

SOUTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
SPRINKLER IRRIGATED ALFALFA

	1997-2001 Average	2002
Number of Farms	9	8
Crop Acres	215	131
Acres Owned	115	76
Acres Rented	100	54
Yield / Acre	6.43	4.92
Tons	1,219	587
Operator Percentage	88.04%	91.08%
Gross Income / Acre	\$423.45	\$411.69
Variable Costs / Acre	\$268.82	\$256.84
Total Expense / Acre	\$386.94	\$407.22
Gross Income / Ton	\$74.78	\$91.88
Total Expense / Ton	\$68.33	\$90.88

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$80,161.88	\$65.78	\$372.50	\$51,365.67	\$87.51	\$392.10
Patronage Refunds	407.37	0.33	1.89	147.43	0.25	1.13
Government Payments	9,763.30	8.01	45.37	2,023.89	3.45	15.45
Miscellaneous Income	794.35	0.65	3.69	394.92	0.67	3.01
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$10,965.01	\$9.00	\$50.95	\$2,566.24	\$4.37	\$19.59
GROSS INCOME	\$91,126.89	\$74.78	\$423.45	\$53,931.91	\$91.88	\$411.69
EXPENSES:						
Labor Hired	\$4,445.84	\$3.65	\$20.66	\$716.20	\$1.22	\$5.47
General Machinery Repairs	7,473.49	6.13	34.73	3,599.25	6.13	27.48
Irrigation Equipment Repairs	2,851.03	2.34	13.25	1,931.81	3.29	14.75
Interest Paid	5,276.43	4.33	24.52	2,501.39	4.26	19.09
Seed / Other Crop Expense	2,154.00	1.77	10.01	738.75	1.26	5.64
Crop Insurance	281.01	0.23	1.31	-	-	-
Fertilizer / Lime	3,807.14	3.12	17.69	2,678.23	4.56	20.44
Machine Hire - Lease	6,413.13	5.26	29.80	5,178.89	8.82	39.53
Farm Org Fees / Travel / Publ	2,268.74	1.86	10.54	305.52	0.52	2.33
Gas / Fuel / Oil	2,452.77	2.01	11.40	1,470.65	2.51	11.23
Irrigation Fuel - Pumping	7,341.86	6.02	34.12	6,716.61	11.44	51.27
Crop Storage & Marketing	1,971.32	1.62	9.16	11.24	0.02	0.09
Personal Property Tax	156.30	0.13	0.73	94.81	0.16	0.72
General Farm Insurance	1,019.24	0.84	4.74	803.77	1.37	6.14
Utilities	975.43	0.80	4.53	1,176.28	2.00	8.98
Cash Farm Rent	3,221.78	2.64	14.97	953.22	1.62	7.28
Herbicide / Insecticide	4,353.96	3.57	20.23	4,370.32	7.45	33.36
Conservation	866.64	0.71	4.03	-	-	-
Auto Expense	519.01	0.43	2.41	399.54	0.68	3.05
TOTAL VARIABLE COSTS	\$57,849.12	\$47.47	\$268.82	\$33,646.48	\$57.32	\$256.84
RETURN ABOVE VARIABLE COSTS	\$33,277.77	\$27.31	\$154.64	\$20,285.43	\$34.56	\$154.85
Depreciation	5,211.98	4.28	24.22	4,333.67	7.38	33.08
Real Estate Tax	515.54	0.42	2.40	484.93	0.83	3.70
Unpaid Operator Labor	3,670.40	3.01	17.06	4,270.84	7.28	32.60
Interest Charge *	451.75	0.37	2.10	904.17	1.54	6.90
TOTAL FIXED COSTS	\$9,849.67	\$8.08	\$45.77	\$9,993.61	\$17.02	\$76.29
Land Charge **	\$15,571.47	\$12.78	\$72.36	\$9,705.16	\$16.53	\$74.09
TOTAL EXPENSE	\$83,270.26	\$68.33	\$386.94	\$53,345.25	\$90.88	\$407.22
NET RETURN TO MANAGEMENT	\$7,856.63	\$6.45	\$36.51	\$586.66	\$1.00	\$4.48
NET RETURN TO LABOR-MGT	\$15,972.87	\$13.11	\$74.22	\$5,573.70	\$9.50	\$42.55

*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.