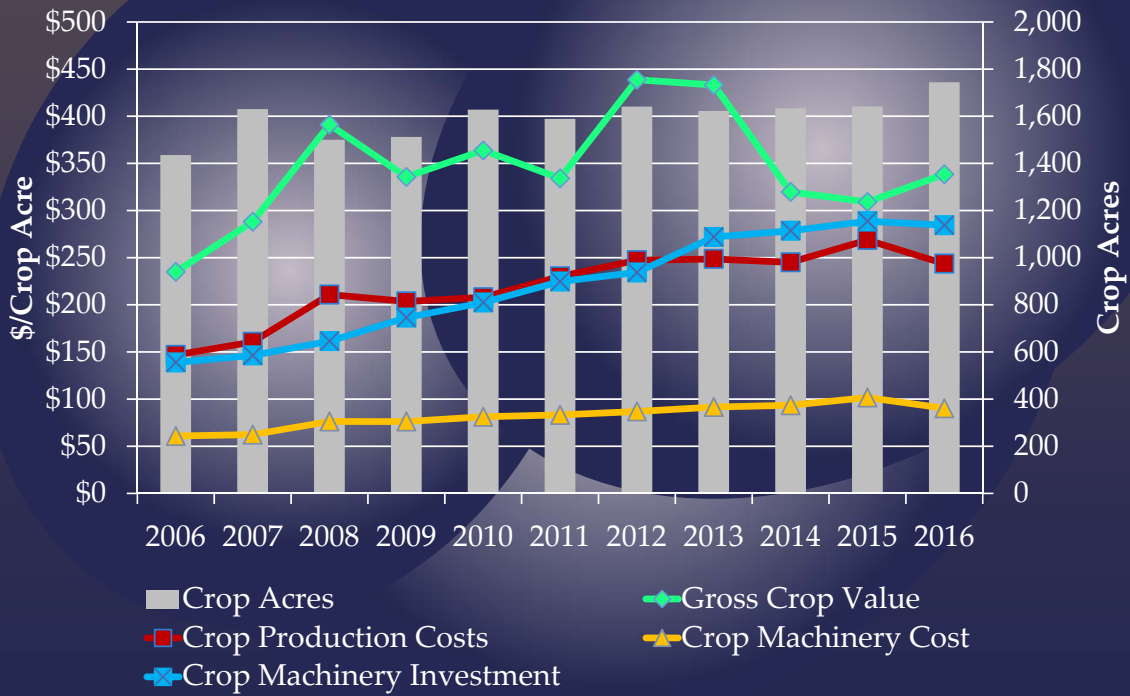


Input Cost Comparison Per Crop Acre, 2016

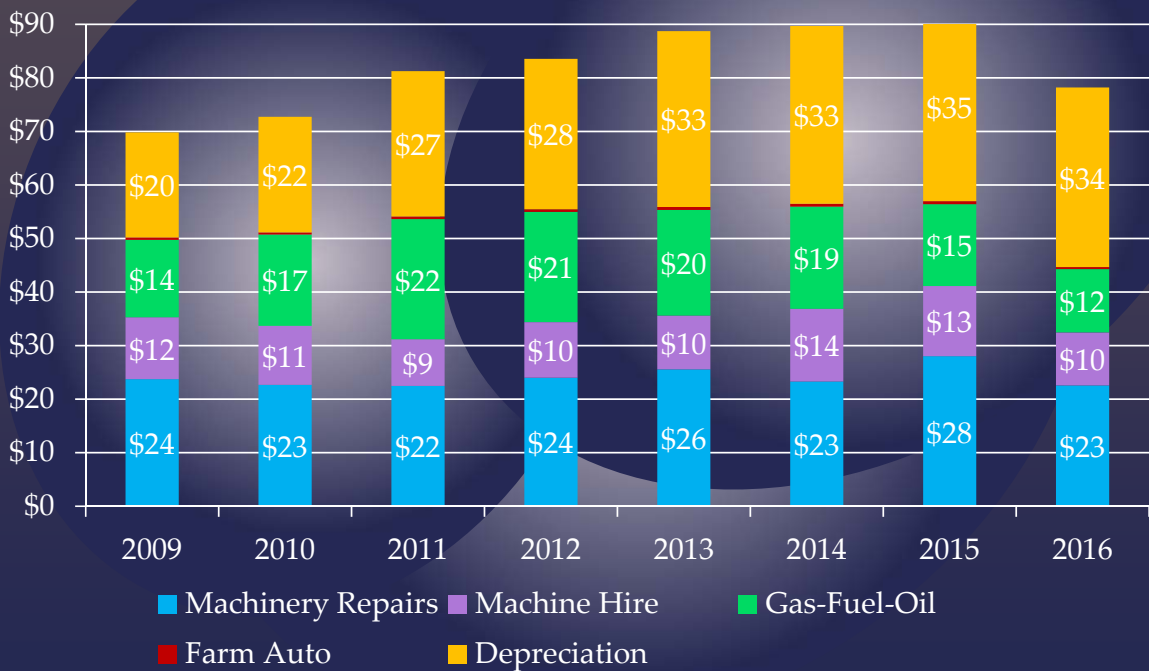


Machinery Cost Analysis

