

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS : 5-YEAR AVERAGE & 2001
NON-IRRIGATED WHEAT**

	1996-2000 Average			2001		
Number of Farms		156			125	
Crop Acres		600			575	
Acres Owned		175			169	
Acres Rented		426			406	
Yield / Acre		37.7			34.2	
Bushels		18,053			15,449	
Operator Percentage		79.66%			78.65%	
Gross Income / Acre		\$121.79			\$105.12	
Variable Costs / Acre		\$74.07			\$68.84	
Total Expense / Acre		\$110.09			\$103.66	
Gross Income / Bushel		\$4.05			\$3.91	
Total Expense / Bushel		\$3.66			\$3.86	
	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Wheat (Operator's Share)	\$50,766.63	\$2.81	\$84.55	\$40,783.08	\$2.64	\$70.93
Patronage Refunds	584.43	0.03	0.97	403.52	0.03	0.70
Government Payments	17,300.27	0.96	28.81	12,807.00	0.83	22.27
Miscellaneous Income	773.07	0.04	1.29	321.21	0.02	0.56
Crop Insurance Proceeds	3,700.49	0.20	6.16	6,129.35	0.40	10.66
OTHER INCOME	\$22,358.26	\$1.24	\$37.24	\$19,661.08	\$1.27	\$34.19
GROSS INCOME	\$73,124.89	\$4.05	\$121.79	\$60,444.16	\$3.91	\$105.12
EXPENSES:						
Labor Hired	\$3,008.49	\$0.17	\$5.01	\$2,927.18	\$0.19	\$5.09
General Machinery Repairs	6,328.51	0.35	10.54	5,915.85	0.38	10.29
Interest Paid	5,239.43	0.29	8.73	4,513.96	0.29	7.85
Seed / Other Crop Expense	2,893.10	0.16	4.82	2,068.79	0.13	3.60
Crop Insurance	2,509.11	0.14	4.18	2,664.76	0.17	4.63
Fertilizer / Lime	6,676.30	0.37	11.12	6,079.81	0.39	10.57
Machine Hire - Lease	6,299.54	0.35	10.49	4,629.68	0.30	8.05
Farm Org Fees / Travel / Publ	946.59	0.05	1.58	770.90	0.05	1.34
Gas / Fuel / Oil	3,653.42	0.20	6.08	4,137.25	0.27	7.20
Crop Storage & Marketing	430.01	0.02	0.72	528.11	0.03	0.92
Personal Property Tax	197.79	0.01	0.33	153.19	0.01	0.27
General Farm Insurance	1,067.55	0.06	1.78	1,071.57	0.07	1.86
Utilities	864.60	0.05	1.44	624.71	0.04	1.09
Cash Farm Rent	1,577.65	0.09	2.63	1,203.13	0.08	2.09
Herbicide / Insecticide	2,356.46	0.13	3.92	2,041.02	0.13	3.55
Conservation	39.06	0.00	0.07	25.59	0.00	0.04
Auto Expense	385.25	0.02	0.64	226.78	0.01	0.39
TOTAL VARIABLE COSTS	\$44,472.87	\$2.46	\$74.07	\$39,582.28	\$2.56	\$68.84
RETURN ABOVE VARIABLE COSTS	\$28,652.02	\$1.59	\$47.72	\$20,861.88	\$1.35	\$36.28
Depreciation	6,059.17	0.34	10.09	6,891.53	0.45	11.99
Real Estate Tax	1,034.04	0.06	1.72	1,104.29	0.07	1.92
Unpaid Operator Labor	8,100.07	0.45	13.49	7,180.37	0.46	12.49
Interest Charge *	211.93	0.01	0.35	66.27	0.00	0.12
TOTAL FIXED COSTS	\$15,405.21	\$0.85	\$25.66	\$15,242.46	\$0.99	\$26.51
Land Charge **	\$6,220.67	\$0.34	\$10.36	\$4,781.45	\$0.31	\$8.32
TOTAL EXPENSE	\$66,098.75	\$3.66	\$110.09	\$59,606.19	\$3.86	\$103.66
NET RETURN TO MANAGEMENT	\$7,026.14	\$0.39	\$11.70	\$837.97	\$0.05	\$1.46
NET RETURN TO LABOR-MGT	\$18,134.70	\$1.00	\$30.20	\$10,945.52	\$0.71	\$19.04

*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 rente

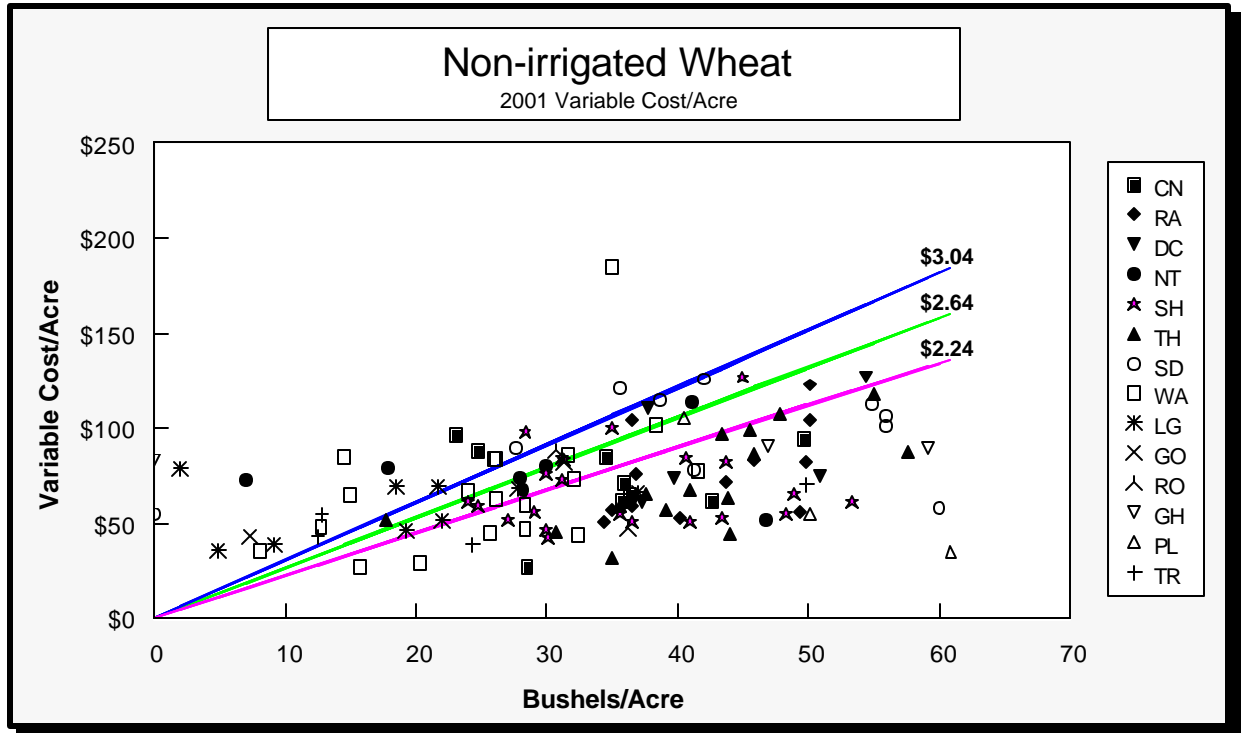


FIGURE 7

Non-irrigated Wheat is the most common crop enterprise of Northwest Association farms in 2001. Net return to management of wheat was \$1.46 per acre in 2001. This is significantly lower than the 1996-2000 average net return to management of \$11.70 per acre. Yields of wheat in 2001 averaged 34.2 bushels per acre. This was lower than the five-year average of 37.7 bushels per acre. Prices received for wheat in 2001 was \$2.64 per bushel on the average, while the five-year average was \$2.81. The process of “freedom to farm” is working through the years of gradual decline in direct government payments. Wheat market prices are just high enough to eliminate most of the Loan Deficiency Payments (LDP’s). Several producers in the Northwest Association elected to destroy their wheat during the spring of 2001 and plant an alternative crop. This contributed to the higher crop insurance on the average for 2001 of \$10.69 compared with the 1996-2000 average of \$6.16 per acre.

A close examination of the observation shapes in Figure 7 indicates the counties that had the most production challenges in 2001. Wallace, Logan, Norton, Trego, and Graham counties all had observations of wheat enterprises with yields below 25 bushels per acre. Note the number and variety of counties represented in Figure 7 with wheat enterprise variable cost below \$50 per acre. Non-irrigated wheat enterprises in 2001 required 35 bushel per acre yields to cover the average variable cost per acre at current market prices

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2001
NON-IRRIGATED WHEAT

	1997-2001 Average				2001			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	44	44	43	131	42	42	41	125
Crop Acres	1554	1995	1987	1845	1575	1979	2061	1872
Percentage of total crop Acres	31%	32%	36%	33%	29%	30%	33%	31%
Crop Acres	479	633	722	610	464	588	675	575
Acres Owned	153	181	188	174	213	148	147	169
Acres Rented	326	452	534	436	251	441	528	406
Yield / Acre	38	39	45	40	29	35	37	34
Total Operator Bushels	14232	18947	25533	19483	11247	16420	18760	15449
INCOME:								
Dryland Wheat (Op Share)	78.12	78.25	93.73	83.19	67.72	75.36	72.30	71.79
Patronage Refunds	1.03	0.84	1.23	1.03	0.58	0.52	0.92	0.67
Government Payments	29.67	29.54	35.17	31.40	21.63	22.45	25.46	23.16
Miscellaneous Income	1.26	0.78	0.92	0.99	0.59	0.27	0.56	0.47
Crop Insurance Proceeds	5.37	4.34	5.27	4.99	8.53	9.45	12.54	10.15
OTHER INCOME	\$37.47	\$35.89	\$42.98	\$38.71	\$31.41	\$32.92	\$39.81	\$34.67
GROSS INCOME	\$115.54	\$113.99	\$136.64	\$121.80	\$99.12	\$108.31	\$111.94	\$106.41
EXPENSES:								
Labor Hired	5.40	4.21	3.55	4.40	7.47	4.47	2.26	4.75
General Machinery Repairs	14.47	10.65	10.62	11.92	13.68	12.21	8.79	11.58
Irrigation Repairs	0.13	0.06	0.06	0.08	0.00	0.00	0.00	0.00
Interest Paid	11.16	8.56	8.47	9.40	8.96	8.64	6.36	8.00
Seed / Other Crop Expense	4.84	4.56	4.35	4.58	4.92	3.37	3.55	3.95
Crop Insurance	4.85	4.27	4.08	4.41	6.00	5.31	4.44	5.26
Fertilizer / Lime	11.40	9.53	11.44	10.77	12.65	11.00	10.06	11.25
Machine Hire - Lease	10.80	9.71	8.87	9.80	7.07	8.15	8.98	8.06
Farm Org Fees / Travel / Publ	1.82	1.50	1.64	1.65	1.79	1.20	1.17	1.39
Gas / Fuel / Oil	7.74	6.10	5.92	6.59	8.01	7.84	6.04	7.31
Irrigation Energy	0.02	0.01	0.01	0.01	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.92	0.67	0.87	0.82	1.35	0.55	0.94	0.94
Personal Property Tax	0.45	0.30	0.32	0.36	0.21	0.25	0.32	0.26
General Farm Insurance	2.12	1.78	1.74	1.88	2.33	2.01	1.35	1.90
Utilities	1.99	1.31	1.48	1.59	1.41	1.09	1.16	1.22
Cash Farm Rent	1.33	1.37	2.89	1.85	3.50	2.60	1.24	2.46
Herbicide / Insecticide	4.21	3.58	3.23	3.68	5.12	3.35	2.28	3.59
Conservation	0.16	0.05	0.13	0.11	0.05	0.04	0.04	0.04
Auto Expense	1.08	0.63	0.72	0.81	0.47	0.49	0.48	0.48
TOTAL VARIABLE COSTS	\$85.01	\$68.94	\$70.80	\$74.94	\$85.00	\$72.58	\$59.48	\$72.46
RETURN ABOVE VARIABLE COSTS	\$30.53	\$45.05	\$65.83	\$46.86	\$14.12	\$35.73	\$52.46	\$33.96
Depreciation	14.40	10.41	10.77	11.87	16.81	12.07	8.20	12.39
Real Estate Tax	2.29	1.78	1.76	1.95	2.76	2.02	1.56	2.12
Unpaid Operator Labor	21.03	14.84	14.49	16.81	16.99	13.71	11.92	14.23
Interest Charge *	2.94	2.43	2.23	2.54	4.39	2.26	2.14	2.94
TOTAL FIXED COSTS	\$40.66	\$29.46	\$29.25	\$33.16	\$40.95	\$30.06	\$23.83	\$31.67
Land Charge **	11.65	9.97	11.45	11.01	11.99	8.36	5.67	8.70
TOTAL EXPENSE	\$137.32	\$108.36	\$111.49	\$119.11	\$137.94	\$111.00	\$88.98	\$112.83
NET RETURN TO MANAGEMENT	(\$21.79)	\$5.63	\$25.14	\$2.69	(\$38.82)	(\$2.69)	\$22.96	(\$6.41)
NET RETURN TO LABOR-MGT	\$4.65	\$24.68	\$43.18	\$23.91	(\$14.36)	\$15.50	\$37.14	\$12.57

*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% (25% for Irrigated).Crop production paid to the landlord on rented land (already removed above), or cash rent is th

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.

