

SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2006
CONSERVATION RESERVE PROGRAM

	2001-2005 Average	2006
Number of Farms	37	16
Crop Acres	453	399
Acres Owned	243	273
Acres Rented	210	126
Gross Income / Acre	\$29.93	\$35.14
Variable Costs / Acre	\$3.93	\$5.31
Total Expense / Acre	\$7.70	\$11.17

	Total Dollars	\$/Acre	Total Dollars	\$/Acre
INCOME:				
Patronage Refunds	13.13	\$0.03	0.00	\$0.00
Government Payments	13,512.41	29.86	14,021.99	35.14
Miscellaneous Income	19.07	0.04	0.00	0.00
OTHER INCOME	\$13,544.61	\$29.93	\$14,021.99	\$35.14
GROSS INCOME	\$13,544.61	\$29.93	\$14,021.99	\$35.14
EXPENSES:				
Labor Hired	21.30	\$0.05	\$0.00	\$0.00
General Machinery Repairs	76.08	0.17	22.49	0.06
Interest Paid	532.02	1.18	443.78	1.11
Seed / Other Crop Expense	488.71	1.08	749.33	1.88
Crop Insurance	1.42	0.00	0.00	0.00
Fertilizer / Lime	17.73	0.04	0.00	0.00
Machine Hire - Lease	74.43	0.16	0.00	0.00
Farm Org Fees / Travel / Publ	78.70	0.17	69.74	0.17
Gas / Fuel / Oil	163.47	0.36	0.00	0.00
Personal Property Tax	53.05	0.12	96.52	0.24
General Farm Insurance	89.21	0.20	286.78	0.72
Utilities	61.05	0.13	68.22	0.17
Cash Farm Rent	23.43	0.05	0.00	0.00
Herbicide / Insecticide	42.63	0.09	0.00	0.00
Conservation	7.00	0.02	381.76	0.96
Auto Expense	46.25	0.10	0.00	0.00
TOTAL VARIABLE COSTS	\$1,776.47	\$3.93	\$2,118.62	\$5.31
RETURN ABOVE VARIABLE COSTS	\$11,768.13	\$26.00	\$11,903.37	\$29.83
Depreciation	238.46	0.53	264.09	0.66
Real Estate Tax	947.30	2.09	1,229.91	3.08
Unpaid Operator Labor	521.69	1.15	843.75	2.11
Interest Charge *	0.00	0.00	0.00	0.00
TOTAL FIXED COSTS	\$1,707.45	\$3.77	\$2,337.75	\$5.86
TOTAL EXPENSE	\$3,483.92	\$7.70	\$4,456.37	\$11.17
NET RETURN TO MANAGEMENT	\$10,060.68	\$22.23	\$9,565.62	\$23.97
NET RETURN TO LABOR-MGT	\$10,603.68	\$23.43	\$10,409.37	\$26.09

*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.