

Table 5, Non-irrigated Enterprise Comparison (per acre), Farm Management Association, NW, 2002

Non-irrigated Crop	Wheat	NT Corn	NT Milo	Milo	NT Sunflower	Sunflower	Alfalfa
Number of Farms	119	35	42	21	11	6	13
Crop Acres	670	401	351	275	339	215	59
Acres Owned	217	162	98	114	137	26	21
Acres Rented	454	239	254	161	202	189	38
Yield	25.7	0.94	12.4	6.18	0.29	2.56	1.97
Operator Share	77.93%	78.79%	78.55%	77.08%	76.29%	95.75%	88.62%
Gross Income/ Unit	\$4.83	\$148.47	\$9.52	\$15.24	\$394.88	\$40.67	\$83.44
Variable Cost/ Unit	\$3.14	\$136.17	\$7.75	\$11.56	\$382.22	\$19.73	\$55.47
Total Expense/ Unit	\$4.94	\$162.37	\$10.13	\$17.20	\$489.26	\$32.67	\$138.08
Revenue Sources							
Crop Revenue	\$70.52	\$2.33	\$27.12	\$11.46	\$2.46	\$29.50	\$133.52
Government Payments	\$10.50	\$9.96	\$10.15	\$6.46	\$8.62	\$14.69	\$11.36
Crop Insurance Proceeds	\$14.61	\$95.01	\$54.03	\$54.11	\$75.27	\$54.83	\$0.00
Other Income	\$1.03	\$2.67	\$1.31	\$0.57	\$1.01	\$0.65	\$0.78
Total Other Income	\$26.14	\$107.64	\$65.49	\$61.14	\$84.90	\$70.17	\$12.14
Gross Revenue	\$96.66	\$109.97	\$92.61	\$72.60	\$87.36	\$99.67	\$145.66
Expenses							
Labor	\$4.62	\$2.84	\$2.84	\$3.12	\$6.45	\$8.20	\$17.88
General Machinery Repairs	\$9.93	\$6.20	\$7.30	\$7.22	\$6.74	\$4.59	\$27.26
Irrigation Equipment Repairs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$7.39	\$8.65	\$5.60	\$8.35	\$7.44	\$2.07	\$5.18
Seed/Other Crop Expenses	\$4.37	\$18.26	\$4.90	\$3.36	\$11.64	\$10.93	\$3.08
Crop Insurance Prem	\$4.34	\$5.57	\$3.62	\$3.59	\$3.53	\$2.16	\$0.00
Fertilizer/Lime	\$8.11	\$15.36	\$12.16	\$8.00	\$7.16	\$0.30	\$0.90
Machinery Hire/ Leases	\$7.68	\$1.83	\$4.34	\$2.05	\$3.38	\$6.20	\$3.34
Farm Org Fees/Travel/Pub	\$1.39	\$1.53	\$1.50	\$0.98	\$1.45	\$0.80	\$1.84
Gas/Fuel/Oil	\$5.57	\$2.67	\$3.75	\$6.41	\$3.00	\$5.25	\$8.74
Irrigation Fuel - Pumping	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Crop Storage & Marketing	\$0.31	\$0.21	\$0.56	\$0.00	\$0.01	\$0.00	\$0.00
Personal Property Tax	\$0.34	\$0.42	\$0.32	\$0.50	\$1.01	\$0.19	\$0.74
General Farm Insurance	\$1.96	\$2.13	\$1.78	\$1.65	\$1.82	\$1.18	\$2.20
Utilities	\$1.09	\$1.50	\$1.26	\$1.02	\$1.56	\$1.23	\$1.27
Cash Farm Rent	\$2.70	\$6.50	\$4.78	\$1.35	\$8.26	\$0.00	\$19.72
Herbicides/Insecticides	\$2.45	\$26.72	\$19.91	\$6.91	\$20.44	\$4.62	\$3.48
Conservation	\$0.14	\$0.01	\$0.19	\$0.15	\$0.15	\$0.00	\$0.33
Auto Expense	\$0.45	\$0.45	\$0.58	\$0.39	\$0.53	\$0.63	\$0.87
Total Variable Cost	\$62.84	\$100.85	\$75.39	\$55.05	\$84.57	\$48.35	\$96.83
Return Above Variable Cost	\$33.82	\$9.12	\$17.22	\$17.55	\$2.79	\$51.32	\$48.83
Depreciation	\$12.30	\$9.87	\$8.76	\$9.52	\$9.23	\$8.52	\$44.35
Real Estate Tax	\$1.92	\$1.79	\$1.74	\$1.58	\$1.38	\$0.92	\$2.49
Uppaid Operator Labor	\$12.71	\$7.03	\$7.80	\$14.63	\$12.15	\$15.98	\$53.24
Interest Charge *	\$0.31	\$0.56	\$1.73	\$0.00	\$0.58	\$3.56	\$14.82
Total Fixed Cost	\$27.24	\$19.25	\$20.03	\$25.73	\$23.34	\$28.98	\$114.90
Land Charge **	\$8.81	\$0.16	\$3.11	\$1.15	\$0.34	\$2.76	\$29.31
Total Expense	\$98.89	\$120.26	\$98.53	\$81.93	\$108.25	\$80.09	\$241.04
Net Return to Management	-\$2.23	-\$10.29	-\$5.92	-\$9.33	-\$20.89	\$19.58	-\$95.38
Net Return to Labor-Mgt	15.10	-0.42	4.72	8.42	-2.29	43.76	-24.26

* Interest charge equals: ((8.0% times three-fourths the variable cost) 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 charged for rented land)

