



Measuring Farm Financial Performance

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Farm financial managers use financial performance measures to assess the profitability, liquidity, solvency, and financial efficiency of their businesses. These performance measures assist managers in making effective planning, implementation, and control decisions. Measuring performance is particularly important for the control function (Boehlje). Performance measures can be used as warning signs or indicators that corrective actions are needed to improve the firm's financial position and profitability. The information provided from performance measures also allows managers to make strategic plans and track their progress relative to the firm's goals.

Performance measures can be obtained from balance sheet and income statement information. The balance sheet and income statement are important tools used to summarize the financial position of the business. The balance sheet summarizes the financial condition of a business at a point in time. The income statement summarizes revenue and expense transactions over a period of time.

This bulletin provides benchmark performance measures for specific farm types in Kansas. Benchmark measures are provided for profitability, liquidity, solvency, and financial efficiency. These benchmark measures can be used by farm financial managers and analysts for comparative purposes.

Farm Management Data

Kansas Farm Management Association data from 1984 to 1993 were used in this bulletin. In 1993, there were 3,464 farmers in the Kansas Farm Management Association program. Of the 3,464 farmers, there were 2,690 farm units and 774 other farmers in partnerships. The six Kansas Farm Management Associations represent the northwest, north central, northeast, southwest, south central, and southeast areas of the state. The three associations in northern Kansas had 268, 364, and 560 farm units respectively in 1993. The three associations in southern Kansas had 368, 464, and 666 farm units respectively in 1993.

The eight farm types used in the analysis included dryland wheat, dryland soybeans, dryland feed grains, irrigated feed grains, beef cows, beef feeders, swine, and dairy farms. Gross farm income and crop acres were used to classify crop farms by type. For crop farms, at least 50 percent of gross farm income had to come from crop sales. In addition, at least 50 percent of

the crop acres had to be in a particular crop enterprise. For example, for a farm to be classified as a dryland wheat farm, 50 percent of gross farm income had to come from crop sales and 50 percent of the crop acres had to be planted to dryland wheat.

Gross farm income is also used to classify livestock farms. For a farm to be classified as a particular livestock farm type, 50 percent of gross farm income had to come from one particular livestock enterprise.

Data from the Kansas Farm Management Associations were well suited for developing performance measure benchmarks. Income, expense, and balance sheet information were available for each farm. Income was expressed on an accrual basis and was available by enterprise. Each farm recorded both cash and noncash (e.g. depreciation) expenses. Assets and liabilities were broken down into enough detail so that current, intermediate, and long-term distinctions could be made.

Financial Performance Measurement

Financial information can be summarized by using an income statement and a balance sheet. The income statement summarizes revenue and expense information for a given period of time. If the difference between revenue and expenses is positive, there is a profit or positive

net farm income. If the difference is negative, there is a loss or negative net farm income. A balance sheet summarizes the amount of assets, liabilities, and net worth held by a business or individual at a given point in time. The balance sheet takes all current, intermediate, and long-term assets and subtracts liabilities to obtain owner's equity or net worth. The "balance" in balance sheet comes from the following identity:

Equation 1. Assets Identity

$$\text{Assets} = \text{Liabilities} + \text{Net Worth}$$

A balance sheet can be used to measure the liquidity and solvency of a business.

A sample income statement (Table 1) and balance sheet (Table 2) using 1993 information from all Kansas farms in the Kansas Farm Management Associations are used to explain the derivation of the profitability, liquidity, solvency, and financial efficiency performance measures. The numbers and letters used in the formulas below refer to line numbers presented in the income statement and letters presented in the balance sheet.

For management purposes, income is typically measured on an accrual basis. The gross farm income categories reported in the income statement in Table 1 include accrual adjustments for changes in crop and livestock inventories from the beginning to the end of the year. Other income includes sales of fruits, vegetables, wool, and hides as well as changes in cash, supplies, and accounts receivable from the beginning to the end of the year. The balance sheet in Table 2 was constructed using market values for land and other assets.

Profitability Measures

Profitability measures explain how efficient the business or enterprise is in using its resources to produce profit (Kay and Edwards). Measures of profitability commonly used by managers and analysts include net

farm income, return on assets, return on equity, and the profit margin ratio.

Net Farm Income

Net farm income is calculated by subtracting cash operating expenses and depreciation from accrual gross farm income. It provides key information about the results of operating activities of a firm over a period of time. Net farm income is one of the most crucial measurements found on an income statement. On most farm operations, the operator and other family members provide labor resources but are not compensated by a set wage. The net farm income measurement represents the return provided to the operator and family members for labor, management, and owner's equity (Farm Financial Standards Task Force). Net farm income for the example illustrated in Table 1 is \$40,178.

Return on Assets

Return on assets represents the return to both debt and equity capital invested in the business. Interest is added back to net farm income to obtain this measure. This makes the result independent of the type and amount of financing and what it would have been if there had been no debt capital (Kay and Edwards). Using Tables 1 and 2, unpaid labor and

management charges of \$29,000 (average family living expenses for farms in the Kansas Farm Management Association), and unrealized capital gains of \$24,000, return on assets can be calculated as shown in Equation 2.

In this example, every dollar invested receives an 8.18 percent return. A higher return on assets is preferred to a lower return. The return on assets can be readily compared to the return on off-farm investments such as stocks and bonds. A consistently low return on assets should raise a red flag to management. In this case, the current mix of enterprises is not profitable, and subsequently management should consider shifting investment dollars to other enterprises or investments.

Return on Equity

Return on Equity (ROE) represents the return on the owner's share of capital invested. The opportunity cost of unpaid labor and management is subtracted from net farm income to calculate ROE (Kay and Edwards, Farm Financial Standards Task Force). Using Tables 1 and 2, unpaid labor and management charges of \$29,000, and unrealized capital gains of \$24,000, return on equity can be calculated as in Equation 3.

This result indicates that every

Equation 2. Return on Assets

$$\begin{aligned} \text{Return on Assets} &= \frac{\text{Net Farm Income (30)} + \text{Interest Paid (9)} \\ &\quad - \text{Labor and Management} + \text{Capital Gains}}{\text{Total Farm Assets (P)}} \times 100 \\ &= \frac{40,178 + 14,255 - 29,000 + 24,000}{604,052} \times 100 \\ &= 8.18\% \end{aligned}$$

Equation 3. Return on Equity

$$\begin{aligned} \text{Return on Equity} &= \frac{\text{Net Farm Income (30)} - \text{Labor and Management} \\ &\quad + \text{Capital Gains}}{\text{Net Worth (U)}} \times 100 \\ &= \frac{40,178 - 29,000 + 24,000}{416,249} \times 100 \\ &= 8.45\% \end{aligned}$$

dollar of equity receives an 8.45 percent return. A higher return on equity is preferred to a lower return. Caution should be used when interpreting this measure for a farm with a low net worth. In this situation, the return on equity is not meaningful.

