

SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2009
IRRIGATED GRAIN SORGHUM

	2004-2008 Average	2009
Number of Farms	9	6
Crop Acres	104	127
Acres Owned	41	70
Acres Rented	63	57
Yield / Acre	101	119
Bushels (Operator's Share)	8,770	13,464
Operator Percentage	83.02%	89.13%
Gross Income / Acre	\$306.53	\$377.70
Variable Costs / Acre	\$270.46	\$277.73
Total Expense / Acre	\$382.34	\$383.18
Gross Income / Bushel	\$3.65	\$3.56
Total Expense / Bushel	\$4.55	\$3.61

	Total Dollars	\$/Bushel	\$/Acre	Total Dollars	\$/Bushel	\$/Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$26,599.11	\$3.03	\$254.78	\$43,857.42	\$3.26	\$345.33
Patronage Refunds	\$216.47	\$0.02	\$2.07	\$579.51	\$0.04	\$4.56
Government Payments	4,012.66	0.46	38.44	2,097.81	0.16	16.52
Miscellaneous Income	649.75	0.07	6.22	570.96	0.04	4.50
Crop Insurance Proceeds	523.93	0.06	5.02	862.23	0.06	6.79
Crop Futures	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	\$5,402.80	\$0.62	\$51.75	\$4,110.51	\$0.31	\$32.37
GROSS INCOME	\$32,001.91	\$3.65	\$306.53	\$47,967.93	\$3.56	\$377.70
EXPENSES:						
Labor Hired	\$1,953.41	\$0.22	\$18.71	\$5,761.50	\$0.43	\$45.37
General Machinery Repairs	2,270.57	0.26	21.75	1,134.48	0.08	8.93
Irrigation Equipment Repairs	1,251.60	0.14	11.99	1,079.37	0.08	8.50
Interest Paid	1,107.23	0.13	10.61	1,129.30	0.08	8.89
Seed / Other Crop Expense	1,947.97	0.22	18.66	2,055.36	0.15	16.18
Crop Insurance	1,168.62	0.13	11.19	2,012.83	0.15	15.85
Fertilizer / Lime	4,440.90	0.51	42.54	5,189.35	0.39	40.86
Machine Hire - Lease	1,756.14	0.20	16.82	223.83	0.02	1.76
Farm Org Fees / Travel / Publ	323.12	0.04	3.09	274.89	0.02	2.16
Gas / Fuel / Oil	2,379.76	0.27	22.79	2,527.77	0.19	19.90
Irrigation Fuel - Pumping	4,018.14	0.46	38.49	8,060.28	0.60	63.47
Crop Storage & Marketing	73.30	0.01	0.70	295.32	0.02	2.33
Personal Property Tax	85.88	0.01	0.82	63.48	0.00	0.50
General Farm Insurance	461.46	0.05	4.42	445.92	0.03	3.51
Utilities	531.15	0.06	5.09	222.23	0.02	1.75
Cash Farm Rent	800.32	0.09	7.67	0.00	0.00	0.00
Herbicide / Insecticide	3,552.46	0.41	34.03	4,779.37	0.35	37.63
Conservation	4.11	0.00	0.04	0.00	0.00	0.00
Auto Expense	109.55	0.01	1.05	16.66	0.00	0.13
TOTAL VARIABLE COSTS	\$28,235.69	\$3.22	\$270.46	\$35,271.94	\$2.62	\$277.73
RETURN ABOVE VARIABLE COSTS	\$3,766.22	\$0.43	\$36.07	\$12,695.99	\$0.94	\$99.97
Depreciation	\$1,830.17	\$0.21	\$17.53	\$2,485.61	\$0.18	\$19.57
Real Estate Tax	645.14	0.07	6.18	544.32	0.04	4.29
Unpaid Operator Labor	3,263.84	0.37	31.26	2,744.30	0.20	21.61
Interest Charge *	1,108.65	0.13	10.62	1,714.65	0.13	13.50
TOTAL FIXED COSTS	\$6,847.80	\$0.78	\$65.59	\$7,488.88	\$0.56	\$58.97
Land Charge **	\$4,832.63	\$0.55	\$46.29	\$5,903.02	\$0.44	\$46.48
TOTAL EXPENSE	\$39,916.13	\$4.55	\$382.34	\$48,663.84	\$3.61	\$383.18
NET RETURN TO MANAGEMENT	(\$7,914.21)	(\$0.90)	(\$75.81)	(\$695.91)	(\$0.05)	(\$5.48)
NET RETURN TO LABOR-MGT	(\$2,696.97)	(\$0.31)	(\$25.83)	\$7,809.89	\$0.58	\$61.50

*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.