

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION  
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2009  
IRRIGATED ALFALFA**

	2004-2008 Average	2009
Number of Farms	8	7
Crop Acres	135	80
Acres Owned	61	22
Acres Rented	73	57
Yield / Acre	5.58	5.67
Tons (Operator's Share)	681	401
Operator Percentage	90.66%	88.40%
Gross Income / Acre	\$464.47	\$468.41
Variable Costs / Acre	\$279.76	\$239.10
Total Expense / Acre	\$426.01	\$370.91
Gross Income / Ton	\$91.75	\$93.45
Total Expense / Ton	\$84.15	\$74.00

	Total Dollars	\$/Ton	\$/Acre	Total Dollars	\$/Ton	\$/Acre
<b>INCOME:</b>						
Alfalfa (Operator's Share)	\$58,526.28	\$85.89	\$434.82	\$35,336.79	\$88.12	\$441.71
Patronage Refunds	\$533.02	\$0.78	\$3.96	\$656.75	\$1.64	\$8.21
Government Payments	3,193.55	4.69	23.73	1,452.54	3.62	18.16
Miscellaneous Income	264.64	0.39	1.97	26.33	0.07	0.33
OTHER INCOME	\$3,991.21	\$5.86	\$29.65	\$2,135.62	\$5.33	\$26.70
<b>GROSS INCOME</b>	<b>\$62,517.49</b>	<b>\$91.75</b>	<b>\$464.47</b>	<b>\$37,472.41</b>	<b>\$93.45</b>	<b>\$468.41</b>
<b>EXPENSES:</b>						
Labor Hired	\$1,059.54	\$1.55	\$7.87	\$1,328.62	\$3.31	\$16.61
General Machinery Repairs	6,168.98	9.05	45.83	3,011.99	7.51	37.65
Irrigation Equipment Repairs	1,659.18	2.43	12.33	1,281.50	3.20	16.02
Interest Paid	3,850.71	5.65	28.61	1,833.87	4.57	22.92
Seed / Other Crop Expense	785.99	1.15	5.84	93.43	0.23	1.17
Fertilizer / Lime	2,144.29	3.15	15.93	2,962.54	7.39	37.03
Machine Hire - Lease	1,019.73	1.50	7.58	100.16	0.25	1.25
Farm Org Fees / Travel / Publ	473.80	0.70	3.52	248.38	0.62	3.10
Gas / Fuel / Oil	3,947.99	5.79	29.33	1,138.21	2.84	14.23
Irrigation Fuel - Pumping	11,138.11	16.35	82.75	3,284.97	8.19	41.06
Crop Storage & Marketing	76.15	0.11	0.57	0.00	0.00	0.00
Personal Property Tax	252.36	0.37	1.87	31.45	0.08	0.39
General Farm Insurance	991.42	1.45	7.37	452.81	1.13	5.66
Utilities	331.69	0.49	2.46	195.57	0.49	2.44
Cash Farm Rent	2,710.46	3.98	20.14	1,818.93	4.54	22.74
Herbicide / Insecticide	865.18	1.27	6.43	1,259.02	3.14	15.74
Conservation	42.29	0.06	0.31	14.86	0.04	0.19
Auto Expense	137.61	0.20	1.02	71.61	0.18	0.90
<b>TOTAL VARIABLE COSTS</b>	<b>\$37,655.45</b>	<b>\$55.26</b>	<b>\$279.76</b>	<b>\$19,127.92</b>	<b>\$47.70</b>	<b>\$239.10</b>
<b>RETURN ABOVE VARIABLE COSTS</b>	<b>\$24,862.04</b>	<b>\$36.49</b>	<b>\$184.71</b>	<b>\$18,344.49</b>	<b>\$45.75</b>	<b>\$229.31</b>
Depreciation	\$7,086.55	\$10.40	\$52.65	\$5,473.51	\$13.65	\$68.42
Real Estate Tax	755.28	1.11	5.61	270.08	0.67	3.38
Unpaid Operator Labor	1,525.55	2.24	11.33	1,231.73	3.07	15.40
Interest Charge *	613.26	0.90	4.56	955.30	2.38	11.94
<b>TOTAL FIXED COSTS</b>	<b>\$9,980.65</b>	<b>\$14.65</b>	<b>\$74.15</b>	<b>\$7,930.62</b>	<b>\$19.78</b>	<b>\$99.13</b>
Land Charge **	\$9,705.03	\$14.24	\$72.10	\$2,614.29	\$6.52	\$32.68
<b>TOTAL EXPENSE</b>	<b>\$57,341.12</b>	<b>\$84.15</b>	<b>\$426.01</b>	<b>\$29,672.83</b>	<b>\$74.00</b>	<b>\$370.91</b>
<b>NET RETURN TO MANAGEMENT</b>	<b>\$5,176.37</b>	<b>\$7.60</b>	<b>\$38.46</b>	<b>\$7,799.58</b>	<b>\$19.45</b>	<b>\$97.49</b>
<b>NET RETURN TO LABOR-MGT</b>	<b>\$7,761.46</b>	<b>\$11.39</b>	<b>\$57.66</b>	<b>\$10,359.93</b>	<b>\$25.84</b>	<b>\$129.50</b>

\*Interest charge equals: ((8.0% times three-fourths the variable costs minus interest paid) 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 20%). 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.