Profit Margin Ratio

The Profit Margin Ratio measures operating profit as a percent of total revenue. Interest is added back to net farm income to eliminate the effect of financing on the profit margin. This allows the profit margin to focus strictly on the profit made from producing agricultural commodities without regard to financing considerations, which can vary substantially among farms. This adjustment permits a valid comparison of this ratio among farms (Kay and Edwards).

In Equation 4, for every dollar of gross farm income, about 13 cents remains as profit after covering unpaid labor and management charges and all

operating expenses except interest. A higher profit margin is preferred to a lower profit margin.

Liquidity Measures

Liquidity measures are used as an indicator of the firm's ability to meet financial obligations as they come due without disrupting the normal operations of the business (Barry et al.). Liquidity measures the ability to generate cash in the amounts needed at the time needed, generally within the next accounting period, making it a short-run measure. Liquidity measures commonly used include the current ratio and working capital (Kay and Edwards). Liquidity measures are computed using balance sheet information.

Current Ratio

The current ratio measures the ability of the business to meet all of its current debt obligations, which are those generally due in the calendar

year. It also measures the margin of safety available should the value of current assets shrink. Using Table 2, the current ratio can be computed as shown in Equation 5.

In this example, there are \$2.02 in assets for every dollar in liabilities. Generally, a ratio greater than 2 indicates that sufficient current assets are available to cover current liabilities.

Working Capital

Working capital represents the difference between current assets and current liabilities. Working capital for this example is shown in Equation 6.

This equation shows the amount that would remain after selling all current assets and repaying all current liabilities.

Solvency Measures

Solvency measures provide an indication of a firm's ability to cover all financial obligations if the firm sold all of its assets. It is also an indication of the ability to continue operations as a viable business after a financial adversity, which typically results in increased debt and reduced net worth. Specifically, solvency measures the amount of borrowed capital, leasing commitments, and other liability obligations used by a business relative to the amount of owner's equity invested in the business (Farm Financial Standards Task Force). If total assets are not larger than total liabilities, the firm is insolvent or bankrupt. Solvency measures include percent intermediate debt, percent long-term debt, debt-to-asset ratio, and net worth.

Percent Intermediate Debt

Intermediate debt includes debt obligations with a repayment period of 1 to 10 years. Intermediate debt obligations typically include machinery and breeding stock loans. Percent intermediate debt is calculated by dividing intermediate liabilities by intermediate assets. For example, using the information in Table 2,

Equation 4. Profit Margin Ratio

$$\begin{aligned}\text{Profit Margin Ratio} &= \frac{\text{Net Farm Income (30) + Interest Paid (9)} \\ &\quad - \text{Labor and Management}}{\text{Gross Farm Income (5)}} \times 100 \\ &= \frac{40,178 + 14,255 - 29,000}{198,531} \times 100 \\ &= 12.81\%\end{aligned}$$

Equation 5. Current Ratio

$$\begin{aligned}\text{Current Ratio} &= \frac{\text{Current Assets (BF)}}{\text{Current Liabilities (BQ)}} \times 100 \\ &= \frac{166,362}{82,277} \times 100 \\ &= 2.02\end{aligned}$$

Equation 6. Working Capital

$$\begin{aligned}\text{Working Capital} &= \text{Current Assets (BF)} - \text{Current Liabilities (BQ)} \\ &= 166,362 - 82,277 \\ &= 84,085\end{aligned}$$

percent intermediate debt is calculated as shown in the following equation.

Equation 7. Percent Intermediate Debt

$$\frac{31,410 \text{ (BR)}}{142,622 \text{ (BK)}} \times 100 = 22\%$$

In this case, there seems to be adequate cushion to support a significant decline in the value of the farm's intermediate assets.

Percent Long-Term Debt

Long-term debt involves debt obligations with repayment periods longer than 10 years. Long-term debt obligations would typically include buildings and real estate contracts. Percent long-term debt is calculated by dividing long-term liabilities by long-term assets. For example, using the information in Table 2, percent long-term debt is:

Equation 8. Percent Long-term Debt

$$\frac{77,506 \text{ (BS)}}{309,587 \text{ (BO)}} \times 100 = 22\%$$

In this example, long-term debt obligations could be covered by long-term assets even if their value declined significantly.

Debt-to-Asset Ratio

The debt-to-asset ratio measures the ability of the business to meet owner and creditor obligations if liquidation becomes necessary. This ratio is important in the evaluation of credit worthiness (Barry et al.). A borrower under financial stress would have a high debt-to-asset ratio. See Equation 9, which uses information from Table 2.

In this example, there are 31 cents of debt for every dollar of assets. A high debt-to-asset ratio may indicate the farm will have trouble securing additional loans, and it will exhibit financial stress if the value of assets decline. A farm with a lower ratio is more financially secure and is in a better position to borrow additional funds.

Net Worth

Net worth is defined as the difference between total farm assets and total farm liabilities. It represents the capital the operator or farm manager has invested in the business. The net worth of the farm depicted in Table 2 is \$427,378.

Financial Efficiency Measures

Financial efficiency measures show the effect small financial changes would have on the overall profit of the business (Kay and Edwards). Specifically, these measures show the intensity with which a business uses its assets to generate gross farm income and the effectiveness of production, purchasing, pricing, financing, and marketing decisions (Farm Financial Standards Task Force). Financial efficiency measures include the asset turnover ratio, the operating expense ratio, the depreciation expense ratio, the interest expense ratio, and the net farm income ratio.

Asset Turnover Ratio

The asset turnover ratio measures how efficiently capital invested in

farm assets is being used, and it is calculated using both the income statement and balance sheet. Using the information in Tables 1 and 2, the asset turnover ratio can be computed as shown in Equation 10.

On average during a given year, 33 percent of total assets owned by this example farm are turned over. A high turnover ratio indicates the farm is able to operate with a relatively low level of assets. It is difficult to compare turnover ratios among farm types because each farm type requires a different mix and level of intermediate and long-term assets. Thus, comparisons should be made with similar type farms.

Operating Expense Ratio

The operating expense ratio (OER) measures the percent of gross income used for operating expenses. Operating expenses include hired labor, repairs, raised and purchased feed, seed, fertilizer, herbicide, insecticide, medicine, marketing, gas, fuel, oil, utilities, crop storage, rent, insurance, taxes, and miscellaneous cash expenses. Using Table 1, the operating expense ratio can be computed as shown in Equation 11.

