

THE NONFARM INCOME OF KANSAS FARM MANAGEMENT  
ASSOCIATION FARMERS FOR YEARS 1973-1975

by

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B. S., Kansas State University, 1975

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A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

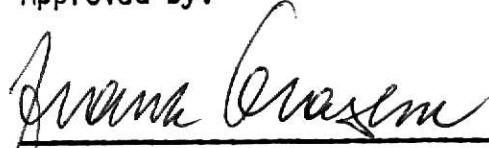
MASTER OF SCIENCE

Agricultural Economics  
Department of Economics

KANSAS STATE UNIVERSITY  
Manhattan, Kansas

1977

Approved by:

  
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## ACKNOWLEDGMENTS

I want to express my sincere appreciation to Dr. Frank Orazem, my major professor, for his counsel during my graduate studies and for his help in the preparation of this thesis. I am also grateful for the suggestions of Dr. Larry N. Langemeir and Dr. Orlan H. Buller, members of my committee. Dr. Langemeir was an invaluable aid in the collection and interpretation of the data.

Recognition is also given to Al Ringleb for his programming assistance.

Above all I wish to thank Lora, my wife, for her patience, sacrifices and support which has helped make this thesis a reality.



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## CHAPTER 1

### INTRODUCTION

Nonfarm income is rapidly becoming the more dependable portion of many American farmers' total income. The farmer-producer is a price taker, possessing little or no bargaining power. The prices paid by him form a rather steadily increasing trend, while those received by him form a more erratic trend. Faced with much price and yield uncertainty, many farmers have taken insurance in the form of nonfarm income.

#### Nonfarm Income Defined

As the components of farmers' nonfarm income vary depending upon the source cited, a definition is in order. Farmers' nonfarm income is that income, apart from the farming operation, which is received by the farm operator himself or by members of his family. It includes income from cash wages, salaries, commissions, tips, a nonfarm business or professional practice, rental of nonfarm property, dividends, interest, royalties, social security pensions, retirement pay, veterans benefits, gifts, inheritance and other nonfarm income.

Income received from government farm programs is not included as part of nonfarm income. Government payments represent an integral component of the American farm policy. Within limits, the producer chooses between more government payments or more freedom in picking a cropping pattern. As such, these payments represent a part of farm income.

Income from custom work, machine hire or rental of agricultural

property is also excluded from nonfarm income. Since the farm's machinery is often utilized in the acquisition of such income, many relevant expenses are included in the farm's operating expenses. Therefore, this income is more accurately identified as farm income. If the farm's machinery is not utilized or if a separate expense account is kept, then such income is considered to be derived from a nonfarm business. It is then included in nonfarm income.

Exceptions to the above definition of farmers' nonfarm income are either footnoted or explained in the text.

### Objectives

The major objective of this study is to determine the importance of nonfarm income to Kansas farmers. The relative significance of nonfarm income as a supplement to farmers' farm income is measured by: (1) the average amount of nonfarm income received per farm; (2) the distribution of the amount of nonfarm income received among the farms; and (3) the portion of the farmers' total net income that is derived from nonfarm sources.

Secondary objectives are: (1) to ascertain the difference, if any, in the amount of nonfarm income received by farmers throughout various areas of Kansas; and (2) to analyze the average amounts of nonfarm income received by various selected farm categories. Such categories include farm sales, principal operator's age and type of business organization.

In pursuit of these objectives, the nonfarm income of the Kansas Farm Management Association farmers was analyzed for the three year period, 1973-1975.

## CHAPTER 2

### REVIEW OF LITERATURE

Although this study focuses on Kansas farmers, the nonfarm income data and other relevant statistics are presented on both the national and state levels for comparative purposes. Both the Farm Income Statistics (FIS) and the United States Census of Agriculture (Census) publish farmers' nonfarm income data on a national level. Unfortunately, the FIS does not publish this information for individual states. The Census provides the only nonfarm income data available on Kansas farmers.

#### National Nonfarm Income Via Farm Income Statistics

The FIS defines nonfarm income of the farm population and of farmers as consisting of "income received from nonfarm wages and salaries, business and professional income, interest, and transfer payments, such as unemployment compensation, social security and veterans benefits...rental income from nonfarm sources, dividends and royalties."<sup>1</sup> Custom work, machine hire and recreational income are counted as part of farm income.<sup>2</sup> The FIS definition of farmers' nonfarm income coincides with the definition outlined in Chapter 1.

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<sup>1</sup>Economic Research Service, U.S., Department of Agriculture, Farm Income Statistics, Statistical Bulletin No. 557 (Washington, D. C., July 1976), p. v.

<sup>2</sup>Ibid., p.iv.

## The Farm Population

The FIS publishes estimates based on two different concepts of farm income.<sup>3</sup> The first concept views the total farm population and analyzes their total personal disposable income from all sources.<sup>4</sup> The economic well-being of the farm population can then be compared with that of the nonfarm population.

The per capita personal income of the United States farm population increased from \$1,174 in 1960 to \$5,128 in 1975. In 1960, \$463, or 39% of the farm population's total per capita personal income was from nonfarm sources; by 1975, this figure had increased to \$2,562, or 50%. During the period, 1960-1975, the nonfarm per capita personal income of the farm population increased 1.5 times as fast as did their per capita personal income from farm sources (Table 2-1).<sup>5</sup>

Excluding the year 1973, the per capita disposable personal income of the farm population from all sources has always been less than the per capita disposable personal income of the nonfarm population. In 1960, the per capita disposable income of the farm population was only 53.9% of the per capita disposable income of the nonfarm population. Due to abnormally

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<sup>3</sup>Ibid.

<sup>4</sup>Farm Population: "All people living on farms, including both farm operator families and hired farm-resident worker families." Ibid., p. 40.; Disposable Personal Income of Farm Population: "Includes returns from farming operations to resident farm operators for their capital, labor and management, after deduction of farm production expenses, plus farm wages and other labor income received by hired farm-resident workers, plus income received by farm residents from nonfarm sources less personal tax and nontax payments." Ibid.

<sup>5</sup>Ibid., p. 42.

TABLE 2-1. Per Capita Personal Income of U.S. Farm Population by Major Source for Years 1960-1975.

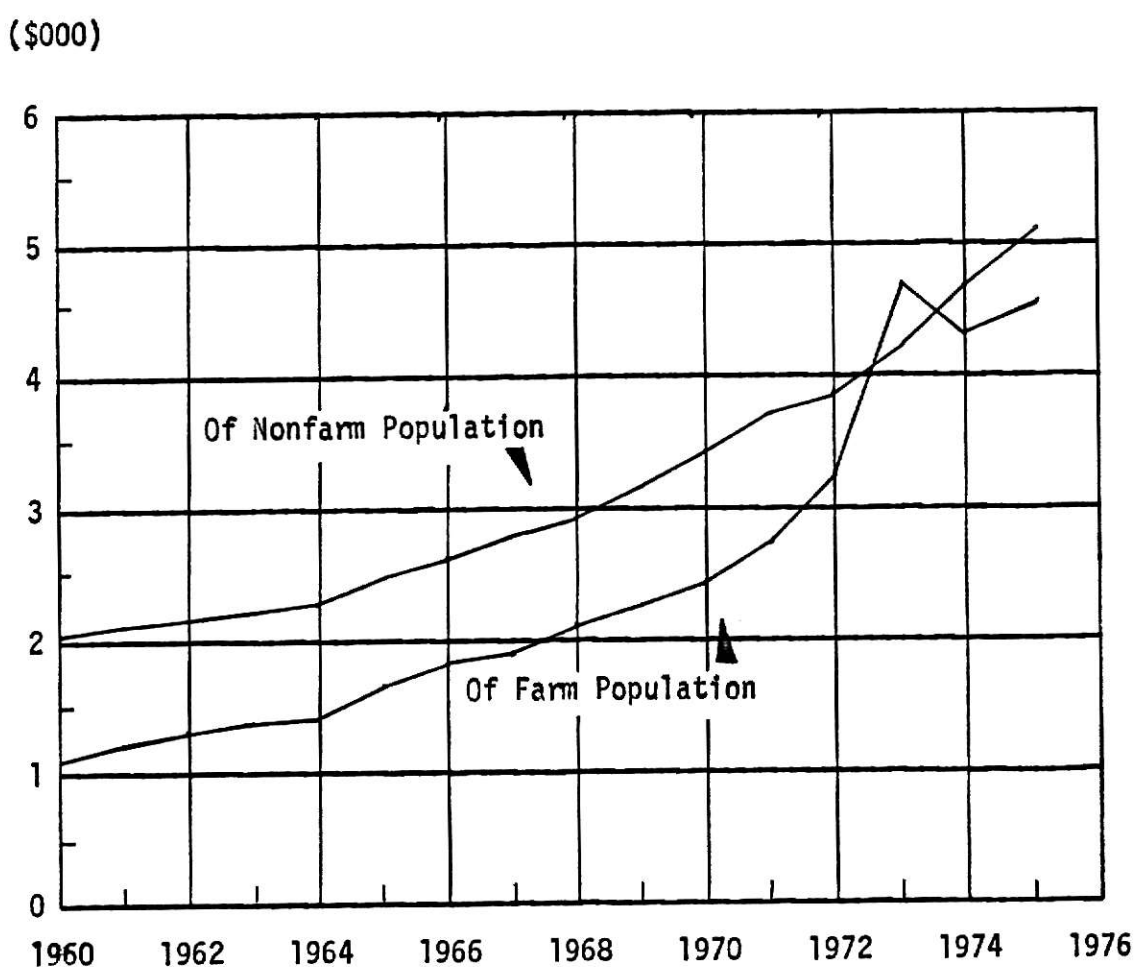
Year	From Farm Sources	From Nonfarm Sources	From All Sources	Nonfarm As Share Of Total
1960	711	463	1,174	39.4
1961	771	516	1,287	40.1
1962	796	583	1,379	42.3
1963	824	670	1,494	44.8
1964	773	752	1,525	49.3
1965	968	860	1,828	47.0
1966	1,088	966	2,054	47.0
1967	1,022	1,080	2,102	51.4
1968	1,078	1,227	2,305	53.2
1969	1,254	1,252	2,606	51.9
1970	1,336	1,483	2,819	52.6
1971	1,426	1,621	3,047	53.2
1972	1,744	1,836	3,580	51.3
1973	3,065	2,063	5,128	40.2
1974	2,541	2,325	4,866	47.8
1975	2,566	2,562	5,128	50.0

Source: Farm Income Statistics, July 1976, p. 42.



high farm prices, this percentage reached a peak of 109.3% in 1973. By 1975 it had decreased to 89.6% (Figure 2-1).<sup>6</sup> This decrease, again placing the economic well-being of the farm population below that of the nonfarm population, resulted primarily from reduced farm prices and increased production costs.

FIGURE 2-1. Disposable Personal Income Per Capita.



Source: Farm Income Statistics, July 1976, p. 42.

<sup>6</sup> Ibid.

## The Farm Operator Families

The second FIS concept of farm income views agriculture as a business or industry. It analyzes the total net realized income of farm operators according to its major sources: farm and nonfarm.<sup>7</sup> The remainder of this thesis analyzes farmers' nonfarm income in light of this second FIS concept of total farm income.

Although the number of U.S. farms decreased from 3.96 million in 1960 to 2.81 million in 1975,<sup>8</sup> the total income earned per farm operator family increased from \$4,946 to \$18,208. During the period, 1960-1975, nonfarm income among farm operator families increased 1.5 times as fast as their realized net farm income increased. Realized net farm income per farm operator family increased from \$2,806 in 1960 to \$8,079 in 1975, while nonfarm income per farm operator family increased from \$2,140 to \$10,129 during the same time period. The years 1973 and 1974 are the only two since 1967 that nonfarm income has accounted for less than half of the farm operator families' total income (Table 2-2).<sup>9</sup>

### Nonfarm Income by Economic Class

Excluding the farms in Economic Class I, those having farm product sales of \$40,000 and over, nonfarm income among farm operator families increases as farm sales decrease. Farms having sales of less than \$2,500 reported an average nonfarm income of \$16,364 in 1975. In contrast, the

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<sup>7</sup>Ibid., p. iv.

<sup>8</sup>Ibid., p. 58.

<sup>9</sup>Ibid., p. 62.

TABLE 2-2. Income Per U.S. Farm Operator Family by Major Source for Years 1960-1975.

Year	Realized Net Farm Income	Nonfarm Income	Total Income	Nonfarm As Share Of Total
1960	2,806	2,140	4,946	43.3
1961	3,038	2,396	5,434	44.1
1962	3,099	2,683	5,782	46.4
1963	3,119	3,085	6,204	49.7
1964	3,272	3,366	6,638	50.7
1965	3,533	3,792	7,325	51.8
1966	4,312	4,262	8,574	49.7
1967	3,695	4,584	8,279	55.4
1968	3,972	5,036	9,008	55.9
1969	4,733	5,539	10,272	53.9
1970	4,788	5,874	10,662	55.1
1971	4,550	6,456	11,006	58.7
1972	6,204	7,160	13,364	53.6
1973	10,529	8,335	18,864	44.2
1974	9,826	9,329	19,155	48.7
1975	8,079	10,129	18,208	55.6

Source: Farm Income Statistics, July 1976, p. 62.

farms in Economic Class II, those having sales between \$20,000 and \$39,999, reported an average of \$5,577 nonfarm income per farm in 1975 (Table 2-3).<sup>10</sup>

TABLE 2-3. Nonfarm Income Per Farm Operator Family by Value of Sales Class for Years 1973-1975.

Product Sales	Year		
	1973	1974	1975
Less than \$2,500	13,401	15,431	16,364
\$2,500-\$4,999	8,664	9,824	10,612
\$5,000-\$9,999	7,556	8,550	9,260
\$10,000-\$19,999	5,716	6,469	7,031
\$20,000-\$39,999	4,499	5,091	5,577
\$40,000-\$99,999	5,191	5,886	6,501
\$100,000 and over	9,906	11,211	12,418
All Farms	8,335	9,329	10,129

Source: Farm Income Statistics, July 1976, p. 62.

There is an inverse relationship between the amount of a farm's product sales and the percent of its total income derived from nonfarm sources. In 1975, farms having sales of \$100,000 and over received 16.4% of their total income from nonfarm sources. Farms having sales of less than \$2,500 received 94.2% of their total income from nonfarm sources

<sup>10</sup>Ibid.

the same year (Figure 2-2).<sup>11</sup>

Figure 2-2 also illustrates that nonfarm income increased as a percentage share of U.S. farmers' total income over the period, 1960-1975. Excluding the year 1972, the portion of U.S. farmers' total income derived from nonfarm sources annually increased for all Economic Classes of farms having farm product sales of less than \$20,000. This upward trend is less pronounced for Classes Ib and II farms, those with sales from \$20,000 to \$99,999. There is relatively no such trend for Class Ia farms, those with sales of \$100,000 and over. Even so, nonfarm income remains a sizable portion of Class Ia farms' total income.

