

**SOUTHEAST KANSAS FARM MANAGEMENT ASSOCIATION  
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2006  
NONIRRIGATED COTTON**

	2001-2005 Average			2006		
Number of Farms	9			7		
Crop Acres	485			622		
Acres Owned	132			252		
Acres Rented	353			370		
Yield / Acre	498			363		
Pounds	212,113			201,043		
Operator Percentage	87.93%			89.12%		
Gross Income / Acre	\$263.83			\$207.83		
Variable Costs / Acre	\$149.90			\$171.88		
Total Expense / Acre	\$222.05			\$247.06		
Gross Income / Pound	\$0.60			\$0.64		
Total Expense / Pound	\$0.51			\$0.76		
	<b>Total Dollars</b>	<b>\$/Pound</b>	<b>\$/Acre</b>	<b>Total Dollars</b>	<b>\$/Pound</b>	<b>\$/Acre</b>
<b>INCOME:</b>						
Cotton (Operator's Share)	\$106,570.56	\$0.50	\$219.82	\$107,108.37	\$0.53	\$172.20
Patronage Refunds	\$5,306.41	0.03	10.95	\$6,682.42	0.03	10.74
Government Payments	\$13,062.44	0.06	26.94	\$15,211.35	0.08	24.46
Miscellaneous Income	\$29.32	0.00	0.06	\$270.35	0.00	0.43
Crop Insurance Proceeds	\$2,937.33	0.01	6.06	\$0.00	0.00	0.00
OTHER INCOME	\$21,335.49	\$0.10	\$44.01	\$22,164.12	\$0.11	\$35.63
<b>GROSS INCOME</b>	<b>\$127,906.06</b>	<b>\$0.60</b>	<b>\$263.83</b>	<b>\$129,272.49</b>	<b>\$0.64</b>	<b>\$207.83</b>
<b>EXPENSES:</b>						
Labor Hired	\$3,025.50	\$0.01	\$6.24	\$3,671.31	\$0.02	\$5.90
General Machinery Repairs	\$6,053.03	0.03	12.49	\$9,538.64	0.05	15.34
Interest Paid	\$3,546.72	0.02	7.32	\$8,060.28	0.04	12.96
Seed / Other Crop Expense	\$10,899.72	0.05	22.48	\$18,306.14	0.09	29.43
Crop Insurance	\$1,425.15	0.01	2.94	\$3,432.71	0.02	5.52
Fertilizer / Lime	\$8,280.00	0.04	17.08	\$14,862.71	0.07	23.90
Machine Hire - Lease	\$3,617.66	0.02	7.46	\$3,593.57	0.02	5.78
Farm Org Fees / Travel / Publ	\$629.63	0.00	1.30	\$565.48	0.00	0.91
Gas / Fuel / Oil	\$3,320.25	0.02	6.85	\$6,994.12	0.03	11.24
Crop Storage & Marketing	\$13,642.24	0.06	28.14	\$18,490.14	0.09	29.73
Personal Property Tax	\$247.91	0.00	0.51	\$329.98	0.00	0.53
General Farm Insurance	\$1,200.96	0.01	2.48	\$1,436.18	0.01	2.31
Utilities	\$745.64	0.00	1.54	\$705.96	0.00	1.13
Cash Farm Rent	\$5,145.96	0.02	10.61	\$6,020.00	0.03	9.68
Herbicide / Insecticide	\$10,788.08	0.05	22.25	\$10,729.53	0.05	17.25
Conservation	\$40.71	0.00	0.08	\$15.45	0.00	0.02
Auto Expense	\$60.19	0.00	0.12	\$154.77	0.00	0.25
<b>TOTAL VARIABLE COSTS</b>	<b>\$72,669.35</b>	<b>\$0.34</b>	<b>\$149.90</b>	<b>\$106,906.97</b>	<b>\$0.53</b>	<b>\$171.88</b>
<b>RETURN ABOVE VARIABLE COSTS</b>	<b>\$55,236.71</b>	<b>\$0.26</b>	<b>\$113.94</b>	<b>\$22,365.52</b>	<b>\$0.11</b>	<b>\$35.96</b>
Depreciation	\$8,946.64	0.04	18.45	\$13,495.29	0.07	21.70
Real Estate Tax	\$1,026.73	0.00	2.12	\$1,847.11	0.01	2.97
Unpaid Operator Labor	\$8,774.00	0.04	18.10	\$10,452.86	0.05	16.81
Interest Charge *	\$4,683.70	0.02	9.66	\$2,189.01	0.01	3.52
<b>TOTAL FIXED COSTS</b>	<b>\$23,431.07</b>	<b>\$0.11</b>	<b>\$48.33</b>	<b>\$27,984.27</b>	<b>\$0.14</b>	<b>\$44.99</b>
Land Charge **	\$11,547.41	\$0.05	\$23.82	\$18,779.28	\$0.09	\$30.19
<b>TOTAL EXPENSE</b>	<b>\$107,647.82</b>	<b>\$0.51</b>	<b>\$222.05</b>	<b>\$153,670.52</b>	<b>\$0.76</b>	<b>\$247.06</b>
<b>NET RETURN TO MANAGEMENT</b>	<b>\$20,258.23</b>	<b>\$0.10</b>	<b>\$41.79</b>	<b>(\$24,398.03)</b>	<b>(\$0.12)</b>	<b>(\$39.23)</b>
<b>NET RETURN TO LABOR-MGT</b>	<b>\$32,057.74</b>	<b>\$0.15</b>	<b>\$66.13</b>	<b>(\$10,273.86)</b>	<b>(\$0.05)</b>	<b>(\$16.52)</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.