

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

	2004-2008 Average	2009
Number of Farms	17	29
Crop Acres	69	92
Acres Owned	35	36
Acres Rented	33	56
Yield / Acre	3.17	3.58
Tons	193	286
Operator Percentage	88.51%	86.84%
Gross Income / Acre	\$236.13	\$260.94
Variable Costs / Acre	\$109.04	\$135.23
Total Expense / Acre	\$219.87	\$250.91
Gross Income / Ton	\$84.10	\$83.94
Total Expense / Ton	\$78.31	\$80.71

	Total Dollars	\$/Ton	\$/Acre	Total Dollars	\$/Ton	\$/Acre
<b>INCOME:</b>						
Alfalfa (Operator's Share)	\$14,781.51	\$76.75	\$215.47	\$22,230.84	\$77.73	\$241.64
Patronage Refunds	\$119.11	\$0.62	\$1.74	\$472.14	\$1.65	\$5.13
Government Payments	1,269.55	6.59	18.51	1,222.88	4.28	13.29
Miscellaneous Income	28.15	0.15	0.41	80.77	0.28	0.88
OTHER INCOME	\$1,416.81	\$7.36	\$20.65	\$1,775.79	\$6.21	\$19.30
<b>GROSS INCOME</b>	<b>\$16,198.32</b>	<b>\$84.10</b>	<b>\$236.13</b>	<b>\$24,006.63</b>	<b>\$83.94</b>	<b>\$260.94</b>
<b>EXPENSES:</b>						
Labor Hired	\$418.15	\$2.17	\$6.10	\$1,392.38	\$4.87	\$15.13
General Machinery Repairs	2,132.60	11.07	31.09	3,452.49	12.07	37.53
Interest Paid	796.55	4.14	11.61	1,168.74	4.09	12.70
Seed / Other Crop Expense	305.65	1.59	4.46	667.40	2.33	7.25
Fertilizer / Lime	593.17	3.08	8.65	463.20	1.62	5.03
Machine Hire - Lease	312.69	1.62	4.56	1,411.15	4.93	15.34
Farm Org Fees / Travel / Publ	128.43	0.67	1.87	165.32	0.58	1.80
Gas / Fuel / Oil	1,335.04	6.93	19.46	1,437.59	5.03	15.63
Crop Storage & Marketing	0.00	0.00	0.00	0.00	0.00	0.00
Personal Property Tax	31.50	0.16	0.46	92.06	0.32	1.00
General Farm Insurance	196.81	1.02	2.87	373.82	1.31	4.06
Utilities	83.31	0.43	1.21	83.39	0.29	0.91
Cash Farm Rent	554.85	2.88	8.09	1,110.96	3.88	12.08
Herbicide / Insecticide	530.43	2.75	7.73	548.75	1.92	5.96
Conservation	5.22	0.03	0.08	16.47	0.06	0.18
Auto Expense	55.45	0.29	0.81	57.26	0.20	0.62
<b>TOTAL VARIABLE COSTS</b>	<b>\$7,479.84</b>	<b>\$38.84</b>	<b>\$109.04</b>	<b>\$12,440.98</b>	<b>\$43.50</b>	<b>\$135.23</b>
<b>RETURN ABOVE VARIABLE COSTS</b>	<b>\$8,718.48</b>	<b>\$45.27</b>	<b>\$127.09</b>	<b>\$11,565.65</b>	<b>\$40.44</b>	<b>\$125.71</b>
Depreciation	\$2,708.32	\$14.06	\$39.48	\$4,252.85	\$14.87	\$46.23
Real Estate Tax	219.63	1.14	3.20	184.87	0.65	2.01
Unpaid Operator Labor	1,526.61	7.93	22.25	2,574.66	9.00	27.99
Interest Charge *	475.18	2.47	6.93	868.51	3.04	9.44
<b>TOTAL FIXED COSTS</b>	<b>\$4,929.74</b>	<b>\$25.60</b>	<b>\$71.86</b>	<b>\$7,880.89</b>	<b>\$27.56</b>	<b>\$85.66</b>
Land Charge **	\$2,673.28	\$13.88	\$38.97	\$2,761.45	\$9.66	\$30.02
<b>TOTAL EXPENSE</b>	<b>\$15,082.85</b>	<b>\$78.31</b>	<b>\$219.87</b>	<b>\$23,083.32</b>	<b>\$80.71</b>	<b>\$250.91</b>
<b>NET RETURN TO MANAGEMENT</b>	<b>\$1,115.46</b>	<b>\$5.79</b>	<b>\$16.26</b>	<b>\$923.31</b>	<b>\$3.23</b>	<b>\$10.04</b>
<b>NET RETURN TO LABOR-MGT</b>	<b>\$3,060.23</b>	<b>\$15.89</b>	<b>\$44.61</b>	<b>\$4,890.35</b>	<b>\$17.10</b>	<b>\$53.16</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 25%). 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.