

May, 2005

Dear Farm Manager:

**EXECUTIVE SUMMARY**  
**2004 ProfitLink Analysis**  
**Kansas Farm Management Associations**  
**[www.agecon.ksu.edu/kfma](http://www.agecon.ksu.edu/kfma)**  
**[www.agmanager.info](http://www.agmanager.info)**

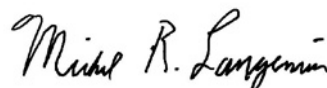
The efforts of many farm families throughout Kansas keeping detailed farm business and financial records make possible the annual report of whole farm and enterprise cost-of-production analysis information. The Association Economists, clerical staff, and the K-MAR-105 staff, have just completed a very successful year of working with the Farm Management Association member families to make this information available. The K-MAR-105 Association ([www.kmar105.com](http://www.kmar105.com)), under the direction of Michael 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.

Sincerely,



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**VALUE OF FARM PRODUCTION**

<b>Year</b>	<b>NW</b>	<b>NC</b>	<b>NE</b>	<b>SW</b>	<b>SC</b>	<b>SE</b>
2004	\$289,904	\$241,269	\$269,048	\$233,102	\$259,927	\$283,622
2003	\$271,200	\$226,788	\$213,380	\$242,700	\$247,129	\$244,661
2002	\$206,840	\$173,304	\$179,899	\$196,980	\$214,897	\$211,965
2001	\$256,952	\$193,220	\$206,584	\$230,898	\$214,650	\$207,852
2000	\$258,165	\$197,131	\$182,059	\$258,140	\$213,822	\$208,140
5 Year Avg	\$256,612	\$206,342	\$210,194	\$232,364	\$230,085	\$231,248

**NET FARM INCOME**

<b>Year</b>	<b>NW</b>	<b>NC</b>	<b>NE</b>	<b>SW</b>	<b>SC</b>	<b>SE</b>
2004	\$45,801	\$51,670	\$77,393	\$29,927	\$52,709	\$84,394
2003	\$59,988	\$52,511	\$38,630	\$37,329	\$43,628	\$63,155
2002	(\$817)	\$14,511	\$10,082	\$3,623	\$26,720	\$37,168
2001	\$27,643	\$28,999	\$33,717	\$13,446	\$11,996	\$38,788
2000	\$38,277	\$30,745	\$28,518	\$48,604	\$36,056	\$49,509
5 Year Avg	\$34,178	\$35,687	\$37,668	\$26,586	\$34,222	\$54,603

**PERCENT OF FARMS IN INCOME GROUPS  
FARM MANAGEMENT ASSOCIATIONS  
2004**

	NW %	SW %	NC %	SC %	NE %	SE %	All Assn. %
Over \$140,000 Net Income	9.39%	3.52%	5.93%	10.70%	20.88%	17.37%	12.60%
\$120,000 - \$140,000	3.31%	1.01%	2.22%	3.34%	4.76%	3.44%	3.15%
\$100,000 - \$120,000	2.76%	3.02%	4.81%	3.34%	5.49%	5.34%	4.41%
\$ 80,000 - \$100,000	7.18%	7.54%	8.89%	8.70%	7.69%	6.11%	7.50%
\$ 60,000 - \$ 80,000	7.18%	9.55%	12.22%	9.36%	8.06%	10.50%	9.74%
\$ 40,000 - \$ 60,000	13.81%	10.55%	15.93%	11.37%	10.99%	12.60%	12.54%
\$ 20,000 - \$ 40,000	18.78%	16.58%	21.48%	17.06%	14.65%	15.08%	16.90%
\$ 0 - \$ 20,000	17.13%	19.60%	15.93%	20.40%	15.75%	17.75%	17.75%
\$ 0 - \$ 20,000 Loss	8.29%	15.58%	7.78%	8.70%	7.33%	8.97%	9.16%
\$ 20,000 - \$ 40,000 Loss	6.08%	8.04%	4.07%	2.68%	3.30%	1.91%	3.72%
\$ 40,000 - \$ 60,000 Loss	3.31%	1.01%	0.00%	3.34%	0.37%	0.76%	1.32%
Greater than - \$ 60,000 Loss	2.76%	4.02%	0.74%	1.00%	0.73%	0.19%	1.20%
TOTAL NUMBER OF FARMS	181	199	270	299	273	524	1,746
AVERAGE NET FARM INCOME	\$45,801	\$29,927	\$51,670	\$52,709	\$77,393	\$84,394	\$62,604

**FIVE-YEAR TREND ANALYSIS  
TYPE OF FARM  
2000-2004**

Type of Farm	No. of Farms	Net Income/Operator					
		(2004)	2004	2003	2002	2001	2000
All Farms	1,746		\$63,491	\$52,410	\$19,343	\$28,169	\$39,273
Cash Crop Dryland	1,179		57,087	51,424	20,229	29,534	35,154
Cash Crop Irrigated	109		62,729	57,580	9,743	13,251	60,286
Stock-Ranch Cowherd	39		51,366	34,148	9,291	11,102	21,340
Cowherd	24		32,088	22,458	6,595	2,583	23,804
Dairy	43		71,192	24,484	22,426	42,638	38,891
Backgrounding	14		82,252	63,035	29,220	5,454	22,515
Cash Crop-Cowherd	161		49,613	33,879	17,544	18,623	28,795
Cash Crop-Dairy	12		81,068	49,643	34,201	40,980	41,602
Cash Crop-Backgrounding	31		79,308	87,728	3,197	(7,241)	34,755
Cash Crop-Beef	45		80,306	89,456	11,028	39,263	40,793
Turkeys	10		47,912	36,777	38,399	30,848	41,617
Cash Crop – Livestock	43		110,064	55,244	20,668	38,433	64,522