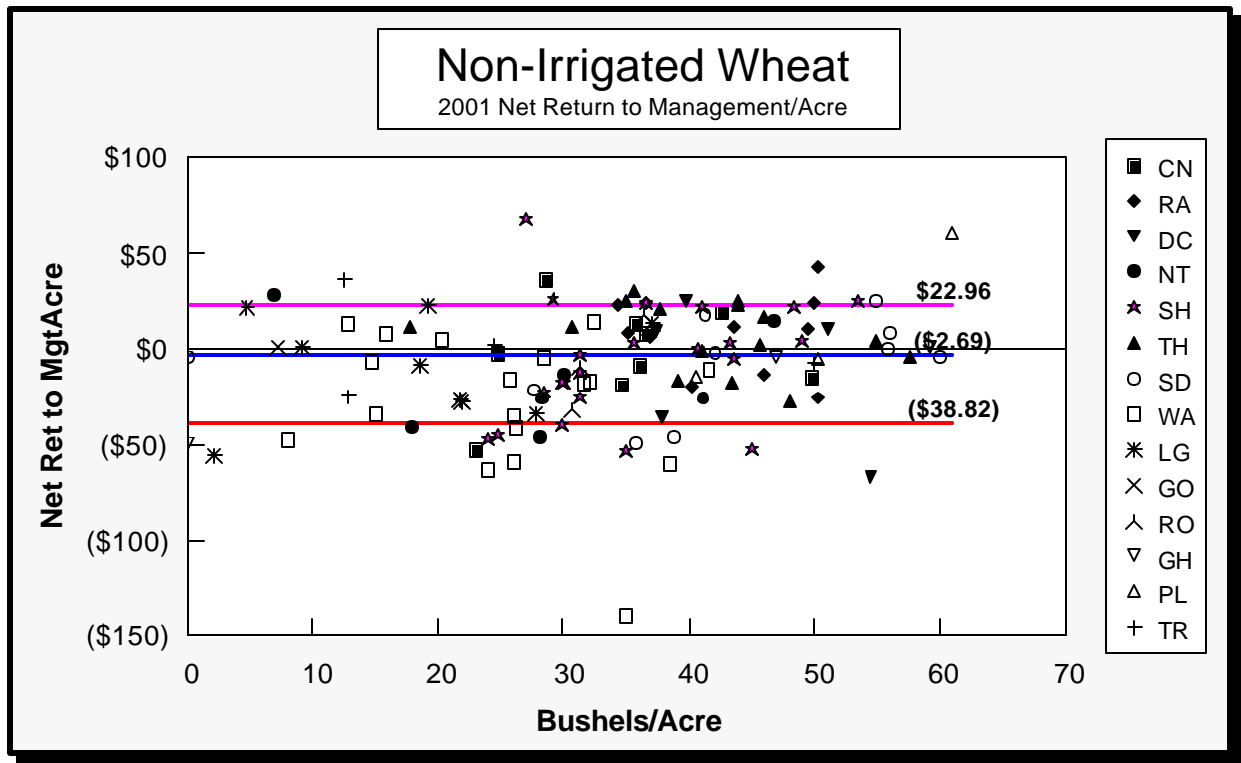


FIGURE 8

The table on the facing page is new for the Farm Management Assoc, NW Summary and Analysis. Computation of the averages in the tables with top, mid, and lower third of net return to management is different from the five-year average tables. A simple average of all farms is used instead of a weighted average, which favors larger farm observations. Each farm is weighed equally in the averages used in the top, mid, lower third tables.

The non-irrigated wheat enterprise data is sorted by net return to management into the top, middle, and lower third of the enterprise observations. The intent of sorting enterprise data by net return to management is to identify characteristics of enterprise variation. Net return to management of the top third wheat enterprises in 2001 was \$22.96, which was smaller than the 1997-2001 average top third net return of \$25.14. The lower third had a net loss of \$-38.82 per acre in 2001 compared with the 1997-2001 average of \$-21.79 per acre. The variation of net return to management observed in 2001 was \$61.78 from the top to lower third of farms. Gross income was \$12.82 per acre larger for the top third over the lower third in 2001, accounting for 20.7% of the variation. Variable cost for top third wheat enterprises in 2001 was \$59.48 per acre, which was \$25.52 lower than for the low third. The variable cost difference between the top and lower third net return farms accounts for 41% the range of net return to management. Fixed costs, which include depreciation, operator labor charges, real estate taxes and interest charge were \$23.83 per acre for the top third wheat enterprises. This was \$17.12 less per acre than fixed cost observed for the low third wheat enterprises.

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NON-IRRIGATED CORN**

	1996-2000 Average			2001		
Number of Farms		11			8	
Crop Acres		174			158	
Acres Owned		62			49	
Acres Rented		112			109	
Yield / Acre		71.5			54.9	
Bushels		8,120			6,380	
Operator Percentage		65.21%			73.52%	
Gross Income / Acre		\$138.03			\$127.01	
Variable Costs / Acre		\$108.95			\$104.10	
Total Expense / Acre		\$152.09			\$142.33	
Gross Income / Bushel		\$2.96			\$3.15	
Total Expense / Bushel		\$3.26			\$3.52	
	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Corn (Operator's Share)	\$17,739.99	\$2.18	\$101.84	\$13,108.12	\$2.05	\$82.96
Patronage Refunds	111.68	0.01	0.64	22.66	0.00	0.14
Government Payments	4,728.56	0.58	27.14	4,946.49	0.78	31.31
Miscellaneous Income	219.37	0.03	1.26	7.82	0.00	0.05
Crop Insurance Proceeds	1,245.20	0.15	7.15	1,982.90	0.31	12.55
OTHER INCOME	\$6,304.82	\$0.78	\$36.19	\$6,959.87	\$1.09	\$44.05
GROSS INCOME	\$24,044.81	\$2.96	\$138.03	\$20,067.99	\$3.15	\$127.01
EXPENSES:						
Labor Hired	\$1,326.83	\$0.16	\$7.62	\$197.07	\$0.03	\$1.25
General Machinery Repairs	2,108.05	0.26	12.10	1,934.08	0.30	12.24
Interest Paid	1,824.12	0.22	10.47	863.27	0.14	5.46
Seed / Other Crop Expense	3,121.15	0.38	17.92	3,154.61	0.49	19.97
Crop Insurance	734.06	0.09	4.21	535.08	0.08	3.39
Fertilizer / Lime	3,367.10	0.41	19.33	3,660.04	0.57	23.16
Machine Hire - Lease	857.75	0.11	4.92	575.49	0.09	3.64
Farm Org Fees / Travel / Publ	291.22	0.04	1.67	178.23	0.03	1.13
Gas / Fuel / Oil	1,072.42	0.13	6.16	1,268.38	0.20	8.03
Crop Storage & Marketing	71.86	0.01	0.41	-	-	-
Personal Property Tax	32.95	0.00	0.19	102.37	0.02	0.65
General Farm Insurance	372.68	0.05	2.14	233.48	0.04	1.48
Utilities	299.69	0.04	1.72	171.52	0.03	1.09
Cash Farm Rent	198.57	0.02	1.14	35.90	0.01	0.23
Herbicide / Insecticide	3,161.72	0.39	18.15	3,480.70	0.55	22.03
Conservation	-	-	-	9.83	0.00	0.06
Auto Expense	138.13	0.02	0.79	47.38	0.01	0.30
TOTAL VARIABLE COSTS	\$18,978.31	\$2.34	\$108.95	\$16,447.43	\$2.58	\$104.10
RETURN ABOVE VARIABLE COSTS	\$5,066.50	\$0.62	\$29.08	\$3,620.56	\$0.57	\$22.91
Depreciation	1,941.65	0.24	11.15	1,514.39	0.24	9.58
Real Estate Tax	259.37	0.03	1.49	195.07	0.03	1.23
Unpaid Operator Labor	2,430.37	0.30	13.95	2,514.38	0.39	15.91
Interest Charge *	235.25	0.03	1.35	608.18	0.10	3.85
TOTAL FIXED COSTS	\$4,866.65	\$0.60	\$27.94	4,832.02	\$0.76	\$30.58
Land Charge **	\$2,649.60	\$0.33	\$15.21	\$1,208.25	\$0.19	\$7.65
TOTAL EXPENSE	\$26,494.56	\$3.26	\$152.09	\$22,487.70	\$3.52	\$142.33
NET RETURN TO MANAGEMENT	(\$2,449.75)	(\$0.30)	(\$14.06)	(\$2,419.71)	(\$0.38)	(\$15.31)
NET RETURN TO LABOR-MGT	\$1,307.45	\$0.16	\$7.51	\$291.74	\$0.05	\$1.85

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

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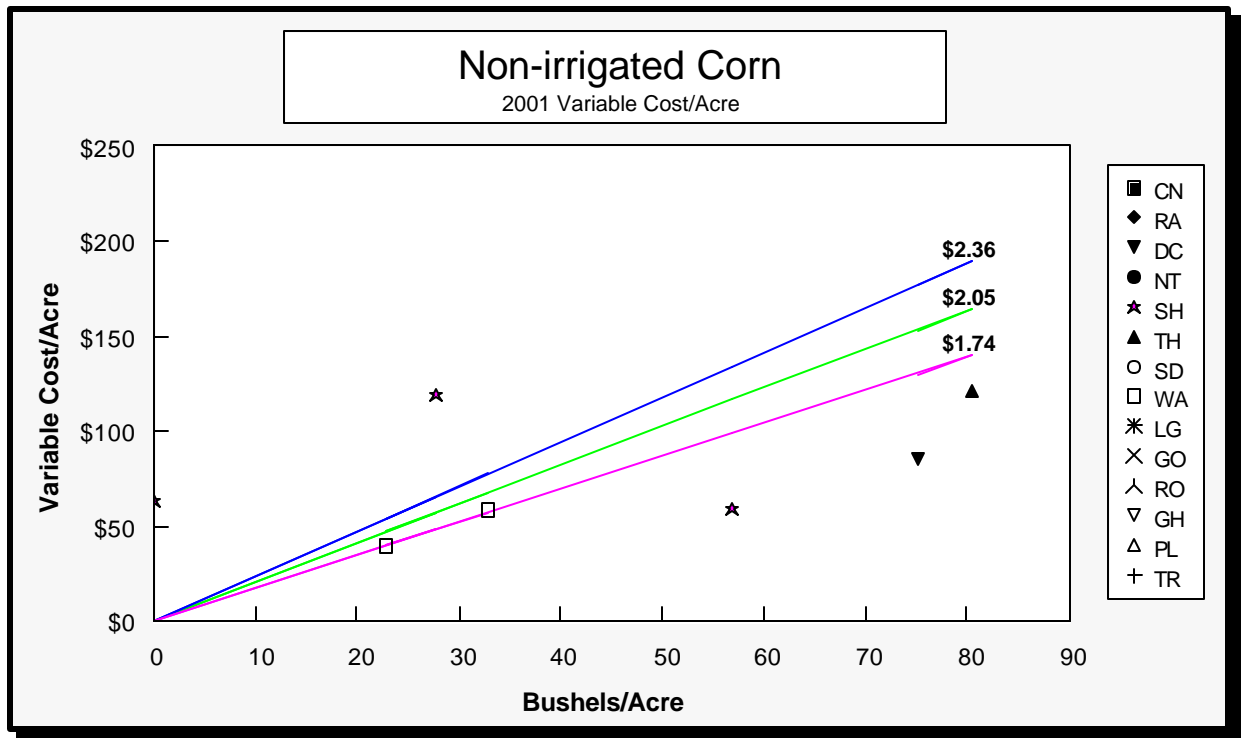


FIGURE 9

Non-irrigated corn, as opposed to No-till non-irrigated corn, is an enterprise where there is typically a minimum of tillage involved in the production process. Few farms in the Northwest Association attempted this enterprise given the limited moisture available. Some of these enterprises were non-irrigated corn planted on failed wheat acres discussed in the previous crop enterprise section. Net return to management of \$-15.31 was observed on these eight farms in 2001. This compares slightly worse when compared to the 1996-2000 average net return to management of \$-14.08. The average yield of 54.9 bushels per acre was down from the 1996-2000 average of 71.5 bushels.

Note the variation in yield among the Sherman County farms with non-irrigated corn in 2001. One had a yield of zero and the highest produced a yield of 57 bushel per acre. This is a clue as to the variation in weather experienced among farms in Northwest Kansas during 2001.

