

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

	1996-2000 Average	2001
Number of Farms	18	16
Crop Acres	185	126
Acres Owned	75	48
Acres Rented	110	78
Yield / Acre	5.9	5.6
Tons	977	600
Operator Percentage	89.87%	84.73%
Gross Income / Acre	\$405.39	\$468.40
Variable Costs / Acre	\$234.38	\$277.57
Total Expense / Acre	\$351.28	\$403.24
Gross Income / Ton	\$76.66	\$98.36
Total Expense / Ton	\$66.43	\$84.68

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$66,860.62	\$68.42	\$361.80	\$51,690.06	\$86.15	\$410.24
Patronage Refunds	592.12	0.61	3.20	439.18	0.73	3.49
Government Payments	6,794.59	6.95	36.77	6,449.41	10.75	51.19
Miscellaneous Income	669.44	0.69	3.62	440.17	0.73	3.49
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$8,056.15	\$8.24	\$43.59	7,328.76	\$12.21	\$58.16
GROSS INCOME	\$74,916.77	\$76.66	\$405.39	\$59,018.82	\$98.36	\$468.40
EXPENSES:						
Labor Hired	\$3,552.18	\$3.64	\$19.22	\$1,427.24	\$2.38	\$11.33
General Machinery Repairs	6,355.88	6.50	34.39	5,267.72	8.78	41.81
Irrigation Equipment Repairs	2,245.59	2.30	12.15	1,131.07	1.89	8.98
Interest Paid	3,565.68	3.65	19.29	2,626.45	4.38	20.84
Seed / Other Crop Expense	1,758.71	1.80	9.52	789.78	1.32	6.27
Crop Insurance	173.13	0.18	0.94	230.24	0.38	1.83
Fertilizer / Lime	3,019.81	3.09	16.34	2,955.16	4.93	23.45
Machine Hire - Lease	4,802.85	4.91	25.99	4,572.75	7.62	36.29
Farm Org Fees / Travel / Publ	570.34	0.58	3.09	425.87	0.71	3.38
Gas / Fuel / Oil	2,538.70	2.60	13.74	2,141.64	3.57	17.00
Irrigation Fuel - Pumping	5,567.03	5.70	30.12	4,395.06	7.33	34.88
Crop Storage & Marketing	57.59	0.06	0.31	178.81	0.30	1.42
Personal Property Tax	146.88	0.15	0.79	120.72	0.20	0.96
General Farm Insurance	797.02	0.82	4.31	624.58	1.04	4.96
Utilities	810.38	0.83	4.39	851.78	1.42	6.76
Cash Farm Rent	2,836.62	2.90	15.35	2,760.82	4.60	21.91
Herbicide / Insecticide	4,165.75	4.26	22.54	4,061.62	6.77	32.24
Conservation	-	-	-	2.34	0.00	0.02
Auto Expense	349.45	0.36	1.89	409.62	0.68	3.25
TOTAL VARIABLE COSTS	\$43,313.59	\$44.32	\$234.38	\$34,973.27	\$58.29	\$277.57
RETURN ABOVE VARIABLE COSTS	\$31,603.18	\$32.34	\$171.01	\$24,045.55	\$40.08	\$190.84
Depreciation	5,630.32	5.76	30.47	3,746.53	6.24	29.73
Real Estate Tax	486.88	0.50	2.63	391.37	0.65	3.11
Unpaid Operator Labor	3,805.79	3.89	20.59	3,543.75	5.91	28.13
Interest Charge *	1,170.33	1.20	6.33	670.84	1.12	5.32
TOTAL FIXED COSTS	\$11,093.32	\$11.35	\$60.03	\$8,352.49	\$13.92	\$66.29
Land Charge **	\$10,509.71	\$10.75	\$56.87	\$7,482.03	\$12.47	\$59.38
TOTAL EXPENSE	\$64,916.62	\$66.43	\$351.28	\$50,807.79	\$84.68	\$403.24
NET RETURN TO MANAGEMENT	\$10,000.15	\$10.23	\$54.11	\$8,211.03	\$13.69	\$65.17
NET RETURN TO LABOR-MGT	\$17,358.12	\$17.76	\$93.93	\$13,182.02	\$21.97	\$104.62

*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.