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USDA Agricultural Outlook Forum 2005

Forces Shaping the Next Farm Policy Debate

Ag Lender Perspective on the Rural Community
Tim Ohlde, President, Elk State Bank

Summary Agriculture Program Payments Central Kansas Bank Years: 1990-1994

Gross Farm Income	Govt. Pymts. as % of AGI
$0 to $150,000	85%
$150,001 to $250,000	103%
$250,001 and over	141%

Summary Agriculture Program Payments Central Kansas Bank Years: 1999-2003

Gross Income Range	Govt. Pymts. as % of NFI
$0 to $150,000	103%
$150,001 to $250,000	85%
$250,001 to $500,000	126%
$500,001 to $1,000,000	153%
All Operations	118%

Kansas Farms

Year	Farms	Govt. Pay % of NFI
2000	2083	116%
2001	1937	142%
2002	1921	82%
2003	1820	55%

Government Payments as % of NFI

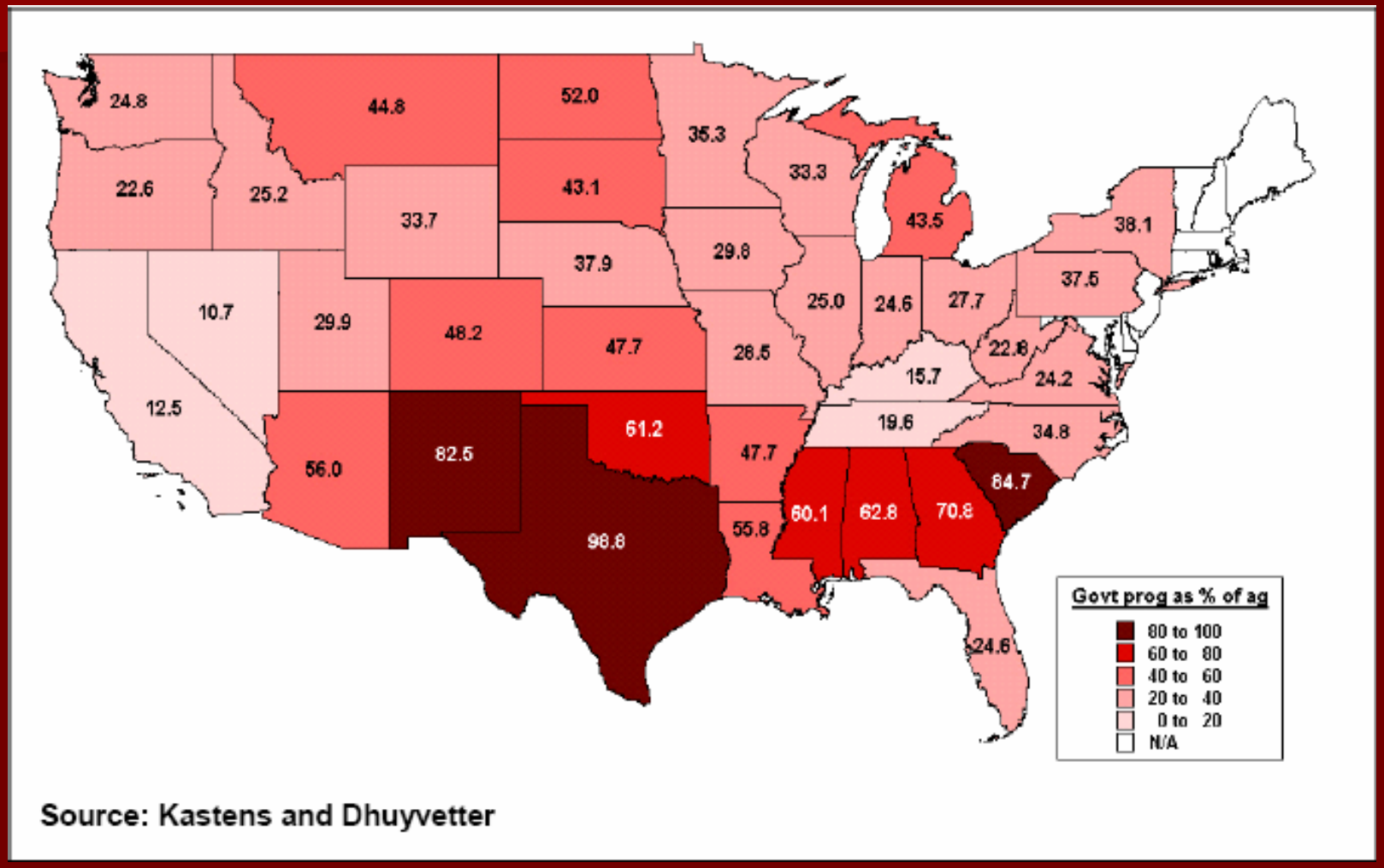
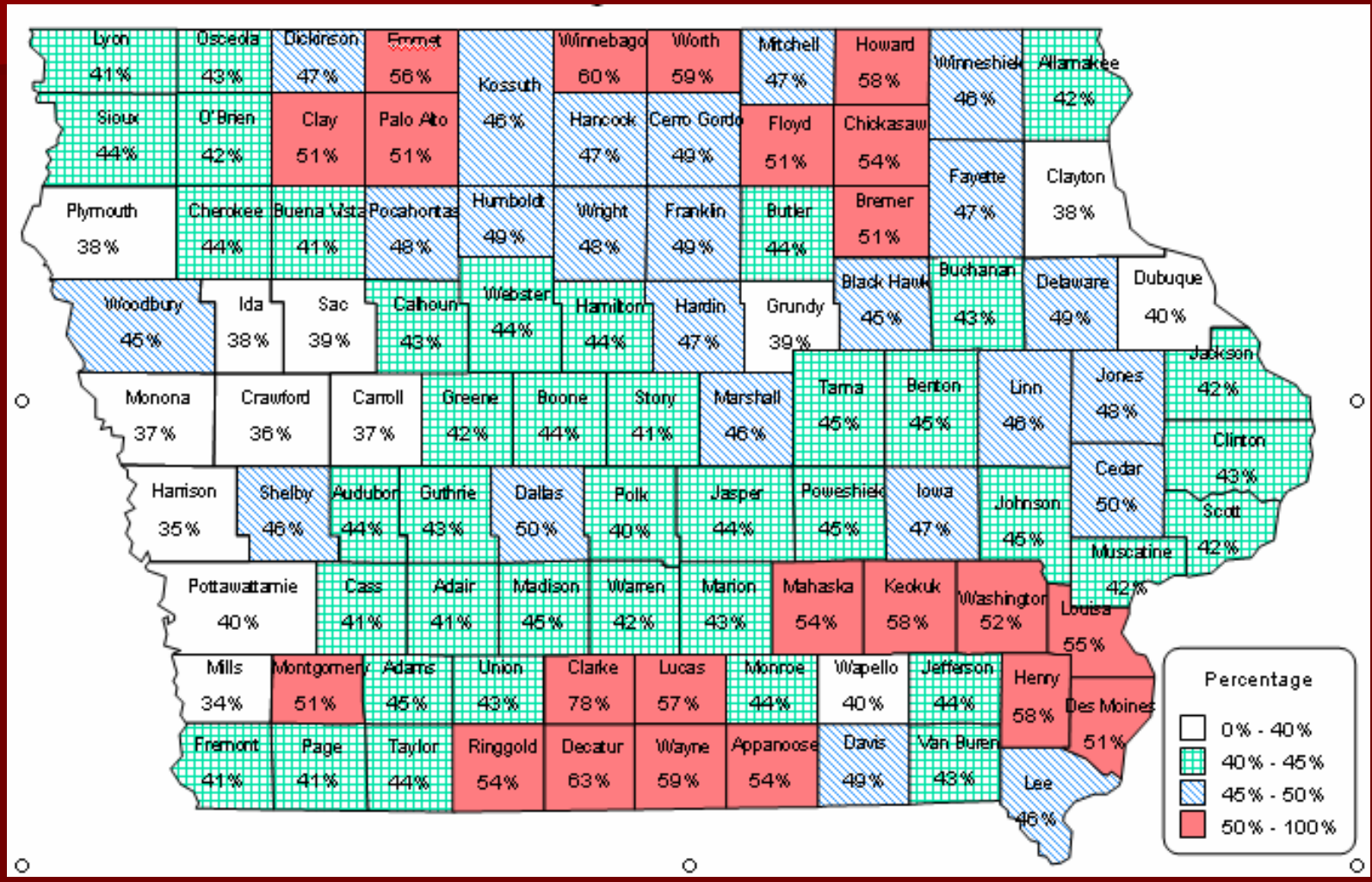
Year	Kansas Farms KSU Extention & Research	Central Kansas Bank
2000	116%	130%
2001	142%	166%
2002	82%	48%
2003	55%	82%

How Did Farms Stack Up?

Operating Expense Ratio

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Top 10 Percent	61.9%	66.5%	65.9%	64.1%	70.7%	72.2%	75.5%	71.4%	69.1%
High 20 Percent	62.0%	67.3%	67.0%	68.3%	69.4%	70.0%	74.4%	69.3%	69.5%
Average Farms	68.3%	70.8%	77.3%	78.7%	72.2%	70.7%	79.8%	74.3%	72.7%

Portion of 2004 Agricultural Land Value Attributed to Govt. Payments



Capitalized Value of Govt. Payments as a % of Land Value