

2000 Sole Proprietor Financial Summary

KENTUCKY FARM BUSINESS MANAGEMENT PROGRAM

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Acknowledgments

Farm Business Management Groups were organized by interested farmers in six Extension areas of the state. Through the joint efforts of farmer members and the University of Kentucky Cooperative Extension Service, these farmers receive a business analysis of their individual operations and a comparative analysis with similar type farms. Findings from these groups reveal problems and opportunities in agriculture by area of the state, by type of farm operation and by specific farm enterprise.

Assistance from the Department of Agricultural Economics of the University of Kentucky, Extension administration, and county Agricultural Extension agents throughout the analysis areas, contributes to the activities of this management program.

We commend the farmer members who realize the value of accurate farm records. These farmers are the key to the development and growth of the Farm Business Management Program and the application of farm management knowledge and techniques. To each of you, we express sincere appreciation and hope that these results will prove valuable in detecting and illustrating the real opportunities on your farm.

Special credit should be given to the Farm Business Management Specialists who supplied data used in this report. Their attention to details and accuracy of records are what make these results so valuable to farmers and to those working with farmers throughout the state. Specialists who served in 2000 providing summary data and coordination to the program are:

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Kentucky Farm Business Management Groups 2000 Sole Proprietor Summary

Brief Overview

This report presents the summarized 2000 performance data (financial and physical) on 146 sole proprietor Kentucky farm businesses. The farms in this study were sole proprietors and had both usable income and balance sheets. Because this is the first year for reporting sole proprietor information from farmers participating in the Kentucky Farm Business Management Program, caution is advised when comparing this report to previous year Kentucky financial summaries. Other Kentucky publications provide 2000 information about partnership farms and about the overall Kentucky Farm Business Management Program. Because of the differences among farm types, a sole proprietor summary should provide valuable information that was not discernible in a single publication.

The Kentucky Farm Business Management Program is a cooperative effort between the Department of Agricultural Economics of the University of Kentucky and six incorporated Farm Analysis Groups¹. This program was initiated to improve Kentucky farm management in general and specifically to:

- Provide farmers with an individual farm analysis and comparative analysis of farm business records emphasizing information necessary for sound decision making and wise financial planning;
- Provide farmers with objective counseling in developing priorities and alternative plans;
- Provide the public with basic information about business conditions as well as costs and returns on Kentucky farms under current conditions. Provide Kentucky farmers, teachers, researchers and lending agencies actual on-farm information about Kentucky farm businesses.

The program serves farmers in 78 counties and is under the direction of 10 Farm Business Management Specialists.

Uses for This Report

This new annual summary is meant to be used as a reference for obtaining information about sole proprietor Kentucky farms. The results are therefore presented without much interpretation. Throughout the year, Extension specialists and researchers will develop programs and publications that try to interpret the results and their implications.

¹Ohio Valley Farm Analysis Group, Inc.; Pennyroyal Farm Analysis Group, Inc.; Purchase Farm Analysis Group, Inc.; Bluegrass Farm Analysis Group, Inc.; Louisville Farm Analysis Group, Inc.; Lincoln Trail Farm Analysis Group, Inc.

Managing a farm business is almost impossible without a complete set of farm records. Records such as those underlying this Farm Business Management Program provide the essential information needed by one's lender and tax preparer and also provide farmers with a means to fully analyze their businesses. Analyzing this complete record gives farmers an accurate evaluation of how profitable and efficient their business is, indicates the business' weak points and strong points and provides reliable data (particularly physical production data) for use in planning.

The farm business summaries aggregated in this report are used by individual farmers to analyze their business operations and to develop future plans for their farming operations. This report summarizes information so that specialists in agricultural extension, teaching and research can use the data to enhance their programs. The definition of terms and income and expense measures below will be of assistance in using the data.

With the increased emphasis on financial management, farmers must be able to evaluate changes in their financial position. Looking only at a hurriedly constructed balance sheet or a cash flow projection, farmers may draw erroneous conclusions. To evaluate financial progress, one must look at the interrelationships of the cash flow, income statement and balance sheet. For "real" progress to be made, the business must generate an increase in net worth as measured by a reconciled set of financial statements.

While farmers can look at a few net income measures in their record summaries and see whether their business was profitable during the year, they must do much more than that to realize the full potential value of their records. To thoroughly evaluate performance –to learn how their business is progressing– they need a record summary that includes considerable detail (i.e., production per person, yields per acre, feed conversion rates, etc.). They should also conduct a trend analysis over a period of years and conduct a comparative analysis with farms of similar size and type..

Comparative analysis is an important part of the work that Farm Business Management Specialists do with farmers in the program. The data presented here, however, can be useful to any farmer in Kentucky if that farmer keeps accurate farm business records.

Definition of Terms and Accounting Methods

Sampling Technique

Data from all sole proprietor farm business records certified to be usable for comparative analysis by field staff were aggregated by size (i.e., tillable acres, number of animal production units, etc.), type of farm, and area. Illinois Farm Business Farm Management Association's Farm Business Farm Management Software was used to compile and summarize the data.

Type of Farm

Farms are classified by type based on the amount of feed fed to various classes of livestock relative to the value of crops produced on the farm (i.e., “percent feed fed”).. To determine percent feed

fed, the total value of feed fed to all livestock enterprises is divided by the value of crop returns. However, tobacco revenue is excluded from crop returns for this calculation. Values for percent feed fed can range from zero to infinity. Large values are possible if a farm has limited grain production and thus purchases much of its feed.

A better terminology for “percent feed fed” is “**percent crops fed.**” Percent crops fed is probably a better indication of how much of crop revenue is used to cover feed expenses. However, because the software package used to aggregate farms uses the term “percent feed fed,” this publication will as well.

Grain farms are defined as farms on which the value of feed fed was less than 40 percent of the crop returns and the value of feed fed to dairy was less than one-sixth of the crop returns.

Beef farms are defined as farms on which the value of feed fed was more than 40 percent of the crop returns and the beef enterprise utilized more than one-half of the value of feed fed.

Hog farms are defined as farms on which the value of feed fed was more than 40 percent of the crop returns and the hog enterprise utilized more than one-half of the value of feed fed.

Dairy farms are defined as farms on which the value of feed fed was more than 40 percent of the crop returns and the dairy enterprise utilized more than one-third of the value of feed fed.

Expense/Cost Items

Total operating expenses include cash operating expenses plus depreciation plus the net effect of the accrual change in accounts payable and prepaid expenses. Cash operating expenses include cash outlays for the following nondepreciable items:

- Fertilizer
- Pesticides
- Seed (including homegrown seed)
- Machinery repairs
- Machinery hire and leases
- Fuel and oil (lubricants)
- Farm share of utilities and light vehicle expenses
- Building repairs
- Drying and storage
- Hired labor
- Livestock expense
- Taxes
- Insurance
- Miscellaneous expenses

Purchased feed, grain, and livestock are not included because they are deducted from Gross Revenue to calculate the Value of Farm Production.

Total interest expense includes cash interest paid on operating and term debt plus the net change in accrued interest on farm business debt.

Interest on equity capital is a charge of 4.5 percent on the current value of land and 9.0 percent on non-land items less total interest expense. It is the opportunity cost of investing in the farm business. The non-land charge was calculated by multiplying nine percent times: 1) the average of the beginning and ending of year value of livestock, machinery and building investment; 2) one-half of the average of the beginning and ending of year balance of inventory items; and 3) one-half of the total year's cash operating expense.

Unpaid family and operator labor is the opportunity cost of using the operator's own and unpaid family labor in the farm business. A charge of \$2,100 per month for unpaid operator and family labor is made for each farm. This labor charge is per labor month and is based on unpaid labor of 2,500 hours per year. Part-time family labor is therefore prorated. (Like any other resource, unpaid labor must be accounted for when studying profitability of a farm business.)

Revenue Items

Value of farm production is the summation of cash and accrued value of sales of farm products and services, government payments and other farm-related revenue less the cost of purchased feed and purchased livestock, plus the net change in inventory value for grain and livestock, plus the value of farm products used. Farm products used are products used by the farm business and not sold.

Net farm income is the value of farm production minus total operating expenses, minus total interest expense plus gain or loss on machinery and buildings sold. Net farm income includes the return to the farm for unpaid family and operator labor, the interest on invested capital, and the returns to management. It is the net total earnings to the farm family for resources they own.

Operator(s) labor and management income is net farm income minus the interest charge on equity capital, minus the opportunity cost of unpaid family labor. It represents the operators' return to their labor and management.

Management return is the residual after a charge for unpaid operator labor is deducted from operator(s) labor and management income. This may be viewed as the payment for the operators management skills and/or a payment to reward his/her risk taking capacity.

Other Terms Used in this Report

Crop return is the sum of the feed and grain sold, value of all feed fed (except milk), government

feed grain and wheat program payments, and the change in value of feed and grain inventories minus the value of crops and feed purchased.

Livestock returns above feed is the sum of the sale of livestock and livestock products, value of livestock products consumed, and value of the livestock on hand at the end of the year minus livestock purchases and the value of the livestock on hand at the beginning of the year minus the cost of all feed fed, whether purchased or raised.

Publication Layout

Crop Yields

Table 1 is the average and median crop yields for 2000.

Crop Prices

Tables 2A and 2B are the average and median crop prices by area.

Income Statements

Tables 3 through 7 are summary income statement information by area and by type of farm.

Balance Sheets

Tables 8 through 12 are summary balance sheet information by area and by type of farm.

Financial Characteristics

The Farm Financial Standards Council has identified several key financial ratios to measure the financial strength and stability of a farm business. These measures analyze the farm business in the areas of liquidity, solvency, profitability and financial efficiency. The averages for Kentucky farms in total and by type of farm can be found in Table 13. Ratios derived from the balance sheet use the fair market value of assets and liabilities. Due to the effects of weather and other outside factors on a farm business in any one year, it is perhaps preferable to analyze these factors over time. Identification of trends and dynamic analysis for making business decisions would be more prudent than a static analysis of these measures for any one year.

Liquidity is the measure or assessment of a farm business's ability to meet current cash flow requirements. Working capital and the current ratio (current assets divided by current liabilities) are the two most common measures of liquidity.

Solvency is a measure of a farm business's overall financial strength and risk-bearing ability. If a farm business is "solvent", it can pay all its financial obligations and provide its owner(s) a cash residual

(equity). The debt to farm equity and debt to farm asset ratios, expressed as percent, show how debt capital is used in combination with equity capital. Analysis of these measures indicate the risk exposure of the farm business.

Profitability of a farm business is measured to determine the farm business's ability to meet family living needs and retire term debt. It is also a means to measure the farm business's ability to utilize assets and equity to generate income. The two measures of profitability are Return on Assets (ROA) and Return on Equity (ROE). ROA expresses returns as a percentage of assets while ROE expresses returns as a percentage of equity.

Financial efficiency measures are useful tools in determining how efficient the farm business is in generating the level of income incurred during the operating period. As one would expect, there are interrelationships between several of these measures. For example, a high interest expense ratio would be expected to found in conjunction with a high debt to farm asset ratio (higher debt would necessarily be associated with higher interest payments). The asset turnover ratio expresses the value of farm production as a percentage of total assets. The other financial efficiency ratios tell how the value of farm production is distributed. The sum of the operating expense ratio, the depreciation expense ratio, the interest expense ratio, and the operating income ratio should total to 100 percent.