In 1975, 64% of the U.S. farms belonged in economic classes having sales of less than \$20,000.<sup>12</sup> These farms received 18% of the year's realized net farm income and 89% of the farmers' nonfarm income. As a group, over 84% of these farms' total personal income was from nonfarm sources. The remainder of the farms, those having \$20,000 or more of farm sales, received 82% of the total net farm income in 1975 and 11% of the farmers' total nonfarm income. These farms received 27% of their total personal income from nonfarm sources.<sup>13</sup>

The above statistics indicate that the farming profession in the United States is rapidly becoming more dualized<sup>14</sup> in nature. A relatively

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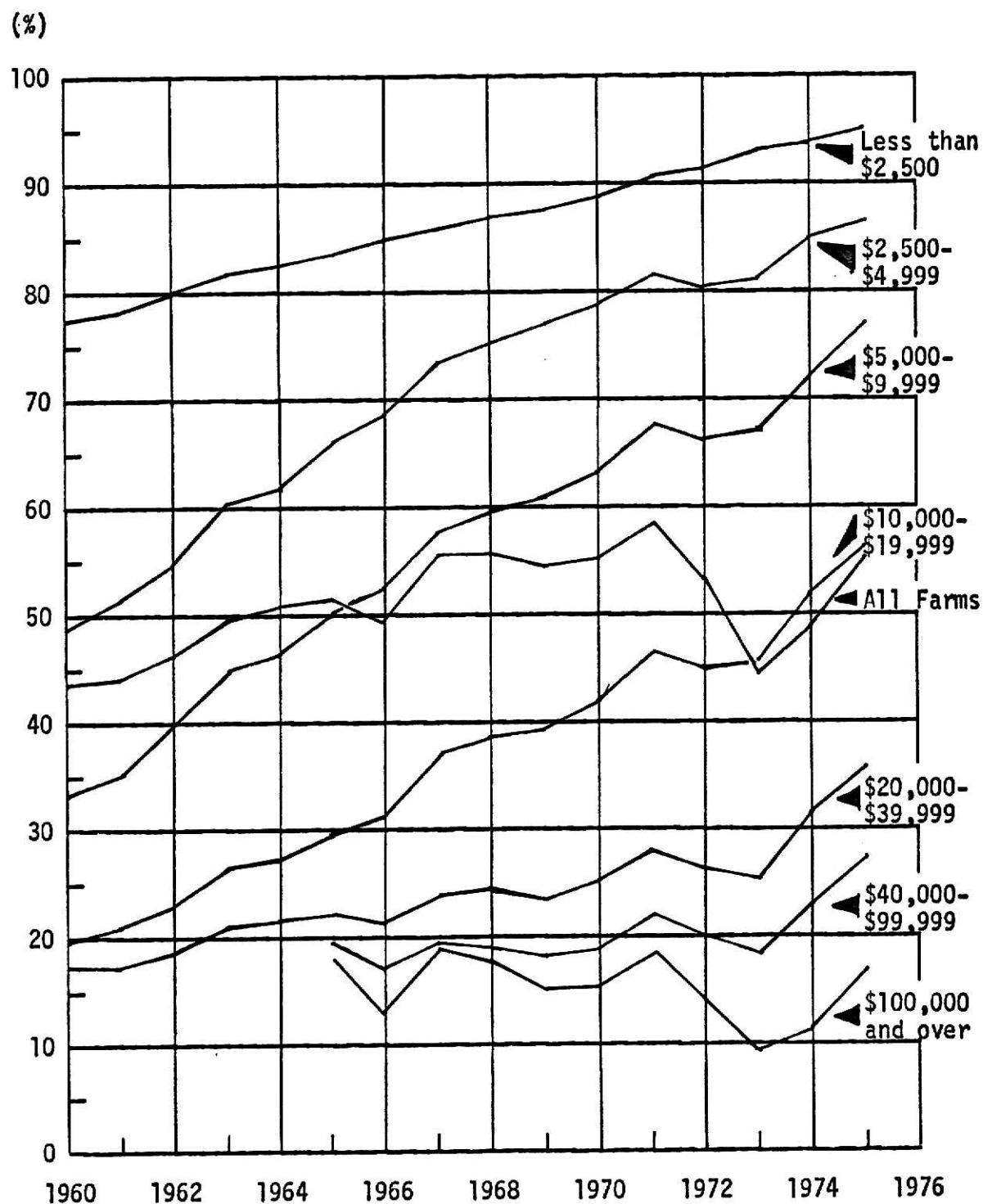
<sup>11</sup>Ibid.

<sup>12</sup>Ibid., p. 58.

<sup>13</sup>Ibid., p. 62.

<sup>14</sup>Frank Orazem, Economic Status of Kansas Farms, Cooperative Extension Service, Kansas State University (Manhattan, Kansas, Nov. 1973), pp. 7-9.

FIGURE 2-2. Nonfarm Income of Farm Operator Families as a Percentage of Their Total Income by Value of Sales Class for Years 1960-1975.



Source: Farm Income Statistics, July 1976, p. 62.

small percentage of the farms receive a large portion of the total net farm income and a small portion of the farmers' total nonfarm income. These few farms are the ones most normally affected by farm policy decision-making. The majority of the farms receive a small portion of the total net farm income and a large portion of the farmers' total nonfarm income. Supply-oriented government farm programs do little to aid these farms.

National Nonfarm Income Via  
U.S. Census of Agriculture

Prior to the 1974 Agricultural Census, income from custom work, machine hire, rental of agricultural property and government farm programs was included in the Census definition of farmers' nonfarm income.<sup>15</sup> Although this overstates the importance of farmers' nonfarm income, it does not detract from the significance of nonfarm income to the health of the farm economy.

Unfortunately, the General Report of the 1974 Census has not, to date, been published. The 1969 Census is therefore the most recent Census containing national farmers' nonfarm income data.

According to the Census, over 80% of the farm-households reported nonfarm income in both 1964 and 1969. The average amount of nonfarm income received per U.S. farm was \$3,183 in 1964 and \$6,252 in 1969.<sup>16</sup> The

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<sup>15</sup>U.S. Department of Commerce, Bureau of the Census, United States Census of Agriculture: 1969, vol. 1, Farm Finance (U.S. Government Printing Office, Washington, D.C., 1974), p. 46.

<sup>16</sup>U.S. Department of Commerce, Bureau of the Census, United States Census of Agriculture: 1964, vol. II, General Report (U.S. Government Printing Office, Washington, D.C., 1968), p. 568; U.S. Census of Agriculture: 1969, Farm Finance, pp. 46-47.

corresponding averages for the two years, 1964 and 1969, published by the FIS are \$3,366 and \$5,539 respectively.<sup>17</sup> The slight discrepancy between the FIS and Census averages can be attributed to: (1) differences in definition of farmers' nonfarm income; and (2) continual revision and updating of statistical figures by the FIS.

Nearly 40% of the farm operators reported that other members of their household earned nonfarm income in 1964. These other members earned approximately one-fourth of the total nonfarm income received by the farm-households. The remaining three-fourths was earned by the farm operator himself.<sup>18</sup>

Over half of the total nonfarm income received by farm-households in both 1964 and 1969 was from wages and salaries. Nonfarm businesses or professions accounted for 11% of the farmers' nonfarm income both years (Table 2-4).<sup>19</sup>

The percentage number of farm operators reporting days of work off the farm decreases as one moves from an economic class of lower sales value to one of higher sales value. The portion of the nation's farm operators reporting days of work off the farm has also increased over time. It increased from 20% in 1959 to 27% in 1969 for the farms in Economic Class I, those having product sales of \$40,000 or more. Over the same period, 1959 to 1969, the percentage of farm operators reporting days

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<sup>17</sup> Farm Income Statistics (July 1976), p. 62.

<sup>18</sup> U.S. Census of Agriculture: 1964, General Report, p. 511.

<sup>19</sup> Ibid., p. 568.; U.S. Census of Agriculture: 1969, Farm Finance, pp. 46-47.



TABLE 2-4. Nonfarm Income Per Farm Operator Family by Major Source for the United States and Kansas for Years 1964 and 1969.

	United States		Kansas	
	1964	1969	1964	1969
Total Number of Farms	3,157,857	2,409,416	92,440	86,057
Percent Reporting	81.2	82.0	82.3	78.5
Ave. Nonfarm Income	3,183	6,252	3,095	5,585
Wages and Salaries				
Farms Reporting	1,707,663	1,268,427	47,322	40,780
Amount (\$000)	6,450,996	8,839,905	154,096	230,441
Percent of Total	64.2	58.7	53.9	47.9
Nonfarm Business or Profession				
Farms Reporting	310,603	236,984	9,217	6,929
Amount (\$000)	1,155,445	1,654,388	30,295	34,482
Percent of Total	11.5	11.0	10.6	7.2
Soc. Sec., Pensions, Vet. & Welfare Pmts.				
Farms Reporting	784,882	434,289	19,203	11,323
Amount (\$000)	841,580	754,306	20,859	18,134
Percent of Total	8.4	5.0	7.3	3.8
Govt. Farm Programs				
Farms Reporting	NA*	1,062,313	NA	48,866
Amount (\$000)		2,432,059		141,732
Percent of Total		16.1		29.5
Custom Work and Rental Of Ag. Property				
Farms Reporting	NA	466,910	NA	22,687
Amount (\$000)		855,169		40,029
Percent of Total		5.7		8.3
Rent from Nonfarm Property, Interest, Dividends, etc.				
Farms Reporting	1,043,352	242,008	43,224	11,247
Amount (\$000)	1,605,144	524,153	80,898	15,822
Percent of Total	16.0	3.5	28.3	3.3
All Nonfarm Sources				
Farms Reporting	2,563,655	1,976,251	76,071	67,545
Total Amount (\$000)	10,053,169	15,063,968	286,148	480,641

Source: U.S. Census of Agriculture: 1964, General Report, p. 568.; U.S. Census of Agriculture: 1969, Farm Finance, p. 46.

\* NA: Not Available.

of work off the farm rose from 43% to 57% for Class V farms, those having sales between \$2,500 and \$4,999. In 1959, 45% of all farm operators reported days of work off the farm. By 1969, this figure had risen to 54%.<sup>20</sup>

Kansas Nonfarm Income Via  
U.S. Census of Agriculture

According to the Census, 82% of the 1964 and 85% of the 1969 Kansas farm-households reported nonfarm income. The corresponding national figure for both years was 80%. The average amount of nonfarm income received per Kansas farm was \$3,095 in 1964 and \$5,585 in 1969. The averages are slightly lower than the national averages of \$3,183 and \$6,252.<sup>21</sup>

As on the national level, approximately three-fourths of the Kansas farm-households nonfarm income was earned by the farm operator himself in 1964.<sup>22</sup>

Wages and salaries accounted for 54% of Kansas farm-households nonfarm income in 1964 and for 48% of it in 1969. Nonfarm businesses or professions accounted for 11% of their nonfarm income in 1964 and for 7% of it in 1969. Nationally, over half of the farm-households nonfarm income was from wages and salaries, while 11% of it was from nonfarm businesses or professions in both 1964 and 1969. Because of the Census definition of farmers' nonfarm income, these percentage figures are relatively low (See

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<sup>20</sup>U.S. Department of Commerce, Bureau of the Census, United States Census of Agriculture: 1959, vol. II, General Report (U.S. Government Printing Office, Washington, D.C., 1962), pp. 1212-1213.; U.S. Census of Agriculture: 1969, Farm Finance, pp. 44-45.

<sup>21</sup>U.S. Census of Agriculture: 1964, General Report, p. 568.; U.S. Census of Agriculture: 1969, Farm Finance, p. 46.

<sup>22</sup>U.S. Census of Agriculture: 1964, General Report, pp. 566-568.

Table 2-4).<sup>23</sup>

As reported for all United States farmers, the percentage number of Kansas farmers reporting days of work off the farm increases both over time and as the value of sales decreases. In 1959, 43% of all Kansas farm operators reported days of work off the farm. This number increased to 51% by 1969. Nationally, these percentages compare with 45% and 54% respectively.<sup>24</sup>

Farmers' nonfarm income was re-defined for the 1974 Census. Income from custom work, machine hire, rental of agricultural property and recreational services became farm related income. Income from government farm programs was considered to be a component of farm income.<sup>25</sup> The 1974 Census definition of farmers' nonfarm income coincides with the definition of farmers' nonfarm income as outlined by the FIS.

According to Preliminary Reports of the 1974 Census, the average nonfarm income per commercial Kansas farm was \$4,430. It varied from \$3,084 in the North Central District to \$5,723 in the East Central District (See Table 2-5 and Figure 2-3). Nearly 58% of the 1974 commercial Kansas farms received nonfarm income.<sup>26</sup> Since the nonfarm income of Kansas farms having sales of less than \$2,500 were not included in the above Census study, it

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<sup>23</sup>Ibid., p. 568.; U.S. Census of Agriculture: 1969, Farm Finance, p. 46.

<sup>24</sup>U.S. Department of Commerce, Bureau of the Census, United States Census of Agriculture: 1959, vol. II, part 21, Kansas (U.S. Government Printing Office, Washington, D.C., 1961), p. 7.; U.S. Department of Commerce, Bureau of the Census, United States Census of Agriculture: 1969, vol. II, part 21, Kansas (U.S. Government Printing Office, Washington, D.C., 1972), p. 6.

<sup>25</sup>U.S. Department of Commerce, Bureau of the Census, United States Census of Agriculture: 1974, Preliminary Report, Kansas (U.S. Government Printing Office, Washington, D.C., 1976), p. 4.

<sup>26</sup>Ibid.

TABLE 2-5. Nonfarm Income Per Commercial Kansas Farm by District Area for 1974.

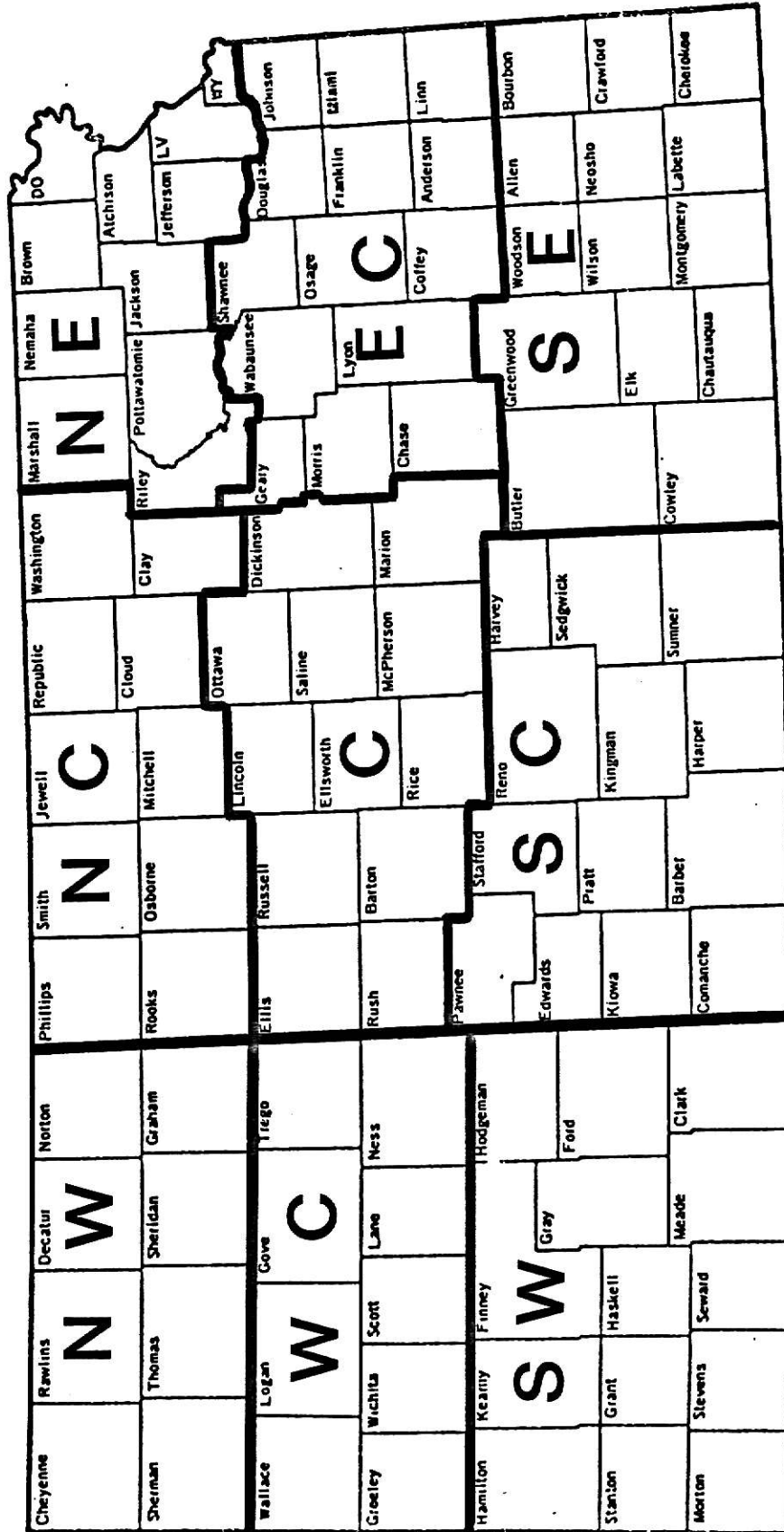
District Area	Number of Farms	Farms Reporting	Percent Reporting	Income (\$000)	Average (\$/farm)
NW	4,329	2,335	53.9	16,171	3,736
WC	3,647	1,935	53.1	13,469	3,693
SW	5,442	2,915	53.6	24,128	4,434
NC	8,634	4,638	53.7	26,626	3,084
C	9,266	5,428	58.6	38,110	4,113
SC	9,930	5,694	57.3	44,571	4,489
NE	8,451	4,874	57.7	36,416	4,309
EC	9,236	5,717	61.9	52,854	5,723
SE	9,896	6,105	61.7	52,577	5,313
STATE	68,831	39,641	57.6	304,922	4,430

Source: U.S. Census of Agriculture: 1974, Preliminary Report, Kansas, op. cit..

can be assumed that more than 58% of all Kansas farms received nonfarm income in 1974 for an average greater than \$4,430.