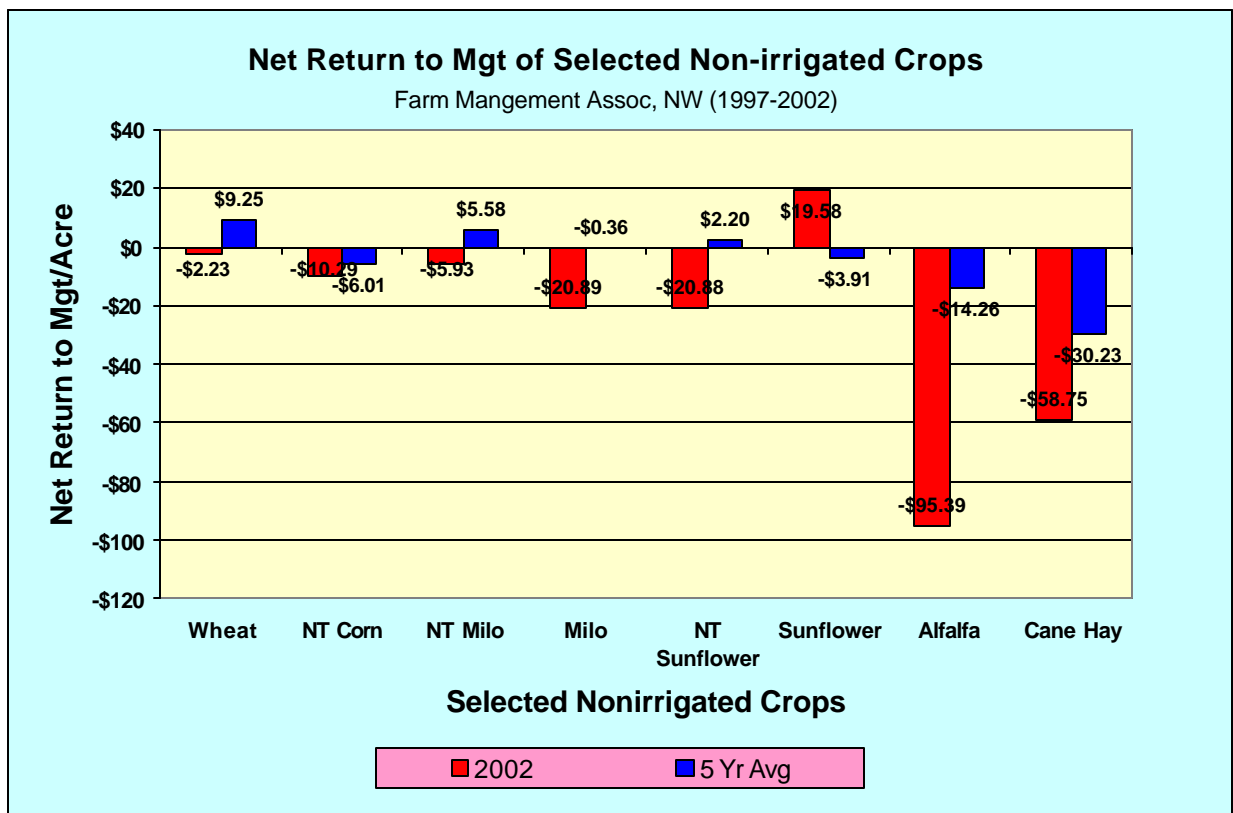


Figure 11

Non-irrigated crop production was a real challenge during 2002 in Northwest Kansas. The table on the facing page lists the enterprise analysis results for the selected non-irrigated crops summarized in the Northwest Association Analysis of 2002. Wheat, the standard bearer of non-irrigated crops in Northwest Kansas, averaged -\$2.23 per acre net return to management. Net Return to Management is the net returns after direct costs, operator labor, and investment in crop expense, equipment, and land are deducted from total revenue. No-till Corn reported a net return to management of -\$10.29 per acre. This financial performance is remarkable when considering the average yield was only .94 bushels per acre. No-till Corn experienced a decline in net return to management of \$4.28 per acre from the five-year average. No-till Milo had a decline in net return to management to -\$5.92 per acre. This was a decline of \$11.51 from the five-year average. No-till Sunflower performed very poorly in 2002, yielding .29 cwt per acre and earning a net return to management of -\$20.89 per acre, a decline of \$23.08 per acre from the average for 2001. The sunflower enterprise analysis for those that farm with tillage or minimum tillage practices generated the only positive net return to management of the non-irrigated crops in 2002. These sunflower producers earn a net return to management of \$19.58 per acre. Compared to the five-year average of -\$3.91 per acre, \$19.58 is an excellent level of performance in such a difficult year. The two feed crops included in the non-irrigated enterprise summary, alfalfa and cane hay, experienced net return to management losses that exceed the negative five-year average for these crops.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NON-IRRIGATED WHEAT

	1997-2001 Average	2002
Number of Farms	144	119
Crop Acres	604	670
Acres Owned	173	217
Acres Rented	432	454
Yield / Acre	39.9	25.7
Bushels	19,075	13,413
Operator Percentage	79.14%	77.93%
Gross Income / Acre	\$119.20	\$96.66
Variable Costs / Acre	\$74.07	\$62.85
Total Expense / Acre	\$110.01	\$98.89
Gross Income / Bushel	\$3.78	\$4.83
Total Expense / Bushel	\$3.48	\$4.94