Equation 9. Debt-to-Asset Ratio

$$\begin{aligned} \text{Debt-to-Asset Ratio} &= \frac{\text{Total Liabilities (BT)}}{\text{Total Assets (BP)}} \times 100 \\ &= \frac{191,193}{618,571} \times 100 \\ &= 31\% \end{aligned}$$

Equation 10. Asset Turnover Ratio

$$\begin{aligned} \text{Asset Turnover Ratio} &= \frac{\text{Gross Farm Income (5)}}{\text{Total Assets (P)}} \times 100 \\ &= \frac{191,531}{604,052} \times 100 \\ &= 33\% \end{aligned}$$

Equation 11. Operating Expense Ratio

$$\begin{aligned} \text{OER} &= \frac{\text{Total Operating Expense (24)} - \text{Interest Paid (9)}}{\text{Gross Farm Income (5)}} \times 100 \\ &= \frac{143,982 - 14,255}{198,531} \times 100 \\ &= 65\% \end{aligned}$$

In this example, 65 percent of gross farm income went toward operating expenses. A lower operating expense ratio is preferred to a high ratio. A farm with an operating expense ratio that is high relative to that of similar farms needs to examine each cost item and find ways to control costs.

Depreciation Expense Ratio

The depreciation expense ratio (DER) measures the percent of gross farm income used to cover depreciation expense. Using Table 1, the depreciation expense ratio can be computed as shown in Equation 12.

In this example, 7 percent of gross farm income went to cover depreciation charges. A high depreciation expense ratio may indicate the farm has relatively new buildings and equipment or the farm has a higher level of fixed assets per acre or head than similar type farms. This ratio is typically related to enterprise and farm size. Larger farms can often spread fixed assets over more acres or head and thus have a lower depreciation expense ratio. The depreciation expense ratio is heavily dependent on

farm type and should be compared only to similar farms.

Interest Expense Ratio

The interest expense ratio (IER) measures the percent of gross farm income used to cover interest expenses. Using Table 1, the interest expense ratio can be computed as shown in Equation 13.

In this example, 7 percent of gross farm income went toward interest expenses. A high interest expense ratio makes it difficult to cover other expense obligations. Like the depreciation expense ratio, the interest expense ratio is heavily dependent on farm type. Therefore, comparisons should only be made with similar type farms.

Net Farm Income Ratio

The net farm income ratio (NFIR) measures the percent of gross farm income represented by net farm income or profit. The sum of the operating expense ratio, the depreciation expense ratio, the interest expense ratio, and the net farm income ratio equals 100 percent. Thus, the net farm income ratio represents the percent of gross farm income left after subtract-

ing operating, interest, and depreciation expenses from gross farm income. Using Table 1, the net farm income ratio can be computed as shown in Equation 14.

On average, 20 percent of gross farm income in this example represents profit or net farm income. The other 80 percent of gross farm income is used to cover operating, interest, and depreciation expenses.

Financial Performance Measures for Major Farm Types in Kansas

Table 3 presents the average number of acres and livestock produced by each farm type in Kansas from 1984 to 1993. Statistics are shown for eight major Kansas farm types: dryland wheat (DWHEAT), dryland soybeans (DSOY), dryland feedgrains (DFG), irrigated feedgrains (IFG), beef cows (BCOW), beef feeders (BFEED), swine, and dairy.

Average gross farm income and net farm income for each farm type during the 1984 to 1993 period are presented in Figure 1. The average gross farm income for the beef feeders was about \$305,000, about \$20,000 more than any other farm type. Average gross farm income for dairy, irrigated feedgrain, and swine farms ranged from \$248,000 to \$285,000. Average gross farm income for the three dryland crop farm types ranged from \$148,000 to \$169,000. Beef cow farms had an average gross farm income of about \$116,000 — \$32,000 less than any other farm type. All four crop farm types received at least two-thirds of their income from crop sales. Similarly, all four livestock farm types received at least two-thirds of their income from the major enterprise on the respective farms.

Irrigated feedgrain farms had the highest average net farm income (\$46,529), while beef cow farms had the lowest average net farm income (\$16,992). Beef feeders had the most variable net farm income over time,

Equation 12. Depreciation Expense Ratio

$$\begin{aligned}\text{DER} &= \frac{\text{Total Depreciation Expense (28)}}{\text{Gross Farm Income (5)}} \times 100 \\ &= \frac{14,371}{198,531} \times 100 \\ &= 7\%\end{aligned}$$

Equation 13. Interest Expense Ratio

$$\begin{aligned}\text{IER} &= \frac{\text{Interest Paid (9)}}{\text{Gross Farm Income (5)}} \times 100 \\ &= \frac{14,255}{198,531} \times 100 \\ &= 7\%\end{aligned}$$

Equation 14. Net Farm Income Ratio

$$\begin{aligned}\text{NFIR} &= \frac{\text{Net Farm Income (30)}}{\text{Gross Farm Income (5)}} \times 100 \\ &= \frac{40,178}{198,531} \times 100 \\ &= 20\%\end{aligned}$$

while dryland wheat farms had the least variable.

Table 4 presents average financial measures by farm type in Kansas from 1984 to 1993. The measures presented include profitability, liquidity, solvency, and financial efficiency. There was a large variation in financial ratios among the different farm types. According to the profit margin ratio, the irrigated feedgrain farms were the most profitable (13.61 percent) and beef cow farms were least profitable (-5.06 percent).

Irrigated feedgrain farms also had the highest return on assets (7.90 percent). Beef cow farms had the lowest return on assets (0.41 percent) over the period. Average return on assets for the other farm types ranged from 2.91 percent to 4.78 percent.

Three of the farm types had a negative return on equity: beef cow farms (-4.96 percent), dryland feedgrain farms (-3.51 percent), and beef feeders (-1.18 percent). Irrigated feedgrain farms had the highest return on equity at 5.85 percent. Return on equity for each farm type varied considerably over time. In addition, the return on equity for each farm type was less than the corresponding return on assets. This result indicates that a

low return was earned on borrowed funds.

A current ratio of 2 or higher is quite often used as an industry benchmark (Barry et al.). None of the farm types studied had an average current ratio of 2. Swine farms had the highest average current ratio (1.96). Dairy farms had the lowest average current ratio (1.20).

Beef cow farms had the lowest debt-to-asset ratio (26 percent), while beef feeders had the highest (48 percent). The relatively lower debt-to-asset ratio for the beef cow farms may be the result of lower earnings. Beef cow farms had the lowest net farm income and rates of return among the farm types studied.

Beef feeders had the highest net worth (\$438,024), while dryland soybean farms had the lowest (\$286,421). Dryland soybean farms had the least variability in net worth over time.

Tables 5 through 12 show the annual farm financial measures for each Kansas farm type from 1984 to 1993. These benchmarks can be used by farm financial managers and analysts for comparative purposes. Benchmark performance measures can assist financial managers in making effective planning, implementation,

and control decisions. Specifically, a manager could use these ratios collectively to evaluate whether corrective actions are needed. For example, a high debt-to-asset ratio would indicate the business may have trouble meeting debt obligations if profits decline. A high interest rate expense ratio would indicate a high percent of returns are paid to creditors. A relatively low net farm income ratio would indicate the firm needs to assess production cost levels, productivity, and marketing strategies.

References

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Boehlje, Michael. "Some Critical Farm Management Concepts." *Journal of the American Society of Farm Managers and Rural Appraisers*, 57(May 1993):4-9.

