

**SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION**  
**PROFIT CENTER ANALYSIS: 4-YEAR AVERAGE & 2001**  
**SPRINKLER IRRIGATED ALFALFA**

	1997-2000 Average	2001
Number of Farms	9	9
Crop Acres	239	119
Acres Owned	127	68
Acres Rented	112	51
Yield / Acre	6.5	6.1
Tons	1,371	608
Operator Percentage	87.84%	84.31%
Gross Income / Acre	\$416.05	\$482.94
Variable Costs / Acre	\$262.34	\$320.89
Total Expense / Acre	\$375.62	\$477.98
Gross Income / Ton	\$72.59	\$94.52
Total Expense / Ton	\$65.54	\$93.55

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
<b>INCOME:</b>						
Alfalfa (Operator's Share)	\$87,892.12	\$64.10	\$367.37	\$49,240.92	\$80.99	\$413.79
Patronage Refunds	437.81	0.32	1.83	285.62	0.47	2.40
Government Payments	10,357.49	7.55	43.29	7,386.52	12.15	62.07
Miscellaneous Income	853.59	0.62	3.57	557.39	0.92	4.68
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$11,648.88	\$8.50	\$48.69	8,229.53	\$13.54	\$69.16
<b>GROSS INCOME</b>	<b>\$99,541.00</b>	<b>\$72.59</b>	<b>\$416.05</b>	<b>\$57,470.45</b>	<b>\$94.52</b>	<b>\$482.94</b>
<b>EXPENSES:</b>						
Labor Hired	\$5,447.80	\$3.97	\$22.77	\$438.03	\$0.72	\$3.68
General Machinery Repairs	8,143.50	5.94	34.04	4,793.46	7.88	40.28
Irrigation Equipment Repairs	3,257.24	2.38	13.61	1,226.19	2.02	10.30
Interest Paid	5,881.44	4.29	24.58	2,856.36	4.70	24.00
Seed / Other Crop Expense	2,499.10	1.82	10.45	773.58	1.27	6.50
Crop Insurance	269.90	0.20	1.13	325.47	0.54	2.74
Fertilizer / Lime	3,998.89	2.92	16.71	3,040.11	5.00	25.55
Machine Hire - Lease	6,322.44	4.61	26.43	6,775.93	11.14	56.94
Farm Org Fees / Travel / Publ	2,717.52	1.98	11.36	473.66	0.78	3.98
Gas / Fuel / Oil	2,498.87	1.82	10.44	2,268.35	3.73	19.06
Irrigation Fuel - Pumping	7,902.13	5.76	33.03	5,100.78	8.39	42.86
Crop Storage & Marketing	2,464.16	1.80	10.30	-	-	-
Personal Property Tax	154.47	0.11	0.65	163.63	0.27	1.38
General Farm Insurance	1,105.91	0.81	4.62	672.57	1.11	5.65
Utilities	945.36	0.69	3.95	1,095.75	1.80	9.21
Cash Farm Rent	2,980.28	2.17	12.46	4,187.80	6.89	35.19
Herbicide / Insecticide	4,598.19	3.35	19.22	3,377.03	5.55	28.38
Conservation	1,083.30	0.79	4.53	-	-	-
Auto Expense	494.35	0.36	2.07	617.68	1.02	5.19
<b>TOTAL VARIABLE COSTS</b>	<b>\$62,764.81</b>	<b>\$45.77</b>	<b>\$262.34</b>	<b>\$38,186.38</b>	<b>\$62.81</b>	<b>\$320.89</b>
<b>RETURN ABOVE VARIABLE COSTS</b>	<b>\$36,776.19</b>	<b>\$26.82</b>	<b>\$153.71</b>	<b>\$19,284.07</b>	<b>\$31.72</b>	<b>\$162.05</b>
Depreciation	5,523.28	4.03	23.09	3,966.79	6.52	33.33
Real Estate Tax	554.85	0.40	2.32	358.27	0.59	3.01
Unpaid Operator Labor	3,643.01	2.66	15.23	3,780.00	6.22	31.76
Interest Charge *	388.64	0.28	1.62	704.20	1.16	5.92
<b>TOTAL FIXED COSTS</b>	<b>\$10,109.77</b>	<b>\$7.37</b>	<b>\$42.26</b>	<b>\$8,809.26</b>	<b>\$14.49</b>	<b>\$74.03</b>
Land Charge **	\$16,993.30	\$12.39	\$71.03	\$9,884.15	\$16.26	\$83.06
<b>TOTAL EXPENSE</b>	<b>\$89,867.88</b>	<b>\$65.54</b>	<b>\$375.62</b>	<b>\$56,879.79</b>	<b>\$93.55</b>	<b>\$477.98</b>
<b>NET RETURN TO MANAGEMENT</b>	<b>\$9,673.12</b>	<b>\$7.05</b>	<b>\$40.43</b>	<b>\$590.66</b>	<b>\$0.97</b>	<b>\$4.96</b>
<b>NET RETURN TO LABOR-MGT</b>	<b>\$18,763.92</b>	<b>\$13.68</b>	<b>\$78.43</b>	<b>\$4,808.69</b>	<b>\$7.91</b>	<b>\$40.41</b>

\*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.