Crop Value & Cost Trends per Crop Acre, 2006-2016



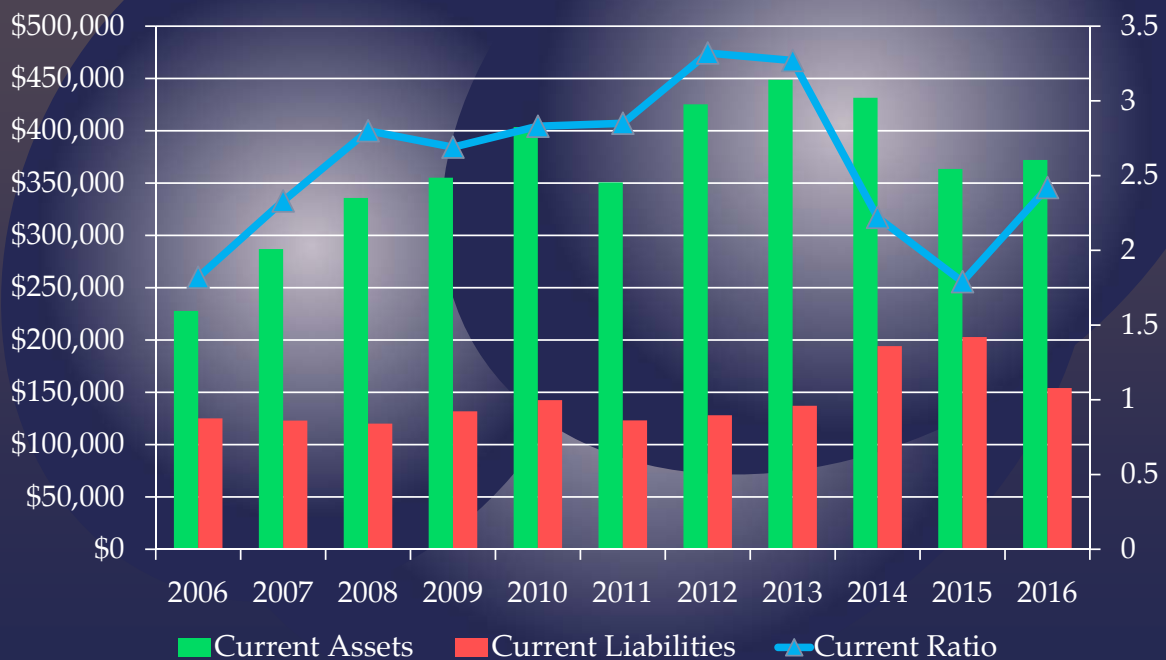
Machinery Cost Composition Per Acre, 2009-2016