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Figure 1. Average Gross and Net Income by Farm Type in Kansas, 1984-1993

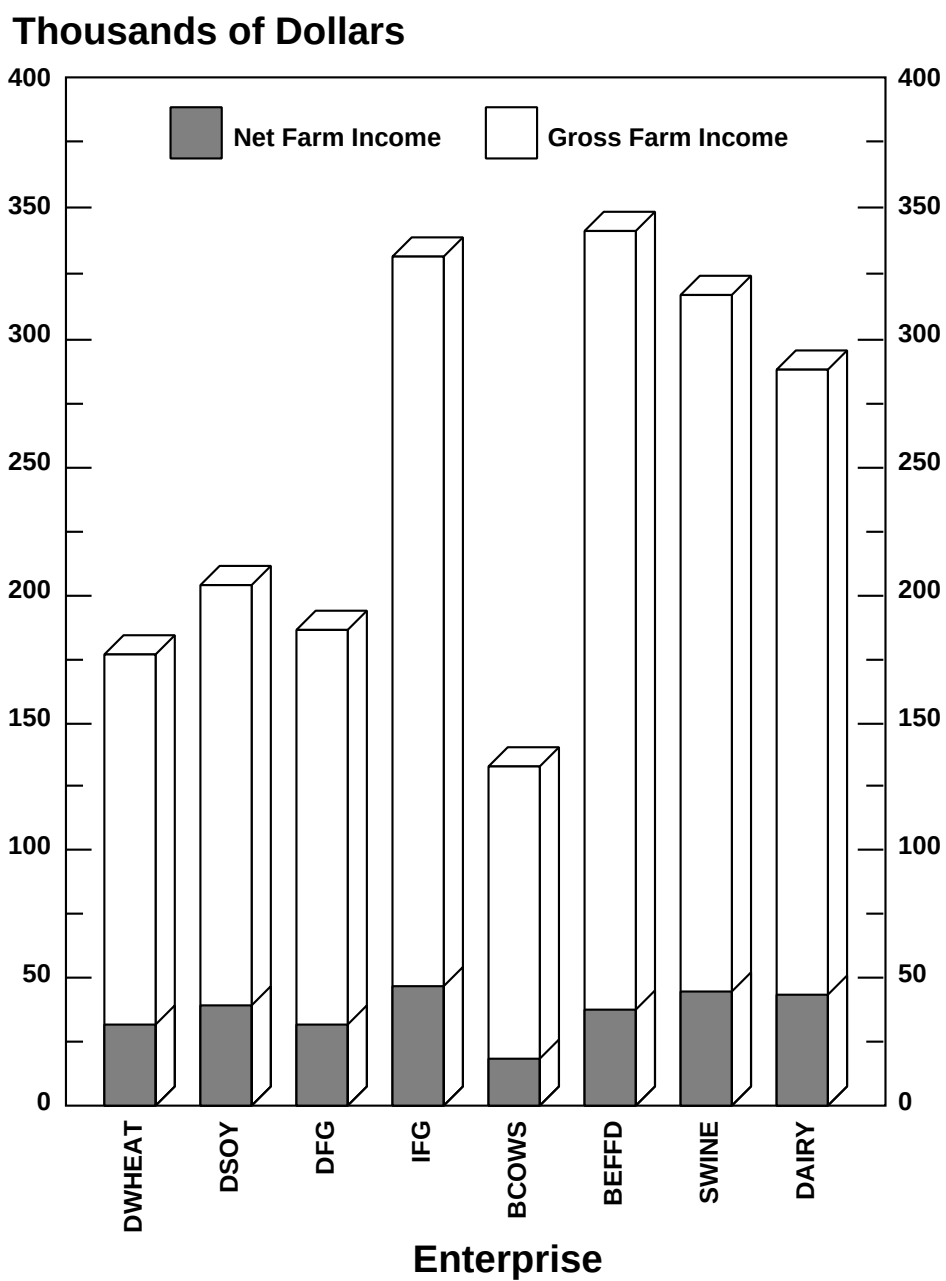


Table 1. Income Statement For Kansas Farms — January 1, 1993, to December 31, 1993.

FARM INCOME					
Livestock Income					
Beef Income	(1A)	\$47,830.34			
Dairy Income	(1B)	\$15,468.73			
Swine Income	(1C)	\$15,281.27			
Other Livestock Income	(1D)	<u>\$912.72</u>			
Total Livestock Income			(1)	\$79,493.06	
Crop Income					
Small Grain Income	(2A)	\$25,980.42			
Feed Grain Income	(2B)	\$27,793.46			
Soybean Income	(2C)	\$16,792.79			
Hay & Forage Income	(2D)	\$4,826.18			
Other Crop Income	(2E)	<u>\$5,164.25</u>			
Total Crop Income			(2)	\$80,557.10	
Agricultural Program Payments			(3)	\$21,667.13	
Other Income			(4)	\$16,813.43	
GROSS FARM INCOME	(Add Lines 1 through 4)				(5) \$198,530.72
FARM OPERATING EXPENSES					
Labor Hired			(6)	\$8,776.79	
Raised and Purchased Feed			(7)	\$30,694.42	
Veterinarian Expenses			(8)	\$2,964.22	
Interest			(9)	\$14,255.43	
Repairs			(10)	\$18,037.54	
Machine Hire			(11)	\$6,378.63	
Auto Expenses			(12)	\$645.84	
Gas-Fuel-Oil			(13)	\$9,021.23	
Utilities			(14)	\$3,390.67	
Seed			(15)	\$7,474.78	
Fertilizer & Lime			(16)	\$12,540.55	
Herbicide & Insecticide			(17)	\$7,873.69	
Conservation			(18)	\$216.15	
Rent			(19)	\$9,672.39	
Marketing			(20)	\$3,039.18	
Taxes			(21)	\$3,134.96	
Insurance			(22)	\$3,380.33	
Miscellaneous Expense			(23)	<u>\$2,484.77</u>	
Total Operating Expense	(Add lines 6 through 23)				(24) \$143,981.57
DEPRECIATION EXPENSES					
Machinery & Equipment			(25)	\$5,676.34	
Motorized Equipment			(26)	\$6,955.07	
Buildings			(27)	<u>\$1,739.25</u>	
Total Depreciation Expense	(Add Lines 25 through 27)				(28) <u>\$14,370.66</u>
TOTAL FARM EXPENSE	(Line 24 + 28)				(29) <u>\$158,352.23</u>
NET FARM INCOME	(Line 5 - Line 29)				(30) \$40,178.49

Source: Kansas Farm Management Association

Table 2. Average Balance Sheet for Kansas Farms, 1993.

