

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
BEEF BACKGROUNDING / FINISHING

| | 1996-2000 Average | 2001 |
|-------------------------|-------------------|---------|
| Number of Farms | 18 | 10 |
| Number of Head | 386 | 694 |
| Weight Produced / Head | 538 | 492 |
| Weight / Head Sold | 1,109 | 1,134 |
| Weight / Head Purchased | 573 | 614 |
| Sale Price / Cwt | \$66.45 | \$77.26 |
| Purchase Price / Cwt | \$81.17 | \$91.13 |
| Gross Income / Cwt | \$56.42 | \$51.40 |
| Feed Costs / Cwt | \$41.55 | \$50.90 |
| Nonfeed Costs / Cwt | \$20.09 | \$22.83 |

| | Head | Total Dollars | \$ / Cwt | \$ / Head | Head | Total Dollars | \$ / Cwt | \$ / Head |
|------------------------------------|------|----------------------|-----------------|------------------|-------|----------------------|------------------|-------------------|
| INCOME: | | | | | | | | |
| Steers - Heifers Sold | 370 | 273,040.12 | | | 716 | 627,580.87 | | |
| Ending Inventory | 316 | 190,764.19 | | | 477 | 305,716.14 | | |
| Gross Sales | 687 | \$463,804.31 | | | 1,193 | \$933,297.01 | | |
| Steers - Heifers Purchased | 395 | 183,723.03 | | | 664 | 371,833.54 | | |
| Beginning Inventory | 306 | 164,478.38 | | | 541 | 388,268.20 | | |
| Gross Purchases | 701 | \$348,201.40 | | | 1,205 | \$760,101.74 | | |
| Net Sale Gain | | \$115,602.91 | \$55.66 | \$299.49 | | \$173,195.27 | \$50.73 | \$249.56 |
| Custom Feeding | | 218.49 | | | | 226.06 | | |
| Patronage Refunds | | 617.89 | | | | 997.19 | | |
| Miscellaneous Income | | 750.54 | | | | 1,065.12 | | |
| OTHER INCOME | | 1,586.92 | \$0.76 | \$4.11 | | 2,288.37 | \$0.67 | \$3.30 |
| GROSS INCOME | | \$117,189.83 | \$56.42 | \$303.60 | | \$175,483.64 | \$51.40 | \$252.86 |
| EXPENSES: | | | | | | | | |
| Labor Hired | | \$1,307.48 | \$0.63 | \$3.39 | | \$2,710.37 | \$0.79 | \$3.91 |
| General Machinery Repairs | | 4,503.06 | 2.17 | 11.67 | | 3,445.39 | 1.01 | 4.96 |
| Interest Paid | | 6,958.64 | 3.35 | 18.03 | | 18,329.14 | 5.37 | 26.41 |
| Feed Purchased | | 86,289.81 | 41.55 | 223.55 | | 173,785.08 | 50.90 | 250.41 |
| Machine Hire - Lease | | 1,184.51 | 0.57 | 3.07 | | 3,280.20 | 0.96 | 4.73 |
| Farm Org Fees / Travel / Publ | | 711.40 | 0.34 | 1.84 | | 1,758.06 | 0.51 | 2.53 |
| Vet Medicine / Drugs | | 3,509.42 | 1.69 | 9.09 | | 7,025.01 | 2.06 | 10.12 |
| Livestock Marketing / Breeding | | 1,751.21 | 0.84 | 4.54 | | 2,882.81 | 0.84 | 4.15 |
| Gas / Fuel / Oil | | 1,065.05 | 0.51 | 2.76 | | 991.30 | 0.29 | 1.43 |
| Personal Property Tax | | 163.21 | 0.08 | 0.42 | | 155.13 | 0.05 | 0.22 |
| General Farm Insurance | | 962.67 | 0.46 | 2.49 | | 3,056.54 | 0.90 | 4.40 |
| Utilities | | 1,073.89 | 0.52 | 2.78 | | 2,987.68 | 0.88 | 4.31 |
| Auto Expense | | 365.81 | 0.18 | 0.95 | | 528.54 | 0.15 | 0.76 |
| TOTAL VARIABLE COSTS | | \$109,846.17 | \$52.89 | \$284.58 | | \$220,935.25 | \$64.71 | \$318.35 |
| RETURN ABOVE VARIABLE COSTS | | \$7,343.66 | \$3.54 | \$19.03 | | (\$45,451.61) | (\$13.31) | (\$65.49) |
| Depreciation | | 2,420.52 | 1.17 | 6.27 | | 4,948.10 | 1.45 | 7.13 |
| Real Estate Tax | | 639.66 | 0.31 | 1.66 | | 511.53 | 0.15 | 0.74 |
| Unpaid Operator Labor | | 2,827.23 | 1.36 | 7.32 | | 2,835.00 | 0.83 | 4.09 |
| Interest Charge * | | 12,276.26 | 5.91 | 31.80 | | 22,495.73 | 6.59 | 32.41 |
| TOTAL FIXED COSTS | | \$18,163.67 | \$8.75 | \$47.06 | | \$30,790.36 | \$9.02 | \$44.37 |
| TOTAL EXPENSE | | \$128,009.84 | \$61.63 | \$331.63 | | \$251,725.61 | \$73.73 | \$362.72 |
| NET RETURN TO MANAGEMENT | | (\$10,820.01) | (\$5.21) | (\$28.03) | | (\$76,241.97) | (\$22.33) | (\$109.86) |
| NET RETURN TO LABOR-MGT | | (\$6,685.30) | (\$3.22) | (\$17.32) | | (\$70,696.60) | (\$20.71) | (\$101.87) |
| Factors: | | | | | | | | |
| Feed Costs | | | \$41.55 | \$223.55 | | | \$50.90 | \$250.41 |
| Nonfeed Costs | | | \$20.09 | \$108.08 | | | \$22.83 | \$112.31 |

*Interest charge equals: ((8.0% times one-half gross purchases) plus (8.0% times one-half the variable costs) plus (4.0% times depreciation times 8)) minus cash interest paid.