

Fenceline

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The Simple Life

I recently was selling something off the farm, it's a bit scary this day and age to invite strangers onto your property. Luckily there was only one family that came, and fortunately it was close to dark. I say that because they came from Kansas City and they were enthralled with the farm. They had two small children and they wanted to see the ponies, horses and goats. They played with our kittens as well. I'm afraid if it would have been daytime, they would have stayed awhile longer. They just kept going on about how peaceful it was. I guess as rural folks we take for granted what we have. I've always thought I have a pretty simple life, compared to others I'm grateful for it.

There is nothing simple about agriculture these days.

Average net farm income in Kansas plummeted to \$4,568 in 2015 or less than 5 percent of the previous year's average of \$128,731, according to annual [Kansas Farm Management Association](#) member data. The 2015 level was the lowest average level of nominal net farm income since 1985.

The average net farm income – recorded on an accrual basis – had been slipping, but until 2015 had been over \$120,000 for several years. In 2015, however, the drop was more akin to falling off a cliff. Average net farm income across the state was \$159,352 in 2012 before dipping to \$140,356 in 2013 and \$128,731 in 2014 before falling to \$4,568 in 2015. Net farm income represents the amount a farm has available to use for debt repayment, family living and expansion.

Across all farms, the gross crop value per acre in 2015 was \$315.92, down from \$339.36 in 2014, \$407.27 in 2013 and \$421.44 in 2012.

Generally, across the state, farms that primarily focused on dairy production, cow herds and irrigated crop farms fared better than dryland farming, livestock backgrounding and farms that both grew crops and had livestock backgrounding operations, said Kevin Herbel, KFMA program administrator.

U.S. beef cattle prices dropped from an average \$166 per hundredweight (cwt) in January 2015 to \$132 by January 2016 – the largest one-year drop on record, according to the U.S. Department of Agriculture's Economic Research Service.

"As we come out of a period of strong profitability in the agriculture sector and enter this current downturn, it is important for producers and their advisors to know and understand the financial position and financial performance on each operation," said Kevin Herbel Kansas Farm Management Administrator, noting that not all Kansas farmers are KFMA members, but the annual report can be viewed as a reflection of financial conditions for farmers across the state, especially when comparing one year to the next. The data presented in the 2015 analysis came from 1,159 KFMA member farms and ranches.