FARM ASSETS	Average		Beginning		Ending
CURRENT					
Cash	(A)	\$20,165.69	(AA)	\$19,333.88	(BA) \$20,997.49
Accounts Receivable	(B)	\$9,533.83	(AB)	\$9,179.51	(BB) \$9,888.15
Market Livestock	(C)	\$66,733.97	(AC)	\$64,876.17	(BC) \$68,591.77
Crops Held for Sale and Feed	(D)	\$60,715.39	(AD)	\$58,489.10	(BD) \$62,941.67
Supplies on Hand	(E)	<u>\$3,672.41</u>	(AE)	<u>\$3,402.09</u>	(BE) <u>\$3,942.72</u>
TOTAL CURRENT FARM ASSETS (Add Lines A through E)	(F)	\$160,821.28	(AF)	\$155,280.75	(BF) \$166,361.80
INTERMEDIATE					
Accounts Receivable	(G)	\$5,541.49	(AG)	\$5,801.98	(BG) \$5,281.00
Breeding Livestock	(H)	\$41,305.43	(AH)	\$40,453.68	(BH) \$42,157.18
Motor Vehicles	(I)	\$50,367.62	(AI)	\$47,894.34	(BI) \$52,840.89
Machinery and Equipment	(J)	<u>\$40,752.32</u>	(AJ)	<u>\$39,162.19</u>	(BJ) <u>\$42,342.44</u>
TOTAL INTERMEDIATE FARM ASSETS (Add Lines G through J)	(K)	\$137,966.85	(AK)	\$133,312.19	(BK) \$142,621.51
LONG-TERM					
Accounts Receivable	(L)	\$9,642.52	(AL)	\$9,434.03	(BL) \$9,851.01
Real Estate	(M)	\$279,230.35	(AM)	\$275,466.82	(BM) \$282,993.87
Buildings	(N)	<u>\$16,391.24</u>	(AN)	<u>\$16,039.87</u>	(BN) <u>\$16,742.60</u>
TOTAL LONG-TERM ASSETS (Add Lines L through N)	(O)	\$305,264.10	(AO)	\$300,940.72	(BO) \$309,587.48
TOTAL FARM ASSETS (Add Lines F, K and O)	(P)	\$604,052.23	(AP)	\$589,533.66	(BP) \$618,570.79
FARM LOANS AND NET WORTH					
TOTAL CURRENT FARM LOANS	(Q)	\$79,167.91	(AQ)	\$76,058.37	(BQ) \$82,277.45
TOTAL INTERMEDIATE FARM LOANS	(R)	\$30,840.57	(AR)	\$30,271.52	(BR) \$31,409.61
TOTAL LONG-TERM FARM LOANS	(S)	<u>\$77,795.10</u>	(AS)	<u>\$78,084.60</u>	(BS) <u>\$77,505.60</u>
TOTAL FARM LOANS (Add Lines Q, R, and S)	(T)	\$187,803.58	(AT)	\$184,414.49	(BT) \$191,192.66
NET FARM WORTH (Line P - Line T)	(U)	<u>\$416,248.65</u>	(AU)	<u>\$405,119.17</u>	(BU) <u>\$427,378.13</u>
TOTAL FARM LOANS AND NET WORTH (Add Lines T and U)	(V)	\$604,052.23	(AV)	\$589,533.66	(BV) \$618,570.79

Source: Kansas Farm Management Association

Table 3. Average Number of Acres and Livestock Produced by Farm Type in Kansas, 1984-1993.

Variable	Dryland Wheat	Dryland Soybeans	Dryland Feed Grains	Irrigated Feed Grains	Beef Cows	Beef Feeders	Swine	Dairy
Number of Farms	333	68	42	59	155	142	86	136
Age of Operator	53	48	50	47	55	51	48	49
Total Acres	1777	1313	1291	1607	1972	1920	921	976
Irrigated Crop Acres ^a	133	18	107	916	20	70	25	17
Dryland Crop Acres ^a	1335	969	963	525	508	789	589	572
Pasture Acres	287	261	163	159	1429	1038	261	351
Irrigated Production Acres ^b	123	18	105	827	19	70	25	19
Irrigated Wheat	21	0	18	151	2	8	0	1
Irrigated Feed Grains	70	10	56	557	10	33	18	7
Irrigated Soybeans	20	6	21	78	1	5	5	3
Dryland Production Acres ^b	896	977	789	268	412	647	556	548
Dryland Wheat	661	149	182	195	153	243	170	140
Dryland Feed Grains	153	209	471	41	81	182	223	145
Dryland Soybeans	18	585	109	8	46	75	90	56
Hay	44	25	26	38	104	96	60	136
Silage	9	2	4	9	18	59	5	62
Beef Cows	15	23	12	12	122	21	23	7
Ewes	3	1	2	0	1	4	3	0
Litters Farrowed	1	2	3	1	3	4	240	1
Dairy Cows	0	1	0	0	0	0	0	78
Beef Feeders	42	42	47	86	196	880	73	21
Sheep Feeders	5	2	6	3	1	0	3	0
Swine Feeders	8	48	42	20	30	104	1825	9

Source: Kansas Farm Management Association

^a Includes acres cropped, fallow acres, annual set-aside acres, and CRP acres.^b Excludes fallow acres, annual set-aside acres, and CRP acres.

Table 4. Average Financial Measures by Farm Type in Kansas, 1984-1993.

Variable	Dryland Wheat	Dryland Soybeans	Dryland Feed Grains	Irrigated Feed Grains	Beef Cows	Beef Feeders	Swine	Dairy
Number of Farms	333	68	42	59	155	142	86	136
Profitability Measures:								
Gross Farm Income	\$147,986	\$168,730	\$156,575	\$285,331	\$115,993	\$304,620	\$274,955	\$247,978
Net Farm Income	\$29,745	\$35,436	\$28,480	\$46,529	\$16,992	\$36,128	\$42,884	\$40,732
Return On Assets	4.32%	4.78%	2.91%	7.90%	0.41%	4.40%	4.64%	4.37%
Return On Equity	0.94%	1.41%	-3.51%	5.85%	-4.96%	-1.18%	1.01%	1.34%
Profit Margin Ratio	7.36%	4.88%	3.61%	13.61%	-5.06%	9.21%	5.44%	7.74%
Liquidity Measures:								
Current Ratio	1.72	1.62	1.64	1.59	1.65	1.52	1.96	1.20
Working Capital	\$78,363	\$71,153	\$59,656	\$94,913	\$67,688	\$152,718	\$101,540	\$31,805
Solvency Measures								
Percent Intermediate Debt	28%	47%	29%	31%	11%	30%	27%	16%
Percent Long-Term Debt	30%	36%	33%	41%	23%	35%	42%	37%
Debt-To-Asset Ratio	34%	42%	37%	45%	26%	48%	40%	33%
Total Assets	\$491,877	\$458,861	\$481,707	\$662,352	\$531,074	\$812,790	\$529,998	\$538,818
Net Worth	\$352,864	\$286,421	\$313,281	\$396,935	\$404,708	\$438,024	\$346,829	\$377,816
Financial Efficiency Measures:								
Asset Turnover Ratio	40%	43%	41%	56%	24%	39%	58%	53%
Operating Expense Ratio	60%	60%	63%	63%	69%	69%	69%	68%
Depreciation Expense Ratio	14%	14%	13%	11%	12%	8%	9%	9%
Interest Expense Ratio	9%	12%	10%	9%	12%	14%	8%	7%
Net Farm Income Ratio	17%	14%	13%	16%	7%	9%	13%	15%

