

**SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION**  
**PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001**  
**BEEF BACKGROUNDING**

	1996-2000 Average	2001
Number of Farms	9	9
Number of Head	337	339
Weight Produced / Head	284	327
Weight / Head Sold	760	787
Weight / Head Purchased	457	456
Sale Price / Cwt	\$71.14	\$83.20
Purchase Price / Cwt	\$79.17	\$92.78
Gross Income / Cwt	\$68.26	\$57.92
Feed Costs / Cwt	\$41.71	\$41.54
Nonfeed Costs / Cwt	\$35.58	\$40.09

	Head	Total Dollars	\$ / Cwt	\$ / Head	Head	Total Dollars	\$ / Cwt	\$ / Head
<b>INCOME:</b>								
Steers - Heifers Sold	334	180,460.69			342	223,839.51		
Ending Inventory	241	108,570.48			292	150,440.39		
Gross Sales	575	\$289,031.17			634	\$374,279.90		
Steers - Heifers Purchased	372	134,772.63			345	145,901.60		
Beginning Inventory	214	89,205.59			301	164,660.29		
Gross Purchases	587	\$223,978.23			646	\$310,561.89		
Net Sale Gain		\$65,052.94	\$68.04	\$193.04		\$63,718.01	\$57.43	\$187.96
Patronage Refunds		80.42				131.60		
Miscellaneous Income		21.72				413.34		
Livestock Futures		104.83				-		
OTHER INCOME		\$206.97	\$0.22	\$0.61		\$544.94	\$0.49	\$1.61
<b>GROSS INCOME</b>		<b>\$65,259.91</b>	<b>\$68.26</b>	<b>\$193.65</b>		<b>\$64,262.95</b>	<b>\$57.92</b>	<b>\$189.57</b>
<b>EXPENSES:</b>								
Labor Hired		\$823.67	\$0.86	\$2.44		\$564.11	\$0.51	\$1.66
General Machinery Repairs		2,637.93	2.76	7.83		4,840.87	4.36	14.28
Interest Paid		5,950.39	6.22	17.66		6,870.49	6.19	20.27
Feed Purchased		39,880.32	41.71	118.34		46,084.14	41.54	135.94
Machine Hire - Lease		87.09	0.09	0.26		-	-	-
Farm Org Fees / Travel / Publ		392.79	0.41	1.17		780.48	0.70	2.30
Vet Medicine / Drugs		6,790.28	7.10	20.15		6,423.31	5.79	18.95
Livestock Marketing / Breeding		990.14	1.04	2.94		1,858.81	1.68	5.48
Gas / Fuel / Oil		1,046.01	1.09	3.10		1,730.08	1.56	5.10
Personal Property Tax		67.63	0.07	0.20		247.88	0.22	0.73
General Farm Insurance		514.79	0.54	1.53		735.31	0.66	2.17
Utilities		726.36	0.76	2.16		933.17	0.84	2.75
Auto Expense		362.29	0.38	1.08		499.71	0.45	1.47
Livestock Futures		38.15	0.04	0.11		-	-	-
<b>TOTAL VARIABLE COSTS</b>		<b>\$60,307.85</b>	<b>\$63.08</b>	<b>\$178.96</b>		<b>\$71,568.36</b>	<b>\$64.51</b>	<b>\$211.12</b>
<b>RETURN ABOVE VARIABLE COSTS</b>		<b>\$4,952.05</b>	<b>\$5.18</b>	<b>\$14.69</b>		<b>(\$7,305.41)</b>	<b>(\$6.58)</b>	<b>(\$21.55)</b>
Depreciation		1,825.30	1.91	5.42		2,713.28	2.45	8.00
Real Estate Tax		291.49	0.30	0.86		176.41	0.16	0.52
Unpaid Operator Labor		5,348.43	5.59	15.87		6,819.44	6.15	20.12
Interest Charge *		6,126.49	6.41	18.18		9,282.97	8.37	27.38
<b>TOTAL FIXED COSTS</b>		<b>\$13,591.70</b>	<b>\$14.22</b>	<b>\$40.33</b>		<b>\$18,992.10</b>	<b>\$17.12</b>	<b>\$56.02</b>
<b>TOTAL EXPENSE</b>		<b>\$73,899.56</b>	<b>\$77.30</b>	<b>\$219.29</b>		<b>\$90,560.46</b>	<b>\$81.63</b>	<b>\$267.14</b>
<b>NET RETURN TO MANAGEMENT</b>		<b>(\$8,639.65)</b>	<b>(\$9.04)</b>	<b>(\$25.64)</b>		<b>(\$26,297.51)</b>	<b>(\$23.70)</b>	<b>(\$77.57)</b>
<b>NET RETURN TO LABOR-MGT</b>		<b>(\$2,467.56)</b>	<b>(\$2.58)</b>	<b>(\$7.32)</b>		<b>(\$18,913.96)</b>	<b>(\$17.05)</b>	<b>(\$55.79)</b>
<b>Factors:</b>								
<b>Feed Costs</b>			\$41.71	\$118.34			\$41.54	\$135.94
<b>Nonfeed Costs</b>			\$35.58	\$100.95			\$40.09	\$131.20

\*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.