Description of Appendices

Appendix A contains detailed balance sheet information for Kentucky by area and type of farm. Appendix B contains detailed income statement information for Kentucky by area and type of farm. These financial statements in the appendix divide the farms into a top and bottom third based on management returns.

Important Points from this Study

- Net farm income was positive for all areas of the state and for all farm types.
- Hogs farms did especially well with \$123,959 of net farm income.
- Management returns were positive for grain, hog, and the overall Kentucky farm.
- Government payments were 86% of net farm income for the overall Kentucky farm.
- Government payments as a percent of NFI ranged from 51% for dairy farms to 94% for grain farms.
- Land makes up 38% of farm assets.
- Liquidity is not a problem for Kentucky farms because current ratios range from 1.67 for grain farms to 2.50 for beef farms.
- While beef farms had one of the lower debt-to-asset ratios (22%), they also had one of the higher interest expense ratios (10.1%).
- Grain farms were the only set of farms that had higher rates of return to equity (ROE) than return to assets (ROA). This is good because whenever ROA exceeds ROE it may indicate that farmers are not earning enough on debt capital to cover the cost of borrowing.

Table 1. Crop Yields by Area

	Kentucky	Purchase	Pennyroyal	Ohio Valley	Lincoln Trail	Louisville	Bluegrass
Yellow Corn							
average	127	136	108	156	136	149	117
median	128	136	114	155	139	144	109
White Corn							
average	128	N/A	112	165	122	N/A	N/A
median	138	N/A	111	163	122	N/A	N/A
Full-Season Soybeans							
average	44	37	40	45	53	51	44
median	44	37	40	45	56	50	44
Double-crop Soybeans							
average	31	30	31	34	33	27	N/A
median	31	30	32	36	36	26	N/A
Wheat							
average	64	56	64	75	66	66	67
median	62	54	63	70	66	55	68
Milo							
average	105	111	94	117	N/A	N/A	N/A
median	111	111	94	119	N/A	N/A	N/A
Barley							
average	86	N/A	86	N/A	N/A	N/A	N/A
median	83	N/A	83	N/A	N/A	N/A	N/A
Alfalfa							
average	3.89	N/A	4.28	4.29	N/A	4.32	1.91
median	4.00	N/A	4.00	4.00	N/A	4.00	3.00
Tobacco							
average	2,699	2,952	2,750	2,799	2,832	2,497	2,316
median	2,704	2,968	2,704	2,923	2,804	2,610	2,452

Note: Yields are in bushels per acre except for alfalfa which is tons per acre and tobacco which is pounds per acre.

Table 2A. Average Crop Prices by Area

	Kentucky	Purchase	Pennyroyal	Ohio Valley	Lincoln Trail	Louisville	Bluegrass
Yellow Corn							
old crop ¹	\$2.20	\$2.20	\$2.22	\$2.19	N/A	\$2.14	N/A
new crop ²	2.03	1.84	2.10	1.92	2.01	2.03	2.00
White Corn							
old crop	2.36	N/A	2.38	2.34	N/A	0.00	N/A
new crop	2.52	N/A	2.38	2.21	3.21	N/A	N/A
Full-Season Soybeans							
old crop	4.94	4.78	5.01	4.92	N/A	4.84	5.46
new crop	4.64	4.83	4.65	4.61	4.94	4.55	4.90
Double-crop Soybeans							
old crop	4.99	5.07	4.97	4.95	N/A	5.26	N/A
new crop	4.70	5.18	4.70	4.66	5.02	4.48	N/A
Wheat							
old crop	2.52	2.77	2.52	2.29	N/A	2.50	N/A
new crop	2.41	2.36	2.47	2.32	2.35	1.92	1.60
Milo							
old crop	N/A	N/A	N/A	N/A	N/A	N/A	N/A
new crop	1.96	1.81	2.11	1.80	N/A	N/A	N/A
Barley							
old crop	1.32	N/A	1.32	N/A	N/A	N/A	N/A
new crop	1.48	N/A	1.48	N/A	N/A	N/A	N/A
Alfalfa							
old crop	84.66	N/A	76.93	N/A	N/A	122.34	91.74
new crop	104.60	N/A	103.21	119.82	N/A	98.42	110.00
Tobacco³							
old crop	1.90	2.01	1.96	1.78	N/A	1.71	1.76
new crop	1.96	1.81	2.01	1.81	1.73	1.92	1.82

¹ Old crop is carryover grain produced during the previous crop year.

² New crop is grain produced in the current year.

³ The Purchase, Pennyroyal, and Ohio Valley areas include dark tobacco in their averages.

Note: Prices are in dollars per bushel except for alfalfa which is \$/ton and tobacco which is \$/pound.

Table 2B. Median Crop Prices by Area

	Kentucky	Purchase	Pennyroyal	Ohio Valley	Lincoln Trail	Louisville	Bluegrass
Yellow Corn							
old crop ¹	\$2.21	\$2.20	\$2.22	\$2.20	N/A	\$2.10	N/A
new crop ²	1.97	1.68	2.04	1.85	2.02	1.94	2.00
White Corn							
old crop	2.37	2.60	2.31	2.43	N/A	2.54	N/A
new crop	2.16	N/A	2.40	2.06	3.21	N/A	N/A
Full-Season Soybeans							
old crop	4.91	4.83	4.97	4.92	N/A	4.88	5.46
new crop	4.61	4.65	4.62	4.60	4.87	4.45	4.88
Double-crop Soybeans							
old crop	4.94	4.84	4.99	4.88	N/A	5.01	N/A
new crop	4.62	4.95	4.60	4.65	4.78	4.46	N/A
Wheat							
old crop	2.49	2.75	2.48	2.34	N/A	2.53	N/A
new crop	2.27	2.37	2.30	2.42	1.92	1.83	1.60
Milo							
old crop	1.83	N/A	1.75	1.99	N/A	N/A	N/A
new crop	1.79	1.81	2.09	1.74	N/A	N/A	N/A
Barley							
old crop	1.32	N/A	1.32	N/A	N/A	N/A	N/A
new crop	1.47	N/A	1.47	N/A	N/A	N/A	N/A
Alfalfa							
old crop	114.95	N/A	126.67	N/A	N/A	122.81	84.02
new crop	112.00	N/A	103.77	120.07	N/A	95.88	110.00
Tobacco³							
old crop	1.79	1.73	1.89	1.76	1.90	1.73	1.78
new crop	1.92	1.80	1.95	1.88	1.82	1.90	1.85

¹ Old crop is carryover grain produced during the previous crop year.

² New crop is grain produced in the current year.

³ The Purchase, Pennyroyal, and Ohio Valley areas include dark tobacco in their averages.

Note: Prices are in dollars per bushel except for alfalfa which is \$/ton and tobacco which is \$/pound.

Table 3. Income Summary of All Sole Proprietor Farms by Area

	Kentucky	Purchase	Penny royal	Ohio Valley	Lincoln Trail	Louisville	Bluegrass
Number of Farms	146	7	72	37	7	14	8
% Feed fed (average)	57.44	1.14	72.00	16.37	130.96	73.40	80.51
% Feed fed (median)	3.55	0.00	1.70	3.00	111.50	74.35	73.90
Total acres	1,119	990	1,299	1,152	481	840	648
Acres tillable	956	951	1,138	987	297	723	283
Acres owned	275	364	316	304	140	162	40
Acres crop shared	385	441	421	538	0	139	128
Acres cash rented	296	146	401	144	156	422	115
Labor							
Unpaid months	13.6	12.1	12.8	16.0	13.6	13.6	13.2
Paid months	21.7	17.5	27.2	10.5	13.9	33.6	16.9
Revenue							
Crop revenue	\$234,245	\$252,399	\$268,600	\$243,499	\$66,968	\$207,866	\$58,889
Livestock revenue	83,100	59,918	73,723	60,148	241,396	113,980	101,378
Government payments	75,804	81,159	95,618	72,846	19,731	41,652	15,313
Other farm revenue	32,716	22,724	41,308	16,349	10,244	45,224	37,599
GROSS REVENUE	\$425,865	\$416,200	\$479,250	\$392,842	\$338,339	\$408,722	\$213,178
minus feed & livestock purchases	39,898	4,860	36,824	32,733	119,989	39,111	62,651
VALUE OF FARM PRODUCTION	\$385,967	\$411,340	\$442,425	\$360,109	\$218,349	\$369,611	\$150,527
Expenses							
Cash operating expenses	\$241,839	\$212,041	\$290,314	\$210,416	\$126,682	\$234,442	\$90,689
Depreciation	30,459	31,268	36,813	26,424	21,401	24,522	9,549
Change in Acct pay/Prepaid exp.	-454	772	5,629	-3,667	-337	-23,543	-1,103
TOTAL OPERATING EXPENSES	\$271,845	\$244,082	\$332,756	\$233,173	\$147,747	\$235,420	\$99,134
TOTAL INTEREST EXPENSE	\$27,461	\$30,306	\$32,612	\$27,021	\$16,543	\$15,970	\$10,310
Net Farm Income From Operations	\$86,661	\$136,953	\$77,058	\$99,915	\$54,059	\$118,220	\$41,084
Net Farm Income	\$88,353	\$136,812	\$78,899	\$101,859	\$57,541	\$119,050	\$41,809
Interest on equity capital	\$39,982	\$46,744	\$44,650	\$39,391	\$30,509	\$37,209	\$12,924
Unpaid family labor	1,900	3,300	1,342	2,321	0	4,080	1,838
Operator(s) labor and mgmt income	42,970	81,539	29,323	54,289	27,032	83,215	28,591
Unpaid operator labor	26,658	22,050	25,492	31,188	28,500	24,375	25,961
Management returns	\$16,312	\$59,489	\$3,832	\$23,101	-\$1,468	\$58,840	\$2,629
Production (\$) per \$1 non-feed cost	1.00	1.15	0.98	1.00	0.97	1.10	0.99
Farm production (\$) per person year	148,789	190,538	156,757	168,561	110,939	109,822	69,003
Financial efficiency ratios							
Operating expense ratio (%)	62.54%	51.74%	66.89%	57.41%	57.86%	57.06%	59.51%
Depreciation expense ratio (%)	7.89%	7.60%	8.32%	7.34%	9.80%	6.63%	6.34%
Interest expense ratio (%)	7.11%	7.37%	7.37%	7.50%	7.58%	4.32%	6.85%
Net farm income from operations ratio (%)	22.45%	33.29%	17.42%	27.75%	24.76%	31.99%	27.29%

