

SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
BEEF BACKGROUNDING

	1997-2001 Average	2002
Number of Farms	13	9
Number of Head	511	381
Weight Produced / Head	300	394
Weight / Head Sold	780	857
Weight / Head Purchased	467	498
Sale Price / Cwt	\$76.84	\$70.69
Purchase Price / Cwt	\$91.49	\$91.87
Gross Income / Cwt	\$59.75	\$40.16
Feed Costs / Cwt	\$31.38	\$33.15
Nonfeed Costs / Cwt	\$35.98	\$29.05

	Head	Total Dollars	\$ / Cwt	\$ / Head	Head	Total Dollars	\$ / Cwt	\$ / Head
INCOME:								
Steers - Heifers Sold	517	309,810.21			441	267,241.60		
Ending Inventory	282	139,740.52			273	143,638.76		
Gross Sales	799	\$449,550.73			714	\$410,880.36		
Steers - Heifers Purchased	527	225,292.15			466	213,106.21		
Beginning Inventory	299	134,202.83			264	142,834.79		
Gross Purchases	826	\$359,494.98			730	\$355,941.00		
Net Sale Gain	(27)	\$90,055.75	\$58.83	\$176.23	(16)	\$54,939.36	\$36.60	\$144.20
Patronage Refunds		658.20				162.26		
Miscellaneous Income		649.34				5,185.17		
Livestock Futures		103.36				-		
OTHER INCOME		\$1,410.90	\$0.92	\$2.76		\$5,347.43	\$3.56	\$14.04
GROSS INCOME		\$91,466.65	\$59.75	\$179.00		\$60,286.79	\$40.16	\$158.23
EXPENSES:								
Labor Hired		\$3,977.48	\$2.60	\$7.78		\$688.17	\$0.46	\$1.81
General Machinery Repairs		5,188.08	3.39	10.15		4,221.62	2.81	11.08
Interest Paid		11,685.25	7.63	22.87		5,439.68	3.62	14.28
Feed Purchased		48,032.27	31.38	94.00		49,774.25	33.15	130.64
Machine Hire - Lease		3,089.79	2.02	6.05		2,749.07	1.83	7.22
Farm Org Fees / Travel / Publ		565.21	0.37	1.11		307.74	0.20	0.81
Vet Medicine / Drugs		7,663.76	5.01	15.00		7,021.88	4.68	18.43
Livestock Marketing / Breeding		3,962.80	2.59	7.75		280.04	0.19	0.74
Gas / Fuel / Oil		1,648.20	1.08	3.23		1,126.85	0.75	2.96
Personal Property Tax		132.64	0.09	0.26		67.78	0.05	0.18
General Farm Insurance		641.58	0.42	1.26		384.37	0.26	1.01
Utilities		790.67	0.52	1.55		598.48	0.40	1.57
Auto Expense		579.83	0.38	1.13		259.33	0.17	0.68
Livestock Futures		330.58	0.22	0.65		502.86	0.33	1.32
TOTAL VARIABLE COSTS		\$88,288.13	\$57.68	\$172.78		\$73,422.12	\$48.91	\$192.71
RETURN ABOVE VARIABLE COSTS		\$3,178.52	\$2.08	\$6.22		(\$13,135.33)	(\$8.75)	(\$34.48)
Depreciation		2,296.50	1.50	4.49		2,388.23	1.59	6.27
Real Estate Tax		538.19	0.35	1.05		425.02	0.28	1.12
Unpaid Operator Labor		5,016.70	3.28	9.82		4,654.31	3.10	12.22
Interest Charge *		6,960.96	4.55	13.62		12,499.08	8.33	32.81
TOTAL FIXED COSTS		\$14,812.35	\$9.68	\$28.99		\$19,966.64	\$13.30	\$52.41
TOTAL EXPENSE		\$103,100.48	\$67.35	\$201.76		\$93,388.76	\$62.21	\$245.11
NET RETURN TO MANAGEMENT		(\$11,633.84)	(\$7.60)	(\$22.77)		(\$33,101.97)	(\$22.05)	(\$86.88)
NET RETURN TO LABOR-MGT		(\$2,639.65)	(\$1.72)	(\$5.17)		(\$27,759.49)	(\$18.49)	(\$72.86)
Factors:								
Feed Costs			\$31.38	\$94.00			\$33.15	\$130.64
Nonfeed Costs			\$35.98	\$107.77			\$29.05	\$114.47

*Interest charge equals: ((8.0% times one-half gross purchases) plus (8.0% times one-half the variable costs) plus (4.0% times depreciation times 8)) minus cash interest paid.