	Total Dollars	\$/ Bushel	\$/ Acre	Total Dollars	\$/ Bushel	\$/ Acre
INCOME:						
Wheat (Operator's Share)	\$50,034.10	\$2.62	\$82.81	\$47,248.89	\$3.52	\$70.52
Patronage Refunds	593.17	0.03	0.98	349.42	0.03	0.52
Government Payments	17,728.25	0.93	29.34	7,035.11	0.52	10.50
Miscellaneous Income	729.68	0.04	1.21	340.07	0.03	0.51
Crop Insurance Proceeds	2,936.49	0.15	4.86	9,788.90	0.73	14.61
OTHER INCOME	\$21,987.59	\$1.15	\$36.39	\$17,513.50	\$1.31	\$26.14
GROSS INCOME	\$72,021.69	\$3.78	\$119.20	\$64,762.39	\$4.83	\$96.66
EXPENSES:						
Labor Hired	\$3,183.82	\$0.17	\$5.27	\$3,093.20	\$0.23	\$4.62
General Machinery Repairs	6,510.47	0.34	10.78	6,651.56	0.50	9.93
Interest Paid	5,205.01	0.27	8.61	4,952.88	0.37	7.39
Seed / Other Crop Expense	2,698.12	0.14	4.47	2,928.84	0.22	4.37
Crop Insurance	2,614.17	0.14	4.33	2,910.44	0.22	4.34
Fertilizer / Lime	6,677.36	0.35	11.05	5,431.67	0.40	8.11
Machine Hire - Lease	6,222.85	0.33	10.30	5,147.09	0.38	7.68
Farm Org Fees / Travel / Publ	955.92	0.05	1.58	931.49	0.07	1.39
Gas / Fuel / Oil	3,813.27	0.20	6.31	3,735.18	0.28	5.57
Crop Storage & Marketing	497.73	0.03	0.82	206.76	0.02	0.31
Personal Property Tax	198.69	0.01	0.33	230.29	0.02	0.34
General Farm Insurance	1,111.08	0.06	1.84	1,315.00	0.10	1.96
Utilities	826.51	0.04	1.37	728.94	0.05	1.09
Cash Farm Rent	1,578.96	0.08	2.61	1,809.41	0.13	2.70
Herbicide / Insecticide	2,274.53	0.12	3.76	1,639.22	0.12	2.45
Conservation	27.71	0.00	0.05	96.04	0.01	0.14
Auto Expense	359.56	0.02	0.60	298.98	0.02	0.45
TOTAL VARIABLE COSTS	\$44,755.76	\$2.35	\$74.07	\$42,106.99	\$3.14	\$62.85
RETURN ABOVE VARIABLE COSTS	\$27,265.93	\$1.43	\$45.13	\$22,655.40	\$1.69	\$33.81
Depreciation	6,500.80	0.34	10.76	8,241.42	0.61	12.30
Real Estate Tax	1,048.68	0.05	1.74	1,285.01	0.10	1.92
Unpaid Operator Labor	8,187.00	0.43	13.55	8,513.17	0.63	12.71
Interest Charge *	13.25	0.00	0.02	210.79	0.02	0.31
TOTAL FIXED COSTS	\$15,749.73	\$0.83	\$26.07	\$18,250.39	\$1.36	\$27.24
Land Charge **	\$5,960.44	\$0.31	\$9.87	\$5,900.35	\$0.44	\$8.81
TOTAL EXPENSE	\$66,465.93	\$3.48	\$110.01	\$66,257.73	\$4.94	\$98.89
NET RETURN TO MANAGEMENT	\$5,555.75	\$0.29	\$9.20	(\$1,495.34)	(\$0.11)	(\$2.23)
NET RETURN TO LABOR-MGT	\$16,926.57	\$0.89	\$28.01	\$10,111.03	\$0.75	\$15.09

*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.