Table 4. Income Summary of All Sole Proprietor Farms by Farm Type

	Kentucky	Grain	Beef	Dairy	Hog
Number of Farms	146	101	17	20	5
% Feed fed (average)	57.44	4.12	94.25	219.57	176.90
% Feed fed (median)	3.55	0.20	82.40	157.95	205.90
Total acres	1,119	1,356	530	543	1,217
Acres tillable	956	1,210	282	377	938
Acres owned	275	298	144	266	429
Acres crop shared	385	518	66	28	443
Acres cash rented	296	394	72	83	65
Labor					
Unpaid months	13.6	13.8	11.1	14.8	18.8
Paid months	21.7	22.8	9.6	28.0	22.5
Revenue					
Crop revenue	\$234,245	\$302,495	\$66,778	\$63,374	\$185,815
Livestock revenue	83,100	30,301	92,340	258,727	386,474
Government payments	75,804	94,657	20,033	34,149	78,251
Other farm revenue	32,716	38,592	19,125	19,061	9,758
GROSS REVENUE	\$425,865	\$466,046	\$198,277	\$375,310	\$660,298
minus feed & livestock purchases	39,898	17,147	52,940	92,457	224,774
VALUE OF FARM PRODUCTION	\$385,967	\$448,899	\$145,336	\$282,853	\$435,524
Expenses					
Cash operating expenses	\$241,839	\$283,684	\$85,215	\$170,972	\$274,698
Depreciation	30,459	35,240	11,789	22,956	34,920
Change in Acct pay/Prepaid exp.	-454	12	-631	2,518	-20,673
TOTAL OPERATING EXPENSES	\$271,845	\$318,936	\$96,374	\$196,445	\$288,944
TOTAL INTEREST EXPENSE	\$27,461	\$31,265	\$14,627	\$22,008	\$24,580
Net Farm Income From Operations	\$86,661	\$98,698	\$34,335	\$64,400	\$121,999
Net Farm Income	\$88,353	\$100,600	\$35,403	\$65,711	\$123,959
Interest on equity capital	\$39,982	\$41,461	\$20,063	\$44,216	\$78,897
Unpaid family labor	1,900	2,129	1,038	1,922	0
Operator(s) labor and mgmt income	42,970	53,809	3,600	14,504	81,547
Unpaid operator labor	26,658	26,822	22,198	29,159	39,480
Management returns	\$16,312	\$26,988	-\$18,598	-\$14,655	\$42,067
Production (\$) per \$1 non-feed cost	1.00	1.04	0.81	0.94	1.05
Farm production (\$) per person year	148,789	178,517	60,607	86,189	149,451
Financial efficiency ratios					
Operating expense ratio (%)	62.54%	63.20%	58.20%	61.34%	58.33%
Depreciation expense ratio (%)	7.89%	7.85%	8.11%	8.12%	8.02%
Interest expense ratio (%)	7.11%	6.96%	10.06%	7.78%	5.64%
Net farm income from operations ratio (%)	22.45%	21.99%	23.62%	22.77%	28.01%

Table 5. Income Summary of All Sole Proprietor Grain Farms by Area

	Kentucky	Purchase	Penny royal	Ohio Valley	Lincoln Trail	Louisville
Number of Farms	101	7	54	32	3	5
% Feed fed (average)	4.12	1.14	3.59	4.54	22.70	0.12
% Feed fed (median)	0.20	0.00	0.00	2.25	18.60	0.00
Total acres	1,356	990	1,542	1,172	617	1,480
Acres tillable	1,210	951	1,388	1,002	421	1,463
Acres owned	298	364	319	285	215	107
Acres crop shared	518	441	554	553	0	323
Acres cash rented	394	146	515	163	206	1,033
Labor						
Unpaid months	13.8	12.1	12.8	15.8	12.0	15.0
Paid months	22.8	17.5	29.1	9.6	8.6	55.0
Revenue						
Crop revenue	\$302,495	\$252,399	\$340,718	\$238,341	\$116,070	\$482,265
Livestock revenue	30,301	59,918	23,181	32,350	100,735	10,361
Government payments	94,657	81,159	116,195	69,419	24,499	84,569
Other farm revenue	38,592	22,724	49,318	16,963	17,894	95,821
GROSS REVENUE	\$466,046	\$416,200	\$529,412	\$357,073	\$259,198	\$673,015
minus feed & livestock purchases	17,147	4,860	18,076	14,571	67,338	10,694
VALUE OF FARM PRODUCTION	\$448,899	\$411,340	\$511,336	\$342,502	\$191,860	\$662,322
Expenses						
Cash operating expenses	\$283,684	\$212,041	\$340,360	\$194,336	\$104,055	\$451,482
Depreciation	35,240	31,268	43,383	25,209	14,631	29,419
Change in Acct pay/Prepaid exp.	12	772	6,530	-1,749	803	-60,643
TOTAL OPERATING EXPENSES	\$318,936	\$244,082	\$390,273	\$217,796	\$119,489	\$420,258
TOTAL INTEREST EXPENSE	\$31,265	\$30,306	\$36,879	\$25,250	\$16,882	\$19,108
Net Farm Income From Operations	\$98,698	\$136,953	\$84,185	\$99,457	\$55,489	\$222,956
Net Farm Income	\$100,600	\$136,812	\$86,360	\$101,486	\$58,322	\$223,388
Interest on equity capital	\$41,461	\$46,744	\$45,162	\$35,681	\$26,863	\$39,844
Unpaid family labor	2,129	3,300	1,439	2,586	0	6,300
Operator(s) labor and mgmt income	53,809	81,539	38,495	56,350	31,459	177,536
Unpaid operator labor	26,822	22,050	25,433	30,614	25,200	25,200
Management returns	\$26,988	\$59,489	\$13,062	\$25,736	\$6,259	\$152,336
Production (\$) per \$1 non-feed cost	1.04	1.15	1.00	1.04	0.97	1.32
Farm production (\$) per person year	178,517	190,538	181,476	176,449	140,415	165,827
Financial efficiency ratios						
Operating expense ratio (%)	63.20%	51.74%	67.84%	56.23%	54.65%	59.01%
Depreciation expense ratio (%)	7.85%	7.60%	8.48%	7.36%	7.63%	4.44%
Interest expense ratio (%)	6.96%	7.37%	7.21%	7.37%	8.80%	2.88%
Net farm income from operations ratio (%)	21.99%	33.29%	16.46%	29.04%	28.92%	33.66%

Table 6. Income Summary of All Sole Proprietor Beef Farms by Region

	Kentucky	Western	Central
Number of Farms	17	6	11
% Feed fed (average)	94.25	105.47	88.13
% Feed fed (median)	82.40	113.65	79.40
Total acres	530	476	560
Acres tillable	282	350	245
Acres owned	144	281	69
Acres crop shared	66	0	101
Acres cash rented	72	69	74
Labor			
Unpaid months	11.1	9.3	12.1
Paid months	9.6	3.8	12.8
Revenue			
Crop revenue	\$66,778	\$100,335	\$48,474
Livestock revenue	92,340	105,560	85,129
Government payments	20,033	32,938	12,994
Other farm revenue	19,125	8,941	24,680
GROSS REVENUE	\$198,277	\$247,775	\$171,278
minus feed & livestock purchases	52,940	48,856	55,169
VALUE OF FARM PRODUCTION	\$145,336	\$198,919	\$116,109
Expenses			
Cash operating expenses	\$85,215	\$118,886	\$66,850
Depreciation	11,789	18,360	8,205
Change in Acct pay/Prepaid exp.	-631	-512	-696
TOTAL OPERATING EXPENSES	\$96,374	\$136,734	\$74,359
TOTAL INTEREST EXPENSE	\$14,627	\$26,305	\$8,258
Net Farm Income From Operations	\$34,335	\$35,879	\$33,493
Net Farm Income	\$35,403	\$37,047	\$34,505
Interest on equity capital	\$20,063	\$27,634	\$15,933
Unpaid family labor	1,038	525	1,317
Operator(s) labor and mgmt income	3,600	-24,157	18,740
Unpaid operator labor	22,198	18,900	23,997
Management returns	-\$18,598	-\$43,057	-\$5,257
Production (\$) per \$1 non-feed cost	0.81	0.60	0.93
Farm production (\$) per person year	60,607	56,533	62,829
Financial efficiency ratios			
Operating expense ratio (%)	58.20%	59.51%	56.98%
Depreciation expense ratio (%)	8.11%	9.23%	7.07%
Interest expense ratio (%)	10.06%	13.22%	7.11%
Net farm income from operations ratio (%)	23.62%	18.04%	28.85%

Table 7. Income Summary of All Sole Proprietor Dairy Farms by Region

	Kentucky	Western	Central
Number of Farms	20	13	7
% Feed fed (average)	219.57	260.92	142.77
% Feed fed (median)	157.95	207.80	123.20
Total acres	543	547	535
Acres tillable	377	392	348
Acres owned	266	305	195
Acres crop shared	28	29	26
Acres cash rented	83	58	128
Labor			
Unpaid months	14.8	15.3	13.9
Paid months	28.0	26.6	30.7
Revenue			
Crop revenue	\$63,374	\$66,439	\$57,681
Livestock revenue	258,727	249,260	276,308
Government payments	34,149	40,742	21,904
Other farm revenue	19,061	21,750	14,066
GROSS REVENUE	\$375,310	\$378,191	\$369,960
minus feed & livestock purchases	92,457	93,613	90,310
VALUE OF FARM PRODUCTION	\$282,853	\$284,578	\$279,650
Expenses			
Cash operating expenses	\$170,972	\$174,049	\$165,257
Depreciation	22,956	18,943	30,407
Change in Acct pay/Prepaid exp.	2,518	4,726	-1,582
TOTAL OPERATING EXPENSES	\$196,445	\$197,718	\$194,082
TOTAL INTEREST EXPENSE	\$22,008	\$22,644	\$20,827
Net Farm Income From Operations	\$64,400	\$64,216	\$64,741
Net Farm Income	\$65,711	\$65,449	\$66,196
Interest on equity capital	\$44,216	\$46,023	\$40,860
Unpaid family labor	1,922	1,454	2,790
Operator(s) labor and mgmt income	14,504	4,826	32,477
Unpaid operator labor	29,159	30,692	26,310
Management returns	-\$14,655	-\$25,866	\$6,167
Production (\$) per \$1 non-feed cost	0.94	0.90	1.03
Farm production (\$) per person year	86,189	85,003	88,393
Financial efficiency ratios			
Operating expense ratio (%)	61.34%	62.82%	58.53%
Depreciation expense ratio (%)	8.12%	6.66%	10.87%
Interest expense ratio (%)	7.78%	7.96%	7.45%
Net farm income from operations ratio (%)	22.77%	22.57%	23.15%

