

Comparing Preliminary Analysis

The average Kentucky grain farm experienced another record year in profitability. This is based on preliminary analysis of 143 farms participating in the Kentucky Farm Business Management program. KFBM provides member farmers with the basis for sound decision making. It gives other farmers and Ag professionals performance benchmarks for major farm enterprises.

SELECT AGRONOMIC DATA for AVERAGE FARM

CROP	Acres		New Crop Price
	Planted	Yield/Ac	
Corn	928	179	3.51
Soybeans	594	52	9.69
D/C Soybeans	611	46	9.60
Wheat	572	64	4.78
Burley Tobacco	40	2248	1.73
Dark Air Tobacco	13	2495	2.17
Dark Fired Tobacco	34	2942	2.44

The typical farm in this group farmed 2108 acres, up 262 acres from 2008. Cash rented acres made up 43% of the farm. The rest was evenly split between Owned and Crop Shared. These farms planted more corn and soybeans, and experienced greater yields, in 2009. Corn prices received for new crop fell 25% while beans held steady. Wheat and Dark Fired Tobacco acres and yields were down. Prices received for both fell about 14% over last year.

Gross Farm Income was up 15% while Total Non-Feed Cost was up 20% over 2008. Gross Farm Returns for the average grain farm was \$1,584,811, or \$752 per acre. The source of income showing the most significant increase was Livestock Returns Above Feed.

Total Non-Feed Cost was \$1,010,018, or \$479 per acre. Two expenses dropped compared to 2008: fuel cost and insurance. Other expenses rose more than 20%. Fertilizer, chemical, and seed costs increased 30% for 2009. Drying and storage costs rose 77% because of the cold, wet harvest conditions. Labor Paid was up 28%.

Selected 2009 Costs & Returns		
Type: All KY Grain	Number in Average: 143	
	Total Farm	Per Op Acre
Crop Returns	1,439,292	682.92
Livestock Returns Above Feed	22,193	10.53
Custom Work	11,224	5.33
Other Farm Receipts	23,948	11.36
Tobacco	88,153	41.83
GROSS FARM RETURNS	1,584,811	751.97
FARM COSTS		
Soil Fertility	226,590	107.51
Pesticides	105,238	49.93
Seed	121,924	57.85
Fuel & Oil	46,223	21.93
Drying & Storage	18,190	8.63
Labor Paid	100,202	47.54
Insurance	54,015	25.63
TOTAL NON-FEED COST	1,010,018	479.24
RETURN ABOVE OP. EXP.	574,793	272.73
NET FARM INCOME	399,980	189.78

Bottom line profitability for 2009 was only slightly higher than for 2008. Return Above Operating Expense rose \$165,304 for the average grain farm to \$574,793. That was an increase of \$21 Per Operator Acre. But Net Farm Income, which includes depreciation and other adjustments, increased only \$3,826 to nearly \$400,000. Because the typical farm operated more acres than the year before, Net Farm Income Per Operator Acre actually fell by \$25 in 2009.