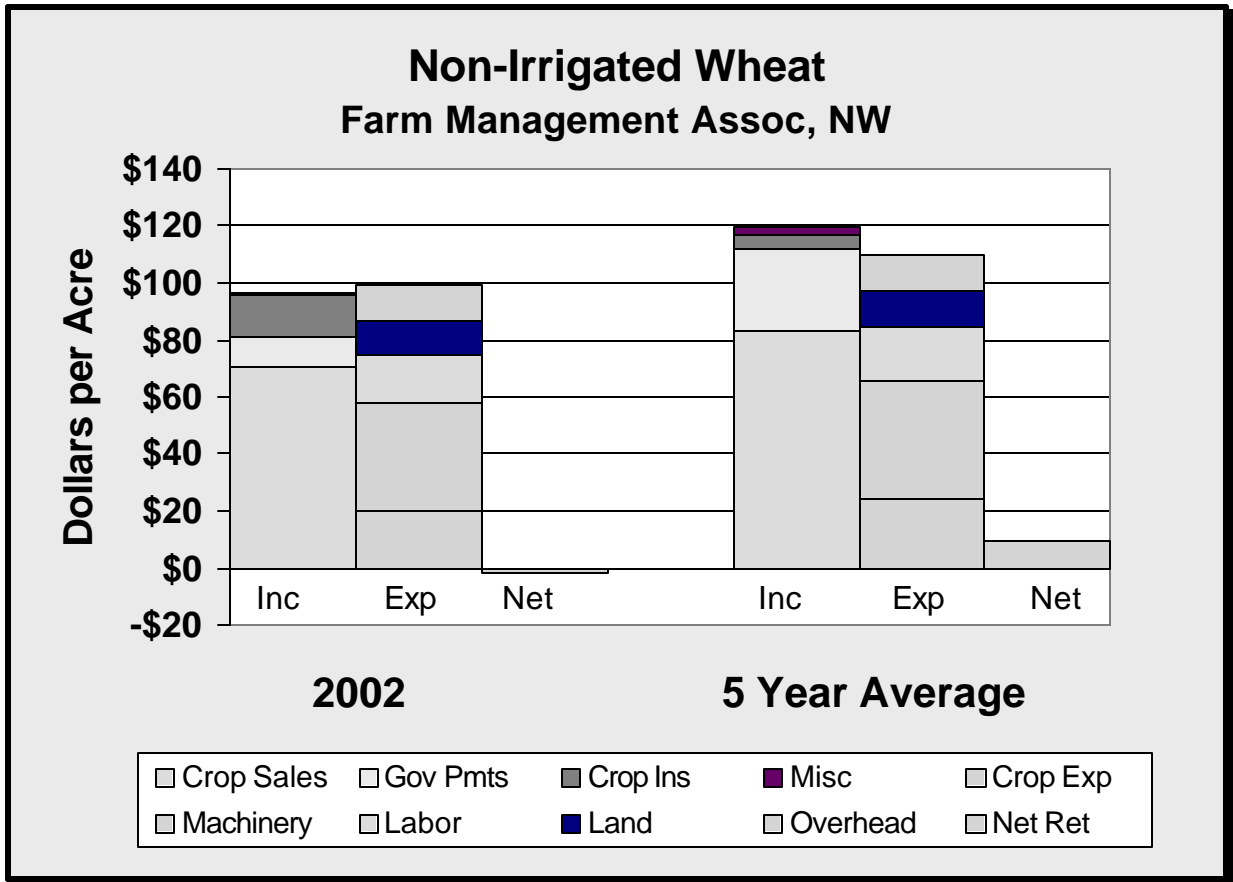


Figure 12

The non-irrigated wheat enterprise is summarized in the table on the facing page. The yield of wheat declined in 2002 from the five-year average of 39.9 bushels to 25.7 bushels. Price received for wheat increased from \$2.62 on the five-year average to \$3.52 in 2002. The price increase of 34% plus increased crop insurance proceeds combined to earn a “crop” income of \$85.13 per acre for 2002 when compared to the five-year average of \$87.67. Most of the decline in revenue for the non-irrigated wheat enterprise analysis in 2002 from the five-year average can be attributed to the reduced government payments received. Government payments declined from \$29.34 per acre to \$10.50.

Total variable cost decreased in 2002 to \$62.85 from the five-year average of \$74.07. Reduced expenses for fertilizer, machine hire, fuel, and herbicides account for \$7.61 or 67% of the reduced variable costs experienced in 2002 when compared with the five-year average.

The stacked bar charts in Figure 12 give some perspective to the relationship between components of income and expense for the non-irrigated wheat enterprise summary for 2002 and the previous five-years.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2002
Non-irrigated Wheat

	1998-2002 Average				2002			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	36	34	34	104	40	39	38	117
Crop Acres	1719	1939	2186	1948	1993	2033	2367	2131
Percentage of total crop Acres	30%	31%	34%	32%	25%	38%	33%	32%
Crop Acres	522	606	740	619	507	772	774	682
Acres Owned	172	167	182	173	180	339	142	221
Acres Rented	350	440	559	446	327	433	631	461
Yield / Acre	34	35	43	37	20	25	30	25
Total Operator Bushels	14269	16530	25016	18402	7956	15620	17576	13635
INCOME:								
Dryland Wheat (Op Share)	69.62	71.83	89.72	76.67	52.61	68.74	85.70	68.73
Patronage Refunds	1.01	0.84	1.42	1.08	0.38	0.27	0.81	0.48
Government Payments	29.20	27.34	34.00	30.07	11.81	10.96	10.34	11.05
Miscellaneous Income	0.81	0.64	0.87	0.77	0.75	0.34	0.31	0.47
Crop Insurance Proceeds	8.35	8.52	6.03	7.68	17.57	14.82	11.55	14.70
OTHER INCOME	\$39.62	\$37.53	\$42.66	\$39.87	\$30.59	\$26.50	\$23.15	\$26.81
GROSS INCOME	\$109.23	\$109.43	\$132.40	\$116.56	\$83.38	\$95.14	\$109.69	\$95.84
EXPENSES:								
Labor Hired	5.73	4.21	4.31	4.77	4.53	3.40	4.17	4.04
General Machinery Repairs	13.63	11.02	10.38	11.73	12.77	10.88	7.57	10.45
Irrigation Repairs	0.01	0.19	0.00	0.07	0.01	0.00	0.00	0.00
Interest Paid	10.58	9.70	6.30	8.94	8.26	7.49	5.61	7.14
Seed / Other Crop Expense	4.47	4.23	4.18	4.30	4.32	4.27	4.22	4.27
Crop Insurance	4.74	4.24	3.91	4.31	4.78	4.55	3.92	4.42
Fertilizer / Lime	9.81	9.22	11.22	10.05	9.77	5.79	8.03	7.88
Machine Hire - Lease	10.08	7.98	8.56	8.90	7.40	6.34	9.66	7.78
Farm Org Fees / Travel / Publ	1.56	1.67	1.50	1.58	1.35	1.46	1.34	1.38
Gas / Fuel / Oil	7.82	6.45	5.98	6.78	6.89	6.18	5.45	6.18
Irrigation Energy	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.81	0.75	0.71	0.76	0.23	0.26	0.41	0.30
Personal Property Tax	0.47	0.34	0.33	0.38	0.45	0.39	0.24	0.36
General Farm Insurance	2.41	1.96	1.65	2.02	1.96	2.09	1.82	1.96
Utilities	1.80	1.15	1.20	1.39	1.23	1.35	0.80	1.13
Cash Farm Rent	1.47	2.21	2.36	2.00	5.08	2.65	2.07	3.29
Herbicide / Insecticide	3.95	2.78	3.03	3.26	2.95	1.65	2.51	2.38
Conservation	0.07	0.04	0.16	0.09	0.29	0.02	0.09	0.14
Auto Expense	0.83	0.53	0.62	0.66	0.66	0.71	0.39	0.59
TOTAL VARIABLE COSTS	\$80.35	\$68.68	\$66.93	\$72.19	\$72.93	\$59.48	\$58.32	\$63.70
RETURN ABOVE VARIABLE COSTS	\$28.88	\$40.74	\$65.47	\$44.36	\$10.45	\$35.66	\$51.37	\$32.14
Depreciation	14.66	10.99	11.23	12.34	17.65	11.59	8.14	12.54
Real Estate Tax	2.05	1.78	1.79	1.88	2.10	2.32	1.29	1.91
Unpaid Operator Labor	19.71	14.56	14.29	16.27	18.79	13.72	12.59	15.09
Interest Charge *	3.04	1.64	2.93	2.53	3.67	2.25	1.96	2.64
TOTAL FIXED COSTS	\$39.46	\$28.97	\$30.25	\$33.02	\$42.22	\$29.88	\$23.98	\$32.18
Land Charge **	10.14	8.39	10.47	9.65	8.01	10.35	6.86	8.42
TOTAL EXPENSE	\$129.95	\$106.04	\$107.64	\$114.87	\$123.17	\$99.71	\$89.15	\$104.30
NET RETURN TO MANAGEMENT	(\$20.72)	\$3.38	\$24.75	\$1.69	(\$39.79)	(\$4.57)	\$20.53	(\$8.46)
NET RETURN TO LABOR-MGT	\$4.72	\$22.16	\$43.35	\$22.73	(\$16.47)	\$12.55	\$37.29	\$10.67

*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.