The Census statistics indicate a strong similarity between Kansas and United States farms with respect to their nonfarm income. Although relevant Kansas data is only available for 1974, the national averages published by the FIS provide a guideline for the nonfarm income received by Kansas farmers in the 1970's.

FIGURE 2-3. Kansas Crop Reporting Districts.



Source: Kansas State Board of Agriculture, Farm Facts: 1974/1975 (Topeka, Kansas, 1975), p. 2F.

## CHAPTER 3

### INVESTIGATION

The Kansas Farm Management Association is the source of data for this thesis. This chapter contains a brief history of that association, along with definitions of selected terms it uses.

#### The Kansas Farm Management Association

The Kansas Farm Management Association (KFMA) has roots dating back to 1909 when the first specialists in farm management were appointed as part of the Kansas Cooperative Extension Program. Associations 1 and 2 were first formed in 1930. The KFMA has now developed statewide, encompassing all 105 Kansas counties. It consists of six area associations numbered in their sequence of formation (Figure 3-1).<sup>1</sup>

As of January 1, 1976, there were 3,070 farm units in the State Association. It included 770 more farmers as members of partnerships or corporations for a total of 3,840 farmer-members.<sup>2</sup>

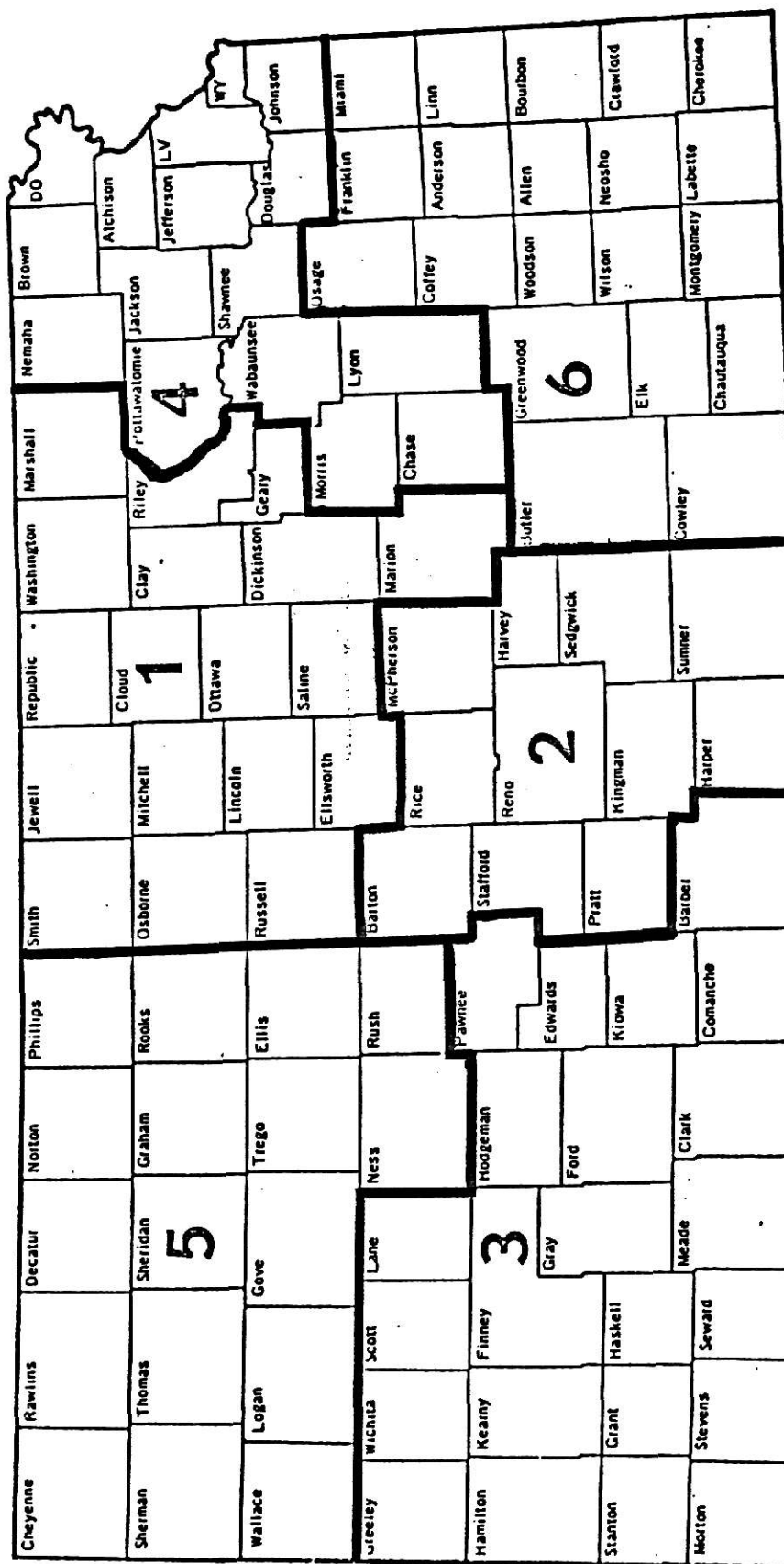
The KFMA developed around three basic functions: research, education and service. First, it provides a source of authentic records for research. Each farm unit presently keeps records in a farm account book. At the end

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<sup>1</sup> John H. Coolidge, Extension Farm Management in Kansas 1909-1972 Emphasizing 42 Years of Farm Management Development, Cooperative Extension Service, Kansas State University (Manhattan, Kansas, Sept. 1973), pp. 1-4, 7-9, 20-29.

<sup>2</sup> Farm Management Summary and Analysis Report, Kansas 1975, Cooperative Extension Service, Kansas State University (Manhattan, Kansas, 1976), p. 5.

FIGURE 3-1. Area Associations of the Kansas Farm Management Association.



Source: Farm Management Summary and Analysis Report, Kansas 1975, Cooperative Extension Service, Kansas State University (Manhattan, Kansas, 1976), p. 5.

of each year all units undergo a complete year-end-analysis whereby detailed financial statements and balance sheets are construed. These, coupled with other farm related information, are stored on computer discs. In the performing of research utilizing this confidential information, individual identities are preserved. Secondly, the Association provides education to the farmers. Members become more acquainted with the importance of good bookkeeping. And thirdly, appointed fieldmen provide service to the members. These fieldmen make farm visits in assisting the farmer. They also aid the farmers by helping prepare their income tax returns.<sup>3</sup>

Farm units are not placed on the computer discs if pertinent information is deemed missing or inaccurate by the fieldmen. The number of farms and the information on the discs vary slightly over time as information is provided and mistakes corrected. Since KFMA outside (nonfarm) income data was not placed on disc prior to 1973, only three years data was obtained. Over 80% of all 1973, 1974 and 1975 KFMA farm units are included in this analysis.

#### Specific Data Collected

The following specific information was collected for each KFMA farm unit included in the analysis:

- Farm Number
- Principal Operator's Age
- Number of Operators
- Type of Business Organization
- Gross Farm Income (\$000)

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<sup>3</sup>Coolidge, Extension Farm Management in Kansas 1909-1972, pp. 17-18.



Net Farm Income (\$000)  
 Taxable Outside (Nonfarm) Income (\$00)  
 Deductible Outside (Nonfarm) Expense (\$00)  
 Net Nonfarm Income (\$00)  
 Non-Taxable Outside (Nonfarm) Income (\$00)  
 Farm Product Sales (\$00)  
 Total Capital Managed (\$000)  
 Total Acres Managed (00).

As indicated above, certain data was rounded when collected. All computer calculations were performed in the above rounded denominations. Since all dollar figures were converted to thousands for tabular presentation, certain averages and percentages within the tables themselves cannot be exactly verified. Information presented in this study may vary slightly from other analyses using the same data because of continual disc data revision and rounding errors.

#### Definitions and Abbreviations

The terms in the preceeding list merit definition in order that the results of this analysis may be correctly understood. The farm number identifies a farm not only by area association but also by county. The KFMA recognizes seven business types.<sup>4</sup> They are single-part-owner, single-owner, single-tenant, partnership-part-owner, partnership-owner, partnership-tenant and corporation. In this study the first three types are referred to as 'single units', and the last four types are referred to as 'other units'. Together they comprise all 'farm units' in the Association.

The KFMA computes all farm income values by the inventory or accrual

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<sup>4</sup>Year-end-analyses of Kansas Farm Management Association Members.

method. Gross Farm Income (GFI) is thereby an income measure of farm production. GFI equals (Sales + Ending Inventory) minus (Purchases + Beginning Inventory). A negative GFI may be realized, *ceteris paribus*, by a decrease in the per unit value of inventory. Net Farm Income (NFI) equals GFI minus (Total Cash Expense + Depreciation  $\pm$  Expense Inventory Change). NFI measures the return to the operator's labor, management and equity capital.<sup>5</sup>

Taxable Outside Income (TNFI) represents the gross amount of taxable nonfarm income received by the farm operator or by members of his family. The farm operator is liable for the income taxes corresponding to this income. TNFI is kin to GFI. TNFI plus GFI equals Total Gross Income (TOTGI). Deductible Outside Expense (DEXP) consists of those nonfarm expenses which are deductible for income tax purposes. Expenses incurred in the operation of a nonfarm business are included in this category. Net Nonfarm Income (NETNFI) equals TNFI minus DEXP. NETNFI represents, as nearly as possible, farmers' nonfarm income as identified by the Farm Income Statistics and the 1974 Census of Agriculture. NETNFI plus NFI equals Total Net Income (TOTNI).

All income figures, both farm and nonfarm, are on a before-tax basis. The amount of Non-Taxable Nonfarm Income (NTNFI) reported by each farm was obtained. This information was not included in the analysis upon the discovery that it is misleading. Money drawn from savings accounts and introduced into the farm business was being recorded as NTNFI. This grossly exaggerated the amount of NTNFI actually received. NTNFI is

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<sup>5</sup> Farm Management Summary and Analysis Report, Kansas 1974, Cooperative Extension Service, Kansas State University (Manhattan, Kansas, 1975), pp. 2-3.

realized by receiving interest on certain city and municipal bonds, gifts, inheritance, beneficiary payments of a life insurance policy and other non-taxable nonfarm income. Since large amounts of NTNFI are the exception and not the rule, suffice it to say that an average of no more than \$100 per KFMA farm would normally be received.

Farm Product Sales (SALES) equals the summed cash value of all farm products sold. It corresponds to the Census definition of farm sales. Total Capital Managed (TCAP) equals the value of owned land and buildings plus the value of rented land. TCAP represents the total average value of capital used in the farm operation throughout the year.<sup>6</sup> Total Acres Managed (TACRES) equals acres owned plus acres rented.

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<sup>6</sup>Farm Management Summary and Analysis Report, Kansas 1975, p. 11.

## CHAPTER 4

### ANALYSIS AND RESULTS

In this analysis, the receipt by farmers of nonfarm income is treated as a separate enterprise apart from the farming operation. As such, both gross and net nonfarm income figures are presented. This facilitates comparison between farmers' farm and nonfarm income receipts.

#### Kansas Farm Management Association Nonfarm Income

As illustrated in Table 4-1, nonfarm income is the more stable portion of Kansas Farm Management Association (KFMA) farmers' total income. Over the three-year period, 1973-1975, the mean average Taxable Nonfarm Income (TNFI) received by KFMA farm units varied \$790, while their mean average Gross Farm Income (GFI) varied \$29,160. During the same period their mean average Net Nonfarm Income (NETNFI) varied \$470, while their mean average Net Farm Income (NFI) varied \$42,040.

Between 1973 and 1975, the percentage number of KFMA farm units receiving TNFI remained fairly constant. 78% of the farm units received TNFI in both 1973 and 1975, while 80% of them received TNFI in 1974. The mean average TNFI received per farm unit analyzed was \$4,260 in 1973, \$5,050 in 1974 and \$4,820 in 1975.

The KFMA farm units received a total of \$10.5 Million TNFI in 1973, \$13.1 Million in 1974 and \$12.3 Million in 1975. TNFI ranged from 3.4% of their Total Gross Income (TOTGI) in 1973 to 5.1% of it in 1974.

TABLE 4-1. Farm and Nonfarm Income Averages Per KFMA Farm Unit for Years 1973-1975.

	Year		
	1973	1974	1975
Number of Farm Units	2,464	2,601	2,546
Gross Farm Income			
Ave. GFI (\$/farm)	122,490	93,330	102,480
Total GFI (\$000)	301,823	242,740	260,908
Net Farm Income			
Ave. NFI (\$/farm)	56,720	14,680	21,210
Total NFI (\$000)	139,760	38,187	53,989
NFI as % of GFI	46.3	15.7	20.7
Taxable Nonfarm Income			
Ave. TNFI (\$/farm)	4,260	5,050	4,820
Total TNFI (\$000)	10,495	13,135	12,276
TNFI as % of TOTGI	3.4	5.1	4.5
Net Nonfarm Income			
Ave. NETNFI (\$/farm)	2,950	3,340	2,870
Total NETNFI (\$000)	7,259	8,691	7,296
NETNFI as % of TNFI	69.2	66.2	59.4
NETNFI as % of TOTNI	4.9	18.5	11.9

A negative NETNFI was realized by 10% of the KFMA farm units in 1973, 11% in 1974 and 13% in 1975. A positive NETNFI was realized by 70% of the farm units in both 1973 and 1974, and by 68% of them in 1975. The mean average NETNFI per farm unit analyzed was \$2,950 in 1973, \$3,340 in 1974 and \$2,870 in 1975. These averages are much lower than corresponding national figures. The average nonfarm income per United States farm was \$8,335 in 1973, \$9,329 in 1974 and \$10,129 in 1975.<sup>1</sup>

<sup>1</sup> Farm Income Statistics (July 1976), p. 62.

The KFMA farm units realized a total NETNFI of \$7.3 Million in both 1973 and 1975, and \$8.7 Million in 1974. NETNFI was 69% of TNFI in 1973, 66% in 1974 and 59% in 1975. NETNFI was only 4.9% of the farm units' Total Net Income (TOTNI) in 1973, as opposed to 18.5% in 1974 and 11.9% in 1975.

NFI was 46% of the KFMA farm units' GFI in 1973, 16% of it in 1974 and 21% of it in 1975. In low net-farm-income years, such as 1974, nonfarm income represents a significantly larger portion of KFMA farmers' TOTNI than it does in high net-farm-income years, such as 1973.

#### Distribution of Nonfarm Income Among KFMA Farm Units

Although the mean is the most commonly quoted measure of central tendency, both the mode and median are important when analyzing skewed income distributions. In a normal distribution, the mean = median = mode. In a positively skewed distribution, the mean > median > mode; whereas in a negatively skewed distribution, the mean < median < mode.

In analyzing the distribution of KFMA nonfarm income, frequency distributions were constructed for both TNFI and NETNFI for each of the three years, 1973-1975 (See Appendix Tables A-1 to A-6). The number of farms falling in each select TNFI (NETNFI) category was counted and the total amount of TNFI (NETNFI) received by these farms was totaled. Moving from a low nonfarm income category to a higher one, the number of farms was positively skewed whereas the amount of nonfarm income was negatively skewed.