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
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NO-TILL NON-IRRIGATED CORN**

	1996-2000 Average	2001
Number of Farms	50	64
Crop Acres	266	348
Acres Owned	75	71
Acres Rented	192	277
Yield / Acre	84.1	60.1
Bushels	17,675	16,875
Operator Percentage	78.90%	80.63%
Gross Income / Acre	\$182.65	\$140.13
Variable Costs / Acre	\$140.23	\$123.74
Total Expense / Acre	\$180.96	\$156.49
Gross Income / Bushel	\$2.75	\$2.89
Total Expense / Bushel	\$2.73	\$3.23

	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Corn (Operator's Share)	\$35,735.09	\$2.02	\$134.14	\$34,144.03	\$2.02	\$98.12
Patronage Refunds	414.49	0.02	1.56	345.23	0.02	0.99
Government Payments	9,955.87	0.56	37.37	9,952.30	0.59	28.60
Miscellaneous Income	718.43	0.04	2.70	466.01	0.03	1.34
Crop Insurance Proceeds	1,834.70	0.10	6.89	3,856.90	0.23	11.08
OTHER INCOME	\$12,923.50	\$0.73	\$48.51	\$14,620.44	\$0.87	\$42.01
GROSS INCOME	\$48,658.59	\$2.75	\$182.65	\$48,764.47	\$2.89	\$140.13
EXPENSES:						
Labor Hired	\$1,031.24	\$0.06	\$3.87	\$1,191.16	\$0.07	\$3.42
General Machinery Repairs	3,450.14	0.20	12.95	4,053.38	0.24	11.65
Interest Paid	3,329.38	0.19	12.50	3,828.92	0.23	11.00
Seed / Other Crop Expense	4,827.08	0.27	18.12	6,938.81	0.41	19.94
Crop Insurance	1,421.13	0.08	5.33	1,890.03	0.11	5.43
Fertilizer / Lime	5,393.16	0.31	20.24	8,046.95	0.48	23.12
Machine Hire - Lease	3,493.74	0.20	13.11	2,092.14	0.12	6.01
Farm Org Fees / Travel / Publ	622.77	0.04	2.34	562.76	0.03	1.62
Gas / Fuel / Oil	1,437.62	0.08	5.40	1,861.24	0.11	5.35
Crop Storage & Marketing	219.10	0.01	0.82	110.98	0.01	0.32
Personal Property Tax	109.01	0.01	0.41	112.76	0.01	0.32
General Farm Insurance	598.89	0.03	2.25	706.19	0.04	2.03
Utilities	506.94	0.03	1.90	436.33	0.03	1.25
Cash Farm Rent	991.29	0.06	3.72	1,582.64	0.09	4.55
Herbicide / Insecticide	9,715.36	0.55	36.47	9,491.56	0.56	27.27
Conservation	14.22	0.00	0.05	23.56	0.00	0.07
Auto Expense	196.20	0.01	0.74	130.92	0.01	0.38
TOTAL VARIABLE COSTS	\$37,357.25	\$2.11	\$140.23	\$43,060.33	\$2.55	\$123.74
RETURN ABOVE VARIABLE COSTS	\$11,301.35	\$0.64	\$42.42	\$5,704.14	\$0.34	\$16.39
Depreciation	3,286.45	0.19	12.34	4,406.63	0.26	12.66
Real Estate Tax	527.01	0.03	1.98	571.35	0.03	1.64
Unpaid Operator Labor	2,384.23	0.13	8.95	2,727.27	0.16	7.84
Interest Charge *	254.57	0.01	0.96	164.82	0.01	0.47
TOTAL FIXED COSTS	\$6,452.26	\$0.37	\$24.22	7,870.07	\$0.47	\$22.62
Land Charge **	\$4,398.45	\$0.25	\$16.51	\$3,526.63	\$0.21	\$10.13
TOTAL EXPENSE	\$48,207.96	\$2.73	\$180.96	\$54,457.03	\$3.23	\$156.49
NET RETURN TO MANAGEMENT	\$450.64	\$0.03	\$1.69	(\$5,692.56)	(\$0.34)	(\$16.36)
NET RETURN TO LABOR-MGT	\$3,866.10	\$0.22	\$14.51	(\$1,774.13)	(\$0.11)	(\$5.10)

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

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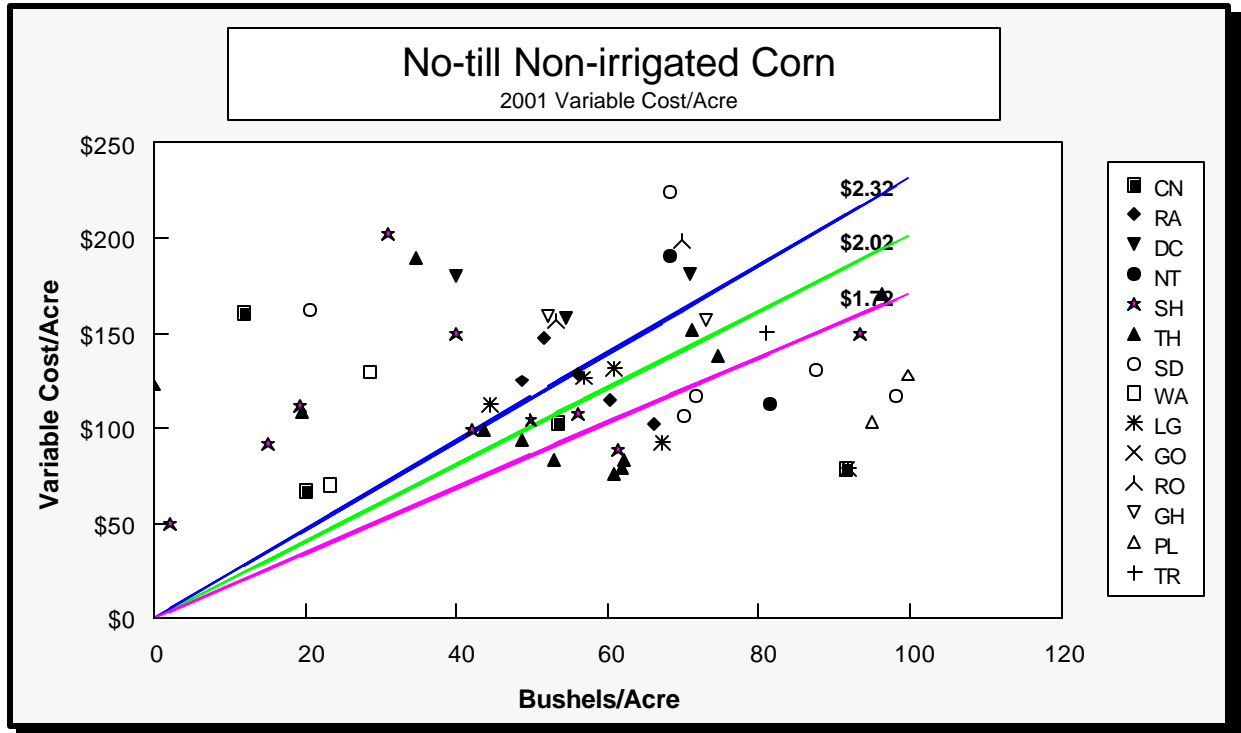


FIGURE 10

No-till non-irrigated corn has increased in popularity in Northwest Kansas over the past decade. The number of farms with a no-till corn enterprise increased to 64 observations in 2001. The average yield in 2001 was 60.1 bushels per acre. This yield was 24 bushels less than the 1996-2000 average yield of 84.1 bushels per acre. Note the market price received for 2001 and the 1996-2000 average, both are \$2.02 per bushel. This is a reflection of the lack of marketing opportunities during the six years discussed. The average net return to management of no-till corn was \$-16.36 per acre in 2001 compared to the 1996-2000 average net return of \$1.69. Producers have worked diligently in reducing their cost per acre on the average, when you compare the variable cost and total expenses of 2001 to that of the 1996-2000 average values.

The variability of yield for the 2001 no-till corn enterprise was from 0 to 125 bushels per acre. The farms in this enterprise would need to produce an average yield of 75 bushels per acre to cover a variable cost of \$123.74 per acre using the \$2.02 average price received.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2001
NO-TILL NON-IRRIGATED CORN

	1997-2001 Average				2001			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	16	15	14	45	22	21	21	64
Crop Acres	1655	2129	2583	2123	1445	2236	2374	2018
Percentage of total crop Acres	17%	18%	15%	16%	17%	17%	19%	17%
Crop Acres	278	387	378	347	239	370	441	348
Acres Owned	124	99	90	105	58	75	81	71
Acres Rented	154	288	288	242	181	295	361	277
Yield / Acre	79	72	84	78	54	44	77	58
Total Operator Bushels	18985	21565	25239	21830	11464	12167	27253	16875
INCOME:								
NT Corn (Op Share)	137.24	116.35	133.60	128.78	109.38	82.00	127.66	106.39
Patronage Refunds	1.74	1.87	0.99	1.55	1.09	0.87	0.68	0.88
Government Payments	44.50	37.95	39.18	40.55	35.20	26.81	33.27	31.82
Miscellaneous Income	1.66	1.34	1.49	1.49	0.26	1.07	0.81	0.71
Crop Insurance Proceeds	6.55	5.54	11.85	7.84	12.07	13.28	5.51	10.32
OTHER INCOME	\$55.05	\$47.53	\$54.54	\$52.25	\$49.50	\$42.18	\$40.91	\$44.28
GROSS INCOME	\$192.24	\$163.71	\$188.08	\$180.95	\$158.88	\$124.13	\$167.72	\$150.38
EXPENSES:								
Labor Hired	1.96	2.65	2.90	2.50	5.50	1.90	3.07	3.52
General Machinery Repairs	18.58	13.24	11.98	14.66	17.82	12.26	9.86	13.39
Irrigation Repairs	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Interest Paid	21.46	11.41	9.47	14.22	17.28	10.25	10.17	12.64
Seed / Other Crop Expense	19.83	19.17	19.18	19.40	21.66	18.96	20.98	20.55
Crop Insurance	8.85	4.75	4.43	6.04	9.21	3.72	4.15	5.75
Fertilizer / Lime	25.08	20.23	20.58	21.98	31.43	19.54	21.65	24.32
Machine Hire - Lease	14.42	11.08	9.92	11.85	11.95	5.66	6.31	8.04
Farm Org Fees / Travel / Publ	2.59	2.01	1.99	2.20	2.04	2.01	1.68	1.91
Gas / Fuel / Oil	5.42	5.37	5.29	5.36	6.14	6.15	5.65	5.98
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.78	0.13	0.59	0.49	0.76	0.11	0.24	0.38
Personal Property Tax	0.25	0.22	0.46	0.30	0.27	0.48	0.30	0.35
General Farm Insurance	2.75	2.19	2.69	2.54	3.35	2.19	2.42	2.66
Utilities	3.22	1.98	1.68	2.31	2.52	1.58	1.48	1.87
Cash Farm Rent	3.41	2.25	1.70	2.47	8.75	4.57	1.40	4.97
Herbicide / Insecticide	41.43	32.46	31.06	35.07	37.81	23.14	23.47	28.29
Conservation	0.09	0.10	0.17	0.12	0.08	0.06	0.05	0.06
Auto Expense	0.91	0.94	0.58	0.82	0.66	0.52	0.57	0.58
TOTAL VARIABLE COSTS	\$171.04	\$130.20	\$124.79	\$142.37	\$177.23	\$113.11	\$114.64	\$135.65
RETURN ABOVE VARIABLE COSTS	\$21.21	\$33.51	\$63.29	\$38.58	(\$18.34)	\$11.02	\$53.08	\$14.73
Depreciation	19.96	12.71	12.55	15.12	19.62	11.64	10.85	14.12
Real Estate Tax	3.34	1.88	2.13	2.45	3.01	1.72	1.96	2.24
Unpaid Operator Labor	11.43	9.96	8.09	9.88	12.01	7.90	7.18	9.08
Interest Charge *	3.92	3.84	3.74	3.84	5.88	3.65	3.20	4.27
TOTAL FIXED COSTS	\$38.65	\$28.39	\$26.51	\$31.29	\$40.51	\$24.92	\$23.18	\$29.71
Land Charge **	29.02	16.50	20.27	21.92	21.98	13.88	13.96	16.69
TOTAL EXPENSE	\$238.71	\$175.10	\$171.57	\$195.57	\$239.72	\$151.91	\$151.78	\$182.05
NET RETURN TO MANAGEMENT	(\$46.47)	(\$11.39)	\$16.51	(\$14.62)	(\$80.84)	(\$27.78)	\$15.94	(\$31.67)
NET RETURN TO LABOR-MGT	(\$33.07)	\$1.23	\$27.51	(\$2.25)	(\$63.33)	(\$17.98)	\$26.19	(\$19.08)

*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% (25% for Irrigated).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.