Source: Kansas Farm Management Association

Table 5. Annual Financial Measures For Kansas Dryland Wheat Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	364	379	194	243	341	282	327	340	428	430
Profitability Measures:										
Gross Farm Income	\$150,381	\$139,235	\$134,476	\$155,118	\$158,112	\$129,952	\$150,884	\$146,273	\$147,214	\$168,219
Net Farm Income	\$16,925	\$13,025	\$17,524	\$34,245	\$44,561	\$22,562	\$32,102	\$34,046	\$36,527	\$45,928
Return On Assets	-7.31%	-6.68%	-2.07%	13.02%	11.70%	6.61%	5.79%	6.38%	5.61%	10.14%
Return On Equity	-17.48%	-18.23%	-8.42%	13.59%	13.12%	4.32%	2.17%	3.83%	5.72%	10.76%
Profit Margin Ratio	2.90%	-1.88%	3.13%	11.12%	14.81%	2.85%	9.07%	9.08%	10.09%	12.41%
Liquidity Measures:										
Current Ratio	1.54	1.39	1.71	1.44	2.63	1.66	1.69	1.65	1.65	1.82
Working Capital	\$75,487	\$67,088	\$75,577	\$81,357	\$87,744	\$75,574	\$77,833	\$86,365	\$78,175	\$78,427
Solvency Measures										
Percent Intermediate Debt	17%	22%	29%	32%	29%	34%	38%	23%	27%	28%
Percent Long-Term Debt	26%	31%	31%	38%	32%	29%	27%	30%	26%	25%
Debt-To-Asset Ratio	30%	34%	36%	43%	35%	35%	35%	33%	32%	32%
Total Assets	\$614,681	\$539,763	\$426,447	\$407,893	\$410,686	\$444,086	\$466,659	\$516,138	\$540,406	\$552,012
Net Worth	\$443,857	\$389,731	\$296,815	\$271,056	\$289,277	\$315,047	\$330,146	\$383,722	\$402,088	\$406,898
Financial Efficiency Measures:										
Asset Turnover Ratio	32%	34%	41%	52%	51%	38%	44%	36%	35%	38%
Operating Expense Ratio	61%	64%	61%	56%	55%	63%	60%	61%	59%	59%
Depreciation Expense Ratio	19%	20%	18%	15%	12%	13%	11%	10%	9%	9%
Interest Expense Ratio	11%	12%	9%	9%	8%	10%	9%	9%	8%	7%
Net Farm Income Ratio	9%	4%	12%	20%	25%	14%	19%	21%	23%	25%

Source: Kansas Farm Management Association

Table 6. Annual Financial Measures For Kansas Dryland Soybean Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	55	31	70	106	74	65	59	61	64	94
Profitability Measures:										
Gross Farm Income	\$78,098	\$125,705	\$157,754	\$183,166	\$201,465	\$190,406	\$178,508	\$171,179	\$210,947	\$190,071
Net Farm Income	(\$10,358)	\$15,528	\$22,302	\$48,652	\$69,843	\$46,214	\$30,810	\$12,602	\$74,897	\$43,873
Return On Assets	-14.35%	-7.28%	-2.64%	15.90%	15.70%	10.92%	4.36%	2.02%	14.31%	8.88%
Return On Equity	-36.57%	-17.87%	-10.21%	18.49%	20.73%	11.92%	-0.39%	-4.29%	20.60%	11.73%
Profit Margin Ratio	-35.88%	-2.15%	-0.42%	16.96%	21.66%	10.59%	6.22%	-5.01%	25.53%	11.28%
Liquidity Measures:										
Current Ratio	0.89	1.16	1.66	1.43	2.16	2.40	1.43	1.16	1.89	1.97
Working Capital	\$16,490	\$43,886	\$66,209	\$67,782	\$107,654	\$100,366	\$63,310	\$59,044	\$91,762	\$95,024
Solvency Measures										
Percent Intermediate Debt	35%	45%	66%	49%	57%	57%	53%	37%	32%	38%
Percent Long-Term Debt	31%	29%	43%	42%	49%	38%	39%	33%	33%	28%
Debt-To-Asset Ratio	37%	37%	50%	45%	46%	39%	46%	42%	36%	37%
Total Assets	\$418,726	\$428,021	\$426,543	\$389,764	\$431,332	\$438,050	\$459,537	\$557,757	\$510,775	\$528,108
Net Worth	\$280,270	\$264,252	\$237,922	\$219,899	\$269,995	\$268,519	\$275,173	\$363,312	\$332,408	\$352,458
Financial Efficiency Measures:										
Asset Turnover Ratio	26%	33%	43%	52%	55%	51%	44%	33%	52%	41%
Operating Expense Ratio	77%	58%	63%	54%	49%	57%	60%	70%	50%	60%
Depreciation Expense Ratio	29%	20%	16%	11%	10%	12%	14%	13%	7%	10%
Interest Expense Ratio	20%	12%	14%	11%	9%	9%	12%	14%	9%	8%
Net Farm Income Ratio	-26%	10%	7%	23%	31%	22%	13%	4%	34%	22%

Source: Kansas Farm Management Association

Table 7. Annual Financial Measures For Kansas Dryland Feedgrain Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	57	86	70	33	26	23	19	32	46	28
Profitability Measures:										
Gross Farm Income	\$143,081	\$143,213	\$155,486	\$164,141	\$181,255	\$163,721	\$145,288	\$146,624	\$165,801	\$157,144
Net Farm Income	\$6,697	\$8,161	\$19,679	\$33,102	\$50,902	\$28,616	\$37,612	\$25,746	\$45,279	\$29,001
Return On Assets	-9.68%	-7.59%	-4.02%	12.39%	10.07%	5.09%	5.52%	3.34%	8.14%	5.85%
Return On Equity	-35.53%	-14.66%	-23.17%	13.51%	7.49%	4.10%	4.87%	-1.40%	4.54%	5.18%
Profit Margin Ratio	-2.48%	-7.87%	1.18%	7.53%	15.25%	3.16%	5.40%	-2.10%	12.29%	3.70%
Liquidity Measures:										
Current Ratio	1.03	1.24	1.33	2.45	1.74	1.93	1.41	1.62	1.49	2.15
Working Capital	\$33,996	\$35,140	\$40,202	\$81,791	\$80,312	\$75,901	\$75,798	\$64,878	\$31,345	\$77,199
Solvency Measures										
Percent Intermediate Debt	26%	35%	54%	30%	19%	25%	31%	27%	23%	23%
Percent Long-Term Debt	27%	41%	42%	42%	34%	33%	26%	25%	38%	26%
Debt-To-Asset Ratio	39%	48%	49%	39%	36%	33%	27%	29%	40%	31%
Total Assets	\$555,792	\$479,997	\$458,691	\$452,622	\$447,217	\$523,141	\$544,128	\$513,828	\$419,687	\$421,968
Net Worth	\$363,309	\$246,253	\$237,267	\$276,492	\$294,371	\$359,070	\$414,833	\$369,449	\$268,006	\$303,761
Financial Efficiency Measures:										
Asset Turnover Ratio	32%	36%	42%	53%	52%	34%	41%	34%	43%	41%
Operating Expense Ratio	66%	67%	64%	64%	54%	66%	59%	69%	58%	65%
Depreciation Expense Ratio	19%	19%	16%	10%	13%	11%	11%	12%	9%	10%
Interest Expense Ratio	15%	14%	14%	8%	7%	10%	9%	9%	11%	7%
Net Farm Income Ratio	1%	0%	6%	18%	27%	13%	21%	11%	21%	17%

