

April 1997

Dear Farm Manager:

EXECUTIVE SUMMARY
1996 Kansas Farm Records Analysis
Kansas Farm Management Associations

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.

Detailed analysis for comparison with individual farm business records will soon be available from the Association Economists, County Agents, or the Department of Agricultural Economics, Kansas State University.

The following tables provide you with a glimpse of the information on a state-wide basis.

Very truly yours,

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Administrator
Farm Management Association Program

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ANNUAL NET FARM INCOME AVERAGES OF ASSOCIATION FARMS

ASSOCIATION, NW - Northwest

<u>Year</u>	<u>Net Income</u>
1996	\$61,755
1995	30,840
1994	28,676
1993	51,989
1992	35,033
1991	26,442
1990	35,000
1989	24,237
1988	62,177
<u>1987</u>	<u>48,658</u>
10 Year Average	\$40,481

ASSOCIATION, NC - North Central

<u>Year</u>	<u>Net Income</u>
1996	\$55,905
1995	16,986
1994	19,246
1993	21,297
1992	38,371
1991	16,381
1990	42,491
1989	19,333
1988	40,727
<u>1987</u>	<u>40,459</u>
10 Year Average	\$31,120

ASSOCIATION NE - Northeast

<u>Year</u>	<u>Net Income</u>
1996	\$71,580
1995	26,101
1994	30,196
1993	30,496
1992	56,620
1991	18,689
1990	40,428
1989	31,047
1988	41,498
<u>1987</u>	<u>41,351</u>
10 Year Average	\$38,801

ASSOCIATION, SW - Southwest

<u>Year</u>	<u>Net Income</u>
1996	\$56,261
1995	23,800
1994	30,075
1993	53,595
1992	38,520
1991	29,237
1990	39,635
1989	23,739
1988	58,427
<u>1987</u>	<u>39,006</u>
10 Year Average	\$39,229

ASSOCIATION, SC - South Central

<u>Year</u>	<u>Net Income</u>
1996	\$56,131
1995	18,456
1994	24,684
1993	38,063
1992	32,128
1991	24,721
1990	25,695
1989	12,729
1988	38,716
<u>1987</u>	<u>30,387</u>
10 Year Average	\$30,171

ASSOCIATION, SE - Southeast

<u>Year</u>	<u>Net Income</u>
1996	\$64,662
1995	21,107
1994	34,084
1993	39,612
1992	56,257
1991	24,224
1990	36,100
1989	38,291
1988	57,076
<u>1987</u>	<u>46,714</u>
10 Year Average	\$41,813

PERCENT OF FARMS IN INCOME GROUPS*
FARM MANAGEMENT ASSOCIATIONS
1996

	NC %	SC %	SW %	NE %	NW %	SE %	All Assn. %
Over \$140,000 Net Income	9	11	7	17	14	12	12
\$120,000 - \$140,000	4	3	4	4	4	4	4
\$100,000 - \$120,000	3	4	5	6	5	5	5
\$ 80,000 - \$100,000	7	8	9	7	8	8	8
\$ 60,000 - \$ 80,000	14	9	13	8	8	9	10
\$ 40,000 - \$ 60,000	17	18	13	13	11	12	14
\$ 20,000 - \$ 40,000	20	17	17	17	22	17	18
\$ 0 - \$ 20,000	18	17	20	16	15	20	18
\$ 0 - \$ 20,000 Loss	7	9	7	8	6	11	8
\$ 20,000 - \$ 40,000 Loss	1	3	2	3	6	2	3
\$ 40,000 - \$ 60,000 Loss	-	-	-	-	-	-	-
Over - \$ 60,000 Loss	-	-	2	-	-	-	-
TOTAL NUMBER OF FARMS	304	374	231	380	222	604	2,115
AVERAGE NET FARM INCOME	\$55,905	\$56,131	\$56,261	\$71,580	\$61,755	\$64,662	\$61,915

FOUR-YEAR TREND ANALYSIS
TYPE OF FARM
1993-1996

Type of Farm	No. of Farms	Net Income/Operator			
		(1996)	1996	1995	1994
All Farms	2,115	\$60,360	\$21,726	\$27,478	\$36,510
Cash Crop Dryland	1,254	63,904	21,813	31,715	35,586
Cash Crop Irrigated	158	92,067	47,405	40,749	70,050
Stock-Ranch Cowherd	27	1,967	(23,588)	8,132	50,426
Cowherd	16	20,827	(6,313)	(6,202)	15,315
Dairy	72	39,953	26,286	31,555	25,543
Sow & Litter (Market)	12	122,573	92,049	3,442	61,370
Backgrounding	43	55,754	(16,707)	18,431	25,780
Background-Finish	15	121,786	11,738	(3,017)	34,819
Cash Crop-Cowherd	162	16,812	8,650	14,102	25,197
Cash Crop-Dairy	26	58,436	23,786	46,329	30,593
Cash Crop-Sow & Litter (Market)	35	65,687	39,487	8,825	35,220
General Farm	94	49,758	18,536	9,502	33,373
Cash Crop-Backgrounding	64	67,658	(4,997)	16,267	24,272
Cash Crop-Background Finish	22	96,783	23,130	37,975	47,200
Cash Crop-Beef	76	62,900	22,850	29,506	45,933
Turkeys	9	18,287	21,023	14,205	21,043