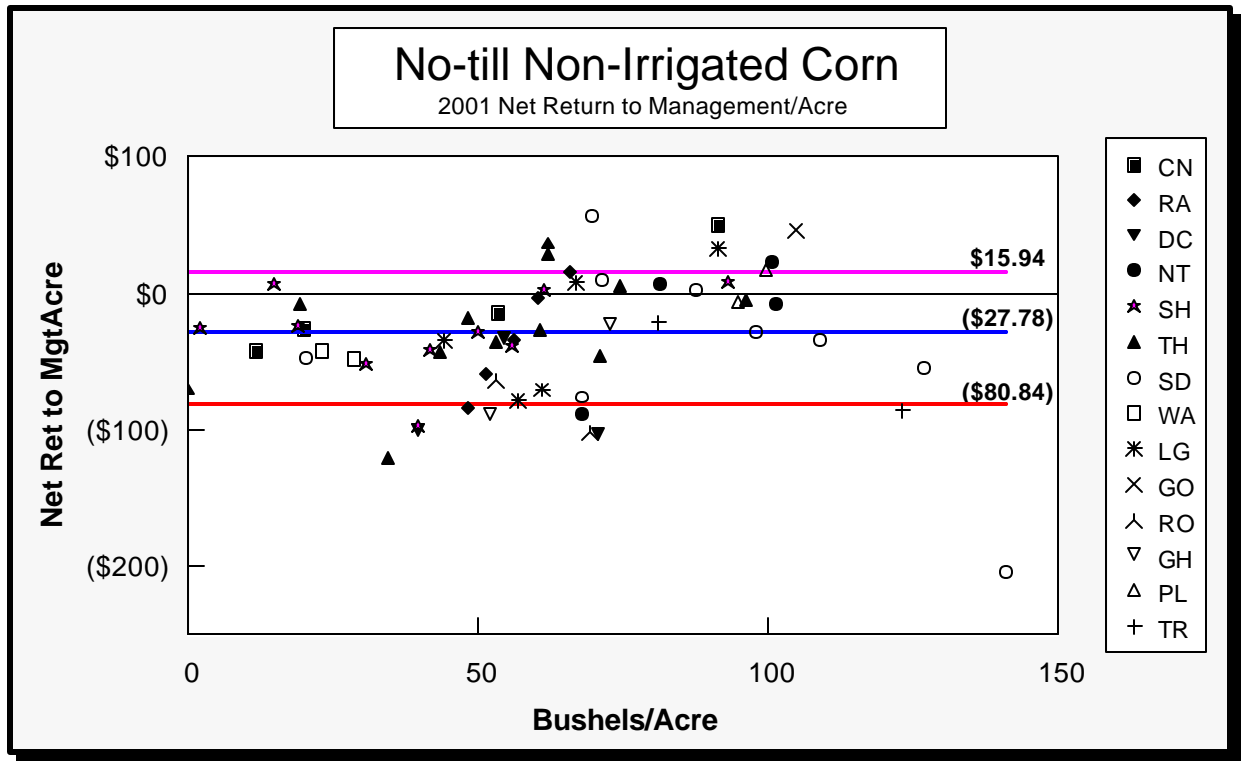


FIGURE 11

Evaluating no-till non-irrigated corn by the net return to management ranked by thirds shows some interesting features. The range in net return to management in 2001 was \$95.78 per acre from top to lower third. This was wider than the 1997-2001 average range from top to lower third of \$62.98 per acre. Gross income variation from top to lower third contributed only \$8.84 to the \$95.78 total difference or 9.13%. Variable cost difference from top to lower third was \$62.59 or 64.6% of the difference in net return to management. Fixed cost and Land Charges make up the rest of the difference of \$25.35 per acre or 26% of the total difference in net return to management. Comparison of this summarized data with individual enterprise analysis reports should help identify where the strengths and weaknesses exist in this enterprise on your farm.

The fact that high yields do not guarantee larger net returns to management is clearly demonstrated in Figure 11. The farms with yields below 50 bushels per acre had better net return to management values than those enterprises in the 50 to 75 bushel range. In fact those farms with the highest yields had some of the lowest net returns to management.

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
NON-IRRIGATED MILO**

	1996-2000 Average			2001		
Number of Farms	40			31		
Crop Acres	173			291		
Acres Owned	53			83		
Acres Rented	120			207		
Yield / Acre	67.9			56.6		
Bushels	9,295			13,001		
Operator Percentage	79.11%			79.00%		
Gross Income / Acre	\$129.92			\$109.92		
Variable Costs / Acre	\$84.85			\$76.31		
Total Expense / Acre	\$125.10			\$111.57		
Gross Income / Bushel	\$2.42			\$2.46		
Total Expense / Bushel	\$2.33			\$2.50		
	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$16,471.58	\$1.77	\$95.21	\$23,400.41	\$1.80	\$80.41
Patronage Refunds	167.39	0.02	0.97	148.12	0.01	0.51
Government Payments	5,006.92	0.54	28.94	6,317.17	0.49	21.71
Miscellaneous Income	161.14	0.02	0.93	208.77	0.02	0.72
Crop Insurance Proceeds	669.17	0.07	3.87	1,910.92	0.15	6.57
OTHER INCOME	\$6,004.62	\$0.65	\$34.71	\$8,584.98	\$0.66	\$29.50
GROSS INCOME	\$22,476.20	\$2.42	\$129.92	\$31,985.39	\$2.46	\$109.92
EXPENSES:						
Labor Hired	\$597.03	\$0.06	\$3.45	\$1,091.03	\$0.08	\$3.75
General Machinery Repairs	1,667.76	0.18	9.64	2,631.39	0.20	9.04
Interest Paid	1,922.66	0.21	11.11	2,146.08	0.17	7.37
Seed / Other Crop Expense	908.90	0.10	5.25	1,725.94	0.13	5.93
Crop Insurance	518.00	0.06	2.99	883.98	0.07	3.04
Fertilizer / Lime	2,270.03	0.24	13.12	2,966.99	0.23	10.20
Machine Hire - Lease	1,787.10	0.19	10.33	2,425.26	0.19	8.33
Farm Org Fees / Travel / Publ	282.63	0.03	1.63	510.15	0.04	1.75
Gas / Fuel / Oil	1,161.75	0.12	6.72	2,271.35	0.17	7.81
Crop Storage & Marketing	105.17	0.01	0.61	76.96	0.01	0.26
Personal Property Tax	67.90	0.01	0.39	64.15	0.00	0.22
General Farm Insurance	307.19	0.03	1.78	419.56	0.03	1.44
Utilities	260.41	0.03	1.51	262.10	0.02	0.90
Cash Farm Rent	386.43	0.04	2.23	277.83	0.02	0.95
Herbicide / Insecticide	2,285.37	0.25	13.21	4,336.29	0.33	14.90
Conservation	10.45	0.00	0.06	6.28	0.00	0.02
Auto Expense	139.57	0.02	0.81	111.78	0.01	0.38
TOTAL VARIABLE COSTS	\$14,678.34	\$1.58	\$84.85	\$22,207.12	\$1.71	\$76.31
RETURN ABOVE VARIABLE COSTS	\$7,797.87	\$0.84	\$45.07	\$9,778.27	\$0.75	\$33.60
Depreciation	1,605.40	0.17	9.28	2,929.22	0.23	10.07
Real Estate Tax	343.63	0.04	1.99	400.18	0.03	1.38
Unpaid Operator Labor	2,896.24	0.31	16.74	3,948.39	0.30	13.57
Interest Charge *	59.22	0.01	0.34	123.70	0.01	0.43
TOTAL FIXED COSTS	\$4,904.48	\$0.53	\$28.35	\$7,401.49	\$0.57	\$25.43
Land Charge **	\$2,059.36	\$0.22	\$11.90	\$2,857.70	\$0.22	\$9.82
TOTAL EXPENSE	\$21,642.17	\$2.33	\$125.10	\$32,466.31	\$2.50	\$111.57
NET RETURN TO MANAGEMENT	\$834.03	\$0.09	\$4.82	(\$480.92)	(\$0.04)	(\$1.65)
NET RETURN TO LABOR-MGT	\$4,327.30	\$0.47	\$25.01	\$4,558.50	\$0.35	\$15.66

*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 rente

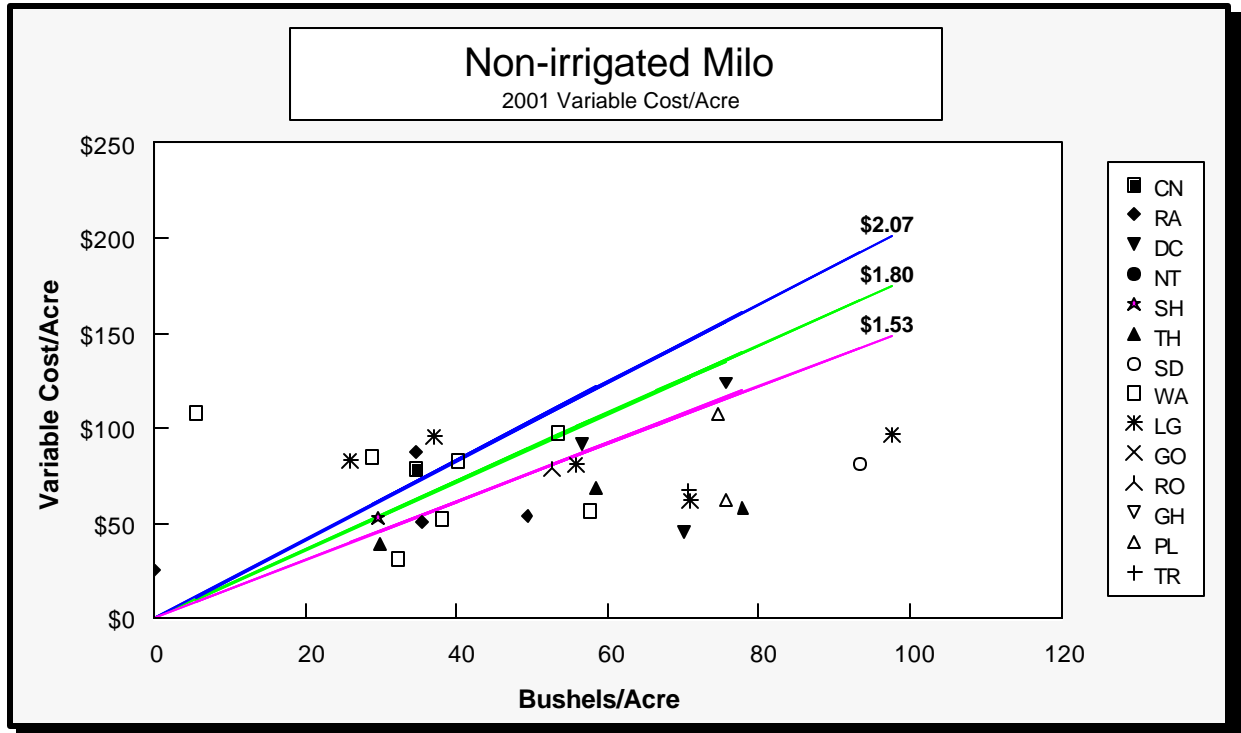


FIGURE 12

Non-irrigated milo is an enterprise where cost control is typically the top priority of the operator. Several of these enterprises are replanted failed wheat acres. A limited amount of tillage is involved with this enterprise. The average yield of 56.6 bushels per acre in 2001 was disappointing when compared with the 1996-2000 average of 67.9 bushels. Net return to management was \$-1.65 per acre for 2001 while the 1996-2000 average net return was \$4.82 per acre.

Those enterprises in Figure 12 with yields above the average of 56.6 bushels per acre did a good job of covering the variable cost with a price of \$1.80 per bushel. The farms with less than 40 bushel yields struggled to cover variable cost on crop revenue.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2001
NON-IRRIGATED MILO

	1997-2001 Average				2001			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	8	7	7	22	11	10	10	31
Crop Acres	1174	1600	1715	1496	2008	1827	1739	1858
Percentage of total crop Acres	8%	12%	17%	13%	12%	13%	22%	16%
Crop Acres	96	199	293	196	251	240	386	291
Acres Owned	25	56	98	60	93	74	83	84
Acres Rented	70	144	194	136	158	166	303	207
Yield / Acre	64	61	72	66	41	57	67	55
Total Operator Bushels	4789	9974	17131	10623	7953	10748	20806	13001
INCOME:								
Dry Land Milo (Op Share)	86.33	84.96	93.08	88.08	53.26	79.06	85.21	71.89
Patronage Refunds	2.07	1.13	0.89	1.36	0.14	0.61	0.51	0.41
Government Payments	38.49	32.89	39.43	36.88	17.58	23.39	25.40	21.97
Miscellaneous Income	4.97	0.30	0.64	1.95	0.59	0.64	0.73	0.65
Crop Insurance Proceeds	3.12	0.55	5.26	2.95	10.58	1.23	6.30	6.18
OTHER INCOME	\$49.39	\$35.07	\$46.31	\$43.48	\$28.92	\$25.86	\$33.05	\$29.27
GROSS INCOME	\$135.72	\$120.03	\$139.38	\$131.56	\$82.18	\$104.92	\$118.26	\$101.15
EXPENSES:								
Labor Hired	2.75	2.58	1.44	2.26	7.18	1.76	0.71	3.34
General Machinery Repairs	14.91	9.60	7.68	10.72	11.74	9.73	7.72	9.80
Irrigation Repairs	0.00	0.39	0.00	0.13	0.00	0.00	0.00	0.00
Interest Paid	10.56	12.17	9.34	10.71	4.39	8.40	7.19	6.59
Seed / Other Crop Expense	6.92	5.98	5.64	6.18	6.15	7.64	4.27	6.02
Crop Insurance	2.68	2.70	2.16	2.51	3.92	3.28	2.13	3.14
Fertilizer / Lime	24.08	9.48	13.03	15.45	10.28	10.05	6.59	9.02
Machine Hire - Lease	12.10	6.13	4.03	7.40	11.65	9.93	4.55	8.81
Farm Org Fees / Travel / Publ	1.96	1.38	1.20	1.51	1.41	0.92	2.11	1.48
Gas / Fuel / Oil	9.74	9.02	5.76	8.18	8.75	7.94	8.08	8.27
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.95	0.52	0.35	0.61	0.38	0.08	0.47	0.31
Personal Property Tax	0.57	0.31	0.40	0.43	0.15	0.10	0.25	0.17
General Farm Insurance	1.89	1.71	1.80	1.80	1.89	1.06	1.49	1.49
Utilities	2.83	0.99	1.26	1.68	0.82	0.82	1.14	0.92
Cash Farm Rent	1.04	4.46	0.23	1.94	1.62	0.49	0.56	0.91
Herbicide / Insecticide	16.20	13.39	13.48	14.34	21.00	12.92	8.32	14.31
Conservation	0.21	0.00	0.04	0.08	0.00	0.00	0.04	0.02
Auto Expense	2.37	0.79	0.63	1.26	0.34	0.60	0.47	0.46
TOTAL VARIABLE COSTS	\$111.77	\$82.02	\$68.48	\$87.36	\$91.68	\$75.72	\$56.09	\$75.05
RETURN ABOVE VARIABLE COSTS	\$23.95	\$38.01	\$70.91	\$44.21	(\$9.50)	\$29.20	\$62.17	\$26.10
Depreciation	9.31	8.03	11.77	9.68	12.90	6.75	10.00	9.98
Real Estate Tax	4.59	2.16	1.95	2.89	1.50	1.53	1.35	1.46
Unpaid Operator Labor	34.43	16.86	15.89	22.32	17.97	15.07	13.97	15.74
Interest Charge *	4.15	1.06	3.24	2.80	5.08	0.95	2.02	2.76
TOTAL FIXED COSTS	\$52.49	\$28.10	\$32.85	\$37.69	\$37.45	\$24.30	\$27.35	\$29.95
Land Charge **	11.76	13.27	12.52	12.53	4.70	9.46	9.02	7.63
TOTAL EXPENSE	\$176.02	\$123.40	\$113.85	\$137.57	\$133.83	\$109.48	\$92.46	\$112.63
NET RETURN TO MANAGEMENT	(\$40.29)	(\$3.37)	\$25.54	(\$6.01)	(\$51.65)	(\$4.56)	\$25.80	(\$11.48)
NET RETURN TO LABOR-MGT	(\$3.12)	\$16.08	\$42.87	\$18.58	(\$26.51)	\$12.27	\$40.48	\$7.61

*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% (25% for irrigated).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.

