

NORTH CENTRAL KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NONIRRIGATED ALFALFA

	1997-2001 Average	2002
Number of Farms	97	68
Crop Acres	96	104
Acres Owned	28	34
Acres Rented	68	71
Yield / Acre	3.57	2.29
Tons	291	209
Operator Percentage	85.05%	87.76%
Gross Income / Acre	\$223.98	\$172.61
Variable Costs / Acre	\$106.56	\$92.11
Total Expense / Acre	\$174.27	\$154.95
Gross Income / Ton	\$73.68	\$85.89
Total Expense / Ton	\$57.33	\$77.10

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$19,554.59	\$67.29	\$204.55	\$16,955.13	\$81.13	\$163.03
Patronage Refunds	74.95	0.26	0.78	12.87	0.06	0.12
Government Payments	1,707.61	5.88	17.86	36.47	0.17	0.35
Miscellaneous Income	73.69	0.25	0.77	916.97	4.39	8.82
Crop Insurance Proceeds	1.91	0.01	0.02	29.76	0.14	0.29
OTHER INCOME	\$1,858.16	\$6.39	\$19.44	\$996.07	\$4.77	\$9.58
GROSS INCOME	\$21,412.75	\$73.68	\$223.98	\$17,951.20	\$85.89	\$172.61
EXPENSES:						
Labor Hired	\$1,159.76	\$3.99	\$12.13	\$1,103.46	\$5.28	\$10.61
General Machinery Repairs	1,626.45	5.60	17.01	1,718.04	8.22	16.52
Interest Paid	1,141.08	3.93	11.94	1,120.12	5.36	10.77
Seed / Other Crop Expense	646.45	2.22	6.76	748.73	3.58	7.20
Crop Insurance	14.12	0.05	0.15	24.43	0.12	0.23
Fertilizer / Lime	937.78	3.23	9.81	754.55	3.61	7.26
Machine Hire - Lease	959.12	3.30	10.03	624.82	2.99	6.01
Farm Org Fees / Travel / Publ	181.82	0.63	1.90	247.86	1.19	2.38
Gas / Fuel / Oil	823.87	2.84	8.62	868.17	4.15	8.35
Crop Storage & Marketing	169.28	0.58	1.77	0.07	0.00	0.00
Personal Property Tax	63.81	0.22	0.67	79.75	0.38	0.77
General Farm Insurance	283.87	0.98	2.97	241.86	1.16	2.33
Utilities	240.00	0.83	2.51	329.43	1.58	3.17
Cash Farm Rent	971.36	3.34	10.16	968.30	4.63	9.31
Herbicide / Insecticide	854.81	2.94	8.94	663.34	3.17	6.38
Conservation	5.89	0.02	0.06	1.85	0.01	0.02
Auto Expense	107.56	0.37	1.13	84.50	0.40	0.81
TOTAL VARIABLE COSTS	\$10,187.04	\$35.06	\$106.56	\$9,579.28	\$45.83	\$92.11
RETURN ABOVE VARIABLE COSTS	\$11,225.71	\$38.63	\$117.42	\$8,371.92	\$40.06	\$80.50
Depreciation	1,465.35	5.04	15.33	1,826.85	8.74	17.57
Real Estate Tax	224.44	0.77	2.35	243.49	1.17	2.34
Unpaid Operator Labor	2,477.24	8.52	25.91	2,184.19	10.45	21.00
Interest Charge *	79.81	0.27	0.83	39.23	0.19	0.38
TOTAL FIXED COSTS	\$4,246.84	\$14.61	\$44.42	\$4,293.76	\$20.54	\$41.29
Land Charge **	\$2,226.29	\$7.66	\$23.29	\$2,241.61	\$10.73	\$21.55
TOTAL EXPENSE	\$16,660.18	\$57.33	\$174.27	\$16,114.65	\$77.10	\$154.95
NET RETURN TO MANAGEMENT	\$4,752.58	\$16.35	\$49.71	\$1,836.55	\$8.79	\$17.66
NET RETURN TO LABOR-MGT	\$8,389.58	\$28.87	\$87.76	\$5,124.20	\$24.52	\$49.27

*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.