

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

	1997-2001 Average	2002
Number of Farms	6	10
Crop Acres	100	120
Acres Owned	22	12
Acres Rented	78	109
Yield / Acre	87.7	58.9
Bushels	6,648	4,778
Operator Percentage	75.69%	67.59%
Gross Income / Acre	\$177.69	\$177.10
Variable Costs / Acre	\$171.38	\$182.17
Total Expense / Acre	\$242.97	\$233.19
Gross Income / Bushel	\$2.68	\$4.45
Total Expense / Bushel	\$3.66	\$5.86

	Total Dollars	\$/ Bushel	\$/ Acre	Total Dollars	\$/ Bushel	\$/ Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$11,933.07	\$1.79	\$119.09	\$11,112.44	\$2.33	\$92.60
Patronage Refunds	226.03	0.03	2.26	131.53	0.03	1.10
Government Payments	4,987.56	0.75	49.78	1,795.84	0.38	14.97
Miscellaneous Income	613.91	0.09	6.13	314.66	0.07	2.62
Crop Insurance Proceeds	43.74	0.01	0.44	7,897.08	1.65	65.81
OTHER INCOME	\$5,871.24	\$0.88	\$58.60	\$10,139.11	\$2.12	\$84.49
GROSS INCOME	\$17,804.31	\$2.68	\$177.69	\$21,251.55	\$4.45	\$177.10
EXPENSES:						
Labor Hired	\$902.34	\$0.14	\$9.01	\$403.17	\$0.08	\$3.36
General Machinery Repairs	1,835.46	0.28	18.32	1,809.12	0.38	15.08
Irrigation Equipment Repairs	1,215.07	0.18	12.13	2,075.12	0.43	17.29
Interest Paid	1,408.20	0.21	14.05	1,281.10	0.27	10.68
Seed / Other Crop Expense	1,010.89	0.15	10.09	1,174.43	0.25	9.79
Crop Insurance	286.27	0.04	2.86	849.83	0.18	7.08
Fertilizer / Lime	2,169.30	0.33	21.65	2,502.77	0.52	20.86
Machine Hire - Lease	1,230.21	0.19	12.28	1,572.72	0.33	13.11
Farm Org Fees / Travel / Publ	238.52	0.04	2.38	316.28	0.07	2.64
Gas / Fuel / Oil	909.91	0.14	9.08	945.60	0.20	7.88
Irrigation Fuel - Pumping	2,407.12	0.36	24.02	4,218.96	0.88	35.16
Crop Storage & Marketing	43.73	0.01	0.44	123.83	0.03	1.03
Personal Property Tax	108.30	0.02	1.08	92.71	0.02	0.77
General Farm Insurance	271.68	0.04	2.71	513.77	0.11	4.28
Utilities	423.81	0.06	4.23	973.40	0.20	8.11
Cash Farm Rent	628.14	0.09	6.27	169.97	0.04	1.42
Herbicide / Insecticide	1,906.62	0.29	19.03	2,522.29	0.53	21.02
Conservation	-	-	-	-	-	-
Auto Expense	177.06	0.03	1.77	315.66	0.07	2.63
TOTAL VARIABLE COSTS	\$17,172.63	\$2.58	\$171.38	\$21,860.73	\$4.58	\$182.17
RETURN ABOVE VARIABLE COSTS	\$631.68	\$0.10	\$6.30	(\$609.18)	(\$0.13)	(\$5.08)
Depreciation	2,350.12	0.35	23.45	2,048.54	0.43	17.07
Real Estate Tax	123.02	0.02	1.23	187.54	0.04	1.56
Unpaid Operator Labor	3,139.46	0.47	31.33	3,060.00	0.64	25.50
Interest Charge *	374.20	0.06	3.73	686.08	0.14	5.72
TOTAL FIXED COSTS	\$5,986.80	\$0.90	\$59.75	\$5,982.16	\$1.25	\$49.85
Land Charge **	\$1,185.69	\$0.18	\$11.83	\$140.28	\$0.03	\$1.17
TOTAL EXPENSE	\$24,345.12	\$3.66	\$242.97	\$27,983.17	\$5.86	\$233.19
NET RETURN TO MANAGEMENT	(\$6,540.80)	(\$0.98)	(\$65.28)	(\$6,731.62)	(\$1.41)	(\$56.10)
NET RETURN TO LABOR-MGT	(\$2,499.00)	(\$0.38)	(\$24.94)	(\$3,268.45)	(\$0.68)	(\$27.24)

*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.