

SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
NONIRRIGATED COTTON

	1996-2000 Average	2001
Number of Farms	11	9
Crop Acres	213	326
Acres Owned	68	67
Acres Rented	145	259
Yield / Acre	384.9	276.9
Pounds	70,011	76,873
Operator Percentage	85.39%	85.16%
Gross Income / Acre	\$220.10	\$165.06
Variable Costs / Acre	\$140.32	\$132.34
Total Expense / Acre	\$211.77	\$178.33
Gross Income / Pound	\$0.67	\$0.70
Total Expense / Pound	\$0.64	\$0.76

	Total Dollars	\$ / Pound	\$ / Acre	Total Dollars	\$ / Pound	\$ / Acre
INCOME:						
Cotton (Operator's Share)	\$33,426.85	\$0.48	\$156.93	\$34,487.10	\$0.45	\$105.79
Patronage Refunds	3,309.19	0.05	15.54	2,182.35	0.03	6.69
Government Payments	8,941.47	0.13	41.98	9,393.03	0.12	28.81
Miscellaneous Income	9.84	0.00	0.05	61.66	0.00	0.19
Crop Insurance Proceeds	1,193.86	0.02	5.60	7,686.33	0.10	23.58
OTHER INCOME	\$13,454.36	\$0.19	\$63.17	\$19,323.37	\$0.25	\$59.27
GROSS INCOME	\$46,881.22	\$0.67	\$220.10	\$53,810.47	\$0.70	\$165.06
EXPENSES:						
Labor Hired	\$814.47	\$0.01	\$3.82	\$1,222.36	\$0.02	\$3.75
General Machinery Repairs	2,509.52	0.04	11.78	3,729.72	0.05	11.44
Interest Paid	1,577.46	0.02	7.41	1,897.16	0.02	5.82
Seed / Other Crop Expense	1,971.37	0.03	9.26	5,489.89	0.07	16.84
Crop Insurance	538.19	0.01	2.53	1,744.80	0.02	5.35
Fertilizer / Lime	2,747.84	0.04	12.90	3,731.10	0.05	11.45
Machine Hire - Lease	6,344.16	0.09	29.78	7,730.42	0.10	23.71
Farm Org Fees / Travel / Publ	286.82	0.00	1.35	479.89	0.01	1.47
Gas / Fuel / Oil	1,284.20	0.02	6.03	1,745.15	0.02	5.35
Crop Storage & Marketing	3,794.09	0.05	17.81	4,856.00	0.06	14.90
Personal Property Tax	79.65	0.00	0.37	114.00	0.00	0.35
General Farm Insurance	414.66	0.01	1.95	843.30	0.01	2.59
Utilities	341.87	0.00	1.61	558.62	0.01	1.71
Cash Farm Rent	2,228.53	0.03	10.46	3,765.71	0.05	11.55
Herbicide / Insecticide	4,866.21	0.07	22.85	5,062.16	0.07	15.53
Conservation	5.14	0.00	0.02	129.80	0.00	0.40
Auto Expense	84.52	0.00	0.40	42.43	0.00	0.13
TOTAL VARIABLE COSTS	\$29,888.69	\$0.43	\$140.32	\$43,142.51	\$0.56	\$132.34
RETURN ABOVE VARIABLE COSTS	\$16,992.52	\$0.24	\$79.78	\$10,667.96	\$0.14	\$32.72
Depreciation	3,368.39	0.05	15.81	3,686.50	0.05	11.31
Real Estate Tax	329.54	0.00	1.55	518.58	0.01	1.59
Unpaid Operator Labor	6,109.27	0.09	28.68	6,362.50	0.08	19.52
Interest Charge *	1,323.65	0.02	6.21	1,871.07	0.02	5.74
TOTAL FIXED COSTS	\$11,130.85	\$0.16	\$52.26	12,438.65	\$0.16	\$38.16
Land Charge **	\$4,087.46	\$0.06	\$19.19	\$2,555.76	\$0.03	\$7.84
TOTAL EXPENSE	\$45,107.00	\$0.64	\$211.77	\$58,136.92	\$0.76	\$178.33
NET RETURN TO MANAGEMENT	\$1,774.22	\$0.03	\$8.33	(\$4,326.45)	(\$0.06)	(\$13.27)
NET RETURN TO LABOR-MGT	\$8,697.96	\$0.12	\$40.84	\$3,258.41	\$0.04	\$10.00

*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.