Table 8. Financial Summary of All Sole Proprietor Farms by Area

	Lincoln						
	Kentucky	Purchase	Penny royal	Ohio Valley	Trail	Louisville	Bluegrass
Current Assets							
Cash	7,013	9,945	6,781	809	11,030	16,247	15,560
Savings and CDs	29,395	7,194	27,577	45,321	24,001	20,776	11,324
Accounts receivable	7,013	9,945	6,781	809	11,030	16,247	15,560
Market livestock	21,112	2,732	13,843	30,367	66,019	11,525	37,287
Crops and feed	176,210	210,939	201,411	197,150	69,563	105,647	38,961
Prepaid expenses	37,867	36,747	47,896	35,782	7,355	28,960	509
Other	33,502	13,842	20,945	54,007	2,148	72,388	28,261
TOTAL CURRENT ASSETS	\$317,192	\$284,433	\$331,452	\$374,824	\$181,916	\$278,199	\$137,582
Non-Current Assets							
Breeding livestock	40,962	1,344	44,187	26,802	86,682	59,697	39,303
Machinery and equipment	255,531	329,026	287,296	264,088	139,289	185,828	89,456
Buildings and improvements	68,055	154,126	65,591	68,694	87,554	39,504	44,868
Land	549,669	566,391	614,246	588,031	202,286	519,853	132,550
Personal residence	118,334	145,060	106,610	144,291	76,857	133,432	90,282
Other	92,839	28,181	96,742	87,027	45,549	129,919	117,653
TOTAL NON-CURRENT ASSETS	\$1,125,162	\$1,224,127	\$1,214,213	\$1,178,934	\$638,217	\$1,068,233	\$514,112
TOTAL ASSETS	\$1,442,354	\$1,508,560	\$1,545,664	\$1,553,758	\$820,133	\$1,346,433	\$651,694
Current Liabilities							
Accounts payable	8,761	945	8,277	12,370	28,685	342	561
Lease payment	0	0	0	0	0	0	0
Loans due within 12 months	123,830	76,194	144,903	142,604	69,278	58,385	51,283
Principal due within 12 months	29,654	31,550	33,917	30,921	11,465	23,198	10,982
Accrued interest	10,377	10,761	12,660	11,547	2,042	3,940	2,652
Accrued tax liability	8,236	16,223	8,316	12,158	0	2,286	0
Other	264	0	0	169	4,576	0	0
TOTAL CURRENT LIABILITIES	\$181,122	\$135,674	\$208,072	\$209,770	\$116,046	\$88,150	\$65,477
Non-Current Liabilities							
Real estate mortgage	191,096	312,948	213,978	177,208	153,913	144,493	56,854
Capital leases	0	0	0	0	0	0	0
Intermediate notes	68,062	27,584	85,410	64,103	66,995	36,909	21,117
Life insurance policy loans	970	0	196	3,149	1,429	0	0
Contingent tax liability	*	*	*	*	*	*	*
Other	0	0	0	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$260,128	\$340,532	\$299,584	\$244,460	\$222,336	\$389,960	\$77,971
TOTAL LIABILITIES	\$441,250	\$476,206	\$507,656	\$454,229	\$338,382	\$478,110	\$143,449
OWNER EQUITY	\$1,001,104	\$1,032,354	\$1,038,008	\$1,099,529	\$481,751	\$868,323	\$508,245
TOTAL LIABILITIES & OWNER EQUITY	\$1,442,354	\$1,508,560	\$1,545,664	\$1,553,758	\$820,133	\$1,346,433	\$651,694
Liquidity							
Current ratio	1.75	2.10	1.59	1.79	1.57	3.16	2.10
Working capital	\$136,071	\$148,759	\$123,379	\$165,055	\$65,870	\$190,049	\$72,105
Solvency							
Debt/Asset	0.31	0.32	0.33	0.29	0.41	0.36	0.22
Equity/Asset	0.69	0.68	0.67	0.71	0.59	0.64	0.78
Debt/Equity	0.44	0.46	0.49	0.41	0.70	0.55	0.28

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 9. Financial Summary of All Sole Proprietor Farms by Farm Type

	Kentucky	Grain	Beef	Dairy	Hog
Current Assets					
Cash	7,013	3,937	20,590	13,872	-2,203
Savings and CDs	29,395	33,017	17,231	22,546	36,738
Accounts receivable	7,013	3,937	20,590	13,872	-2,203
Market livestock	21,112	12,475	50,073	8,071	144,168
Crops and feed	176,210	219,043	55,357	85,591	138,632
Prepaid expenses	37,867	48,630	1,628	18,141	36,889
Other	33,502	34,257	56,127	17,439	17,592
TOTAL CURRENT ASSETS	\$317,192	\$366,892	\$206,852	\$169,452	\$372,254
Non-Current Assets					
Breeding livestock	40,962	19,101	47,985	146,408	39,556
Machinery and equipment	255,531	303,453	98,199	156,092	284,888
Buildings and improvements	68,055	71,562	34,628	75,031	83,566
Land	549,669	569,701	344,807	559,354	992,209
Personal residence	118,334	125,633	135,036	82,456	93,946
Other	92,839	87,120	118,939	104,522	91,354
TOTAL NON-CURRENT ASSETS	\$1,125,162	\$1,176,241	\$779,594	\$1,123,864	\$1,585,518
TOTAL ASSETS	\$1,442,354	\$1,543,133	\$986,446	\$1,293,315	\$1,957,772
Current Liabilities					
Accounts payable	8,761	9,371	1,293	13,721	5,313
Lease payment	0	0	0	0	0
Loans due within 12 months	123,830	153,684	58,569	36,665	135,249
Principal due within 12 months	29,654	33,990	16,099	21,153	30,146
Accrued interest	10,377	12,272	5,665	7,423	3,664
Accrued tax liability	8,236	10,471	1,264	5,456	1,200
Other	264	121	0	1,013	1,153
TOTAL CURRENT LIABILITIES	\$181,122	\$219,910	\$82,891	\$85,431	\$176,725
Non-Current Liabilities					
Real estate mortgage	191,096	203,021	95,398	238,660	146,213
Capital leases	0	0	0	0	0
Intermediate notes	68,062	76,354	42,258	55,240	55,161
Life insurance policy loans	970	1,343	294	0	0
Contingent tax liability	*	*	*	*	*
Other	0	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$260,128	\$280,718	\$137,949	\$293,899	\$201,374
TOTAL LIABILITIES	\$441,250	\$500,628	\$220,840	\$379,330	\$378,099
OWNER EQUITY	\$1,001,104	\$1,042,505	\$765,606	\$913,985	\$1,579,674
TOTAL LIABILITIES & OWNER EQUITY	\$1,442,354	\$1,543,133	\$986,446	\$1,293,315	\$1,957,772
Liquidity					
Current ratio	1.75	1.67	2.50	1.98	2.11
Working capital	\$136,071	\$146,982	\$123,961	\$84,021	\$195,529
Solvency					
Debt/Asset	0.31	0.32	0.22	0.29	0.19
Equity/Asset	0.69	0.68	0.78	0.71	0.81
Debt/Equity	0.44	0.48	0.29	0.42	0.24

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 10. Financial Summary of All Sole Proprietor Grain Farms by Area

	Kentucky	Purchase	Penny royal	Ohio Valley
Current Assets				
Cash	3,937	9,945	6,308	89
Savings and CDs	33,017	7,194	30,152	45,253
Accounts receivable	3,937	9,945	6,308	89
Market livestock	12,475	2,732	9,429	16,944
Crops and feed	219,043	210,939	243,913	194,547
Prepaid expenses	48,630	36,747	58,166	36,101
Other	34,257	13,842	24,464	58,401
TOTAL CURRENT ASSETS	\$366,892	\$284,433	\$388,680	\$363,424
Non-Current Assets				
Breeding livestock	19,101	1,344	20,524	22,356
Machinery and equipment	303,453	329,026	342,011	248,867
Buildings and improvements	71,562	154,126	66,171	72,577
Land	569,701	566,391	631,681	524,405
Personal residence	125,633	145,060	111,509	144,056
Other	87,120	28,181	97,512	87,667
TOTAL NON-CURRENT ASSETS	\$1,176,241	\$1,224,127	\$1,268,792	\$1,099,927
TOTAL ASSETS	\$1,543,133	\$1,508,560	\$1,657,471	\$1,463,351
Current Liabilities				
Accounts payable	9,371	945	8,852	13,136
Lease payment	0	0	0	0
Loans due within 12 months	153,684	76,194	182,979	130,796
Principal due within 12 months	33,990	31,550	38,418	27,802
Accrued interest	12,272	10,761	14,118	11,083
Accrued tax liability	10,471	16,223	8,956	13,387
Other	121	0	0	196
TOTAL CURRENT LIABILITIES	\$219,910	\$135,674	\$253,323	\$196,399
Non-Current Liabilities				
Real estate mortgage	203,021	312,948	217,653	181,886
Capital leases	0	0	0	0
Intermediate notes	76,354	27,584	97,905	51,956
Life insurance policy loans	1,343	0	262	3,485
Contingent tax liability	*	*	*	*
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$280,718	\$340,532	\$315,820	\$237,327
TOTAL LIABILITIES	\$500,628	\$476,206	\$569,143	\$433,726
OWNER EQUITY	\$1,042,505	\$1,032,354	\$1,088,328	\$1,029,625
TOTAL LIABILITIES & OWNER EQUITY	\$1,543,133	\$1,508,560	\$1,657,471	\$1,463,351
Liquidity				
Current ratio	1.67	2.10	1.53	1.85
Working capital	\$146,982	\$148,759	\$135,356	\$167,024
Solvency				
Debt/Asset	0.32	0.32	0.34	0.30
Equity/Asset	0.68	0.68	0.66	0.70
Debt/Equity	0.48	0.46	0.52	0.42

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 11. Financial Summary of All Sole Proprietor Beef Farms by Region

	Kentucky	Western	Central
Current Assets			
Cash	20,590	10,963	25,841
Savings and CDs	17,231	17,423	17,126
Accounts receivable	20,590	10,963	25,841
Market livestock	50,073	67,393	40,627
Crops and feed	55,357	105,217	28,161
Prepaid expenses	1,628	3,946	364
Other	56,127	21,538	74,994
TOTAL CURRENT ASSETS	\$206,852	\$232,858	\$192,666
Non-Current Assets			
Breeding livestock	47,985	62,700	39,959
Machinery and equipment	98,199	159,583	64,716
Buildings and improvements	34,628	51,706	25,313
Land	344,807	522,066	248,120
Personal residence	135,036	176,833	112,238
Other	118,939	58,319	152,005
TOTAL NON-CURRENT ASSETS	\$779,594	\$1,031,207	\$642,351
TOTAL ASSETS	\$986,446	\$1,264,066	\$835,017
Current Liabilities			
Accounts payable	1,293	1,794	1,020
Lease payment	0	0	0
Loans due within 12 months	58,569	97,241	37,476
Principal due within 12 months	16,099	29,425	8,831
Accrued interest	5,665	10,724	2,906
Accrued tax liability	1,264	3,581	0
Other	0	0	0
TOTAL CURRENT LIABILITIES	\$82,891	\$142,765	\$50,232
Non-Current Liabilities			
Real estate mortgage	95,398	164,368	57,777
Capital leases	0	0	0
Intermediate notes	42,258	85,213	18,828
Life insurance policy loans	294	833	0
Contingent tax liability	*	*	*
Other	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$137,949	\$250,414	\$76,605
TOTAL LIABILITIES	\$220,840	\$393,179	\$126,837
OWNER EQUITY	\$765,606	\$870,886	\$708,180
TOTAL LIABILITIES & OWNER EQUITY	\$986,446	\$1,264,066	\$835,017
Liquidity			
Current ratio	2.50	1.63	3.84
Working capital	\$123,961	\$90,093	\$142,434
Solvency			
Debt/Asset	0.22	0.31	0.15
Equity/Asset	0.78	0.69	0.85
Debt/Equity	0.29	0.45	0.18

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 12. Financial Summary of All Sole Proprietor Dairy Farms by Region

