

Farm income for 2007 up, but not overall, report shows

It doesn't happen all that often, but last year many Kansas crop producers experienced their own version of a perfect storm — the good kind.

"You put good yields with good prices and that equals good gross income," said Kansas Farm Management Association administrator Kevin Herbel as he unveiled the data for 2007.

The association's figures come from 1,453 member farms and ranches across Kansas. They showed that average net farm income for those members last year was \$115,035.

The annual report is a barometer of Kansas agriculture statewide, Mr. Herbel said. It also provides for comparisons between years and between various types of farming operations.

For example, the 2007 figure was more than double the Kansas Farm Management Association members' average farm income of \$46,593 in 2006 and \$56,982 in 2005. Ten years ago, their average net farm income was \$59,352.

Today's higher commodity prices and increasing input costs are raising the stakes for each de-

cision a farm manager must face, Mr. Herbel said.

Last year's figures look encouraging for producers, and they should. But not everyone did as well as the income average suggests, said K-State Research and Extension agricultural economist Michael Langemeier. In fact, 15 percent of the Kansas Farm Management Association member operations had a negative net farm income.

The association reports net income figures on an accrual basis — they're adjusted for any inventory changes between the beginning and the end of the year. They represent the return on the farmer's labor, management and investment in the operation.

"Livestock operations, particularly cattle backgrounding and cowherd operations, just didn't do that well," Mr. Langemeier said.

Livestock producers were hit not only with high fuel costs but also by high feed costs. The member operations that Kansas Farm Management Association classifies as cash crop-backgrounding farms, showed an average net income per operator of \$74,803.

Those in the cowherd category came in at \$34,948.

Those figures stood in contrast to farms devoted to crops. The net income per operator for dryland crop farms averaged \$120,594. Producers with irrigated crops averaged \$280,585.

At first blush, these figures may appear to be quite the windfall for crop producers, Mr. Herbel said. Up to recently, however, those same farmers endured numerous years of relatively low net income, when returns sometimes only covered basic living expenses — or less.

"Some of last year's income is going toward reducing debts, updating machinery and equipment, and covering this year's input costs," said Mr. Herbel, noting that each year's returns also must cover state and federal income taxes, as well as self-employment taxes.

Input costs alone have risen significantly. Compared with their previous five-year averages, 2007 fertilizer costs were 60 percent higher and fuel costs were 40 percent higher, he added. And, those costs have continued

to climb in 2008.

"It's important to keep in mind that some of these member farms are also supporting multiple families," Mr. Herbel said.

Following trends helps put things in perspective, Mr. Langemeier said. In 2007, dryland farms' gross crop value — which includes crop income, government payments and crop insurance — was \$295.81 per acre. That was up 61 percent from a 2002-06 average of \$183.25 per acre.

At the same time, however, fertilizer and lime costs jumped 59 percent in 2007. They were \$33.08 per acre, up from their previous five-year average of \$20.75, he said. Gas, fuel and oil costs averaged \$16.41 per acre — up 37

percent from a five-year average \$11.98 per acre.

Beyond that, a regional disparity was evident in the data, Mr. Langemeier noted. Net farm income for KFMA crop and livestock producers in northwest Kansas last year averaged \$233,000, compared to north central Kansas members' \$81,288. Between those extremes, net income in the other areas averaged \$114,118 in northeast Kansas, \$108,397 in southwest Kansas, \$88,849 in the south central part of the state, and \$114,423 in the southeast.

The lower figures for the central part of the state reflected a late freeze that hit the wheat crop in that area, Mr. Langemeier said. Last year's widespread flooding

weighed on net income in some places, too, primarily the south-east part of the state.

The Executive Summary of the 2007 ProfitLink Analysis is available on the K-State Research and Extension agricultural economics Web site (www.agmanager.info) and on the K-MAR-105 Web site www.kmar105.com/kfma.

"It is extremely important [for producers] to base decisions on good information," Mr. Herbel said. "A starting point for that is having a sound record-keeping and analysis system in place."

"Farmers shouldn't make decisions based on the averages, though. They need to make decisions based on where they're at — based on their own figures."