The modal TNFI farm category was zero TNFI, the first of the distribution, each of the three years. The modal NETNFI farm category was zero NETNFI each year. Repeatedly, the median TNFI farm category was \$1,000-\$1,499 and the median NETNFI farm category was \$500-\$999.

In contrast, the TNFI category containing the modal amount of TNFI was consistently \$100,000 and up, the last of the distribution. The modal NETNFI category was also the last of the distribution, \$100,000 and up. The median and mean TNFI and NETNFI categories varied slightly over the three-year period. The median amount of TNFI was between \$12,500 and \$19,999, while the mean TNFI per farm unit was between \$4,000 and \$5,499. The median amount of NETNFI was between \$12,500 and \$22,499, while the mean NETNFI per farm unit was between \$2,500 and \$3,499.

The percent of the total farm units in each category was compared to the percent of the total TNFI (NETNFI) received by them. Approximately 80% of the farm units received TNFI each year, while approximately 70% of them realized a positive NETNFI. The top 1% of the farms, those receiving the largest amounts of NETNFI, received at least 25% of the total NETNFI. The mean NETNFI category represented less than 4% of both, the farm units and the total amount of NETNFI received by them, each year.

The distributions of TNFI and NETNFI among the KFMA farm units for each of the three years, 1973-1975, are graphically portrayed by Lorenz Curves (Figures 4-1 and 4-2). The cumulative percentage number of farms is graphed against the cumulative percentage amount of TNFI (NETNFI) received by them. The straight line represents the line of equality. The degree of inequality of the distribution is represented by the departure from the

FIGURE 4-1. Lorenz Curves Portraying the Distribution of Taxable Nonfarm Income Among Kansas Farm Management Association Farm Units for Years 1973-1975.

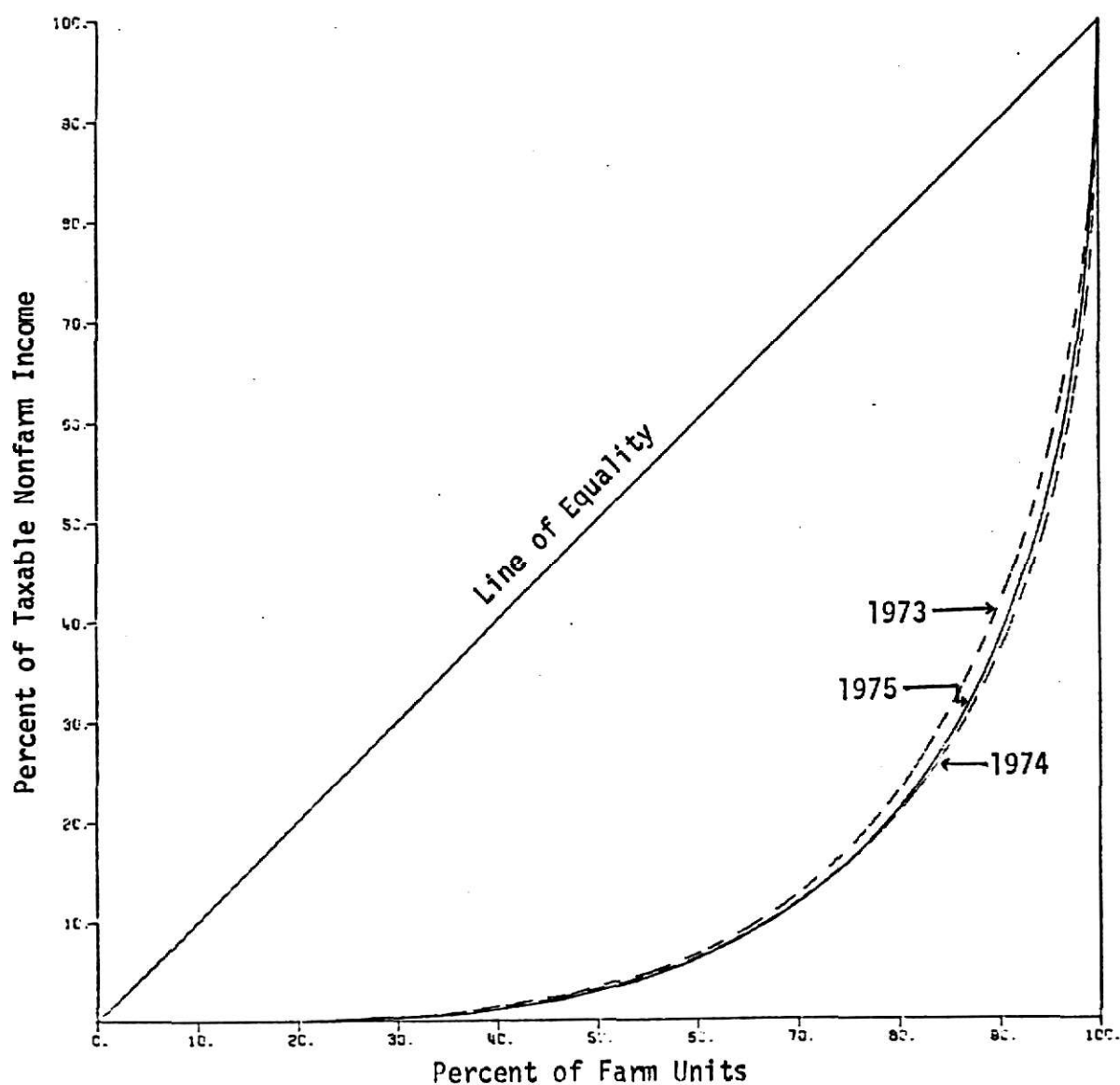
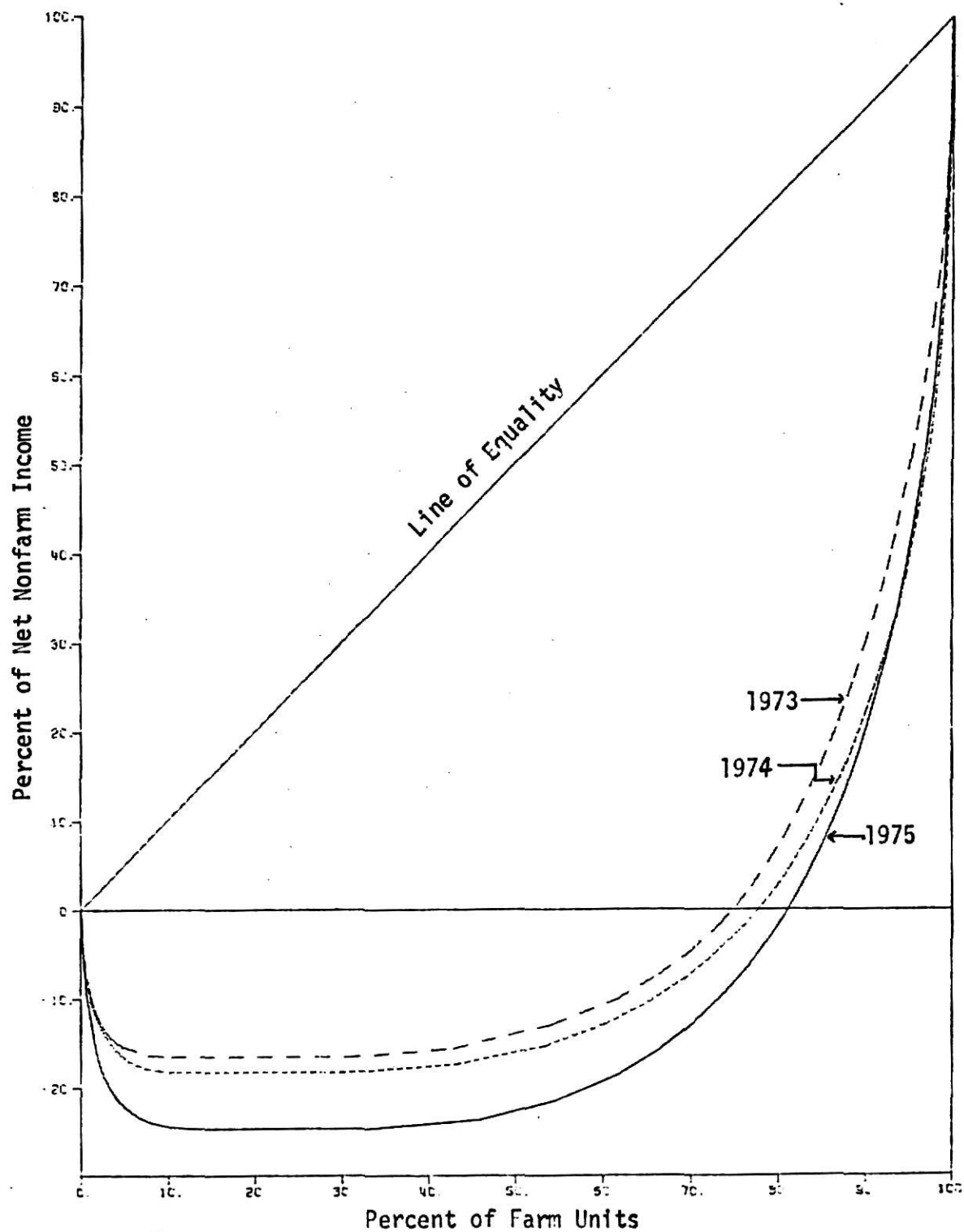




FIGURE 4-2. Lorenz Curves Portraying the Distribution of Net Nonfarm Income Among Kansas Farm Management Association Farm Units for Years 1973-1975.



straight line. As illustrated, both TNFI and NETNFI distributions are extremely skewed. A small portion of the KFMA farm units received a large portion of the total nonfarm income, and vice versa.

KFMA Nonfarm Income  
By Area Association

The average mean amounts of farm and nonfarm income received per farm unit in each of the six area associations are presented in Table 4-2. Over the three-year period, 1973-1975, Association 1 received the lowest average TNFI in both 1974 and 1975, and the lowest average NETNFI each year. In contrast, Association 3 repeatedly received both the highest average TNFI and the highest average NETNFI. Over the period, the average TNFI varied from a low of \$2,270 in 1974 for Association 1 to a high of \$9,070 in 1974 for Association 3. The average NETNFI varied from a low of \$430 in 1975 for Association 1 to a high of \$6,010 for Association 3 in 1974. The remaining nonfarm income averages for the six area associations were between these extremes.

In 1973, the portion of each area association's TOTNI attributed to NETNFI varied from 2.2% in Association 1 to 6.8% in Association 3. In 1974, this portion varied between 11.3% in Association 5 and 64.0% in Association 6. The farm units in Associations 1, 4 and 6 reported abnormally low NFI averages in 1974. Consequently, their NETNFI represented over 40% of their TOTNI. In 1975, this portion varied between 1.7% in Association 1 and 17.5% in Association 6. Although Association 3 received the highest average NETNFI each year, NETNFI often represented a smaller portion of its TOTNI than did the NETNFI of the other area associations. This resulted

TABLE 4-2. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Area Association for Years 1973-1975.

Area Association (#)	1	2	3	4	5	6	All Farms
<b>1973</b>							
Number of Farms.....	321	402	565	395	303	478	2464
Ave. GFI (\$000).....	130.68	101.52	162.74	100.65	132.80	98.59	122.49
Ave. NFI (\$000).....	59.24	47.26	77.81	41.19	74.19	39.81	56.72
Ave. TNFI (\$000).....	3.20	3.35	7.51	3.19	3.35	3.35	4.26
Ave. NETNFI (\$000)...	1.33	2.56	5.66	2.09	2.44	2.18	2.95
NETNFI as % of TOTNI	2.2	5.2	6.8	4.8	3.2	5.2	4.9
<b>1974</b>							
Number of Farms.....	416	401	544	430	305	505	2601
Ave. GFI (\$000).....	80.50	88.97	140.09	72.97	97.63	71.70	93.33
Ave. NFI (\$000).....	1.33	19.66	36.98	4.47	22.66	1.57	14.68
Ave. TNFI (\$000).....	2.27	4.13	9.07	5.02	4.30	4.21	5.05
Ave. NETNFI (\$000)...	0.95	3.33	6.01	3.24	2.90	2.80	3.34
NETNFI as % of TOTNI	41.7	14.5	14.0	42.0	11.3	64.0	18.5
<b>1975</b>							
Number of Farms.....	411	453	467	401	309	505	2546
Ave. GFI (\$000).....	111.04	90.29	132.49	91.29	105.02	86.02	102.48
Ave. NFI (\$000).....	25.51	21.66	28.93	17.66	25.54	10.32	21.21
Ave. TNFI (\$000).....	3.09	4.06	8.23	4.15	4.55	4.46	4.82
Ave. NETNFI (\$000)...	0.43	2.91	5.94	2.37	3.15	2.19	2.87
NETNFI as % of TOTNI	1.7	11.8	17.0	11.9	11.0	17.5	11.9

from Association 3 receiving an average NFI that was generally higher than the average NFI's of the other five associations.

Distribution of Nonfarm Income  
Among KFMA Area Associations

The distributions of TNFI and NETNFI among the six KFMA area associations for the years, 1973-1975, are summarized in Appendix Tables B-1 to B-6. Since these distributions resemble the skewed nonfarm income distributions of all the KFMA farm units, their mean averages are limited in portraying the relative amount of nonfarm income received per farm unit in each area association. More concentration is therefore placed on the percentage number of farm units in each association receiving nonfarm income. By comparing the cumulative percentage number of farms with the cumulative percentage amount of TNFI (NETNFI) received by them, the relative inequality of the nonfarm income distributions among the area associations can be compared. As the farm median of an association falls in a relatively higher TNFI (NETNFI) category, a relatively larger portion of that association's farm units are receiving a relatively larger average amount of TNFI (NETNFI).

Of the area associations, Association 3 had the highest portion of farm units receiving TNFI each year. Either Association 1 or 4 had the lowest portion of farm units receiving TNFI. At least 90% of the farm units in Association 3 received TNFI each year, while not more than 72% of the farm units in either Association 1 or 4 received TNFI.

In each of the three years, over 70% of the farm units in Associations 3 and 5 realized a positive NETNFI. In contrast, less than 65% of

the farm units in either Association 1 or 4 realized a positive NETNFI. Association 3 also had a larger portion of farms receiving larger absolute amounts of nonfarm income than did any other association.

The NETNFI distributions are more unequal than the TNFI distributions because several farm units realized negative NETNFI's. Over the three year period, the most unequal NETNFI distribution was possessed by Association 1 in 1975. While 16% of its farm units realized a negative NETNFI, 61% of them had a positive NETNFI. Because of the negative NETNFI, the top 5% of the farm units were given credit for all of the NETNFI received.

#### Relative Amount of Nonfarm Income Per KFMA Area Association

Table 4-3 compares the nonfarm income received by each area association without directly utilizing averages. The relative share each association had of the total number of KFMA farm units is compared to the relative amount of the total KFMA TNFI and NETNFI that it received. A positive difference indicates that an association received more than its relative share of nonfarm income, and vice versa. A zero difference indicates that an association received its exact relative share of TNFI (NETNFI).

Associations 1 and 3 again emerge as extremes. Association 1 received far less than its relative share of the total KFMA nonfarm income, while Association 3 received far more than its relative share. Association 6 follows 1 in consistently receiving less than its proportionate share of nonfarm income. The remainder of the associations generally indicated slight negative differences.

TABLE 4-3. Relative Amount of KFMA Nonfarm Income Received by Area Association for Years 1973-1975.

