

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

	1997-2001 Average	2002
Number of Farms	8	12
Crop Acres	184	154
Acres Owned	39	33
Acres Rented	146	120
Yield / Acre	3.43	3.03
Tons	517	403
Operator Percentage	81.79%	86.37%
Gross Income / Acre	\$246.62	\$221.30
Variable Costs / Acre	\$128.58	\$139.37
Total Expense / Acre	\$190.26	\$195.90
Gross Income / Ton	\$87.96	\$84.57
Total Expense / Ton	\$67.86	\$74.86

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$40,589.27	\$78.51	\$220.12	\$32,466.36	\$80.56	\$210.82
Patronage Refunds	132.42	0.26	0.72	154.25	0.38	1.00
Government Payments	3,957.42	7.65	21.46	1,447.49	3.59	9.40
Miscellaneous Income	798.09	1.54	4.33	11.61	0.03	0.08
OTHER INCOME	\$4,887.93	\$9.45	\$26.51	\$1,613.35	\$4.00	\$10.48
GROSS INCOME	\$45,477.20	\$87.96	\$246.62	\$34,079.71	\$84.57	\$221.30
EXPENSES:						
Labor Hired	\$3,128.83	\$6.05	\$16.97	\$1,741.75	\$4.32	\$11.31
General Machinery Repairs	3,723.43	7.20	20.19	3,040.55	7.54	19.74
Interest Paid	2,955.92	5.72	16.03	2,100.74	5.21	13.64
Seed / Other Crop Expense	2,262.32	4.38	12.27	1,614.86	4.01	10.49
Fertilizer / Lime	1,582.47	3.06	8.58	2,177.32	5.40	14.14
Machine Hire - Lease	2,640.11	5.11	14.32	3,998.27	9.92	25.96
Farm Org Fees / Travel / Publ	467.03	0.90	2.53	270.80	0.67	1.76
Gas / Fuel / Oil	1,496.96	2.90	8.12	1,057.27	2.62	6.87
Crop Storage & Marketing	247.21	0.48	1.34	374.56	0.93	2.43
Personal Property Tax	91.30	0.18	0.50	84.23	0.21	0.55
General Farm Insurance	660.50	1.28	3.58	457.97	1.14	2.97
Utilities	487.29	0.94	2.64	420.79	1.04	2.73
Cash Farm Rent	1,077.08	2.08	5.84	2,210.57	5.49	14.35
Herbicide / Insecticide	2,716.27	5.25	14.73	1,897.07	4.71	12.32
Conservation	33.33	0.06	0.18	2.80	0.01	0.02
Auto Expense	140.89	0.27	0.76	12.81	0.03	0.08
TOTAL VARIABLE COSTS	\$23,710.96	\$45.86	\$128.58	\$21,462.36	\$53.26	\$139.37
RETURN ABOVE VARIABLE COSTS	\$21,766.24	\$42.10	\$118.04	\$12,617.35	\$31.31	\$81.93
Depreciation	3,166.51	6.12	17.17	2,239.25	5.56	14.54
Real Estate Tax	357.83	0.69	1.94	291.14	0.72	1.89
Unpaid Operator Labor	4,149.73	8.03	22.50	3,362.50	8.34	21.83
Interest Charge *	-	-	-	-	-	-
TOTAL FIXED COSTS	\$7,674.08	\$14.84	\$41.62	\$5,892.89	\$14.62	\$38.27
Land Charge **	\$3,698.31	\$7.15	\$20.06	\$2,813.38	\$6.98	\$18.27
TOTAL EXPENSE	\$35,083.34	\$67.86	\$190.26	\$30,168.63	\$74.86	\$195.90
NET RETURN TO MANAGEMENT	\$10,393.86	\$20.10	\$56.37	\$3,911.08	\$9.70	\$25.40
NET RETURN TO LABOR-MGT	\$17,672.41	\$34.18	\$95.84	\$9,015.33	\$22.37	\$58.54

*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.