

SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NONIRRIGATED GRAIN SORGHUM

	1997-2001 Average	2002
Number of Farms	72	54
Crop Acres	280	289
Acres Owned	64	74
Acres Rented	216	215
Yield / Acre	60.2	22.8
Bushels	13,109	5,486
Operator Percentage	77.69%	83.40%
Gross Income / Acre	\$124.37	\$82.68
Variable Costs / Acre	\$90.84	\$68.20
Total Expense / Acre	\$128.20	\$105.73
Gross Income / Bushel	\$2.66	\$4.36
Total Expense / Bushel	\$2.74	\$5.57

	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$23,221.60	\$1.77	\$82.82	\$12,489.66	\$2.28	\$43.22
Patronage Refunds	435.85	0.03	1.55	202.62	0.04	0.70
Government Payments	9,892.13	0.75	35.28	3,994.97	0.73	13.82
Miscellaneous Income	597.20	0.05	2.13	295.86	0.05	1.02
Crop Insurance Proceeds	725.92	0.06	2.59	6,910.91	1.26	23.91
OTHER INCOME	\$11,651.10	\$0.89	\$41.55	\$11,404.36	\$2.08	\$39.46
GROSS INCOME	\$34,872.69	\$2.66	\$124.37	\$23,894.02	\$4.36	\$82.68
EXPENSES:						
Labor Hired	\$1,700.85	\$0.13	\$6.07	\$884.89	\$0.16	\$3.06
General Machinery Repairs	3,680.87	0.28	13.13	3,035.87	0.55	10.50
Interest Paid	2,012.53	0.15	7.18	1,716.30	0.31	5.94
Seed / Other Crop Expense	1,412.50	0.11	5.04	1,720.46	0.31	5.95
Crop Insurance	906.81	0.07	3.23	1,087.73	0.20	3.76
Fertilizer / Lime	3,421.81	0.26	12.20	2,259.19	0.41	7.82
Machine Hire - Lease	3,006.64	0.23	10.72	1,424.82	0.26	4.93
Farm Org Fees / Travel / Publ	402.70	0.03	1.44	361.73	0.07	1.25
Gas / Fuel / Oil	1,911.93	0.15	6.82	1,604.92	0.29	5.55
Crop Storage & Marketing	308.63	0.02	1.10	102.46	0.02	0.35
Personal Property Tax	138.27	0.01	0.49	121.56	0.02	0.42
General Farm Insurance	546.04	0.04	1.95	603.64	0.11	2.09
Utilities	727.59	0.06	2.59	891.52	0.16	3.08
Cash Farm Rent	803.24	0.06	2.86	423.79	0.08	1.47
Herbicide / Insecticide	4,163.50	0.32	14.85	3,184.63	0.58	11.02
Conservation	18.76	0.00	0.07	20.25	0.00	0.07
Auto Expense	308.72	0.02	1.10	267.30	0.05	0.92
TOTAL VARIABLE COSTS	\$25,471.37	\$1.94	\$90.84	\$19,711.06	\$3.59	\$68.20
RETURN ABOVE VARIABLE COSTS	\$9,401.32	\$0.72	\$33.53	\$4,182.96	\$0.76	\$14.47
Depreciation	3,577.59	0.27	12.76	3,455.96	0.63	11.96
Real Estate Tax	418.98	0.03	1.49	551.87	0.10	1.91
Unpaid Operator Labor	3,343.87	0.26	11.93	4,516.70	0.82	15.63
Interest Charge *	660.58	0.05	2.36	572.27	0.10	1.98
TOTAL FIXED COSTS	\$8,001.02	\$0.61	\$28.53	\$9,096.80	\$1.66	\$31.48
Land Charge **	\$2,475.30	\$0.19	\$8.83	\$1,747.90	\$0.32	\$6.05
TOTAL EXPENSE	\$35,947.70	\$2.74	\$128.20	\$30,555.76	\$5.57	\$105.73
NET RETURN TO MANAGEMENT	(\$1,075.00)	(\$0.08)	(\$3.83)	(\$6,661.74)	(\$1.21)	(\$23.05)
NET RETURN TO LABOR-MGT	\$3,969.72	\$0.30	\$14.16	(\$1,260.15)	(\$0.23)	(\$4.36)

*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.