

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

	1997-2001 Average	2002
Number of Farms	6	6
Crop Acres	134	146
Acres Owned	26	26
Acres Rented	108	120
Yield / Acre	5.15	4.49
Tons	642	560
Operator Percentage	92.72%	85.43%
Gross Income / Acre	\$399.72	\$369.87
Variable Costs / Acre	\$192.82	\$193.99
Total Expense / Acre	\$313.95	\$286.41
Gross Income / Ton	\$83.68	\$96.43
Total Expense / Ton	\$65.72	\$74.67

	Total Dollars	\$/ Ton	\$/ Acre	Total Dollars	\$/ Ton	\$/ Acre
INCOME:						
Alfalfa (Operator's Share)	\$45,917.57	\$71.52	\$341.65	\$50,532.79	\$90.24	\$346.12
Patronage Refunds	944.58	1.47	7.03	175.34	0.31	1.20
Government Payments	6,694.68	10.43	49.81	3,103.35	5.54	21.26
Miscellaneous Income	166.06	0.26	1.24	189.34	0.34	1.30
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$7,805.32	\$12.16	\$58.08	\$3,468.03	\$6.19	\$23.75
GROSS INCOME	\$53,722.89	\$83.68	\$399.72	\$54,000.82	\$96.43	\$369.87
EXPENSES:						
Labor Hired	\$2,169.75	\$3.38	\$16.14	\$2,321.63	\$4.15	\$15.90
General Machinery Repairs	5,273.78	8.21	39.24	4,162.47	7.43	28.51
Irrigation Equipment Repairs	1,176.91	1.83	8.76	701.68	1.25	4.81
Interest Paid	1,415.57	2.20	10.53	1,774.31	3.17	12.15
Seed / Other Crop Expense	1,189.76	1.85	8.85	2,524.24	4.51	17.29
Crop Insurance	33.41	0.05	0.25	-	-	-
Fertilizer / Lime	1,622.92	2.53	12.08	1,558.44	2.78	10.67
Machine Hire - Lease	1,939.85	3.02	14.43	2,692.37	4.81	18.44
Farm Org Fees / Travel / Publ	514.18	0.80	3.83	627.33	1.12	4.30
Gas / Fuel / Oil	2,003.71	3.12	14.91	1,772.48	3.17	12.14
Irrigation Fuel - Pumping	1,621.51	2.53	12.06	4,896.09	8.74	33.53
Crop Storage & Marketing	115.51	0.18	0.86	178.61	0.32	1.22
Personal Property Tax	128.63	0.20	0.96	74.34	0.13	0.51
General Farm Insurance	375.86	0.59	2.80	594.22	1.06	4.07
Utilities	535.80	0.83	3.99	547.95	0.98	3.75
Cash Farm Rent	2,051.55	3.20	15.26	1,155.17	2.06	7.91
Herbicide / Insecticide	3,633.06	5.66	27.03	2,623.02	4.68	17.97
Conservation	-	-	-	-	-	-
Auto Expense	113.73	0.18	0.85	117.99	0.21	0.81
TOTAL VARIABLE COSTS	\$25,915.51	\$40.37	\$192.82	\$28,322.34	\$50.58	\$193.99
RETURN ABOVE VARIABLE COSTS	\$27,807.38	\$43.31	\$206.90	\$25,678.48	\$45.85	\$175.88
Depreciation	5,819.76	9.07	43.30	3,767.75	6.73	25.81
Real Estate Tax	374.47	0.58	2.79	275.33	0.49	1.89
Unpaid Operator Labor	4,455.45	6.94	33.15	4,783.84	8.54	32.77
Interest Charge *	2,001.68	3.12	14.89	1,130.71	2.02	7.74
TOTAL FIXED COSTS	\$12,651.36	\$19.71	\$94.13	\$9,957.63	\$17.78	\$68.20
Land Charge **	\$3,627.50	\$5.65	\$26.99	\$3,535.79	\$6.31	\$24.22
TOTAL EXPENSE	\$42,194.37	\$65.72	\$313.95	\$41,815.76	\$74.67	\$286.41
NET RETURN TO MANAGEMENT	\$11,528.52	\$17.96	\$85.78	\$12,185.06	\$21.76	\$83.46
NET RETURN TO LABOR-MGT	\$18,153.71	\$28.28	\$135.07	\$19,290.53	\$34.45	\$132.13

*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.