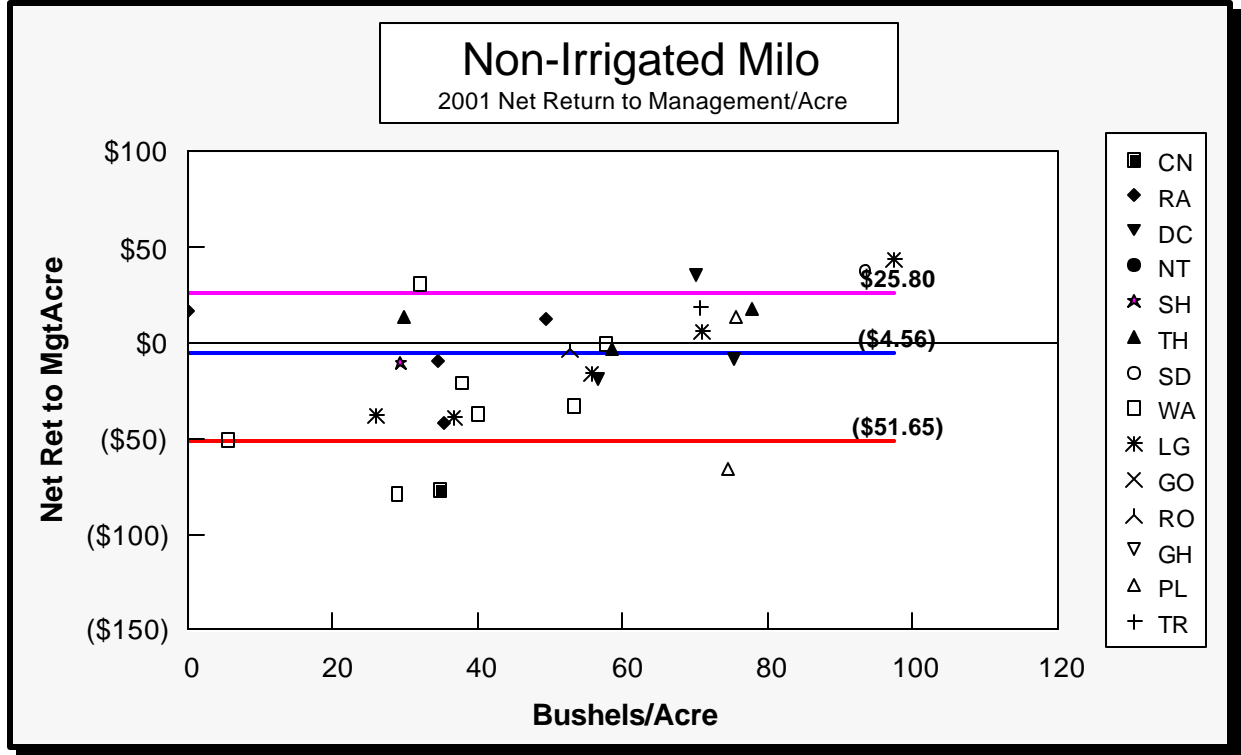


FIGURE 13

Net return to management variation among non-irrigated milo enterprise shown in the table on the facing page ranged from top to lower third categories \$77.45 in 2001 and \$65.83 in the 1997-2001 average. Revenue variation in 2001 accounted for 46% of the range of net return to management from top to lower third farms. Total expense variation in 2001 accounted for 54% of the range from top to lower third of net return to management on milo enterprises in 2001. Note the difference between the top and lower third categories for the 1997-2001 contribution of gross income and total expense to the variation in net return to management.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
NO-TILL NON-IRRIGATED MILO

	1996-2000 Average			2001		
Number of Farms	30			29		
Crop Acres	279			308		
Acres Owned	72			88		
Acres Rented	207			220		
Yield / Acre	82.1			72.0		
Bushels	17,735			17,880		
Operator Percentage	77.30%			80.62%		
Gross Income / Acre	\$142.63			\$134.95		
Variable Costs / Acre	\$100.78			\$97.55		
Total Expense / Acre	\$137.35			\$130.54		
Gross Income / Bushel	\$2.25			\$2.32		
Total Expense / Bushel	\$2.16			\$2.25		
	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$30,328.70	\$1.71	\$108.55	\$32,535.95	\$1.82	\$105.64
Patronage Refunds	297.71	0.02	1.07	223.90	0.01	0.73
Government Payments	8,194.10	0.46	29.33	6,604.88	0.37	21.44
Miscellaneous Income	627.22	0.04	2.24	587.00	0.03	1.91
Crop Insurance Proceeds	403.21	0.02	1.44	1,611.57	0.09	5.23
OTHER INCOME	\$9,522.25	\$0.54	\$34.08	\$9,027.35	\$0.50	\$29.31
GROSS INCOME	\$39,850.95	\$2.25	\$142.63	\$41,563.30	\$2.32	\$134.95
EXPENSES:						
Labor Hired	\$869.40	\$0.05	\$3.11	\$709.94	\$0.04	\$2.31
General Machinery Repairs	2,823.70	0.16	10.11	2,886.22	0.16	9.37
Interest Paid	2,324.38	0.13	8.32	2,595.47	0.15	8.43
Seed / Other Crop Expense	1,445.25	0.08	5.17	1,635.18	0.09	5.31
Crop Insurance	989.23	0.06	3.54	769.43	0.04	2.50
Fertilizer / Lime	4,181.19	0.24	14.96	6,148.59	0.34	19.96
Machine Hire - Lease	2,589.40	0.15	9.27	1,713.07	0.10	5.56
Farm Org Fees / Travel / Publ	526.39	0.03	1.88	559.48	0.03	1.82
Gas / Fuel / Oil	1,315.13	0.07	4.71	1,726.12	0.10	5.60
Crop Storage & Marketing	172.77	0.01	0.62	47.46	0.00	0.15
Personal Property Tax	111.66	0.01	0.40	84.99	0.00	0.28
General Farm Insurance	495.31	0.03	1.77	573.05	0.03	1.86
Utilities	454.80	0.03	1.63	458.84	0.03	1.49
Cash Farm Rent	769.66	0.04	2.75	1,435.67	0.08	4.66
Herbicide / Insecticide	8,822.51	0.50	31.58	8,482.79	0.47	27.54
Conservation	35.90	0.00	0.13	11.38	0.00	0.04
Auto Expense	230.77	0.01	0.83	208.78	0.01	0.68
TOTAL VARIABLE COSTS	\$28,157.45	\$1.59	\$100.78	\$30,046.46	\$1.68	\$97.55
RETURN ABOVE VARIABLE COSTS	\$11,693.50	\$0.66	\$41.85	\$11,516.84	\$0.64	\$37.39
Depreciation	2,995.05	0.17	10.72	3,100.27	0.17	10.07
Real Estate Tax	535.80	0.03	1.92	511.19	0.03	1.66
Unpaid Operator Labor	2,646.87	0.15	9.47	2,648.77	0.15	8.60
Interest Charge *	587.23	0.03	2.10	199.40	0.01	0.65
TOTAL FIXED COSTS	\$6,764.95	\$0.38	\$24.21	6,459.63	\$0.36	\$20.97
Land Charge **	\$3,454.14	\$0.19	\$12.36	\$3,700.07	\$0.21	\$12.01
TOTAL EXPENSE	\$38,376.53	\$2.16	\$137.35	\$40,206.16	\$2.25	\$130.54
NET RETURN TO MANAGEMENT	\$1,474.41	\$0.08	\$5.28	\$1,357.14	\$0.08	\$4.41
NET RETURN TO LABOR-MGT	\$4,990.68	\$0.28	\$17.86	\$4,715.85	\$0.26	\$15.31

*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 rente

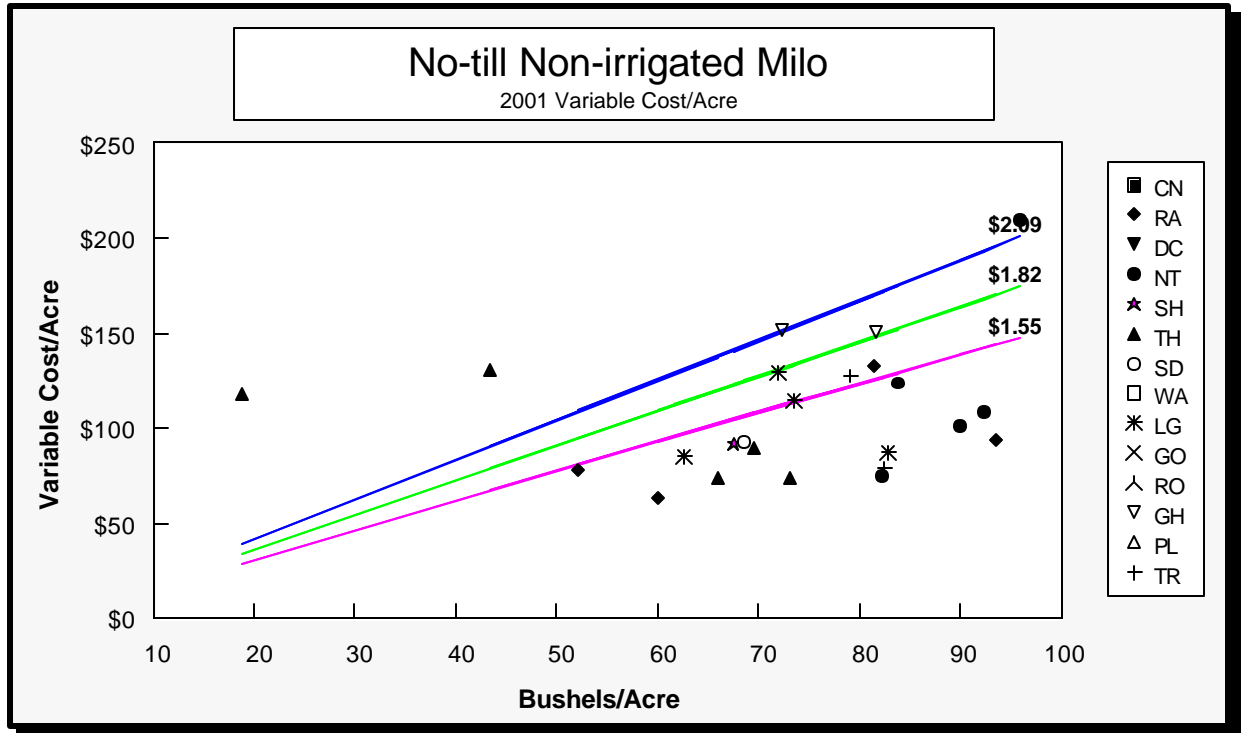


FIGURE 14

No-till non-irrigated milo enterprises yielded 72 bushels per acre in 2001, which was 15.4 bushels more than the minimum tillage milo enterprise reviewed previously. The 2001 yield for no-till milo was still below the 82.1 bushels average for the 1996-2000 period. Net return to management was \$4.41 per acre in 2001 compared to \$5.28 per acre for the 1996-2000 period on the average. Producers have done a good job of holding variable cost consistent for no-till milo over the past five years. The average variable cost in 2001 was \$97.55 per acre compared with \$100.78 per acre for the 1996-2000 average.

