

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

	1996-2000 Average	2001
Number of Farms	23	14
Crop Acres	95	73
Acres Owned	56	49
Acres Rented	39	24
Yield / Acre	3.6	2.6
Tons	318	173
Operator Percentage	91.82%	89.77%
Gross Income / Acre	\$222.65	\$179.69
Variable Costs / Acre	\$111.47	\$107.33
Total Expense / Acre	\$227.52	\$231.42
Gross Income / Ton	\$66.47	\$75.82
Total Expense / Ton	\$67.93	\$97.65

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
<b>INCOME:</b>						
Alfalfa (Operator's Share)	\$19,085.32	\$59.98	\$200.90	\$12,099.87	\$69.94	\$165.75
Patronage Refunds	75.72	0.24	0.80	46.10	0.27	0.63
Government Payments	1,784.56	5.61	18.78	920.21	5.32	12.61
Miscellaneous Income	205.90	0.65	2.17	51.49	0.30	0.71
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$2,066.18	\$6.49	\$21.75	\$1,017.80	\$5.88	\$13.94
<b>GROSS INCOME</b>	<b>\$21,151.50</b>	<b>\$66.47</b>	<b>\$222.65</b>	<b>\$13,117.67</b>	<b>\$75.82</b>	<b>\$179.69</b>
<b>EXPENSES:</b>						
Labor Hired	\$1,137.37	\$3.57	\$11.97	\$1,133.69	\$6.55	\$15.53
General Machinery Repairs	2,734.97	8.60	28.79	1,914.54	11.07	26.23
Interest Paid	1,109.61	3.49	11.68	764.89	4.42	10.48
Seed / Other Crop Expense	651.12	2.05	6.85	363.64	2.10	4.98
Crop Insurance	37.63	0.12	0.40	-	-	-
Fertilizer / Lime	856.43	2.69	9.02	236.71	1.37	3.24
Machine Hire - Lease	914.29	2.87	9.62	805.36	4.66	11.03
Farm Org Fees / Travel / Publ	216.09	0.68	2.27	119.80	0.69	1.64
Gas / Fuel / Oil	963.07	3.03	10.14	721.71	4.17	9.89
Crop Storage & Marketing	11.64	0.04	0.12	6.33	0.04	0.09
Personal Property Tax	39.74	0.12	0.42	29.73	0.17	0.41
General Farm Insurance	245.77	0.77	2.59	570.80	3.30	7.82
Utilities	176.49	0.55	1.86	130.27	0.75	1.78
Cash Farm Rent	699.71	2.20	7.37	407.81	2.36	5.59
Herbicide / Insecticide	693.19	2.18	7.30	557.86	3.22	7.64
Conservation	8.01	0.03	0.08	2.44	0.01	0.03
Auto Expense	94.13	0.30	0.99	69.17	0.40	0.95
<b>TOTAL VARIABLE COSTS</b>	<b>\$10,589.27</b>	<b>\$33.28</b>	<b>\$111.47</b>	<b>\$7,834.75</b>	<b>\$45.29</b>	<b>\$107.33</b>
<b>RETURN ABOVE VARIABLE COSTS</b>	<b>\$10,562.23</b>	<b>\$33.19</b>	<b>\$111.18</b>	<b>\$5,282.92</b>	<b>\$30.54</b>	<b>\$72.37</b>
Depreciation	1,995.14	6.27	21.00	2,594.92	15.00	35.55
Real Estate Tax	254.14	0.80	2.68	278.49	1.61	3.81
Unpaid Operator Labor	4,296.70	13.50	45.23	2,931.43	16.94	40.16
Interest Charge *	251.71	0.79	2.65	535.57	3.10	7.34
<b>TOTAL FIXED COSTS</b>	<b>\$6,797.70</b>	<b>\$21.36</b>	<b>\$71.55</b>	<b>\$6,340.41</b>	<b>\$36.65</b>	<b>\$86.85</b>
Land Charge **	\$4,227.41	\$13.29	\$44.50	\$2,718.49	\$15.71	\$37.24
<b>TOTAL EXPENSE</b>	<b>\$21,614.38</b>	<b>\$67.93</b>	<b>\$227.52</b>	<b>\$16,893.65</b>	<b>\$97.65</b>	<b>\$231.42</b>
<b>NET RETURN TO MANAGEMENT</b>	<b>(\$462.88)</b>	<b>(\$1.45)</b>	<b>(\$4.87)</b>	<b>(\$3,775.98)</b>	<b>(\$21.83)</b>	<b>(\$51.73)</b>
<b>NET RETURN TO LABOR-MGT</b>	<b>\$4,971.20</b>	<b>\$15.62</b>	<b>\$52.33</b>	<b>\$289.14</b>	<b>\$1.67</b>	<b>\$3.96</b>

\*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.