

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2003
CONSERVATION RESERVE PROGRAM

	<u>1998-2002 Average</u>	<u>2003</u>
Number of Farms	14	6
Crop Acres	283	104
Acres Owned	212	104
Acres Rented	70	-
Gross Income / Acre	\$30.18	\$38.46
Variable Costs / Acre	\$5.94	\$4.03
Total Expense / Acre	\$9.17	\$7.63

	<u>Total Dollars</u>	<u>\$ / Acre</u>	<u>Total Dollars</u>	<u>\$ / Acre</u>
INCOME:				
Patronage Refunds	25.25	\$0.09	5.83	\$0.06
Government Payments	8,495.99	30.06	3,989.85	38.36
Miscellaneous Income	8.05	0.03	3.84	0.04
OTHER INCOME	\$8,529.29	\$30.18	\$3,999.52	\$38.46
GROSS INCOME	\$8,529.29	\$30.18	\$3,999.52	\$38.46
EXPENSES:				
Labor Hired	46.50	\$0.16	100.05	\$0.96
General Machinery Repairs	25.66	0.09	52.88	0.51
Interest Paid	306.37	1.08	94.93	0.91
Seed / Other Crop Expense	455.04	1.61	-	-
Fertilizer / Lime	2.29	0.01	-	-
Machine Hire - Lease	108.14	0.38	-	-
Farm Org Fees / Travel / Publ	112.18	0.40	60.46	0.58
Gas / Fuel / Oil	42.82	0.15	50.81	0.49
Crop Storage & Marketing	0.62	0.00	-	-
Personal Property Tax	32.26	0.11	2.30	0.02
General Farm Insurance	59.03	0.21	44.72	0.43
Utilities	35.76	0.13	12.62	0.12
Cash Farm Rent	21.76	0.08	-	-
Herbicide / Insecticide	5.10	0.02	-	-
Conservation	406.21	1.44	-	-
Auto Expense	19.17	0.07	-	-
TOTAL VARIABLE COSTS	\$1,678.91	\$5.94	\$418.77	\$4.03
RETURN ABOVE VARIABLE COSTS	\$6,850.38	\$24.24	\$3,580.75	\$34.43
Depreciation	39.63	0.14	-	-
Real Estate Tax	688.39	2.44	288.09	2.77
Unpaid Operator Labor	185.75	0.66	86.25	0.83
Interest Charge *	-	-	-	-
TOTAL FIXED COSTS	\$913.77	\$3.23	\$374.34	\$3.60
TOTAL EXPENSE	\$2,592.68	\$9.17	\$793.11	\$7.63
NET RETURN TO MANAGEMENT	\$5,936.61	\$21.01	\$3,206.41	\$30.83
NET RETURN TO LABOR-MGT	\$6,168.86	\$21.83	\$3,392.71	\$32.62

*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.