Note in Figure 14 the counties included in the no-till milo enterprise summary. Prevalent are counties of Norton, Graham, Rawlins, Thomas, and Logan. Sherman, Wallace, and Cheyenne counties have not been strong milo counties. Most of the producers in the no-till milo enterprise summary can cover their variable cost once the yields exceed 60 bushels.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2001
NO-TILL NON-IRRIGATED Milo

	1997-2001 Average				2001			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	7	7	6	20	10	10	9	29
Crop Acres	1651	2503	2626	2260	1508	2358	2385	2084
Percentage of total crop Acres	16%	17%	14%	16%	15%	16%	13%	15%
Crop Acres	262	421	364	353	231	386	309	309
Acres Owned	65	77	105	81	111	109	42	89
Acres Rented	198	343	260	271	120	277	266	220
Yield / Acre	79	86	89	85	70	66	81	72
Total Operator Bushels	16721	27609	25336	23402	14500	20094	19175	17880
INCOME:								
NT Milo (Op Share)	101.40	105.85	128.95	111.28	116.66	100.83	120.92	112.53
Patronage Refunds	1.15	1.16	1.87	1.37	1.40	0.53	0.99	0.97
Government Payments	32.38	30.27	36.28	32.74	19.14	21.91	26.06	22.24
Miscellaneous Income	1.12	1.11	1.29	1.17	0.17	0.64	1.29	0.68
Crop Insurance Proceeds	0.14	2.63	0.72	1.26	0.74	7.15	5.24	4.35
OTHER INCOME	\$36.98	\$36.48	\$42.37	\$38.39	\$24.36	\$30.59	\$34.39	\$29.62
GROSS INCOME	\$138.32	\$141.41	\$171.50	\$149.35	\$141.03	\$131.42	\$155.31	\$142.15
EXPENSES:								
Labor Hired	1.25	6.10	1.50	3.16	2.33	3.52	0.64	2.21
General Machinery Repairs	11.66	8.38	12.71	10.73	13.70	12.53	9.10	11.87
Irrigation Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Paid	7.09	6.79	8.99	7.54	13.43	8.63	7.28	9.87
Seed / Other Crop Expense	5.27	5.65	5.01	5.33	4.64	5.32	6.07	5.32
Crop Insurance	3.65	1.99	6.79	3.95	3.74	4.80	2.48	3.72
Fertilizer / Lime	18.67	16.72	19.53	18.19	24.82	17.06	15.41	19.22
Machine Hire - Lease	5.13	10.97	6.11	7.63	5.63	5.19	3.93	4.95
Farm Org Fees / Travel / Publ	1.46	1.79	1.92	1.72	2.60	1.66	1.50	1.94
Gas / Fuel / Oil	5.55	3.71	5.73	4.91	7.16	5.57	4.54	5.80
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	1.16	1.00	0.25	0.83	0.00	0.15	0.19	0.11
Personal Property Tax	0.16	0.20	0.27	0.21	0.43	0.20	0.42	0.35
General Farm Insurance	2.13	1.62	2.06	1.92	3.00	2.27	1.73	2.35
Utilities	1.85	0.83	1.96	1.50	2.99	1.44	1.40	1.96
Cash Farm Rent	5.13	1.36	1.56	2.64	8.58	1.10	4.43	4.71
Herbicide / Insecticide	38.96	31.15	30.67	33.54	36.91	30.16	25.52	31.04
Conservation	0.25	0.01	0.23	0.15	0.00	0.02	0.10	0.04
Auto Expense	1.01	0.66	0.86	0.83	1.18	0.54	0.78	0.84
TOTAL VARIABLE COSTS	\$110.38	\$98.95	\$106.14	\$104.79	\$131.14	\$100.15	\$85.53	\$106.30
RETURN ABOVE VARIABLE COSTS	\$27.94	\$42.45	\$65.36	\$44.56	\$9.89	\$31.27	\$69.78	\$35.85
Depreciation	14.93	11.23	8.99	11.77	16.63	10.80	6.55	11.49
Real Estate Tax	1.98	1.43	1.87	1.74	3.08	1.97	1.45	2.19
Unpaid Operator Labor	11.91	7.85	8.91	9.48	13.07	9.97	7.71	10.33
Interest Charge *	4.45	3.78	2.84	3.72	3.00	2.39	1.80	2.42
TOTAL FIXED COSTS	\$33.27	\$24.30	\$22.61	\$26.71	\$35.78	\$25.13	\$17.51	\$26.44
Land Charge **	7.30	10.35	11.82	9.80	16.45	9.65	2.19	9.68
TOTAL EXPENSE	\$150.95	\$133.60	\$140.57	\$141.30	\$183.38	\$134.93	\$105.22	\$142.42
NET RETURN TO MANAGEMENT	(\$12.63)	\$7.80	\$30.92	\$8.05	(\$42.35)	(\$3.52)	\$50.09	(\$0.27)
NET RETURN TO LABOR-MGT	\$0.53	\$21.76	\$41.33	\$20.69	(\$26.96)	\$9.97	\$58.43	\$12.28

*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% (25% for Irrigated).Crop production paid to the landlord on rented land (already removed above), or cash rent is th

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.

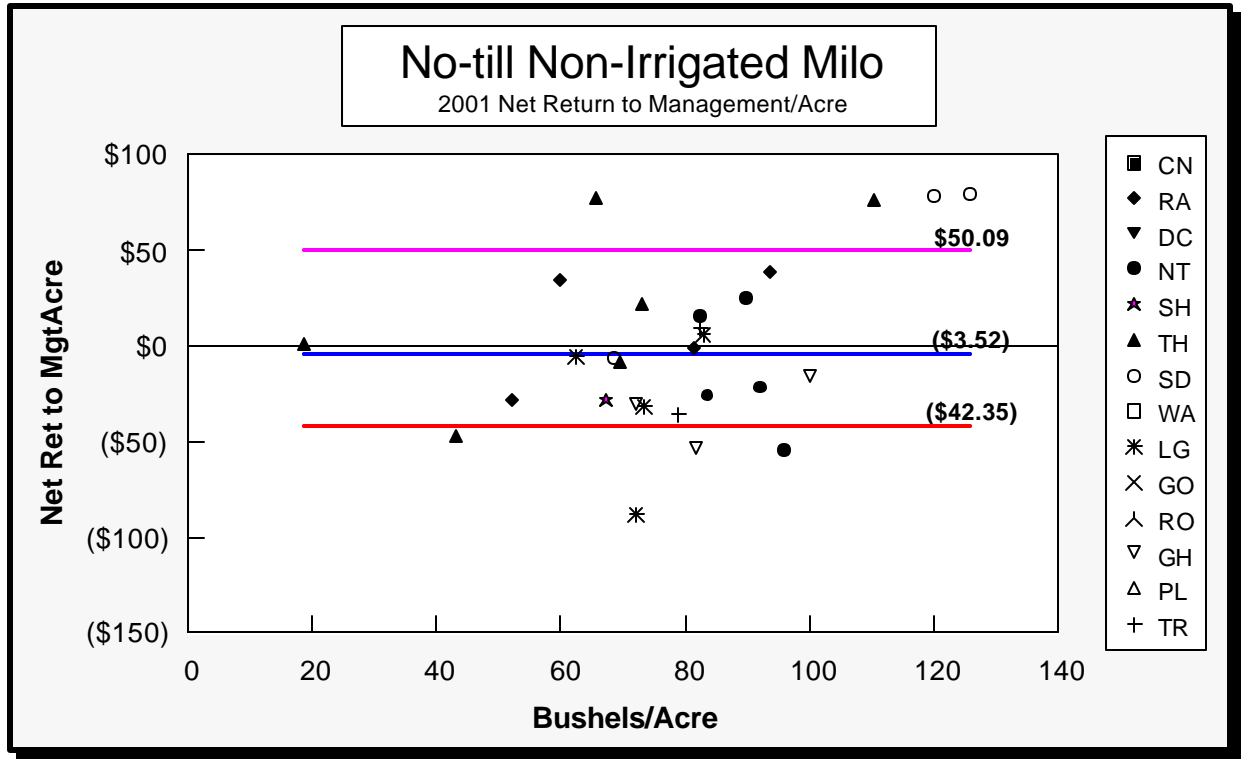


FIGURE 15

Net return to management for no-till milo ranged \$92.44 from top to lower third on the average in 2001. This is much more excessive than the 1997-2001, five-year average range of \$43.55 from top to lower thirds. Total expense difference between the top and lower third was \$78.16 in 2001 while only \$10.38 in the 1997-2001 five-year average.

Review of Figure 15 indicates that the lowest net return to management was a farm with an average yield of 72 bushels per acre. Yet, one of the best net return to management values for a no-till milo enterprises was Thomas county and had a yield of only 65 bushels per acre. The Thomas county farmer with a 20 bushel yield earned a net return to management of \$0. Cost variation far outweighed the revenue differences due to yield in 2001.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
NON-IRRIGATED SUNFLOWER

	1996-2000 Average	2001
Number of Farms	29	29
Crop Acres	214	215
Acres Owned	43	55
Acres Rented	171	159
Yield / Acre	14.6	10.4
Cwt	2,456	1,773
Operator Percentage	78.71%	78.99%
Gross Income / Acre	\$139.87	\$108.58
Variable Costs / Acre	\$96.61	\$94.41
Total Expense / Acre	\$133.97	\$128.40
Gross Income / Cwt	\$12.20	\$13.17
Total Expense / Cwt	\$11.68	\$15.57

	Total Dollars	\$ / Cwt	\$ / Acre	Total Dollars	\$ / Cwt	\$ / Acre
INCOME:						
Sunflowers (Operator's Share)	\$22,461.36	\$9.15	\$104.86	\$14,004.73	\$7.90	\$65.14
Patronage Refunds	254.02	0.10	1.19	197.48	0.11	0.92
Government Payments	6,133.77	2.50	28.64	7,243.91	4.09	33.69
Miscellaneous Income	319.76	0.13	1.49	182.84	0.10	0.85
Crop Insurance Proceeds	791.96	0.32	3.70	1,715.14	0.97	7.98
OTHER INCOME	\$7,499.50	\$3.05	\$35.01	\$9,339.37	\$5.27	\$43.44
GROSS INCOME	\$29,960.86	\$12.20	\$139.87	\$23,344.10	\$13.17	\$108.58

EXPENSES:						
Labor Hired	\$1,267.88	\$0.52	\$5.92	\$1,512.41	\$0.85	\$7.03
General Machinery Repairs	2,325.73	0.95	10.86	2,025.88	1.14	9.42
Interest Paid	1,956.27	0.80	9.13	1,705.86	0.96	7.93
Seed / Other Crop Expense	2,805.77	1.14	13.10	2,539.23	1.43	11.81
Crop Insurance	761.33	0.31	3.55	524.40	0.30	2.44
Fertilizer / Lime	2,516.61	1.02	11.75	3,027.46	1.71	14.08
Machine Hire - Lease	2,414.73	0.98	11.27	1,837.70	1.04	8.55
Farm Org Fees / Travel / Publ	299.81	0.12	1.40	262.79	0.15	1.22
Gas / Fuel / Oil	1,309.10	0.53	6.11	1,282.19	0.72	5.96
Crop Storage & Marketing	175.02	0.07	0.82	93.16	0.05	0.43
Personal Property Tax	55.27	0.02	0.26	111.12	0.06	0.52
General Farm Insurance	412.57	0.17	1.93	388.74	0.22	1.81
Utilities	340.59	0.14	1.59	229.14	0.13	1.07
Cash Farm Rent	827.47	0.34	3.86	524.82	0.30	2.44
Herbicide / Insecticide	2,993.58	1.22	13.98	4,121.63	2.32	19.17
Conservation	16.24	0.01	0.08	0.78	0.00	0.00
Auto Expense	216.77	0.09	1.01	110.40	0.06	0.51
TOTAL VARIABLE COSTS	\$20,694.73	\$8.43	\$96.61	\$20,297.71	\$11.45	\$94.41

RETURN ABOVE VARIABLE COSTS	\$9,266.13	\$3.77	\$43.26	\$3,046.39	\$1.72	\$14.17
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Depreciation	2,299.33	0.94	10.73	2,308.91	1.30	10.74
Real Estate Tax	269.40	0.11	1.26	254.05	0.14	1.18
Unpaid Operator Labor	3,167.30	1.29	14.79	2,765.20	1.56	12.86
Interest Charge *	327.46	0.13	1.53	250.85	0.14	1.17
TOTAL FIXED COSTS	\$6,063.48	\$2.47	\$28.31	5,579.01	\$3.15	\$25.95

Land Charge **	\$1,937.45	\$0.79	\$9.05	\$1,729.40	\$0.98	\$8.04
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TOTAL EXPENSE	\$28,695.67	\$11.68	\$133.97	\$27,606.12	\$15.57	\$128.40
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NET RETURN TO MANAGEMENT	\$1,265.19	\$0.52	\$5.91	(\$4,262.02)	(\$2.40)	(\$19.82)
NET RETURN TO LABOR-MGT	\$5,700.38	\$2.32	\$26.61	\$15.59	\$0.01	\$0.07

