

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

	1999-2003 Average			2004		
Number of Farms	10			8		
Crop Acres	348			639		
Acres Owned	89			100		
Acres Rented	259			539		
Yield / Acre	402			602		
Pounds	120,930			332,535		
Operator Percentage	86.33%			86.39%		
Gross Income / Acre	\$221.24			\$282.88		
Variable Costs / Acre	\$125.23			\$182.01		
Total Expense / Acre	\$187.24			\$247.60		
Gross Income / Pound	\$0.64			\$0.54		
Total Expense / Pound	\$0.54			\$0.48		
	Total Dollars	\$ / Pound	\$ / Acre	Total Dollars	\$ / Pound	\$ / Acre
INCOME:						
Cotton (Operator's Share)	\$56,516.27	\$0.47	\$162.31	\$160,507.75	\$0.48	\$251.19
Patronage Refunds	\$3,469.69	0.03	9.96	\$4,395.69	0.01	6.88
Government Payments	\$13,359.08	0.11	38.37	\$15,855.48	0.05	24.81
Miscellaneous Income	\$34.29	0.00	0.10	\$3.30	0.00	0.01
Crop Insurance Proceeds	\$3,655.27	0.03	10.50	\$0.00	-	-
OTHER INCOME	\$20,518.33	\$0.17	\$58.93	\$20,254.47	\$0.06	\$31.70
GROSS INCOME	\$77,034.61	\$0.64	\$221.24	\$180,762.22	\$0.54	\$282.88
EXPENSES:						
Labor Hired	\$1,397.24	\$0.01	\$4.01	\$6,486.77	\$0.02	\$10.15
General Machinery Repairs	\$3,983.63	0.03	11.44	\$8,476.10	0.03	13.26
Interest Paid	\$1,914.33	0.02	5.50	\$1,718.48	0.01	2.69
Seed / Other Crop Expense	\$5,609.33	0.05	16.11	\$16,367.91	0.05	25.61
Crop Insurance	\$1,352.89	0.01	3.89	\$1,798.63	0.01	2.81
Fertilizer / Lime	\$4,303.36	0.04	12.36	\$13,011.73	0.04	20.36
Machine Hire - Lease	\$5,072.11	0.04	14.57	\$4,407.02	0.01	6.90
Farm Org Fees / Travel / Publ	\$510.08	0.00	1.46	\$808.61	0.00	1.27
Gas / Fuel / Oil	\$1,986.85	0.02	5.71	\$4,159.02	0.01	6.51
Crop Storage & Marketing	\$5,358.31	0.04	15.39	\$24,623.91	0.07	38.54
Personal Property Tax	\$152.44	0.00	0.44	\$274.80	0.00	0.43
General Farm Insurance	\$774.60	0.01	2.22	\$1,554.99	0.00	2.43
Utilities	\$577.38	0.00	1.66	\$914.47	0.00	1.43
Cash Farm Rent	\$3,576.52	0.03	10.27	\$13,287.38	0.04	20.79
Herbicide / Insecticide	\$6,920.52	0.06	19.88	\$18,379.75	0.06	28.76
Conservation	\$35.21	0.00	0.10	\$0.00	-	-
Auto Expense	\$81.15	0.00	0.23	\$36.00	0.00	0.06
TOTAL VARIABLE COSTS	\$43,605.95	\$0.36	\$125.23	\$116,305.57	\$0.35	\$182.01
RETURN ABOVE VARIABLE COSTS	\$33,428.66	\$0.28	\$96.00	\$64,456.65	\$0.19	\$100.87
Depreciation	\$5,693.81	0.05	16.35	\$12,558.35	0.04	19.65
Real Estate Tax	\$602.73	0.00	1.73	\$776.49	0.00	1.22
Unpaid Operator Labor	\$7,598.40	0.06	21.82	\$10,147.50	0.03	15.88
Interest Charge *	\$2,524.04	0.02	7.25	\$9,278.53	0.03	14.52
TOTAL FIXED COSTS	\$16,418.99	\$0.14	\$47.15	\$32,760.87	\$0.10	\$51.27
Land Charge **	\$5,171.00	\$0.04	\$14.85	\$9,149.59	\$0.03	\$14.32
TOTAL EXPENSE	\$65,195.94	\$0.54	\$187.24	\$158,216.03	\$0.48	\$247.60
NET RETURN TO MANAGEMENT	\$11,838.67	\$0.10	\$34.00	\$22,546.19	\$0.07	\$35.28
NET RETURN TO LABOR-MGT	\$20,834.31	\$0.17	\$59.83	\$39,180.46	\$0.12	\$61.32

*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.