

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

	1997-2001 Average	2002
Number of Farms	25	26
Crop Acres	216	224
Acres Owned	26	33
Acres Rented	190	191
Yield / Acre	53.0	36.5
Bushels	8,425	6,022
Operator Percentage	73.61%	73.76%
Gross Income / Acre	\$157.85	\$128.45
Variable Costs / Acre	\$141.13	\$136.08
Total Expense / Acre	\$187.75	\$165.10
Gross Income / Bushel	\$4.05	\$4.78
Total Expense / Bushel	\$4.81	\$6.14

	Total Dollars	\$/ Bushel	\$/ Acre	Total Dollars	\$/ Bushel	\$/ Acre
INCOME:						
Wheat (Operator's Share)	\$21,615.73	\$2.57	\$100.07	\$19,840.99	\$3.29	\$88.58
Patronage Refunds	422.33	0.05	1.96	144.86	0.02	0.65
Government Payments	10,028.48	1.19	46.43	3,160.51	0.52	14.11
Miscellaneous Income	869.95	0.10	4.03	1,588.96	0.26	7.09
Crop Insurance Proceeds	1,159.23	0.14	5.37	4,036.53	0.67	18.02
OTHER INCOME	\$12,479.99	\$1.48	\$57.78	\$8,930.86	\$1.48	\$39.87
GROSS INCOME	\$34,095.72	\$4.05	\$157.85	\$28,771.85	\$4.78	\$128.45
EXPENSES:						
Labor Hired	\$2,140.33	\$0.25	\$9.91	\$1,587.73	\$0.26	\$7.09
General Machinery Repairs	3,457.50	0.41	16.01	3,475.13	0.58	15.51
Irrigation Equipment Repairs	1,476.18	0.18	6.83	1,592.42	0.26	7.11
Interest Paid	2,150.68	0.26	9.96	2,506.40	0.42	11.19
Seed / Other Crop Expense	1,300.71	0.15	6.02	1,536.37	0.26	6.86
Crop Insurance	1,268.26	0.15	5.87	1,548.89	0.26	6.91
Fertilizer / Lime	3,589.56	0.43	16.62	2,535.59	0.42	11.32
Machine Hire - Lease	2,811.86	0.33	13.02	1,977.68	0.33	8.83
Farm Org Fees / Travel / Publ	381.34	0.05	1.77	358.57	0.06	1.60
Gas / Fuel / Oil	1,773.49	0.21	8.21	1,629.75	0.27	7.28
Irrigation Fuel - Pumping	4,293.52	0.51	19.88	5,498.74	0.91	24.55
Crop Storage & Marketing	182.48	0.02	0.84	70.09	0.01	0.31
Personal Property Tax	165.69	0.02	0.77	124.02	0.02	0.55
General Farm Insurance	704.83	0.08	3.26	786.76	0.13	3.51
Utilities	716.79	0.09	3.32	1,567.11	0.26	7.00
Cash Farm Rent	1,644.99	0.20	7.62	479.03	0.08	2.14
Herbicide / Insecticide	2,201.99	0.26	10.19	2,893.31	0.48	12.92
Conservation	1.38	0.00	0.01	-	-	-
Auto Expense	222.56	0.03	1.03	313.21	0.05	1.40
TOTAL VARIABLE COSTS	\$30,484.14	\$3.62	\$141.13	\$30,480.80	\$5.06	\$136.08
RETURN ABOVE VARIABLE COSTS	\$3,611.58	\$0.43	\$16.72	(\$1,708.95)	(\$0.28)	(\$7.63)
Depreciation	3,904.02	0.46	18.07	1,824.80	0.30	8.15
Real Estate Tax	227.20	0.03	1.05	200.17	0.03	0.89
Unpaid Operator Labor	3,870.04	0.46	17.92	3,415.83	0.57	15.25
Interest Charge *	927.65	0.11	4.29	-	-	-
TOTAL FIXED COSTS	\$8,928.91	\$1.06	\$41.34	\$5,440.80	\$0.90	\$24.29
Land Charge **	\$1,141.70	\$0.14	\$5.29	\$1,060.02	\$0.18	\$4.73
TOTAL EXPENSE	\$40,554.75	\$4.81	\$187.75	\$36,981.62	\$6.14	\$165.10
NET RETURN TO MANAGEMENT	(\$6,459.03)	(\$0.77)	(\$29.90)	(\$8,209.77)	(\$1.36)	(\$36.65)
NET RETURN TO LABOR-MGT	(\$448.66)	(\$0.05)	(\$2.08)	(\$3,206.21)	(\$0.53)	(\$14.31)

*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.