*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 rent

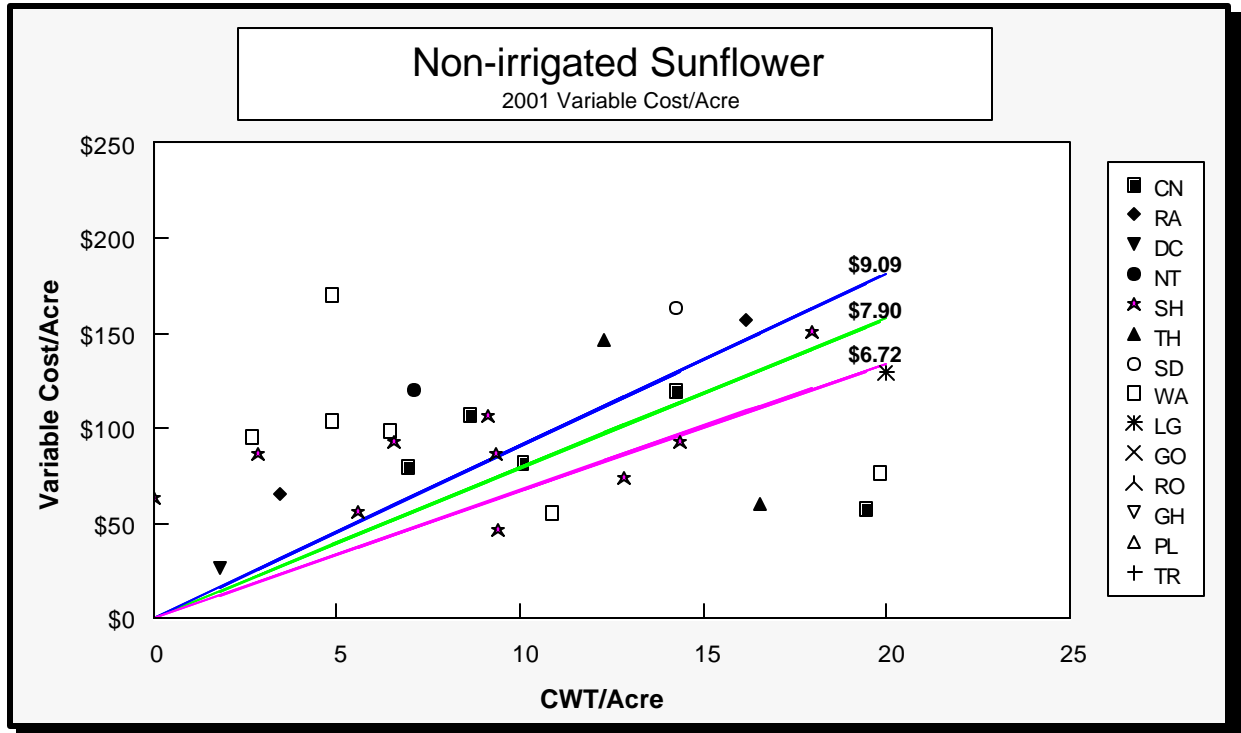


FIGURE 16

The weather in 2001 made it difficult even for a weed! Non-irrigated sunflower did not do well in 2001, although yields were above 2000 levels. Yields were only 10.4 cwt on the average in 2001 compared to 14.6 cwt for 1996-2000. Variable cost difference between 2001 and the five-year average on the facing table are only \$2.20 per acre. Revenue variation represents most of the difference between 2001 and the five-year average. Prices received for sunflower in 2001 averaged only \$7.90 compared to \$9.15 for the five-year average.

Variable cost per acre for the non-irrigated sunflower enterprises displayed in Figure 16 range from just under \$50 to \$150 per acre, The yield for non-irrigated sunflower would have needed to be above 15 cwt per acre to cover an average variable cost of \$94.41 per acre in 2001 when using an average price of \$7.90 per cwt.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2001
NON-IRRIGATED SUNFLOWER

	1997-2001 Average				2001			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	5	5	6	16	10	10	9	29
Crop Acres	1542	2945	2688	2392	1540	2134	2368	2014
Percentage of total crop Acres	15%	11%	11%	12%	13%	8%	11%	11%
Crop Acres	225	326	287	280	207	173	271	215
Acres Owned	53	55	79	61	68	42	58	56
Acres Rented	172	271	207	219	140	131	213	159
Yield / Acre	13	14	18	15	8	11	13	10
Total Operator Bushels	2098	3459	4097	3168	1330	1419	2660	1773
INCOME:								
Dryland Sunflowers (Op Share)	73.94	92.35	120.82	93.94	50.66	58.15	84.60	63.78
Patronage Refunds	2.01	1.60	1.71	1.77	0.29	1.26	0.57	0.71
Government Payments	41.33	27.99	42.62	36.66	32.12	30.49	43.58	35.11
Miscellaneous Income	1.39	0.54	1.65	1.14	1.21	0.25	1.62	1.01
Crop Insurance Proceeds	7.28	4.32	0.00	4.13	8.49	10.83	3.26	7.67
OTHER INCOME	\$52.15	\$34.81	\$46.56	\$44.05	\$42.11	\$43.20	\$49.17	\$44.68
GROSS INCOME	\$126.09	\$127.15	\$167.38	\$138.00	\$92.78	\$101.34	\$133.77	\$108.45
EXPENSES:								
Labor Hired	1.69	12.34	8.74	7.67	6.94	6.68	4.27	6.02
General Machinery Repairs	11.66	12.93	6.69	10.75	11.89	10.68	9.57	10.75
Irrigation Repairs	0.00	0.01	0.00	0.00	0.00	0.02	0.00	0.01
Interest Paid	15.47	5.10	8.95	9.74	12.66	7.73	5.37	8.70
Seed / Other Crop Expense	19.18	10.61	14.15	14.54	13.61	10.77	11.54	11.99
Crop Insurance	4.52	2.05	3.12	3.20	2.89	2.95	1.50	2.48
Fertilizer / Lime	13.40	13.84	12.80	13.40	16.10	16.04	7.41	13.38
Machine Hire - Lease	12.63	4.37	13.69	9.81	10.05	9.04	7.51	8.91
Farm Org Fees / Travel / Publ	2.28	0.89	1.92	1.66	1.31	1.33	1.78	1.46
Gas / Fuel / Oil	6.99	7.88	4.66	6.68	7.68	6.87	6.38	7.00
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.07	0.05	2.32	0.69	0.78	0.14	0.10	0.35
Personal Property Tax	0.29	0.47	0.23	0.34	0.39	0.39	0.39	0.39
General Farm Insurance	2.55	2.40	1.70	2.26	1.59	2.18	2.25	2.00
Utilities	2.05	0.92	2.55	1.77	0.75	1.20	2.09	1.32
Cash Farm Rent	1.54	0.05	6.43	2.34	9.82	0.12	0.00	3.43
Herbicide / Insecticide	23.11	11.50	17.44	17.15	21.44	15.68	13.21	16.90
Conservation	0.05	0.11	0.25	0.13	0.00	0.01	0.00	0.00
Auto Expense	2.09	0.22	1.22	1.14	0.69	0.41	0.75	0.61
TOTAL VARIABLE COSTS	\$119.56	\$85.73	\$106.85	\$103.26	\$118.60	\$92.24	\$74.09	\$95.70
RETURN ABOVE VARIABLE COSTS	\$6.53	\$41.42	\$60.54	\$34.74	(\$25.82)	\$9.10	\$59.67	\$12.75
Depreciation	11.96	14.27	10.84	12.52	16.45	10.45	6.90	11.42
Real Estate Tax	2.04	1.17	1.08	1.44	1.37	1.29	1.05	1.24
Unpaid Operator Labor	22.59	12.71	12.31	16.00	17.65	11.63	11.99	13.81
Interest Charge *	2.64	4.91	1.83	3.27	4.01	3.90	1.50	3.19
TOTAL FIXED COSTS	\$39.23	\$33.05	\$26.06	\$33.23	\$39.48	\$27.27	\$21.44	\$29.67
Land Charge **	6.01	9.05	13.76	9.32	4.53	9.19	12.70	8.67
TOTAL EXPENSE	\$164.80	\$127.83	\$146.67	\$145.81	\$162.61	\$128.70	\$108.24	\$134.04
NET RETURN TO MANAGEMENT	(\$38.72)	(\$0.68)	\$20.72	(\$7.81)	(\$69.83)	(\$27.36)	\$25.53	(\$25.59)
NET RETURN TO LABOR-MGT	(\$14.44)	\$24.37	\$41.77	\$15.86	(\$45.25)	(\$9.05)	\$41.78	(\$5.76)

*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% (25% for Irrigated).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.

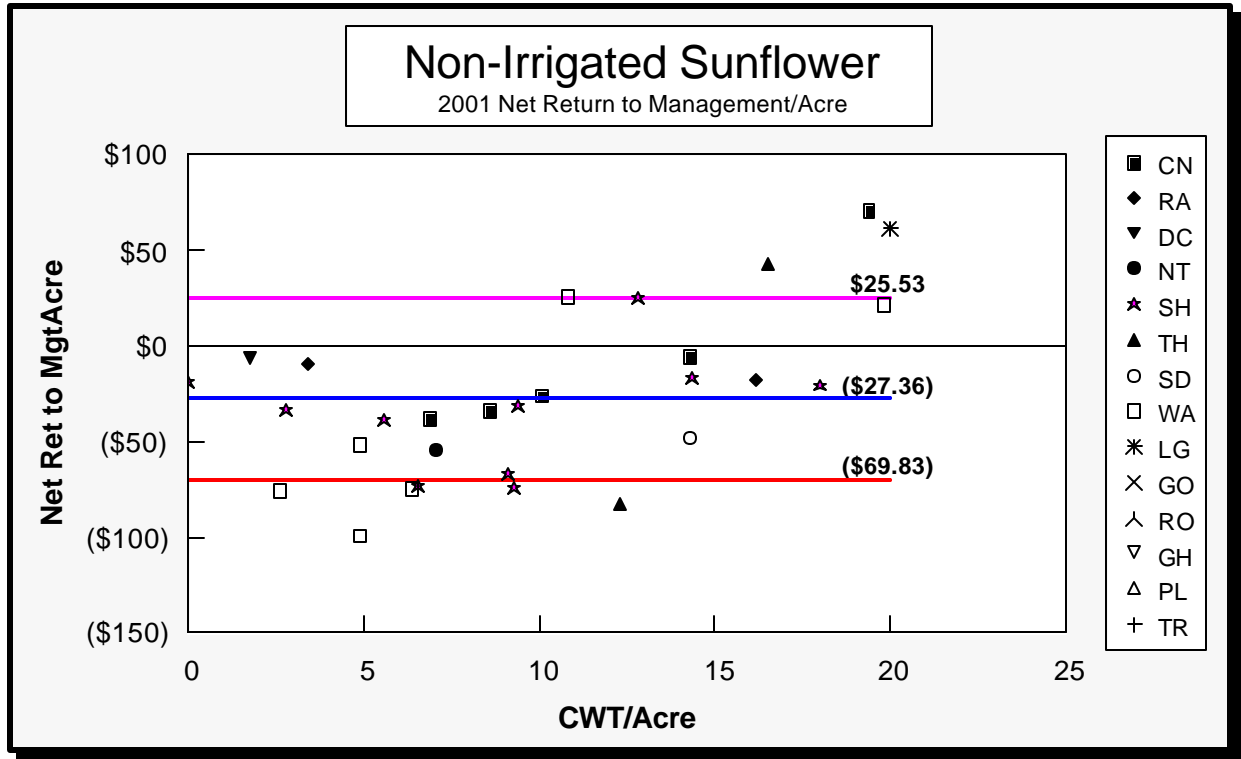


FIGURE 17

Net return variation from the top to lower third of non-irrigated sunflower enterprises is listed in the table on the facing page. Net return to management for 2001 ranged \$95.36 from the top to lower third of non-irrigated sunflower enterprises. This exceeds the variation in net return for top to lower third sunflower enterprises in the 1997-2001 average by \$59.44 per acre. Review the income, variable cost, and total expense differences between the five-year average and the 2001 values.

Net return to management values in Figure 17 demonstrate that yields above 15 cwt per acre began to generate adequate income. Below 15 cwt net returns suffered and the enterprise was not worth the effort.

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
NON-IRRIGATED ALFALFA**

	1996-2000 Average	2001
Number of Farms	23	14
Crop Acres	95	73
Acres Owned	56	49
Acres Rented	39	24
Yield / Acre	3.6	2.6
Tons	318	173
Operator Percentage	91.82%	89.77%
Gross Income / Acre	\$222.65	\$179.69
Variable Costs / Acre	\$111.47	\$107.33
Total Expense / Acre	\$227.52	\$231.42
Gross Income / Ton	\$66.47	\$75.82
Total Expense / Ton	\$67.93	\$97.65

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Alfalfa (Operator's Share)	\$19,085.32	\$59.98	\$200.90	\$12,099.87	\$69.94	\$165.75
Patronage Refunds	75.72	0.24	0.80	46.10	0.27	0.63
Government Payments	1,784.56	5.61	18.78	920.21	5.32	12.61
Miscellaneous Income	205.90	0.65	2.17	51.49	0.30	0.71
Crop Insurance Proceeds	-	-	-	-	-	-
OTHER INCOME	\$2,066.18	\$6.49	\$21.75	\$1,017.80	\$5.88	\$13.94
GROSS INCOME	\$21,151.50	\$66.47	\$222.65	\$13,117.67	\$75.82	\$179.69
EXPENSES:						
Labor Hired	\$1,137.37	\$3.57	\$11.97	\$1,133.69	\$6.55	\$15.53
General Machinery Repairs	2,734.97	8.60	28.79	1,914.54	11.07	26.23
Interest Paid	1,109.61	3.49	11.68	764.89	4.42	10.48
Seed / Other Crop Expense	651.12	2.05	6.85	363.64	2.10	4.98
Crop Insurance	37.63	0.12	0.40	-	-	-
Fertilizer / Lime	856.43	2.69	9.02	236.71	1.37	3.24
Machine Hire - Lease	914.29	2.87	9.62	805.36	4.66	11.03
Farm Org Fees / Travel / Publ	216.09	0.68	2.27	119.80	0.69	1.64
Gas / Fuel / Oil	963.07	3.03	10.14	721.71	4.17	9.89
Crop Storage & Marketing	11.64	0.04	0.12	6.33	0.04	0.09
Personal Property Tax	39.74	0.12	0.42	29.73	0.17	0.41
General Farm Insurance	245.77	0.77	2.59	570.80	3.30	7.82
Utilities	176.49	0.55	1.86	130.27	0.75	1.78
Cash Farm Rent	699.71	2.20	7.37	407.81	2.36	5.59
Herbicide / Insecticide	693.19	2.18	7.30	557.86	3.22	7.64
Conservation	8.01	0.03	0.08	2.44	0.01	0.03
Auto Expense	94.13	0.30	0.99	69.17	0.40	0.95
TOTAL VARIABLE COSTS	\$10,589.27	\$33.28	\$111.47	\$7,834.75	\$45.29	\$107.33
RETURN ABOVE VARIABLE COSTS	\$10,562.23	\$33.19	\$111.18	\$5,282.92	\$30.54	\$72.37
Depreciation	1,995.14	6.27	21.00	2,594.92	15.00	35.55
Real Estate Tax	254.14	0.80	2.68	278.49	1.61	3.81
Unpaid Operator Labor	4,296.70	13.50	45.23	2,931.43	16.94	40.16
Interest Charge *	251.71	0.79	2.65	535.57	3.10	7.34
TOTAL FIXED COSTS	\$6,797.70	\$21.36	\$71.55	\$6,340.41	\$36.65	\$86.85
Land Charge **	\$4,227.41	\$13.29	\$44.50	\$2,718.49	\$15.71	\$37.24
TOTAL EXPENSE	\$21,614.38	\$67.93	\$227.52	\$16,893.65	\$97.65	\$231.42
NET RETURN TO MANAGEMENT	(\$462.88)	(\$1.45)	(\$4.87)	(\$3,775.98)	(\$21.83)	(\$51.73)
NET RETURN TO LABOR-MGT	\$4,971.20	\$15.62	\$52.33	\$289.14	\$1.67	\$3.96

*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 rent.

