

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION**  
**PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2004**  
**IRRIGATED (ALL) ALFALFA**

	1999-2003 Average	2004
Number of Farms	13	6
Crop Acres	116	209
Acres Owned	54	76
Acres Rented	62	133
Yield / Acre	5	6
Tons	512	1,064
Operator Percentage	88.19%	86.88%
Gross Income / Acre	\$333.99	\$336.04
Variable Costs / Acre	\$209.06	\$272.35
Total Expense / Acre	\$330.71	\$374.44
Gross Income / Ton	\$75.38	\$66.01
Total Expense / Ton	\$74.64	\$73.55

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
<b>INCOME:</b>						
Alfalfa (Operator's Share)	\$35,258.06	\$68.84	\$305.00	\$66,143.04	\$62.16	\$316.47
Patronage Refunds	\$54.82	0.11	0.47	\$233.28	0.22	1.12
Government Payments	\$3,021.89	5.90	26.14	\$3,297.25	3.10	15.78
Miscellaneous Income	\$274.20	0.54	2.37	\$558.33	0.52	2.67
OTHER INCOME	\$3,350.91	\$6.54	\$28.99	\$4,088.86	\$3.84	\$19.56
<b>GROSS INCOME</b>	<b>\$38,608.97</b>	<b>\$75.38</b>	<b>\$333.99</b>	<b>\$70,231.90</b>	<b>\$66.01</b>	<b>\$336.04</b>
<b>EXPENSES:</b>						
Labor Hired	\$779.58	\$1.52	\$6.74	\$743.44	\$0.70	\$3.56
General Machinery Repairs	\$3,828.14	7.47	33.12	\$9,009.52	8.47	43.11
Irrigation Equipment Repairs	\$2,047.23	4.00	17.71	\$2,251.54	2.12	10.77
Interest Paid	\$2,312.38	4.51	20.00	\$4,404.89	4.14	21.08
Seed / Other Crop Expense	\$807.77	1.58	6.99	\$590.17	0.55	2.82
Crop Insurance	\$6.55	0.01	0.06	\$259.00	0.24	1.24
Fertilizer / Lime	\$1,133.76	2.21	9.81	\$1,988.83	1.87	9.52
Machine Hire - Lease	\$1,743.74	3.40	15.08	\$1,107.83	1.04	5.30
Farm Org Fees / Travel / Publ	\$512.43	1.00	4.43	\$836.95	0.79	4.00
Gas / Fuel / Oil	\$1,838.53	3.59	15.90	\$5,303.74	4.98	25.38
Irrigation Fuel - Pumping	\$6,778.80	13.23	58.64	\$20,487.08	19.25	98.02
Crop Storage & Marketing	\$3.11	0.01	0.03	\$0.00	-	-
Personal Property Tax	\$133.74	0.26	1.16	\$682.86	0.64	3.27
General Farm Insurance	\$552.87	1.08	4.78	\$1,640.55	1.54	7.85
Utilities	\$394.16	0.77	3.41	\$573.23	0.54	2.74
Cash Farm Rent	\$224.10	0.44	1.94	\$5,430.00	5.10	25.98
Herbicide / Insecticide	\$904.75	1.77	7.83	\$1,602.00	1.51	7.67
Conservation	\$7.75	0.02	0.07	\$0.00	-	-
Auto Expense	\$157.77	0.31	1.36	\$10.30	0.01	0.05
<b>TOTAL VARIABLE COSTS</b>	<b>\$24,167.15</b>	<b>\$47.18</b>	<b>\$209.06</b>	<b>\$56,921.93</b>	<b>\$53.50</b>	<b>\$272.35</b>
<b>RETURN ABOVE VARIABLE COSTS</b>	<b>\$14,441.82</b>	<b>\$28.20</b>	<b>\$124.93</b>	<b>\$13,309.97</b>	<b>\$12.51</b>	<b>\$63.68</b>
Depreciation	\$3,603.39	7.04	31.17	\$8,124.27	7.64	38.87
Real Estate Tax	\$379.67	0.74	3.28	\$847.28	0.80	4.05
Unpaid Operator Labor	\$2,990.63	5.84	25.87	\$648.75	0.61	3.10
Interest Charge *	\$478.76	0.93	4.14	\$1,610.19	1.51	7.70
<b>TOTAL FIXED COSTS</b>	<b>\$7,452.44</b>	<b>\$14.55</b>	<b>\$64.47</b>	<b>\$11,230.49</b>	<b>\$10.55</b>	<b>\$53.73</b>
Land Charge **	\$6,610.25	\$12.91	\$57.18	\$10,104.59	\$9.50	\$48.35
<b>TOTAL EXPENSE</b>	<b>\$38,229.84</b>	<b>\$74.64</b>	<b>\$330.71</b>	<b>\$78,257.01</b>	<b>\$73.55</b>	<b>\$374.44</b>
<b>NET RETURN TO MANAGEMENT</b>	<b>\$379.13</b>	<b>\$0.74</b>	<b>\$3.28</b>	<b>(\$8,025.11)</b>	<b>(\$7.54)</b>	<b>(\$38.40)</b>
<b>NET RETURN TO LABOR-MGT</b>	<b>\$4,149.34</b>	<b>\$8.10</b>	<b>\$35.89</b>	<b>(\$6,632.92)</b>	<b>(\$6.23)</b>	<b>(\$31.74)</b>

\*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.