Governor's Council of Economic Advisors

Indicators of the Kansas Economy

A Review of Economic Trends
and the Kansas Economy

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Review and Analysis of the May IKE Report

The Indicators of the Kansas Economy (IKE) began as a research program under the stewardship of Kansas, Inc. The Governor's Council of Economic Advisors continues the initiative as a service to its members and the public at large.

IKE tracks a select set of economics-oriented metrics published by government sources. In many cases, these metrics come with a time lag, perhaps as much as one or two years. Even with a relatively long time lag, the most recently reported numbers often undergo one or more future revisions, as the government agencies reporting the data obtain access to more or better information. The metrics reported by IKE offer the best available indicators at the time they are published.

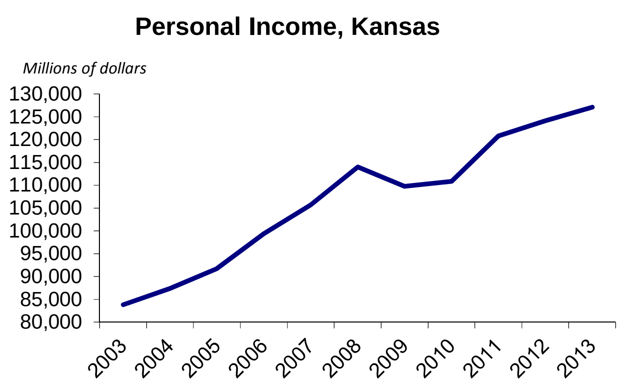
While IKE tracks the mid-west six state region due to geographical and logistical reasons, these states are not homogenous in nature: some states have twice the population and others have an entirely different sector mix. The figures should be interpreted with those differences in mind.

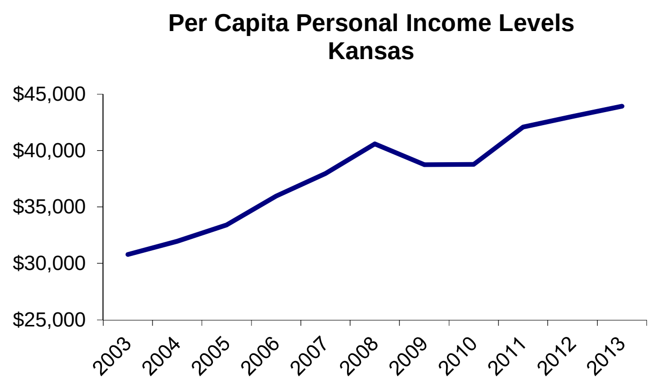
This most recent edition of the IKE report includes 19 updated metrics. A select summary of those follows:

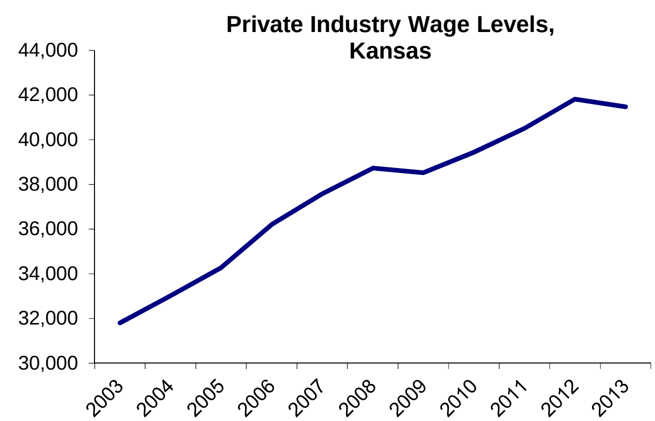
Personal income: Personal income for Kansas has increased to 127,092 million dollars in 2013, up from 124,137 million in 2012.

Per Capita: Kansas surpassed the region on per capita personal income with a figure of $43,916 versus the 6-state region average of $42,554. Kansas also outpaced the nation on a percentage basis with an increase of 2.1% versus the national percentage increase of 1.8%.

Private Industry Wage Levels: Kansas experienced a slight decrease from $41,817 in 2012, to $41,479 in 2013, a net $338.00 decrease. It's important to note the region also experienced a decrease during the same time frame from $42,036 to $41,903 in 2013, a decrease of $133.







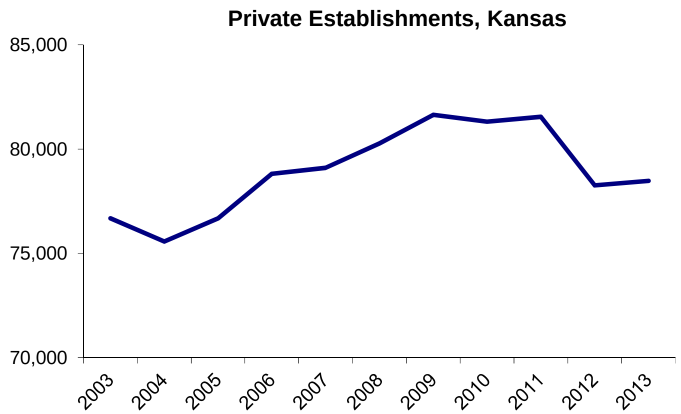
Private Establishment Data: From 2012 to 2013, Kansas total private establishments increased from 78,261 to 78,475. While the region and the nation increased at a faster rate, the most current figures from the Kansas Secretary of State's office benchmark 2013 with the highest filing of new business entities ever at 15,469.

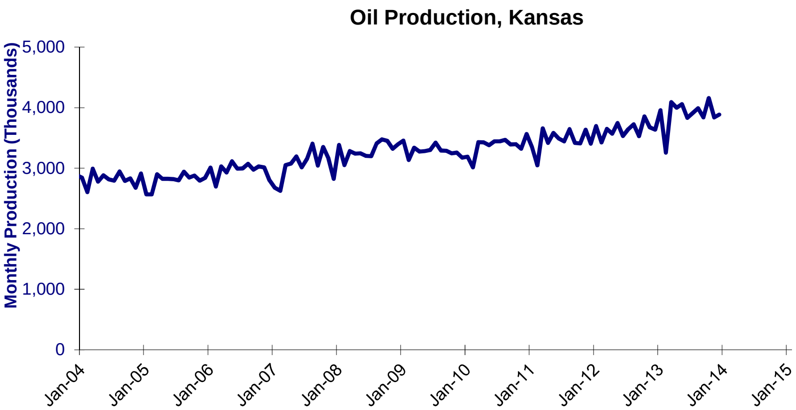
Oil production was up again in 2013 from 3,638,358 bbl in 2012, to 3,886,739 bbl in 2013.

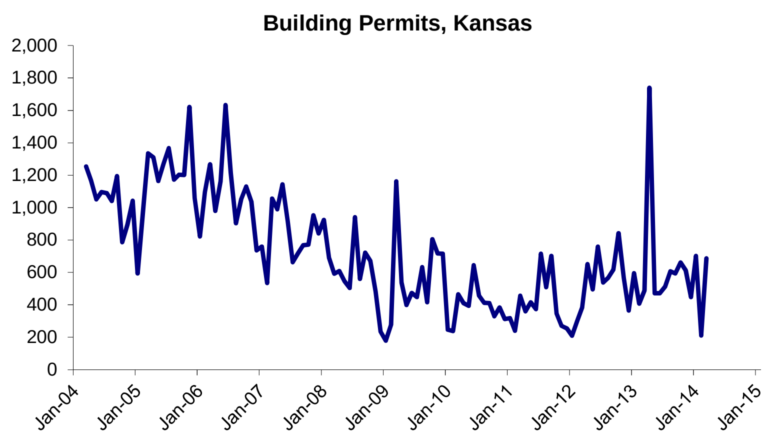
Building permits: Kansas leads the region and the nation in the percentage of building permits issued. The Kansas Department of Labor recently reported that private construction sector jobs have increased 8.1% within the sectors tracked, from March 2013 to March 2014.

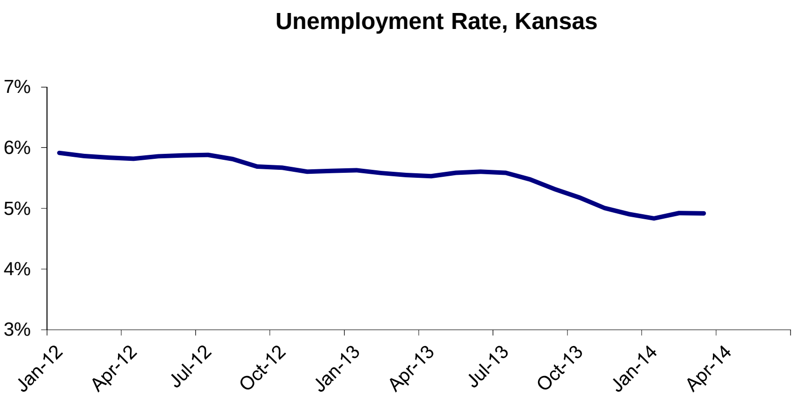
Unemployment: Kansas outperformed the region and the nation with the number of Kansans unemployed. As of March 2014, unemployment was 73,321 down from 82,522 unemployed in March of 2013, a decrease of 11.1 %. Regional unemployment was down only 4.9%, and the US was down only 10.8%.

Unemployment Rate: Kansas leads the region and the nation with an unemployment rate of 4.9%. The unemployment rate for the region was 5.7%, and the US was 6.8%.









Indicators of the Kansas Economy
Key Trends

Employment and Unemployment

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Total Nonfarm Employment *(all employees, thousands)*							
Kansas	1,375.7	1,358.9	1,356.0	1,308.0	1.2%	1.5%	5.2%
Private Sector Employment *(all employees, thousands)*							
Kansas	1,110.5	1,095.3	1,088.1	1,053.0	1.4%	2.1%	5.5%
Manufacturing Employment *(all employees, thousands)*							
Kansas	160.8	162.8	175.4	174.8	-1.2%	-8.3%	-8.0%
Service Employment *(all employees, thousands)*							
Kansas	882.9	870.3	848.4	812.5	1.4%	4.1%	8.7%
Public Sector Employment *(all employees, thousands)*							
Kansas	265.2	263.6	267.9	255.0	0.6%	-1.0%	4.0%
Unemployment Rate *(%)*							
Kansas	4.9%	5.5%	6.8%	5.6%	-0.6%	-1.9%	-0.7%

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Initial Claims for Unemployment *(all employees)*							
Kansas	9,708	12,693	23,857	11,238	-23.5%	-59.3%	-13.6%

Wages/Entrepreneurship

Private Establishment Data *(total private establishments, all employee sizes)*

	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	78,475	78,261	80,276	76,676	0.3%	-2.2%	2.3%

Private Industry Wage Levels *(average annual wages, all employees, all private establishments)*

2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
$ 41,479	$ 41,817	$ 38,735	$ 31,794	-0.8%	7.1%	30.5%

Energy

Oil Production and Price *(most recent month of production and price)*

	Dec-13	Dec-12	Dec-08	Dec-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,886,739	3,638,358	3,395,736	2,888,794	6.8%	14.5%	34.5%
Price ($/bbl)	$ 97.63	$ 87.86	$ 41.12	$ 32.13	11.1%	137.4%	203.9%

Natural Gas Production and Price *(most recent month of production and price)*

	Dec-13	Dec-12	Dec-08	Dec-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	24,083,100	24,961,299	31,273,783	34,694,036	-3.5%	-23.0%	-30.6%
Price ($/mcf)	$ 4.75	$ 3.93	$ 6.74	$ 5.08	20.9%	-29.5%	-6.5%

Agriculture

KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2011	$ 440,407	$ 148,712	$ 206,248	$ 79,403	$ 110,649	$ 111,732	$ 166,375
2012	$ 288,176	$ 114,357	$ 138,024	$ 98,071	$ 160,703	$ 150,644	$ 151,127
5-yr avg	$ 266,910	$ 114,172	$ 142,686	$ 92,070	$ 123,865	$ 136,062	$ 141,288
10-yr avg	$ 180,407	$ 84,774	$ 106,722	$ 68,683	$ 90,353	$ 104,589	$ 103,847

General Economic Data

Population

	2013	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,893,957	2,885,398	2,797,375	2,721,955	0.3%	3.5%	6.3%

Gross State Product *(millions of current dollars)*

	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	138,953	134,767	120,599	91,737	3.1%	15.2%	51.5%
6-State Region	1,055,383	1,019,181	929,628	711,267	3.6%	13.5%	48.4%
U.S.	15,566,077	14,959,778	13,936,199	10,572,388	4.1%	11.7%	47.2%

Personal Income Estimates *(millions of dollars)*

	2013	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	127,092	124,137	114,004	83,821	2.4%	11.5%	51.6%
6-State Region	979,056	951,173	856,620	643,579	2.9%	14.3%	52.1%
U.S.	14,081,242	13,729,063	12,429,284	9,479,611	2.6%	13.3%	48.5%

Per Capita Personal Income Estimates *($)*

	2013	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	43,916	43,015	40,598	30,783	2.1%	8.2%	42.7%
6-State Region	42,554	41,652	38,460	30,185	2.2%	10.6%	41.0%
U.S.	44,543	43,735	40,873	32,676	1.8%	9.0%	36.3%

Consumer Price Index

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	225.5	222.1	202.0	181.0	1.5%	11.6%	24.6%
U.S. City Average	236.3	232.8	212.7	187.4	1.5%	11.1%	26.1%

Building Permits *(new privately owned housing units authorized)*

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	687	489	1,163	1,254	40.5%	-40.9%	-45.2%

Sales Tax Collections *($)*

	Nov-13	Nov-12	Nov-08	Nov-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	205,525,773	201,373,790	157,659,964	131,906,461	2.1%	30.4%	55.8%

Indicators of the Kansas Economy
Population

Short-Term (2012 to 2013)
- Kansas population up 8,559 (0.3%)
- 6-State Region population up 171,434 (0.7%)
- U.S. population up 2,255,154 (0.7%)

Long-Term (2003 to 2013)
- Kansas population up 172,002 (6.3%)
- 6-State Region population up 1,930,332 (9.1%)
- U.S. population up 25,802,421 (8.9%)

2013 Population

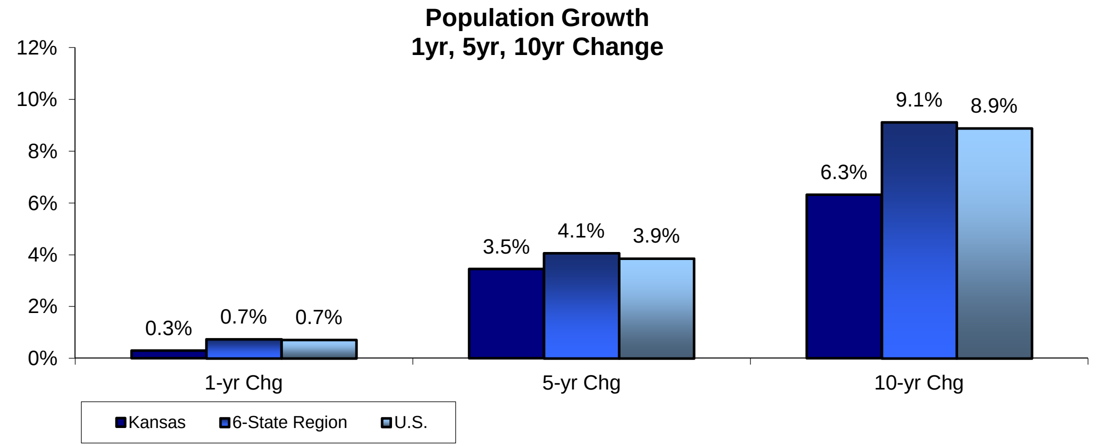
Region	Population
Kansas	2,893,957
Arkansas	2,959,373
Colorado	5,268,367
Iowa	3,090,416
Missouri	6,044,171
Nebraska	1,868,516
Oklahoma	3,850,568
6-State Region	23,081,411
U.S.	316,128,839

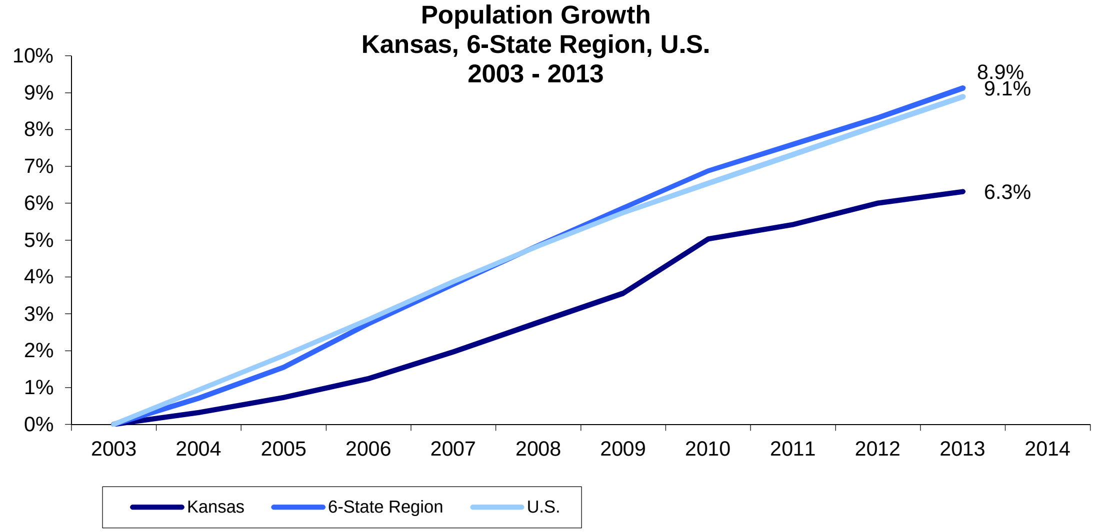
About the data and graphs

The U.S. Census Bureau publishes total resident population estimates and demographic components of change (births, deaths, and migration) each year. The reference date for estimates is July 1. Estimates usually are for the present and the past, while projections are estimates of the population for future dates. These estimates are developed with the assistance of the Federal State Cooperative Program for Population Estimates (FSCPE). These estimates are used in federal funding allocations, as denominators for vital rates and per capita time series, as survey controls, and in monitoring recent demographic changes. With each new issue of July 1 estimates, the estimates are revised for years back to the last census.

