

SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2004
NONIRRIGATED ALFALFA

	1999-2003 Average	2004
Number of Farms	10	15
Crop Acres	156	142
Acres Owned	40	23
Acres Rented	116	119
Yield / Acre	3	4
Tons	414	443
Operator Percentage	84.73%	82.97%
Gross Income / Acre	\$228.69	\$230.73
Variable Costs / Acre	\$143.74	\$155.39
Total Expense / Acre	\$208.46	\$224.47
Gross Income / Ton	\$86.17	\$73.96
Total Expense / Ton	\$78.55	\$71.95

	Total Dollars	\$/ Ton	\$/ Acre	Total Dollars	\$/ Ton	\$/ Acre
INCOME:						
Alfalfa (Operator's Share)	\$31,980.75	\$77.25	\$205.00	\$30,773.17	\$69.47	\$216.71
Patronage Refunds	\$118.44	0.29	0.76	\$121.75	0.27	0.86
Government Payments	\$3,438.98	8.31	22.04	\$1,855.28	4.19	13.07
Miscellaneous Income	\$136.75	0.33	0.88	\$13.42	0.03	0.09
OTHER INCOME	\$3,694.18	\$8.92	\$23.68	\$1,990.45	\$4.49	\$14.02
GROSS INCOME	\$35,674.93	\$86.17	\$228.69	\$32,763.62	\$73.96	\$230.73
EXPENSES:						
Labor Hired	\$2,303.00	\$5.56	\$14.76	\$2,142.80	\$4.84	\$15.09
General Machinery Repairs	\$3,081.61	7.44	19.75	\$2,871.63	6.48	20.22
Interest Paid	\$2,316.94	5.60	14.85	\$1,846.36	4.17	13.00
Seed / Other Crop Expense	\$2,137.59	5.16	13.70	\$1,062.24	2.40	7.48
Crop Insurance	\$287.92	0.70	1.85	\$45.53	0.10	0.32
Fertilizer / Lime	\$2,395.40	5.79	15.36	\$1,840.63	4.15	12.96
Machine Hire - Lease	\$2,757.26	6.66	17.67	\$4,500.61	10.16	31.69
Farm Org Fees / Travel / Publ	\$746.85	1.80	4.79	\$329.05	0.74	2.32
Gas / Fuel / Oil	\$1,099.63	2.66	7.05	\$1,547.60	3.49	10.90
Crop Storage & Marketing	\$175.49	0.42	1.12	\$16.13	0.04	0.11
Personal Property Tax	\$174.25	0.42	1.12	\$108.82	0.25	0.77
General Farm Insurance	\$598.46	1.45	3.84	\$632.73	1.43	4.46
Utilities	\$779.43	1.88	5.00	\$472.92	1.07	3.33
Cash Farm Rent	\$1,470.79	3.55	9.43	\$2,141.71	4.83	15.08
Herbicide / Insecticide	\$1,935.03	4.67	12.40	\$2,371.74	5.35	16.70
Conservation	\$42.37	0.10	0.27	\$1.02	0.00	0.01
Auto Expense	\$122.11	0.29	0.78	\$133.82	0.30	0.94
TOTAL VARIABLE COSTS	\$22,424.12	\$54.16	\$143.74	\$22,065.34	\$49.81	\$155.39
RETURN ABOVE VARIABLE COSTS	\$13,250.81	\$32.01	\$84.94	\$10,698.28	\$24.15	\$75.34
Depreciation	2,861.53	6.91	18.34	3,654.47	8.25	25.74
Real Estate Tax	415.40	1.00	2.66	266.16	0.60	1.87
Unpaid Operator Labor	3,234.17	7.81	20.73	3,306.00	7.46	23.28
Interest Charge *	90.12	0.22	0.58	646.99	1.46	4.56
TOTAL FIXED COSTS	\$6,601.23	\$15.94	\$42.32	\$7,873.62	\$17.77	\$55.45
Land Charge **	3,493.95	\$8.44	\$22.40	1,935.56	\$4.37	\$13.63
TOTAL EXPENSE	\$32,519.30	\$78.55	\$208.46	\$31,874.52	\$71.95	\$224.47
NET RETURN TO MANAGEMENT	\$3,155.63	\$7.62	\$20.23	\$889.10	\$2.01	\$6.26
NET RETURN TO LABOR-MGT	\$8,692.80	\$21.00	\$55.72	\$6,337.90	\$14.31	\$44.63

*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.