

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2007
CONSERVATION RESERVE PROGRAM**

| | 2002-2006 Average | 2007 |
|-----------------------|-------------------|---------|
| Number of Farms | 12 | 10 |
| Crop Acres | 237 | 382 |
| Acres Owned | 213 | 288 |
| Acres Rented | 25 | 94 |
| Gross Income / Acre | \$29.61 | \$30.56 |
| Variable Costs / Acre | \$8.72 | \$7.00 |
| Total Expense / Acre | \$16.62 | \$10.65 |

| | Total Dollars | \$ / Acre | Total Dollars | \$ / Acre |
|------------------------------------|-------------------|----------------|--------------------|----------------|
| INCOME: | | | | |
| Patronage Refunds | 25.46 | \$0.11 | 72.82 | \$0.19 |
| Government Payments | 6,971.29 | 29.37 | 11,598.58 | 30.36 |
| Miscellaneous Income | 33.36 | 0.14 | 1.31 | 0.00 |
| OTHER INCOME | 7,030.11 | \$29.61 | \$11,672.71 | \$30.56 |
| GROSS INCOME | \$7,030.11 | \$29.61 | \$11,672.71 | \$30.56 |
| EXPENSES: | | | | |
| Labor Hired | 31.58 | \$0.13 | 59.55 | \$0.16 |
| General Machinery Repairs | 153.05 | 0.64 | 339.76 | 0.89 |
| Interest Paid | 316.44 | 1.33 | 331.30 | 0.87 |
| Seed / Other Crop Expense | 574.64 | 2.42 | 0.00 | 0.00 |
| Fertilizer / Lime | 2.29 | 0.01 | 0.00 | 0.00 |
| Machine Hire - Lease | 211.41 | 0.89 | 67.39 | 0.18 |
| Farm Org Fees / Travel / Publ | 116.37 | 0.49 | 81.50 | 0.21 |
| Gas / Fuel / Oil | 207.96 | 0.88 | 636.49 | 1.67 |
| Crop Storage & Marketing | 0.00 | 0.00 | 0.00 | 0.00 |
| Personal Property Tax | 8.25 | 0.03 | 45.28 | 0.12 |
| General Farm Insurance | 130.21 | 0.55 | 141.37 | 0.37 |
| Utilities | 41.70 | 0.18 | 110.91 | 0.29 |
| Cash Farm Rent | 140.65 | 0.59 | 820.00 | 2.15 |
| Herbicide / Insecticide | 11.41 | 0.05 | 0.00 | 0.00 |
| Conservation | 111.80 | 0.47 | 0.26 | 0.00 |
| Auto Expense | 13.17 | 0.06 | 40.05 | 0.10 |
| TOTAL VARIABLE COSTS | \$2,070.92 | \$8.72 | \$2,673.86 | \$7.00 |
| RETURN ABOVE VARIABLE COSTS | \$4,959.19 | \$20.89 | \$8,998.85 | \$23.56 |
| Depreciation | 625.21 | 2.63 | 488.99 | 1.28 |
| Real Estate Tax | 952.08 | 4.01 | 878.22 | 2.30 |
| Unpaid Operator Labor | 146.40 | 0.62 | 28.08 | 0.07 |
| Interest Charge * | 150.24 | 0.63 | 0.00 | 0.00 |
| TOTAL FIXED COSTS | \$1,873.93 | \$7.89 | \$1,395.29 | \$3.65 |
| TOTAL EXPENSE | \$3,944.85 | \$16.62 | \$4,069.15 | \$10.65 |
| NET RETURN TO MANAGEMENT | \$3,085.26 | \$13.00 | \$7,603.56 | \$19.90 |
| NET RETURN TO LABOR-MGT | \$3,263.24 | \$13.75 | \$7,691.19 | \$20.13 |

*Interest charge equals: ((8.0% times three-fourths the variable costs minus interest paid) plus (4.0% times depreciation times 8)) minus cash interest paid.

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.