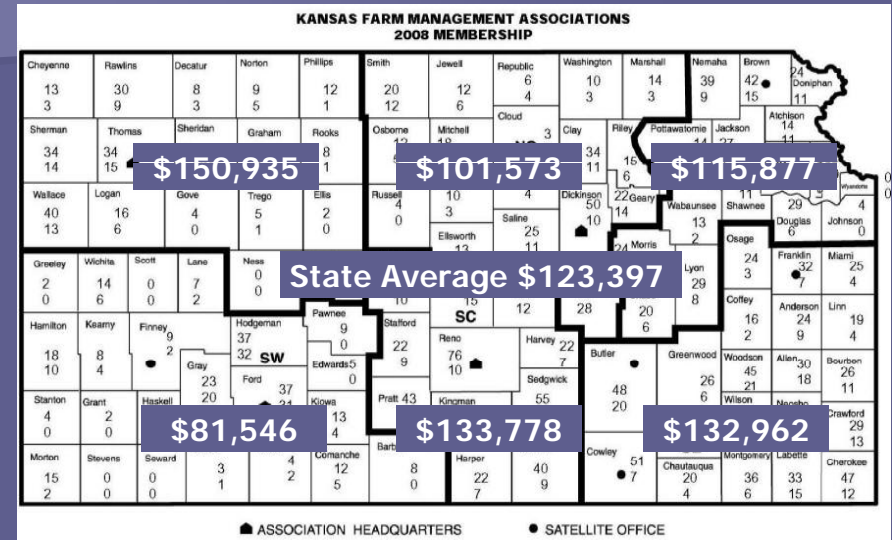


# Trends in Northeast Kansas Agriculture

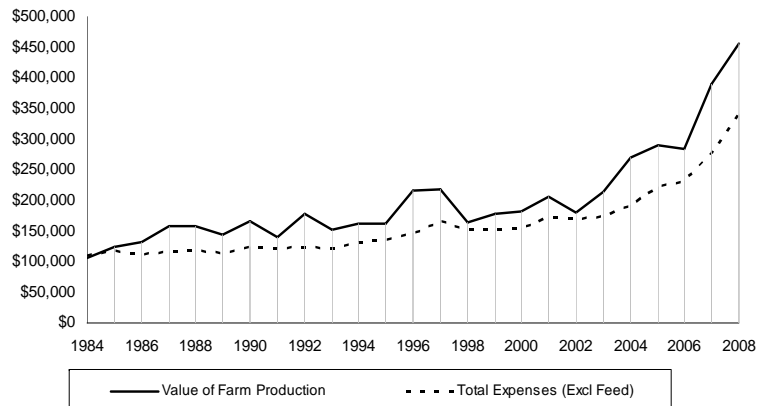
Clay Simons

Extension Agricultural Economists  
 Kansas Farm Management Assn., NE  
 K-State Research and Extension