GROSS INCOME, TOTAL EXPENSES, and NET FARM INCOME
by INCOME—1996

Region	High Income Farms (25%)			Low Income Farms (25%)			Average of all Farms				
	Number Farms (25%) of Total	Gross Farm Income	Total Farm Expenses	Net Farm Income	Gross Farm Income	Total Farm Expenses	Net Farm Income	Number of Farms	Gross Farm Income	Total Farm Expenses	Net Farm Income
NC	76	\$404,718	\$271,688	\$133,030	\$131,529	\$130,982	\$ 547	304	\$226,697	\$170,792	\$ 55,905
SC	94	\$393,712	\$249,976	\$143,736	\$117,585	\$124,654	(\$ 7,069)	374	\$207,991	\$151,861	\$ 56,131
SW	58	\$488,428	\$342,801	\$145,627	\$138,824	\$147,446	(\$ 8,621)	231	\$264,282	\$208,021	\$ 56,261
NE	95	\$515,508	\$331,657	\$183,850	\$101,571	\$104,656	(\$ 3,085)	380	\$256,402	\$184,822	\$ 71,580
NW	56	\$470,513	\$306,674	\$163,838	\$123,124	\$132,926	(\$ 9,802)	222	\$239,766	\$178,011	\$ 61,755
SE	151	\$502,161	\$324,367	\$177,794	\$111,040	\$115,071	(\$ 4,032)	604	\$239,509	\$174,847	\$ 64,662
1996	529	\$470,763	\$308,422	\$162,341	\$117,472	\$122,309	(\$4,837)	2,115	\$237,862	\$175,947	\$ 61,915
State Average											
1995	532	\$313,174	\$224,747	\$ 88,427	\$145,332	\$175,165	(\$30,774)	2,126	\$185,697	\$163,344	\$22,353
1994	534	\$325,492	\$234,757	\$ 90,736	\$139,561	\$160,020	(\$20,459)	2,136	\$187,717	\$159,064	\$28,652
1993	529	\$329,903	\$223,784	\$106,120	\$118,487	\$129,411	\$-10,924	2,110	\$186,156	\$147,987	\$ 38,169
1992	524	\$359,532	\$243,233	\$116,299	\$103,581	\$107,333	\$ -3,752	2,096	\$190,942	\$145,468	\$ 45,475
1991	504	\$275,628	\$196,973	\$ 78,655	\$137,195	\$160,399	\$-23,204	2,013	\$164,114	\$141,227	\$ 22,887
1990	551	\$329,700	\$232,355	\$ 97,345	\$109,231	\$117,316	\$ -8,085	2,043	\$184,103	\$147,766	\$ 36,337
1989	495	\$289,703	\$207,727	\$ 81,976	\$117,643	\$133,712	\$-16,069	1,981	\$167,428	\$142,832	\$ 26,596
1988	508	\$351,511	\$231,619	\$119,893	\$100,698	\$101,641	\$ -943	2,030	\$191,205	\$142,523	\$ 48,682
1987	480	\$337,798	\$233,660	\$104,138	\$ 95,334	\$ 98,200	\$ -2,866	1,920	\$178,633	\$137,857	\$ 40,776

FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
1992 - 1996

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
No. of Farms for Analysis	2,115	2,126	2,136	2,110	2,096
Livestock Gross Income	70,511	60,839	67,435	72,563	78,833
Gross Farm Income	237,862	185,697	187,717	186,156	190,942
Cash Operating Expense	160,816	148,813	144,999	134,603	132,609
Depreciation	15,131	14,531	14,065	13,384	12,859
Total Farm Expense	175,947	163,344	159,064	147,987	145,468
Net Farm Income	61,915	22,353	28,652	38,169	45,475
Return to Labor-Management	29,972	(8,189)	(1,306)	8,032	17,467
Return to Capital	26,670	(772)	1,892	8,049	24,462
Return on Net Worth (%)	2.78	(4.44)	(3.42)	(1.57)	2.70
Total Loans	191,863	185,991	189,803	180,970	179,371
Current-Intermediate Assets**	302,981	270,863	278,422	280,403	271,868
Total Assets**	593,680	553,618	549,019	548,334	538,316
Total Capital Managed**	1,090,695	1,046,430	998,072	972,541	950,965
C & I Ratio*	.37	.41	.40	.38	.38
Loans/Net Worth Ratio*	.48	.51	.53	.49	.50
Total Acres	1,683	1,668	1,610	1,603	1,564
Crop Acres	1,069	1,048	999	1,003	959
No. of Men	1.46	1.49	1.50	1.49	1.48
No. of Operators	1.03	1.03	1.04	1.05	1.05
Gross Crop Value/Crop Acre	199.65	149.84	157.53	147.91	149.51
Crop Production Costs/Crop Acre	99.61	92.23	89.90	83.47	81.29
Machinery Invest./Crop Acre**	86.94	81.32	77.76	72.59	71.16
Machinery Costs/Crop Acre	42.45	39.54	39.22	38.20	37.41
Total Family Living Expense	30,456	29,772	29,367	28,929	25,861

*C & I Ratio equals current plus intermediate loans divided by current plus intermediate assets. Ratios computed as of December 31.

**Machinery investment calculated using management depreciation resulting in a value closer to fair market value.