Population

	2013	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,893,957	2,885,398	2,797,375	2,721,955	0.3%	3.5%	6.3%
6-State Region	23,081,411	22,909,977	22,179,273	21,151,079	0.7%	4.1%	9.1%
U.S.	316,128,839	313,873,685	304,374,846	290,326,418	0.7%	3.9%	8.9%





Source: *2013 annual data*
U.S. Census Bureau *http://www.census.gov/popest/estimates.html*

Indicators of the Kansas Economy
Gross State Product

Short-Term (2011 to 2012)
- Kansas GSP up $4,186 million (3.1%)
- 6-State Region GSP up $36,202 million (3.6%)
- U.S. GSP up $606,299 million (4.1%)

Long-Term (2002 to 2012)
- Kansas GSP up $47,216 million (51.5%)
- 6-State Region GSP up $344,116 million (48.4%)
- U.S. GSP up $4,993,689 million (47.2%)

2012 Gross State Product
(millions of current dollars)

Region	Gross State Product	
Kansas	$	138,953
Arkansas	$	109,557
Colorado	$	274,048
Iowa	$	152,436
Missouri	$	258,832
Nebraska	$	99,557
Oklahoma	$	160,953
6-State Region	$	1,055,383
U.S.	$	15,566,077

About the data and graphs

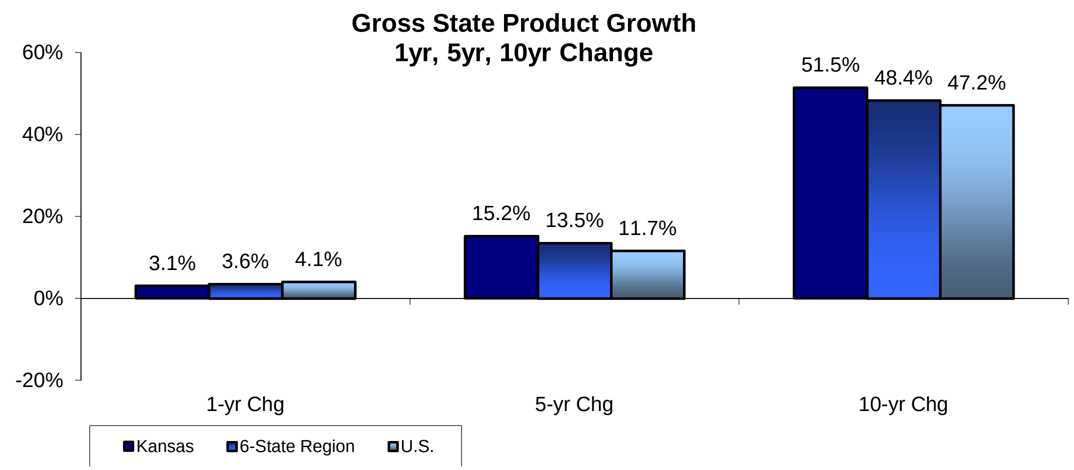
GSP captures state economic growth, providing an overall analysis of the performance of the economy. GSP is the value added in production by the labor and property located in the state.

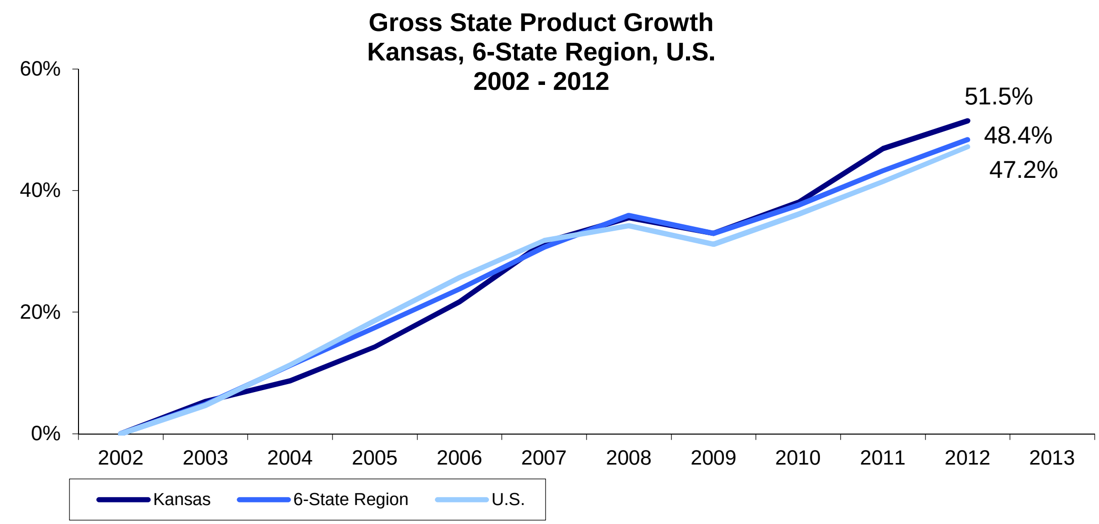
In concept, an industry's GSP, referred to as its "value added," is equivalent to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported.)

All GSP data is displayed in current dollars and are not adjusted for inflation.

Gross State Product (GSP)
(millions of current dollars)

	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	138,953	134,767	120,599	91,737	3.1%	15.2%	51.5%
6-State Region	1,055,383	1,019,181	929,628	711,267	3.6%	13.5%	48.4%
U.S.	15,566,077	14,959,778	13,936,199	10,572,388	4.1%	11.7%	47.2%





Source: *2012 annual data*
U.S. Department of Commerce - Bureau of Economic Analysis http://www.bea.gov/regional/

Indicators of the Kansas Economy
Personal Income/Per Capita Personal Income

Short-Term (2012 to 2013)

- Kansas PI up $2,955 million (2.4%)
- 6-State Region PI up $27,883 million (2.9%)
- U.S. PI up $352,179 million (2.6%)

- Kansas PCPI up $901 (2.1%)
- 6-State Region PCPI up $902 (2.2%)
- U.S. PCPI up $808 (1.8%)

Long-Term (2003 to 2013)

- Kansas PI up $43,271 million (51.6%)
- 6-State Region PI up $335,478 million (52.1%)
- U.S. PI up $4,601,631 million (48.5%)

- Kansas PCPI up $13,133 (42.7%)
- 6-State Region PCPI up $12,369 (41.0%)
- U.S. PCPI up $11,867 (36.3%)

About the data and graphs

Personal income is the income that is received by all persons from all sources and is reported quarterly and is seasonally adjusted at annual rates. Per capita personal income is the annual personal income divided by the population.

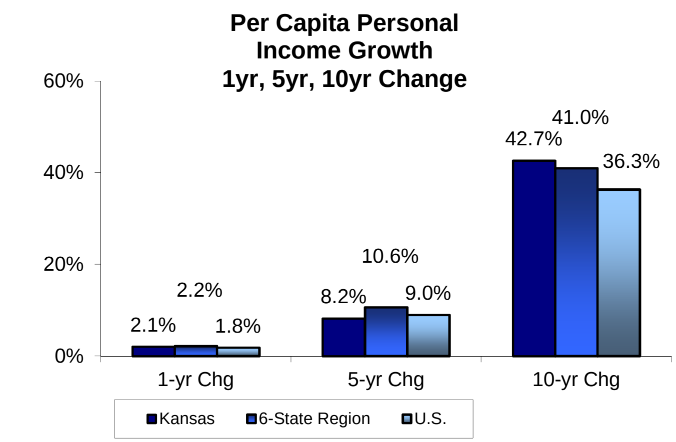
Personal income is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance. The personal income of an area is the income that is received by, or on behalf of, all of the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients. All state estimates are in current dollars (not adjusted for inflation).

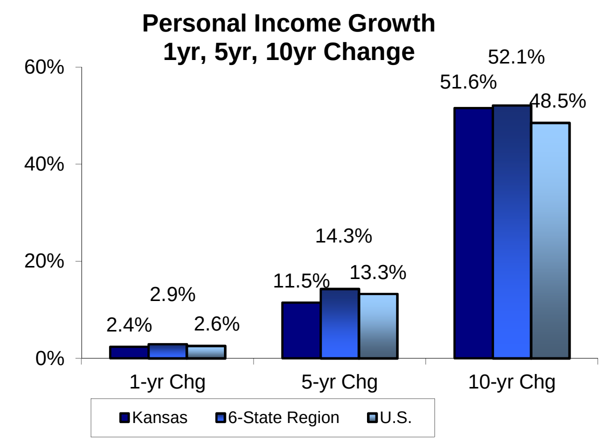
Personal Income Estimates (PI) - *(millions of dollars)*

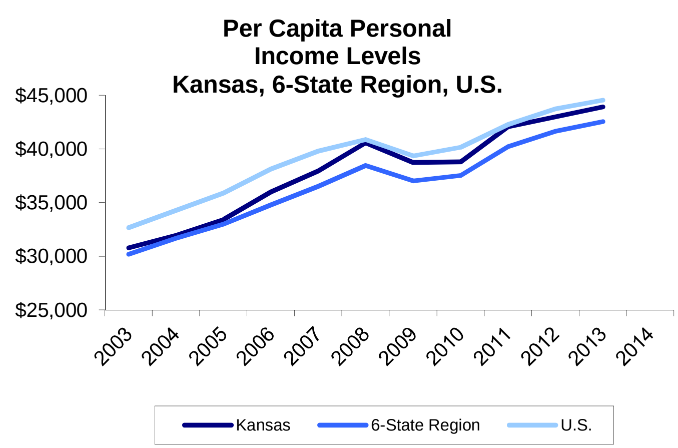
	2013	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	127,092	124,137	114,004	83,821	2.4%	11.5%	51.6%
6-State Region	979,056	951,173	856,620	643,579	2.9%	14.3%	52.1%
U.S.	14,081,242	13,729,063	12,429,284	9,479,611	2.6%	13.3%	48.5%

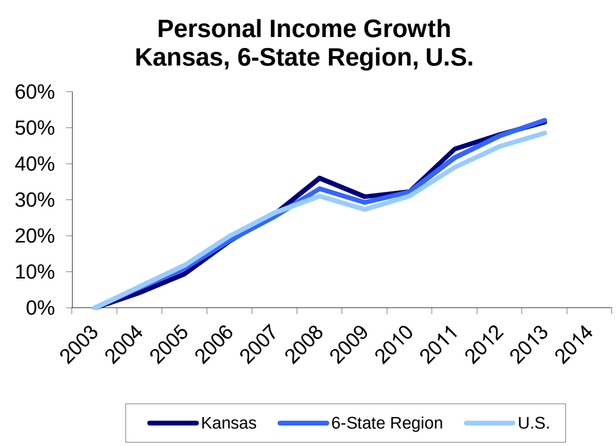
Per Capita Personal Income Estimates (PCPI) - ($)

	2013	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	43,916	43,015	40,598	30,783	2.1%	8.2%	42.7%
6-State Region	42,554	41,652	38,460	30,185	2.2%	10.6%	41.0%
U.S.	44,543	43,735	40,873	32,676	1.8%	9.0%	36.3%









Source: *2013 annual data*
U.S. Department of Commerce - Bureau of Economic Analysis *http://www.bea.gov/regional/*

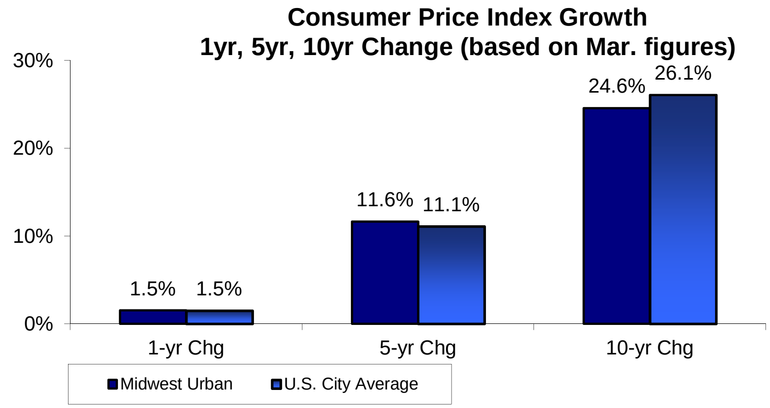
Indicators of the Kansas Economy
Consumer Price Index

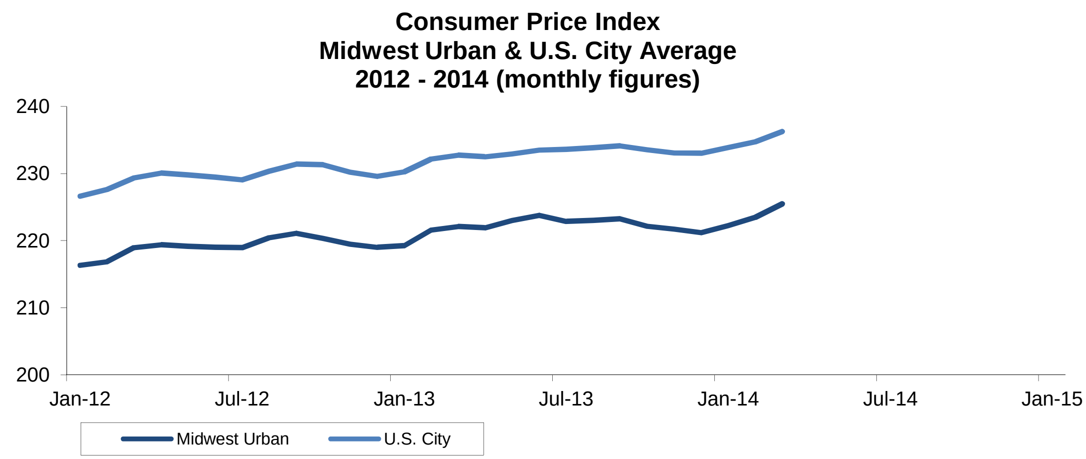
Short-Term (2013 to 2014)
- Midwest Urban CPI up 3.4 (1.5%)
- U.S. City Average CPI up 3.5 (1.5%)

Long-Term (2004 to 2014)
- Midwest Urban CPI up 44.5 (24.6%)
- U.S. City Average CPI up 48.9 (26.1%)

Consumer Price Index (CPI)

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	225.5	222.1	202.0	181.0	1.5%	11.6%	24.6%
U.S. City Average	236.3	232.8	212.7	187.4	1.5%	11.1%	26.1%



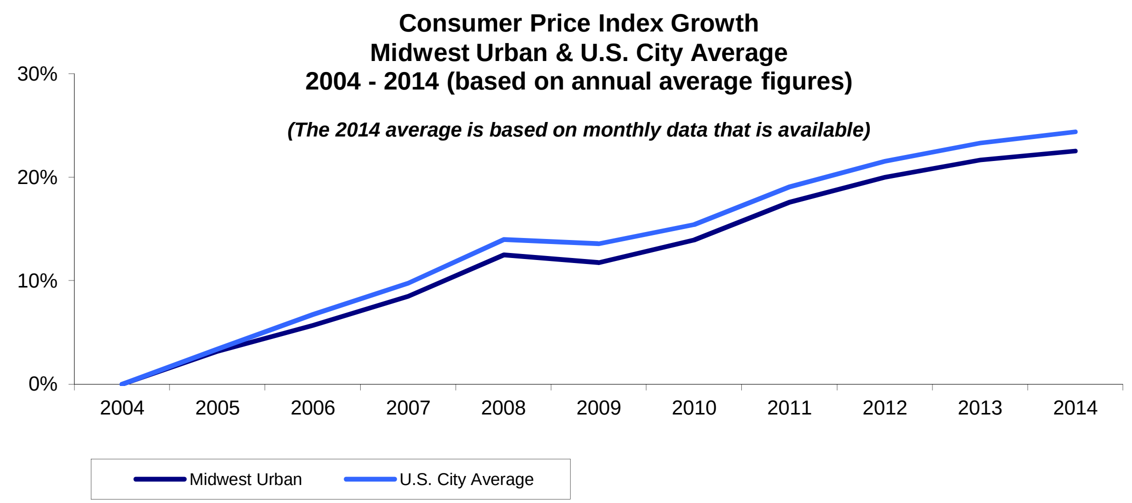


About the data and graphs

The CPI program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. It is the most widely used measure of inflation.

