

April 2000

Dear Farm Manager:

EXECUTIVE SUMMARY
1999 ProfitLink 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. The K-MAR-105 Association, under the direction of Larry N. Langemeier, Administrator, has developed the *ProfitLink* Analysis program and other software required to process each farm's production and financial records.

The following tables provide you with a glimpse of the information on a state-wide basis. More detailed analysis will be published soon.

Very truly yours,

Fredrick D. DeLano, Administrator
Farm Management Association Program

ANNUAL NET FARM INCOME AVERAGES OF ASSOCIATION FARMS

ASSOCIATION, NW - Northwest		ASSOCIATION, NC - North Central		ASSOCIATION, NE - Northeast	
<u>Year</u>	<u>Net Income</u>	<u>Year</u>	<u>Net Income</u>	<u>Year</u>	<u>Net Income</u>
1999	\$67,537	1999	\$44,561	1999	\$25,123
1998	50,485	1998	14,767	1998	12,170
1997	30,228	1997	51,263	1997	51,698
1996	61,755	1996	55,905	1996	71,580
1995	30,840	1995	16,986	1995	26,101
1994	28,676	1994	19,246	1994	30,196
1993	51,989	1993	21,297	1993	30,496
1992	35,033	1992	38,371	1992	56,620
1991	26,442	1991	16,381	1991	18,689
1990	<u>35,000</u>	1990	<u>42,491</u>	1990	<u>40,428</u>
10 Year Average	\$41,799	10 Year Average	\$32,127	10 Year Average	\$36,310

ASSOCIATION, SW - Southwest		ASSOCIATION, SC - South Central		ASSOCIATION, SE - Southeast	
<u>Year</u>	<u>Net Income</u>	<u>Year</u>	<u>Net Income</u>	<u>Year</u>	<u>Net Income</u>
1999	\$55,674	1999	\$43,664	1999	\$37,493
1998	31,286	1998	16,156	1998	3,460
1997	48,589	1997	60,919	1997	81,951
1996	56,261	1996	56,131	1996	64,662
1995	23,800	1995	18,456	1995	21,107
1994	30,075	1994	24,684	1994	34,084
1993	53,595	1993	38,063	1993	39,612
1992	38,520	1992	32,128	1992	56,257
1991	29,237	1991	24,721	1991	24,224
1990	<u>39,635</u>	1990	<u>25,695</u>	1990	<u>36,100</u>
10 Year Average	\$40,667	10 Year Average	\$34,062	10 Year Average	\$39,895

PERCENT OF FARMS IN INCOME GROUPS*
FARM MANAGEMENT ASSOCIATIONS
1999

	NC	SC	SW	NE	NW	SE	All Assn.
	%	%	%	%	%	%	%
Over \$140,000 Net Income	5.02	5.23	10.26	2.35	11.87	6.52	6.29
\$120,000 - \$140,000	1.88	2.91	5.56	1.31	3.65	1.34	2.38
\$100,000 - \$120,000	4.70	4.36	3.85	3.39	7.76	3.18	4.20
\$ 80,000 - \$100,000	6.90	6.69	5.98	4.70	8.22	3.18	5.44
\$ 60,000 - \$ 80,000	9.09	12.50	8.97	7.05	9.13	9.36	9.35
\$ 40,000 - \$ 60,000	15.67	12.21	14.96	8.36	15.98	9.87	12.06
\$ 20,000 - \$ 40,000	20.69	19.19	20.09	15.93	16.89	15.05	17.50
\$ 0 - \$ 20,000	25.39	21.51	18.38	28.98	17.35	27.93	24.51
\$ 0 - \$ 20,000 Loss	6.90	9.59	6.84	18.54	5.02	14.72	11.49
\$ 20,000 - \$ 40,000 Loss	1.88	2.91	2.14	4.96	2.28	4.68	3.48
\$ 40,000 - \$ 60,000 Loss	1.88	2.33	B	3.13	B	2.17	2.19
Over - \$ 60,000 Loss	0	B	B	1.31	B	2.01	1.10
TOTAL NUMBER OF FARMS	319	344	234	383	219	598	2,097
AVERAGE NET FARM INCOME	\$44,561	\$43,664	\$55,674	\$25,123	\$67,537	\$37,493	\$42,488

FOUR-YEAR TREND ANALYSIS
TYPE OF FARM
1996-1999

Type of Farm	No. of Farms	Net Income/Operator				
		<u>(1999)</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
All Farms	2097		\$42,246	\$16,608	\$58,235	\$60,360
Cash Crop Dryland	1300		34,574	17,981	61,975	63,904
Cash Crop Irrigated	139		77,954	56,395	50,127	92,067
Stock-Ranch Cowherd	36		31,550	5,726	26,644	1,967
Cowherd	29		14,915	(2,932)	15,056	20,827
Dairy	64		46,847	41,945	39,179	39,953
Sow & Litter (Market)	12		136,708	(42,228)	103,127	122,573
Backgrounding	27		31,089	(30,490)	58,220	55,754
Background-Finish	7		94,670	(10,475)	77,831	121,786
Cash Crop-Cowherd	219		28,742	9,313	31,147	16,812
Cash Crop-Dairy	25		42,396	34,418	65,888	58,436
Cash Crop-Sow & Litter (Market)	10		47,279	(341)	58,709	65,687
General Farm	70		61,772	(8,644)	60,211	49,758
Cash Crop-Backgrounding	39		72,026	(14,983)	67,982	67,658
Cash Crop-Background Finish	19		128,708	(14,558)	89,072	96,783
Cash Crop-Beef	63		77,391	1,651	60,433	62,900
Turkeys	12		36,085	41,414	42,122	18,287

