

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
IRRIGATED (ALL) ALFALFA

	1996-2000 Average	2001
Number of Farms	14	17
Crop Acres	86	83
Acres Owned	22	33
Acres Rented	64	50
Yield / Acre	5.3	4.6
Tons	373	325
Operator Percentage	81.93%	84.39%
Gross Income / Acre	\$309.84	\$381.60
Variable Costs / Acre	\$176.91	\$223.01
Total Expense / Acre	\$261.18	\$340.83
Gross Income / Ton	\$71.27	\$97.45
Total Expense / Ton	\$60.08	\$87.04

	Total Dollars	\$/ Ton	\$/ Acre	Total Dollars	\$/ Ton	\$/ Acre
INCOME:						
Alfalfa (Operator's Share)	\$24,221.46	\$64.94	\$282.30	\$27,597.31	\$84.91	\$332.50
Patronage Refunds	71.37	0.19	0.83	95.39	0.29	1.15
Government Payments	2,051.56	5.50	23.91	3,862.95	11.89	46.54
Miscellaneous Income	239.70	0.64	2.79	116.81	0.36	1.41
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$2,362.62	\$6.33	\$27.54	4,075.15	\$12.54	\$49.10
GROSS INCOME	\$26,584.08	\$71.27	\$309.84	\$31,672.46	\$97.45	\$381.60
EXPENSES:						
Labor Hired	\$505.13	\$1.35	\$5.89	\$581.75	\$1.79	\$7.01
General Machinery Repairs	2,930.64	7.86	34.16	4,078.39	12.55	49.14
Irrigation Equipment Repairs	896.46	2.40	10.45	791.12	2.43	9.53
Interest Paid	1,925.25	5.16	22.44	2,336.18	7.19	28.15
Seed / Other Crop Expense	401.68	1.08	4.68	1,024.71	3.15	12.35
Crop Insurance	-	-	-	-	-	-
Fertilizer / Lime	1,133.92	3.04	13.22	741.28	2.28	8.93
Machine Hire - Lease	1,369.38	3.67	15.96	1,085.36	3.34	13.08
Farm Org Fees / Travel / Publ	468.26	1.26	5.46	476.98	1.47	5.75
Gas / Fuel / Oil	1,088.05	2.92	12.68	1,324.66	4.08	15.96
Irrigation Fuel - Pumping	2,458.42	6.59	28.65	4,564.58	14.04	54.99
Crop Storage & Marketing	0.30	0.00	0.00	7.25	0.02	0.09
Personal Property Tax	72.70	0.19	0.85	63.34	0.19	0.76
General Farm Insurance	296.67	0.80	3.46	418.21	1.29	5.04
Utilities	303.59	0.81	3.54	213.58	0.66	2.57
Cash Farm Rent	419.11	1.12	4.88	47.84	0.15	0.58
Herbicide / Insecticide	722.08	1.94	8.42	606.06	1.86	7.30
Conservation	4.82	0.01	0.06	-	-	-
Auto Expense	182.29	0.49	2.12	148.47	0.46	1.79
TOTAL VARIABLE COSTS	\$15,178.77	\$40.69	\$176.91	\$18,509.76	\$56.95	\$223.01
RETURN ABOVE VARIABLE COSTS	\$11,405.31	\$30.58	\$132.93	\$13,162.70	\$40.50	\$158.59
Depreciation	1,964.04	5.27	22.89	2,638.60	8.12	31.79
Real Estate Tax	201.12	0.54	2.34	205.22	0.63	2.47
Unpaid Operator Labor	2,461.96	6.60	28.69	2,595.44	7.99	31.27
Interest Charge *	42.13	0.11	0.49	-	-	-
TOTAL FIXED COSTS	\$4,669.24	\$12.52	\$54.42	\$5,439.26	\$16.74	\$65.53
Land Charge **	\$2,561.41	\$6.87	\$29.85	\$4,340.03	\$13.35	\$52.29
TOTAL EXPENSE	\$22,409.42	\$60.08	\$261.18	\$28,289.05	\$87.04	\$340.83
NET RETURN TO MANAGEMENT	\$4,174.66	\$11.19	\$48.66	\$3,383.41	\$10.41	\$40.76
NET RETURN TO LABOR-MGT	\$7,141.75	\$19.15	\$83.24	\$6,560.60	\$20.19	\$79.04

*Interest charge equals: ((8.0% times three-fourths the variable costs) plus (4.0% times depreciation times 8)) minus cash interest paid.

**Land charge represents a charge (equal to landlord's share) on owned land and equals (production from owned acres X price / unit X 33.33%). Crop production paid to the landlord on rented land (already removed above), or cash rent is the charge on rented land.

This crop enterprise is based on the operator's share of production, and thus includes only production expenses paid by the operator. A charge for management is not included in the expenses.