Area Association	Percent of Farms	Percent of TNFI	Percentage Difference*	Percent of NETNFI	Percentage Difference**
<b>1973</b>					
1	13.0	9.8	-3.2	5.9	-7.1
2	16.3	12.8	-3.5	14.2	-2.1
3	22.9	40.4	17.5	44.1	21.2
4	16.0	12.0	-4.0	11.4	-4.6
5	12.3	9.7	-2.6	10.2	-2.1
6	19.4	15.3	-4.1	14.3	-5.1
Total	99.9	100.0	0.1	100.1	0.2
<b>1974</b>					
1	16.0	7.2	-8.8	4.6	-11.4
2	15.4	12.6	-2.8	15.3	-0.1
3	20.9	37.6	16.7	37.6	16.7
4	16.5	16.4	-0.1	16.0	-0.4
5	11.7	10.0	-1.7	10.2	-1.5
6	19.4	16.2	-3.2	16.3	-3.1
Total	99.9	100.0	0.1	100.0	0.2
<b>1975</b>					
1	16.1	10.4	-5.7	2.4	-13.7
2	17.8	15.0	-2.8	18.0	0.2
3	18.3	31.3	13.0	38.0	19.7
4	15.8	13.5	-2.3	13.0	-2.8
5	12.1	11.5	-0.6	13.4	1.3
6	19.8	18.4	-1.4	15.1	-4.7
Total	99.9	100.1	0.2	99.9	0.0

\*Percentage Difference: Percent of TNFI minus Percent of Farms.

\*\*Percentage Difference: Percent of NETNFI minus Percent of Farms.

Kansas Farmers Nonfarm Income  
By KFMA Association Areas

The 1974 Census Preliminary Report on Kansas<sup>2</sup> enables comparison between the nonfarm income averages of the KFMA farms and those of all commercial Kansas farms. Table 4-4 presents the 1974 average NETNFI per KFMA area association farm, along with the 1974 average nonfarm income per commercial Kansas farm in each of the KFMA association areas.

Both studies indicate that the farms in the north central area of Kansas (Association 1) received the lowest average amount of nonfarm income. Unfortunately, the exact cause of this phenomena could not be determined since the source of the farmers' nonfarm income was unavailable. Contributing factors may be the relative lack of industry and mineral fields in this area of Kansas.

The KFMA farms receiving the most nonfarm income were those in Association 3. The Census statistics indicate that the commercial farms in KFMA Association Areas 2,4 and 6 received more nonfarm income, on the average, than did the commercial farms in the KFMA Association 3 Area. This discrepancy may result from the skewness of the KFMA nonfarm income. However, since the KFMA farms represent the above average Kansas farm, those KFMA farms in Association 3 may actually receive more nonfarm income, on the average, than all the commercial farms in the same area. Association 3 KFMA farmers may own more land than the average farmer in the same area and benefit more via royalties from the large mineral field in southwest Kansas.

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<sup>2</sup>U.S. Census of Agriculture: 1974, Preliminary Report, Kansas.

TABLE 4-4. Net Nonfarm Income Per KFMA Farm Unit by Area Association and Nonfarm Income Per Commercial Kansas Farm by KFMA Association Area for 1974.

Area Association	Number of Farms	Farms Reporting	Percent Reporting	NETNFI (\$000)	Average (\$/farm)
1	416	289	69.5	396	950
2	401	352	87.7	1,334	3,330
3	544	497	91.4	3,272	6,010
4	430	287	66.7	1,392	3,240
5	305	268	87.9	884	2,900
6	505	419	82.9	1,412	2,800
State	2,601	2,112	81.2	8,691	3,340

Association Area	Number of Farms	Farms Reporting	Percent Reporting	Income (\$000)	Average (\$/farm)
1	14,138	7,753	54.8	46,219	3,269
2	10,897	6,486	59.5	51,414	4,718
3	8,851	4,686	52.9	35,992	4,066
4	11,093	6,683	60.2	57,567	5,189
5	9,283	5,028	54.2	35,464	3,820
6	14,569	9,005	61.8	78,266	5,372
State	68,831	39,641	57.6	304,922	4,430

Sources: Kansas Farm Management Associations Records; U.S. Census of Agriculture: 1974, Preliminary Report, Kansas, op. cit..



The KFMA Area Associations 2, 4 and 6 contain Kansas' largest cities. Consequently, the farmers in these areas may receive more nonfarm income than the farmers in other areas since the opportunity for nonfarm employment is naturally greater.

KFMA Nonfarm Income  
By Economic Class

The division of the KFMA farms by economic class illustrates that the Association represents the larger, not the average, commercial Kansas farm (Table 4-5). Only 2% of the 1974 KFMA farms had product sales of less than \$10,000, while 81% of them had product sales of \$40,000 or more. In contrast, 29% of all 1974 commercial Kansas farms had sales of less than \$10,000, while only 28% of them had sales of \$40,000 or more.<sup>3</sup> Nationally, 35% of the 1974 commercial farms had sales of less than \$10,000, while 22% of them had sales of \$40,000 or more.<sup>4</sup>

The small number of KFMA farms constituting the lower sales classes prohibits meaningful comparison of their nonfarm income averages with those on either a national or state level. Economic Classes II, Ib and Ia, containing over 90% of the KFMA farms, provide the basis for comparisons.

The average NETNFI received by the top three economic classes of KFMA farms (those having sales of \$20,000 and greater) varied \$1,280 between 1973 and 1975. The average NETNFI was a low of \$2,530 for Economic Class II in 1973 and a high of \$3,810 for Economic Class Ia in 1974. Although the

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<sup>3</sup>Ibid., p. 4.

<sup>4</sup>Farm Income Statistics (July 1976), p. 58.

TABLE 4-5. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Value of Sales Class for Years 1973-1975.

Economic Class	VI	V	IV	III	II	Ib	Ia	All Farms
SALES (\$000)	Below 2.5	2.5-4.9	5.0-9.9	10.0-19.9	20.0-39.9	40.0-99.9	100.0 & Up	
<b>1973</b>								
Number of Farms.....	15	4	25	128	398	1069	825	2464
Ave. GFI (\$000).....	8.47	66.00	56.28	52.38	59.26	94.46	204.56	122.49
Ave. NFI (\$000).....	3.07	18.75	16.56	18.98	27.63	49.19	88.75	56.72
Ave. TNFI (\$000).....	0.00	0.57	2.10	4.41	3.47	3.34	5.97	4.26
Ave. NETNFI (\$000)...	0.00	0.27	1.91	3.77	2.53	2.60	3.57	2.95
NETNFI as % of TOTNI	0.0	1.5	10.3	16.6	8.4	5.0	3.9	4.9
<b>1974</b>								
Number of Farms.....	11	3	41	107	341	1074	1024	2601
Ave. GFI (\$000).....	46.18	57.33	43.66	52.27	44.19	59.72	151.83	93.33
Ave. NFI (\$000).....	16.00	6.00	0.93	2.59	4.72	11.33	23.34	14.68
Ave. TNFI (\$000).....	0.22	3.80	2.77	9.12	3.73	3.85	6.47	5.05
Ave. NETNFI (\$000)...	0.22	3.47	2.25	7.72	2.94	2.66	3.81	3.34
NETNFI as % of TOTNI	1.4	36.6	70.8	74.9	38.3	19.0	14.0	18.5
<b>1975</b>								
Number of Farms.....	5	7	43	116	390	1107	878	2546
Ave. GFI (\$000).....	55.20	35.14	50.63	54.01	45.56	68.21	180.72	102.48
Ave. NFI (\$000).....	-8.40	8.14	4.86	5.62	5.66	13.98	40.35	21.21
Ave. TNFI (\$000).....	0.52	0.76	2.43	3.69	3.50	4.27	6.42	4.82
Ave. NETNFI (\$000)...	-0.40	0.73	2.15	2.94	2.62	3.19	2.63	2.87
NETNFI as % of TOTNI	4.6	8.2	30.7	34.4	31.7	18.6	6.1	11.9

national nonfarm income averages among the top three economic classes rose each of the three years, they were consistently lowest for Economic Class II and highest for Economic Class Ia (See Table 2-3). In 1975, Economic Classes II, Ib and Ia received nonfarm income averages of \$5,577, \$6,501 and \$12,418 respectively.<sup>5</sup> These national nonfarm income averages are considerably higher than the corresponding averages including only KFMA farms.

Moving from Economic Class III to Ia, NETNFI decreased as a percent of the KFMA farms' TOTNI. Nationally, as the value of product sales classes increased, the portion of the farmers' total income derived from nonfarm sources likewise decreased. The portion of national farmers' total income in Classes II, Ia and Ib that was derived from nonfarm sources was consistently higher than that of the KFMA farmers belonging in the same economic classes.

The above statistics indicate that the KFMA farmers on the average received less nonfarm income than did the nation's farmers within the same economic classes. These KFMA farmers also received less of their total income from nonfarm sources than did the nation's farmers. The skewness of the KFMA farmers' nonfarm income has been illustrated. Unfortunately, the Farm Income Statistics does not publish the distribution of farmers' nonfarm income. The absence of this data prevents further comparison between KFMA and national farmers with respect to their nonfarm income.

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<sup>5</sup> Ibid., p. 62.

KFMA Nonfarm Income by Select Categories of  
GFI, NFI, TCAP, TACRES and AGE

The KFMA farms were divided by farm income receipts in an attempt to determine if their nonfarm income depended upon their receipt of farm income. Except for the end classes, there was little relationship between nonfarm income and GFI (Table 4-6). In each of the three years, 1973-1975, the average TNFI for those KFMA farms realizing a negative GFI was higher than the State Association's average TNFI. The average NETNFI for those KFMA farms realizing a GFI of less than \$25,000 was higher than the Association's average NETNFI each year. Both, the average TNFI and the average NETNFI for those farms having a GFI of \$250,000 or greater, were higher than the Association's TNFI and NETNFI averages.

The relationship between nonfarm income and NFI was similar to the one between nonfarm income and GFI (Table 4-7). Both, average TNFI and average NETNFI for those farms realizing a negative NFI, were higher than the Association's corresponding averages. Farms realizing a NFI of \$100,000 or more also had higher nonfarm income averages.

Tables 4-6 and 4-7 indicate that KFMA farmers seek to earn more nonfarm income when their farm income is lacking. On the other hand, farmers with the higher farm incomes also had higher nonfarm incomes. This may result from the additional nonfarm investment opportunities, such as savings accounts, stocks or bonds, accruing to a farmer in a relatively good year. A possible explanation for the relatively high nonfarm income averages of KFMA Association 3 farmers may be, therefore, their abnormally high 1973 NFI.

There was a positive relationship between the amount of capital

TABLE 4-6. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Select Categories of Gross Farm Income for Years 1973-1975.

GFI (\$000)	Below								250 & Up	All Farms
	0	0-24	25-49	50-74	75-99	100-149	150-199	200-249		
1973										
Number of Farms.....	3	68	298	465	426	594	269	150	191	2464
Ave. GFI (\$000).....	-63.00	15.87	38.50	61.19	86.06	121.49	172.23	224.49	377.90	122.49
Ave. NFI (\$000).....	-152.67	-3.75	15.46	27.47	40.21	60.35	85.36	105.57	163.97	56.72
Ave. TNFI (\$000).....	4.90	5.17	3.94	3.02	2.73	3.49	5.33	6.64	9.87	4.26
Ave. NETNFI (\$000)...	4.23	4.57	3.16	2.28	2.00	2.57	3.37	4.35	5.24	2.95
NETNFI as % of TOTNI	-2.9	555.4	17.0	7.7	4.7	4.1	3.8	4.0	3.1	4.9
1974										
Number of Farms.....	39	283	597	502	371	389	186	98	136	2601
Ave. GFI (\$000).....	-26.62	15.27	37.45	61.74	86.47	121.75	171.70	222.27	389.33	93.33
Ave. NFI (\$000).....	-100.59	-15.48	-3.34	7.90	16.44	24.07	46.55	47.74	115.57	14.68
Ave. TNFI (\$000).....	15.07	4.97	3.71	3.70	3.47	4.54	5.38	14.41	11.79	5.05
Ave. NETNFI (\$000)...	14.35	3.94	2.52	2.45	1.88	2.97	2.57	9.93	7.17	3.34
NETNFI as % of TOTNI	-16.6	-34.2	-306.9	23.7	10.3	11.0	5.2	17.2	5.8	18.5
1975										
Number of Farms.....	12	173	519	574	378	411	210	110	159	2546
Ave. GFI (\$000).....	-19.83	17.31	37.91	61.32	86.58	120.76	171.74	222.61	379.68	102.48
Ave. NFI (\$000).....	-75.58	-6.19	2.78	10.74	16.89	28.30	39.14	54.92	101.15	21.21
Ave. TNFI (\$000).....	6.60	4.04	4.06	4.03	4.22	4.77	5.42	5.52	11.16	4.82
Ave. NETNFI (\$000)...	5.67	3.34	3.10	2.92	2.71	2.91	2.35	1.65	2.94	2.87
NETNFI as % of TOTNI	-8.1	-116.9	52.7	21.4	13.8	9.3	5.7	2.9	2.8	11.9

TABLE 4-7. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Select Categories of Net Farm Income for Years 1973-1975.

NFI (\$000)	Below										100 & Up	All Farms
	0	0-4	5-9	10-14	15-19	20-24	25-49	50-74	75-99			
1973												
Number of Farms.....	70	26	92	126	133	139	789	462	268	359	2464	
Ave. GFI (\$000).....	69.86	35.88	43.04	53.47	60.79	63.15	87.49	125.99	157.44	275.79	122.49	
Ave. NFI (\$000).....	-34.49	1.92	7.35	12.25	17.11	22.04	36.21	60.98	84.90	153.40	56.72	
Ave. TNFI (\$000).....	7.30	3.38	4.98	4.71	3.95	3.67	2.87	3.21	4.89	7.67	4.26	
Ave. NETNFI (\$000)...	6.69	2.73	4.45	3.79	2.12	2.67	1.96	2.06	3.19	5.09	2.95	
NETNFI as % of TOTNI	-24.1	58.6	37.7	23.6	11.0	10.8	5.1	3.3	3.6	3.2	4.9	
1974												
Number of Farms.....	871	182	210	217	171	133	431	186	83	117	2601	
Ave. GFI (\$000).....	57.62	58.29	63.81	64.30	75.88	84.70	108.34	155.02	206.12	322.34	93.33	
Ave. NFI (\$000).....	-27.81	1.91	7.15	12.09	17.13	21.59	34.71	60.45	85.80	160.79	14.68	
Ave. TNFI (\$000).....	5.15	3.29	3.77	3.48	6.45	3.16	4.72	6.97	8.67	7.94	5.05	
Ave. NETNFI (\$000)...	3.59	2.23	2.83	2.15	4.77	1.91	3.08	3.95	4.71	4.91	3.34	
NETNFI as % of TOTNI	-14.8	53.9	28.4	15.1	21.8	8.1	8.1	6.1	5.2	3.0	18.5	
1975												
Number of Farms.....	521	213	267	252	231	187	524	176	81	94	2546	
Ave. GFI (\$000).....	60.12	59.32	63.08	66.38	76.55	87.01	116.07	187.71	249.49	376.15	102.48	
Ave. NFI (\$000).....	-16.99	2.03	7.03	11.71	16.94	21.93	34.35	61.02	85.53	147.85	21.21	
Ave. TNFI (\$000).....	5.99	3.37	2.74	3.71	3.59	5.26	5.07	5.72	5.62	8.91	4.82	
Ave. NETNFI (\$000)...	4.35	2.41	1.92	2.82	2.37	2.28	3.00	2.92	-0.39	2.84	2.87	
NETNFI as % of TOTNI	-34.4	54.3	21.4	19.4	12.3	9.4	8.0	4.6	-0.5	1.9	11.9	

managed by the KFMA farms and the amount of nonfarm income they received (Table 4-8). Although there were some categorical exceptions, both TNFI and NETNFI increased as capital managed increased. In each of the three years, 1973-1975, the KFMA farms managing \$1,000,000 or more of capital received the highest nonfarm income averages.

Generally, the average nonfarm income of the KFMA farmers also increased as the number of acres managed increased (Table 4-9). The category of farms managing 3,000 or more acres received the highest average TNFI and NETNFI's in both 1974 and 1975, and the second highest averages in 1973. The larger KFMA farms are located in western Kansas, in Associations 3 and 5. As shown earlier, Association 3 received more nonfarm income than any other area association. Since the source of KFMA nonfarm income was not available, it was impossible to specify the actual existence of a definite relationship between total capital managed or total acres managed and nonfarm income.