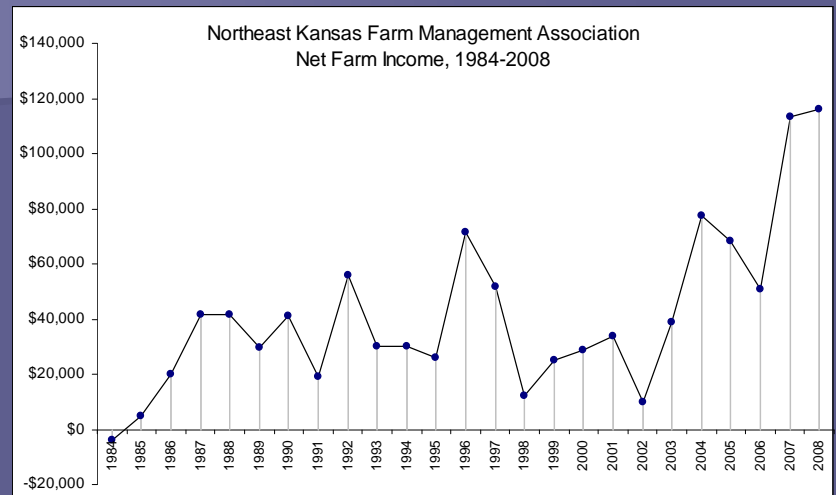
# KFMA 2008 Net Farm Incomes

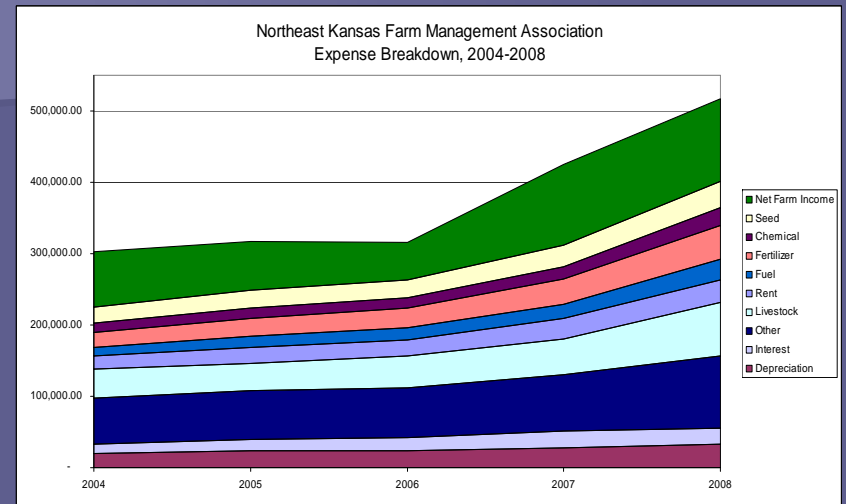
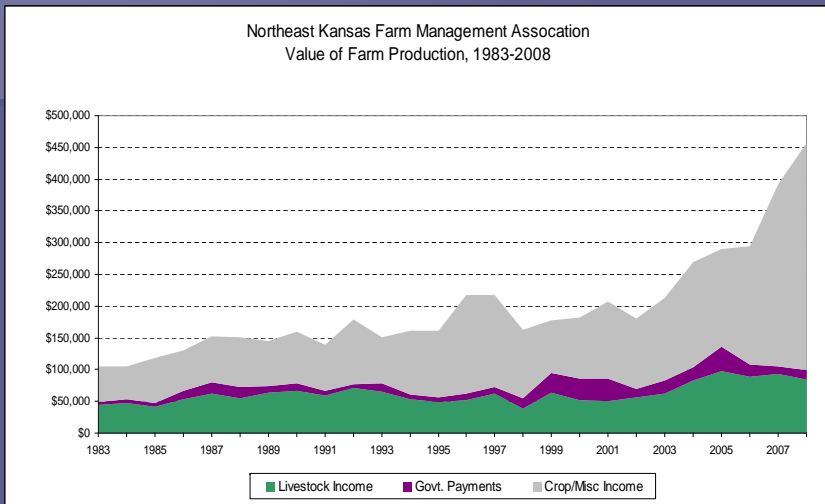
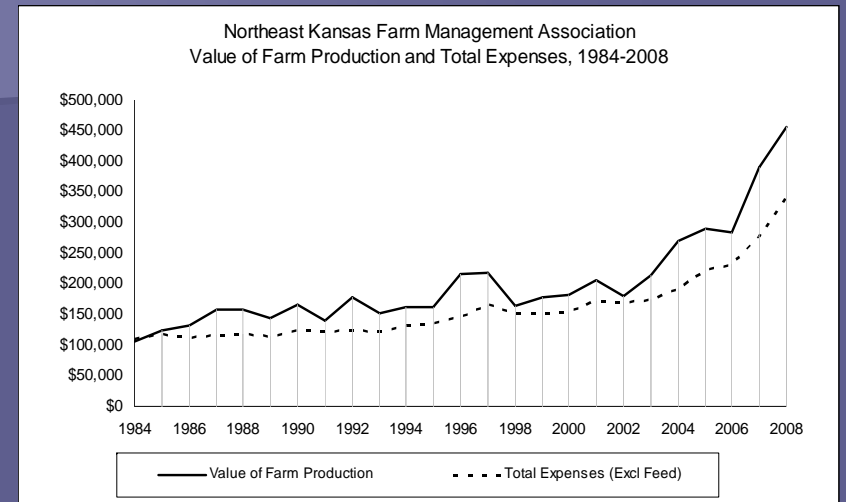
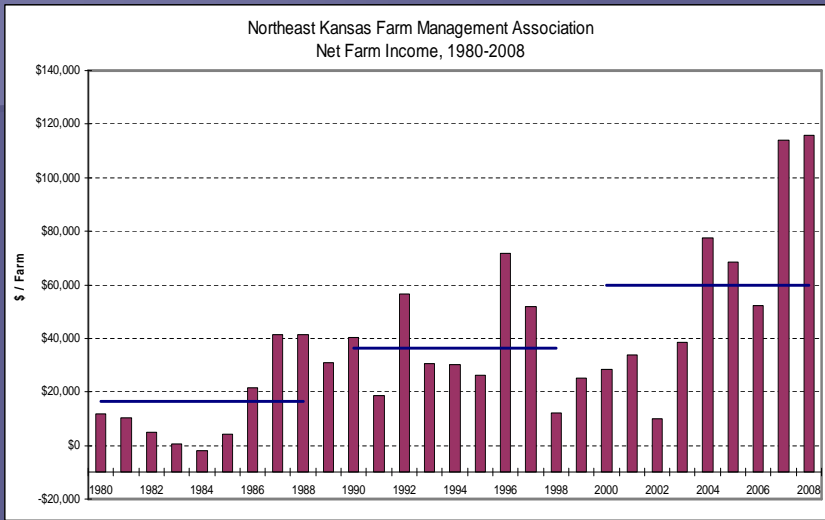


