

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 1997 to 2006. 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 \$224,015 and \$43,747, respectively, for the period 1996 to 2005. 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.kmar105.com.

Table 1. *Net Farm Income for Kansas Farm Management Association Farms, 1997-2006.*

Year	State	Northwest	North Central	Northeast	Southwest	South Central	Southeast
1997	59,352	30,228	51,263	51,698	48,589	60,919	81,951
1998	16,778	50,485	14,767	12,170	31,286	16,156	3,460
1999	42,488	67,537	44,561	25,123	55,674	43,664	37,493
2000	39,197	38,277	30,745	28,518	48,604	36,056	49,509
2001	27,995	27,643	28,999	33,717	13,446	11,996	38,788
2002	19,106	-817	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
Average	42,215	44,459	37,183	39,792	31,404	38,634	51,223

Source: Kansas Farm Management Associations.

Table 2. *Net Farm Income per Operator by Farm Type, 2002-2006.*

Type of Farm	Number of Farms (2006)	Average	Net Farm Income per Operator				
			2006	2005	2004	2003	2002
All Farms	1,554	47,926	46,804	57,584	63,491	52,410	19,343
Cash Crop Dryland	1,065	45,506	49,366	49,422	57,087	51,424	20,229
Cash Crop Irrigated	73	57,468	92,335	64,955	62,729	57,580	9,743
Stock-Ranch Cowherd	33	35,237	35,986	45,396	51,366	34,148	9,291
Cowherd	21	19,880	13,344	24,914	32,088	22,458	6,595
Dairy	38	39,285	25,663	52,658	71,192	24,484	22,426
Backgrounding	14	46,393	-5,823	63,279	82,252	63,035	29,220
Cash Crop-Cowherd	155	36,463	31,132	50,149	49,613	33,879	17,544
Cash Crop-Dairy	11	58,650	55,538	72,799	81,068	49,643	34,201
Cash Crop-Backgrounding	33	51,051	1,203	83,820	79,308	87,728	3,197

Source: Kansas Farm Management Associations.

Table 3. *Value of Farm Production, Total Expense, and Total Expense Ratio, 1997-2006.*

Year	Value of Farm Production	Total Expense	Total Expense Ratio
1997	220,426	161,074	73.07%
1998	175,615	158,836	90.45%
1999	207,858	165,370	79.56%
2000	214,104	174,908	81.69%
2001	214,664	186,669	86.96%
2002	198,706	179,600	90.38%
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%
Average	233,005	190,790	81.88%

Source: Kansas Farm Management Associations.

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