

KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS : 5-YEAR AVERAGE & 2005
NONIRRIGATED GRAIN SORGHUM: STATE AVERAGES

	2000-2004 Average	2005
Number of Farms	315	205
Crop Acres	281	267
Acres Owned	65	61
Acres Rented	217	205
Yield / Acre	63	73
Bushels	13,572	15,502
Operator Percentage	76.54%	79.07%
Gross Income / Acre	\$130.10	\$144.62
Variable Costs / Acre	\$98.04	\$128.06
Total Expense / Acre	\$143.56	\$180.95
Gross Income / Bushel	\$2.70	\$2.49
Total Expense / Bushel	\$2.98	\$3.12

	Total Dollars	\$/ Bushel	\$/ Acre	Total Dollars	\$/ Bushel	\$/ Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$26,591.68	\$1.96	\$94.50	\$26,833.91	\$1.73	\$100.50
Patronage Refunds	\$267.54	0.02	0.95	\$322.23	0.02	1.21
Government Payments	\$6,802.59	0.50	24.17	\$9,965.45	0.64	37.32
Miscellaneous Income	\$615.39	0.05	2.19	\$806.23	0.05	3.02
Crop Insurance Proceeds	\$2,333.23	0.17	8.29	\$684.65	0.04	2.56
OTHER INCOME	\$10,018.75	\$0.74	\$35.60	\$11,778.56	\$0.76	\$44.11
GROSS INCOME	\$36,610.42	\$2.70	\$130.10	\$38,612.47	\$2.49	\$144.62
EXPENSES:						
Labor Hired	\$1,339.36	\$0.10	\$4.76	\$1,603.77	\$0.10	\$6.01
General Machinery Repairs	\$3,250.66	0.24	11.55	\$3,447.57	0.22	12.91
Interest Paid	\$2,248.87	0.17	7.99	\$2,178.72	0.14	8.16
Seed / Other Crop Expense	\$2,394.47	0.18	8.51	\$2,891.03	0.19	10.83
Crop Insurance	\$954.09	0.07	3.39	\$1,175.73	0.08	4.40
Fertilizer / Lime	\$5,632.90	0.42	20.02	\$8,380.51	0.54	31.39
Machine Hire - Lease	\$1,360.95	0.10	4.84	\$1,309.96	0.08	4.91
Farm Org Fees / Travel / Publ	\$415.93	0.03	1.48	\$435.70	0.03	1.63
Gas / Fuel / Oil	\$2,094.94	0.15	7.44	\$3,593.55	0.23	13.46
Crop Storage & Marketing	\$180.90	0.01	0.64	\$164.11	0.01	0.61
Personal Property Tax	\$135.88	0.01	0.48	\$194.51	0.01	0.73
General Farm Insurance	\$627.70	0.05	2.23	\$698.71	0.05	2.62
Utilities	\$577.40	0.04	2.05	\$612.17	0.04	2.29
Cash Farm Rent	\$1,290.44	0.10	4.59	\$1,634.44	0.11	6.12
Herbicide / Insecticide	\$4,864.08	0.36	17.29	\$5,581.87	0.36	20.91
Conservation	\$23.59	0.00	0.08	\$43.93	0.00	0.16
Auto Expense	\$196.36	0.01	0.70	\$245.57	0.02	0.92
TOTAL VARIABLE COSTS	\$27,588.53	\$2.03	\$98.04	\$34,191.85	\$2.21	\$128.06
RETURN ABOVE VARIABLE COSTS	\$9,021.89	\$0.66	\$32.06	\$4,420.62	\$0.29	\$16.56
Depreciation	\$4,003.37	0.29	14.23	\$4,433.58	0.29	16.61
Real Estate Tax	\$567.04	0.04	2.02	\$745.35	0.05	2.79
Unpaid Operator Labor	\$4,979.52	0.37	17.70	\$5,035.05	0.32	18.86
Interest Charge *	\$687.52	0.05	2.44	\$1,160.81	0.07	4.35
TOTAL FIXED COSTS	\$10,237.45	\$0.75	\$36.38	\$11,374.79	\$0.73	\$42.60
Land Charge **	\$2,570.55	\$0.19	\$9.13	\$2,746.73	\$0.18	\$10.29
TOTAL EXPENSE	\$40,396.53	\$2.98	\$143.56	\$48,313.37	\$3.12	\$180.95
NET RETURN TO MANAGEMENT	(\$3,786.11)	(\$0.28)	(\$13.45)	(\$9,700.90)	(\$0.63)	(\$36.33)
NET RETURN TO LABOR-MGT	\$2,532.77	\$0.19	\$9.00	(\$3,062.08)	(\$0.20)	(\$11.47)

*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.

Kansas Farm Management Association: State Averages
2005 Nonirrigated Grain Sorghum Enterprise Sorted by Net Return to Management per Acre

	Profit Category			Difference between High 1/3 and Low 1/3	
	High 1/3 Per Acre	Mid 1/3 Per Acre	Low 1/3 Per Acre	Acres / \$	%
Number of Farms	69	68	68		
Enterprise Acres	315	304	180	135	75%
Owned Acres	89	60	35	54	154%
Rented Acres	226	2,454	145	81	56%
Yield per Acre	83.3	70.3	61.8	21.4	35%
Operator Percentage	82.3%	77.2%	74.9%	7.4%	10%
Price per bushel	\$1.71	\$1.76	\$1.73	(\$0.02)	-1%
INCOME:					
Crop Income	\$117.28	\$95.44	\$79.98	\$37.30	47%
Government Payments	\$38.94	\$34.27	\$39.89	(\$0.96)	-2%
Other Income	\$8.71	\$5.72	\$5.25	\$3.45	66%
Gross Income	\$164.92	\$135.42	\$125.13	\$39.80	32%
COSTS:					
Seed	\$8.37	\$12.41	\$12.58	(\$4.21)	-33%
Fertilizer	\$27.62	\$29.57	\$41.38	(\$13.76)	-33%
Herbicide-Insecticide	\$17.91	\$21.35	\$25.62	(\$7.71)	-30%
Crop Insurance	\$4.29	\$4.44	\$4.57	(\$0.28)	-6%
Machinery	\$41.95	\$47.50	\$59.43	(\$17.48)	-29%
Labor	\$21.37	\$22.04	\$36.02	(\$14.65)	-41%
Other	\$7.87	\$7.77	\$13.00	(\$5.13)	-39%
Land	\$21.36	\$17.19	\$18.83	\$2.53	13%
Interest	\$10.79	\$12.60	\$15.49	(\$4.70)	-30%
Total Cost	\$161.53	\$174.87	\$226.92	(\$65.39)	-29%
Net Return to Management	\$3.39	(\$39.45)	(\$101.79)	\$105.19	