School board: new faces to join staff

(Continued from Page 1) of the 2007-08 school was also accepted, 5-0.

Kayla Tacha's resignation as K-3 At-Risk Tutor, effective at the end of the 2007-08 school year, was also accepted 5-0.

Letters of intent were approved on a 5-0 vote for the following:

- Tony Fiscus, as Norton Junior High School social studies teacher for the 2008-09 school year.

- Kim Fiscus, as grade one teacher.

- Kayla Tacha, as grade one teacher.

- Deena Wallingford, as grade three teacher.

All are for the 2008-09 school year.

Additionally, the board, on another 5-0 vote, approved a transfer request from Wendy Haresnape, from grade three teacher to grade two teacher, also for the 2008-09 school year.

In line with the resignations, the board moved to amend the school nurse job description from a part-time to a full-time position.

Recycle: Landfill open house likely

(Continued from Page 1)

recycled and perhaps even have hot dogs and make a day of it.

"I would like to ask that you set that up if you would," he said. "If you guys want someone else to set that up, fine. But, we need to get going."

Mr. Miller said that he thought it was a good idea and the other commissioners agreed. He suggested that there be samples of the recycling bags available for visitors to examine.

The commissioners and Mr. Lawson briefly discussed how to distribute recycling bags, including leaving them at the grocery stores; having a club, such as the Boy Scouts, deliver them door to door; and/or handing them out at the city hall, extension office and landfill.

Mr. Archibald said he is hoping to get a trailer to recycle electronic waste from Osborne County soon. However, he said, while the trailers are in they do not have titles or tags yet.

Briefly, in other matters, the board:

Approved the 2008-09 supplemental assignments as presented, 5-0.

Approved a \$.50 per hour increase for classified staff effective July 1, 2008, 5-00.

Approved the employment of Marilyn Dicks, Kelly Lyon, Jim Myers and Kathy Richard as summer maintenance help, 5-0.

Approved a 4 1/2 percent pay raise for Rudy Perez, Keith Hauser and Corey Roy for 2008-09, 5-0.

Postponed action on Superintendent Greg Mann's salary increase, at his request, until the June meeting, 5-0.

At the outset of the meeting, Superintendent Mann told the board the junior high/senior high hot water tank went down and will be replaced this summer with a mini-boiler, but it did require that the boiler be turned back on so the kitchen could have hot water.

He also said the state assessments are completed and results seem to be good.

Mr. Mann also mentioned that the budget workshop would be held June 12 in Oakley.

Mr. Mann and Mr. Hauser presented a response to Board Goal #5, dealing with future directions of educational and classroom technology in the district. The board will study the proposal and look at it again at the meeting in

August.

The Student-Parent Handbooks, for the 2008-09 school year, were handed out by the principals. Adoption of the handbooks will be taken up at the June meeting.

The board approved, 5-0, a motion to join the Kansas Association of School Boards for the 2008-09 school year. Membership dues will be \$7,121.

The board also approved a motion to join the Kansas Association of School Boards Legal Assistance Fund for the 2008-09 school year, 5-0. The annual contract service fee will be \$1,100.

Requests to waive fees and insurance requirements for building usage for the summer athletic activities, sponsored by the Norton coaching staffs, were approved 5-0. These activities will be conducted according to the guidelines of the Kansas State High School Activities Association.

The board's end-of-year meeting will be held June 30 at 7 a.m. at the board's usual meeting site, the Alice Tweed Center, 105 E. Waverly, meeting site.

The superintendent was directed, on a 5-0 vote, to contact Mort Plunkett, architect, and work with him over the summer to get cost estimates for changes needed in the district as shown in the facility reviews completed earlier by Dr. Stewart and LINK, Inc.

The meeting adjourned at 9:12.

New at Elmwood Park



Workmen from High Plains Masonry, Smith Center, stacked concrete blocks for the walls of the new concession stand/rest rooms at the Elmwood Park horse arena. It is hoped the facility will be completed by the first week of June.

— Telegram photo by Carolyn Plotts

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