

NORTH CENTRAL KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
NONIRRIGATED ALFALFA

	1996-2000 Average			2001		
Number of Farms		99			72	
Crop Acres		87			123	
Acres Owned		27			31	
Acres Rented		60			92	
Yield / Acre		3.66			3.23	
Tons		270			352	
Operator Percentage		85.15%			88.60%	
Gross Income / Acre		\$216.67			\$251.72	
Variable Costs / Acre		\$95.50			\$128.89	
Total Expense / Acre		\$162.76			\$200.30	
Gross Income / Ton		\$69.60			\$87.96	
Total Expense / Ton		\$52.28			\$69.99	
	Total Dollars	\$/ Ton	\$/ Acre	Total Dollars	\$/ Ton	\$/ Acre
INCOME:						
Alfalfa (Operator's Share)	\$17,371.66	\$64.43	\$200.60	\$28,289.55	\$80.37	\$230.00
Patronage Refunds	71.55	0.27	0.83	49.58	0.14	0.40
Government Payments	1,260.29	4.67	14.55	2,541.47	7.22	20.66
Miscellaneous Income	57.82	0.21	0.67	81.06	0.23	0.66
Crop Insurance Proceeds	1.91	0.01	0.02	-	-	-
OTHER INCOME	\$1,391.57	\$5.16	\$16.07	\$2,672.11	\$7.59	\$21.72
GROSS INCOME	\$18,763.23	\$69.60	\$216.67	\$30,961.66	\$87.96	\$251.72
EXPENSES:						
Labor Hired	\$808.39	\$3.00	\$9.33	\$2,374.56	\$6.75	\$19.31
General Machinery Repairs	1,394.92	5.17	16.11	2,601.06	7.39	21.15
Interest Paid	1,081.05	4.01	12.48	1,307.90	3.72	10.63
Seed / Other Crop Expense	529.10	1.96	6.11	1,011.59	2.87	8.22
Crop Insurance	1.17	0.00	0.01	64.75	0.18	0.53
Fertilizer / Lime	780.81	2.90	9.02	1,384.97	3.93	11.26
Machine Hire - Lease	754.19	2.80	8.71	1,350.40	3.84	10.98
Farm Org Fees / Travel / Publ	130.49	0.48	1.51	357.91	1.02	2.91
Gas / Fuel / Oil	669.93	2.48	7.74	1,444.61	4.10	11.74
Crop Storage & Marketing	79.69	0.30	0.92	447.96	1.27	3.64
Personal Property Tax	50.40	0.19	0.58	110.67	0.31	0.90
General Farm Insurance	247.89	0.92	2.86	398.33	1.13	3.24
Utilities	181.70	0.67	2.10	441.62	1.25	3.59
Cash Farm Rent	780.56	2.90	9.01	1,228.27	3.49	9.99
Herbicide / Insecticide	681.85	2.53	7.87	1,168.52	3.32	9.50
Conservation	5.39	0.02	0.06	5.80	0.02	0.05
Auto Expense	93.12	0.35	1.08	154.18	0.44	1.25
TOTAL VARIABLE COSTS	\$8,270.65	\$30.68	\$95.50	\$15,853.10	\$45.04	\$128.89
RETURN ABOVE VARIABLE COSTS	\$10,492.58	\$38.92	\$121.16	\$15,108.56	\$42.92	\$122.83
Depreciation	1,181.14	4.38	13.64	2,361.78	6.71	19.20
Real Estate Tax	216.47	0.80	2.50	280.89	0.80	2.28
Unpaid Operator Labor	2,218.52	8.23	25.62	3,130.31	8.89	25.45
Interest Charge *	34.80	0.13	0.40	399.06	1.13	3.24
TOTAL FIXED COSTS	\$3,650.92	\$13.54	\$42.16	\$6,172.04	\$17.53	\$50.18
Land Charge **	\$2,173.51	\$8.06	\$25.10	\$2,612.35	\$7.42	\$21.24
TOTAL EXPENSE	\$14,095.08	\$52.28	\$162.76	\$24,637.49	\$69.99	\$200.30
NET RETURN TO MANAGEMENT	\$4,668.15	\$17.32	\$53.90	\$6,324.17	\$17.97	\$51.42
NET RETURN TO LABOR-MGT	\$7,695.06	\$28.54	\$88.86	\$11,829.04	\$33.61	\$96.17

*Interest charge equals: ((8.0% times three-fourths the variable costs) 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 33.33%). 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.