Northeast Kansas Farm Management Association  
 Value of Farm Production and Total Expenses, 1984-2008

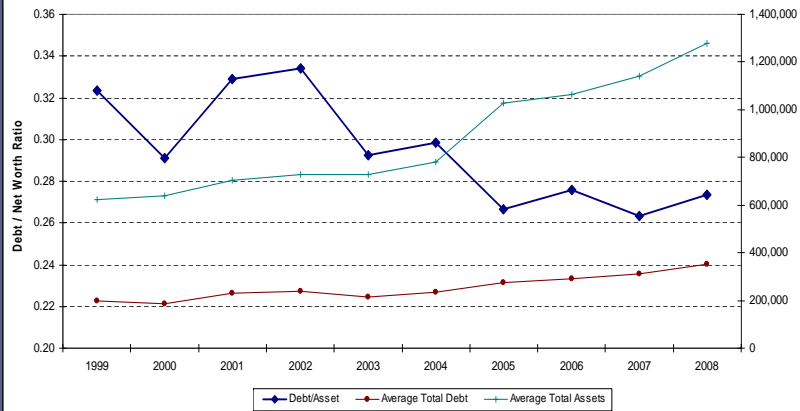


Northeast Kansas Farm Management Association  
 Net Farm Income, 1984-2008

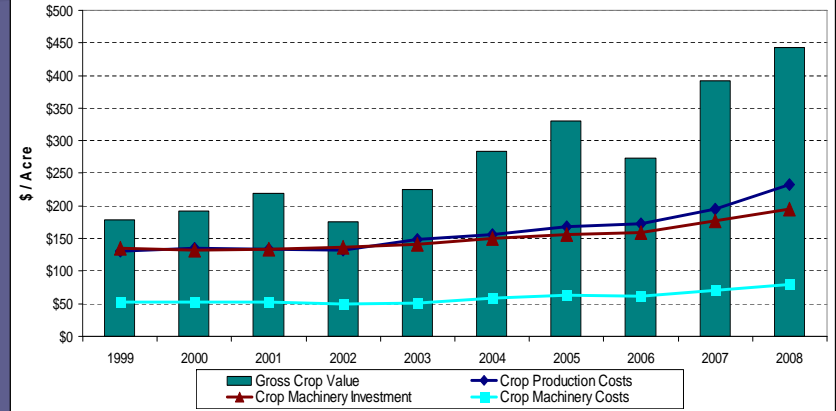




