

April 13, 2001

Dear Farm Manager:

EXECUTIVE SUMMARY
2000 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 farms 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,

Martin L. Albright, Administrator
Farm Management Association Program

ANNUAL ACCRUAL 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>
2000	\$38,277	2000	\$30,745	2000	\$28,518
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	<u>61,755</u>	1996	<u>55,905</u>	1996	<u>71,580</u>
5 Year Average	\$49,656	5 Year Average	\$39,448	5 Year Average	\$37,818

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>
2000	\$48,604	2000	\$36,056	2000	\$49,509
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	<u>56,261</u>	1996	<u>56,131</u>	1996	<u>64,662</u>
5 Year Average	\$48,083	5 Year Average	\$42,585	5 Year Average	\$47,415

ANNUAL GOVERNMENT PAYMENTS FOR ASSOCIATION FARMS

ASSOCIATION, NW - Northwest		ASSOCIATION, NC - North Central		ASSOCIATION, NE - Northeast	
<u>Year</u>	<u>Govt Payments</u>	<u>Year</u>	<u>Govt Payments</u>	<u>Year</u>	<u>Govt Payments</u>
2000	\$65,787	2000	\$36,388	2000	\$33,974
1999	73,099	1999	43,439	1999	30,804
1998	42,021	1998	24,071	1998	16,715
1997	22,211	1997	13,648	1997	10,432
1996	<u>26,074</u>	1996	<u>18,659</u>	1996	<u>9,872</u>
5 Year Average	\$45,838	5 Year Average	\$27,241	5 Year Average	\$20,359

ASSOCIATION, SW - Southwest		ASSOCIATION, SC - South Central		ASSOCIATION, SE - Southeast	
<u>Year</u>	<u>Govt Payments</u>	<u>Year</u>	<u>Govt Payments</u>	<u>Year</u>	<u>Govt Payments</u>
2000	\$69,001	2000	\$48,619	2000	\$38,683
1999	70,065	1999	57,364	1999	34,923
1998	42,431	1998	32,554	1998	18,851
1997	26,268	1997	17,327	1997	10,819
1996	<u>30,251</u>	1996	<u>20,601</u>	1996	<u>11,753</u>
5 Year Average	\$47,603	5 Year Average	\$35,293	5 Year Average	\$23,006

**PERCENT OF FARMS IN INCOME GROUPS
FARM MANAGEMENT ASSOCIATIONS
2000**

	NW %	SW %	NC %	SC %	NE %	SE %	All Assn. %
Over \$140,000 Net Income	7.44	6.87	2.60	3.90	4.16	8.80	5.81
\$120,000 - \$140,000	2.48	2.15	1.73	2.70	1.39	2.11	2.06
\$100,000 - \$120,000	4.13	6.87	2.60	3.60	2.49	3.17	3.55
\$ 80,000 - \$100,000	5.37	6.44	2.89	6.01	4.99	4.93	4.99
\$ 60,000 - \$ 80,000	6.20	9.44	9.83	9.61	7.76	8.45	8.59
\$ 40,000 - \$ 60,000	14.88	12.45	15.61	12.61	9.97	11.27	12.53
\$ 20,000 - \$ 40,000	16.12	14.16	20.52	18.02	18.28	20.95	18.63
\$ 0 - \$ 20,000	20.25	21.03	19.65	21.92	21.05	21.65	21.03
\$ 0 - \$ 20,000 Loss	12.81	10.73	15.03	16.22	19.94	13.20	14.83
\$ 20,000 - \$ 40,000 Loss	4.13	5.15	6.07	2.10	5.82	4.93	4.75
\$ 40,000 - \$ 60,000 Loss	2.07	1.72	1.73	1.80	0.83	0.35	1.25
Over - \$ 60,000 Loss	4.13	3.00	1.73	1.50	3.32	0.18	1.97
TOTAL NUMBER OF FARMS	242	233	346	333	361	568	2,083
AVERAGE NET FARM INCOME	\$38,277	\$48,604	\$30,745	\$36,056	\$28,518	\$49,509	\$39,197

**FOUR-YEAR TREND ANALYSIS
TYPE OF FARM
1997-2000**

Type of Farm	No. of Farms	Net Income/Operator				
		<u>(2000)</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
All Farms	2,083		\$39,273	\$42,246	\$16,608	\$58,235
Cash Crop Dryland	1,340		35,154	34,574	17,981	61,975
Cash Crop Irrigated	137		60,286	77,954	56,395	50,127
Stock-Ranch Cowherd	41		21,340	31,550	5,726	26,644
Cowherd	33		23,804	14,915	(2,932)	15,056
Dairy	61		38,891	46,847	41,945	39,179
Sow & Litter (Market)	15		137,405	136,708	(42,228)	103,127
Backgrounding	25		22,515	31,089	(30,490)	58,220
Background-Finish	7		84,807	94,670	(10,475)	77,831
Cash Crop-Cowherd	201		28,795	28,742	9,313	31,147
Cash Crop-Dairy	17		41,602	42,396	34,418	65,888
Cash Crop-Sow & Litter (Market)	7		103,311	47,279	(341)	58,709
General Farm	60		64,522	61,772	(8,644)	60,211
Cash Crop-Backgrounding	33		34,755	72,026	(14,983)	67,982
Cash Crop-Background Finish	20		102,410	128,708	(14,558)	89,072
Cash Crop-Beef	51		40,793	77,391	1,651	60,433
Turkeys	13		41,617	36,085	41,414	42,122
Cash Crop - Feeder Pig	5		80,987	--	--	B

