

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

	2004-2008 Average	2009
Number of Farms	10	5
Crop Acres	181	366
Acres Owned	83	116
Acres Rented	98	250
Yield / Acre	45	50
Bushels (Operator's Share)	6,789	13,068
Operator Percentage	84.14%	71.70%
Gross Income / Acre	\$224.15	\$257.54
Variable Costs / Acre	\$164.50	\$188.29
Total Expense / Acre	\$242.83	\$230.40
Gross Income / Bushel	\$5.98	\$7.21
Total Expense / Bushel	\$6.47	\$6.45

	Total Dollars	\$/Bushel	\$/Acre	Total Dollars	\$/Bushel	\$/Acre
INCOME:						
Wheat (Operator's Share)	\$32,977.15	\$4.86	\$182.19	\$64,909.15	\$4.97	\$177.35
Patronage Refunds	\$266.34	\$0.04	\$1.47	\$1,785.17	\$0.14	\$4.88
Government Payments	5,535.18	0.82	30.58	2,362.11	0.18	6.45
Miscellaneous Income	740.28	0.11	4.09	621.15	0.05	1.70
Crop Insurance Proceeds	1,031.47	0.15	5.70	24,583.46	1.88	67.17
Crop Futures	20.96	0.00	0.12	0.00	0.00	0.00
OTHER INCOME	\$7,594.24	\$1.12	\$41.96	\$29,351.89	\$2.25	\$80.20
GROSS INCOME	\$40,571.40	\$5.98	\$224.15	\$94,261.04	\$7.21	\$257.54
EXPENSES:						
Labor Hired	\$2,522.10	\$0.37	\$13.93	\$17,432.00	\$1.33	\$47.63
General Machinery Repairs	2,496.90	0.37	13.80	2,928.45	0.22	8.00
Irrigation Equipment Repairs	726.89	0.11	4.02	3,982.60	0.30	10.88
Interest Paid	2,087.88	0.31	11.54	3,724.27	0.28	10.18
Seed / Other Crop Expense	849.46	0.13	4.69	3,439.48	0.26	9.40
Crop Insurance	1,632.25	0.24	9.02	3,788.32	0.29	10.35
Fertilizer / Lime	4,755.20	0.70	26.27	10,973.55	0.84	29.98
Machine Hire - Lease	780.75	0.11	4.31	1,958.92	0.15	5.35
Farm Org Fees / Travel / Publ	396.09	0.06	2.19	578.82	0.04	1.58
Gas / Fuel / Oil	3,148.25	0.46	17.39	5,109.94	0.39	13.96
Irrigation Fuel - Pumping	4,968.94	0.73	27.45	9,556.71	0.73	26.11
Crop Storage & Marketing	130.72	0.02	0.72	405.00	0.03	1.11
Personal Property Tax	69.21	0.01	0.38	117.46	0.01	0.32
General Farm Insurance	695.67	0.10	3.84	1,111.40	0.09	3.04
Utilities	867.86	0.13	4.79	413.52	0.03	1.13
Cash Farm Rent	351.77	0.05	1.94	0.00	0.00	0.00
Herbicide / Insecticide	3,132.57	0.46	17.31	3,333.50	0.26	9.11
Conservation	11.00	0.00	0.06	0.00	0.00	0.00
Auto Expense	150.63	0.02	0.83	59.48	0.00	0.16
TOTAL VARIABLE COSTS	\$29,774.16	\$4.39	\$164.50	\$68,913.42	\$5.27	\$188.29
RETURN ABOVE VARIABLE COSTS	\$10,797.24	\$1.59	\$59.65	\$25,347.62	\$1.94	\$69.26
Depreciation	\$3,074.20	\$0.45	\$16.98	\$5,771.61	\$0.44	\$15.77
Real Estate Tax	575.56	0.08	3.18	734.19	0.06	2.01
Unpaid Operator Labor	4,976.25	0.73	27.49	4,541.90	0.35	12.41
Interest Charge *	794.45	0.12	4.39	2,033.99	0.16	5.56
TOTAL FIXED COSTS	\$9,420.46	\$1.39	\$52.05	\$13,081.69	\$1.00	\$35.74
Land Charge **	\$4,758.09	\$0.70	\$26.29	\$2,331.84	\$0.18	\$6.37
TOTAL EXPENSE	\$43,952.71	\$6.47	\$242.83	\$84,326.95	\$6.45	\$230.40
NET RETURN TO MANAGEMENT	(\$3,381.31)	(\$0.50)	(\$18.68)	\$9,934.09	\$0.76	\$27.14
NET RETURN TO LABOR-MGT	\$4,117.03	\$0.61	\$22.75	\$31,907.99	\$2.44	\$87.18

*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.