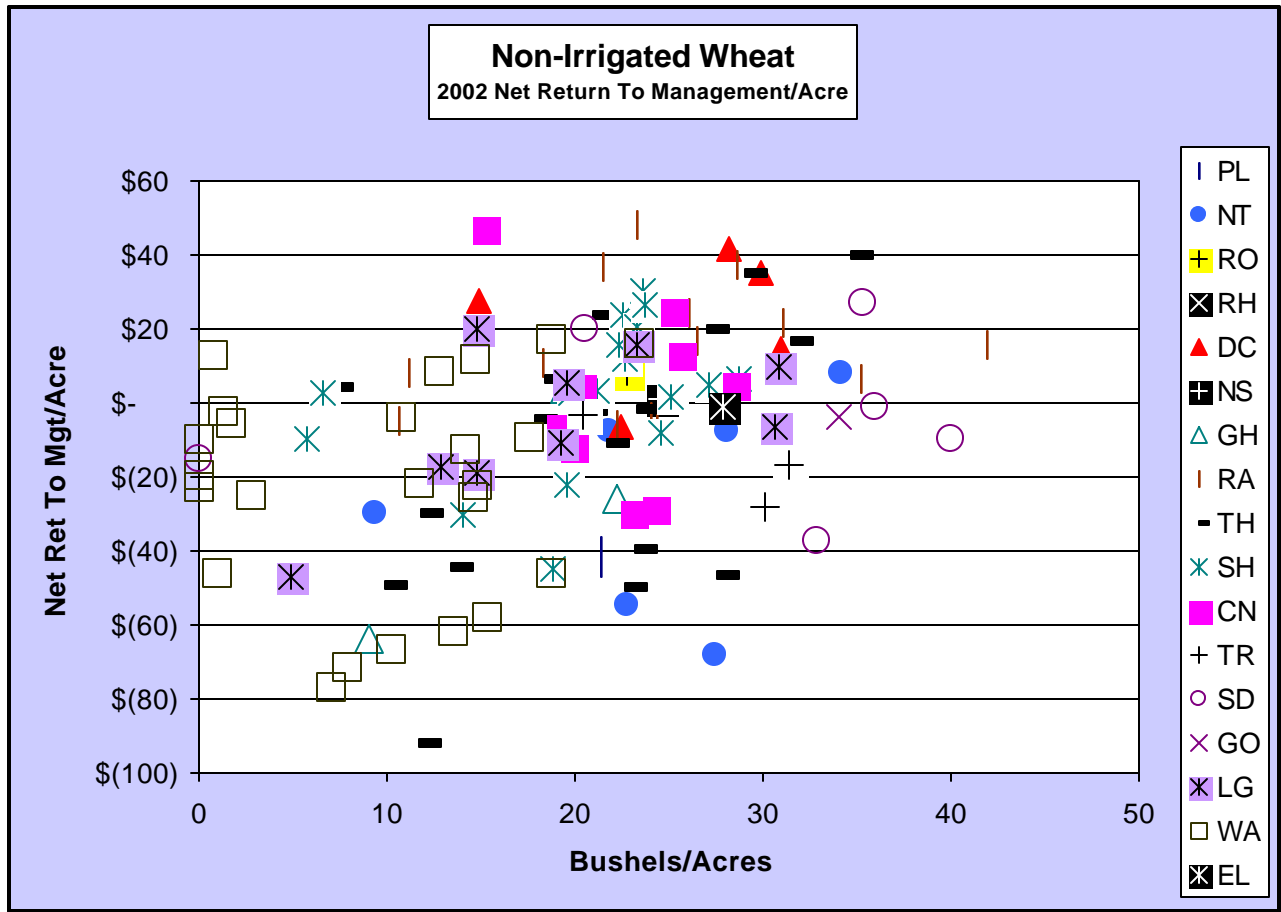


Figure 13

Non-irrigated wheat enterprise analysis data for both 2002 and the five-year average is divided into the low, middle, and high “thirds” based on net return to management in the table on the facing page. The top third of non-irrigated wheat enterprises earned a net return to management of \$20.53 when compared to the low third of -\$39.79 per acre. The range in net return to management for 2002 from top to low third was \$60.32. The range from top to low third for the five-year average was \$45.47, indicating the increased variability experienced in 2002.

The net return to management for non-irrigated wheat enterprises versus the yield per bushel is displayed in Figure 13. The shapes of the symbols indicate the county the observation was generated from. Note that most of Rawlins county non-irrigated wheat enterprises had a net return to management above zero.

Values in the tables that display crop enterprises ranked by the low, mid and top thirds are using a simple average of enterprises included in the enterprise sample. This method of computing the average considers each farm, regardless of size of enterprise, as equal in value for average calculations. The tables that display the five year average and 2002 without “thirds” divisions compute the average as the total for each line item divided by the sum of all enterprise observations in the summary. This method weighs the data such that larger operations included in the enterprise influence the average more than the smaller operations. Both methods have their merit, and the inconsistency does not appreciably influence conclusions drawn from the tables and the enterprise data presented.

**NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NO-TILL NON-IRRIGATED CORN**

	1997-2001 Average	2002
Number of Farms	56	35
Crop Acres	301	401
Acres Owned	82	162
Acres Rented	219	239
Yield / Acre	77.1	0.94
Bushels	18,470	297
Operator Percentage	79.60%	78.79%
Gross Income / Acre	\$169.48	\$109.96
Variable Costs / Acre	\$136.99	\$100.86
Total Expense / Acre	\$175.78	\$120.26
Gross Income / Bushel	\$2.76	\$148.47
Total Expense / Bushel	\$2.86	\$162.37

	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Corn (Operator's Share)	\$36,012.87	\$1.95	\$119.72	\$934.20	\$3.15	\$2.33
Patronage Refunds	439.93	0.02	1.46	200.02	0.67	0.50
Government Payments	11,300.82	0.61	37.57	3,992.74	13.44	9.96
Miscellaneous Income	752.54	0.04	2.50	869.23	2.93	2.17
Crop Insurance Proceeds	2,472.34	0.13	8.22	38,098.74	128.28	95.01
OTHER INCOME	\$14,965.63	\$0.81	\$49.75	\$43,160.73	\$145.32	\$107.63
GROSS INCOME	\$50,978.49	\$2.76	\$169.48	\$44,094.93	\$148.47	\$109.96
EXPENSES:						
Labor Hired	\$1,156.24	\$0.06	\$3.84	\$1,140.22	\$3.84	\$2.84
General Machinery Repairs	3,807.12	0.21	12.66	2,487.46	8.38	6.20
Interest Paid	3,569.32	0.19	11.87	3,470.41	11.68	8.65
Seed / Other Crop Expense	5,695.50	0.31	18.93	7,323.34	24.66	18.26
Crop Insurance	1,621.54	0.09	5.39	2,233.49	7.52	5.57
Fertilizer / Lime	6,467.83	0.35	21.50	6,161.00	20.74	15.36
Machine Hire - Lease	3,448.16	0.19	11.46	734.35	2.47	1.83
Farm Org Fees / Travel / Publ	643.29	0.03	2.14	611.94	2.06	1.53
Gas / Fuel / Oil	1,578.95	0.09	5.25	1,068.68	3.60	2.67
Crop Storage & Marketing	196.79	0.01	0.65	85.44	0.29	0.21
Personal Property Tax	118.28	0.01	0.39	167.82	0.57	0.42
General Farm Insurance	683.80	0.04	2.27	855.65	2.88	2.13
Utilities	527.24	0.03	1.75	600.45	2.02	1.50
Cash Farm Rent	1,188.15	0.06	3.95	2,606.01	8.77	6.50
Herbicide / Insecticide	10,296.87	0.56	34.23	10,713.47	36.07	26.72
Conservation	18.93	0.00	0.06	4.84	0.02	0.01
Auto Expense	188.09	0.01	0.63	178.74	0.60	0.45
TOTAL VARIABLE COSTS	\$41,206.10	\$2.23	\$136.99	\$40,443.31	\$136.17	\$100.86
RETURN ABOVE VARIABLE COSTS	\$9,772.40	\$0.53	\$32.49	\$3,651.62	\$12.30	\$9.11
Depreciation	3,847.23	0.21	12.79	3,958.20	13.33	9.87
Real Estate Tax	574.13	0.03	1.91	716.44	2.41	1.79
Unpaid Operator Labor	2,543.08	0.14	8.45	2,817.70	9.49	7.03
Interest Charge *	186.63	0.01	0.62	222.81	0.75	0.56
TOTAL FIXED COSTS	\$7,151.08	\$0.39	\$23.77	\$7,715.15	\$25.98	\$19.24
Land Charge **	\$4,518.61	\$0.24	\$15.02	\$65.81	\$0.22	\$0.16
TOTAL EXPENSE	\$52,875.78	\$2.86	\$175.78	\$48,224.27	\$162.37	\$120.26
NET RETURN TO MANAGEMENT	(\$1,897.29)	(\$0.10)	(\$6.31)	(\$4,129.34)	(\$13.90)	(\$10.30)
NET RETURN TO LABOR-MGT	\$1,802.03	\$0.10	\$5.99	(\$171.42)	(\$0.58)	(\$0.43)

*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.