The U.S. City Average is a measure of the average change over time in the prices paid by urban consumers throughout the United States for a market basket of consumer goods and services. It is adjusted to equal 100 during the base period of 1982-1984. The U.S. City Average CPI reflects spending patterns for all urban consumers, who represent about 87 percent of the total U.S. population.

The Midwest Urban Consumer Price Index is calculated in the same way as the U.S. City Average CPI, however, the Midwest CPI is limited to urban consumers within the Midwest Census region.



Source: *2014 monthly data*
U.S. Department of Labor - Bureau of Labor Statistics

http://stats.bls.gov/cpi/home.htm

Indicators of the Kansas Economy
Chicago Fed National Activity Index (CFNAI)

***April 21, 2014 –** Led by declines in production-related indicators, the Chicago Fed National Activity Index (CFNAI) decreased to +0.20 in March from +0.53 in February. Two of the four broad categories of indicators that make up the index made positive contributions to the index in March, and two of the four categories decreased from February.*

Production-related indicators contributed +0.21 to the CFNAI in March, down from +0.54 in February. Industrial production increased 0.7 percent in March after rising 1.2 percent in February, and manufacturing output moved up 0.5 percent in March after increasing 1.4 percent in the previous month. Employment-related indicators contributed +0.14 to the CFNAI in March, up from +0.07 in February. Average weekly initial claims for unemployment insurance decreased to 320,900 in March from 336,900 in February. Civilian employment increased 0.3 percent in March after roughly no change in February, while nonfarm payrolls increased 0.1 percent in March for the second straight month. The contribution from the consumption and housing category to the CFNAI moved up to –0.13 in March from –0.17 in February. Housing starts increased to 946,000 annualized units in March from 920,000 in February, but housing permits declined to 990,000 annualized units in March from 1,014,000 in the previous month. The contribution from the sales, orders, and inventories category to the CFNAI decreased to –0.02 in March from +0.08 in February.

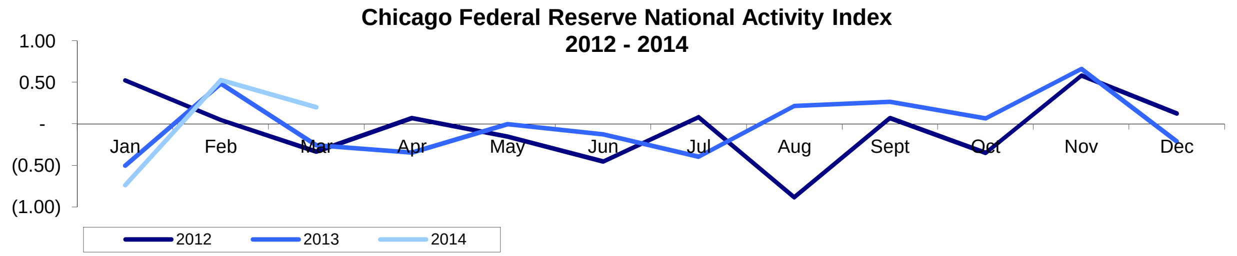
The CFNAI was constructed using data available as of April 16, 2014. At that time, March data for 50 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index. The February monthly index was revised to +0.53 from an initial estimate of +0.14. Revisions to the monthly index can be attributed to two main factors: revisions in previously published data and differences between the estimates of previously unavailable data and subsequently published data. The revision to the February monthly index was due primarily to the former. The unusually large revisions to the recent history of the CFNAI reflected in this release resulted primarily from the annual revision to the Federal Reserve Board’s industrial production and capacity utilization data

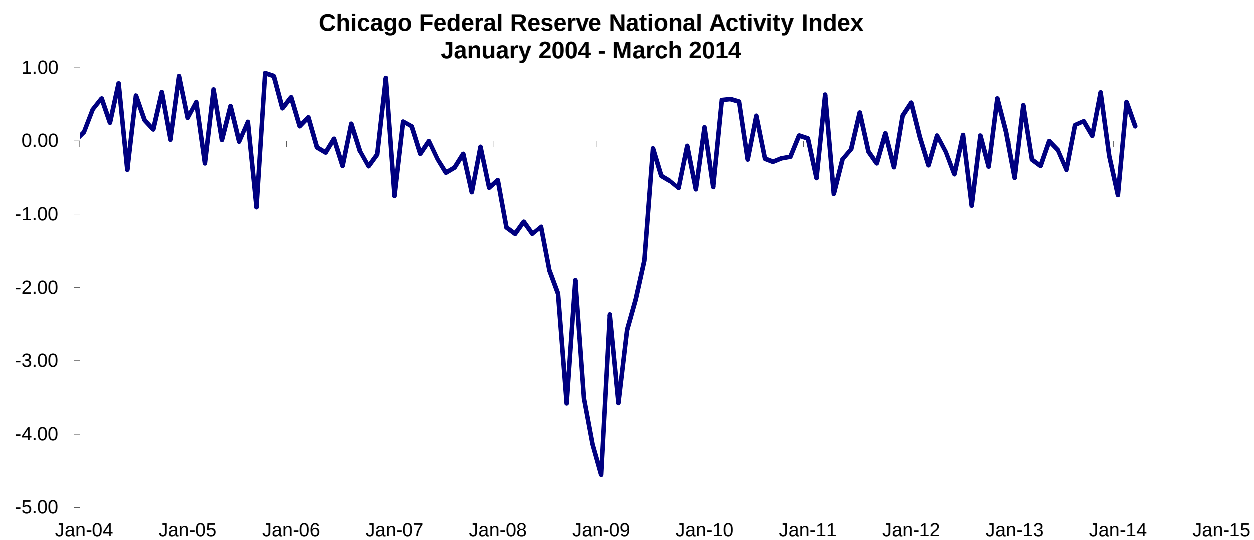
About the data and graphs

The performance of the U.S. economy has a major impact on the performance of the Kansas economy.

Since January 1990 the CFNAI has demonstrated excellent predictive power as CFNAI values have fallen substantially prior to recent recessions, including from July 1990 to March 1991, from March 2001 to November 2001, and most recently December 2007.

The Chicago Fed National Activity Index (CFNAI) is a monthly U.S. index designed to better gage overall economic activity and inflationary pressure. The index uses 85 economic indicators from four broad categories of data: production and income; employment, unemployment and hours; personal consumption and housing; and sales, orders and inventories. **A positive number indicates above average growth while a negative number indicates below average growth. Sustained CFNAI readings above zero suggest increased inflationary pressures over the coming year.**



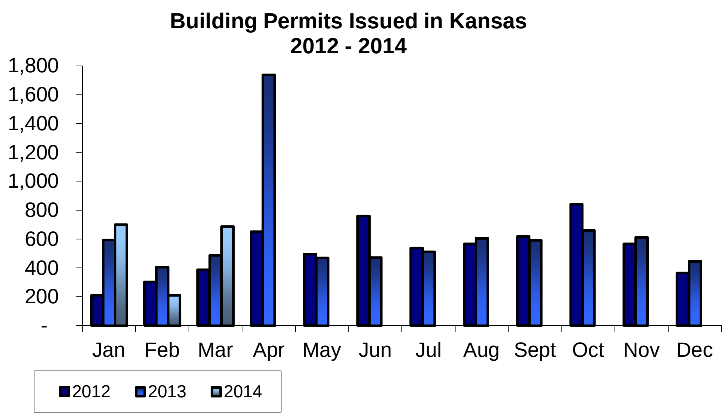


Source: 2014 monthly data
Federal Reserve Bank of Chicago http://www.chicagofed.org/webpages/publications/cfnai/index.cfm

Indicators of the Kansas Economy
Building Permits

Short-Term (2013 to 2014)
- Kansas building permits up 198 (40.5%)
- 6-State Region building permits up 889 (12.9%)
- U.S. building permits up 7,873 (10.4%)

Long-Term (2004 to 2014)
- Kansas building permits down 567 (-45.2%)
- 6-State Region building permits down 4,800 (-38.1%)
- U.S. building permits down 99,840 (-54.4%)



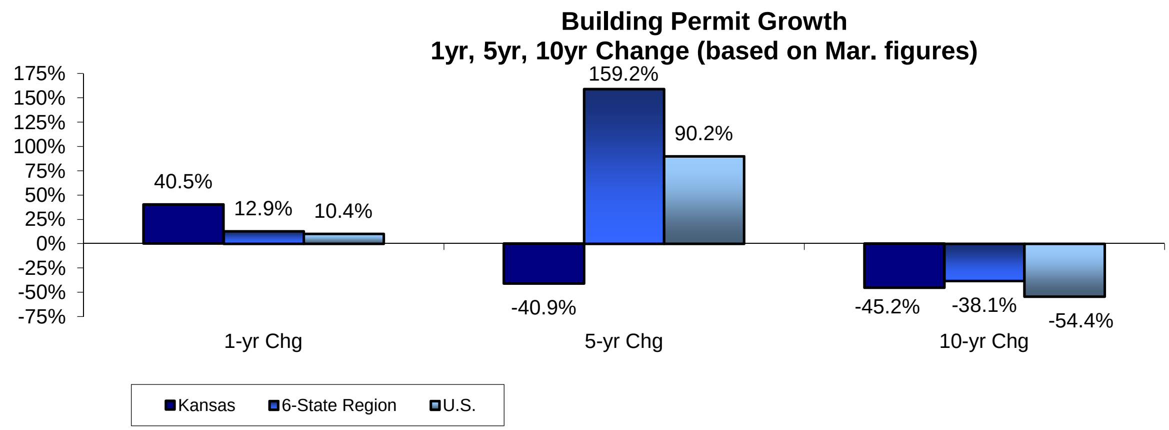
About the data and graphs

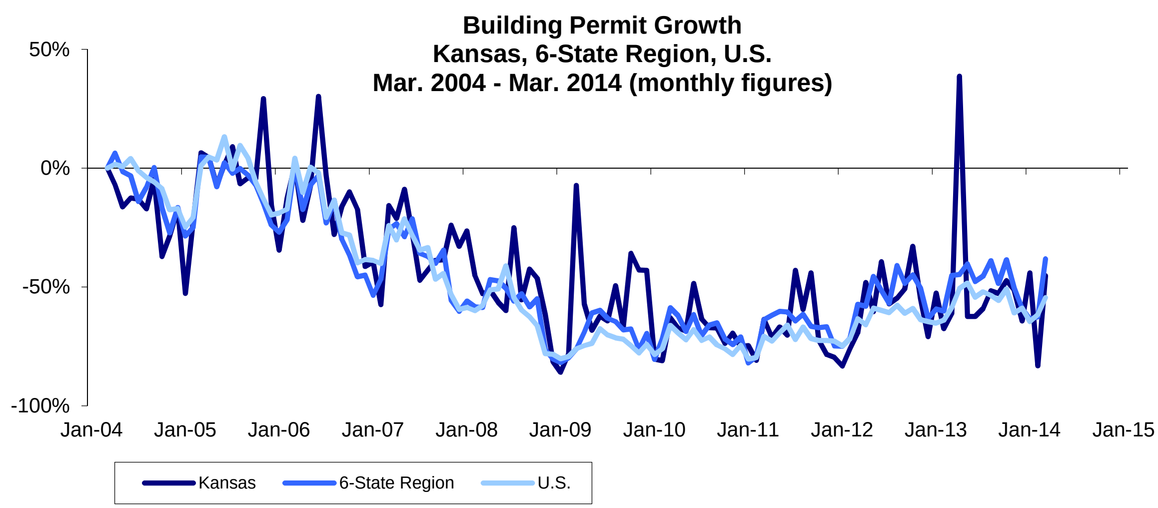
Regarding building permits, a housing unit is a house, an apartment, a group of rooms or a single room intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall.

Building Permits

(new privately owned housing units authorized)

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	687	489	1,163	1,254	40.5%	-40.9%	-45.2%
6-State Region	7,786	6,897	3,004	12,586	12.9%	159.2%	-38.1%
U.S.	83,719	75,846	44,022	183,559	10.4%	90.2%	-54.4%





Source: *2014 monthly data*
U.S. Census Bureau *http://www.census.gov/construction/bps/statemonthly.html*

Indicators of the Kansas Economy
Kansas Sales Tax Collections

Short-Term (2012 to 2013)

- Kansas sales tax collections up $4,151,984 (2.1%)
- $2,243,292,569 collected ytd during 2013
- $2,451,727,345 collected total during 2012

Long-Term (2003 to 2013)

- Kansas sales tax collections ytd up $73,619,313 (55.8%)
- $1,626,782,969 collected total during 2003

About the data and graphs

Monthly sales tax collections have trended higher as the economy has grown and two sales tax rate increases have been enacted. Annually, December typically collects the highest sales tax revenue, with January and February collecting the least.

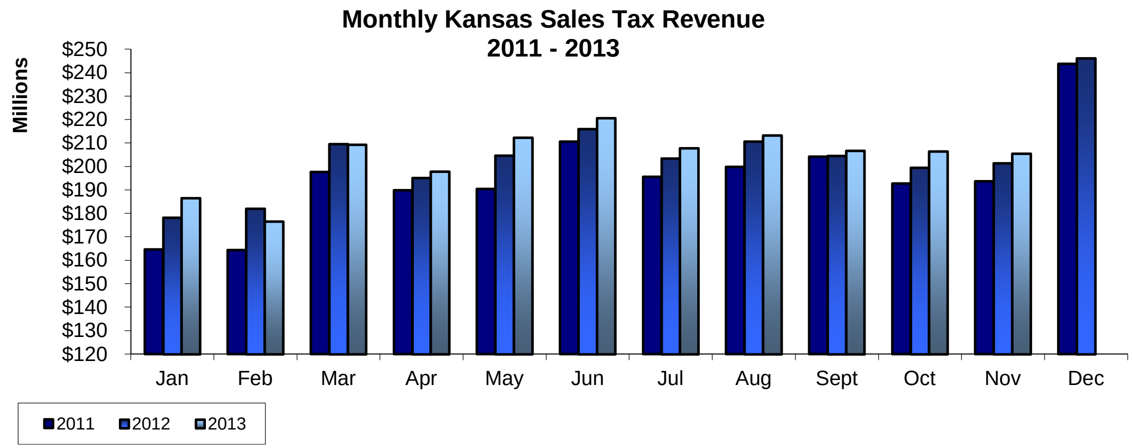
Consumers tend to delay purchases during a downturn in the economy, which can be reflected in lower sales tax collections in months proceeding and during a recession. Monthly sales tax collections tend to increase as the economy improves and consumer spending increases.

