

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 2008 and 2009
IRRIGATED GRAIN SORGHUM

	2008			2009		
Number of Farms	5			5		
Crop Acres	61			145		
Acres Owned	44			64		
Acres Rented	17			82		
Yield / Acre	84			86		
Bushels (Operator's Share)	4,900			10,983		
Operator Percentage	96.07%			88.05%		
Gross Income / Acre	\$275.68			\$276.57		
Variable Costs / Acre	\$228.69			\$273.00		
Total Expense / Acre	\$317.14			\$349.69		
Gross Income / Bushel	\$3.43			\$3.65		
Total Expense / Bushel	\$3.95			\$4.62		
	Total Dollars	\$/Bushel	\$/Acre	Total Dollars	\$/Bushel	\$/Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$15,184.78	\$3.10	\$248.93	\$33,335.64	\$3.04	\$229.90
Patronage Refunds	\$172.31	\$0.04	\$2.82	\$1,028.21	\$0.09	\$7.09
Government Payments	1,447.31	0.30	23.73	4,313.70	0.39	29.75
Miscellaneous Income	11.90	0.00	0.20	81.45	0.01	0.56
Crop Insurance Proceeds	0.00	0.00	0.00	1,344.00	0.12	9.27
Crop Futures	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	\$1,631.52	\$0.33	\$26.75	\$6,767.36	\$0.62	\$46.67
GROSS INCOME	\$16,816.30	\$3.43	\$275.68	\$40,103.00	\$3.65	\$276.57
EXPENSES:						
Labor Hired	\$977.84	\$0.20	\$16.03	\$1,293.53	\$0.12	\$8.92
General Machinery Repairs	1,072.32	0.22	17.58	3,224.42	0.29	22.24
Irrigation Equipment Repairs	595.01	0.12	9.75	1,561.67	0.14	10.77
Interest Paid	565.60	0.12	9.27	2,943.07	0.27	20.30
Seed / Other Crop Expense	682.09	0.14	11.18	1,853.22	0.17	12.78
Crop Insurance	683.31	0.14	11.20	1,904.66	0.17	13.14
Fertilizer / Lime	2,747.25	0.56	45.04	10,574.18	0.96	72.93
Machine Hire - Lease	818.23	0.17	13.41	4,127.81	0.38	28.47
Farm Org Fees / Travel / Publ	93.18	0.02	1.53	366.60	0.03	2.53
Gas / Fuel / Oil	855.33	0.17	14.02	1,865.72	0.17	12.87
Irrigation Fuel - Pumping	2,096.92	0.43	34.38	2,957.36	0.27	20.40
Crop Storage & Marketing	0.00	0.00	0.00	0.00	0.00	0.00
Personal Property Tax	81.41	0.02	1.33	184.65	0.02	1.27
General Farm Insurance	183.85	0.04	3.01	451.84	0.04	3.12
Utilities	89.91	0.02	1.47	174.22	0.02	1.20
Cash Farm Rent	1,062.50	0.22	17.42	1,648.00	0.15	11.37
Herbicide / Insecticide	1,263.49	0.26	20.71	4,284.13	0.39	29.55
Conservation	29.61	0.01	0.49	2.91	0.00	0.02
Auto Expense	52.07	0.01	0.85	166.43	0.02	1.15
TOTAL VARIABLE COSTS	\$13,949.92	\$2.85	\$228.69	\$39,584.42	\$3.60	\$273.00
RETURN ABOVE VARIABLE COSTS	\$2,866.38	\$0.58	\$46.99	\$518.58	\$0.05	\$3.58
Depreciation	\$839.86	\$0.17	\$13.77	\$3,575.61	\$0.33	\$24.66
Real Estate Tax	134.81	0.03	2.21	693.88	0.06	4.79
Unpaid Operator Labor	1,724.43	0.35	28.27	3,952.65	0.36	27.26
Interest Charge *	506.21	0.10	8.30	399.61	0.04	2.76
TOTAL FIXED COSTS	\$3,205.31	\$0.65	\$52.55	\$8,621.75	\$0.79	\$59.46
Land Charge **	\$2,190.19	\$0.45	\$35.90	\$2,499.36	\$0.23	\$17.24
TOTAL EXPENSE	\$19,345.42	\$3.95	\$317.14	\$50,705.53	\$4.62	\$349.69
NET RETURN TO MANAGEMENT	(\$2,529.12)	(\$0.52)	(\$41.46)	(\$10,602.53)	(\$0.97)	(\$73.12)
NET RETURN TO LABOR-MGT	\$173.15	\$0.04	\$2.84	(\$5,356.35)	(\$0.49)	(\$36.94)

*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.