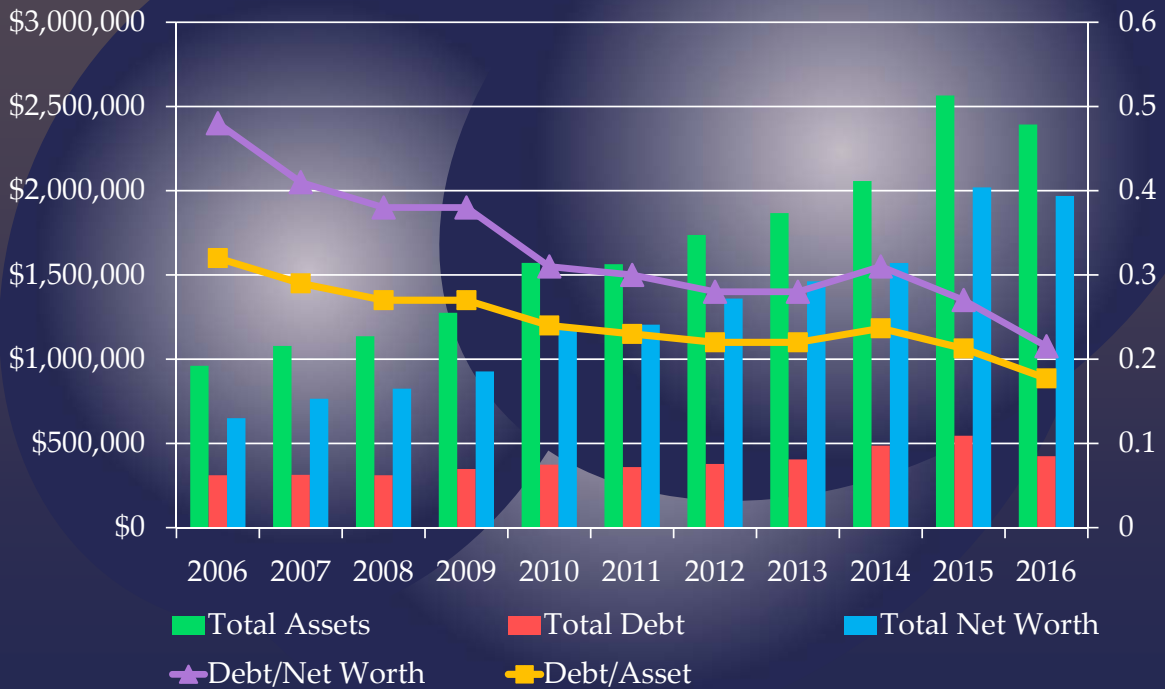
Financial Efficiency Measures



Liquidity Trends, 2006-2016



Solvency Trends, 2006-2016



Historical Income and Expense Ratio Breakdown, 2006-2016





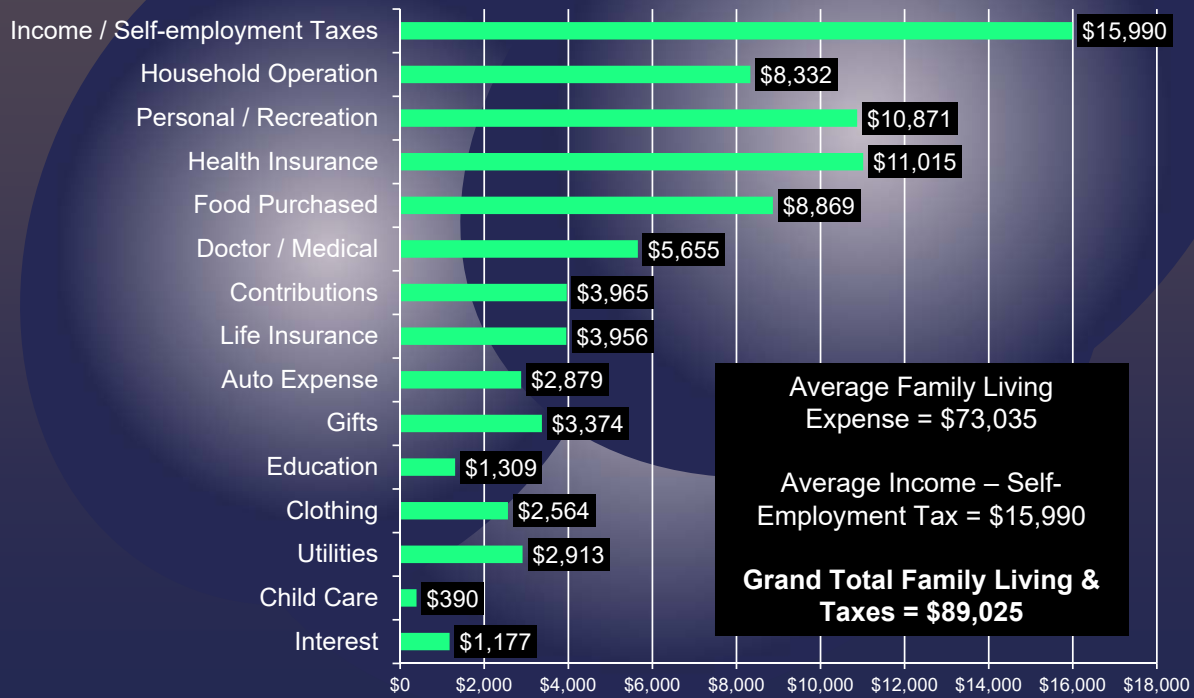
Family Living



Family Living Analysis, 2006 - 2016



Average Family Living Expenses, S.C. Association 2016



Will it Cash Flow? 2016 S.C. Association

Net Farm Income		(\$5,352)
Management Depreciation		<u>\$63,612</u>
TOTAL FARM CASH AVAILABLE		\$58,260
LESS:		
* Current Liabilities	\$ 51,336	
* Non-Current Liabilities	<u>17,989</u>	
TOTAL PRINCIPAL PAYMENTS		<u>-69,325</u>
Net Farm Cash Flow Before Family Living		(11,065)
LESS:		
Family Living		<u>73,035</u>
NET CASH FLOW BEFORE INCOME TAX		(\$84,100)

*Principal payments were computed by dividing non-current liabilities by fifteen years, and current liabilities by three years.
Debt considerations are made as of 12-31-16.