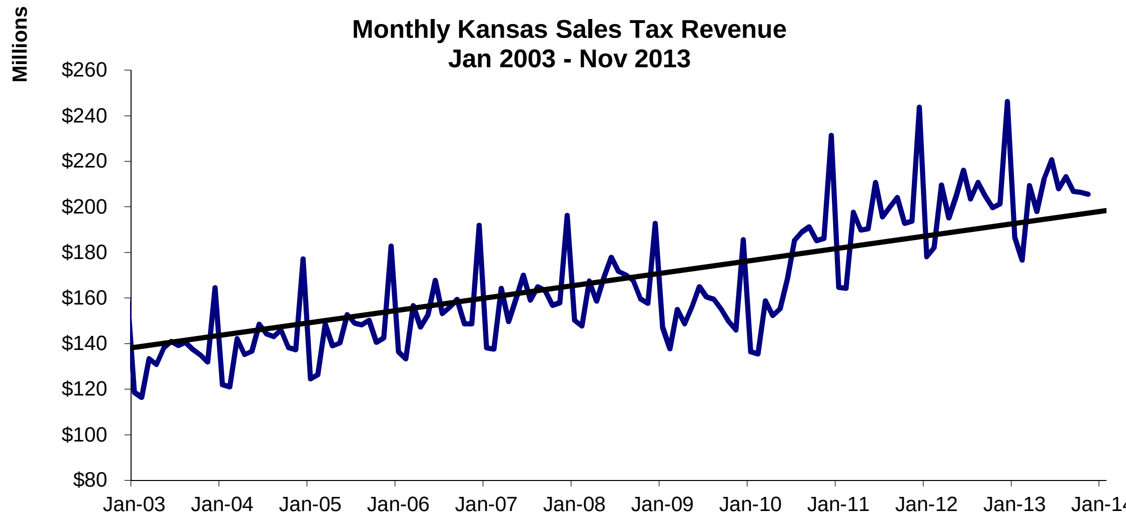
Tracking sales tax collections in Kansas gives insight into consumer behavior and demand. Sales tax collections can fluctuate widely from month to month. Since January 1990, state sales tax rates have changed on **four** occasions. In June 1992, the state sales tax rate increased from 4.25% to 4.90%; in July 2002 the state sales tax rate increased to 5.30%; in July 2010 the state sales tax rate increased to 6.30%; **and in July 2013 the state sales tax rate changed to 6.15%.**

Various cities and counties in Kansas have an additional local sales tax. The entire listing of local sales tax rates is available at
http://www.ksrevenue.org/bustaxtypessales.html

Sales Tax Collections

	Nov-13	Nov-12	Nov-08	Nov-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	$ 205,525,773	$ 201,373,790	$ 157,659,964	$ 131,906,461	2.1%	30.4%	55.8%





Source: *2013 monthly data*
Kansas Department of Revenue *http://www.ksrevenue.org/salesreports.html#state*

Indicators of the Kansas Economy
Total Nonfarm Employment

Short-Term (2013 to 2014)

- Kansas total nonfarm employment up 16,800 (1.2%)
- 6-State Region total nonfarm employment up 170,800 (1.7%)
- U.S. total nonfarm employment up 2,218,000 (1.6%)

Long-Term (2004 to 2014)

- Kansas total nonfarm employment up 67,700 (5.2%)
- 6-State Region total nonfarm employment up 703,200 (7.2%)
- U.S. total nonfarm employment up 6,793,000 (5.2%)

March 2014 Total Nonfarm Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,375.7
Arkansas	1,189.6
Colorado	2,410.7
Iowa	1,522.5
Missouri	2,745.6
Nebraska	974.0
Oklahoma	1,649.3

About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation.

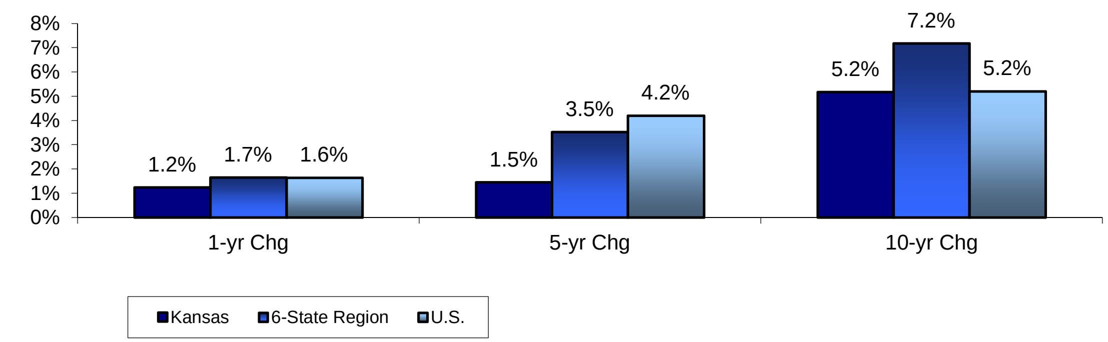
BLS total nonfarm employment calculations does not include non-civilian employment.

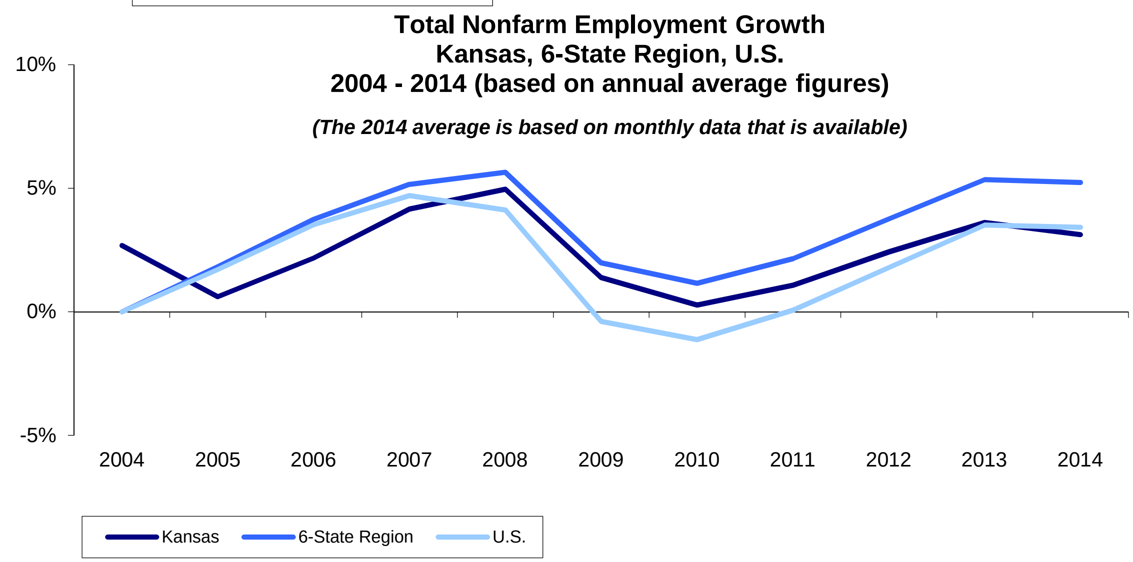
Total Nonfarm Employment

(all employees, thousands)

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,375.7	1,358.9	1,356.0	1,308.0	1.2%	1.5%	5.2%
6-State Region	10,491.7	10,320.9	10,134.5	9,788.5	1.7%	3.5%	7.2%
U.S.	137,135.0	134,917.0	131,597.0	130,342.0	1.6%	4.2%	5.2%

Total Nonfarm Employment Growth
1yr, 5yr, 10yr Change (based on Mar. figures)





Source: *2014 monthly data*
U.S. Department of Labor - Bureau of Labor Statistics http://www.bls.gov/bls/employment.htm
Kansas Department of Labor - Labor Market Information http://www.dol.ks.gov/LMIS/Default.aspx

Indicators of the Kansas Economy
Private Sector Employment

Short-Term (2013 to 2014)
- Kansas private sector employment up 15,200 (1.4%)
- 6-State Region private sector employment up 159,000 (1.9%)
- U.S. private sector employment up 2,242,000 (2.0%)

Long-Term (2004 to 2014)
- Kansas private sector employment up 57,500 (5.5%)
- 6-State Region private sector employment up 546,800 (6.8%)
- U.S. private sector employment up 6,536,000 (6.0%)

March 2014 Private Sector Employment Levels
(all employees, thousands)

State	Employment
Kansas	1,110.5
Arkansas	969.9
Colorado	1,997.5
Iowa	1,260.4
Missouri	2,278.5
Nebraska	804.5
Oklahoma	1,295.9

About the data and graphs

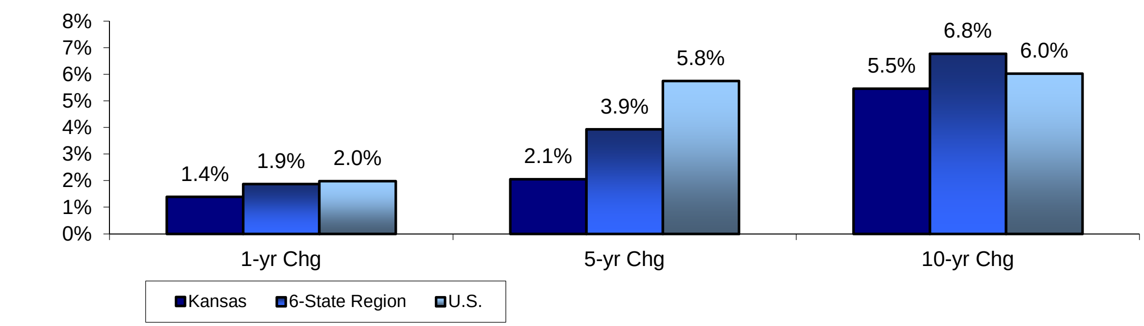
The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation.

BLS private sector calculations include all nonfarm sectors, while excluding Federal, State, and Local government sectors.

Private Sector Employment
(all employees, thousands)

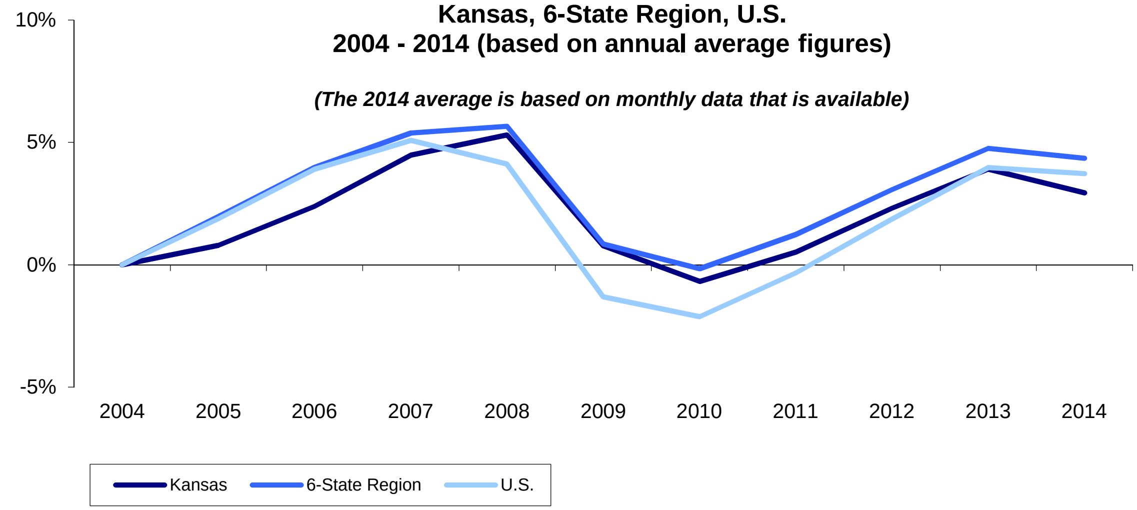
	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,110.5	1,095.3	1,088.1	1,053.0	1.4%	2.1%	5.5%
6-State Region	8,606.7	8,447.7	8,280.9	8,059.9	1.9%	3.9%	6.8%
U.S.	114,886.0	112,644.0	108,637.0	108,350.0	2.0%	5.8%	6.0%

Private Sector Employment Growth
1yr, 5yr, 10yr Change (based on Mar. figures)



Private Sector Employment Growth
Kansas, 6-State Region, U.S.
2004 - 2014 (based on annual average figures)

(The 2014 average is based on monthly data that is available)



Source: *2014 monthly data*
U.S. Department of Labor - Bureau of Labor Statistics *http://www.bls.gov/bls/employment.htm*
Kansas Department of Labor - Labor Market Information *http://www.dol.ks.gov/LMIS/Default.aspx*

Indicators of the Kansas Economy
Manufacturing Employment

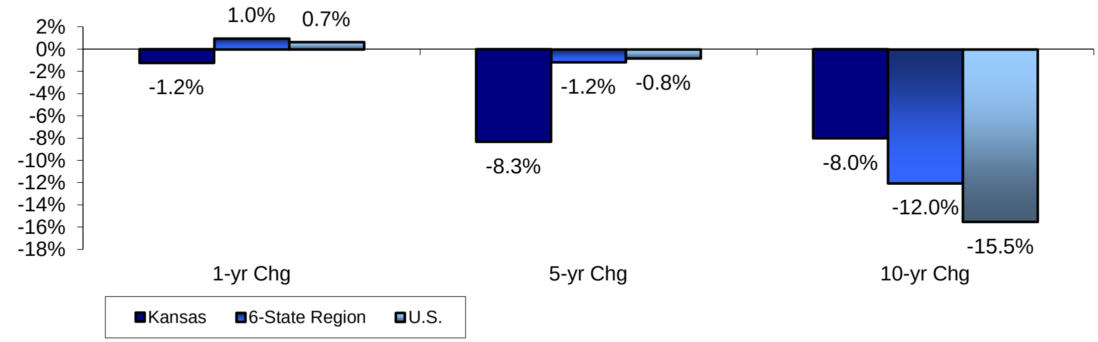
Short-Term (2013 to 2014)
- Kansas manufacturing employment down 2,000 (-1.2%)
- 6-State Region manufacturing employment up 9,600 (1.0%)
- U.S. manufacturing employment up 78,000 (0.7%)

Long-Term (2004 to 2014)
- Kansas manufacturing employment down 14,000 (-8.0%)
- 6-State Region manufacturing employment down 135,600 (-12.0%)
- U.S. manufacturing employment down 2,207,000 (-15.5%)

Manufacturing Employment
(all employees, thousands)

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	160.8	162.8	175.4	174.8	-1.2%	-8.3%	-8.0%
6-State Region	990.1	980.5	1,001.8	1,125.7	1.0%	-1.2%	-12.0%
U.S.	12,013.0	11,935.0	12,112.0	14,220.0	0.7%	-0.8%	-15.5%

Manufacturing Employment Growth
1yr, 5yr, 10yr Change (based on Mar. figures)



March 2014 Manufacturing Employment Levels
(all employees, thousands)

State	Employment
Kansas	160.8
Arkansas	153.4
Colorado	134.1
Iowa	213.6
Missouri	255.7
Nebraska	96.3
Oklahoma	137.0

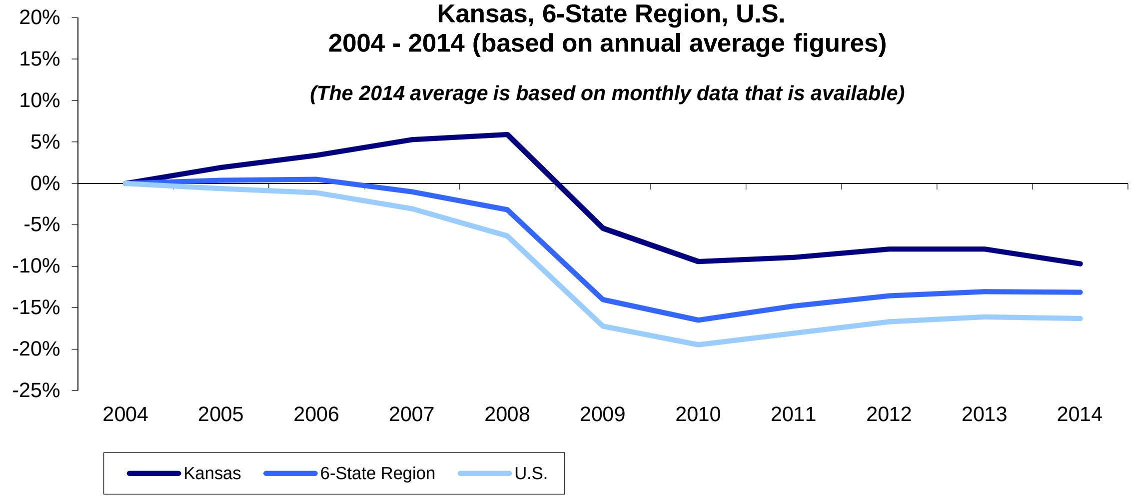
About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation.

The manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.