	Kentucky	Western	Central
Current Assets			
Cash	13,872	9,529	21,937
Savings and CDs	22,546	24,519	18,883
Accounts receivable	13,872	9,529	21,937
Market livestock	8,071	11,470	1,757
Crops and feed	85,591	89,668	78,019
Prepaid expenses	18,141	22,004	10,968
Other	17,439	7,828	35,289
TOTAL CURRENT ASSETS	\$169,452	\$169,064	\$170,171
Non-Current Assets			
Breeding livestock	146,408	148,539	142,449
Machinery and equipment	156,092	141,750	182,728
Buildings and improvements	75,031	69,408	85,475
Land	559,354	566,187	546,664
Personal residence	82,456	75,868	94,692
Other	104,522	107,229	99,495
TOTAL NON-CURRENT ASSETS	\$1,123,864	\$1,108,981	\$1,151,503
TOTAL ASSETS	\$1,293,315	\$1,278,045	\$1,321,674
Current Liabilities			
Accounts payable	13,721	9,072	22,354
Lease payment	0	0	0
Loans due within 12 months	36,665	38,959	32,404
Principal due within 12 months	21,153	24,131	15,622
Accrued interest	7,423	10,531	1,652
Accrued tax liability	5,456	8,394	0
Other	1,013	0	2,895
TOTAL CURRENT LIABILITIES	\$85,431	\$91,086	\$74,928
Non-Current Liabilities			
Real estate mortgage	238,660	222,098	269,417
Capital leases	0	0	0
Intermediate notes	55,240	63,345	40,187
Life insurance policy loans	0	0	0
Contingent tax liability	*	*	*
Other	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$293,899	\$285,443	\$309,604
TOTAL LIABILITIES	\$379,330	\$376,529	\$384,532
OWNER EQUITY	\$913,985	\$901,516	\$937,141
TOTAL LIABILITIES & OWNER EQUITY	\$1,293,315	\$1,278,045	\$1,321,674
Liquidity			
Current ratio	1.98	1.86	2.27
Working capital	\$84,021	\$77,978	\$95,242
Solvency			
Debt/Asset	0.29	0.29	0.29
Equity/Asset	0.71	0.71	0.71
Debt/Equity	0.42	0.42	0.41

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 13. Financial Characteristics of Sole Proprietor Farms by Type of Farm

Selected Financial Ratios for Kentucky - 2000					
	All farms	Grain	Beef	Dairy	Hog
Liquidity					
Current ratio	1.75	1.67	2.50	1.98	2.11
Working capital	\$136,071	\$146,982	\$123,961	\$84,021	\$195,529
Solvency					
Debt/Asset ratio	0.31	0.32	0.22	0.29	0.19
Equity/Asset ratio	0.69	0.68	0.78	0.71	0.81
Debt/Equity	0.44	0.48	0.29	0.42	0.24
Profitability					
Return on Assets (ROA) (%)	6.1%	6.7%	2.7%	4.4%	5.5%
Return on Equity (ROE) (%)	6.0%	6.9%	1.6%	3.9%	5.2%
Operating profit margin (%)	22.7%	23.0%	18.4%	20.2%	24.6%
Net farm income	\$88,353	\$100,600	\$35,403	\$65,711	\$123,959
Financial Efficiency					
Asset turnover ratio (%)	26.8%	29.1%	14.7%	21.9%	22.2%
Operating expense ratio (%)	62.5%	63.2%	58.2%	61.3%	58.3%
Depreciation/Amortization expense ratio (%)	7.9%	7.9%	8.1%	8.1%	8.0%
Interest expense ratio (%)	7.1%	7.0%	10.1%	7.8%	5.6%
Net farm income from operations ratio (%)	22.5%	22.0%	23.6%	22.8%	28.0%

Note: Ratios are calculated from an average income statement and an average balance sheet.

Appendix A: Balance Sheet Data for Sole Proprietor KFBM Farms

Notes to Appendix A:

Balance sheet data does not include partnerships and corporations. The tables are aggregated by the Mean, High 1/3, Low 1/3, Minimum and the Maximum. The mean is the simple average while the median is the middle occurring observation. Farms are classified high or low one-third by ordering the farms based on management returns. The one-third of farms with the largest management returns are classified as High 1/3 while the one-third of farms with the smallest management returns are classified as Low 1/3. Both balance sheet and income statement information for High 1/3 and Low 1/3 columns are based on the ordering of farms by management returns

*** - Contingent Tax Liabilities** - Most of the contingent tax liabilities in Appendix A have an asterisk instead of a number. Readers should keep in mind that this can be a substantial liability for farmers who are selling their assets. Any producers considering selling assets should first consult a tax attorney to determine their own contingent tax liability and to examine strategies that can help lower this liability.

Table 14. Balance Sheet Data: All Sole Proprietor Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	7,013		5,059	10,362
Savings and CDs	29,395	669	34,415	30,782
Accounts receivable	7,013	3,282	5,059	10,362
Market livestock	21,112	3,280	22,167	20,301
Crops and feed	176,210	113,709	266,524	109,203
Prepaid expenses	37,867	10,259	70,255	16,081
Other	33,502	0	26,546	45,305
TOTAL CURRENT ASSETS	\$317,192	\$214,202	\$445,799	\$238,214
Non-Current Assets				
Breeding livestock	40,962	11,672	22,076	57,054
Machinery and equipment	255,531	205,340	351,879	202,240
Buildings and improvements	68,055	40,000	74,765	71,357
Land	549,669	389,400	543,577	637,352
Personal residence	118,334	90,000	127,264	129,031
Other	92,839	18,726	81,485	127,469
TOTAL NON-CURRENT ASSETS	\$1,125,162	\$902,631	\$1,200,664	\$1,224,249
TOTAL ASSETS	\$1,442,354	\$1,090,452	\$1,646,462	\$1,462,463
Current Liabilities				
Accounts payable	8,761	0	7,841	11,559
Lease payment	0	0	0	0
Loans due within 12 months	123,830	65,824	149,141	119,763
Principal due within 12 months	29,654	18,032	37,260	27,399
Accrued interest	10,377	5,021	11,668	10,762
Accrued tax liability	8,236	0	14,873	3,753
Other	264	0	0	574
TOTAL CURRENT LIABILITIES	\$181,122	\$120,812	\$220,784	\$173,810
Non-Current Liabilities				
Real estate mortgage	191,096	117,600	208,200	212,078
Capital leases	0	0	0	0
Intermediate notes	68,062	35,000	76,898	68,173
Life insurance policy loans	970	0	588	1,640
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$260,128	\$152,600	\$285,686	\$281,891
TOTAL LIABILITIES	\$441,250	\$355,964	\$506,470	\$455,700
OWNER EQUITY	\$1,001,104	\$751,174	\$1,139,993	\$1,006,763
TOTAL LIABILITIES & OWNER EQUITY	\$1,442,354	\$1,090,452	\$1,646,462	\$1,462,463
Liquidity				
Current ratio	1.75	1.77	2.02	1.37
Working capital	\$136,071	\$93,390	\$225,015	\$64,404
Solvency				
Debt/Asset	0.31	0.33	0.31	0.31
Equity/Asset	0.69	0.69	0.69	0.69
Debt/Equity	0.44	0.47	0.44	0.45

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 15. Balance Sheet Data: All Sole Proprietor Grain Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	3,937		-66	6,135
Savings and CD's	33,017	202	31,136	39,323
Accounts receivable	3,937	4,600	-66	6,135
Market livestock	12,475	0	10,643	11,920
Crops and feed	219,043	161,662	318,343	155,273
Prepaid expenses	48,630	25,372	87,141	27,924
Other	34,257	0	20,484	45,627
TOTAL CURRENT ASSETS	\$366,892	\$301,672	\$495,245	\$295,380
Non-Current Assets				
Breeding livestock	19,101	0	14,692	20,880
Machinery and equipment	303,453	268,500	406,114	264,468
Buildings and improvements	71,562	40,000	88,159	74,578
Land	569,701	421,000	550,025	659,886
Personal Residence	125,633	95,000	136,645	123,987
Other	87,120	20,383	88,486	100,527
TOTAL NON-CURRENT ASSETS	\$1,176,241	\$950,586	\$1,283,573	\$1,243,967
TOTAL ASSETS	\$1,543,133	\$1,258,202	\$1,778,818	\$1,539,347
Current Liabilities				
Accounts payable	9,371	153	9,217	10,476
Lease payment	0	0	0	0
Loans due within 12 months	153,684	100,001	171,565	161,901
Principal due within 12 months	33,990	25,851	45,435	31,337
Accrued interest	12,272	7,724	14,394	11,194
Accrued tax liability	10,471	750	17,901	6,388
Other	121	0	0	214
TOTAL CURRENT LIABILITIES	\$219,910	\$172,086	\$258,512	\$221,509
Non-Current Liabilities				
Real estate mortgage	203,021	137,758	235,843	182,056
Capital leases	0	0	0	0
Intermediate notes	76,354	45,668	97,369	62,617
Life insurance policy loans	1,343	0	841	2,168
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$280,718	\$183,426	\$334,053	\$246,841
TOTAL LIABILITIES	\$500,628	\$427,387	\$592,565	\$468,350
OWNER EQUITY	\$1,042,505	\$775,977	\$1,186,253	\$1,070,997
TOTAL LIABILITIES & OWNER EQUITY	\$1,543,133	\$1,258,202	\$1,778,818	\$1,539,347
Liquidity				
Current ratio	1.67	1.75	1.92	1.33
Working capital	\$146,982	\$129,586	\$236,733	\$73,871
Solvency				
Debt/Asset	0.32	0.34	0.33	0.30
Equity/Asset	0.68	0.62	0.67	0.70
Debt/Equity	0.48	0.55	0.50	0.44

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 16. Balance Sheet Data: All Sole Proprietor Beef Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	20,590		39,806	11,069
Savings and CD's	17,231	5,921	18,225	23,610
Accounts receivable	20,590	3,282	39,806	11,069
Market livestock	50,073	29,949	54,339	65,620
Crops and feed	55,357	12,327	41,130	17,746
Prepaid expenses	1,628	0	0	3,901
Other	56,127	0	6,082	119,982
TOTAL CURRENT ASSETS	\$206,852	\$150,761	\$168,073	\$243,634
Non-Current Assets				
Breeding livestock	47,985	40,500	39,254	51,597
Machinery and equipment	98,199	76,000	80,105	79,913
Buildings and improvements	34,628	24,238	26,225	49,706
Land	344,807	328,800	187,073	506,916
Personal Residence	135,036	115,000	88,667	137,208
Other	118,939	14,783	83,439	108,893
TOTAL NON-CURRENT ASSETS	\$779,594	\$758,464	\$504,763	\$934,233
TOTAL ASSETS	\$986,446	\$901,516	\$672,835	\$1,177,868
Current Liabilities				
Accounts payable	1,293	0	1,869	199
Lease payment	0	0	0	0
Loans due within 12 months	58,569	18,989	55,034	32,034
Principal due within 12 months	16,099	7,566	10,464	11,879
Accrued interest	5,665	1,350	2,794	5,369
Accrued tax liability	1,264	0	0	0
Other	0	0	0	0
TOTAL CURRENT LIABILITIES	\$82,891	\$34,460	\$70,161	\$49,481
Non-Current Liabilities				
Real estate mortgage	95,398	24,840	30,833	121,200
Capital leases	0	0	0	0
Intermediate notes	42,258	8,585	26,274	14,843
Life insurance policy loans	294	0	0	833
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$137,949	\$33,425	\$57,107	\$136,876
TOTAL LIABILITIES	\$220,840	\$206,958	\$127,268	\$186,357
OWNER EQUITY	\$765,606	\$673,310	\$545,567	\$991,510
TOTAL LIABILITIES & OWNER EQUITY	\$986,446	\$901,516	\$672,835	\$1,177,868
Liquidity				
Current ratio	2.50	4.37	2.40	4.92
Working capital	\$123,961	\$116,301	\$97,912	\$194,153
Solvency				
Debt/Asset	0.22	0.23	0.19	0.16
Equity/Asset	0.78	0.75	0.81	0.84
Debt/Equity	0.29	0.31	0.23	0.19