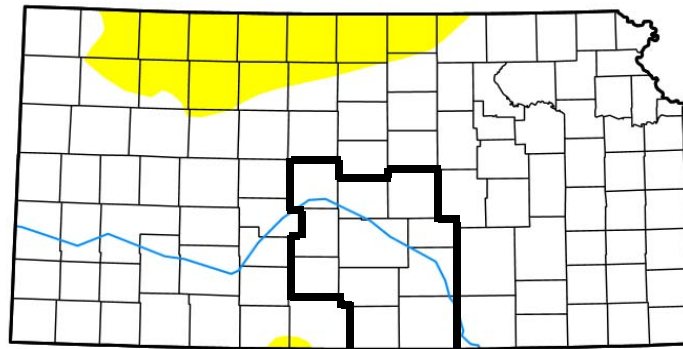
A look ahead...



Drought Monitor

April 25, 2017

(Released Thursday April 27, 2017)



Intensity:

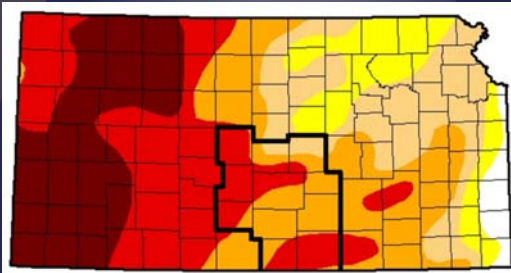
- | | |
|---------------------|------------------------|
| D0 Abnormally Dry | D3 Extreme Drought |
| D1 Moderate Drought | D4 Exceptional Drought |
| D2 Severe Drought | |

Drought Monitor Comparison

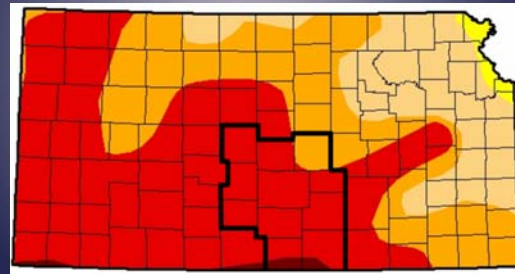
Intensity:



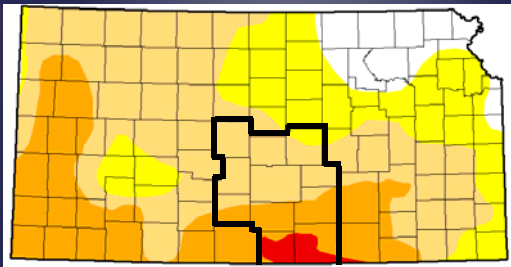
May 14, 2013



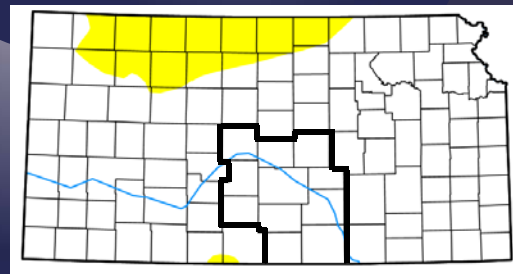
May 6, 2014



May 5, 2015



April 25, 2017



Thank you for coming & for participating!

Economists

Clay Simons
 Bryan Manny
 Camille Claassen
 Jonie James
 Aaron Meisenheimer

County	Agent	Director
Barton	Alicia Boor	John DeWerff
Harper	Jenni Carr	Sid Burkholder
Harvey	Ryan Flaming	Dale Friesen
Kingman	Jake Renner	Allen Young
McPherson		Cindy Baldwin
Pratt	Mark Ploger	Matt Novotny
Reno	Darren Busick	Jeff Schwertfeger
Rice	Lori Shoemaker	Lee Scheufler
Sedgwick	Zach Simon	Mike Patry
Stafford	Glenn Newdigger	Carl Hildebrand
Sumner	Randy Hein	Tom Norris

Staff

Nancy Foran
 Audrey Bornholdt
 Donna Cummins
 Sheryl Hamby
 Louise McIntire
 LeAnna Doane