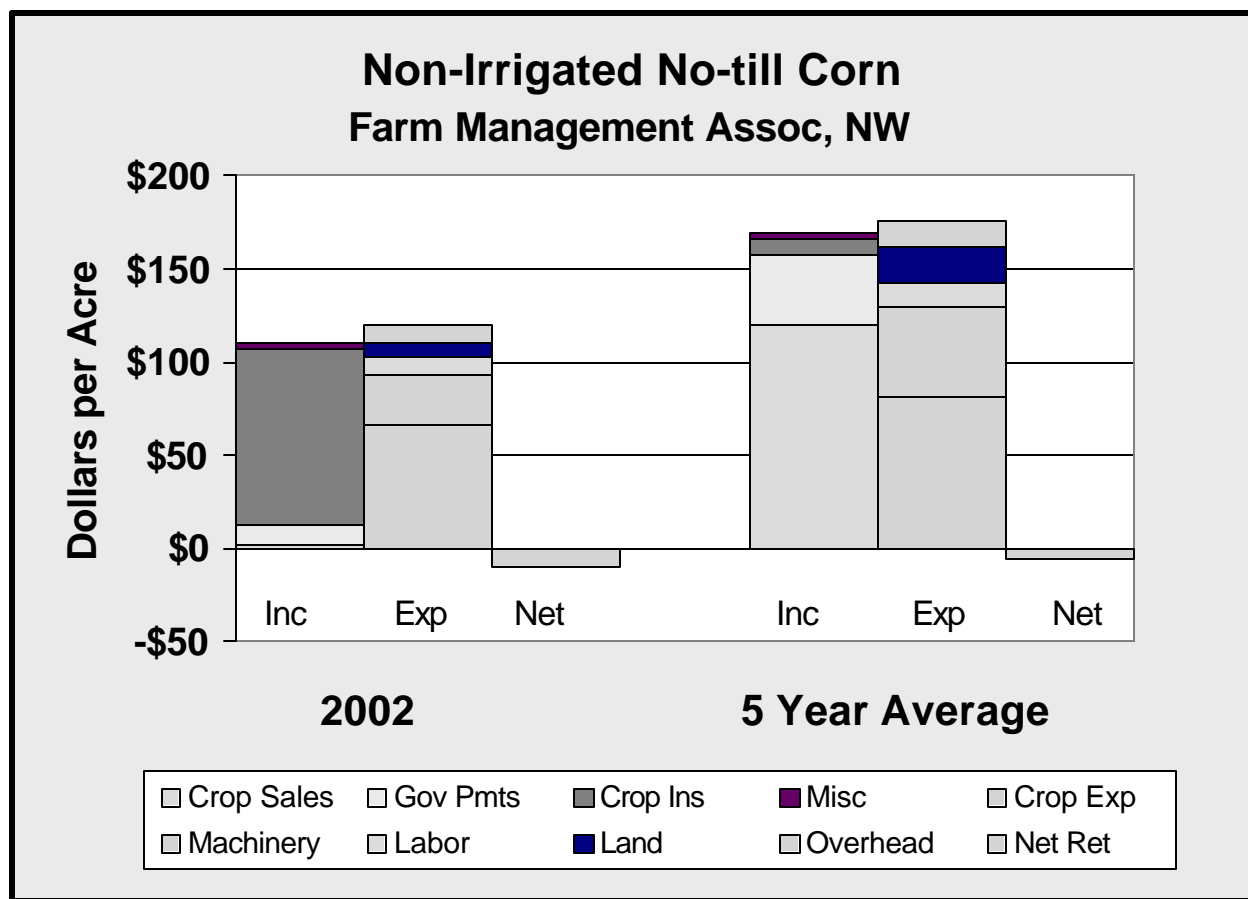


Figure 14

The non-irrigated no-till corn enterprise analysis is summarized for the five-year average and 2002 in the table on the facing page. Yields in 2002 declined to only .94 bushel per acre when compared to 77.1 for the five-year average. Crop insurance proceeds increased to \$95.01 per acre in 2002 when compared to only \$8.22 for the five-year average. Crop and crop insurance combined income declined to \$97.34 per acre when compared to \$127.94 for the five-year average. Government payments decline from \$37.57 for the five-year average to only \$9.96 in 2002. Gross non-irrigated no-till corn income declined from \$169.48 for the five-year average to \$109.96 in 2002. Note the increase in price received in 2002 of \$3.15 when compared to the five-year average of \$1.95 per bushel. The analysis includes as crop income the revenue from acres of the corn crop that were “baled” or “silaged” once the crop insurance company released their crop. The total revenue is correct, but the price per unit is irrelevant for comparison purposes.

Expenses also declined in 2002 from the five-year average. Fertilizer, machine hire, herbicides and fuel account for a \$25.86 or 71.5% of the total decrease in variable costs.

The bar charts in Figure 14 clearly identify the change in income and expense components in 2002 when compared to the five-year average.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2002
Non-Irrigated No-Till Corn

	1998-2002 Average				2002			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	12	12	11	35	12	12	11	35
Crop Acres	1632	2355	2454	2147	1535	3174	2943	2551
Percentage of total crop Acres	17%	17%	16%	17%	15%	15%	17%	16%
Crop Acres	271	407	389	354	235	484	492	401
Acres Owned	105	98	85	96	66	203	224	162
Acres Rented	166	309	303	258	169	281	269	239
Yield / Acre	62	66	77	68	2	1	0	1
Total Operator Bushels	14608	21379	23182	19643	434	321	122	297
INCOME:								
Non-Irrigated No-Till Corn (Op Share)	109.74	105.65	105.17	106.89	15.11	6.37	0.80	7.62
Patronage Refunds	2.17	1.60	1.13	1.64	0.78	0.35	0.54	0.56
Government Payments	42.99	37.16	38.38	39.56	12.11	10.27	10.60	11.00
Miscellaneous Income	0.68	1.53	1.49	1.23	1.34	0.48	0.27	0.71
Crop Insurance Proceeds	20.88	18.59	25.20	21.53	72.83	87.21	126.43	94.61
OTHER INCOME	\$67.44	\$59.55	\$67.36	\$64.80	\$87.67	\$100.29	\$137.92	\$107.79
GROSS INCOME	\$177.13	\$165.03	\$172.53	\$171.62	\$102.78	\$106.66	\$138.72	\$115.41
EXPENSES:								
Labor Hired	1.95	2.95	3.20	2.69	1.26	4.04	2.80	2.70
General Machinery Repairs	16.57	13.59	10.86	13.72	11.53	8.99	5.04	8.62
Irrigation Repairs	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.01
Interest Paid	18.02	11.36	10.42	13.34	12.94	5.83	8.07	8.97
Seed / Other Crop Expense	22.64	18.51	20.76	20.66	23.54	17.74	19.36	20.24
Crop Insurance	9.59	4.65	4.07	6.16	9.81	6.47	6.40	7.59
Fertilizer / Lime	23.28	21.98	20.25	21.86	26.74	13.62	12.94	17.91
Machine Hire - Lease	15.21	7.17	8.02	10.21	2.74	2.86	1.34	2.34
Farm Org Fees / Travel / Publ	1.75	2.54	1.93	2.07	2.08	1.63	1.39	1.71
Gas / Fuel / Oil	4.84	6.29	4.65	5.26	4.41	4.53	2.41	3.82
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.85	0.13	0.62	0.54	0.04	0.05	0.96	0.33
Personal Property Tax	0.14	0.31	0.43	0.29	0.44	0.30	0.46	0.40
General Farm Insurance	2.42	2.90	2.30	2.54	3.31	2.02	2.27	2.54
Utilities	2.32	1.69	1.63	1.89	2.19	1.60	1.37	1.73
Cash Farm Rent	4.69	5.66	1.18	3.87	13.98	5.24	3.06	7.55
Herbicide / Insecticide	41.53	32.59	28.29	34.26	38.11	21.56	21.22	27.13
Conservation	0.01	0.10	0.13	0.08	0.00	0.00	0.01	0.01
Auto Expense	0.93	0.62	0.62	0.73	0.86	0.47	0.41	0.59
TOTAL VARIABLE COSTS	\$166.74	\$133.05	\$119.45	\$140.18	\$153.99	\$96.99	\$89.54	\$114.19
RETURN ABOVE VARIABLE COSTS	\$10.39	\$31.97	\$53.07	\$31.44	(\$51.20)	\$9.67	\$49.18	\$1.22
Depreciation	17.75	13.24	12.57	14.57	17.63	11.34	9.49	12.92
Real Estate Tax	3.14	2.16	1.85	2.40	2.53	1.42	1.68	1.88
Unpaid Operator Labor	10.64	9.75	7.83	9.43	9.92	7.92	6.47	8.15
Interest Charge *	4.65	3.42	4.13	4.07	3.85	4.75	1.87	3.54
TOTAL FIXED COSTS	\$36.18	\$28.57	\$26.38	\$30.47	\$33.94	\$25.43	\$19.51	\$26.48
Land Charge **	21.41	15.98	12.20	16.61	0.00	1.87	0.07	0.67
TOTAL EXPENSE	\$224.34	\$177.60	\$158.03	\$187.26	\$187.92	\$124.29	\$109.13	\$141.34
NET RETURN TO MANAGEMENT	(\$47.21)	(\$12.58)	\$14.50	(\$15.64)	(\$85.14)	(\$17.63)	\$29.59	(\$25.93)
NET RETURN TO LABOR-MGT	(\$34.61)	\$0.12	\$25.52	(\$3.52)	(\$73.95)	(\$5.67)	\$38.86	(\$15.09)

