

SOUTHWEST 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	44	40
Crop Acres	422	444
Acres Owned	218	246
Acres Rented	205	198
Gross Income / Acre	\$28.28	\$24.66
Variable Costs / Acre	\$2.85	\$3.32
Total Expense / Acre	\$6.19	\$6.62

	<u>Total Dollars</u>	<u>\$ / Acre</u>	<u>Total Dollars</u>	<u>\$ / Acre</u>
INCOME:				
Patronage Refunds	11.02	\$0.03	14.61	\$0.03
Government Payments	11,920.83	28.22	10,936.24	24.63
Miscellaneous Income	12.40	0.03	-	-
OTHER INCOME	\$11,944.25	\$28.28	\$10,950.85	\$24.66
GROSS INCOME	\$11,944.25	\$28.28	\$10,950.85	\$24.66
EXPENSES:				
Labor Hired	\$31.72	\$0.08	-	\$0.00
General Machinery Repairs	\$91.98	0.22	79.42	0.18
Interest Paid	\$314.28	0.74	769.81	1.73
Seed / Other Crop Expense	\$236.96	0.56	220.16	0.50
Crop Insurance	\$7.94	0.02	-	-
Fertilizer / Lime	\$10.64	0.03	-	-
Machine Hire - Lease	\$81.64	0.19	12.50	0.03
Farm Org Fees / Travel / Publ	\$77.09	0.18	123.20	0.28
Gas / Fuel / Oil	\$54.26	0.13	53.50	0.12
Personal Property Tax	\$69.82	0.17	33.53	0.08
General Farm Insurance	\$68.60	0.16	59.35	0.13
Utilities	\$54.31	0.13	15.93	0.04
Cash Farm Rent	\$40.61	0.10	44.08	0.10
Herbicide / Insecticide	\$21.64	0.05	-	-
Conservation	\$3.83	0.01	25.33	0.06
Auto Expense	\$36.82	0.09	39.09	0.09
TOTAL VARIABLE COSTS	\$1,202.13	\$2.85	\$1,475.90	\$3.32
RETURN ABOVE VARIABLE COSTS	\$10,742.12	\$25.43	\$9,474.95	\$21.34
Depreciation	\$153.47	0.36	117.81	0.27
Real Estate Tax	\$754.20	1.79	945.33	2.13
Unpaid Operator Labor	\$504.37	1.19	399.38	0.90
Interest Charge *	\$0.00	-	-	-
TOTAL FIXED COSTS	\$1,412.04	\$3.34	\$1,462.52	\$3.29
TOTAL EXPENSE	\$2,614.17	\$6.19	\$2,938.42	\$6.62
NET RETURN TO MANAGEMENT	\$9,330.08	\$22.09	\$8,012.43	\$18.05
NET RETURN TO LABOR-MGT	\$9,866.17	\$23.36	\$8,411.81	\$18.95

*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.