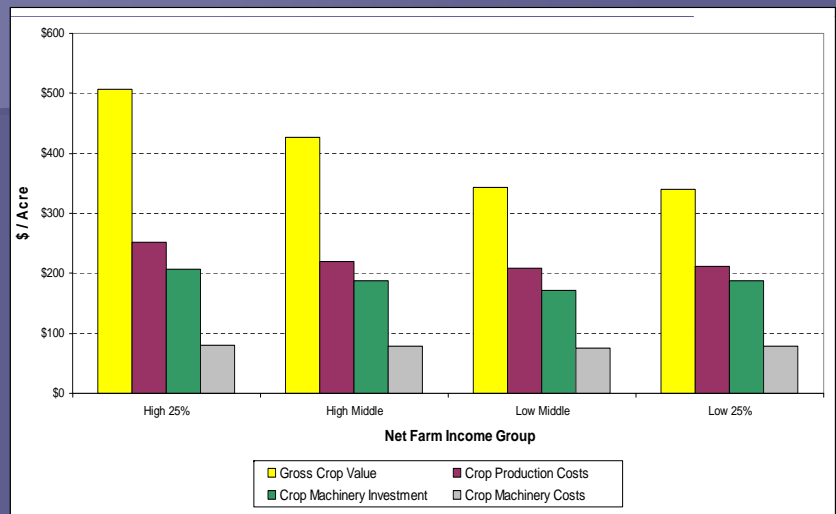
Northeast Kansas Farm Management Association  
Solvency Trends, 1999-2008

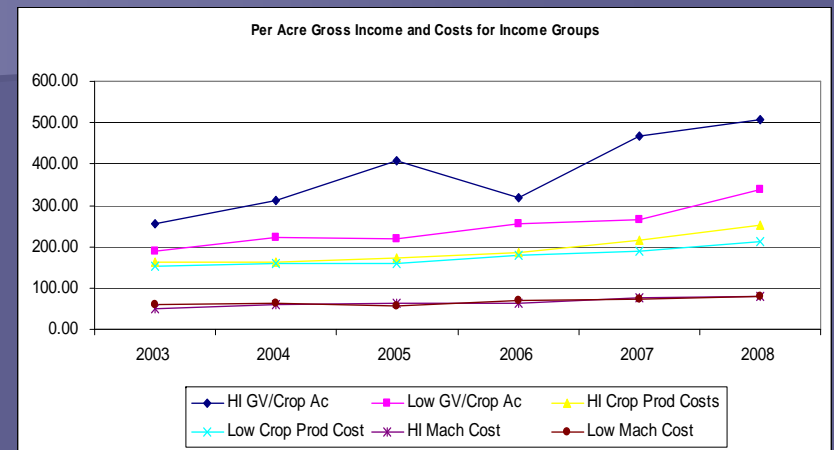
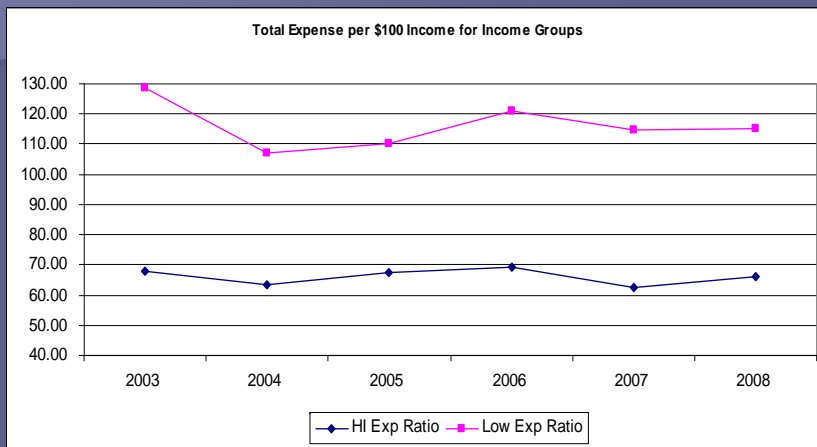
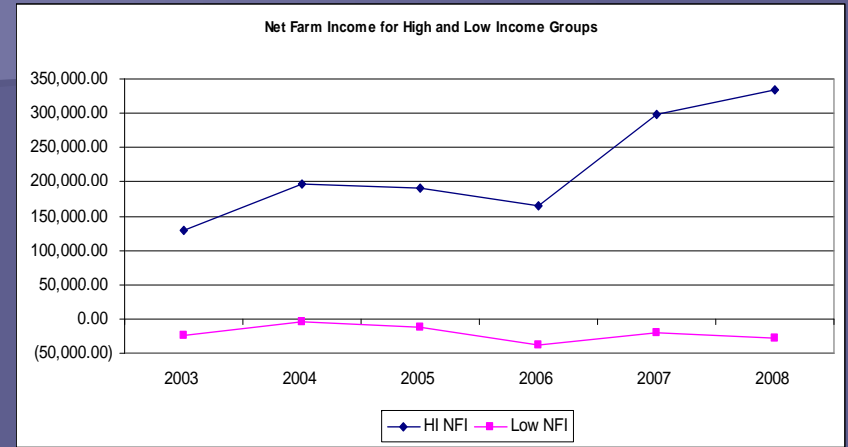
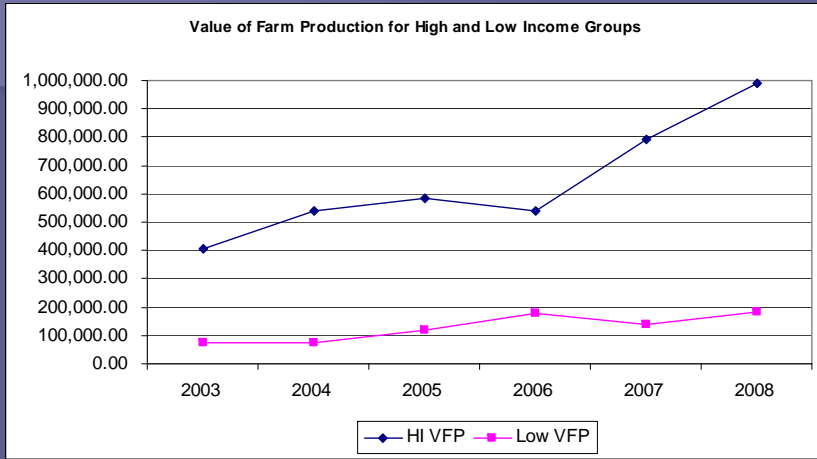