The most striking relationship was between KFMA nonfarm income and principal operator's age (Table 4-10). With few exceptions, both TNFI and NETNFI averages increased as age increased. This may result from the older operators being more financially secure than the younger operators. Many older operators are more reserved and more willing to invest available money in nonfarm sources.

Due to the distribution of KFMA nonfarm income, a few farms possessing the larger amounts of nonfarm income could upset a potential trend. It is therefore hard to identify any definite consistent relationship between the above categories considered and KFMA farmers' nonfarm income.



TABLE 4-8. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Select Categories of Total Capital Managed for Years 1973-1975.

TCAP (\$000)	Below										1000 & Up	A11 Farms
	100	100-199	200-299	300-399	400-499	500-599	600-699	700-799	800-899	900-999		
<b>1973</b>												
Number of Farms.....	50	286	534	466	358	230	190	99	77	48	126	2464
Ave. GFI (\$000).....	34.40	51.47	74.14	96.88	117.34	137.07	166.97	199.30	230.21	255.85	362.31	122.49
Ave. NFI (\$000).....	10.34	22.76	33.93	46.81	55.77	67.93	81.93	87.28	106.38	108.44	155.61	56.72
Ave. TNFI (\$000).....	2.79	3.08	2.78	3.41	3.88	3.64	6.24	7.44	3.42	6.74	13.22	4.26
Ave. NETNFI (\$000)...	2.56	2.28	2.08	2.51	2.73	2.33	4.81	4.35	2.37	3.61	7.80	2.95
NETNFI as % of TOTNI	19.8	9.1	5.8	5.1	4.7	3.3	5.6	4.8	2.2	3.2	4.8	4.9
<b>1974</b>												
Number of Farms.....	38	232	461	485	359	301	201	166	94	62	202	2601
Ave. GFI (\$000).....	29.08	37.36	48.42	67.74	74.60	97.88	107.59	125.65	159.55	178.87	262.29	93.33
Ave. NFI (\$000).....	2.89	5.56	6.46	11.09	8.31	17.06	14.81	21.82	25.93	32.13	45.94	14.68
Ave. TNFI (\$000).....	2.05	3.66	3.25	3.84	4.94	4.13	5.53	6.68	5.97	5.73	13.33	5.05
Ave. NETNFI (\$000)...	1.67	2.38	2.40	2.58	3.60	2.92	2.25	4.34	3.10	4.32	8.97	3.34
NETNFI as % of TOTNI	36.6	30.0	27.1	18.8	30.2	14.6	13.2	16.6	10.7	11.9	16.3	18.5
<b>1975</b>												
Number of Farms.....	19	150	291	384	354	295	265	188	132	116	352	2546
Ave. GFI (\$000).....	53.84	43.56	49.34	63.54	80.59	89.56	100.00	117.33	118.61	138.23	225.56	102.48
Ave. NFI (\$000).....	9.95	8.59	9.49	12.08	16.71	18.93	20.52	29.49	22.41	26.16	47.26	21.21
Ave. TNFI (\$000).....	4.64	2.67	2.66	4.61	4.03	3.80	4.18	4.97	6.03	5.63	9.10	4.82
Ave. NETNFI (\$000)...	4.31	1.84	1.87	3.26	2.73	2.32	2.54	2.27	2.88	2.89	4.76	2.87
NETNFI as % of TOTNI	30.2	17.7	16.5	21.3	14.0	10.9	11.0	7.2	11.4	9.9	9.2	11.9



TABLE 4-9. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Select Categories of Total Acres Managed for Years 1973-1975.

TACRES (#)	Below 500	500-999	1000-1499	1500-1999	2000-2499	2500-2999	3000 & Up	All Farms
<b>1973</b>								
Number of Farms.....	270	729	573	362	198	115	217	2464
Ave. GFI (\$000).....	72.31	82.90	117.08	143.77	156.46	172.57	239.22	122.49
Ave. NFI (\$000).....	23.44	36.71	54.94	69.02	77.62	86.24	114.85	56.72
Ave. TNFI (\$000).....	3.31	3.07	3.73	4.63	7.27	4.98	7.12	4.26
Ave. NETNFI (\$000)...	2.60	2.08	2.37	2.92	5.43	3.63	5.23	2.95
NETNFI as % of TOTNI	10.0	5.4	4.1	4.1	6.5	4.0	4.4	4.9
<b>1974</b>								
Number of Farms.....	276	796	598	384	196	133	218	2601
Ave. GFI (\$000).....	54.43	64.24	89.91	113.55	114.80	128.99	181.45	93.33
Ave. NFI (\$000).....	5.77	9.89	14.79	19.88	16.13	22.83	27.72	14.68
Ave. TNFI (\$000).....	4.23	3.98	5.53	5.06	5.17	5.12	8.52	5.05
Ave. NETNFI (\$000)...	3.35	2.77	3.67	2.94	3.42	2.37	5.73	3.34
NETNFI as % of TOTNI	36.7	21.9	19.9	12.9	17.5	9.4	17.1	18.5
<b>1975</b>								
Number of Farms.....	261	804	570	371	210	123	207	2546
Ave. GFI (\$000).....	70.13	73.74	98.03	124.03	131.37	141.16	176.22	102.48
Ave. NFI (\$000).....	13.59	14.57	20.95	27.68	27.08	33.56	32.39	21.21
Ave. TNFI (\$000).....	3.10	3.84	4.75	6.11	5.59	5.66	7.43	4.82
Ave. NETNFI (\$000)...	1.90	2.59	2.80	3.65	2.52	3.12	4.15	2.87
NETNFI as % of TOTNI	12.3	15.1	11.8	11.7	8.5	8.5	11.4	11.9

TABLE 4-10. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Select Categories of Principal Operator's Age for Years 1973-1975.

AGE (Yrs.)	15-24	25-34	35-44	45-54	55-64	65-74	75-84	All Farms
<b>1973</b>								
Number of Farms.....	18	301	629	833	580	86	17	2464
Ave. GFI (\$000).....	72.56	116.13	130.42	126.93	116.88	94.27	111.35	122.49
Ave. NFI (\$000).....	40.22	50.76	59.24	58.87	56.05	48.09	47.53	56.72
Ave. TNFI (\$000).....	2.76	2.78	3.85	4.36	5.21	5.25	5.28	4.26
Ave. NETNFI (\$000)...	2.14	1.78	2.64	2.80	3.86	4.24	5.12	2.95
NETNFI as % of TOTNI	5.1	3.4	4.3	4.5	6.4	8.1	9.7	4.9
<b>1974</b>								
Number of Farms.....	29	314	652	846	640	108	12	2601
Ave. GFI (\$000).....	53.55	89.72	102.55	94.75	88.68	74.94	95.83	93.33
Ave. NFI (\$000).....	18.17	10.34	12.54	15.45	17.01	20.65	3.92	14.68
Ave. TNFI (\$000).....	1.71	2.96	4.30	5.15	6.11	8.72	11.47	5.05
Ave. NETNFI (\$000)...	1.55	2.00	2.79	3.17	3.93	8.07	10.40	3.34
NETNFI as % of TOTNI	7.9	16.2	18.2	17.0	18.8	28.1	72.6	18.5
<b>1975</b>								
Number of Farms.....	40	293	621	862	605	117	8	2546
Ave. GFI (\$000).....	57.10	91.39	113.90	109.42	95.21	71.98	95.75	102.48
Ave. NFI (\$000).....	15.65	18.71	21.95	20.63	22.61	22.24	23.25	21.21
Ave. TNFI (\$000).....	1.60	2.26	4.43	4.89	6.32	6.09	6.20	4.82
Ave. NETNFI (\$000)...	0.82	1.25	2.77	2.61	4.01	3.95	5.20	2.87
NETNFI as % of TOTNI	5.0	6.3	11.2	11.2	15.1	15.1	18.3	11.9

KFMA Nonfarm Income  
By Business Type

The preceeding analysis makes no distinction between the different types of business organization of the KFMA farm units. Table 4-11 presents the KFMA farm and nonfarm income averages for both single units and other units. Other units consist of partnerships and corporations.

In each of the three years, 1973-1975, the average farm incomes of the KFMA other units was higher than those of the KFMA single units. For both business types, the highest average farm incomes were received in 1974. Since partnerships and corporations involve more than one person (family), their farm incomes should, on the average, be higher than those of the single units.

The KFMA other units received higher average TNFI's than did the KFMA single units in each of the three years, 1973-1975. However, 1974 was the only year in which the other units received a higher average NETNFI than did the single units. Since the other units have more people capable of receiving nonfarm income than do the single units, they should have higher nonfarm income averages. Association 1 possesses a larger relative share of the KFMA other units than does any other area association. It also received less nonfarm income than did any other association. This may account for the apparant contradiction which allowed the KFMA single units to have more NETNFI than did the KFMA other units in both 1973 and 1975.

TABLE 4-11. Farm and Nonfarm Income Averages Per KFMA Farm Unit by Business Type for Years 1973-1975.

Business Type	Single Units	Other Units	Farm Units
<b>1973</b>			
Number of Farms.....	2122	342	2464
Ave. GFI (\$000).....	112.60	183.89	122.49
Ave. NFI (\$000).....	52.36	83.76	56.72
Ave. TNFI (\$000)....	4.22	4.49	4.26
Ave. NETNFI (\$000)..	3.07	2.17	2.95
NETNFI as % of TOTNI	5.5	2.5	4.9
<b>1974</b>			
Number of Farms.....	2187	414	2601
Ave. GFI (\$000).....	85.23	136.08	93.33
Ave. NFI (\$000).....	14.39	16.20	14.68
Ave. TNFI (\$000)....	4.77	6.55	5.05
Ave. NETNFI (\$000)..	3.17	4.24	3.34
NETNFI as % of TOTNI	18.1	20.7	18.5
<b>1975</b>			
Number of Farms.....	2106	440	2546
Ave. GFI (\$000).....	89.99	162.26	102.48
Ave. NFI (\$000).....	17.54	38.74	21.21
Ave. TNFI (\$000)....	4.71	5.38	4.82
Ave. NETNFI (\$000)..	3.07	1.90	2.87
NETNFI as % of TOTNI	14.9	4.7	11.9

## CHAPTER 5

### CONCLUDING REMARKS

#### Obstacles

In determining the importance of nonfarm income to the Kansas farmer by analyzing Kansas Farm Management Association (KFMA) records, several inherent obstacles were encountered: (1) the KFMA farms do not represent the average Kansas farm; (2) the skewness of the nonfarm income distributions greatly diminishes the significance of the means obtained; (3) the amount of nonfarm income earned by the farm operator himself could not be identified from that earned by other members of his family; (4) the nonfarm income could not be categorized by type (source); and (5) a trend over time could not be established as only three years of data were available. Many of these obstacles could be overcome by conducting a random survey of all Kansas farmers.

#### Conclusions

Regardless of the above restrictions, two major conclusions can be drawn from this analysis. (1) many KFMA farmers do receive nonfarm income. A random sample of all Kansas farms would reveal an even larger portion of them receiving even larger average amounts of nonfarm income. Facing extreme price and yield uncertainty as well as inflation, the Kansas (American) farmer has increased need for more, more-reliable nonfarm income.

(2) the amount of nonfarm income received varies among the KFMA

area associations. Since the sources of nonfarm income could not be identified, the exact causes for this variation could not be determined. However, the Census has shown that wages and salaries, followed by nonfarm businesses or professions, are the largest sources of farmers' nonfarm income.<sup>1</sup> In a society where half of the farmers' income is nonfarm, an important farm policy consideration is the provision of seasonal employment for its farmers.

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<sup>1</sup>U.S. Census of Agriculture: 1964, 1969

## APPENDIX A

APPENDIX TABLE A-1. Distribution of Taxable Nonfarm Income Among Kansas Farm Management Association Farm Units in 1973.

TNFI Category (\$000)	Farm Units				Taxable Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
0.0	553	22.44	553	22.44	0.00	0.00	0.00	0.00
0.1-0.4	314	12.74	867	35.19	73.70	0.70	73.70	0.70
0.5-0.9	301	12.22	1168	47.40	205.50	1.96	279.20	2.66
1.0-1.4	201	8.16	1369	55.56	234.20	2.23	513.40	4.89
1.5-1.9	133	5.40	1502	60.96	225.50	2.15	738.90	7.04
2.0-2.4	97	3.94	1599	64.89	214.20	2.04	953.10	9.08
2.5-2.9	84	3.41	1683	68.30	226.60	2.16	1179.70	11.24
3.0-3.4	56	2.27	1739	70.58	178.70	1.70	1358.40	12.94
3.5-3.9	63	2.56	1802	73.13	231.80	2.21	1590.20	15.15
4.0-4.4	59	2.39	1861	75.53	247.90	2.36	1838.10	17.51
4.5-4.9	39	1.58	1900	77.11	182.70	1.74	2020.80	19.26
5.0-5.4	43	1.75	1943	78.86	223.70	2.13	2244.50	21.39
5.5-5.9	35	1.42	1978	80.28	199.90	1.90	2444.40	23.29
6.0-6.4	30	1.22	2008	81.49	186.50	1.78	2630.90	25.07
6.5-6.9	25	1.01	2033	82.51	166.70	1.59	2797.60	26.66
7.0-7.4	34	1.38	2067	83.89	245.50	2.34	3043.10	29.00
7.5-7.9	36	1.46	2103	85.35	275.50	2.63	3318.60	31.62
8.0-8.4	26	1.06	2129	86.40	213.70	2.04	3532.30	33.66
8.5-8.9	36	1.46	2165	87.87	313.10	2.98	3845.40	36.64
9.0-9.4	14	0.57	2179	88.43	129.30	1.23	3974.70	37.87
9.5-9.9	16	0.65	2195	89.08	154.80	1.48	4129.50	39.35
10.0-10.4	15	0.61	2210	89.69	152.80	1.46	4282.30	40.80
10.5-10.9	19	0.77	2229	90.46	203.30	1.94	4485.60	42.74
11.0-11.4	18	0.73	2247	91.19	201.00	1.92	4686.60	44.66
11.5-11.9	10	0.41	2257	91.60	117.40	1.12	4804.00	45.78
12.0-12.4	10	0.41	2267	92.00	121.20	1.15	4925.20	46.93
12.5-14.9	46	1.87	2313	93.87	626.00	5.96	5551.20	52.89
15.0-17.4	29	1.18	2342	95.05	465.20	4.43	6016.40	57.33
17.5-19.9	30	1.22	2372	96.27	560.60	5.34	6577.00	62.67
20.0-22.4	16	0.65	2388	96.92	341.60	3.25	6918.60	65.92
22.5-24.9	15	0.61	2403	97.52	353.70	3.37	7272.30	69.29
25.0-27.4	5	0.20	2408	97.73	127.50	1.21	7399.80	70.51
27.5-29.9	8	0.32	2416	98.05	231.80	2.21	7631.60	72.72
30.0-32.4	5	0.20	2421	98.25	155.90	1.49	7787.50	74.20
32.5-34.9	4	0.16	2425	98.42	135.40	1.29	7922.90	75.49
35.0-37.4	3	0.12	2428	98.54	107.30	1.02	8030.20	76.52
37.5-39.9	11	0.45	2439	98.99	421.50	4.02	8451.70	80.53

\*Cum.: Cumulative.



APPENDIX TABLE A-1 (continued).

TNFI Category (\$000)	Farm Units				Taxable Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
40.0-42.4	5	0.20	2444	99.19	202.10	1.93	8653.80	82.46
42.5-44.9	2	0.08	2446	99.27	87.50	0.83	8741.30	83.29
45.0-47.4	1	0.04	2447	99.31	46.20	0.44	8787.50	83.73
47.5-49.9	1	0.04	2448	99.35	47.70	0.45	8835.20	84.19
50.0-59.9	5	0.20	2453	99.55	280.60	2.67	9115.80	86.86
60.0-69.9	2	0.08	2455	99.63	122.70	1.17	9238.50	88.03
70.0-79.9	2	0.08	2457	99.72	144.00	1.37	9382.50	89.40
80.0-89.9	1	0.04	2458	99.76	80.50	0.77	9463.00	90.17
90.0-99.9	3	0.12	2461	99.88	288.00	2.74	9751.00	92.91
100.0 & Up	3	0.12	2464	100.00	743.80	7.09	10494.80	100.00

\* Cum.: Cumulative.