Manufacturing Employment Growth
Kansas, 6-State Region, U.S.
2004 - 2014 (based on annual average figures)

(The 2014 average is based on monthly data that is available)



Source: *2014 monthly data*
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

http://www.bls.gov/bls/employment.htm
http://www.dol.ks.gov/LMIS/Default.aspx

Indicators of the Kansas Economy
Service Employment

Short-Term (2013 to 2014)
- Kansas service employment up 12,600 (1.4%)
- 6-State Region service employment up 127,300 (1.8%)
- U.S. service employment up 1,968,000 (2.1%)

Long-Term (2004 to 2014)
- Kansas service employment up 70,400 (8.7%)
- 6-State Region service employment up 671,500 (10.5%)
- U.S. service employment up 9,320,000 (10.7%)

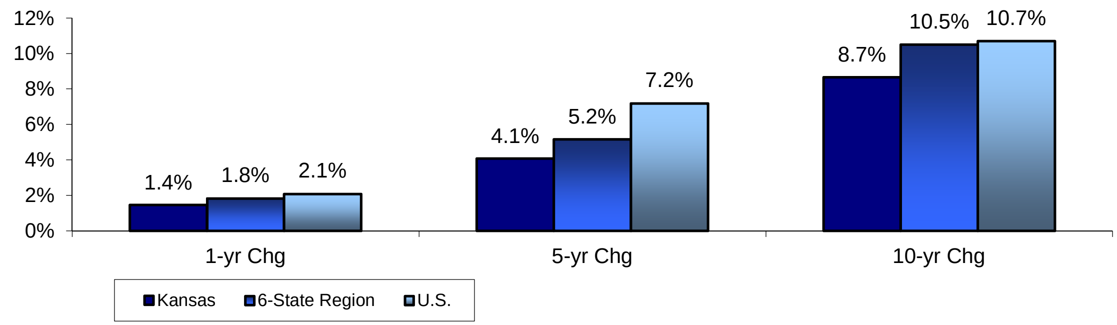
March 2014 Service Employment Levels
(all employees, thousands)

State	Employment
Kansas	882.9
Arkansas	760.1
Colorado	1,707.2
Iowa	986.8
Missouri	1,915.2
Nebraska	665.0
Oklahoma	1,024.5

Service Employment
(all employees, thousands)

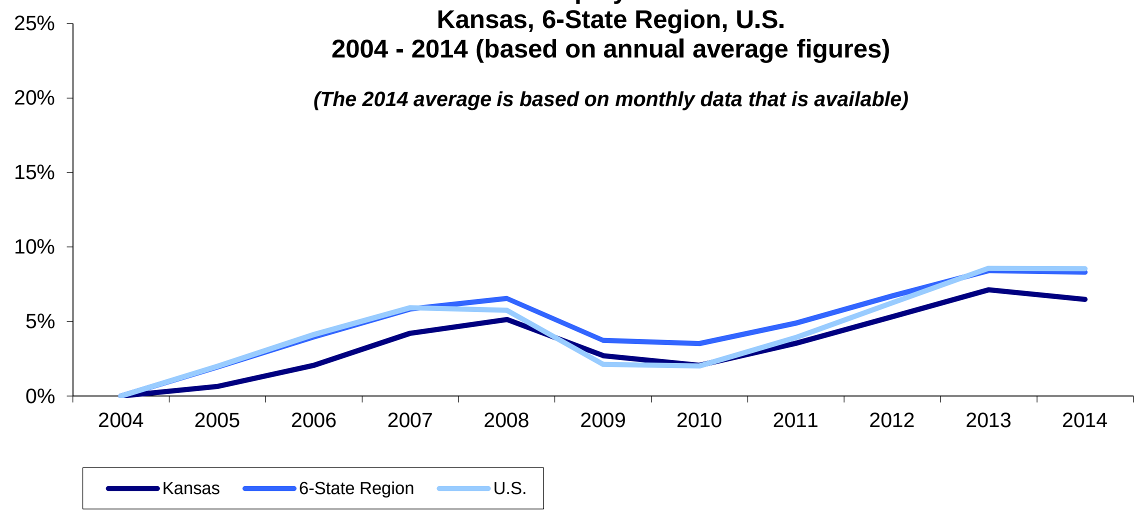
	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	882.9	870.3	848.4	812.5	1.4%	4.1%	8.7%
6-State Region	7,058.8	6,931.5	6,712.1	6,387.3	1.8%	5.2%	10.5%
U.S.	96,329.0	94,361.0	89,861.0	87,009.0	2.1%	7.2%	10.7%

Service Employment Growth
1yr, 5yr, 10yr Change (based on Mar. figures)



Service Employment Growth
Kansas, 6-State Region, U.S.
2004 - 2014 (based on annual average figures)

(The 2014 average is based on monthly data that is available)



About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation. While BLS service sector calculations include government, *for clarification purposes this page only includes the following BLS sectors: trade, transportation, and utilities; information; finance; professional and business; education and health; leisure and hospitality; and other services.*

Source: 2014 monthly data
U.S. Department of Labor - Bureau of Labor Statistics — *http://www.bls.gov/bls/employment.htm*
Kansas Department of Labor - Labor Market Information — *http://www.dol.ks.gov/LMIS/Default.aspx*

Indicators of the Kansas Economy
Public Employment

Short-Term (2013 to 2014)
- Kansas public sector employment up 1,600 (0.6%)
- 6-State Region public sector employment up 11,800 (0.6%)
- U.S. public sector employment down 24,000 (-0.1%)

Long-Term (2004 to 2014)
- Kansas public sector employment up 10,200 (4.0%)
- 6-State Region public sector employment up 156,400 (9.0%)
- U.S. public sector employment up 257,000 (1.2%)

March 2014 Public Sector Employment Levels
(all employees, thousands)

State	Employment
Kansas	265.2
Arkansas	219.7
Colorado	413.2
Iowa	262.1
Missouri	467.1
Nebraska	169.5
Oklahoma	353.4

About the data and graphs

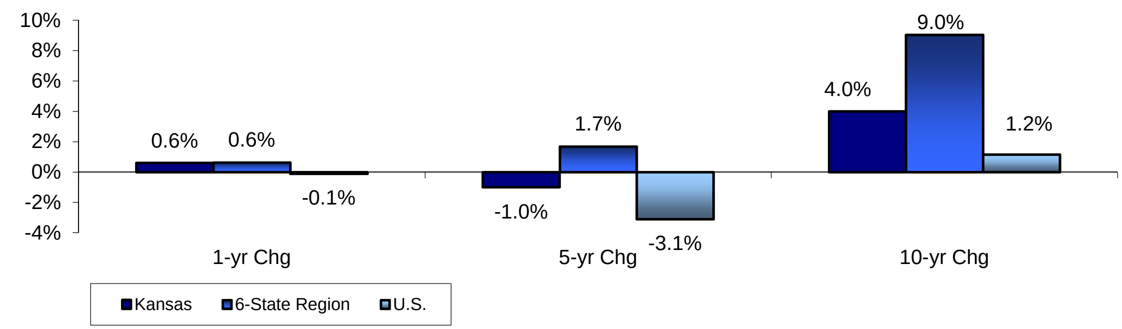
The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for series come from a monthly survey of employers. The data are subject to major and minor revisions. The series count the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the public sector and one in retail, would be counted in both sectors.

The data series chosen for this page are not adjusted for seasonal variation; hence the short term employment graph shows substantial decreases in July and August when many public school personnel are off the job. *This page includes Federal, State, and Local Government figures.*

Public Sector Employment
(all employees, thousands)

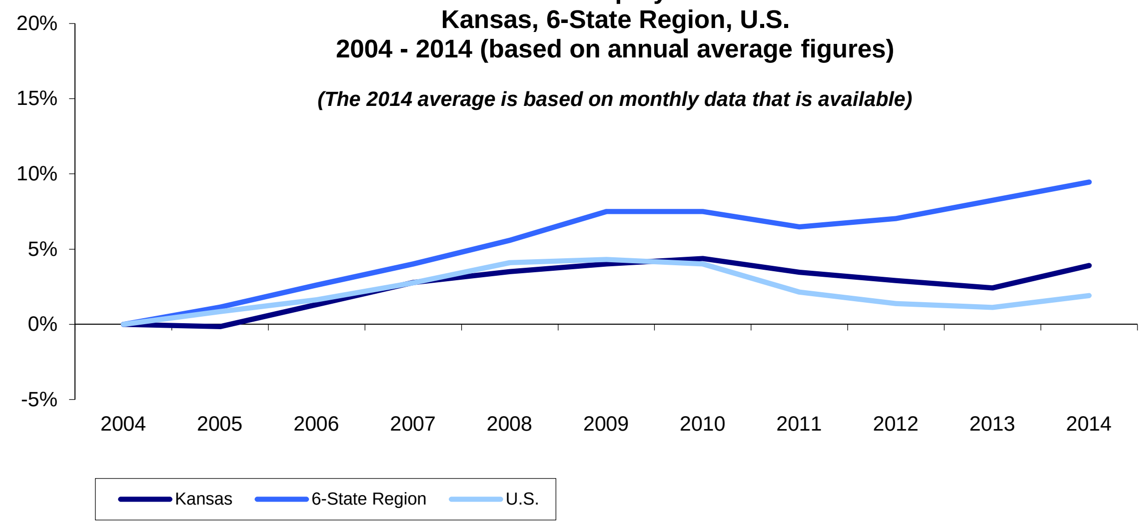
	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	265.2	263.6	267.9	255.0	0.6%	-1.0%	4.0%
6-State Region	1,885.0	1,873.2	1,853.6	1,728.6	0.6%	1.7%	9.0%
U.S.	22,249.0	22,273.0	22,960.0	21,992.0	-0.1%	-3.1%	1.2%

Public Sector Employment Growth
1yr, 5yr, 10yr Change (based on Mar. figures)



Public Sector Employment Growth
Kansas, 6-State Region, U.S.
2004 - 2014 (based on annual average figures)

(The 2014 average is based on monthly data that is available)



Source: 2014 monthly data
U.S. Department of Labor - Bureau of Labor Statistics [*http://www.bls.gov/bls/employment.htm*](http://www.bls.gov/bls/employment.htm)
Kansas Department of Labor - Labor Market Information [*http://www.dol.ks.gov/LMIS/Default.aspx*](http://www.dol.ks.gov/LMIS/Default.aspx)

Indicators of the Kansas Economy
Unemployment and Unemployment Rate

Short-Term (2013 to 2014)

- Kansas unemployment down 9,201 (-11.1%)
- 6-State Region unemployment down 34,651 (-4.9%)
- U.S. unemployment down 1,278,000 (-10.8%)
- Kansas unemployment rate down (-0.6)
- 6-State Region unemployment rate down (-0.4)
- U.S. unemployment rate down (-0.8)

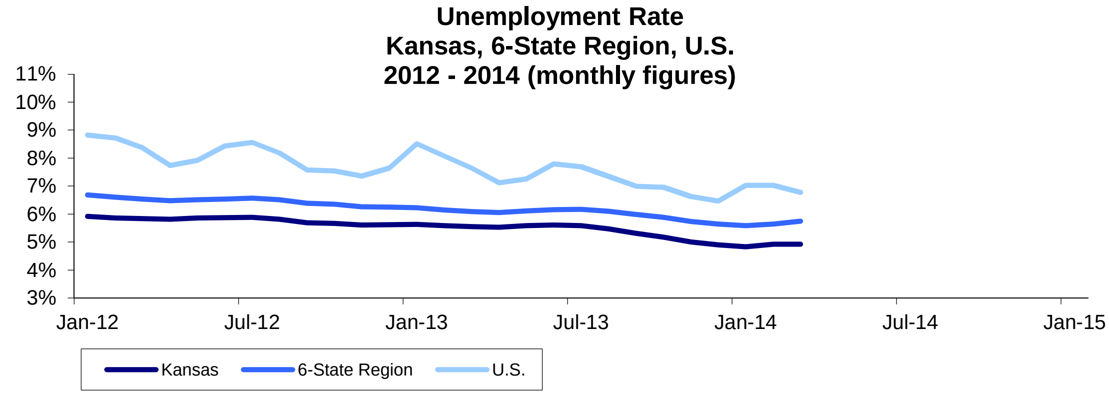
Long-Term (2004 to 2014)

- Kansas unemployment down 8,003 (-9.8%)
- 6-State Region unemployment up 93,892 (16.2%)
- U.S. unemployment up 1,703,000 (19.3%)
- Kansas unemployment rate down (-0.7)
- 6-State Region unemployment rate up (0.5)
- U.S. unemployment rate up (0.8)

Unemployment and Unemployment Rate

(all employees)

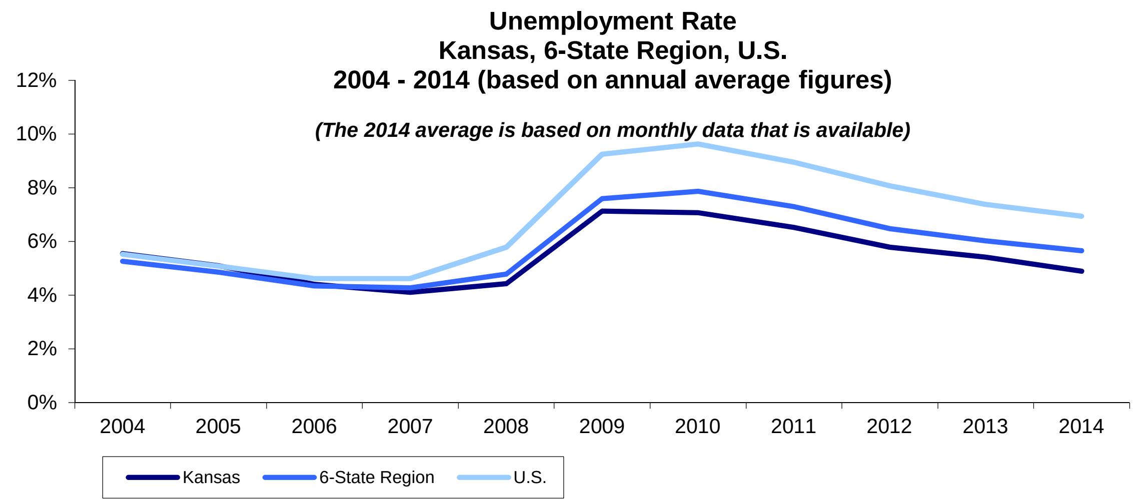
	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	73,321	82,522	102,491	81,324	-11.1%	-28.5%	-9.8%
6-State Region	672,162	706,813	854,702	578,270	-4.9%	-21.4%	16.2%
U.S.	10,537,000	11,815,000	13,895,000	8,834,000	-10.8%	-24.2%	19.3%
Kansas (%)	4.9%	5.5%	6.8%	5.6%	-0.6%	-1.9%	-0.7%
6-State Region (%)	5.7%	6.1%	7.3%	5.2%	-0.4%	-1.6%	0.5%
U.S. (%)	6.8%	7.6%	9.0%	6.0%	-0.8%	-2.2%	0.8%



About the data and graphs

The unemployment rate represents the number unemployed as a percent of the labor force. As defined in the Current Population Survey, unemployed persons are persons aged 16 years and older who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

The unemployment rate contains a seasonal component, it rises during summer as new high school and college graduates enter the civilian labor force and in January, when retailers lay off holiday employees. The unemployment rate also contains a business cycle component, rising during recessionary periods when people currently in the labor force lose jobs.



