

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2005
IRRIGATED (ALL) ALFALFA

	2000-2004 Average	2005
Number of Farms	11	8
Crop Acres	136	134
Acres Owned	64	76
Acres Rented	73	59
Yield / Acre	5.03	5.26
Tons	630	642
Operator Percentage	91.80%	91.08%
Gross Income / Acre	\$349.06	\$352.54
Variable Costs / Acre	\$235.65	\$251.12
Total Expense / Acre	\$359.94	\$412.80
Gross Income / Ton	\$75.60	\$73.58
Total Expense / Ton	\$77.95	\$86.16

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$44,017.74	\$69.89	\$322.71	\$42,356.72	\$65.98	\$316.09
Patronage Refunds	\$89.91	0.14	0.66	\$240.42	0.37	1.79
Government Payments	\$3,145.67	4.99	23.06	\$4,248.57	6.62	31.71
Miscellaneous Income	\$357.80	0.57	2.62	\$394.25	0.61	2.94
OTHER INCOME	\$3,593.38	\$5.71	\$26.34	\$4,883.24	\$7.61	\$36.44
GROSS INCOME	\$47,611.11	\$75.60	\$349.06	\$47,239.96	\$73.58	\$352.54
EXPENSES:						
Labor Hired	\$797.03	\$1.27	\$5.84	\$825.10	\$1.29	\$6.16
General Machinery Repairs	\$5,186.27	8.23	38.02	\$7,159.44	11.15	53.43
Irrigation Equipment Repairs	\$2,096.53	3.33	15.37	\$801.71	1.25	5.98
Interest Paid	\$2,848.81	4.52	20.89	\$3,742.99	5.83	27.93
Seed / Other Crop Expense	\$794.79	1.26	5.83	\$490.31	0.76	3.66
Crop Insurance	\$58.35	0.09	0.43	\$0.00	-	-
Fertilizer / Lime	\$1,223.22	1.94	8.97	\$1,990.45	3.10	14.85
Machine Hire - Lease	\$1,579.33	2.51	11.58	\$603.95	0.94	4.51
Farm Org Fees / Travel / Publ	\$494.72	0.79	3.63	\$390.44	0.61	2.91
Gas / Fuel / Oil	\$2,640.69	4.19	19.36	\$4,025.78	6.27	30.04
Irrigation Fuel - Pumping	\$10,346.40	16.43	75.85	\$9,059.38	14.11	67.61
Crop Storage & Marketing	\$3.51	0.01	0.03	\$48.45	0.08	0.36
Personal Property Tax	\$252.37	0.40	1.85	\$10.06	0.02	0.08
General Farm Insurance	\$828.73	1.32	6.08	\$1,042.49	1.62	7.78
Utilities	\$455.42	0.72	3.34	\$309.99	0.48	2.31
Cash Farm Rent	\$1,295.38	2.06	9.50	\$2,573.77	4.01	19.21
Herbicide / Insecticide	\$1,106.73	1.76	8.11	\$433.86	0.68	3.24
Conservation	\$10.24	0.02	0.08	\$31.34	0.05	0.23
Auto Expense	\$124.20	0.20	0.91	\$111.00	0.17	0.83
TOTAL VARIABLE COSTS	\$32,142.72	\$51.04	\$235.65	\$33,650.51	\$52.42	\$251.12
RETURN ABOVE VARIABLE COSTS	\$15,468.40	\$24.56	\$113.40	\$13,589.45	\$21.17	\$101.41
Depreciation	\$4,821.89	7.66	35.35	\$8,559.66	13.33	63.88
Real Estate Tax	\$537.42	0.85	3.94	\$840.44	1.31	6.27
Unpaid Operator Labor	\$2,529.50	4.02	18.54	\$2,015.73	3.14	15.04
Interest Charge *	\$800.80	1.27	5.87	\$790.55	1.23	5.90
TOTAL FIXED COSTS	\$8,689.60	\$13.80	\$63.71	\$12,206.38	\$19.01	\$91.09
Land Charge **	\$8,262.88	\$13.12	\$60.58	\$9,458.12	\$14.73	\$70.58
TOTAL EXPENSE	\$49,095.20	\$77.95	\$359.94	\$55,315.01	\$86.16	\$412.80
NET RETURN TO MANAGEMENT	(\$1,484.09)	(\$2.36)	(\$10.88)	(\$8,075.05)	(\$12.58)	(\$60.26)
NET RETURN TO LABOR-MGT	\$1,842.44	\$2.93	\$13.51	(\$5,234.22)	(\$8.15)	(\$39.06)

*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.