APPENDIX TABLE A-2. Distribution of Taxable Nonfarm Income Among Kansas Farm Management Association Farm Units in 1974.

TNFI Category (\$000)	Farm Units				Taxable Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
0.0	533	20.49	533	20.49	0.00	0.00	0.00	0.00
0.1-0.4	358	13.76	891	34.26	84.30	0.64	84.30	0.64
0.5-0.9	299	11.50	1190	45.75	201.00	1.53	285.30	2.17
1.0-1.4	186	7.15	1376	52.90	220.80	1.68	506.10	3.85
1.5-1.9	158	6.07	1534	58.98	265.20	2.02	771.30	5.87
2.0-2.4	106	4.08	1640	63.05	234.40	1.78	1005.70	7.66
2.5-2.9	89	3.42	1729	66.47	240.10	1.83	1245.80	9.48
3.0-3.4	91	3.50	1820	69.97	292.40	2.23	1538.20	11.71
3.5-3.9	72	2.77	1892	72.74	267.10	2.03	1805.30	13.74
4.0-4.4	59	2.27	1951	75.01	246.80	1.88	2052.10	15.62
4.5-4.9	55	2.11	2006	77.12	257.80	1.96	2309.90	17.59
5.0-5.4	35	1.35	2041	78.47	181.60	1.38	2491.50	18.97
5.5-5.9	50	1.92	2091	80.39	284.10	2.16	2775.60	21.13
6.0-6.4	30	1.15	2121	81.55	185.90	1.42	2961.50	22.55
6.5-6.9	32	1.23	2153	82.78	213.70	1.63	3175.20	24.17
7.0-7.4	32	1.23	2185	84.01	228.90	1.74	3404.10	25.92
7.5-7.9	19	0.73	2204	84.74	147.10	1.12	3551.20	27.04
8.0-8.4	26	1.00	2230	85.74	213.50	1.63	3764.70	28.66
8.5-8.9	29	1.11	2259	86.85	251.60	1.92	4016.30	30.58
9.0-9.4	20	0.77	2279	87.62	185.20	1.41	4201.50	31.99
9.5-9.9	28	1.08	2307	88.70	271.70	2.07	4473.20	34.06
10.0-10.4	16	0.62	2323	89.31	163.40	1.24	4636.60	35.30
10.5-10.9	20	0.77	2343	90.08	213.40	1.62	4850.00	36.92
11.0-11.4	8	0.31	2351	90.39	89.70	0.68	4939.70	37.61
11.5-11.9	12	0.46	2363	90.85	140.20	1.07	5079.90	38.68
12.0-12.4	11	0.42	2374	91.27	134.50	1.02	5214.40	39.70
12.5-14.9	45	1.73	2419	93.00	615.10	4.68	5829.50	44.38
15.0-17.4	37	1.42	2456	94.43	591.00	4.50	6420.50	48.88
17.5-19.9	29	1.11	2485	95.54	539.40	4.11	6959.90	52.99
20.0-22.4	18	0.69	2503	96.23	382.40	2.91	7342.30	55.90
22.5-24.9	14	0.54	2517	96.77	334.20	2.54	7676.50	58.44
25.0-27.4	11	0.42	2528	97.19	284.60	2.17	7961.10	60.61
27.5-29.9	9	0.35	2537	97.54	256.20	1.95	8217.30	62.56
30.0-32.4	5	0.19	2542	97.73	152.00	1.16	8369.30	63.72
32.5-34.9	6	0.23	2548	97.96	201.90	1.54	8571.20	65.26
35.0-37.4	4	0.15	2552	98.12	147.50	1.12	8718.70	66.38
37.5-39.9	3	0.12	2555	98.23	117.20	0.89	8835.90	67.27

\*Cum.: Cumulative.

APPENDIX TABLE A-2 (continued).

TNFI Category (\$000)	Farm Units				Taxable Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
40.0-42.4	8	0.31	2563	98.54	331.10	2.52	9167.00	69.79
42.5-44.9	1	0.04	2564	98.58	43.30	0.33	9210.30	70.12
45.0-47.4	4	0.15	2568	98.73	184.90	1.41	9395.20	71.53
47.5-49.9	2	0.08	2570	98.81	96.40	0.73	9491.60	72.26
50.0-59.9	7	0.27	2577	99.08	382.00	2.91	9873.60	75.17
60.0-69.9	7	0.27	2584	99.35	449.50	3.42	10323.10	78.59
70.0-79.9	4	0.15	2588	99.50	297.10	2.26	10620.20	80.86
80.0-89.9	2	0.08	2590	99.58	173.50	1.32	10793.70	82.18
90.0-99.9	0	0.00	2590	99.58	0.00	0.00	10793.70	82.18
100.0 & Up	11	0.42	2601	100.00	2341.10	17.82	13134.80	100.00

\*Cum.: Cumulative.

APPENDIX TABLE A-3. Distribution of Taxable Nonfarm Income Among Kansas Farm Management Association Farm Units in 1975.

TNFI Category (\$000)	Farm Units				Taxable Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
0.0	567	22.27	567	22.27	0.00	0.00	0.00	0.00
0.1-0.4	367	14.41	934	36.68	82.70	0.67	82.70	0.67
0.5-0.9	245	9.62	1179	46.31	168.70	1.37	251.40	2.05
1.0-1.4	193	7.58	1372	53.89	227.80	1.86	479.20	3.90
1.5-1.9	137	5.38	1509	59.27	234.00	1.91	713.20	5.81
2.0-2.4	114	4.48	1623	63.75	252.40	2.06	965.60	7.87
2.5-2.9	95	3.73	1718	67.48	256.00	2.09	1221.60	9.95
3.0-3.4	77	3.02	1795	70.50	243.80	1.99	1465.40	11.94
3.5-3.9	55	2.16	1850	72.66	204.20	1.66	1669.60	13.60
4.0-4.4	54	2.12	1904	74.78	226.00	1.84	1895.60	15.44
4.5-4.9	51	2.00	1955	76.79	239.30	1.95	2134.90	17.39
5.0-5.4	40	1.57	1995	78.36	208.10	1.70	2343.00	19.09
5.5-5.9	35	1.37	2030	79.73	200.10	1.63	2543.10	20.72
6.0-6.4	41	1.61	2071	81.34	254.90	2.08	2798.00	22.79
6.5-6.9	35	1.37	2106	82.72	234.70	1.91	3032.70	24.70
7.0-7.4	21	0.82	2127	83.54	150.30	1.22	3183.00	25.93
7.5-7.9	35	1.37	2162	84.92	268.80	2.19	3451.80	28.12
8.0-8.4	21	0.82	2183	85.74	172.80	1.41	3624.60	29.53
8.5-8.9	21	0.82	2204	86.57	182.10	1.48	3806.70	31.01
9.0-9.4	22	0.86	2226	87.43	200.50	1.63	4007.20	32.64
9.5-9.9	22	0.86	2248	88.30	213.60	1.74	4220.80	34.38
10.0-10.4	16	0.63	2264	88.92	163.20	1.33	4384.00	35.71
10.5-10.9	10	0.39	2274	89.32	107.60	0.88	4491.60	36.59
11.0-11.4	14	0.55	2288	89.87	155.60	1.27	4647.20	37.86
11.5-11.9	14	0.55	2302	90.42	164.20	1.34	4811.40	39.19
12.0-12.4	12	0.47	2314	90.89	146.10	1.19	4957.50	40.38
12.5-14.9	58	2.28	2372	93.17	791.60	6.45	5749.10	46.83
15.0-17.4	35	1.37	2407	94.54	560.20	4.56	6309.30	51.39
17.5-19.9	22	0.86	2429	95.40	407.00	3.32	6716.30	54.71
20.0-22.4	21	0.82	2450	96.23	444.80	3.62	7161.10	58.33
22.5-24.9	10	0.39	2460	96.62	236.10	1.92	7397.20	60.26
25.0-27.4	8	0.31	2468	96.94	207.90	1.69	7605.10	61.95
27.5-29.9	8	0.31	2476	97.25	232.20	1.89	7837.30	63.84
30.0-32.4	12	0.47	2488	97.72	373.00	3.04	8210.30	66.88
32.5-34.9	4	0.16	2492	97.88	134.50	1.10	8344.80	67.97
35.0-37.4	5	0.20	2497	98.08	181.10	1.48	8525.90	69.45
37.5-39.9	5	0.20	2502	98.27	190.60	1.55	8716.50	71.00

\* Cum.: Cumulative.

APPENDIX TABLE A-3 (continued).

TNFI Category (\$000)	Farm Units				Taxable Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
40.0-42.4	4	0.16	2506	98.43	165.40	1.35	8881.90	72.35
42.5-44.9	3	0.12	2509	98.55	132.90	1.08	9014.80	73.43
45.0-47.4	2	0.08	2511	98.63	91.50	0.75	9106.30	74.18
47.5-49.9	2	0.08	2513	98.70	97.30	0.79	9203.60	74.97
50.0-59.9	7	0.27	2520	98.98	370.70	3.02	9574.30	77.99
60.0-69.9	9	0.35	2529	99.33	587.70	4.79	10162.00	82.78
70.0-79.9	5	0.20	2534	99.53	365.20	2.97	10527.20	85.75
80.0-89.9	1	0.04	2535	99.57	83.90	0.68	10611.10	86.44
90.0-99.9	2	0.08	2537	99.65	192.20	1.57	10803.30	88.00
100.0 & Up	9	0.35	2546	100.00	1473.00	12.00	12276.30	100.00

\* Cum.: Cumulative.

APPENDIX TABLE A-4. Distribution of Net Nonfarm Income Among Kansas Farm Management Association Farm Units in 1973.

NETNFI Category (\$000)	Farm Units				Net Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
Below -24.9	9	0.37	9	0.37	-346.70	-4.78	-346.70	-4.78
-24.9--12.5	19	0.77	28	1.14	-334.80	-4.61	-681.50	-9.39
-12.4--10.0	10	0.41	38	1.54	-111.40	-1.53	-792.90	-10.92
-9.9--9.0	2	0.08	40	1.62	-19.20	-0.26	-812.10	-11.19
-8.9--8.0	6	0.24	46	1.87	-49.80	-0.69	-861.90	-11.87
-7.9--7.0	4	0.16	50	2.03	-29.90	-0.41	-891.80	-12.28
-6.9--6.0	10	0.41	60	2.44	-62.20	-0.86	-954.00	-13.14
-5.9--5.0	1	0.04	61	2.48	-5.10	-0.07	-959.10	-13.21
-4.9--4.5	9	0.37	70	2.84	-42.70	-0.59	-1001.80	-13.80
-4.4--4.0	3	0.12	73	2.96	-12.70	-0.17	-1014.50	-13.98
-3.9--3.5	5	0.20	78	3.17	-18.70	-0.26	-1033.20	-14.23
-3.4--3.0	7	0.28	85	3.45	-22.10	-0.30	-1055.30	-14.54
-2.9--2.5	10	0.41	95	3.86	-26.40	-0.36	-1081.70	-14.90
-2.4--2.0	10	0.41	105	4.26	-22.40	-0.31	-1104.10	-15.21
-1.9--1.5	13	0.53	118	4.79	-21.60	-0.30	-1125.70	-15.51
-1.4--1.0	34	1.38	152	6.17	-40.30	-0.56	-1166.00	-16.06
-0.9--0.5	40	1.62	192	7.79	-27.50	-0.38	-1193.50	-16.44
-0.4--0.1	65	2.64	257	10.43	-14.70	-0.20	-1208.20	-16.64
0.0	494	20.05	751	30.48	0.00	0.00	-1208.20	-16.64
0.1-0.4	307	12.46	1058	42.94	73.10	1.01	-1135.10	-15.64
0.5-0.9	282	11.44	1340	54.38	193.60	2.67	-941.50	-12.97
1.0-1.4	177	7.18	1517	61.57	204.50	2.82	-737.00	-10.15
1.5-1.9	120	4.87	1637	66.44	203.30	2.80	-533.70	-7.35
2.0-2.4	87	3.53	1724	69.97	189.70	2.61	-344.00	-4.74
2.5-2.9	81	3.29	1805	73.25	219.50	3.02	-124.50	-1.72
3.0-3.4	49	1.99	1854	75.24	158.10	2.18	33.60	0.46
3.5-3.9	42	1.70	1896	76.95	154.30	2.13	187.90	2.59
4.0-4.4	51	2.07	1947	79.02	213.80	2.95	401.70	5.53
4.5-4.9	38	1.54	1985	80.56	178.00	2.45	579.70	7.99
5.0-5.4	40	1.62	2025	82.18	207.60	2.86	787.30	10.85
5.5-5.9	38	1.54	2063	83.73	216.60	2.98	1003.90	13.83
6.0-6.4	27	1.10	2090	84.82	166.90	2.30	1170.80	16.13
6.5-6.9	29	1.18	2119	86.00	194.20	2.68	1365.00	18.80
7.0-7.4	23	0.93	2142	86.93	166.70	2.30	1531.70	21.10
7.5-7.9	26	1.06	2168	87.99	200.80	2.77	1732.50	23.87

\* Cum.: Cumulative.

APPENDIX TABLE A-4 (continued).

NETNFI Category (\$000)	Farm Units				Net Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
8.0-8.4	19	0.77	2187	88.76	155.40	2.14	1887.90	26.01
8.5-8.9	29	1.18	2216	89.94	251.20	3.46	2139.10	29.47
9.0-9.4	12	0.49	2228	90.42	110.90	1.53	2250.00	30.99
9.5-9.9	13	0.53	2241	90.95	125.60	1.73	2375.60	32.72
10.0-10.4	21	0.85	2262	91.80	214.00	2.95	2589.60	35.67
10.5-10.9	17	0.69	2279	92.49	181.20	2.50	2770.80	38.17
11.0-11.4	15	0.61	2294	93.10	168.30	2.32	2939.10	40.49
11.5-11.9	9	0.37	2303	93.47	105.00	1.45	3044.10	41.93
12.0-12.4	7	0.28	2310	93.75	85.20	1.17	3129.30	43.11
12.5-14.9	40	1.62	2350	95.37	546.20	7.52	3675.50	50.63
15.0-17.4	24	0.97	2374	96.35	383.30	5.28	4058.80	55.91
17.5-19.9	24	0.97	2398	97.32	446.70	6.15	4505.50	62.07
20.0-22.4	15	0.61	2413	97.93	322.20	4.44	4827.70	66.50
22.5-24.9	11	0.45	2424	98.38	258.60	3.56	5086.30	70.07
25.0-27.4	7	0.28	2431	98.66	178.90	2.46	5265.20	72.53
27.5-29.9	4	0.16	2435	98.82	114.80	1.58	5380.00	74.11
30.0-32.4	5	0.20	2440	99.03	157.40	2.17	5537.40	76.28
32.5-34.9	0	0.00	2440	99.03	0.00	0.00	5537.40	76.28
35.0-37.4	4	0.16	2444	99.19	143.10	1.97	5680.50	78.25
37.5-39.9	5	0.20	2449	99.39	192.20	2.65	5872.70	80.90
40.0-42.4	2	0.08	2451	99.47	80.50	1.11	5953.20	82.01
42.5-44.9	0	0.00	2451	99.47	0.00	0.00	5953.20	82.01
45.0-47.4	1	0.04	2452	99.51	47.40	0.65	6000.60	82.66
47.5-49.9	1	0.04	2453	99.55	47.50	0.65	6048.10	83.32
50.0-59.9	4	0.16	2457	99.72	226.30	3.12	6274.40	86.43
60.0-69.9	0	0.00	2457	99.72	0.00	0.00	6274.40	86.43
70.0-79.9	1	0.04	2458	99.76	73.20	1.01	6347.60	87.44
80.0-89.9	1	0.04	2459	99.80	80.50	1.11	6428.10	88.55
90.0-99.9	2	0.08	2461	99.88	186.90	2.57	6615.00	91.12
100.0 & Up	3	0.12	2464	100.00	644.30	8.88	7259.30	100.00

\* Cum.: Cumulative.