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 17. Balance Sheet Data: All Sole Proprietor Dairy Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	13,872		18,736	11,523
Savings and CD's	22,546	309	56,825	2,554
Accounts receivable	13,872	2,280	18,736	11,523
Market livestock	8,071	385	4,432	9,874
Crops and feed	85,591	42,158	165,287	28,071
Prepaid expenses	18,141	359	42,748	4,944
Other	17,439	0	27,151	289
TOTAL CURRENT ASSETS	\$169,452	\$85,961	\$320,517	\$59,795
Non-Current Assets				
Breeding livestock	146,408	110,424	102,167	175,593
Machinery and equipment	156,092	139,500	206,301	119,163
Buildings and improvements	75,031	48,000	71,007	84,409
Land	559,354	398,600	592,351	526,311
Personal Residence	82,456	67,500	87,652	65,684
Other	104,522	14,335	105,508	160,508
TOTAL NON-CURRENT ASSETS	\$1,123,864	\$877,905	\$1,164,985	\$1,131,667
TOTAL ASSETS	\$1,293,315	\$991,097	\$1,485,503	\$1,191,463
Current Liabilities				
Accounts payable	13,721	0	112	37,661
Lease payment	0	0	0	0
Loans due within 12 months	36,665	22,496	37,536	35,748
Principal due within 12 months	21,153	11,099	7,727	30,058
Accrued interest	7,423	655	872	17,410
Accrued tax liability	5,456	0	14,008	455
Other	1,013	0	0	2,895
TOTAL CURRENT LIABILITIES	\$85,431	\$53,535	\$60,255	\$124,228
Non-Current Liabilities				
Real estate mortgage	238,660	164,007	112,715	343,828
Capital leases	0	0	0	0
Intermediate notes	55,240	11,229	4,456	108,775
Life insurance policy loans	0	0	0	0
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$293,899	\$175,236	\$117,172	\$452,603
TOTAL LIABILITIES	\$379,330	\$316,222	\$177,426	\$576,831
OWNER EQUITY	\$913,985	\$682,225	\$1,308,076	\$614,632
TOTAL LIABILITIES & OWNER EQUITY	\$1,293,315	\$991,097	\$1,485,503	\$1,191,463
Liquidity				
Current ratio	1.98	1.61	5.32	0.48
Working capital	\$84,021	\$32,427	\$260,263	-\$64,432
Solvency				
Debt/Asset	0.29	0.32	0.12	0.48
Equity/Asset	0.71	0.69	0.88	0.52
Debt/Equity	0.42	0.46	0.14	0.94

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 18. Balance Sheet Data: Pennyroyal Area Sole Proprietor Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	6,781		-1,937	9,524
Savings and CD's	27,577	0	36,559	27,220
Accounts receivable	6,781	4,191	-1,937	9,524
Market livestock	13,843	0	7,140	18,456
Crops and feed	201,411	116,750	326,740	116,228
Prepaid expenses	47,896	13,998	92,531	24,433
Other	20,945	0	25,760	21,029
TOTAL CURRENT ASSETS	\$331,452	\$200,423	\$511,052	\$226,518
Non-Current Assets				
Breeding livestock	44,187	1,445	24,367	58,636
Machinery and equipment	287,296	243,500	392,290	204,542
Buildings and improvements	65,591	42,500	77,492	59,979
Land	614,246	414,400	508,157	730,031
Personal Residence	106,610	80,000	103,403	131,066
Other	96,742	13,015	90,411	138,918
TOTAL NON-CURRENT ASSETS	\$1,214,213	\$946,295	\$1,195,354	\$1,322,665
TOTAL ASSETS	\$1,545,664	\$1,264,287	\$1,706,406	\$1,549,183
Current Liabilities				
Accounts payable	8,277	0	11,319	10,043
Lease payment	0	0	0	0
Loans due within 12 months	144,903	94,326	193,426	119,219
Principal due within 12 months	33,917	23,617	40,716	29,448
Accrued interest	12,660	5,406	13,989	12,639
Accrued tax liability	8,316	0	14,375	4,491
Other	0	0	0	0
TOTAL CURRENT LIABILITIES	\$208,072	\$164,674	\$273,824	\$175,840
Non-Current Liabilities				
Real estate mortgage	213,978	134,422	219,110	238,033
Capital leases	0	0	0	0
Intermediate notes	85,410	42,691	91,654	65,324
Life insurance policy loans	196	0	565	0
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$299,584	\$177,112	\$311,329	\$303,357
TOTAL LIABILITIES	\$507,656	\$372,361	\$585,153	\$479,197
OWNER EQUITY	\$1,038,008	\$791,125	\$1,121,253	\$1,069,986
TOTAL LIABILITIES & OWNER EQUITY	\$1,545,664	\$1,264,287	\$1,706,406	\$1,549,183
Liquidity				
Current ratio	1.59	1.22	1.87	1.29
Working capital	\$123,379	\$35,749	\$237,228	\$50,678
Solvency				
Debt/Asset	0.33	0.29	0.34	0.31
Equity/Asset	0.67	0.63	0.66	0.69
Debt/Equity	0.49	0.47	0.52	0.45

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 19. Balance Sheet Data: Ohio Valley Area Sole Proprietor Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	809		-3,195	10,759
Savings and CD's	45,321	7,541	67,154	58,605
Accounts receivable	809	2,960	-3,195	10,759
Market livestock	30,367	11,785	50,602	32,581
Crops and feed	197,150	123,885	268,487	138,182
Prepaid expenses	35,782	9,940	71,553	6,927
Other	54,007	14,610	49,168	63,471
TOTAL CURRENT ASSETS	\$374,824	\$304,495	\$518,871	\$316,696
Non-Current Assets				
Breeding livestock	26,802	16,600	15,385	55,233
Machinery and equipment	264,088	245,850	364,650	246,225
Buildings and improvements	68,694	40,000	56,579	111,094
Land	588,031	443,000	689,771	619,993
Personal Residence	144,291	85,000	137,853	145,583
Other	87,027	32,028	104,526	85,044
TOTAL NON-CURRENT ASSETS	\$1,178,934	\$940,518	\$1,368,763	\$1,263,173
TOTAL ASSETS	\$1,553,758	\$1,142,517	\$1,887,634	\$1,579,869
Current Liabilities				
Accounts payable	12,370	1,340	6,617	17,315
Lease payment	0	0	0	0
Loans due within 12 months	142,604	54,810	128,618	180,173
Principal due within 12 months	30,921	24,888	40,220	33,080
Accrued interest	11,547	8,266	10,031	14,151
Accrued tax liability	12,158	1,879	23,040	5,337
Other	169	0	0	522
TOTAL CURRENT LIABILITIES	\$209,770	\$147,079	\$208,527	\$250,577
Non-Current Liabilities				
Real estate mortgage	177,208	117,600	173,455	155,348
Capital leases	0	0	0	0
Intermediate notes	64,103	46,922	78,398	81,346
Life insurance policy loans	3,149	0	1,177	6,561
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$244,460	\$164,522	\$253,030	\$243,254
TOTAL LIABILITIES	\$454,229	\$381,487	\$461,557	\$493,831
OWNER EQUITY	\$1,099,529	\$751,174	\$1,426,077	\$1,086,038
TOTAL LIABILITIES & OWNER EQUITY	\$1,553,758	\$1,142,517	\$1,887,634	\$1,579,869
Liquidity				
Current ratio	1.79	2.07	2.49	1.26
Working capital	\$165,055	\$157,416	\$310,344	\$66,119
Solvency				
Debt/Asset	0.29	0.33	0.24	0.31
Equity/Asset	0.71	0.66	0.76	0.69
Debt/Equity	0.41	0.51	0.32	0.45

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 20. Balance Sheet Data: Pennyroyal Area Sole Proprietor Grain Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	6,308		-5,510	11,145
Savings and CD's	30,152	0	27,725	33,934
Accounts receivable	6,308	4,686	-5,510	11,145
Market livestock	9,429	0	5,085	6,135
Crops and feed	243,913	169,182	354,432	175,371
Prepaid expenses	58,166	30,930	105,073	34,928
Other	24,464	0	5,235	29,941
TOTAL CURRENT ASSETS	\$388,680	\$304,577	\$522,478	\$301,451
Non-Current Assets				
Breeding livestock	20,524	0	19,075	12,154
Machinery and equipment	342,011	282,400	446,832	285,756
Buildings and improvements	66,171	45,000	88,237	57,486
Land	631,681	432,784	531,834	765,383
Personal Residence	111,509	82,500	116,400	141,059
Other	97,512	16,730	97,008	130,912
TOTAL NON-CURRENT ASSETS	\$1,268,792	\$1,029,688	\$1,298,378	\$1,392,074
TOTAL ASSETS	\$1,657,471	\$1,465,197	\$1,820,856	\$1,693,525
Current Liabilities				
Accounts payable	8,852	0	14,395	7,124
Lease payment	0	0	0	0
Loans due within 12 months	182,979	141,019	226,836	172,653
Principal due within 12 months	38,418	29,076	50,848	32,962
Accrued interest	14,118	10,531	16,957	11,730
Accrued tax liability	8,956	0	12,395	6,163
Other	0	0	0	0
TOTAL CURRENT LIABILITIES	\$253,323	\$219,375	\$321,431	\$230,631
Non-Current Liabilities				
Real estate mortgage	217,653	152,114	271,367	228,062
Capital leases	0	0	0	0
Intermediate notes	97,905	60,037	117,467	73,978
Life insurance policy loans	262	0	743	0
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$315,820	\$212,151	\$389,577	\$302,040
TOTAL LIABILITIES	\$569,143	\$445,994	\$711,008	\$532,671
OWNER EQUITY	\$1,088,328	\$791,125	\$1,109,848	\$1,160,855
TOTAL LIABILITIES & OWNER EQUITY	\$1,657,471	\$1,465,197	\$1,820,856	\$1,693,525
Liquidity				
Current ratio	1.53	1.39	1.63	1.31
Working capital	\$135,356	\$85,202	\$201,048	\$70,820
Solvency				
Debt/Asset	0.34	0.30	0.39	0.31
Equity/Asset	0.66	0.54	0.61	0.69
Debt/Equity	0.52	0.56	0.64	0.46

