

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

	1997-2001 Average	2002
Number of Farms	17	14
Crop Acres	179	137
Acres Owned	77	55
Acres Rented	102	82
Yield / Acre	5.93	4.74
Tons	956	575
Operator Percentage	90.06%	88.55%
Gross Income / Acre	\$414.01	\$393.88
Variable Costs / Acre	\$243.27	\$228.94
Total Expense / Acre	\$362.74	\$353.68
Gross Income / Ton	\$77.52	\$93.85
Total Expense / Ton	\$67.92	\$84.27

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$65,029.13	\$68.02	\$363.29	\$51,008.72	\$88.71	\$372.33
Patronage Refunds	607.45	0.64	3.39	159.39	0.28	1.16
Government Payments	7,966.65	8.33	44.51	2,486.51	4.32	18.15
Miscellaneous Income	504.88	0.53	2.82	306.81	0.53	2.24
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$9,078.98	\$9.50	\$50.72	\$2,952.71	\$5.14	\$21.55
GROSS INCOME	\$74,108.11	\$77.52	\$414.01	\$53,961.43	\$93.85	\$393.88
EXPENSES:						
Labor Hired	\$3,470.33	\$3.63	\$19.39	\$1,404.24	\$2.44	\$10.25
General Machinery Repairs	6,479.77	6.78	36.20	3,840.63	6.68	28.03
Irrigation Equipment Repairs	2,084.68	2.18	11.65	1,404.61	2.44	10.25
Interest Paid	3,614.10	3.78	20.19	2,189.78	3.81	15.98
Seed / Other Crop Expense	1,695.77	1.77	9.47	1,503.96	2.62	10.98
Crop Insurance	219.18	0.23	1.22	-	-	-
Fertilizer / Lime	3,298.70	3.45	18.43	2,198.32	3.82	16.05
Machine Hire - Lease	4,663.76	4.88	26.05	4,113.24	7.15	30.02
Farm Org Fees / Travel / Publ	572.06	0.60	3.20	443.44	0.77	3.24
Gas / Fuel / Oil	2,493.00	2.61	13.93	1,600.00	2.78	11.68
Irrigation Fuel - Pumping	5,812.38	6.08	32.47	5,936.39	10.32	43.33
Crop Storage & Marketing	93.35	0.10	0.52	82.97	0.14	0.61
Personal Property Tax	144.19	0.15	0.81	86.04	0.15	0.63
General Farm Insurance	810.52	0.85	4.53	713.96	1.24	5.21
Utilities	761.92	0.80	4.26	907.00	1.58	6.62
Cash Farm Rent	2,709.40	2.83	15.14	1,039.77	1.81	7.59
Herbicide / Insecticide	4,293.86	4.49	23.99	3,621.48	6.30	26.43
Conservation	0.47	0.00	0.00	-	-	-
Auto Expense	327.61	0.34	1.83	278.87	0.48	2.04
TOTAL VARIABLE COSTS	\$43,545.02	\$45.55	\$243.27	\$31,364.70	\$54.55	\$228.94
RETURN ABOVE VARIABLE COSTS	\$30,563.09	\$31.97	\$170.74	\$22,596.73	\$39.30	\$164.94
Depreciation	5,396.80	5.65	30.15	4,091.13	7.12	29.86
Real Estate Tax	484.05	0.51	2.70	395.10	0.69	2.88
Unpaid Operator Labor	3,962.35	4.14	22.14	4,490.70	7.81	32.78
Interest Charge *	956.05	1.00	5.34	1,001.26	1.74	7.31
TOTAL FIXED COSTS	\$10,799.25	\$11.30	\$60.33	\$9,978.19	\$17.35	\$72.83
Land Charge **	\$10,586.96	\$11.07	\$59.15	\$7,111.91	\$12.37	\$51.91
TOTAL EXPENSE	\$64,931.23	\$67.92	\$362.74	\$48,454.80	\$84.27	\$353.68
NET RETURN TO MANAGEMENT	\$9,176.88	\$9.60	\$51.27	\$5,506.63	\$9.58	\$40.19
NET RETURN TO LABOR-MGT	\$16,609.55	\$17.37	\$92.79	\$11,401.57	\$19.83	\$83.22

*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.