

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
IRRIGATED (ALL) ALFALFA

	1997-2001 Average	2002
Number of Farms	14	13
Crop Acres	89	93
Acres Owned	24	67
Acres Rented	65	27
Yield / Acre	5.34	4.10
Tons	382	358
Operator Percentage	80.44%	93.89%
Gross Income / Acre	\$323.80	\$383.26
Variable Costs / Acre	\$187.38	\$225.42
Total Expense / Acre	\$275.65	\$393.45
Gross Income / Ton	\$75.35	\$99.56
Total Expense / Ton	\$64.14	\$102.21

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$25,738.42	\$67.45	\$289.85	\$33,817.49	\$94.46	\$363.63
Patronage Refunds	78.93	0.21	0.89	87.80	0.25	0.94
Government Payments	2,735.16	7.17	30.80	1,331.24	3.72	14.31
Miscellaneous Income	200.72	0.53	2.26	406.99	1.14	4.38
OTHER INCOME	\$3,014.80	\$7.90	\$33.95	\$1,826.03	\$5.10	\$19.63
GROSS INCOME	\$28,753.22	\$75.35	\$323.80	\$35,643.52	\$99.56	\$383.26
EXPENSES:						
Labor Hired	\$550.05	\$1.44	\$6.19	\$1,017.67	\$2.84	\$10.94
General Machinery Repairs	3,221.98	8.44	36.28	2,985.61	8.34	32.10
Irrigation Equipment Repairs	902.78	2.37	10.17	2,251.55	6.29	24.21
Interest Paid	2,095.18	5.49	23.59	1,926.34	5.38	20.71
Seed / Other Crop Expense	534.52	1.40	6.02	79.69	0.22	0.86
Crop Insurance	-	-	-	3.08	0.01	0.03
Fertilizer / Lime	1,150.23	3.01	12.95	1,415.40	3.95	15.22
Machine Hire - Lease	1,504.95	3.94	16.95	1,945.11	5.43	20.92
Farm Org Fees / Travel / Publ	520.34	1.36	5.86	373.26	1.04	4.01
Gas / Fuel / Oil	1,147.24	3.01	12.92	1,646.44	4.60	17.70
Irrigation Fuel - Pumping	3,124.34	8.19	35.18	5,011.38	14.00	53.89
Crop Storage & Marketing	1.75	0.00	0.02	3.12	0.01	0.03
Personal Property Tax	82.18	0.22	0.93	258.62	0.72	2.78
General Farm Insurance	319.05	0.84	3.59	530.71	1.48	5.71
Utilities	294.24	0.77	3.31	234.12	0.65	2.52
Cash Farm Rent	189.55	0.50	2.13	570.38	1.59	6.13
Herbicide / Insecticide	804.71	2.11	9.06	608.99	1.70	6.55
Conservation	2.44	0.01	0.03	18.78	0.05	0.20
Auto Expense	193.49	0.51	2.18	84.22	0.24	0.91
TOTAL VARIABLE COSTS	\$16,639.02	\$43.60	\$187.38	\$20,964.47	\$58.56	\$225.42
RETURN ABOVE VARIABLE COSTS	\$12,114.20	\$31.75	\$136.42	\$14,679.05	\$41.00	\$157.84
Depreciation	2,167.38	5.68	24.41	3,190.94	8.91	34.31
Real Estate Tax	190.19	0.50	2.14	396.91	1.11	4.27
Unpaid Operator Labor	2,663.13	6.98	29.99	2,731.54	7.63	29.37
Interest Charge *	-	-	-	352.63	0.99	3.79
TOTAL FIXED COSTS	\$5,020.70	\$13.16	\$56.54	\$6,672.02	\$18.64	\$71.74
Land Charge **	\$2,817.67	\$7.38	\$31.73	\$8,954.64	\$25.01	\$96.29
TOTAL EXPENSE	\$24,477.39	\$64.14	\$275.65	\$36,591.13	\$102.21	\$393.45
NET RETURN TO MANAGEMENT	\$4,275.83	\$11.21	\$48.15	(\$947.61)	(\$2.65)	(\$10.19)
NET RETURN TO LABOR-MGT	\$7,489.01	\$19.63	\$84.34	\$2,801.60	\$7.83	\$30.12

*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.