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

Table 21. Balance Sheet Data: Ohio Valley Area Sole Proprietor Grain Farms

	Mean	Median	Mean High 1/3	Mean Low 1/3
Current Assets				
Cash	89		-386	6,461
Savings and CD's	45,253	8,517	64,562	57,949
Accounts receivable	89	5,024	-386	6,461
Market livestock	16,944	6,947	22,809	23,979
Crops and feed	194,547	137,608	270,673	120,558
Prepaid expenses	36,101	10,100	69,429	9,482
Other	58,401	14,415	50,341	73,734
TOTAL CURRENT ASSETS	\$363,424	\$296,161	\$495,075	\$296,065
Non-Current Assets				
Breeding livestock	22,356	15,610	16,935	40,570
Machinery and equipment	248,867	234,425	331,859	226,086
Buildings and improvements	72,577	40,000	60,229	109,262
Land	524,405	414,500	527,857	526,666
Personal Residence	144,056	83,750	152,462	109,682
Other	87,667	32,246	106,108	73,158
TOTAL NON-CURRENT ASSETS	\$1,099,927	\$876,642	\$1,195,451	\$1,085,425
TOTAL ASSETS	\$1,463,351	\$1,055,450	\$1,690,525	\$1,381,490
Current Liabilities				
Accounts payable	13,136	1,317	5,405	17,959
Lease payment	0	0	0	0
Loans due within 12 months	130,796	49,762	103,355	165,683
Principal due within 12 months	27,802	24,430	36,615	26,631
Accrued interest	11,083	8,655	10,189	11,657
Accrued tax liability	13,387	4,750	27,229	4,703
Other	196	0	0	569
TOTAL CURRENT LIABILITIES	\$196,399	\$137,078	\$182,794	\$227,204
Non-Current Liabilities				
Real estate mortgage	181,886	127,679	166,211	148,931
Capital leases	0	0	0	0
Intermediate notes	51,956	42,988	73,376	50,223
Life insurance policy loans	3,485	0	1,391	6,702
Contingent tax liability				
Other	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	\$237,327	\$170,667	\$240,978	\$205,857
TOTAL LIABILITIES	\$433,726	\$362,004	\$423,772	\$433,060
OWNER EQUITY	\$1,029,625	\$750,808	\$1,266,754	\$948,430
TOTAL LIABILITIES & OWNER EQUITY	\$1,463,351	\$1,055,450	\$1,690,525	\$1,381,490
Liquidity				
Current ratio	1.85	2.16	2.71	1.30
Working capital	\$167,024	\$159,084	\$312,281	\$68,862
Solvency				
Debt/Asset	0.30	0.34	0.25	0.31
Equity/Asset	0.70	0.71	0.75	0.69
Debt/Equity	0.42	0.48	0.33	0.46

* - Contingent tax liabilities that occur when a farmer sells capital assets can be substantial without proper tax planning. Not all KFBM associations include contingent tax liabilities in their balance sheets; therefore, they are not included in state or regional averages.

**Appendix B: Summary Data for KFBM Farms — Average, Median,
Average high and low 1/3, by Farm Type and Area/Region**

Table 22. Summary Data: All Sole Proprietor Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	146	--	--	--
% Feed fed	57.44	3.6	35.28	100.93
Total acres	1,119	863	1,564	841
Acres tillable	956	672	1,442	662
Acres owned	275	203	291	315
Acres crop shared	385	165	683	187
Acres cash rented	296	145	469	159
Labor				
Unpaid months	13.6	12.0	14.8	14.0
Paid months	21.7	12.5	27.2	18.1
Revenue				
Crop revenue	\$234,245	\$145,316	\$368,472	\$145,753
Livestock revenue	83,100	17,232	83,876	87,487
Government payments	75,804	45,615	110,794	56,682
Other farm revenue	32,716	13,842	47,101	25,324
GROSS REVENUE	\$425,865	\$222,005	\$610,242	\$315,246
minus feed & livestock purchases	39,898	5,077	45,864	43,708
VALUE OF FARM PRODUCTION	\$385,967	\$285,985	\$564,378	\$271,537
Expenses				
Cash operating expenses	\$241,839	\$170,620	\$337,043	\$184,225
Depreciation	30,459	23,009	40,912	26,191
Change in Acct pay/Prepaid exp.	-454	0	-5,381	3,729
TOTAL OPERATING EXPENSES	\$271,845	\$183,810	\$372,574	\$214,146
TOTAL INTEREST EXPENSE	\$27,461	\$19,852	\$30,448	\$29,154
Net Farm Income From Operations	\$86,661	\$64,537	\$161,355	\$28,238
Net Farm Income	\$88,353	\$64,821	\$163,644	\$29,603
Interest on equity capital	\$39,982	\$28,431	\$49,817	\$37,643
Unpaid family labor	1,900	0	2,184	1,343
Operator(s) labor and mgmt income	42,970	28,261	117,795	-18,254
Unpaid operator labor	26,658	25,200	28,783	27,952
Management returns	\$16,312	\$3,686	\$89,012	-\$46,206
Production (\$) per \$1 non-feed cost	1.00	1.01	1.22	0.78
Farm production (\$) per person year	148,789	126,411	214,015	94,708
Financial efficiency ratios				
Operating expense ratio (%)	62.54%	56.23%	58.77%	69.22%
Depreciation expense ratio (%)	7.89%	8.05%	7.25%	9.65%
Interest expense ratio (%)	7.11%	6.94%	5.40%	10.74%
Net farm income from operations ratio (%)	22.45%	22.57%	28.59%	10.40%

Table 23. Summary Data: All Sole Proprietor Grain Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	101	--	--	--
% Feed fed	4.12	0.2	1.93	6.36
Total acres	1,356	1,237	1,844	1,078
Acres tillable	1,210	1,039	1,751	900
Acres owned	298	247	308	316
Acres crop shared	518	354	836	321
Acres cash rented	394	222	607	262
Labor				
Unpaid months	13.8	12.0	14.8	14.1
Paid months	22.8	13.7	32.5	18.3
Revenue				
Crop revenue	\$302,495	\$241,485	\$450,688	\$226,594
Livestock revenue	30,301	3,006	38,971	22,734
Government payments	94,657	77,900	133,332	77,531
Other farm revenue	38,592	19,500	57,567	32,151
GROSS REVENUE	\$466,046	\$341,891	\$680,559	\$359,011
minus feed & livestock purchases	17,147	2,175	23,265	16,282
VALUE OF FARM PRODUCTION	\$448,899	\$386,372	\$657,293	\$342,729
Expenses				
Cash operating expenses	\$283,684	\$214,692	\$396,585	\$240,070
Depreciation	35,240	29,163	47,537	32,212
Change in Acct pay/Prepaid exp.	12	0	-4,028	1,431
TOTAL OPERATING EXPENSES	\$318,936	\$238,867	\$440,094	\$273,713
TOTAL INTEREST EXPENSE	\$31,265	\$23,812	\$35,297	\$31,077
Net Farm Income From Operations	\$98,698	\$69,676	\$181,902	\$37,940
Net Farm Income	\$100,600	\$70,457	\$184,152	\$39,315
Interest on equity capital	\$41,461	\$28,466	\$53,477	\$38,136
Unpaid family labor	2,129	0	2,850	1,365
Operator(s) labor and mgmt income	53,809	36,875	131,796	-10,821
Unpaid operator labor	26,822	25,200	28,260	28,196
Management returns	\$26,988	\$12,451	\$103,536	-\$39,017
Production (\$) per \$1 non-feed cost	1.04	1.05	1.2	0.85
Farm production (\$) per person year	178,517	170,271	234,909	129,955
Financial efficiency ratios				
Operating expense ratio (%)	63.20%	54.28%	59.72%	70.46%
Depreciation expense ratio (%)	7.85%	7.55%	7.23%	9.40%
Interest expense ratio (%)	6.96%	6.16%	5.37%	9.07%
Net farm income from operations ratio (%)	21.99%	18.03%	27.67%	11.07%

Table 24. Summary Data: All Sole Proprietor Beef Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	17	--	--	--
% Feed fed	94.25	82.4	61.48	129.37
Total acres	530	435	735	450
Acres tillable	282	245	294	298
Acres owned	144	140	41	255
Acres crop shared	66	0	142	0
Acres cash rented	72	24	111	43
Labor				
Unpaid months	11.1	12.0	11.3	11.5
Paid months	9.6	8.6	16.5	7.0
Revenue				
Crop revenue	\$66,778	\$32,464	\$68,436	\$8,462
Livestock revenue	92,340	49,829	114,195	103,436
Government payments	20,033	12,876	17,202	9,365
Other farm revenue	19,125	9,956	34,511	5,923
GROSS REVENUE	\$198,277	\$105,125	\$234,345	\$127,187
minus feed & livestock purchases	52,940	13,255	79,556	48,502
VALUE OF FARM PRODUCTION	\$145,336	\$83,061	\$154,788	\$78,685
Expenses				
Cash operating expenses	\$85,215	\$56,683	\$85,801	\$52,028
Depreciation	11,789	7,392	8,540	11,964
Change in Acct pay/Prepaid exp.	-631	0	-610	-1,600
TOTAL OPERATING EXPENSES	\$96,374	\$62,244	\$93,731	\$62,392
TOTAL INTEREST EXPENSE	\$14,627	\$11,584	\$10,044	\$12,782
Net Farm Income From Operations	\$34,335	\$19,667	\$51,014	\$3,512
Net Farm Income	\$35,403	\$20,969	\$52,554	\$3,513
Interest on equity capital	\$20,063	\$19,568	\$12,967	\$32,469
Unpaid family labor	1,038	0	1,400	1,540
Operator(s) labor and mgmt income	3,600	-3,255	38,568	-28,663
Unpaid operator labor	22,198	25,200	22,400	22,645
Management returns	-\$18,598	-\$21,953	\$16,168	-\$51,308
Production (\$) per \$1 non-feed cost	0.81	0.73	1.11	0.59
Farm production (\$) per person year	60,607	53,889	75,247	55,225
Financial efficiency ratios				
Operating expense ratio (%)	58.20%	66.04%	55.04%	64.09%
Depreciation expense ratio (%)	8.11%	8.90%	5.52%	15.20%
Interest expense ratio (%)	10.06%	13.95%	6.49%	16.24%
Net farm income from operations ratio (%)	23.62%	23.68%	32.96%	4.46%

Table 25. Summary Data: All Sole Proprietor Dairy Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	20	--	--	--
% Feed fed	219.57	158.0	88.87	362.73
Total acres	543	402	613	609
Acres tillable	377	283	392	457
Acres owned	266	209	205	355
Acres crop shared	28	0	79	0
Acres cash rented	83	40	108	102
Labor				
Unpaid months	14.8	12.9	13.3	17.1
Paid months	28.0	19.9	27.0	36.1
Revenue				
Crop revenue	\$63,374	\$21,596	\$158,599	\$5,517
Livestock revenue	258,727	207,286	215,667	280,836
Government payments	34,149	19,217	49,925	28,360
Other farm revenue	19,061	10,970	17,919	15,750
GROSS REVENUE	\$375,310	\$259,068	\$442,111	\$330,463
minus feed & livestock purchases	92,457	63,303	54,659	126,245
VALUE OF FARM PRODUCTION	\$282,853	\$184,173	\$387,452	\$204,218
Expenses				
Cash operating expenses	\$170,972	\$111,872	\$210,349	\$145,326
Depreciation	22,956	14,611	23,585	21,975
Change in Acct pay/Prepaid exp.	2,518	0	-382	5,859
TOTAL OPERATING EXPENSES	\$196,445	\$132,758	\$233,552	\$173,160
TOTAL INTEREST EXPENSE	\$22,008	\$14,273	\$10,417	\$29,620
Net Farm Income From Operations	\$64,400	\$42,329	\$143,483	\$1,438
Net Farm Income	\$65,711	\$42,184	\$145,509	\$3,008
Interest on equity capital	\$44,216	\$42,104	\$41,980	\$52,763
Unpaid family labor	1,922	0	2,100	900
Operator(s) labor and mgmt income	14,504	8,191	66,381	-31,424
Unpaid operator labor	29,159	25,515	25,800	35,100
Management returns	-\$14,655	-\$17,744	\$40,581	-\$66,524
Production (\$) per \$1 non-feed cost	0.94	0.95	1.15	0.76
Farm production (\$) per person year	86,189	79,282	103,152	63,171
Financial efficiency ratios				
Operating expense ratio (%)	61.34%	64.15%	54.19%	74.03%
Depreciation expense ratio (%)	8.12%	7.93%	6.09%	10.76%
Interest expense ratio (%)	7.78%	7.75%	2.69%	14.50%
Net farm income from operations ratio (%)	22.77%	22.98%	37.03%	0.70%

