

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NONIRRIGATED ALFALFA

	1997-2001 Average	2002
Number of Farms	21	13
Crop Acres	94	59
Acres Owned	57	21
Acres Rented	37	38
Yield / Acre	3.52	1.97
Tons	307	103
Operator Percentage	92.81%	88.62%
Gross Income / Acre	\$218.02	\$145.66
Variable Costs / Acre	\$113.81	\$96.84
Total Expense / Acre	\$231.00	\$241.05
Gross Income / Ton	\$66.66	\$83.44
Total Expense / Ton	\$70.63	\$138.08

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$18,309.71	\$59.68	\$195.20	\$7,877.82	\$76.48	\$133.52
Patronage Refunds	78.21	0.25	0.83	26.30	0.26	0.45
Government Payments	1,873.35	6.11	19.97	670.20	6.51	11.36
Miscellaneous Income	189.31	0.62	2.02	19.55	0.19	0.33
OTHER INCOME	\$2,140.87	\$6.98	\$22.82	\$716.05	\$6.95	\$12.14
GROSS INCOME	\$20,450.58	\$66.66	\$218.02	\$8,593.87	\$83.44	\$145.66
EXPENSES:						
Labor Hired	\$1,245.40	\$4.06	\$13.28	\$1,055.10	\$10.24	\$17.88
General Machinery Repairs	2,690.40	8.77	28.68	1,608.51	15.62	27.26
Interest Paid	1,084.00	3.53	11.56	305.91	2.97	5.18
Seed / Other Crop Expense	596.31	1.94	6.36	181.46	1.76	3.08
Crop Insurance	37.63	0.12	0.40	-	-	-
Fertilizer / Lime	738.50	2.41	7.87	52.85	0.51	0.90
Machine Hire - Lease	1,038.56	3.39	11.07	197.23	1.91	3.34
Farm Org Fees / Travel / Publ	185.45	0.60	1.98	108.52	1.05	1.84
Gas / Fuel / Oil	930.59	3.03	9.92	515.87	5.01	8.74
Crop Storage & Marketing	8.41	0.03	0.09	-	-	-
Personal Property Tax	42.85	0.14	0.46	43.51	0.42	0.74
General Farm Insurance	318.67	1.04	3.40	129.83	1.26	2.20
Utilities	166.83	0.54	1.78	74.98	0.73	1.27
Cash Farm Rent	733.37	2.39	7.82	1,163.22	11.29	19.72
Herbicide / Insecticide	760.74	2.48	8.11	205.54	2.00	3.48
Conservation	4.00	0.01	0.04	19.49	0.19	0.33
Auto Expense	93.51	0.30	1.00	51.56	0.50	0.87
TOTAL VARIABLE COSTS	\$10,675.21	\$34.80	\$113.81	\$5,713.58	\$55.47	\$96.84
RETURN ABOVE VARIABLE COSTS	\$9,775.37	\$31.86	\$104.22	\$2,880.29	\$27.96	\$48.82
Depreciation	2,181.10	7.11	23.25	2,616.87	25.41	44.35
Real Estate Tax	260.18	0.85	2.77	146.80	1.43	2.49
Unpaid Operator Labor	4,244.86	13.84	45.25	3,141.35	30.50	53.24
Interest Charge *	284.77	0.93	3.04	874.30	8.49	14.82
TOTAL FIXED COSTS	\$6,970.91	\$22.72	\$74.32	\$6,779.32	\$65.82	\$114.90
Land Charge **	\$4,021.71	\$13.11	\$42.88	\$1,729.26	\$16.79	\$29.31
TOTAL EXPENSE	\$21,667.83	\$70.63	\$231.00	\$14,222.16	\$138.08	\$241.05
NET RETURN TO MANAGEMENT	(\$1,217.25)	(\$3.97)	(\$12.98)	(\$5,628.29)	(\$54.64)	(\$95.39)
NET RETURN TO LABOR-MGT	\$4,273.01	\$13.93	\$45.55	(\$1,431.84)	(\$13.90)	(\$24.27)

*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.