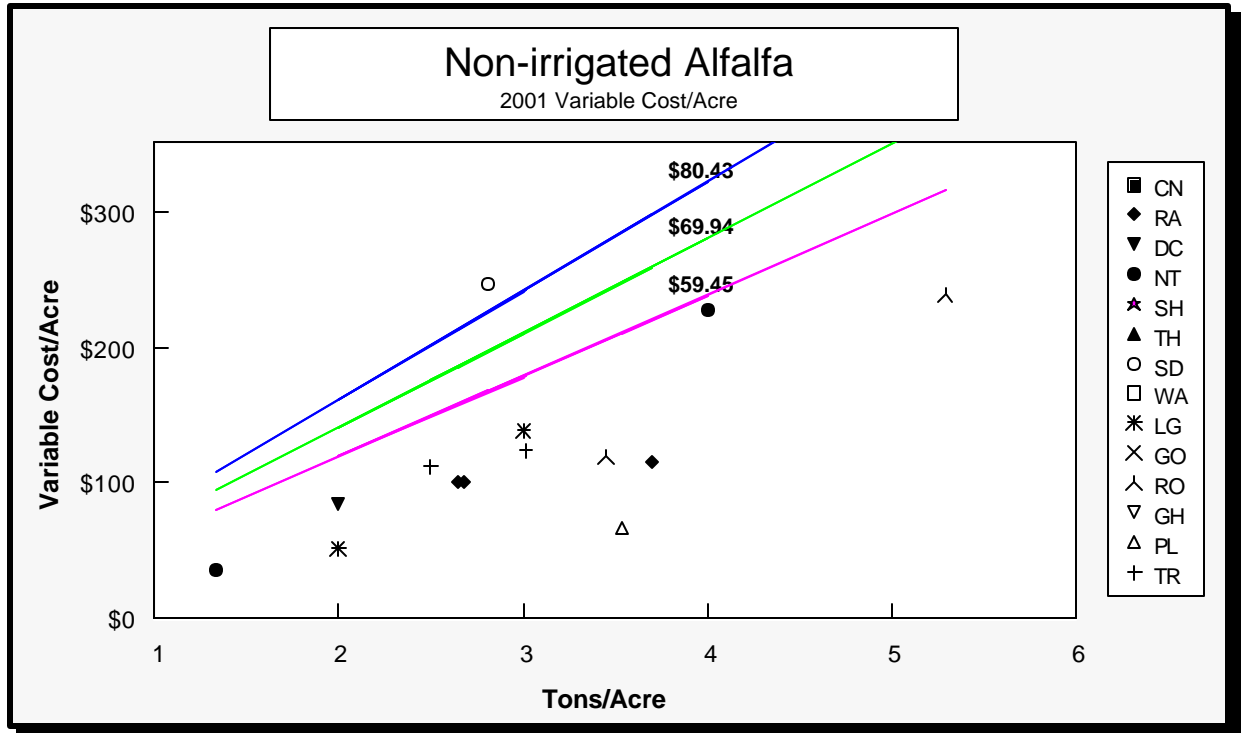


FIGURE 18

Non-irrigated Alfalfa is primarily raised on creek bottomland in Northwest Kansas. Yields were only 2.6 ton in 2001 when compared to 3.6 ton per acre over the previous five-year average. Prices were higher in 2001 at \$69.94 per ton on the average than the five-year average of \$59.98 per ton. This was not enough price improvement to compensate for the decline in production. Total expenses for 2001 were \$3.90 per acre more than the five-year average while gross income was \$42.96 lower in 2001 than the five-year average. Average cost of production was \$45.29 per ton for variable cost and \$97.65 per ton in total cost.

Most of the producers displayed in Figure 18 who produced non-irrigated alfalfa generated more revenue from the crop than they spent in variable cost. It is interesting to note the trend in variable cost experienced by the farms in Figure 18 follow a similar slope to the yield X price lines.

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2001
NON-IRRIGATED SUDAN - CANE HAY**

	1996-2000 Average			2001		
Number of Farms		54			35	
Crop Acres		69			84	
Acres Owned		32			44	
Acres Rented		36			40	
Yield / Acre		3.3			2.9	
Tons		209			223	
Operator Percentage		92.86%			91.54%	
Gross Income / Acre		\$138.55			\$142.66	
Variable Costs / Acre		\$83.80			\$85.58	
Total Expense / Acre		\$164.67			\$170.26	
Gross Income / Ton		\$45.43			\$53.74	
Total Expense / Ton		\$54.00			\$64.13	
	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Sudan-Cane Hay (Operator's Share)	\$7,883.71	\$37.69	\$114.92	\$9,657.99	\$43.31	\$114.98
Patronage Refunds	62.64	0.30	0.91	72.67	0.33	0.87
Government Payments	1,481.38	7.08	21.59	1,902.50	8.53	22.65
Miscellaneous Income	76.54	0.37	1.12	91.37	0.41	1.09
Crop Insurance Proceeds	-	-	-	258.89	1.16	3.08
OTHER INCOME	\$1,620.56	\$7.75	\$23.62	\$2,325.43	\$10.43	\$27.68
GROSS INCOME	\$9,504.27	\$45.43	\$138.55	\$11,983.42	\$53.74	\$142.66
EXPENSES:						
Labor Hired	\$626.94	\$3.00	\$9.14	\$503.23	\$2.26	\$5.99
General Machinery Repairs	1,426.70	6.82	20.80	1,762.38	7.90	20.98
Interest Paid	725.36	3.47	10.57	892.83	4.00	10.63
Seed / Other Crop Expense	495.32	2.37	7.22	726.89	3.26	8.65
Crop Insurance	2.40	0.01	0.03	6.40	0.03	0.08
Fertilizer / Lime	407.23	1.95	5.94	474.78	2.13	5.65
Machine Hire - Lease	645.46	3.09	9.41	919.45	4.12	10.95
Farm Org Fees / Travel / Publ	106.04	0.51	1.55	151.48	0.68	1.80
Gas / Fuel / Oil	497.14	2.38	7.25	694.46	3.11	8.27
Crop Storage & Marketing	1.97	0.01	0.03	5.06	0.02	0.06
Personal Property Tax	19.65	0.09	0.29	71.91	0.32	0.86
General Farm Insurance	128.86	0.62	1.88	198.97	0.89	2.37
Utilities	104.90	0.50	1.53	110.44	0.50	1.31
Cash Farm Rent	265.61	1.27	3.87	260.44	1.17	3.10
Herbicide / Insecticide	233.01	1.11	3.40	323.08	1.45	3.85
Conservation	8.84	0.04	0.13	10.66	0.05	0.13
Auto Expense	53.50	0.26	0.78	76.19	0.34	0.91
TOTAL VARIABLE COSTS	\$5,748.93	\$27.48	\$83.80	\$7,188.65	\$32.24	\$85.58
RETURN ABOVE VARIABLE COSTS	\$3,755.34	\$17.95	\$54.74	\$4,794.77	\$21.50	\$57.08
Depreciation	885.89	4.23	12.91	1,632.27	7.32	19.43
Real Estate Tax	149.41	0.71	2.18	264.03	1.18	3.14
Unpaid Operator Labor	3,058.44	14.62	44.58	3,299.66	14.80	39.28
Interest Charge *	85.13	0.41	1.24	60.82	0.27	0.72
TOTAL FIXED COSTS	\$4,178.87	\$19.98	\$60.92	\$5,256.78	\$23.57	\$62.58
Land Charge **	\$1,368.37	\$6.54	\$19.95	\$1,856.10	\$8.32	\$22.10
TOTAL EXPENSE	\$11,296.17	\$54.00	\$164.67	\$14,301.53	\$64.13	\$170.26
NET RETURN TO MANAGEMENT	(\$1,791.90)	(\$8.57)	(\$26.12)	(\$2,318.11)	(\$10.40)	(\$27.60)
NET RETURN TO LABOR-MGT	\$1,893.47	\$9.05	\$27.60	\$1,484.78	\$6.66	\$17.68

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

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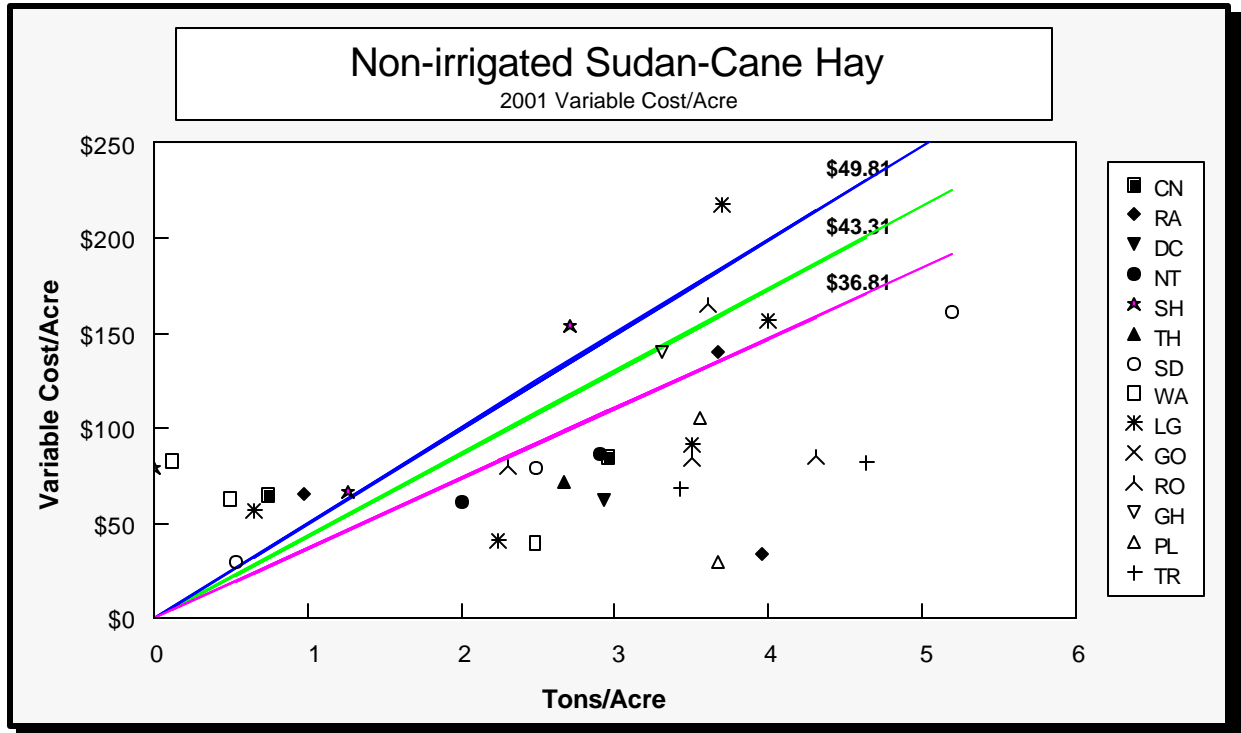


FIGURE 19

Cane Hay is considered a staple feed crop for livestock farms in northwest Kansas. The drought of 2000 pressed extra acres of cane hay into production in 2001 to make up for the inventory losses of poor crops in 2000. Yield of cane hay in 2001 was 2.9 ton per acre, which was less than the five-year average of 3.3 ton per acre. Price per ton increased from the five-year average of \$37.69 per ton to \$43.31 per ton in 2001. Net return to management in 2001 was \$-27.60 per acre on the average; whereas, the net return to management for the five-year average was \$-26.12 per acres. Total expense of production averaged \$64.13 per ton while the five-year average was \$54.00 per ton. Considering full cost this enterprise could arguably be replaced with a more profitable cash crop and the feed requirements purchased.