Farm Management Guide MF-801

Income and Financial Trends for Kansas Farms

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Income and Financial Trends

The following income and financial ratio trends were derived from data provided by farms enrolled in the Kansas Farm Management Association program. The number of commercial farms in this educational program varied from 2,650 to 2,800 for the 10-year period 1992 to 2001. These income and financial trends provide in-depth information for analyzing the farm financial situation and policies affecting agriculture.

Value of farm production and net farm income averaged $188,147 and $38,238, respectively, for the period 1992 to 2001. Net farm income must pay for family living, income and social security taxes, and principal payments on land, machinery, and operating assets.

Definitions

Value of Farm Production (VFP): Total livestock, grain, hay, and miscellaneous income minus cost of items purchased for resale, minus cost of purchased feed, plus or minus changes in operating inventories.

Total Farm Expenses: Total cash and noncash expenses plus or minus the associated accrual and expense inventory adjustments. Does not include cost of items purchased for resale and cost of purchased feed.

Net Farm Income: Return to operator's labor, management, and net worth computed on an accrual basis.

Data Source

The Annual ProfitLink Summary, *Kansas Farm Management Associations*, Department of Agricultural Economics, K-State Research and Extension, Kansas State University, Manhattan, Kansas.

For more information, see the following internet site: *www.agmanager.info.*

Table 1. *Net Farm Income for Kansas Farm Management Association Farms, 1993 - 2002.*

Year	State	Northwest	North Central	Northeast	Southwest	South Central	Southeast
1993	38,170	51,989	21,297	30,496	53,595	38,063	39,612
1994	28,652	28,676	19,246	30,196	30,075	24,684	34,084
1995	22,353	30,840	16,986	26,101	23,800	18,456	21,107
1996	61,915	61,755	55,905	71,580	56,261	56,131	64,662
1997	59,352	30,228	51,263	51,698	48,589	60,919	81,951
1998	16,778	50,485	14,767	12,170	31,286	16,156	3,460
1999	42,488	67,537	44,561	25,123	55,674	43,664	37,493
2000	39,197	38,277	30,745	28,518	48,604	36,056	49,509
2001	27,995	27,643	28,999	33,717	13,446	11,996	38,788
2002	19,106	(817)	15,411	10,082	3,623	26,720	37,168
Average	35,601	38,661	29,918	31,968	36,495	33,285	40,783

Table 2. *Net Farm Income by Farm Type, 1998 - 2002.*

Type of Farm	Number of Farms (2002)	Net Farm Income per Operator					
		Average	2002	2001	2000	1999	1998
All Farms	1,921	29,128	19,343	28,169	39,273	42,246	16,608
Cash Crop Dryland	1,270	27,494	20,229	29,534	35,154	34,574	17,981
Cash Crop Irrigated	122	43,360	8,913	13,251	60,286	77,954	56,395
Stock-Ranch Cowherd	37	15,802	9,291	11,102	21,340	31,550	5,726
Cowherd	26	8,993	6,595	2,583	23,804	14,915	(2,932)
Dairy	47	38,549	22,426	42,638	38,891	46,847	41,945
Backgrounding	19	11,558	29,220	5,454	22,515	31,089	(30,490)
Cash Crop-Cowherd	172	20,603	17,544	18,623	28,795	28,742	9,313
Cash Crop-Dairy	22	38,719	34,201	40,980	41,602	42,396	34,418
Cash Crop-Backgrounding	31	17,551	3,197	(7,241)	34,755	72,026	(14,983)

Source: Kansas Farm Management Associations.

Table 3. *Value of Farm Production, Total Expense, and Total Expense Ratio, 1993 - 2002.*

Year	Value of Farm Production	Total Expense	Total Expense Ratio
1993	159,371	121,202	76.05%
1994	159,788	131,136	82.07%
1995	157,621	135,268	85.82%
1996	208,860	146,945	70.36%
1997	220,426	161,074	73.07%
1998	175,615	158,836	90.45%
1999	207,858	165,370	79.56%
2000	214,104	174,908	81.69%
2001	214,664	186,669	86.96%
2002	198,706	179,600	90.38%
Average	191,701	156,101	81.64%

Source: Kansas Farm Management Associations.

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