Farm Management Guide MF-801

Income and Financial Trends for Kansas Farms

Department of Agricultural Economics — *www.agmanager.info*

Kansas State University Agricultural Experiment Station and Cooperative Extension Service

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Income and Financial Trends

The following income and financial ratio trends were derived from data provided by farms enrolled in the Kansas Farm Management Association program. The number of commercial farms in this educational program varied from 2,300 to 2,800 for the 10-year period 1998 to 2007. These income and financial trends provide in-depth information for analyzing the farm financial situation and policies affecting agriculture.

Value of farm production and net farm income averaged $251,741 and $47,783, respectively, for the period 1998 to 2007. Net farm income must pay for family living, income and social security taxes, and principal payments on land, machinery, and operating assets.

Definitions

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

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

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

Data Source

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

For more information pertaining to whole-farm and enterprise summaries, see the following internet site: *www.agmanager.info/kfma.*

Table 1. *Net Farm Income for Kansas Farm Management Association Farms, 1998-2007.*

Year	State	Northwest	North Central	Northeast	Southwest	South Central	Southeast
1998	16,778	50,485	14,767	12,170	31,286	16,156	3,460
1999	42,488	67,537	44,561	25,123	55,674	43,664	37,493
2000	39,197	38,277	30,745	28,518	48,604	36,056	49,509
2001	27,995	27,643	28,999	33,717	13,446	11,996	38,788
2002	19,106	–817	14,511	10,082	3,623	26,720	37,168
2003	51,051	59,988	52,511	38,630	37,329	43,628	63,155
2004	62,604	45,801	51,670	77,393	29,927	52,709	84,394
2005	56,982	66,930	42,065	68,325	23,779	36,535	76,283
2006	46,593	58,517	40,742	52,259	21,779	57,960	40,026
2007	115,035	233,000	81,288	114,118	108,397	88,849	114,423
Average	47,783	64,736	40,186	46,034	37,384	41,427	54,470

Source: Kansas Farm Management Associations.

Table 2. *Net Farm Income per Operator by Farm Type, 2003-2007.*

Type of Farm	Number of Farms (2007)	Net Farm Income per Operator					
		Average	2007	2006	2005	2004	2003
All Farms	1,453	67,284	116,130	46,804	57,584	63,491	52,410
Cash Crop Dryland	1,010	65,579	120,594	49,366	49,422	57,087	51,424
Cash Crop Irrigated	62	111,637	280,585	92,335	64,955	62,729	57,580
Stock-Ranch Cowherd	21	38,106	23,633	35,986	45,396	51,366	34,148
Cowherd	15	25,550	34,948	13,344	24,914	32,088	22,458
Dairy	35	51,217	82,088	25,663	52,658	71,192	24,484
Backgrounding	11	40,360	-941	-5,823	63,279	82,252	63,035
Cash Crop-Cowherd	137	45,272	61,588	31,132	50,149	49,613	33,879
Cash Crop-Dairy	11	84,111	161,507	55,538	72,799	81,068	49,643
Cash Crop-Backgrounding	29	65,372	74,803	1,203	83,820	79,308	87,728

Source: Kansas Farm Management Associations.

Table 3. *Value of Farm Production, Total Expense, and Total Expense Ratio, 1998-2007.*

Year	Value of Farm Production	Total Expense	Total Expense Ratio
1998	175,615	158,836	90.45%
1999	207,858	165,370	79.56%
2000	214,104	174,908	81.69%
2001	214,664	186,669	86.96%
2002	198,706	179,600	90.38%
2003	240,059	189,009	78.73%
2004	265,629	203,025	76.43%
2005	294,230	237,248	80.63%
2006	298,754	252,161	84.40%
2007	407,787	292,752	71.79%
Average	251,741	203,958	81.02%

Source: Kansas Farm Management Associations.

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