Source: Kansas Farm Management Association

Table 8. Annual Financial Measures For Kansas Irrigated Feedgrain Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	49	67	57	41	45	60	55	72	78	70
Profitability Measures:										
Gross Farm Income	\$341,246	\$319,275	\$298,667	\$256,052	\$255,488	\$254,098	\$283,737	\$252,998	\$285,856	\$305,896
Net Farm Income	\$29,321	\$12,738	\$17,846	\$43,875	\$76,932	\$46,558	\$45,613	\$48,049	\$60,555	\$83,802
Return On Assets	-4.21%	-4.82%	-0.09%	15.16%	19.27%	9.39%	9.75%	8.77%	9.80%	15.94%
Return On Equity	-18.38%	-19.07%	-8.85%	12.46%	28.85%	8.25%	14.02%	7.16%	11.35%	22.68%
Profit Margin Ratio	6.85%	2.69%	7.33%	15.69%	27.16%	7.73%	13.43%	14.36%	17.53%	23.28%
Liquidity Measures:										
Current Ratio	1.50	1.63	1.46	1.14	2.37	1.48	1.66	1.34	1.53	1.83
Working Capital	\$107,434	\$98,267	\$72,657	\$96,798	\$110,815	\$67,024	\$91,144	\$89,096	\$85,336	\$130,561
Solvency Measures										
Percent Intermediate Debt	20%	21%	26%	31%	41%	34%	51%	24%	32%	29%
Percent Long-Term Debt	33%	37%	48%	63%	42%	33%	39%	30%	48%	39%
Debt-To-Asset Ratio	40%	43%	53%	59%	41%	44%	47%	37%	45%	40%
Total Assets	\$879,135	\$762,758	\$664,393	\$541,525	\$543,849	\$534,890	\$565,509	\$647,235	\$718,160	\$766,061
Net Worth	\$549,964	\$447,159	\$375,946	\$266,399	\$313,095	\$328,100	\$358,138	\$419,274	\$426,436	\$484,841
Financial Efficiency Measures:										
Asset Turnover Ratio	45%	48%	55%	58%	64%	60%	67%	53%	53%	56%
Operating Expense Ratio	65%	68%	66%	58%	52%	67%	66%	65%	62%	59%
Depreciation Expense Ratio	16%	18%	16%	14%	10%	11%	9%	7%	7%	6%
Interest Expense Ratio	10%	11%	10%	12%	8%	9%	7%	9%	8%	8%
Net Farm Income Ratio	9%	3%	8%	16%	31%	13%	18%	18%	21%	27%

Source: Kansas Farm Management Association

Table 9. Annual Financial Measures For Kansas Beef Cow Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	132	108	127	138	137	198	154	209	173	173
Profitability Measures:										
Gross Farm Income	\$93,818	\$89,910	\$103,696	\$105,698	\$131,318	\$120,640	\$132,798	\$125,284	\$131,651	\$125,118
Net Farm Income	(\$3,559)	(\$4,110)	\$4,383	\$22,580	\$32,275	\$18,637	\$29,710	\$18,572	\$27,217	\$24,210
Return On Assets	-12.40%	-10.38%	-6.02%	8.69%	6.51%	4.60%	2.87%	2.68%	2.69%	4.82%
Return On Equity	-28.01%	-28.21%	-13.68%	9.50%	6.98%	3.10%	-0.99%	-1.11%	0.19%	2.62%
Profit Margin Ratio	-19.23%	-26.01%	-16.12%	2.47%	7.79%	-2.00%	3.15%	-0.93%	2.44%	-2.15%
Liquidity Measures:										
Current Ratio	1.12	1.19	1.22	1.78	2.07	1.95	2.20	1.68	1.55	1.73
Working Capital	\$36,407	\$61,883	\$38,101	\$50,777	\$83,151	\$79,476	\$94,596	\$79,817	\$83,087	\$69,583
Solvency Measures										
Percent Intermediate Debt	10%	16%	11%	10%	7%	12%	8%	12%	13%	11%
Percent Long-Term Debt	21%	23%	25%	26%	20%	24%	21%	25%	24%	24%
Debt-To-Asset Ratio	27%	31%	31%	28%	21%	24%	21%	27%	27%	25%
Total Assets	\$573,396	\$507,594	\$493,293	\$382,106	\$499,823	\$512,352	\$553,860	\$590,310	\$622,466	\$575,535
Net Worth	\$431,200	\$365,720	\$334,453	\$275,880	\$399,083	\$399,598	\$446,173	\$454,770	\$488,430	\$451,771
Financial Efficiency Measures:										
Asset Turnover Ratio	18%	19%	22%	29%	29%	28%	26%	24%	24%	23%
Operating Expense Ratio	77%	80%	75%	62%	62%	68%	65%	70%	66%	71%
Depreciation Expense Ratio	17%	19%	16%	12%	10%	10%	9%	8%	7%	7%
Interest Expense Ratio	18%	19%	16%	11%	8%	9%	9%	11%	10%	9%
Net Farm Income Ratio	-13%	-18%	-7%	15%	20%	13%	17%	11%	16%	13%