Northeast Kansas Farm Management Association  
Crop Value and Cost Trends, 1999-2008



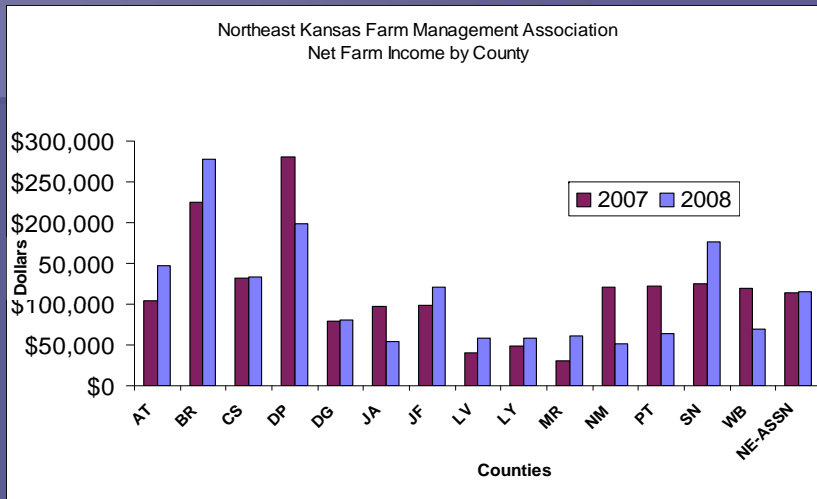
# Profit Quartiles





## The Kansas Farm Management Association Program

- Served 2,288 Farms and Ranches Representing 3,054 Families in 2008
- Valuable Analysis Databank for Benchmarking a Kansas Farm or Ranch
  - Nearly 1,500 Farms in 2007
  - 1,160 Farms with 5 Years of Continuous Data
  - 881 Farms with 10 Years of Continuous Data
  - 399 Farms with 20 Years of Continuous Data



## The Farm Management Program

- Financial Records
- Farm Visits
- Planning Meetings
- Accrual and Enterprise Analysis

## The Farm Management Program

- Financial Record Keeping System
  - Manual Account Book
  - Computer Records
  - Financial Plus
- Farm Visits
  - Consulting
  - Review Records
  - Discuss Issues and Situations

## The Farm Management Program

- Winter Tax Planning Session
  - November/December Time Frame
  - Use a Combination of Known Information and Your Projections
  - Plan for the Balance of the Year

## The Farm Management Program

- Accrual Analysis
  - Provides Snapshot of the Farm's Accrual Net Income and Net Worth
  - Provides Per Unit Costs for a Variety of Factors
  - Based On
    - Inventories
    - Asset and Liability Balances
    - Crop Production Information

