

SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2009
NONIRRIGATED COTTON

	2004-2008 Average			2009		
Number of Farms	7			6		
Crop Acres	573			514		
Acres Owned	187			22		
Acres Rented	387			492		
Yield / Acre	496			736		
Pounds (Operator's Share)	255,587			320,601		
Operator Percentage	89.86%			84.79%		
Gross Income / Acre	\$283.41			\$379.76		
Variable Costs / Acre	\$178.70			\$226.42		
Total Expense / Acre	\$260.91			\$293.02		
Gross Income / Pound	\$0.64			\$0.61		
Total Expense / Pound	\$0.59			\$0.47		
	Total Dollars	\$/Pound	\$/Acre	Total Dollars	\$/Pound	\$/Acre
INCOME:						
Cotton (Operator's Share)	\$135,995.51	\$0.53	\$237.17	\$180,299.19	\$0.56	\$350.78
Patronage Refunds	\$8,823.48	\$0.03	\$15.39	\$1,440.45	\$0.00	\$2.80
Government Payments	14,235.99	0.06	24.83	13,261.07	0.04	25.80
Miscellaneous Income	125.71	0.00	0.22	10.77	0.00	0.02
Crop Insurance Proceeds	3,326.31	0.01	5.80	183.83	0.00	0.36
Crop Futures	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	\$26,511.48	\$0.10	\$46.24	\$14,896.12	\$0.05	\$28.98
GROSS INCOME	\$162,507.00	\$0.64	\$283.41	\$195,195.31	\$0.61	\$379.76
EXPENSES:						
Labor Hired	\$3,915.04	\$0.02	\$6.83	\$3,595.62	\$0.01	\$7.00
General Machinery Repairs	7,832.88	0.03	13.66	5,879.30	0.02	11.44
Interest Paid	6,310.73	0.02	11.01	5,230.90	0.02	10.18
Seed / Other Crop Expense	16,938.12	0.07	29.54	22,074.63	0.07	42.95
Crop Insurance	2,099.39	0.01	3.66	2,850.33	0.01	5.55
Fertilizer / Lime	15,012.86	0.06	26.18	17,028.17	0.05	33.13
Machine Hire - Lease	2,085.94	0.01	3.64	9,110.00	0.03	17.72
Farm Org Fees / Travel / Publ	586.82	0.00	1.02	444.19	0.00	0.86
Gas / Fuel / Oil	5,894.19	0.02	10.28	3,513.27	0.01	6.84
Crop Storage & Marketing	19,008.76	0.07	33.15	20,498.83	0.06	39.88
Personal Property Tax	362.92	0.00	0.63	285.09	0.00	0.55
General Farm Insurance	1,490.54	0.01	2.60	923.09	0.00	1.80
Utilities	738.46	0.00	1.29	606.05	0.00	1.18
Cash Farm Rent	6,428.63	0.03	11.21	12,432.83	0.04	24.19
Herbicide / Insecticide	13,670.65	0.05	23.84	11,880.03	0.04	23.11
Conservation	6.99	0.00	0.01	0.00	0.00	0.00
Auto Expense	83.74	0.00	0.15	25.20	0.00	0.05
TOTAL VARIABLE COSTS	\$102,466.65	\$0.40	\$178.70	\$116,377.53	\$0.36	\$226.42
RETURN ABOVE VARIABLE COSTS	\$60,040.34	\$0.23	\$104.71	\$78,817.78	\$0.25	\$153.34
Depreciation	\$12,528.33	\$0.05	\$21.85	\$11,211.92	\$0.03	\$21.81
Real Estate Tax	1,373.45	0.01	2.40	343.31	0.00	0.67
Unpaid Operator Labor	11,469.20	0.04	20.00	15,162.10	0.05	29.50
Interest Charge *	4,604.28	0.02	8.03	5,025.71	0.02	9.78
TOTAL FIXED COSTS	\$29,975.26	\$0.12	\$52.28	\$31,743.04	\$0.10	\$61.76
Land Charge **	\$17,163.36	\$0.07	\$29.93	\$2,492.34	\$0.01	\$4.85
TOTAL EXPENSE	\$149,605.26	\$0.59	\$260.91	\$150,612.91	\$0.47	\$293.02
NET RETURN TO MANAGEMENT	\$12,901.73	\$0.05	\$22.50	\$44,582.40	\$0.14	\$86.74
NET RETURN TO LABOR-MGT	\$28,285.97	\$0.11	\$49.33	\$63,340.12	\$0.20	\$123.23

*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.