

**SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION**  
**PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2003**  
**NONIRRIGATED ALFALFA**

	<b>1998-2002 Average</b>	<b>2003</b>
Number of Farms	9	12
Crop Acres	173	150
Acres Owned	39	37
Acres Rented	133	114
Yield / Acre	3	4
Tons	447	464
Operator Percentage	83.76%	84.98%
Gross Income / Acre	\$232.15	\$233.61
Variable Costs / Acre	\$138.08	\$157.70
Total Expense / Acre	\$200.85	\$230.06
Gross Income / Ton	\$89.64	\$75.52
Total Expense / Ton	\$77.56	\$74.37

	<b>Total Dollars</b>	<b>\$/ Ton</b>	<b>\$/ Acre</b>	<b>Total Dollars</b>	<b>\$/ Ton</b>	<b>\$/ Acre</b>
<b>INCOME:</b>						
Alfalfa (Operator's Share)	\$35,292.47	\$78.95	\$204.48	\$32,183.07	\$69.36	\$214.55
Patronage Refunds	\$135.94	0.30	0.79	\$95.76	0.21	0.64
Government Payments	\$3,847.54	8.61	22.29	\$2,731.02	5.89	18.21
Miscellaneous Income	\$793.13	1.77	4.60	\$31.76	0.07	0.21
OTHER INCOME	\$4,776.61	\$10.69	\$27.67	\$2,858.54	\$6.16	\$19.06
<b>GROSS INCOME</b>	<b>\$40,069.08</b>	<b>\$89.64</b>	<b>\$232.15</b>	<b>\$35,041.61</b>	<b>\$75.52</b>	<b>\$233.61</b>
<b>EXPENSES:</b>						
Labor Hired	\$2,852.76	\$6.38	\$16.53	\$1,735.51	\$3.74	\$11.57
General Machinery Repairs	\$3,647.89	8.16	21.13	\$2,844.25	6.13	18.96
Interest Paid	\$2,814.25	6.30	16.31	\$2,056.25	4.43	13.71
Seed / Other Crop Expense	\$2,038.26	4.56	11.81	\$2,880.19	6.21	19.20
Fertilizer / Lime	\$0.00	-	-	\$1,439.62	3.10	9.60
Machine Hire - Lease	\$1,784.09	3.99	10.34	\$5,315.93	11.46	35.44
Farm Org Fees / Travel / Publ	\$3,439.77	7.70	19.93	\$476.38	1.03	3.18
Gas / Fuel / Oil	\$455.03	1.02	2.64	\$1,802.55	3.88	12.02
Crop Storage & Marketing	\$1,415.77	3.17	8.20	\$32.86	0.07	0.22
Personal Property Tax	\$267.92	0.60	1.55	\$111.92	0.24	0.75
General Farm Insurance	\$91.92	0.21	0.53	\$523.87	1.13	3.49
Utilities	\$627.02	1.40	3.63	\$593.87	1.28	3.96
Cash Farm Rent	\$505.59	1.13	2.93	\$1,848.77	3.98	12.33
Herbicide / Insecticide	\$1,295.78	2.90	7.51	\$1,982.44	4.27	13.22
Conservation	\$2,562.92	5.73	14.85	\$10.69	0.02	0.07
Auto Expense	\$33.89	0.08	0.20	\$0.00	-	-
<b>TOTAL VARIABLE COSTS</b>	<b>\$23,832.84</b>	<b>\$53.32</b>	<b>\$138.08</b>	<b>\$23,655.10</b>	<b>\$50.98</b>	<b>\$157.70</b>
<b>RETURN ABOVE VARIABLE COSTS</b>	<b>\$16,236.24</b>	<b>\$36.32</b>	<b>\$94.07</b>	<b>\$11,386.51</b>	<b>\$24.54</b>	<b>\$75.91</b>
Depreciation	3,067.53	6.86	17.77	3,376.72	7.28	22.51
Real Estate Tax	374.54	0.84	2.17	439.22	0.95	2.93
Unpaid Operator Labor	3,749.43	8.39	21.72	3,620.83	7.80	24.14
Interest Charge *	-	-	-	450.61	0.97	3.00
<b>TOTAL FIXED COSTS</b>	<b>\$7,191.50</b>	<b>\$16.09</b>	<b>\$41.67</b>	<b>\$7,887.38</b>	<b>\$17.00</b>	<b>\$52.58</b>
Land Charge **	3,643.13	\$8.15	\$21.11	2,966.98	\$6.39	\$19.78
<b>TOTAL EXPENSE</b>	<b>\$34,667.47</b>	<b>\$77.56</b>	<b>\$200.85</b>	<b>\$34,509.46</b>	<b>\$74.37</b>	<b>\$230.06</b>
<b>NET RETURN TO MANAGEMENT</b>	<b>\$5,401.62</b>	<b>\$12.08</b>	<b>\$31.30</b>	<b>\$532.15</b>	<b>\$1.15</b>	<b>\$3.55</b>
<b>NET RETURN TO LABOR-MGT</b>	<b>\$12,003.80</b>	<b>\$26.85</b>	<b>\$69.55</b>	<b>\$5,888.49</b>	<b>\$12.69</b>	<b>\$39.26</b>

\*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.