**VALUE OF PRODUCTION, TOTAL EXPENSE, and NET FARM INCOME  
by INCOME --2004**

Assn	High Income Farms (25%)			Low Income Farms (25%)			Average of all Farms				
	Number Farms (25% of Total)	Value of Farm Production	Total Farm Expenses	Net Farm Income	Value of Farm Production	Total Farm Expenses	Net Farm Income	Number of Farms	Value of Farm Production	Total Farm Expenses	Net Farm Income
NW	45	\$537,907	\$392,720	\$145,188	\$230,188	\$259,218	(\$29,030)	181	\$289,904	\$244,102	\$45,801
SW	50	\$416,889	\$315,112	\$101,777	\$169,481	\$199,554	(\$30,074)	199	\$233,102	\$203,175	\$29,927
NC	68	\$399,708	\$273,387	\$126,321	\$154,140	\$158,996	(\$4,857)	270	\$241,269	\$189,599	\$51,670
SC	75	\$487,947	\$343,402	\$144,545	\$143,648	\$158,777	(\$15,129)	299	\$259,927	\$207,218	\$52,709
NE	68	\$537,306	\$339,942	\$197,364	\$72,496	\$77,634	(\$5,138)	273	\$269,048	\$191,656	\$77,393
SE	131	\$626,463	\$387,965	\$238,498	\$82,544	\$84,839	(\$2,295)	524	\$283,622	\$199,229	\$84,394
2004	437	\$521,796	\$345,625	\$176,171	\$129,382	\$141,523	(\$12,142)	1,746	\$265,629	\$203,025	\$62,604
State Average											
2003	455	\$462,290	\$312,084	\$150,206	\$126,220	\$141,845	(\$15,625)	1,820	\$240,059	\$189,008	\$51,051
2002	480	\$345,541	\$253,105	\$92,436	\$166,575	\$207,732	(\$41,156)	1,921	\$198,706	\$179,600	\$19,106
2001	486	\$367,089	\$264,222	\$102,867	\$182,642	\$214,652	(\$32,010)	1,937	\$214,664	\$186,669	\$27,995
2000	521	\$393,589	\$271,536	\$122,053	\$134,965	\$155,068	(\$20,103)	2,083	\$214,104	\$174,907	\$39,197
1999	524	\$398,602	\$272,377	\$126,225	\$117,669	\$133,792	(\$16,123)	2,097	\$207,858	\$165,370	\$42,488
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

**FIVE-YEAR TREND ANALYSIS  
AVERAGE OF ALL FARMS  
2000 - 2004**

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Number of Farms	1,746	1,820	1,921	1,937	2,083
Livestock Gross Income	70,261	55,650	44,717	44,712	51,008
Value of Farm Production	265,629	240,059	198,706	214,664	214,104
Cash Operating Expense - Interest	166,241	153,185	143,100	148,047	137,934
Interest Expense	14,269	15,218	16,244	18,056	17,202
Depreciation	22,515	20,606	20,256	20,566	19,772
Total Farm Expense	203,025	189,009	179,600	186,669	174,908
Accrual Net Farm Income	62,604	51,051	19,106	27,995	39,197
Return to Labor-Management	18,244	9,932	(20,590)	(12,034)	443
Return to Capital	33,818	25,770	(196)	8,920	17,474
<u>Values / \$100 of Farm Production:</u>					
Operating Expense	62.58	63.81	72.02	68.97	64.42
Interest Expense	5.37	6.34	8.17	8.41	8.03
Depreciation Expense	8.48	8.58	10.19	9.58	9.23
Total Expense	76.43	78.73	90.38	86.96	81.69
Net Farm Income	23.57	21.27	9.62	13.04	18.31
% Return on Net Worth	3.66	2.13	(3.43)	(1.89)	0.06
Total Loans (Dec. 31)	275,174	261,786	258,637	251,166	224,758
Total Assets (Dec. 31)	829,309	773,034	735,964	736,735	700,302
Current Assets/Current Liabilities (Dec. 31)	2.49	2.30	2.01	2.07	2.32
Total Loans/Total Assets (Dec. 31)	0.33	0.34	0.35	0.34	0.32
Total Acres	1,823	1,836	1,809	1,770	1,754
Crop Acres	1,206	1,224	1,187	1,154	1,144
Number of Workers	1.40	1.38	1.42	1.46	1.41
Number of Operators	0.98	0.97	0.99	0.99	1.00
Gross Crop Value / Crop Acre	190.42	186.97	153.05	173.76	163.46
Crop Production Costs / Crop Acre	130.70	119.97	112.57	120.69	113.93
Machinery Investment / Crop Acre	124.91	115.37	112.42	114.44	108.00
Machinery Costs / Crop Acre	51.85	47.11	45.69	49.38	48.00
Total Family Living Expense	41,365	38,989	36,635	36,332	34,467