

**SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION**  
**PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002**  
**BEEF BACKGROUNDING**

	1997-2001 Average	2002
Number of Farms	9	13
Number of Head	361	329
Weight Produced / Head	287	300
Weight / Head Sold	761	789
Weight / Head Purchased	456	484
Sale Price / Cwt	\$74.96	\$75.46
Purchase Price / Cwt	\$84.93	\$89.93
Gross Income / Cwt	\$65.77	\$49.09
Feed Costs / Cwt	\$40.73	\$40.51
Nonfeed Costs / Cwt	\$37.03	\$35.66

	Head	Total Dollars	\$/ Cwt	\$/ Head	Head	Total Dollars	\$/ Cwt	\$/ Head
<b>INCOME:</b>								
Steers - Heifers Sold	355	202,805.38			332	197,548.49		
Ending Inventory	266	127,474.60			233	119,768.06		
Gross Sales	621	\$330,279.98			565	\$317,316.55		
Steers - Heifers Purchased	387	149,826.66			317	138,051.06		
Beginning Inventory	247	112,712.72			258	134,334.89		
Gross Purchases	634	\$262,539.38			575	\$272,385.95		
Net Sale Gain		\$67,740.60	\$65.48	\$187.65		\$44,930.60	\$45.58	\$136.57
Patronage Refunds		101.74				173.46		
Miscellaneous Income		101.24				3,283.36		
Livestock Futures		104.83				-		
OTHER INCOME		\$307.80	\$0.30	\$0.85		\$3,456.82	\$3.51	\$10.51
<b>GROSS INCOME</b>		<b>\$68,048.41</b>	<b>\$65.77</b>	<b>\$188.50</b>		<b>\$48,387.42</b>	<b>\$49.09</b>	<b>\$147.07</b>
<b>EXPENSES:</b>								
Labor Hired		\$873.61	\$0.84	\$2.42		\$728.46	\$0.74	\$2.21
General Machinery Repairs		3,339.54	3.23	9.25		1,835.87	1.86	5.58
Interest Paid		6,427.86	6.21	17.81		5,043.68	5.12	15.33
Feed Purchased		42,134.57	40.73	116.72		39,930.10	40.51	121.37
Machine Hire - Lease		80.36	0.08	0.22		1,054.02	1.07	3.20
Farm Org Fees / Travel / Publ		485.22	0.47	1.34		439.56	0.45	1.34
Vet Medicine / Drugs		7,315.70	7.07	20.27		4,682.50	4.75	14.23
Livestock Marketing / Breeding		1,190.82	1.15	3.30		1,243.18	1.26	3.78
Gas / Fuel / Oil		1,247.03	1.21	3.45		1,106.42	1.12	3.36
Personal Property Tax		112.02	0.11	0.31		67.24	0.07	0.20
General Farm Insurance		608.35	0.59	1.69		443.11	0.45	1.35
Utilities		816.40	0.79	2.26		583.34	0.59	1.77
Auto Expense		411.68	0.40	1.14		310.68	0.32	0.94
Livestock Futures		38.15	0.04	0.11		-	-	-
<b>TOTAL VARIABLE COSTS</b>		<b>\$65,081.31</b>	<b>\$62.91</b>	<b>\$180.28</b>		<b>\$57,468.16</b>	<b>\$58.30</b>	<b>\$174.68</b>
<b>RETURN ABOVE VARIABLE COSTS</b>		<b>\$2,967.09</b>	<b>\$2.87</b>	<b>\$8.22</b>		<b>(\$9,080.74)</b>	<b>(\$9.21)</b>	<b>(\$27.60)</b>
Depreciation		2,044.31	1.98	5.66		2,743.54	2.78	8.34
Real Estate Tax		277.09	0.27	0.77		240.79	0.24	0.73
Unpaid Operator Labor		5,706.69	5.52	15.81		5,604.23	5.69	17.03
Interest Charge *		7,331.15	7.09	20.31		9,028.42	9.16	27.44
<b>TOTAL FIXED COSTS</b>		<b>\$15,359.24</b>	<b>\$14.85</b>	<b>\$42.55</b>		<b>\$17,616.98</b>	<b>\$17.87</b>	<b>\$53.55</b>
<b>TOTAL EXPENSE</b>		<b>\$80,440.55</b>	<b>\$77.75</b>	<b>\$222.83</b>		<b>\$75,085.14</b>	<b>\$76.17</b>	<b>\$228.22</b>
<b>NET RETURN TO MANAGEMENT</b>		<b>(\$12,392.15)</b>	<b>(\$11.98)</b>	<b>(\$34.33)</b>		<b>(\$26,697.72)</b>	<b>(\$27.08)</b>	<b>(\$81.15)</b>
<b>NET RETURN TO LABOR-MGT</b>		<b>(\$5,811.85)</b>	<b>(\$5.62)</b>	<b>(\$16.10)</b>		<b>(\$20,365.03)</b>	<b>(\$20.66)</b>	<b>(\$61.90)</b>
<b>Factors:</b>								
<b>Feed Costs</b>			\$40.73	\$116.72			\$40.51	\$121.37
<b>Nonfeed Costs</b>			\$37.03	\$106.11			\$35.66	\$106.85

\*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.