

SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2004
CONSERVATION RESERVE PROGRAM

	<u>1999-2003 Average</u>	<u>2004</u>
Number of Farms	43	35
Crop Acres	428	485
Acres Owned	236	275
Acres Rented	193	210
Gross Income / Acre	\$28.11	\$34.82
Variable Costs / Acre	\$3.05	\$4.26
Total Expense / Acre	\$6.59	\$7.03

	<u>Total Dollars</u>	<u>\$ / Acre</u>	<u>Total Dollars</u>	<u>\$ / Acre</u>
INCOME:				
Patronage Refunds	13.95	\$0.03	35.68	\$0.07
Government Payments	12,020.80	28.06	16,781.95	34.60
Miscellaneous Income	9.26	0.02	70.79	0.15
OTHER INCOME	\$12,044.01	\$28.11	\$16,888.42	\$34.82
GROSS INCOME	\$12,044.01	\$28.11	\$16,888.42	\$34.82
EXPENSES:				
Labor Hired	\$13.56	\$0.03	8.06	\$0.02
General Machinery Repairs	\$85.65	0.20	33.36	0.07
Interest Paid	\$447.34	1.04	240.84	0.50
Seed / Other Crop Expense	\$257.76	0.60	1,287.24	2.65
Crop Insurance	\$7.94	0.02	-	-
Fertilizer / Lime	\$10.64	0.02	-	-
Machine Hire - Lease	\$80.54	0.19	87.29	0.18
Farm Org Fees / Travel / Publ	\$75.71	0.18	55.47	0.11
Gas / Fuel / Oil	\$51.66	0.12	98.44	0.20
Personal Property Tax	\$72.92	0.17	11.00	0.02
General Farm Insurance	\$60.66	0.14	70.95	0.15
Utilities	\$47.79	0.11	78.14	0.16
Cash Farm Rent	\$27.66	0.06	39.93	0.08
Herbicide / Insecticide	\$16.54	0.04	-	-
Conservation	\$8.90	0.02	0.07	0.00
Auto Expense	\$39.85	0.09	53.07	0.11
TOTAL VARIABLE COSTS	\$1,305.09	\$3.05	\$2,063.86	\$4.26
RETURN ABOVE VARIABLE COSTS	\$10,738.92	\$25.07	\$14,824.56	\$30.57
Depreciation	\$150.94	0.35	198.45	0.41
Real Estate Tax	\$863.79	2.02	751.60	1.55
Unpaid Operator Labor	\$504.51	1.18	394.71	0.81
Interest Charge *	\$0.00	-	-	-
TOTAL FIXED COSTS	\$1,519.23	\$3.55	\$1,344.76	\$2.77
TOTAL EXPENSE	\$2,824.32	\$6.59	\$3,408.62	\$7.03
NET RETURN TO MANAGEMENT	\$9,219.68	\$21.52	\$13,479.80	\$27.79
NET RETURN TO LABOR-MGT	\$9,737.75	\$22.73	\$13,882.57	\$28.62

*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.