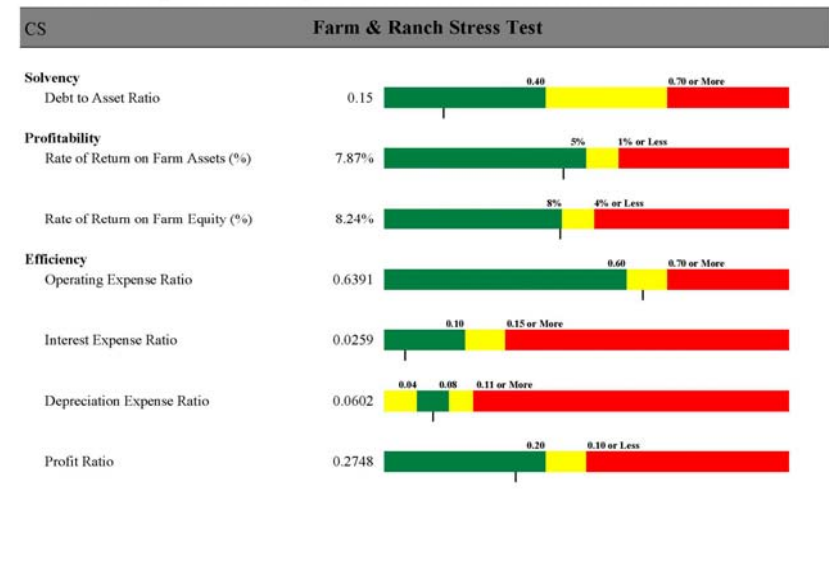
## The Farm Management Program

- Enterprise Analysis
  - How are Different Parts of the Farm Performing
  - What is My Per Unit Cost, Revenue for Each Crop or Livestock Enterprise

## The Farm Management Program

- Benchmarking
  - County Benchmarks
  - Farm Size Benchmarks
  - Farm Type
  - Association and Statewide

CS	Your Farm	MR County	VFP 750,000 to 1,000,000	Crop - Cow Herd	KFMA NE
Number of Farms		16	17	24	229
Gross Livestock Income	267,089	86,967	132,341	106,611	144,672
Feed Expense	26,449	14,037	34,253	37,048	60,037
Livestock Income	240,640	72,930	98,088	69,563	84,635
Non-Livestock Income	600,115	227,886	790,323	103,572	372,160
Value of Farm Production	840,756	300,816	888,411	173,135	456,795
Cash Operating Expense	559,109	222,841	538,982	141,262	307,583
Depreciation	50,577	17,068	56,420	16,241	33,335
Total Farm Expense	609,686	239,909	595,402	157,503	340,918
Net Farm Income	231,070	60,907	293,009	15,632	115,877
Total Crop Acres Farmed	2,050	916	1,744	546	1,035
Gross Value of Crops/Crop Acre	325.66	325.92	482.39	256.91	443.62
Crop Production Cost/Crop Acre	237.25	192.71	268.58	161.21	233.16
Machinery Investment/Crop Acre	217.31	148.41	221.38	159.61	194.93
Fuel Cost/Crop Acre	24.29	17.07	27.99	16.40	21.22
Machinery Repair/Crop Acre	11.30	15.14	24.09	16.01	20.47
Machinery Cost/Crop Acre	100.16	63.31	92.54	63.74	79.30
Farm Production per Worker	240,216	241,862	424,241	133,609	285,653
Total Expense Ratio	0.73	0.80	0.67	0.91	0.75
Economic Total Expense Ratio	0.99	1.15	0.87	1.57	1.03
Average Total Assets	2,609,186	947,696	1,897,328	1,004,141	1,276,824
Average Total Debt	381,581	241,468	559,863	152,749	350,698
Average Net Worth	2,227,606	706,228	1,337,465	851,392	926,126
Net Farm Income as % of Ave. Net Worth	10.37%	8.62%	21.91%	1.84%	12.51%
Debt to Asset Ratio	0.15	0.25	0.29	0.15	0.27
Interest Paid	21,809	18,454	31,684	8,465	22,029



## Other Features

- Business Structure and Entities
- Estate Planning
- Transition Planning
- Make a Difference for Kansas and US Agriculture

## Kansas Farm Management Association, NE

Clay Simons  
 Council Grove, KS  
 Office (620) 767-6195  
 csimons@ksu.edu