Table 26. Summary Data: Pennyroyal Area Sole Proprietor Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	72	--	--	--
% Feed fed	72	1.7	46.1	137.25
Total acres	1,299	1,047	1,715	885
Acres tillable	1,138	812	1,615	692
Acres owned	316	248	259	382
Acres crop shared	421	162	700	99
Acres cash rented	401	225	656	210
Labor				
Unpaid months	12.8	12.0	11.8	14.5
Paid months	27.2	14.4	31.4	20.2
Revenue				
Crop revenue	\$268,600	\$168,286	\$433,304	\$147,287
Livestock revenue	73,723	6,279	58,032	103,738
Government payments	95,618	79,202	140,874	66,411
Other farm revenue	41,308	23,660	57,321	31,042
GROSS REVENUE	\$479,250	\$277,427	\$689,531	\$348,478
minus feed & livestock purchases	36,824	5,358	33,491	52,568
VALUE OF FARM PRODUCTION	\$442,425	\$346,596	\$656,041	\$295,910
Expenses				
Cash operating expenses	\$290,314	\$213,645	\$415,474	\$202,475
Depreciation	36,813	29,985	48,800	28,085
Change in Acct pay/Prepaid exp.	5,629	0	8,764	6,250
TOTAL OPERATING EXPENSES	\$332,756	\$233,628	\$473,038	\$236,810
TOTAL INTEREST EXPENSE	\$32,612	\$23,761	\$36,372	\$32,177
Net Farm Income From Operations	\$77,058	\$63,819	\$146,630	\$26,923
Net Farm Income	\$78,899	\$64,021	\$148,912	\$29,103
Interest on equity capital	\$44,650	\$32,818	\$47,037	\$43,837
Unpaid family labor	1,342	0	1,596	788
Operator(s) labor and mgmt income	29,323	17,909	89,952	-22,301
Unpaid operator labor	25,492	25,200	23,184	29,575
Management returns	\$3,832	-\$12,001	\$66,768	-\$51,876
Production (\$) per \$1 non-feed cost	0.98	0.97	1.18	0.79
Farm production (\$) per person year	156,757	124,716	228,809	98,420
Financial efficiency ratios				
Operating expense ratio (%)	66.89%	58.76%	64.67%	70.54%
Depreciation expense ratio (%)	8.32%	8.65%	7.44%	9.49%
Interest expense ratio (%)	7.37%	6.86%	5.54%	10.87%
Net farm income from operations ratio (%)	17.42%	18.41%	22.35%	9.10%

Table 27. Summary Data: Ohio Valley Area Sole Proprietor Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	37	--	--	--
% Feed fed	16.37	3.0	13.28	32.17
Total acres	1,152	950	1,776	812
Acres tillable	987	833	1,643	594
Acres owned	304	258	367	333
Acres crop shared	538	365	1,108	174
Acres cash rented	144	92	167	85
Labor				
Unpaid months	16.0	12.5	20.1	13.8
Paid months	10.5	8.6	18.4	7.7
Revenue				
Crop revenue	\$243,499	\$186,379	\$355,360	\$159,584
Livestock revenue	60,148	17,863	106,737	60,291
Government payments	72,846	53,424	109,167	49,984
Other farm revenue	16,349	5,658	25,600	11,921
GROSS REVENUE	\$392,842	\$263,324	\$596,865	\$281,780
minus feed & livestock purchases	32,733	1,993	69,038	23,202
VALUE OF FARM PRODUCTION	\$360,109	\$294,064	\$527,827	\$258,578
Expenses				
Cash operating expenses	\$210,416	\$178,760	\$297,972	\$161,259
Depreciation	26,424	21,123	36,908	25,104
Change in Acct pay/Prepaid exp.	-3,667	444	-16,213	57
TOTAL OPERATING EXPENSES	\$233,173	\$222,804	\$318,667	\$186,419
TOTAL INTEREST EXPENSE	\$27,021	\$19,561	\$23,227	\$31,824
Net Farm Income From Operations	\$99,915	\$67,184	\$185,933	\$40,335
Net Farm Income	\$101,859	\$67,184	\$190,166	\$41,043
Interest on equity capital	\$39,391	\$27,849	\$63,778	\$37,905
Unpaid family labor	2,321	1,050	1,696	1,838
Operator(s) labor and mgmt income	54,289	33,798	144,105	-20,710
Unpaid operator labor	31,188	25,200	40,546	27,038
Management returns	\$23,101	\$8,598	\$103,559	-\$47,747
Production (\$) per \$1 non-feed cost	1.00	1.05	1.22	0.74
Farm production (\$) per person year	168,561	163,509	230,878	106,045
Financial efficiency ratios				
Operating expense ratio (%)	57.41%	68.58%	53.38%	62.39%
Depreciation expense ratio (%)	7.34%	7.18%	6.99%	9.71%
Interest expense ratio (%)	7.50%	6.65%	4.40%	12.31%
Net farm income from operations ratio (%)	27.75%	22.85%	35.23%	15.60%

Table 28. Summary Data: Pennyroyal Area Sole Proprietor Grain Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	54	--	--	--
% Feed fed	3.59	0.0	1.41	4.89
Total acres	1,542	1,362	1,963	1,175
Acres tillable	1,388	1,213	1,864	1,024
Acres owned	319	283	294	344
Acres crop shared	554	362	770	377
Acres cash rented	515	357	801	303
Labor				
Unpaid months	12.8	12.0	12.7	14.4
Paid months	29.1	18.0	36.3	22.7
Revenue				
Crop revenue	\$340,718	\$317,311	\$491,314	\$271,319
Livestock revenue	23,181	0	35,831	10,090
Government payments	116,195	120,936	159,448	99,465
Other farm revenue	49,318	28,636	72,005	42,768
GROSS REVENUE	\$529,412	\$466,883	\$758,598	\$423,642
minus feed & livestock purchases	18,076	3,409	27,199	15,255
VALUE OF FARM PRODUCTION	\$511,336	\$483,548	\$731,400	\$408,387
Expenses				
Cash operating expenses	\$340,360	\$317,576	\$470,651	\$288,179
Depreciation	43,383	36,755	57,700	37,647
Change in Acct pay/Prepaid exp.	6,530	0	9,831	8,316
TOTAL OPERATING EXPENSES	\$390,273	\$363,072	\$538,182	\$334,141
TOTAL INTEREST EXPENSE	\$36,879	\$25,911	\$44,497	\$36,457
Net Farm Income From Operations	\$84,185	\$69,496	\$148,721	\$37,789
Net Farm Income	\$86,360	\$70,067	\$151,190	\$40,145
Interest on equity capital	\$45,162	\$31,922	\$51,986	\$37,416
Unpaid family labor	1,439	0	1,437	700
Operator(s) labor and mgmt income	38,495	29,369	100,082	-14,401
Unpaid operator labor	25,433	25,200	25,200	29,517
Management returns	\$13,062	\$8,026	\$74,882	-\$43,917
Production (\$) per \$1 non-feed cost	1.00	1	1.13	0.85
Farm production (\$) per person year	181,476	165,307	245,379	123,377
Financial efficiency ratios				
Operating expense ratio (%)	67.84%	67.48%	65.69%	72.60%
Depreciation expense ratio (%)	8.48%	7.60%	7.89%	9.22%
Interest expense ratio (%)	7.21%	5.36%	6.08%	8.93%
Net farm income from operations ratio (%)	16.46%	14.37%	20.33%	9.25%

Table 29. Summary Data: Ohio Valley Area Sole Proprietor Grain Farms

	Average	Median	Average High 1/3	Average Low 1/3
Number of Farms	32	--	--	--
% Feed fed	4.54	2.3	3.77	7.95
Total acres	1,172	1,015	1,744	918
Acres tillable	1,002	833	1,613	670
Acres owned	285	253	312	299
Acres crop shared	553	402	1,108	271
Acres cash rented	163	115	192	97
Labor				
Unpaid months	15.8	13.0	19.1	14.8
Paid months	9.6	8.8	14.7	8.4
Revenue				
Crop revenue	\$238,341	\$186,634	\$346,181	\$140,947
Livestock revenue	32,350	10,131	38,490	50,888
Government payments	69,419	49,755	100,377	45,713
Other farm revenue	16,963	5,160	27,707	10,099
GROSS REVENUE	\$357,073	\$251,679	\$512,756	\$247,646
minus feed & livestock purchases	14,571	1,769	19,701	21,519
VALUE OF FARM PRODUCTION	\$342,502	\$282,735	\$493,055	\$226,127
Expenses				
Cash operating expenses	\$194,336	\$176,749	\$260,033	\$143,803
Depreciation	25,209	20,431	33,931	23,109
Change in Acct pay/Prepaid exp.	-1,749	500	-11,398	799
TOTAL OPERATING EXPENSES	\$217,796	\$197,712	\$282,566	\$167,711
TOTAL INTEREST EXPENSE	\$25,250	\$19,130	\$19,485	\$29,213
Net Farm Income From Operations	\$99,457	\$66,334	\$191,004	\$29,204
Net Farm Income	\$101,486	\$66,334	\$196,006	\$29,337
Interest on equity capital	\$35,681	\$27,153	\$53,751	\$33,952
Unpaid family labor	2,586	1,050	2,005	3,074
Operator(s) labor and mgmt income	56,350	35,010	144,890	-13,676
Unpaid operator labor	30,614	25,200	38,182	27,968
Management returns	\$25,736	\$10,137	\$106,709	-\$41,644
Production (\$) per \$1 non-feed cost	1.04	1.05	1.24	0.82
Farm production (\$) per person year	176,449	176,796	233,362	125,557
Financial efficiency ratios				
Operating expense ratio (%)	56.23%	62.70%	50.43%	63.95%
Depreciation expense ratio (%)	7.36%	7.23%	6.88%	10.22%
Interest expense ratio (%)	7.37%	6.77%	3.95%	12.92%
Net farm income from operations ratio (%)	29.04%	23.46%	38.74%	12.91%

Educational programs of the Kentucky Cooperative Extension Service serve all people regardless of race, color, age, sex, religion, disability, or national origin.