Source: 2014 monthly data
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

http://www.bls.gov/bls/employment.htm
http://www.dol.ks.gov/LMIS/Default.aspx

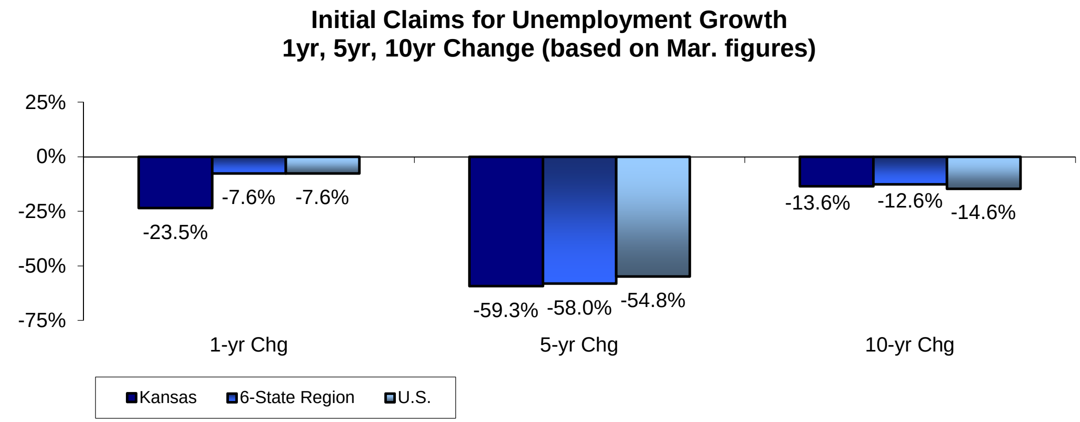
Indicators of the Kansas Economy
Initial Claims for Unemployment

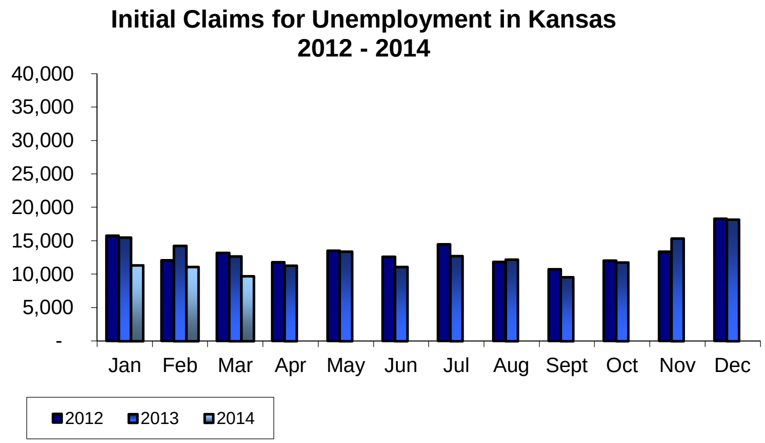
Short-Term (2013 to 2014)
- Kansas initial claims down 2,985 (-23.5%)
- 6-State Region initial claims down 6,253 (-7.6%)
- U.S. initial claims down 101,054 (-7.6%)

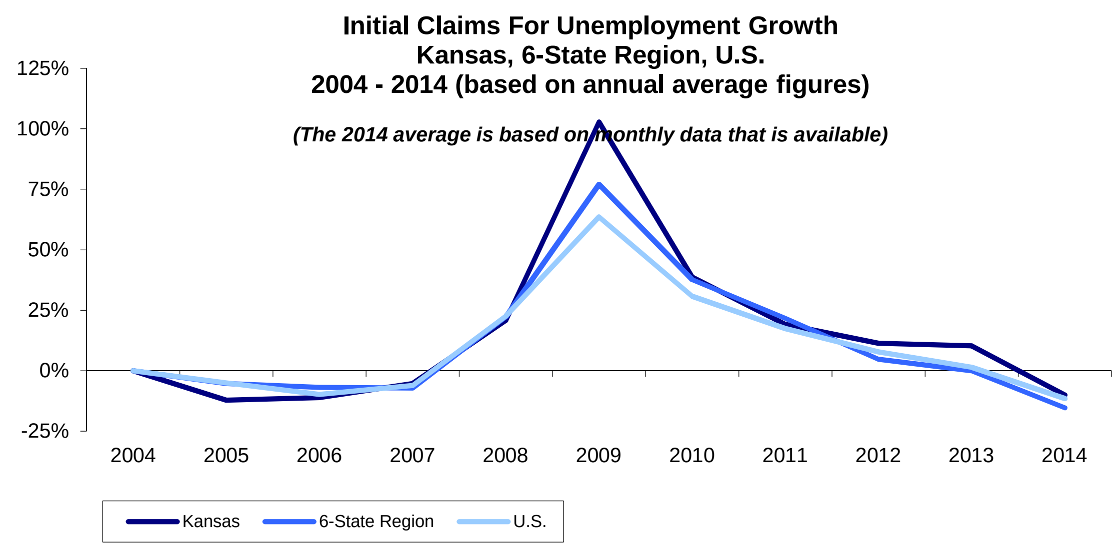
Long-Term (2004 to 2014)
- Kansas initial claims down 1,530 (-13.6%)
- 6-State Region initial claims down 11,003 (-12.6%)
- U.S. intial claims down 209,353 (-14.6%)

Initial Claims for Unemployment
(all employees)

	Mar-14	Mar-13	Mar-09	Mar-04	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	9,708	12,693	23,857	11,238	-23.5%	-59.3%	-13.6%
6-State Region	76,332	82,585	181,871	87,335	-7.6%	-58.0%	-12.6%
U.S.	1,229,227	1,330,281	2,717,420	1,438,580	-7.6%	-54.8%	-14.6%







About the data and graphs

Initial claims for unemployment count the number of applications of workers who separated from their jobs and who wish to begin unemployment compensation or to extend the period of eligibility. The data are collected by the U.S. Department of Labor, Employment and Training Administration. The data produced by this agency are not seasonally adjusted. Initial claims for unemployment typically rise as the economy moves into recession and fall as the economy recovers. Initial claims for unemployment traditionally peak in the winter months of November, December, and January.

Source: 2014 monthly data
U.S. Department of Labor - Employment and Training Administration http://workforcesecurity.doleta.gov/unemploy/claimssum.asp

Indicators of the Kansas Economy
Private Industry Wage Levels

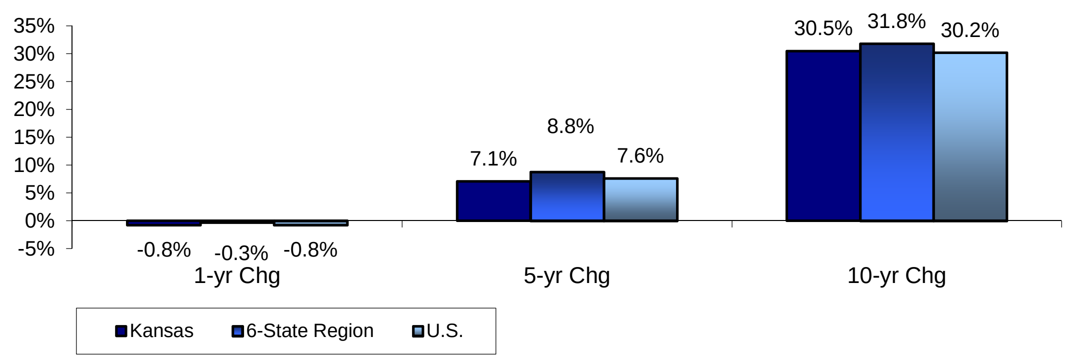
Short-Term (2012 to 2013)
- Kansas private industry wage level down $338 (-0.8%)
- 6-State Region private industry wage level down $133 (-0.3%)
- U.S. private industry wage level down $372 (-0.8%)

Long-Term (2003 to 2013)
- Kansas private industry wage level up $9,685 (30.5%)
- 6-State Region private industry wage level up $10,113 (31.8%)
- U.S. private industry wage level up $11,320 (30.2%)

Private Industry Wage Levels
(average annual wages, all employees, all private establishments)

	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	$ 41,479	$ 41,817	$ 38,735	$ 31,794	-0.8%	7.1%	30.5%
6-State Region	$ 41,903	$ 42,036	$ 38,531	$ 31,790	-0.3%	8.8%	31.8%
U.S.	$ 48,828	$ 49,200	$ 45,371	$ 37,508	-0.8%	7.6%	30.2%

Private Industry Wage Growth
1yr, 5yr, 10yr Change



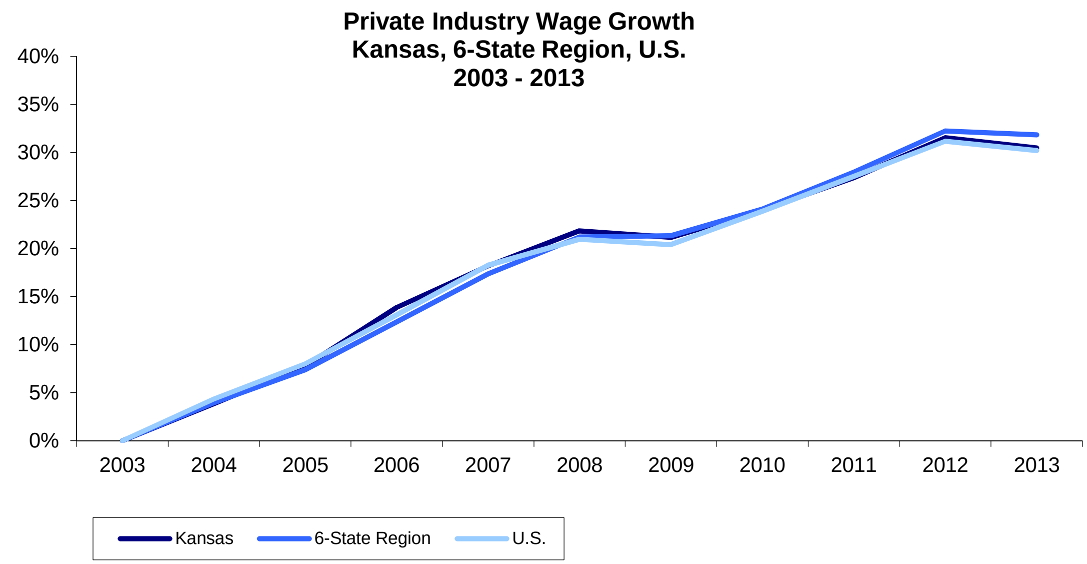
2013 (p) Private Industry Wage Levels
(average annual wages, all employees, all private establishments)

State	Annual Wage
Kansas	$ 41,479
Arkansas	$ 38,151
Colorado	$ 50,232
Iowa	$ 39,624
Missouri	$ 42,692
Nebraska	$ 38,792
Oklahoma	$ 41,929

(p) - 2013 1st, 2nd, 3rd quarter avg weekly wage mulitplied by 52 weeks

About the data and graphs

The Quarterly Census of Employment and Wages Program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State unemployment insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. *Private Industry wage levels were calculated using QCEW program data. Wage levels were calculated as an average of all private industries and establishments.*



Source: 2013 quarterly, annual data
U.S. Department of Labor - Bureau of Labor Statistics

http://www.bls.gov/bls/employment.htm

Indicators of the Kansas Economy
Private Establishment Data

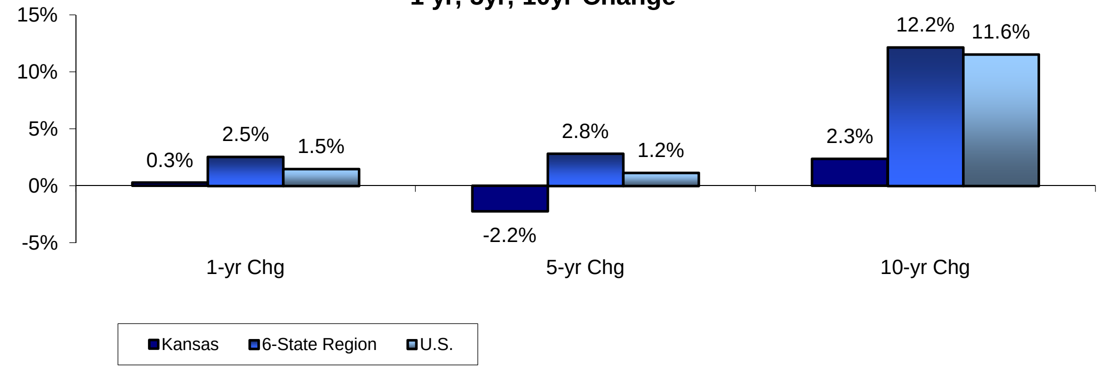
Short-Term (2012 to 2013)
- Kansas total establishments up 214 (0.3%)
- 6-State Region total establishments up 16,774 (2.5%)
- U.S. total establishments up 129,043 (1.5%)

Long-Term (2003 to 2013)
- Kansas total establishments up 1,799 (2.3%)
- 6-State Region total establishments up 73,358 (12.2%)
- U.S. total establishments up 915,504 (11.6%)

Private Establishment Data
(total private establishments, all employee sizes)

	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	78,475	78,261	80,276	76,676	0.3%	-2.2%	2.3%
6-State Region	677,127	660,353	658,526	603,769	2.5%	2.8%	12.2%
U.S.	8,837,846	8,708,803	8,737,209	7,922,342	1.5%	1.2%	11.6%

Private Establishment Growth
1 yr, 5yr, 10yr Change



Kansas Private Establishment Data
(total private establishments, by employee size)

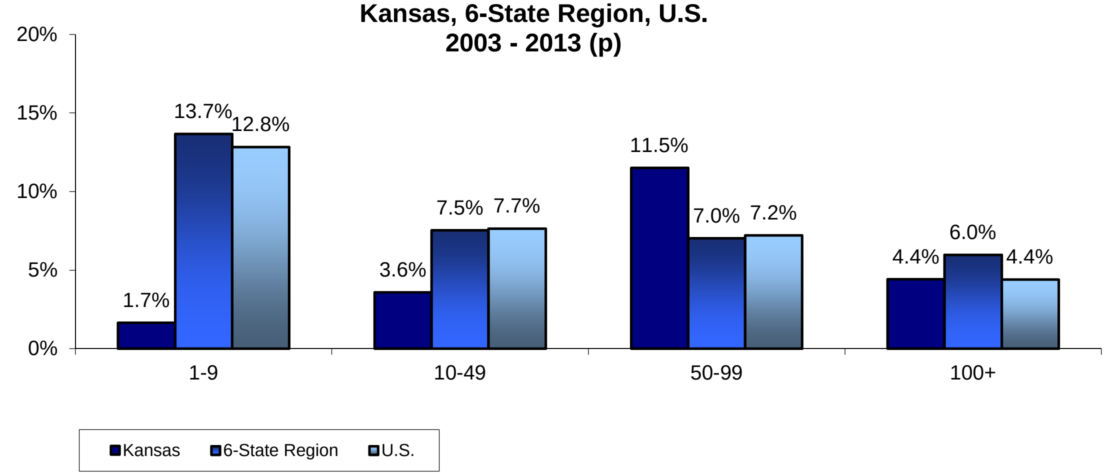
Year	1-9	10-49	50-99	100+
2008	60,803	15,650	2,110	1,713
2009	62,384	15,592	2,087	1,587
2010	62,480	15,283	2,031	1,524
2011	62,502	15,425	2,053	1,567
2012	58,837	15,682	2,147	1,595
2013 (p)	58,880	15,783	2,180	1,632
1-yr Chg	0.1%	0.6%	1.5%	2.3%
5-yr Chg	-3.2%	0.8%	3.3%	-4.7%

(p) - preliminary

About the data and graphs

According to the U.S. Small Business Administration, small businesses provide approximately 75 percent of the net new jobs added to the economy and employ 50.1 percent of the private work force. This data tracks the number of business establishments by employee size to help understand what size businesses are growing. The Quarterly Census of Employment and Wages (QCEW) program includes data on the number of establishments, monthly employment, and quarterly wages, by NAICS industry, by county, by ownership sector, for the entire United States. *This variable includes private establishments only, as determined by the QCEW program.*

Private Establishment Growth by Employee Size
Kansas, 6-State Region, U.S.
2003 - 2013 (p)



Source: *2013 annual data*
U.S. Department of Labor - Bureau of Labor Statistics http://www.bls.gov/bls/employment.htm
Kansas Department of Labor - Labor Market Information http://laborstats.dol.ks.gov/

Indicators of the Kansas Economy
USDA Farm and Agriculture Data

March 28, 2014 USDA Agricultural Prices – U.S. – The March **All Farm Products Index** is 111 percent of its 2011 base, up 4.7 percent from the February index and 0.9 percent above the March 2013 index. **All crops:** The March index, at 95, increased 2.2 percent from February but is 15 percent below March 2013.

Food grains: The March index, at 103, is 6.2 percent above the previous month but 3.7 percent below a year ago. The March price for all wheat, at $6.90 per bushel, is up 41 cents from February but 89 cents below March 2013.

Feed grains: The March index, at 76, is up 4.1 percent from last month but 36 percent below a year ago. The corn price, at $4.54 per bushel, is up 19 cents from last month but $2.59 below March 2013. Sorghum grain, at $8.18 per cwt, is 53 cents above February but $4.02 below March last year.

