

KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS : 5-YEAR AVERAGE & 2005
NONIRRIGATED WHEAT: STATE AVERAGES

	2000-2004 Average			2005		
Number of Farms	515			376		
Crop Acres	554			667		
Acres Owned	140			175		
Acres Rented	414			492		
Yield / Acre	38			38		
Bushels	16,682			19,876		
Operator Percentage	78.86%			79.04%		
Gross Income / Acre	\$125.35			\$128.88		
Variable Costs / Acre	\$77.70			\$95.26		
Total Expense / Acre	\$120.01			\$141.08		
Gross Income / Bushel	\$4.16			\$4.33		
Total Expense / Bushel	\$3.98			\$4.73		

	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Wheat (Operator's Share)	\$52,106.33	\$3.12	\$94.09	\$66,865.68	\$3.36	\$100.25
Patronage Refunds	\$483.29	0.03	0.87	\$609.48	0.03	0.91
Government Payments	\$11,789.19	0.71	21.29	\$13,658.73	0.69	20.48
Miscellaneous Income	\$873.29	0.05	1.58	\$1,363.84	0.07	2.04
Crop Insurance Proceeds	\$4,167.44	0.25	7.53	\$3,468.01	0.17	5.20
OTHER INCOME	\$17,313.21	\$1.04	\$31.26	\$19,100.06	\$0.96	\$28.64
GROSS INCOME	\$69,419.53	\$4.16	\$125.35	\$85,965.74	\$4.33	\$128.88
EXPENSES:						
Labor Hired	\$2,874.97	\$0.17	\$5.19	\$4,251.76	\$0.21	\$6.37
General Machinery Repairs	\$6,342.84	0.38	11.45	\$8,290.45	0.42	12.43
Interest Paid	\$4,211.55	0.25	7.60	\$4,916.98	0.25	7.37
Seed / Other Crop Expense	\$2,759.15	0.17	4.98	\$3,763.58	0.19	5.64
Crop Insurance	\$2,030.12	0.12	3.67	\$3,350.66	0.17	5.02
Fertilizer / Lime	\$8,430.73	0.51	15.22	\$13,521.96	0.68	20.27
Machine Hire - Lease	\$3,534.51	0.21	6.38	\$5,396.20	0.27	8.09
Farm Org Fees / Travel / Publ	\$792.44	0.05	1.43	\$992.32	0.05	1.49
Gas / Fuel / Oil	\$4,045.42	0.24	7.30	\$7,978.57	0.40	11.96
Crop Storage & Marketing	\$381.74	0.02	0.69	\$527.97	0.03	0.79
Personal Property Tax	\$238.20	0.01	0.43	\$327.51	0.02	0.49
General Farm Insurance	\$1,214.20	0.07	2.19	\$1,528.11	0.08	2.29
Utilities	\$1,033.99	0.06	1.87	\$906.41	0.05	1.36
Cash Farm Rent	\$2,297.36	0.14	4.15	\$3,045.53	0.15	4.57
Herbicide / Insecticide	\$2,451.21	0.15	4.43	\$4,240.51	0.21	6.36
Conservation	\$47.50	0.00	0.09	\$106.62	0.01	0.16
Auto Expense	\$345.68	0.02	0.62	\$394.84	0.02	0.59
TOTAL VARIABLE COSTS	\$43,031.62	\$2.58	\$77.70	\$63,539.98	\$3.20	\$95.26
RETURN ABOVE VARIABLE COSTS	\$26,387.91	\$1.58	\$47.65	\$22,425.76	\$1.13	\$33.62
Depreciation	\$7,222.05	0.43	13.04	\$9,706.73	0.49	14.55
Real Estate Tax	\$1,163.53	0.07	2.10	\$1,683.66	0.08	2.52
Unpaid Operator Labor	\$8,840.03	0.53	15.96	\$9,966.13	0.50	14.94
Interest Charge *	\$689.00	0.04	1.24	\$1,706.55	0.09	2.56
TOTAL FIXED COSTS	\$17,914.61	\$1.07	\$32.35	\$23,063.07	\$1.16	\$34.58
Land Charge **	\$5,515.51	\$0.33	\$9.96	\$7,499.51	\$0.38	\$11.24
TOTAL EXPENSE	\$66,461.74	\$3.98	\$120.01	\$94,102.56	\$4.73	\$141.08
NET RETURN TO MANAGEMENT	\$2,957.79	\$0.18	\$5.34	(\$8,136.82)	(\$0.41)	(\$12.20)
NET RETURN TO LABOR-MGT	\$14,672.80	\$0.88	\$26.49	\$6,081.07	\$0.31	\$9.12

*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.

Kansas Farm Management Association: State Average
2005 Nonirrigated Wheat Enterprise Sorted by Net Return to Management per Acre

	Profit Category			Difference between High 1/3 and Low 1/3	
	High 1/3 Per Acre	Mid 1/3 Per Acre	Low 1/3 Per Acre	Acres / \$	%
Number of Farms	126	125	125		
Enterprise Acres	834	749	415	419	101%
Owned Acres	229	196	99	130	131%
Rented Acres	604	553	317	287	91%
Yield per Acre	40.5	36.7	34.1	6.4	19%
Operator Percentage	81.3%	75.7%	80.1%	1.2%	1%
Price per bushel	\$3.41	\$3.33	\$3.30	\$0.11	3%
INCOME:					
Crop Income	\$112.23	\$92.67	\$90.05	\$22.18	25%
Government Payments	\$22.74	\$18.50	\$19.55	\$3.20	16%
Other Income	\$6.90	\$9.83	\$7.72	(\$0.83)	-11%
Gross Income	\$141.87	\$121.00	\$117.32	\$24.55	21%
COSTS:					
Seed	\$4.81	\$5.02	\$8.47	(\$3.66)	-43%
Fertilizer	\$17.34	\$19.84	\$27.07	(\$9.73)	-36%
Herbicide-Insecticide	\$6.19	\$5.63	\$8.03	(\$1.84)	-23%
Crop Insurance	\$4.72	\$5.06	\$5.60	(\$0.88)	-16%
Machinery	\$40.98	\$47.45	\$58.75	(\$17.77)	-30%
Labor	\$16.94	\$22.45	\$28.20	(\$11.26)	-40%
Other	\$6.48	\$6.77	\$9.30	(\$2.82)	-30%
Land	\$18.94	\$17.63	\$18.43	\$0.51	3%
Interest	\$8.49	\$9.81	\$13.12	(\$4.63)	-35%
Total Cost	\$124.89	\$139.66	\$176.97	(\$52.08)	-29%
Net Return to Management	\$16.98	(\$18.66)	(\$59.65)	\$76.63	