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME
by INCOME --1999**

Assn.	High Income Farms (25%)			Low Income Farms (25%)			Average of all Farms				
	Number Farms (25%) of Total	Value Farm Production *	Total Farm Expenses *	Net Farm Income	Value Farm Production *	Total Farm Expenses *	Net Farm Income	Number of Farms	Value Farm Production *	Total Farm Expenses *	Net Farm Income
NW	55	\$535,933	\$364,407	\$171,526	\$124,280	\$127,406	(\$3,126)	219	\$265,071	\$197,534	\$67,537
SW	59	\$454,313	\$307,987	\$146,326	\$139,190	\$147,758	(\$8,568)	234	\$254,208	\$198,534	\$55,675
NC	80	\$349,136	\$236,001	\$113,135	\$126,869	\$131,018	(\$4,149)	319	\$201,678	\$157,117	\$44,562
SC	86	\$394,777	\$279,119	\$115,658	\$116,893	\$129,831	(\$12,938)	344	\$214,729	\$171,065	\$43,664
NE	96	\$330,110	\$240,151	\$89,959	\$120,512	\$143,309	(\$22,797)	383	\$178,044	\$152,921	\$25,122
SE	150	\$373,684	\$243,660	\$130,023	\$124,365	\$148,803	(\$24,438)	598	\$187,208	\$149,715	\$37,493
1999	524	\$398,602	\$272,377	\$126,225	\$117,669	\$133,792	(\$16,123)	2,097	\$207,858	\$165,370	\$42,488
State Average											
1998	535	\$304,419	\$220,779	\$83,640	\$135,548	\$177,607	(\$42,058)	2,139	\$175,615	\$158,836	\$16,778
1997	541	\$410,484	\$257,880	\$152,604	\$115,173	\$121,628	(\$ 6,455)	2,164	\$220,426	\$161,074	\$59,352
1996	529	\$420,075	\$257,734	\$162,341	\$91,087	\$95,924	(\$ 4,837)	2,115	\$208,860	\$146,945	\$ 61,915
1995	532	\$277,591	\$189,164	\$ 88,427	\$109,340	\$139,173	(\$29,833)	2,126	\$157,621	\$135,268	\$22,353
1994	534	\$285,498	\$194,762	\$ 90,736	\$103,126	\$123,585	(\$20,459)	2,136	\$159,788	\$131,136	\$28,652
1993	529	\$289,189	\$183,020	\$106,120	\$93,369	\$104,293	(\$10,924)	2,110	\$159,371	\$121,202	\$ 38,170
1992	524	\$307,000	\$190,701	\$116,299	\$85,483	\$89,235	(\$ 3,752)	2,096	\$163,164	\$117,689	\$ 45,475
1991	504	\$237,268	\$158,613	\$ 78,655	\$103,153	\$126,357	(\$23,204)	2,013	\$138,121	\$115,234	\$ 22,887
1990	551	\$275,192	\$177,847	\$ 97,345	\$94,275	\$102,360	(\$ 8,085)	2,043	\$157,321	\$120,984	\$ 36,337

*Value of Farm Production has been used for 1999 (purchased feed cost subtracted from livestock and total gross income and total farm expenses). Values have been adjusted for prior years to this method.

**FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
1995 - 1999**

	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
No. of Farms for Analysis	2,097	2,139	2,164	2,115	2,126
Livestock Gross Income*	57,134	33,266	49,709	41,509	32,763
Value Farm Production*	207,858	175,615	220,246	208,860	157,621
Cash Operating Expense*	146,147	140,254	144,239	131,814	120,737
Depreciation	19,223	18,582	16,835	15,131	14,531
Total Farm Expense*	165,370	158,836	161,074	146,945	135,268
Net Farm Income (Accrual)	42,488	16,778	59,352	61,915	22,353
Return to Labor-Management	6,351	(18,675)	24,202	29,972	(8,189)
Return to Capital	19,817	(2,507)	18,913	26,670	(772)
Return on Net Worth (%)	0.66	(4.46)	0.81	2.78	(4.44)
Total Loans	219,063	209,746	207,818	191,863	185,991
Current-Intermediate Assets**	346,102	319,992	338,619	302,981	270,863
Total Assets**	665,129	626,118	634,881	593,680	553,618
Total Capital Managed**	1,250,010	1,189,423	1,163,752	1,090,695	1,046,430
C & I Ratio***	0.40	.41	.38	.37	.41
Loans/Net Worth Ratio****	0.49	.50	.49	.48	.51
Loans/Assets Ratio*****	0.33	.33	.33	.32	.34
Total Acres	1,738	1,684	1,686	1,683	1,668
Crop Acres	1,095	1,076	1,062	1,069	1,048
No. of Workers	1.46	1.45	1.49	1.46	1.49
No. of Operators	1.01	1.01	1.02	1.03	1.03
Gross Crop Value/Crop Acre	162.09	165.90	203.31	199.65	149.84
Crop Production Costs/Crop Acre	109.48	108.21	111.29	99.61	92.23
Machinery Invest./Crop Acre**	108.40	102.80	94.72	86.94	81.32
Machinery Costs/Crop Acre	47.09	46.14	46.73	42.45	39.54
Total Family Living Expense	35,261	33,611	33,059	30,456	29,772

*Value of Farm Production method has been used for 1999 (purchased feed cost subtracted from livestock and total gross income and total farm expenses). Values have been adjusted for prior years to this method.

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

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

****Loans/Net worth ratio (debt/equity) equals total loans divided by total assets less total debt (net worth or owner equity).

*****Loans/Assets (debt/asset) ratio equals total loans divided by total assets.