

**KANSAS FARM MANAGEMENT ASSOCIATION  
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2007  
BEEF BACKGROUNDING / FINISHING: STATE AVERAGES**

	2002-2006 Average	2007
Number of Farms	21	16
Number of Head	902	1,060
Weight Produced / Head	635	665
Weight / Head Sold	1,195	1,193
Weight / Head Purchased	559	568
Sale Price / Cwt	\$82.88	\$91.45
Purchase Price / Cwt	\$106.49	\$113.88
Gross Income / Cwt	\$67.55	\$75.68
Feed Costs / Cwt	\$45.35	\$53.69
Nonfeed Costs / Cwt	\$20.48	\$25.58

	Head	Pounds	Total Dollars	\$/Cwt	\$/Head	Head	Pounds	Total Dollars	\$/Cwt	\$/Head
<b>INCOME:</b>										
Steers - Heifers Sold	887	1,059,734	878,299.70			1,075	1,282,921	1,173,211.13		
Ending Inventory	771	619,087	597,312.39			835	733,396	679,680.38		
Gross Sales	1,658	1,678,821	\$1,475,612.09			1,910	2,016,317	\$1,852,891.51		
Steers - Heifers Purchased	976	545,810	581,222.59			1,033	586,435	667,857.34		
Beginning Inventory	714	560,696	513,159.59			893	724,882	646,579.00		
Gross Purchases	1,691	1,106,507	\$1,094,382.17			1,926	1,311,317	\$1,314,436.34		
Net Sale Gain	(32)	572,315	\$381,229.92	\$66.61	\$422.74	(16)	705,000	\$538,455.17	\$76.38	\$507.98
Patronage Refunds			1,002.86					234.68		
Miscellaneous Income			3,920.40					126.95		
Livestock Futures			425.05					(5,278.33)		
OTHER INCOME			\$5,348.31	\$0.93	\$5.93			(\$4,916.70)	(\$0.70)	(\$4.64)
<b>GROSS INCOME</b>			<b>\$386,578.23</b>	<b>\$67.55</b>	<b>\$428.67</b>			<b>\$533,538.47</b>	<b>\$75.68</b>	<b>\$503.34</b>
<b>EXPENSES:</b>										
Labor Hired			4,939.49	\$0.86	\$5.48			15,250.55	\$2.16	\$14.39
General Machinery Repairs			6,503.96	1.14	7.21			10,786.20	1.53	10.18
Interest Paid			15,849.34	2.77	17.58			25,481.49	3.61	24.04
Feed Purchased			259,539.45	45.35	287.80			378,530.71	53.69	357.10
Machine Hire - Lease			2,536.72	0.44	2.81			10,122.92	1.44	9.55
Farm Org Fees / Travel / Publ			1,241.68	0.22	1.38			1,540.14	0.22	1.45
Vet Medicine / Drugs			11,519.18	2.01	12.77			13,621.25	1.93	12.85
Livestock Marketing / Breeding			7,248.83	1.27	8.04			12,634.86	1.79	11.92
Gas / Fuel / Oil			2,456.63	0.43	2.72			5,284.13	0.75	4.99
Personal Property Tax			289.97	0.05	0.32			883.79	0.13	0.83
General Farm Insurance			1,506.95	0.26	1.67			1,378.82	0.20	1.30
Utilities			1,842.81	0.32	2.04			2,010.49	0.29	1.90
Auto Expense			351.00	0.06	0.39			259.02	0.04	0.24
<b>TOTAL VARIABLE COSTS</b>			<b>\$315,826.01</b>	<b>\$55.18</b>	<b>\$350.22</b>			<b>\$477,784.37</b>	<b>\$67.77</b>	<b>\$450.74</b>
<b>RETURN ABOVE VARIABLE COSTS</b>			<b>\$70,752.22</b>	<b>\$12.36</b>	<b>\$78.46</b>			<b>\$55,754.10</b>	<b>\$7.91</b>	<b>\$52.60</b>
Depreciation			8,086.47	1.41	8.97			13,105.96	1.86	12.36
Real Estate Tax			1,032.19	0.18	1.14			860.72	0.12	0.81
Unpaid Operator Labor			8,891.18	1.55	9.86			17,763.35	2.52	16.76
Interest Charge *			42,928.04	7.50	47.60			49,381.99	7.00	46.59
<b>TOTAL FIXED COSTS</b>			<b>\$60,937.88</b>	<b>\$10.65</b>	<b>\$67.57</b>			<b>\$81,112.02</b>	<b>\$11.51</b>	<b>\$76.52</b>
<b>TOTAL EXPENSE</b>			<b>\$376,763.89</b>	<b>\$65.83</b>	<b>\$417.79</b>			<b>\$558,896.39</b>	<b>\$79.28</b>	<b>\$527.26</b>
<b>NET RETURN TO MANAGEMENT</b>			<b>\$9,814.35</b>	<b>\$1.71</b>	<b>\$10.88</b>			<b>(\$25,357.92)</b>	<b>(\$3.60)</b>	<b>(\$23.92)</b>
<b>NET RETURN TO LABOR-MGT</b>			<b>\$23,645.02</b>	<b>\$4.13</b>	<b>\$26.22</b>			<b>\$7,655.98</b>	<b>\$1.09</b>	<b>\$7.22</b>
<b>Factors:</b>										
		<b>Feed Costs</b>		<b>\$45.35</b>	<b>\$287.80</b>				<b>\$53.69</b>	<b>\$357.10</b>
		<b>Nonfeed Costs</b>		<b>\$20.48</b>	<b>\$129.99</b>				<b>\$25.58</b>	<b>\$170.16</b>

\* Interest charge equals: ((8.0% times gross purchases) plus (8.0% times one-half the variable costs except cash interest paid) plus (4.0% times depreciation times 8)) minus cash interest paid.