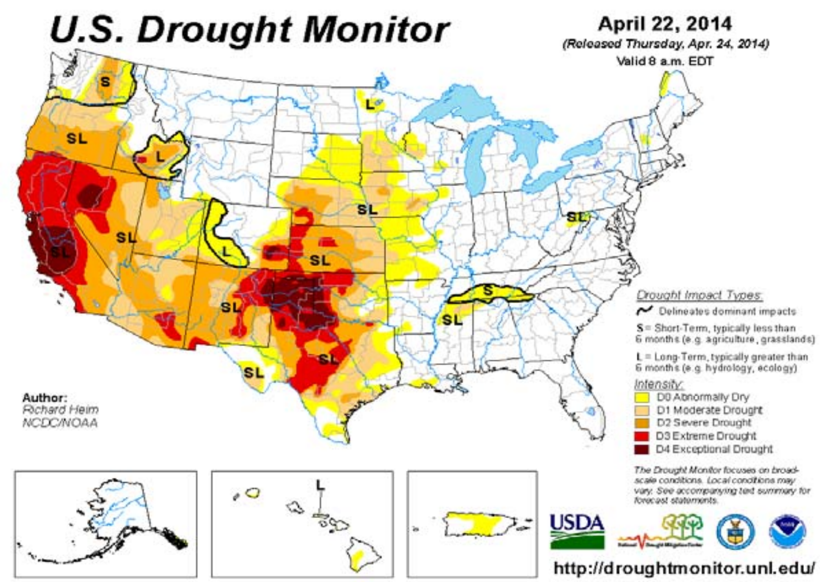
Oilseeds: The March index, at 108, is up 3.8 percent from February but 6.9 percent lower than March 2013. The soybean price, at $13.60 per bushel, increased 40 cents from February but is $1.00 below March 2013.

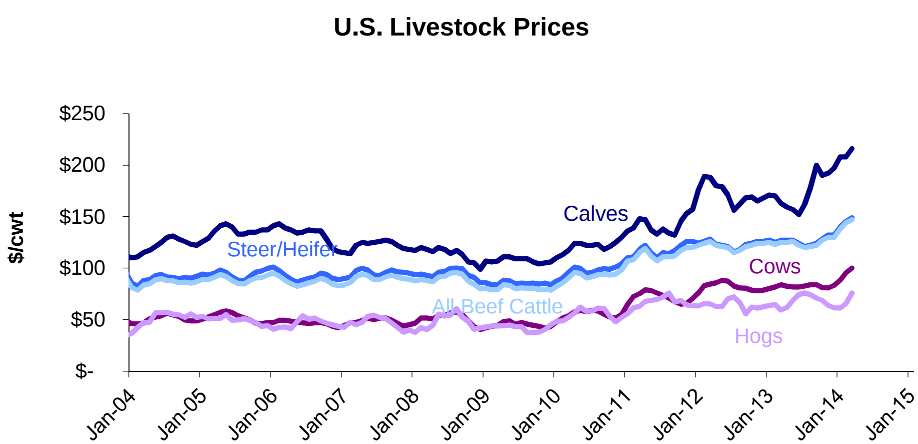
Other crops: The March index, at 98, is up 2.1 percent from last month but 3.9 percent below March 2013. The all hay price, at up $173 per ton, is up $5.00 from February but $22.00 lower than last March. The price for upland cotton, at 80.3 cents per pound, is up 1.3 cents from February and 2.8 cents above last March.

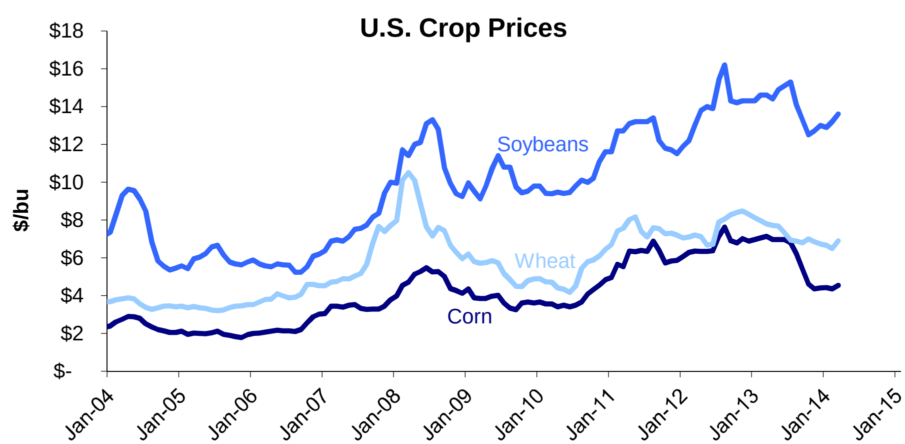
Livestock and products: The March index, at 127, is 5.0 percent above last month and up 18 percent from March 2013. Compared with a year ago, prices are higher for milk, cattle, hogs, calves, eggs, and turkeys. The price for broilers is down from last year.

Meat animals: The March index, at 126, is up 5.0 percent from last month and 21 percent higher than last year. The March hog price, at $75.90 per cwt, is up $10.40 from February and $16.70 higher than a year ago. The March beef cattle price of $147 per cwt is up $3.00 from last month and $22.00 higher than March 2013.

Dairy products: The March index, at 126, is up 1.6 percent from a month ago and 33 percent higher than March last year. The March all milk price of $25.40 per cwt is up 50 cents from last month and $6.30 from March 2013.







Source: *2014 monthly data*
United States Department of Agriculture - NASS http://www.nass.usda.gov
National Drought Mitigation Center http://droughtmonitor.unl.edu/

Indicators of the Kansas Economy
Kansas Farm Management Association Data

Short-Term (2012)

- 1,290 farms reported farm operation data to KFMA
- KFMA farms averaged $620,109 in value of farm production
- KFMA farms averaged $468,982 in total farm expense
- KFMA average net farm income was $151,127
- NW region had the highest net farm income at $288,176
- SW region had the lowest net farm income at $98,071

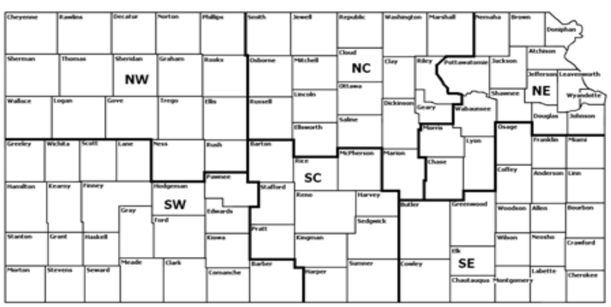
Long-Term (2002 to 2012)

- KFMA average net farm income varies widely from year to year
- 5-yr average net farm income was $141,288
- 10-yr average net farm income was $103,847

About the data and graphs

The Kansas Farm Management Association (KFMA) program is one of the largest publicly funded farm management programs in the U.S. With more than 80 years of experience serving producers, the Kansas Farm Management Association (KFMA) maintains a long term commitment to Kansas agriculture.

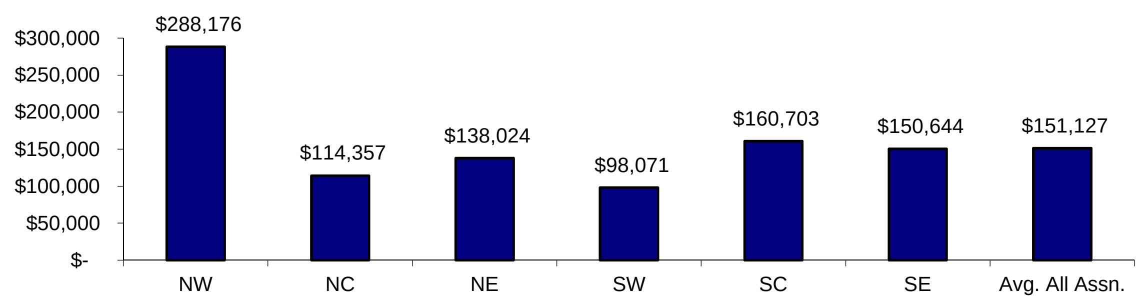
The goals of the KFMA program are to provide each member with information about business and family costs to improve farm business organization, farm business decisions, and farm profitability; and minimize risk. Through on-farm visits, whole-farm analysis, and other educational programs, Association Economists assist producers in developing sound farm accounting systems; improving decision making; comparing performance with similar farms; and integrating tax planning, marketing, and asset investment strategies. The KFMA program is organized into six regional associations.



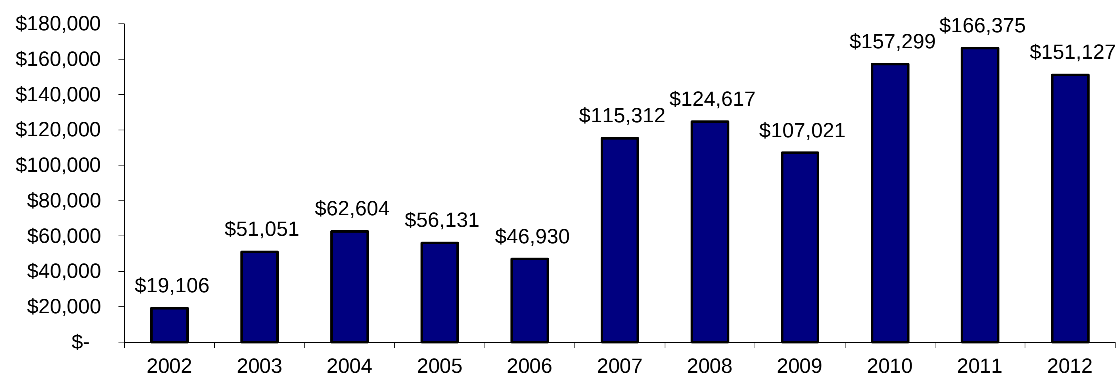
KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2011	$ 440,407	$ 148,712	$ 206,248	$ 79,403	$ 110,649	$ 111,732	$ 166,375
2012	$ 288,176	$ 114,357	$ 138,024	$ 98,071	$ 160,703	$ 150,644	$ 151,127
5-yr avg	$ 266,910	$ 114,172	$ 142,686	$ 92,070	$ 123,865	$ 136,062	$ 141,288
10-yr avg	$ 180,407	$ 84,774	$ 106,722	$ 68,683	$ 90,353	$ 104,589	$ 103,847

2012 Kansas Farm Management Association
Average Net Farm Income by Region



Kansas Farm Management Association
Average Net Farm Income
2002 - 2012



Source: 2012 annual data
Kansas State University - Kansas Farm Management Association

www.agmanager.info/kfma

Indicators of the Kansas Economy
Oil Production and Price

Short-Term (2012 to 2013)

- Kansas oil production up 248,381 bbl (6.8%)
- Oil price up $9.8 (11.1%)

Long-Term (2003 to 2013)

- Kansas oil production up 997,945 bbl (34.5%)
- Oil price up $65.5 (203.9%)

2013 Oil Production/Price

Month	Production*	Price	Month	Production*	Price
January	3,955,750	$ 94.76	July	3,909,985	$ 104.67
February	3,258,477	$ 95.31	August	3,989,786	$ 106.57
March	4,089,520	$ 92.94	September	3,839,285	$ 106.29
April	3,998,388	$ 92.02	October	4,159,503	$ 100.54
May	4,056,625	$ 94.51	November	3,840,304	$ 93.86
June	3,828,887	$ 95.77	December	3,886,739	$ 97.63

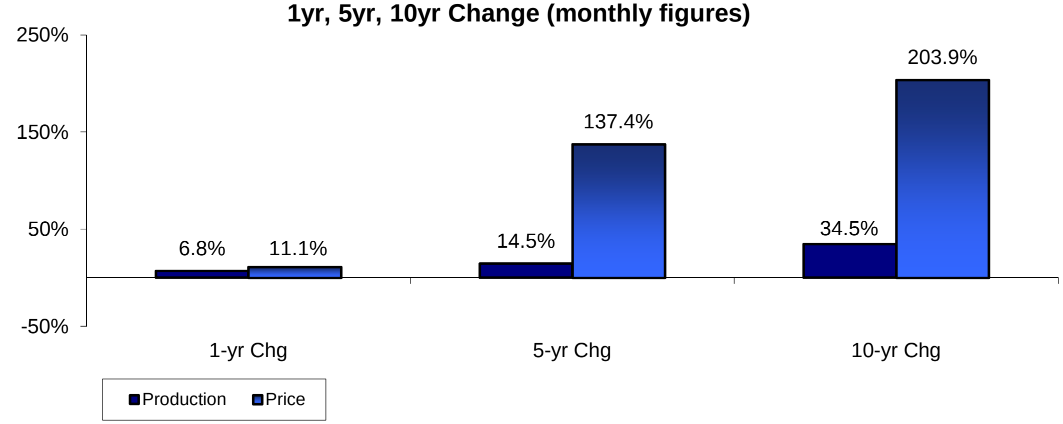
** Recent months production usually incomplete and revised upwards.*

Oil Production* and Price

(most recent month of both production and price information)

	Dec-13	Dec-12	Dec-08	Dec-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,886,739	3,638,358	3,395,736	2,888,794	6.8%	14.5%	34.5%
Price ($/bbl)	$ 97.63	$ 87.86	$ 41.12	$ 32.13	11.1%	137.4%	203.9%

Oil Production and Price Growth
1yr, 5yr, 10yr Change (monthly figures)

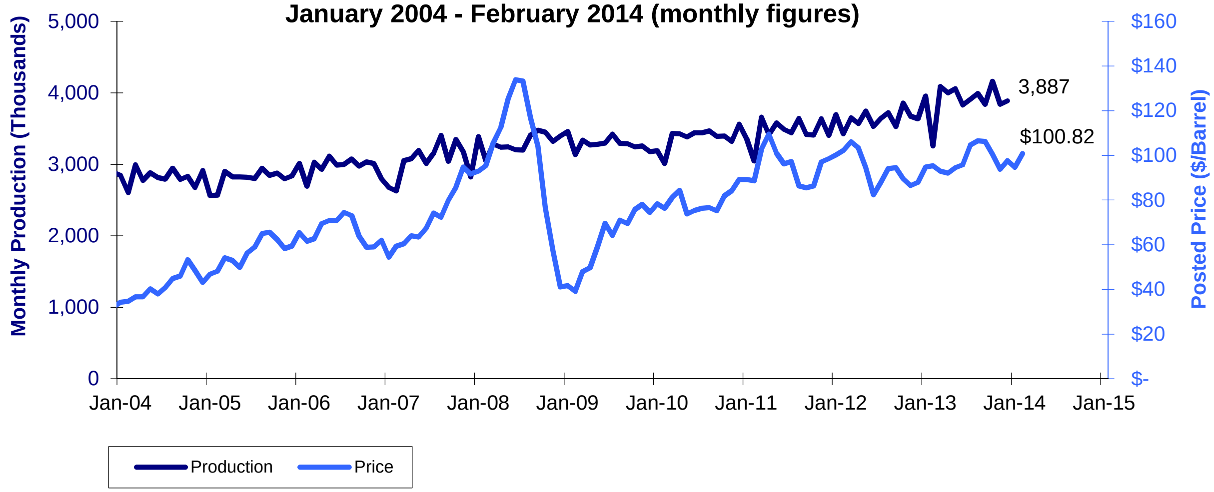


About the data and graphs

Since the 1990's, monthly production of oil has steadily declined in Kansas. Kansas has experienced a natural decline in oil production as it becomes increasingly difficult to extract oil over time. CO_2 sequestration and other oil recovery techniques show great promise in recovering a larger share of the know oil reserves in Kansas. The higher prices received for oil along with new technology developments have helped to stabilize oil production levels since 1999.

These prices represent the Cushing, OK WTI Spot Price FOB ($/Barrel). The amount of oil produced is measured in bbl (barrels of oil).

