

SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2003
IRRIGATED (ALL) ALFALFA

	1998-2002 Average	2003
Number of Farms	17	13
Crop Acres	180	208
Acres Owned	77	90
Acres Rented	103	118
Yield / Acre	6	5
Tons	936	993
Operator Percentage	90.47%	88.74%
Gross Income / Acre	\$403.29	\$365.30
Variable Costs / Acre	\$240.32	\$265.57
Total Expense / Acre	\$356.09	\$402.68
Gross Income / Ton	\$77.61	\$76.52
Total Expense / Ton	\$68.52	\$84.35

	Total Dollars	\$/ Ton	\$/ Acre	Total Dollars	\$/ Ton	\$/ Acre
INCOME:						
Alfalfa (Operator's Share)	\$63,869.15	\$68.21	\$354.43	\$67,687.59	\$68.16	\$325.42
Patronage Refunds	\$544.52	0.58	3.02	\$39.73	0.04	0.19
Government Payments	\$7,756.28	8.28	43.04	\$7,477.03	7.53	35.95
Miscellaneous Income	\$502.40	0.54	2.79	\$778.68	0.78	3.74
Crop Insurance Proceeds	\$0.00	-	-	\$0.00	-	-
OTHER INCOME	\$8,803.19	\$9.40	\$48.85	\$8,295.44	\$8.35	\$39.88
GROSS INCOME	\$72,672.35	\$77.61	\$403.29	\$75,983.03	\$76.52	\$365.30
EXPENSES:						
Labor Hired	\$3,456.49	\$3.69	\$19.18	\$3,599.59	\$3.62	\$17.31
General Machinery Repairs	\$6,119.70	6.54	33.96	\$6,469.36	6.51	31.10
Irrigation Equipment Repairs	\$2,036.56	2.17	11.30	\$1,751.09	1.76	8.42
Interest Paid	\$3,603.40	3.85	20.00	\$4,586.81	4.62	22.05
Seed / Other Crop Expense	\$1,461.71	1.56	8.11	\$2,318.81	2.34	11.15
Crop Insurance	\$219.18	0.23	1.22	\$164.48	0.17	0.79
Fertilizer / Lime	\$3,360.63	3.59	18.65	\$5,166.93	5.20	24.84
Machine Hire - Lease	\$4,624.45	4.94	25.66	\$3,475.21	3.50	16.71
Farm Org Fees / Travel / Publ	\$547.33	0.58	3.04	\$670.23	0.67	3.22
Gas / Fuel / Oil	\$2,355.07	2.52	13.07	\$3,515.31	3.54	16.90
Irrigation Fuel - Pumping	\$6,514.52	6.96	36.15	\$10,145.53	10.22	48.78
Crop Storage & Marketing	\$106.43	0.11	0.59	\$111.13	0.11	0.53
Personal Property Tax	\$121.03	0.13	0.67	\$1,193.40	1.20	5.74
General Farm Insurance	\$821.41	0.88	4.56	\$2,058.63	2.07	9.90
Utilities	\$801.48	0.86	4.45	\$2,307.80	2.32	11.10
Cash Farm Rent	\$2,356.25	2.52	13.08	\$7,201.54	7.25	34.62
Herbicide / Insecticide	\$4,480.36	4.78	24.86	\$11.33	0.01	0.05
Conservation	\$0.47	0.00	0.00	\$0.00	-	-
Auto Expense	\$318.55	0.34	1.77	\$492.31	0.50	2.37
TOTAL VARIABLE COSTS	\$43,305.02	\$46.25	\$240.32	\$55,239.49	\$55.63	\$265.57
RETURN ABOVE VARIABLE COSTS	\$29,367.33	\$31.36	\$162.97	\$20,743.54	\$20.89	\$99.73
Depreciation	\$5,126.51	5.47	28.45	\$8,049.39	8.11	38.70
Real Estate Tax	\$469.84	0.50	2.61	\$618.79	0.62	2.97
Unpaid Operator Labor	\$3,970.27	4.24	22.03	\$7,085.77	7.14	34.07
Interest Charge *	\$865.85	0.92	4.80	\$1,303.36	1.31	6.27
TOTAL FIXED COSTS	\$10,432.47	\$11.14	\$57.89	\$17,057.31	\$17.18	\$82.01
Land Charge **	\$10,429.08	\$11.14	\$57.88	\$11,461.49	\$11.54	\$55.10
TOTAL EXPENSE	\$64,166.57	\$68.52	\$356.09	\$83,758.29	\$84.35	\$402.68
NET RETURN TO MANAGEMENT	\$8,505.78	\$9.08	\$47.20	(\$7,775.26)	(\$7.83)	(\$37.38)
NET RETURN TO LABOR-MGT	\$15,932.55	\$17.01	\$88.42	\$2,910.10	\$2.93	\$13.99

*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.