APPENDIX TABLE A-5. Distribution of Net Nonfarm Income Among Kansas Farm Management Association Farm Units in 1974.

NETNFI Category (\$000)	Farm Units				Net Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
Below -24.9	12	0.46	12	0.46	-573.60	-6.60	-573.60	-6.60
-24.9--12.5	19	0.73	31	1.19	-322.50	-3.71	-896.10	-10.31
-12.4--10.0	6	0.23	37	1.42	-71.30	-0.82	-967.40	-11.13
-9.9--9.0	6	0.23	43	1.65	-56.50	-0.65	-1023.90	-11.78
-8.9--8.0	8	0.31	51	1.96	-67.10	-0.77	-1091.00	-12.55
-7.9--7.0	10	0.38	61	2.35	-73.90	-0.85	-1164.90	-13.40
-6.9--6.0	11	0.42	72	2.77	-70.60	-0.81	-1235.50	-14.22
-5.9--5.0	7	0.27	79	3.04	-38.40	-0.44	-1273.90	-14.66
-4.9--4.5	9	0.35	88	3.38	-42.00	-0.48	-1315.90	-15.14
-4.4--4.0	8	0.31	96	3.69	-33.40	-0.38	-1349.30	-15.53
-3.9--3.5	8	0.31	104	4.00	-29.40	-0.34	-1378.70	-15.86
-3.4--3.0	14	0.54	118	4.54	-45.60	-0.52	-1424.30	-16.39
-2.9--2.5	12	0.46	130	5.00	-32.60	-0.38	-1456.90	-16.76
-2.4--2.0	12	0.46	142	5.46	-26.50	-0.30	-1483.40	-17.07
-1.9--1.5	22	0.85	164	6.31	-36.80	-0.42	-1520.20	-17.49
-1.4--1.0	30	1.15	194	7.46	-35.80	-0.41	-1556.00	-17.90
-0.9--0.5	41	1.58	235	9.03	-27.30	-0.31	-1583.30	-18.22
-0.4--0.1	51	1.96	286	11.00	-9.90	-0.11	-1593.20	-18.33
0.0	489	18.80	775	29.80	0.00	0.00	-1593.20	-18.33
0.1-0.4	347	13.34	1122	43.14	80.10	0.92	-1513.10	-17.41
0.5-0.9	270	10.38	1392	53.52	179.10	2.06	-1334.00	-15.35
1.0-1.4	176	6.77	1568	60.28	208.50	2.40	-1125.50	-12.95
1.5-1.9	130	5.00	1698	65.28	219.20	2.52	-906.30	-10.43
2.0-2.4	103	3.96	1801	69.24	228.30	2.63	-678.30	-7.80
2.5-2.9	91	3.50	1892	72.74	245.40	2.82	-432.60	-4.98
3.0-3.4	84	3.23	1976	75.97	270.70	3.11	-161.90	-1.86
3.5-3.9	60	2.31	2036	78.28	220.50	2.54	58.60	0.67
4.0-4.4	43	1.65	2079	79.93	179.70	2.07	238.30	2.74
4.5-4.9	38	1.46	2117	81.39	177.50	2.04	415.80	4.78
5.0-5.4	34	1.31	2151	82.70	176.90	2.04	592.70	6.82
5.5-5.9	44	1.69	2195	84.39	250.10	2.88	842.80	9.70
6.0-6.4	33	1.27	2228	85.66	205.00	2.36	1047.80	12.06
6.5-6.9	31	1.19	2259	86.85	206.50	2.38	1254.30	14.43
7.0-7.4	23	0.88	2282	87.74	163.50	1.88	1417.80	16.31
7.5-7.9	16	0.62	2298	88.35	123.30	1.42	1541.10	17.73

\* Cum.: Cumulative.



APPENDIX TABLE A-5 (continued).

NETNFI Category (\$000)	Farm Units				Net Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
8.0-8.4	21	0.81	2319	89.16	171.90	1.98	1713.00	19.71
8.5-8.9	25	0.96	2344	90.12	217.40	2.50	1930.40	22.21
9.0-9.4	13	0.50	2357	90.62	120.60	1.39	2051.00	23.60
9.5-9.9	19	0.73	2376	91.35	183.30	2.11	2234.30	25.71
10.0-10.4	16	0.62	2392	91.96	162.60	1.87	2396.90	27.58
10.5-10.9	16	0.62	2408	92.58	170.10	1.96	2567.00	29.54
11.0-11.4	8	0.31	2416	92.89	90.00	1.04	2657.00	30.57
11.5-11.9	8	0.31	2424	93.19	93.60	1.08	2750.60	31.65
12.0-12.4	9	0.35	2433	93.54	110.40	1.27	2861.00	32.92
12.5-14.9	30	1.15	2463	94.69	399.60	4.60	3260.60	37.52
15.0-17.4	36	1.38	2499	96.08	578.00	6.65	3838.60	44.17
17.5-19.9	18	0.69	2517	96.77	334.70	3.85	4173.30	48.02
20.0-22.4	13	0.50	2530	97.27	275.40	3.17	4448.70	51.19
22.5-24.9	11	0.42	2541	97.69	257.50	2.96	4706.20	54.15
25.0-27.4	9	0.35	2550	98.04	232.20	2.67	4938.40	56.82
27.5-29.9	6	0.23	2556	98.27	168.60	1.94	5107.00	58.76
30.0-32.4	3	0.12	2559	98.39	90.80	1.04	5197.80	59.81
32.5-34.9	5	0.19	2564	98.58	168.70	1.94	5366.50	61.75
35.0-37.4	4	0.15	2568	98.73	146.10	1.68	5512.60	63.43
37.5-39.9	1	0.04	2569	98.77	39.70	0.46	5552.30	63.89
40.0-42.4	4	0.15	2573	98.92	165.60	1.91	5717.90	65.79
42.5-44.9	0	0.00	2573	98.92	0.00	0.00	5717.90	65.79
45.0-47.4	2	0.08	2575	99.00	93.20	1.07	5811.10	66.86
47.5-49.9	1	0.04	2576	99.04	48.00	0.55	5859.10	67.42
50.0-59.9	6	0.23	2582	99.27	320.20	3.68	6179.30	71.10
60.0-69.9	4	0.15	2586	99.42	253.10	2.91	6432.40	74.01
70.0-79.9	3	0.12	2589	99.54	218.60	2.52	6651.00	76.53
80.0-89.9	3	0.12	2592	99.65	253.90	2.92	6904.90	79.45
90.0-99.9	1	0.04	2593	99.69	92.10	1.06	6997.00	80.51
100.0 & Up	8	0.31	2601	100.00	1693.90	19.49	8690.90	100.00

\*Cum.: Cumulative.

APPENDIX TABLE A-6. Distribution of Net Nonfarm Income Among Kansas Farm Management Association Farm Units in 1975.

NETNFI Category (\$000)	Farm Units				Net Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
Below -24.9	19	0.75	19	0.75	-714.50	-9.79	-714.50	-9.79
-24.9--12.5	26	1.02	45	1.77	-454.90	-6.23	-1169.40	-16.03
-12.4--10.0	6	0.24	51	2.00	-67.10	-0.92	-1236.50	-16.95
-9.9--9.0	4	0.16	55	2.16	-37.80	-0.52	-1274.30	-17.47
-8.9--8.0	6	0.24	61	2.40	-50.60	-0.69	-1324.90	-18.16
-7.9--7.0	6	0.24	67	2.63	-45.00	-0.62	-1369.90	-18.78
-6.9--6.0	5	0.20	72	2.83	-31.40	-0.43	-1401.30	-19.21
-5.9--5.0	12	0.47	84	3.30	-65.90	-0.90	-1467.20	-20.11
-4.9--4.5	7	0.27	91	3.57	-33.20	-0.46	-1500.40	-20.56
-4.4--4.0	5	0.20	96	3.77	-20.80	-0.29	-1521.20	-20.85
-3.9--3.5	7	0.27	103	4.05	-25.40	-0.35	-1546.60	-21.20
-3.4--3.0	10	0.39	113	4.44	-32.40	-0.44	-1579.00	-21.64
-2.9--2.5	20	0.79	133	5.22	-53.00	-0.73	-1632.00	-22.37
-2.4--2.0	18	0.71	151	5.93	-39.10	-0.54	-1671.10	-22.90
-1.9--1.5	23	0.90	174	6.83	-38.40	-0.53	-1709.50	-23.43
-1.4--1.0	33	1.30	207	8.13	-39.10	-0.54	-1748.60	-23.97
-0.9--0.5	54	2.12	261	10.25	-38.80	-0.53	-1787.40	-24.50
-0.4--0.1	60	2.36	321	12.61	-13.10	-0.18	-1800.50	-24.68
0.0	504	19.80	825	32.40	0.00	0.00	-1800.50	-24.68
0.1-0.4	344	13.51	1169	45.92	76.60	1.05	-1723.90	-23.63
0.5-0.9	222	8.72	1391	54.63	152.70	2.09	-1571.20	-21.53
1.0-1.4	178	6.99	1569	61.63	210.60	2.89	-1360.60	-18.65
1.5-1.9	116	4.56	1685	66.18	197.60	2.71	-1163.00	-15.94
2.0-2.4	98	3.85	1783	70.03	215.30	2.95	-947.70	-12.99
2.5-2.9	94	3.69	1877	73.72	255.00	3.50	-692.70	-9.49
3.0-3.4	68	2.67	1945	76.39	216.10	2.96	-476.60	-6.53
3.5-3.9	55	2.16	2000	78.55	203.00	2.78	-273.60	-3.75
4.0-4.4	50	1.96	2050	80.52	208.90	2.86	-64.70	-0.89
4.5-4.9	41	1.61	2091	82.13	192.70	2.64	128.00	1.75
5.0-5.4	39	1.53	2130	83.66	201.50	2.76	329.50	4.52
5.5-5.9	31	1.22	2161	84.88	178.10	2.44	507.60	6.96
6.0-6.4	32	1.26	2193	86.14	198.40	2.72	706.00	9.68
6.5-6.9	26	1.02	2219	87.16	174.60	2.39	880.60	12.07
7.0-7.4	15	0.59	2234	87.75	108.40	1.49	989.00	13.56
7.5-7.9	21	0.82	2255	88.57	161.60	2.21	1150.60	15.77

\* Cum.: Cumulative.

APPENDIX TABLE A-6 (continued).

NETNFI Category (\$000)	Farm Units				Net Nonfarm Income			
	Number	Percent	Cum.* Number	Cum. Percent	Amount (\$000)	Percent	Cum. Amount (\$000)	Cum. Percent
8.0-8.4	17	0.67	2272	39.24	140.10	1.92	1290.70	17.69
8.5-8.9	23	0.90	2295	90.14	201.00	2.75	1491.70	20.45
9.0-9.4	17	0.67	2312	90.81	155.40	2.13	1647.10	22.58
9.5-9.9	17	0.67	2329	91.48	164.50	2.25	1811.60	24.83
10.0-10.4	11	0.43	2340	91.91	112.20	1.54	1923.80	26.37
10.5-10.9	8	0.31	2348	92.22	85.70	1.17	2009.50	27.54
11.0-11.4	10	0.39	2358	92.62	111.10	1.52	2120.60	29.06
11.5-11.9	9	0.35	2367	92.97	105.50	1.45	2226.10	30.51
12.0-12.4	9	0.35	2376	93.32	110.00	1.51	2336.10	32.02
12.5-14.9	42	1.65	2418	94.97	572.30	7.84	2908.40	39.86
15.0-17.4	30	1.18	2448	96.15	487.50	6.68	3395.90	46.54
17.5-19.9	18	0.71	2466	96.86	332.50	4.56	3728.40	51.10
20.0-22.4	19	0.75	2485	97.60	401.50	5.50	4129.90	56.60
22.5-24.9	7	0.27	2492	97.88	170.20	2.33	4300.10	58.94
25.0-27.4	5	0.20	2497	98.08	133.00	1.82	4433.10	60.76
27.5-29.9	7	0.27	2504	98.35	202.50	2.78	4635.60	63.54
30.0-32.4	5	0.20	2509	98.55	155.10	2.13	4790.70	65.66
32.5-34.9	7	0.27	2516	98.82	235.60	3.23	5026.30	68.89
35.0-37.4	2	0.08	2518	98.90	73.80	1.01	5100.10	69.90
37.5-39.9	3	0.12	2521	99.02	116.80	1.60	5216.90	71.50
40.0-42.4	1	0.04	2522	99.06	41.60	0.57	5258.50	72.07
42.5-44.9	0	0.00	2522	99.06	0.00	0.00	5258.50	72.07
45.0-47.4	2	0.08	2524	99.14	94.30	1.29	5352.80	73.37
47.5-49.9	1	0.04	2525	99.18	48.70	0.67	5401.50	74.03
50.0-59.9	4	0.16	2529	99.33	215.10	2.95	5616.60	76.98
60.0-69.9	7	0.27	2536	99.61	446.20	6.12	6062.80	83.10
70.0-79.9	3	0.12	2539	99.73	214.70	2.94	6277.50	86.04
80.0-89.9	1	0.04	2540	99.76	85.60	1.17	6363.10	87.21
90.0-99.9	1	0.04	2541	99.80	91.20	1.25	6454.30	88.46
100.0 & Up	5	0.20	2546	100.00	841.80	11.54	7296.10	100.00

\*Cum.: Cumulative.

**APPENDIX B**















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THE NONFARM INCOME OF KANSAS FARM MANAGEMENT  
ASSOCIATION FARMERS FOR YEARS 1973-1975

by

HAROLD L. LOBMEYER

B. S., Kansas State University, 1975

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AN ABSTRACT OF A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Agricultural Economics

Department of Economics

KANSAS STATE UNIVERSITY  
Manhattan, Kansas

1977

## ABSTRACT

A farmer's nonfarm income consists of that income, apart from the farming operation, which is received by the farm operator himself or by members of his family. Nonfarm income represents the more stable portion of a farmer's total income.

The nonfarm income of the Kansas Farm Management Association (KFMA) farmers was analyzed for the three year period, 1973-1975, in an attempt to determine the importance of nonfarm income to Kansas farmers. Relevant information was drawn from computer discs containing KFMA data. The amount of Taxable Nonfarm Income (TNFI) and Net Nonfarm Income (NETNFI) per Association farm was obtained. Unfortunately, the source of this nonfarm income was unavailable.

Approximately 70% of the KFMA farms received TNFI, while approximately 80% of them received NETNFI. The mean average TNFI received per KFMA farm was \$4,260 in 1973, \$5,050 in 1974 and \$4,820 in 1975. The mean average NETNFI received per KFMA farm was \$2,950 in 1973, \$3,340 in 1974 and \$2,870 in 1975. Over the three year period, 1973-1975, the KFMA farms' average Net Farm Income varied \$42,040, while their average NETNFI varied \$470. NETNFI represented 4.9% of their Total Net Income in 1973, 18.5% in 1974 and 11.9% in 1975.

The KFMA nonfarm income mean averages obtained for the State Association and for select categories of area associations, product sales, gross farm income, net farm income, total capital managed, total acres managed, principal operator's age and type of business organization are

obscured by the extreme negative skewness of the nonfarm income data. The top one percent of the KFMA farms repeatedly received approximately one-fourth of the total KFMA nonfarm income. This skewness prohibited normal statistical analysis. The mode and median, as well as the mean, possess special significance in the analysis of KFMA nonfarm income.

This study found that: (1) many KFMA farmers do receive nonfarm income; and (2) the average amount of nonfarm income received by the KFMA farmers varies throughout the state. The KFMA farmers in Association 3 (southwest Kansas) received the most nonfarm income, while those in Association 1 (north central Kansas) received the least. Since the KFMA represents the above average Kansas farm, the receipt of nonfarm income should have an even greater impact upon the average Kansas farm.