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME
by INCOME --2000**

		High Income Farms (25%)				Low Income Farms (25%)				Average of all Farms				
Assn.	Number Farms (25%) of Total	Value Farm Production	Government Payments	Total Farm Expenses	Net Farm Income	Value Farm Production	Government Payments	Total Farm Expenses	Net Farm Income	Number of Farms	Value Farm Production	Government Payments	Total Farm Expenses	Net Farm Income
NW	61	\$446,792	\$106,816	\$319,333	\$127,458	\$206,680	\$60,220	\$239,535	(\$32,855)	242	\$258,165	\$65,787	\$219,888	\$38,277
SW	58	\$449,137	\$109,365	\$297,103	\$152,033	\$181,032	\$51,413	\$204,901	(\$23,869)	233	\$258,140	\$69,001	\$209,535	\$48,604
NC	87	\$332,242	\$51,000	\$241,227	\$91,015	\$151,505	\$34,744	\$172,293	(\$20,788)	346	\$197,131	\$36,388	\$166,386	\$30,745
SC	83	\$359,623	\$78,348	\$254,801	\$104,823	\$147,716	\$34,794	\$163,919	(\$16,204)	333	\$213,822	\$48,619	\$177,765	\$36,056
NE	90	\$363,899	\$64,938	\$264,072	\$99,828	\$82,902	\$17,583	\$108,358	(\$25,456)	361	\$182,059	\$33,974	\$153,541	\$28,518
SE	142	\$425,390	\$70,528	\$276,701	\$148,689	\$102,237	\$23,710	\$112,934	(\$10,696)	568	\$208,140	\$38,683	\$139,030	\$49,509
2000	521	\$393,589	\$77,393	\$271,536	\$122,053	\$134,965	\$33,280	\$155,068	(\$20,103)	2,083	\$214,104	\$45,614	\$174,907	\$39,197
State Average														
1999	524	\$398,602	\$81,154	\$272,377	\$126,225	\$117,669	\$31,480	\$133,792	(\$16,123)	2,097	\$207,858	\$47,056	\$165,370	\$42,488
1998	535	\$304,419	\$42,525	\$220,779	\$83,640	\$135,548	\$21,914	\$177,607	(\$42,058)	2,139	\$175,615	\$26,504	\$158,836	\$16,778
1997	541	\$410,484	\$22,648	\$257,880	\$152,604	\$115,173	\$11,206	\$121,628	(\$ 6,455)	2,164	\$220,426	\$14,980	\$161,074	\$59,352
1996	529	\$420,075	\$27,018	\$257,734	\$162,341	\$91,087	\$13,299	\$95,924	(\$ 4,837)	2,115	\$208,860	\$17,496	\$146,945	\$ 61,915
1995	532	\$277,591	\$15,517	\$189,164	\$ 88,427	\$109,340	\$8,224	\$139,173	(\$29,833)	2,126	\$157,621	\$9,800	\$135,268	\$22,353
1994	534	\$285,498	\$17,946	\$194,762	\$ 90,736	\$103,126	\$8,945	\$123,585	(\$20,459)	2,136	\$159,788	\$11,663	\$131,136	\$28,652
1993	529	\$289,189	\$33,718	\$183,020	\$106,120	\$93,369	\$14,695	\$104,293	(\$10,924)	2,110	\$159,371	\$21,005	\$121,202	\$ 38,170
1992	524	\$307,000	\$19,395	\$190,701	\$116,299	\$85,483	\$11,379	\$89,235	(\$ 3,752)	2,096	\$163,164	\$14,529	\$117,689	\$ 45,475
1991	504	\$237,268	\$26,097	\$158,613	\$ 78,655	\$103,153	\$14,135	\$126,357	(\$23,204)	2,013	\$138,121	\$17,267	\$115,234	\$ 22,887

FIVE-YEAR TREND ANALYSIS
AVERAGE OF ALL FARMS
1996 - 2000

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
No. of Farms for Analysis	2,083	2,097	2,139	2,164	2,115
Livestock Gross Income	51,008	57,134	33,266	49,709	41,509
Value Farm Production	214,104	207,858	175,615	220,246	208,860
Cash Operating Expense	155,136	146,147	140,254	144,239	131,814
Depreciation	19,772	19,223	18,582	16,835	15,131
Total Farm Expense	174,908	165,370	158,836	161,074	146,945
Net Farm Income (Accrual)	39,197	42,488	16,778	59,352	61,915
Return to Labor-Management	443	6,351	(18,675)	24,202	29,972
Return to Capital	17,474	19,817	(2,507)	18,913	26,670
Return on Net Worth (%)	0.05	0.66	(4.46)	0.81	2.78
Total Loans	224,758	219,063	209,746	207,818	191,863
Current-Intermediate Assets	355,029	346,102	319,992	338,619	302,981
Total Assets	700,302	665,129	626,118	634,881	593,680
Total Capital Managed	1,347,954	1,250,010	1,189,423	1,163,752	1,090,695
C & I Ratio*	0.39	0.40	.41	.38	.37
Loans/Net Worth Ratio**	0.47	0.49	.50	.49	.48
Loans/Assets Ratio***	0.32	0.33	.33	.33	.32
Total Acres	1,754	1,738	1,684	1,686	1,683
Crop Acres	1,144	1,095	1,076	1,062	1,069
No. of Workers	1.41	1.46	1.45	1.49	1.46
No. of Operators	1.00	1.01	1.01	1.02	1.03
Gross Crop Value/Crop Acre	163.46	162.09	165.90	203.31	199.65
Crop Production Costs/Crop Acre	113.93	109.48	108.21	111.29	99.61
Machinery Invest./Crop Acre	108.00	108.40	102.80	94.72	86.94
Machinery Costs/Crop Acre	48.00	47.09	46.14	46.73	42.45
Total Family Living Expense	34,467	35,261	33,611	33,059	30,456

*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.