Oil Production and Price
January 2004 - February 2014 (monthly figures)



Source: *2014 monthly data*
Kansas Geological Survey [*http://www.kgs.ku.edu/PRS/petro/interactive.html*](http://www.kgs.ku.edu/PRS/petro/interactive.html)
Energy Information Administration [*http://www.eia.doe.gov/*](http://www.eia.doe.gov/)

Indicators of the Kansas Economy
Natural Gas Production and Price

Short-Term (2012 to 2013)
- Kansas natural gas production down 878,199 mcf (-3.5%)
- Natural gas price up $0.8 (20.9%)

Long-Term (2003 to 2013)
- Kansas natural gas production down 10,610,936 mcf (-30.6%)
- Natural gas price down $0.3 (-6.5%)

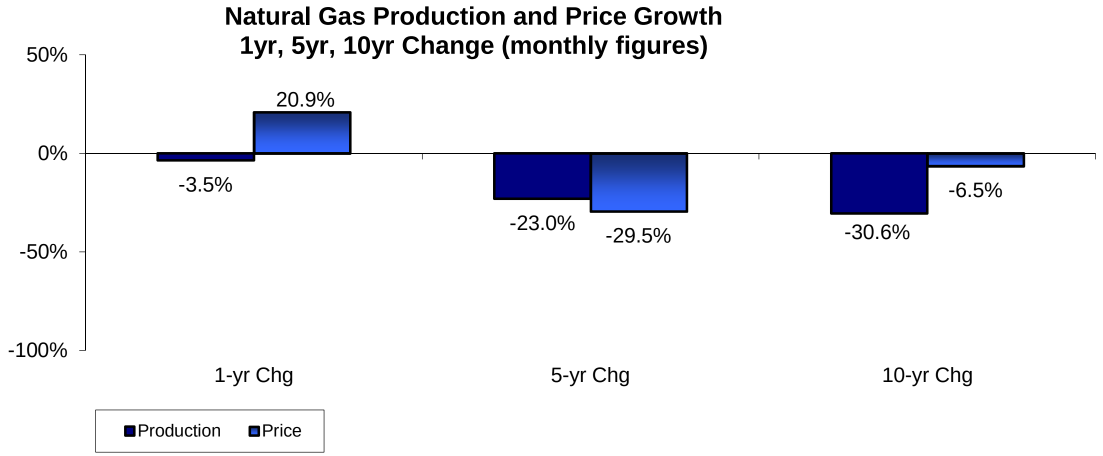
2013 Natural Gas Production/Price

Month	Production*	Price	Month	Production*	Price
January	24,688,560	$ 4.14	July	25,115,469	$ 3.41
February	22,143,941	$ 3.99	August	27,011,187	$ 3.17
March	24,604,690	$ 3.84	September	24,629,144	$ 3.49
April	24,052,977	$ 3.98	October	25,505,170	$ 3.39
May	24,954,969	$ 3.95	November	24,036,644	$ 3.76
June	24,049,181	$ 3.90	December	24,083,100	$ 4.75

** Recent months production usually incomplete and revised upwards.*

Natural Gas Production* and Price
(most recent month of both production and price information)

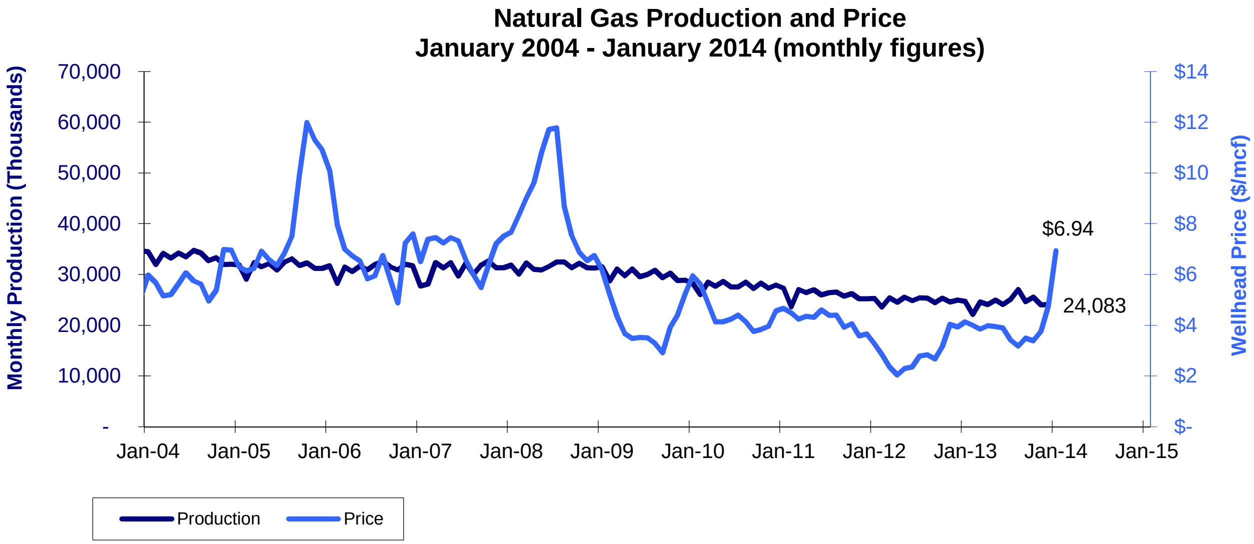
	Dec-13	Dec-12	Dec-08	Dec-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	24,083,100	24,961,299	31,273,783	34,694,036	-3.5%	-23.0%	-30.6%
Price ($/mcf)	$ 4.75	$ 3.93	$ 6.74	$ 5.08	20.9%	-29.5%	-6.5%



About the data and graphs

Since the 1990's, the monthly production of natural gas has declined in Kansas, as the Hugoton natural gas field has decreased in production. The Hugoton natural gas field is the state's largest natural gas field and extends into Oklahoma and Texas. As with Kansas oil production, natural gas production is experiencing a natural decline in production. Price for natural gas has remained fairly constant in the 1990's, and since March 1999 prices have rose considerably.

These prices represent the price of U.S. natural gas imports. The amount of natural gas produced is measured in Mcf's (thousand cubic feet).



Source: *2014 monthly data*
Kansas Geological Survey http://www.kgs.ku.edu/PRS/petro/interactive.html
Energy Information Administration http://www.eia.doe.gov/

Indicators of the Kansas Economy

Summary of Commentary on Current Economic Conditions - Tenth District - Kansas City

April 17, 2014 - Tenth District - Kansas City - The Tenth District economy grew moderately in March, and most contacts were optimistic about future activity. Consumer spending increased despite flat auto sales, with solid sales expectations heading forward. District manufacturing activity grew further, and professional, high-tech, and health service firms reported improved sales. Commercial and residential real estate activity strengthened, and energy activity expanded. Bankers noted slightly higher loan demand, better loan quality, and rising deposits. In agriculture, District crop conditions remained dry, and livestock prices increased due to low inventories and strong export demand. Transportation firms reported some moderation in sales growth. Prices increased in most industries, with slightly more firms reporting higher wage pressures and labor shortages for skilled positions than in previous surveys.

Consumer Spending - Consumer spending increased moderately from the previous period, and contacts were more optimistic as weather conditions improved. Retail sales increased from the previous survey and were up considerably from a year ago. Several retailers noted stronger sales of discounted items and warm-weather products. Expectations for future sales also rose, and store inventories increased moderately. Auto sales were flat in March and similar to year-ago levels. However, expectations for future sales were notably better and contacts said light, mid-sized vehicles sold particularly well. Auto inventories rose but at a slower pace than in previous surveys. Restaurant sales increased, especially for value and take-out items, but activity remained similar to year-ago levels. Contacts expected restaurant sales to rise further in coming months. Tourist activity improved in March, and several hotels noted increased occupancy rates. Tourism contacts expected future activity to rise further.

Manufacturing and Other Business Activity - District manufacturing activity grew at a slightly faster pace in March, with some contacts attributing improved activity to better weather conditions. Production increased at all types of plants, particularly among machinery and plastics manufacturers. Shipments and new orders also rose, while employment was flat. Expectations for future factory activity were mostly stable and generally solid overall, although capital spending plans eased somewhat. Contacts in professional and high-tech services, healthcare services, and wholesale trade reported generally higher sales than the previous survey period. Wholesale trade firms noted an increase in capital spending plans and a positive outlook for future sales, while expectations for professional and high-tech activity were not quite as strong. Transportation firms reported slower growth in March, but contacts expected moderate growth over the next six months. One contact mentioned capacity concerns due to equipment and driver shortages.

Real Estate and Construction - Commercial and residential real estate sales strengthened, and construction increased moderately from the previous survey period. Residential realtors reported stronger sales since the last survey period due in part to seasonal factors and improved weather conditions. Home sales were flat compared to a year ago, with low- and medium-priced homes continuing to sell well, while higher-priced home sales remained weak in most of the District. Residential home inventories fell further, putting upward pressure on prices. Inventories were expected to stabilize, and prices were expected to continue to rise in the near term. Construction supply and builder contacts reported stronger activity since the previous survey period and compared to last year. Builders reported moderate growth in the number of starts, and construction activity was expected to increase in the coming months, with prices and buyer traffic both expected to increase modestly. Mortgage activity was flat since the previous survey but was expected to increase in the coming months with a rise in home purchases. Commercial real estate contacts continued to report a decline in vacancy rates, a slight increase in absorption, and higher sales. Commercial construction activity strengthened since the last survey period and was higher than a year ago. Commercial real estate contacts expected both construction and prices to increase further in the coming months.

Banking - Bankers reported a slight increase in overall loan demand, improved loan quality and increased deposits levels in April. Respondents reported a minor increase in demand for commercial real estate loans. Most respondents reported steady demand for commercial and industrial loans, consumer installment loans and agriculture loans. Demand for residential real estate loans was mixed during the survey period but improved compared to the prior survey. Bankers reported stable or improving loan quality compared to a year ago, and all bankers expected the outlook for loan quality to either improve or remain the same over the next six months. Credit standards remained largely unchanged in all major loan categories, and respondents reported an increase in deposits.

Energy - Energy activity expanded in March. Contacts reported solid drilling and business activity, and expectations for the coming months were positive. The number of active oil and natural gas rigs in the District edged up in March. Natural gas and natural gas liquids prices stabilized after rising in recent survey periods but contacts expected them to stay above average in the coming months. Crude oil spot and futures prices increased slightly since February and are expected to remain stable heading forward. High spot prices, especially for oil, continued to drive plans for strong capital expenditures in 2014. Hiring in the industry grew at a strong pace, but several contacts noted a sustained shortage of skilled labor.

Agriculture - Crop growing conditions remained dry in March, while livestock prices increased further since the last survey period. The winter wheat crop was in need of moisture and rated in mostly fair to poor condition. Spring fieldwork began, and District farmers followed national trends by intending to plant slightly more soybeans and less corn. With crop prices still lower than a year ago, farm operating loan demand rose this year as farmers financed a larger portion of crop input costs. However, global supply concerns supported strong exports, and crop prices rose to a six-month high during the reporting period. Low cow inventories kept feeder cattle prices elevated, and strong export demand supported higher fed cattle prices. In addition, hog prices surged as the on-going swine virus cut inventories further.

Wages and Prices - Prices rose in most industries, and wage pressures increased slightly in some industries, particularly for skilled positions. Retail prices edged up, with further increases anticipated. Prices of manufacturing materials increased modestly compared to the previous period, although slightly fewer firms planned on raising selling prices. Transportation firms reported higher input and selling prices, and restaurants noted a considerable rise in food costs and menu prices. Construction materials prices moved slightly higher, particularly for drywall and roofing, and were expected to increase further. Many contacts continued to cite concerns about future costs for health care and the potential for minimum wage reform. Wage pressures increased slightly in some industries, especially manufacturing. Many contacts noted difficulties finding qualified labor, particularly for truck drivers, machinists, high-tech, and other types of skilled workers.

About the data *- Each Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. This document summarizes comments received from business and other contacts outside the Federal Reserve and is not a commentary on the views of Federal Reserve officials. The Federal Reserve Bank of Kansas City covers the 10th District of the Federal Reserve, which includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, and portions of western Missouri and northern New Mexico.*

Source: *http://www.federalreserve.gov/monetarypolicy/beigebook/default.htm*

Indicators of the Kansas Economy
Kansas - Foreign Trade

Kansas: Exports, Jobs, and Foreign Investment - April 2014

Exports Support Jobs for Kansas's Workers
Total exports from Kansas helped contribute to the record-setting value of U.S. goods and services exports in 2013, which reached $2.3 trillion. Nationally, jobs supported by exports reached more than 11 million in 2013, up 1.6 million since 2009. In 2011, one-quarter (24.8 percent) of all manufacturing workers in Kansas depended on exports for their jobs.

Exports Sustain Thousands of Kansas Businesses
A total of 3,387 companies exported from Kansas locations in 2012. Of those, 2,830 (83.6 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated one-quarter (24.5 percent) of Kansas' total exports of merchandise in 2012.

Foreign Investment Creates Jobs in Kansas
In 2011, foreign-controlled companies employed 58,400 Kansas workers. Major sources of foreign investment in Kansas in 2011 included Canada, United Kingdom, Switzerland, and Germany. Foreign investment in Kansas was responsible for 5.3 percent of the state's total private-industry employment in 2011.

Kansas Depends on World Markets
Kansas's export shipments of merchandise in 2013 totaled $12.5 billion. The state's largest market was Canada. Kansas posted merchandise exports of $2.6 billion to Canada in 2013, representing 21.0 percent of the state's total merchandise exports. Canada was followed by China (1.7 billion), Mexico ($1.5 billion), Japan ($882 million), and Brazil ($676 million). The state's largest merchandise export category is Agricultural Products, which accounted for $2.6 billion of Kansas's total merchandise exports in 2013. Other top merchandise exports are Food & Kindred Products ($2.5 billion), Transportation Equipment ($2.2 billion), Machinery, Except Electrical ($1.3 billion), and Chemicals ($1.0 billion).

Kansas's Metropolitan Exports
In 2012, the following metropolitan areas in Kansas recorded merchandise exports: Wichita ($4.3 billion), Topeka ($265 million), Lawrence ($66 million), and Manhattan ($33 million).

Free Trade Agreements
The United States currently has free trade agreements in force with 20 countries, which account for $5.2 billion (42 percent) of Kansas' exports. During the past 10 years, exports from Kansas to these markets grew by 106 percent, with NAFTA, CAFTA-DR, Peru, Australia, and Columbia showing the largest dollar growth during this period.

Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce

Total U.S. Exports (Origin of Movement) via KANSAS - 2013
(millions of dollars)

Rank	Description	2013 Value	2013 % Share
---	**Total KANSAS Exports and % Share of U.S. Total**	$ 12,451.7	0.8
---	**Total, Top 25 Commodities and % Share of State Total**	7,845.8	63.0
1	CIVILIAN AIRCRAFT, ENGINES, AND PARTS	1,822.2	14.6
2	WHEAT AND MESLIN, NESOI	1,453.1	11.7
3	MEAT OF BOVINE ANIMALS, BONELESS, FRESH OR CH	798.7	6.4
4	SOYBEANS, NESOI	795.6	6.4
5	DOG AND CAT FOOD, PUT UP FOR RETAIL SALE	238.8	1.9
6	CORN (MAIZE), OTHER THAN SEED CORN	235.0	1.9
7	MEDICAMENTS NESOI, MEASURED DOSES, RETAIL PK	215.8	1.7
8	WHOLE HIDES & SKINS, OF A WT >16KG BOVINE/EQU	214.8	1.7
9	MEAT OF BOVINE ANIMALS, BONELESS, FROZEN	208.4	1.7
10	LT OILS, PREPS GT=70% PETROLEUM/BITUM NT BIOD	185.3	1.5
11	RADIO NAVIGATIONAL AID APPARATUS	162.6	1.3
12	NEW PNUMAT RUB TIRE, CONST/INDUST VEH/MAC,RIM	159.0	1.3
13	BREWING OR DISTILLING DREGS AND WASTE, W/NT P	158.4	1.3
14	WL HIDES&SKIN, WT/SKI<=8KG DRD/10 DRY-SALT/16	134.5	1.1
15	MECH FRONT-END SHOVEL LOADERS, SELF-PROPELLED	132.2	1.1
16	FLOURS AND MEALS OF SOYBEANS	108.8	0.9
17	BOV/EQ HIDE/SKIN,FUL GRN,UNSPLIT;GRN SPL, WET	105.5	0.8
18	GENERATING SETS, ELECTRIC, WIND-POWERED	100.3	0.8
19	MEAT OF SWINE, NESOI, FROZEN	96.5	0.8
20	PASS VEH SPK-IG INT COM RCPR P ENG >1500 NOV	93.5	0.8
21	TALLOW OF BOVINE ANIMALS, SHEEP OR GOATS, NES	92.4	0.7
22	RARE GASES, OTHER THAN ARGON	89.1	0.7
23	LEAD-ACID BATTERIES OF A KIND USED FOR STG EN	87.1	0.7
24	MEAS & CHECKNG INSTRUMENT, APPLIANCES & MACH	79.5	0.6
25	MEAT, BOVINE CUTS WITH BONE IN, FROZEN	79.0	0.6

** NESOI - Not Elsewhere Specified or Included*

Source: *2011 - 2013 annual data*
http://www.trade.gov/mas/ian/statereports/
http://www.census.gov/foreign-trade/statistics/state/data/ks.html

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