Source: Kansas Farm Management Association

Table 10. Annual Financial Measures For Kansas Beef Feeder Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	156	109	131	165	135	141	160	133	150	137
Profitability Measures:										
Gross Farm Income	\$288,579	\$273,671	\$284,452	\$283,581	\$342,433	\$298,036	\$348,686	\$267,033	\$350,264	\$309,462
Net Farm Income	\$1,610	(\$24,517)	\$32,383	\$74,274	\$71,020	\$31,684	\$59,763	(\$385)	\$73,225	\$42,225
Return On Assets	-6.79%	-7.13%	0.81%	14.73%	11.18%	6.60%	7.99%	1.71%	8.28%	6.64%
Return On Equity	-24.94%	-25.07%	-10.53%	22.46%	12.30%	1.70%	6.05%	-8.44%	10.28%	4.37%
Profit Margin Ratio	3.38%	-6.24%	9.42%	21.47%	19.36%	9.48%	17.10%	-4.93%	14.81%	8.20%
Liquidity Measures:										
Current Ratio	1.20	1.21	1.58	1.77	1.61	1.53	1.51	1.51	1.63	1.69
Working Capital	\$87,933	\$91,174	\$127,915	\$149,783	\$194,489	\$174,162	\$179,383	\$144,283	\$185,774	\$192,286
Solvency Measures										
Percent Intermediate Debt	30%	33%	33%	28%	31%	36%	35%	22%	27%	28%
Percent Long-Term Debt	32%	33%	41%	48%	43%	33%	36%	30%	28%	24%
Debt-To-Asset Ratio	47%	53%	48%	49%	52%	49%	48%	44%	44%	42%
Total Assets	\$905,712	\$878,475	\$716,303	\$636,709	\$759,794	\$776,699	\$834,360	\$861,990	\$878,115	\$879,740
Net Worth	\$491,016	\$442,355	\$387,625	\$325,170	\$387,557	\$404,280	\$425,507	\$484,852	\$500,047	\$531,830
Financial Efficiency Measures:										
Asset Turnover Ratio	33%	33%	40%	46%	46%	39%	43%	31%	40%	37%
Operating Expense Ratio	71%	81%	68%	58%	62%	70%	64%	83%	64%	71%
Depreciation Expense Ratio	12%	12%	9%	8%	6%	7%	5%	6%	6%	6%
Interest Expense Ratio	18%	21%	15%	11%	12%	13%	12%	16%	10%	10%
Net Farm Income Ratio	-1%	-14%	8%	24%	20%	10%	18%	-5%	19%	13%

Source: Kansas Farm Management Association

Table 11. Annual Financial Measures For Kansas Swine Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	109	84	95	72	71	88	90	101	73	80
Profitability Measures:										
Gross Farm Income	\$226,488	\$201,109	\$249,492	\$287,923	\$286,252	\$256,255	\$299,476	\$268,129	\$327,290	\$347,131
Net Farm Income	\$1,429	\$15,371	\$50,190	\$58,714	\$46,222	\$31,238	\$69,418	\$40,077	\$57,849	\$58,327
Return On Assets	-9.36%	-4.74%	4.47%	12.09%	6.65%	6.47%	11.38%	4.90%	6.25%	8.29%
Return On Equity	-25.60%	-15.22%	1.33%	10.07%	13.29%	3.80%	8.82%	-0.11%	5.32%	8.37%
Profit Margin Ratio	-6.99%	-1.27%	11.52%	8.63%	5.68%	3.25%	12.59%	5.57%	6.82%	8.60%
Liquidity Measures:										
Current Ratio	1.18	1.46	1.64	2.33	2.09	2.52	2.71	1.55	2.01	2.08
Working Capital	\$28,434	\$70,905	\$82,287	\$109,592	\$108,484	\$113,983	\$131,676	\$103,668	\$126,135	\$140,237
Solvency Measures										
Percent Intermediate Debt	20%	35%	34%	22%	22%	29%	33%	23%	23%	27%
Percent Long-Term Debt	38%	40%	52%	51%	51%	43%	39%	42%	24%	39%
Debt-To-Asset Ratio	46%	44%	48%	43%	42%	37%	36%	40%	29%	35%
Total Assets	\$569,027	\$456,044	\$427,299	\$432,799	\$449,210	\$483,398	\$504,605	\$604,687	\$646,944	\$725,968
Net Worth	\$311,502	\$284,719	\$236,793	\$260,534	\$284,842	\$335,875	\$345,547	\$419,747	\$475,714	\$513,018
Financial Efficiency Measures:										
Asset Turnover Ratio	45%	53%	61%	67%	65%	62%	70%	52%	55%	54%
Operating Expense Ratio	76%	72%	63%	65%	70%	72%	65%	71%	69%	70%
Depreciation Expense Ratio	15%	13%	10%	10%	9%	8%	7%	7%	6%	7%
Interest Expense Ratio	13%	11%	10%	7%	6%	6%	7%	7%	5%	6%
Net Farm Income Ratio	-5%	4%	17%	18%	15%	13%	21%	14%	18%	17%

Source: Kansas Farm Management Association

Table 12. Annual Financial Measures For Kansas Dairy Farms, 1984-1993.

Variable	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Number of Farms	149	133	124	116	121	150	148	144	147	126
Profitability Measures:										
Gross Farm Income	\$197,425	\$204,363	\$219,126	\$260,007	\$261,949	\$261,806	\$265,957	\$235,473	\$300,154	\$273,519
Net Farm Income	\$12,746	\$21,963	\$28,508	\$55,282	\$57,191	\$50,104	\$52,629	\$31,425	\$59,583	\$37,893
Return On Assets	-7.84%	-5.48%	-0.68%	12.65%	10.64%	9.07%	7.71%	4.33%	7.40%	5.89%
Return On Equity	-16.45%	-15.10%	-9.09%	15.95%	9.84%	10.67%	5.85%	1.22%	6.17%	4.37%
Profit Margin Ratio	-0.79%	1.03%	5.05%	14.00%	14.56%	11.96%	10.67%	5.09%	12.71%	3.07%
Liquidity Measures:										
Current Ratio	0.76	0.98	0.92	1.37	1.18	1.12	1.27	1.95	1.32	1.17
Working Capital	\$4,093	\$25,696	\$24,606	\$36,216	\$47,252	\$45,879	\$39,853	\$29,244	\$36,220	\$28,992
Solvency Measures										
Percent Intermediate Debt	14%	14%	17%	15%	20%	20%	18%	16%	14%	15%
Percent Long-Term Debt	33%	34%	44%	45%	43%	40%	35%	35%	29%	28%
Debt-To-Asset Ratio	35%	33%	38%	34%	35%	36%	32%	30%	29%	29%
Total Assets	\$543,063	\$532,241	\$496,869	\$486,131	\$485,218	\$510,764	\$525,122	\$577,032	\$616,992	\$614,750
Net Worth	\$371,069	\$369,500	\$316,955	\$321,786	\$332,037	\$350,411	\$374,899	\$422,446	\$457,515	\$461,539
Financial Efficiency Measures:										
Asset Turnover Ratio	41%	42%	49%	59%	60%	61%	61%	48%	56%	53%
Operating Expense Ratio	71%	69%	68%	63%	64%	67%	67%	73%	63%	75%
Depreciation Expense Ratio	15%	15%	13%	9%	8%	8%	7%	7%	6%	7%
Interest Expense Ratio	10%	9%	9%	6%	6%	6%	5%	7%	5%	5%
Net Farm Income Ratio	4%	7%	11%	21%	22%	19%	20%	13%	22%	14%

Source: Kansas Farm Management Association

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