

SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NONIRRIGATED COTTON

	1997-2001 Average			2002		
Number of Farms	11			9		
Crop Acres	248			407		
Acres Owned	73			50		
Acres Rented	175			357		
Yield / Acre	361.5			662.3		
Pounds	74,502			221,125		
Operator Percentage	83.23%			82.04%		
Gross Income / Acre	\$202.88			\$277.39		
Variable Costs / Acre	\$140.49			\$127.24		
Total Expense / Acre	\$204.74			\$189.71		
Gross Income / Pound	\$0.67			\$0.51		
Total Expense / Pound	\$0.68			\$0.35		
	Total Dollars	\$ / Pound	\$ / Acre	Total Dollars	\$ / Pound	\$ / Acre
INCOME:						
Cotton (Operator's Share)	\$33,664.41	\$0.45	\$135.96	\$106,171.20	\$0.48	\$260.86
Patronage Refunds	3,696.07	0.05	14.93	2,580.49	0.01	6.34
Government Payments	10,250.44	0.14	41.40	3,369.06	0.02	8.28
Miscellaneous Income	22.17	0.00	0.09	0.16	0.00	0.00
Crop Insurance Proceeds	2,600.76	0.03	10.50	777.17	0.00	1.91
OTHER INCOME	\$16,569.44	\$0.22	\$66.92	\$6,726.88	\$0.03	\$16.53
GROSS INCOME	\$50,233.85	\$0.67	\$202.88	\$112,898.08	\$0.51	\$277.39
EXPENSES:						
Labor Hired	\$1,016.60	\$0.01	\$4.11	\$994.04	\$0.00	\$2.44
General Machinery Repairs	2,891.81	0.04	11.68	5,427.82	0.02	13.34
Interest Paid	1,793.00	0.02	7.24	2,330.66	0.01	5.73
Seed / Other Crop Expense	2,899.48	0.04	11.71	8,022.61	0.04	19.71
Crop Insurance	887.15	0.01	3.58	1,003.94	0.00	2.47
Fertilizer / Lime	3,066.99	0.04	12.39	4,227.33	0.02	10.39
Machine Hire - Lease	6,881.95	0.09	27.79	2,103.86	0.01	5.17
Farm Org Fees / Travel / Publ	344.90	0.00	1.39	662.84	0.00	1.63
Gas / Fuel / Oil	1,471.83	0.02	5.94	2,476.24	0.01	6.08
Crop Storage & Marketing	4,330.45	0.06	17.49	9,374.11	0.04	23.03
Personal Property Tax	91.09	0.00	0.37	203.22	0.00	0.50
General Farm Insurance	533.24	0.01	2.15	929.53	0.00	2.28
Utilities	413.54	0.01	1.67	493.62	0.00	1.21
Cash Farm Rent	2,748.99	0.04	11.10	5,495.71	0.02	13.50
Herbicide / Insecticide	5,294.77	0.07	21.38	7,961.00	0.04	19.56
Conservation	31.10	0.00	0.13	15.69	0.00	0.04
Auto Expense	89.55	0.00	0.36	63.27	0.00	0.16
TOTAL VARIABLE COSTS	\$34,786.43	\$0.47	\$140.49	\$51,785.49	\$0.23	\$127.24
RETURN ABOVE VARIABLE COSTS	\$15,447.42	\$0.21	\$62.39	\$61,112.59	\$0.28	\$150.15
Depreciation	3,669.50	0.05	14.82	7,697.99	0.03	18.91
Real Estate Tax	380.61	0.01	1.54	591.43	0.00	1.45
Unpaid Operator Labor	6,720.40	0.09	27.14	8,685.00	0.04	21.34
Interest Charge *	1,468.42	0.02	5.93	3,239.83	0.01	7.96
TOTAL FIXED COSTS	\$12,238.94	\$0.16	\$49.43	\$20,214.25	\$0.09	\$49.67
Land Charge **	\$3,669.46	\$0.05	\$14.82	\$5,212.93	\$0.02	\$12.81
TOTAL EXPENSE	\$50,694.83	\$0.68	\$204.74	\$77,212.67	\$0.35	\$189.71
NET RETURN TO MANAGEMENT	(\$460.98)	(\$0.01)	(\$1.86)	\$35,685.41	\$0.16	\$87.68
NET RETURN TO LABOR-MGT	\$7,276.03	\$0.10	\$29.39	\$45,364.45	\$0.21	\$111.46

*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.