*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.

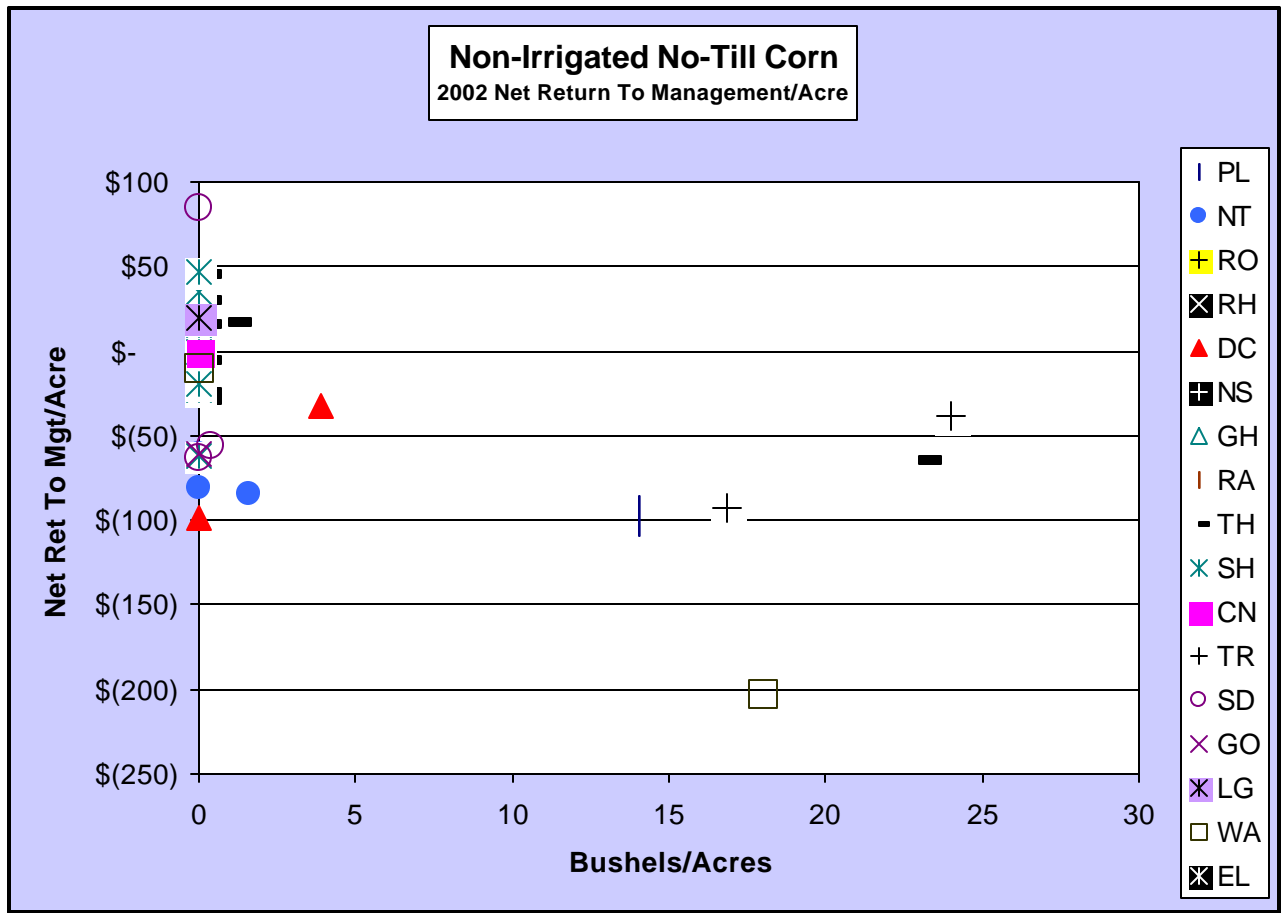


Figure 15

The majority of non-irrigated no-till corn enterprises experienced zero yields per bushels. The highest yield produced in 2002 of those listed in Figure 15 was slightly less than 25 bushels per acre.

The table on the facing page divides the non-irrigated no-till corn by the low, mid, and top third based on net return to management. The range in net return to management in 2002 was \$114.73 from top to low third which represents an 85% increase in variation over the five-year average (\$61.71). The top third non-irrigated no-till corn enterprises for 2002 averaged zero yield, but accumulated \$126.43 of crop insurance compared to the low third which earned only \$72.83 of crop insurance proceeds.

Expense comparisons for 2002 between the top and low third shows how some operators were able to earn a positive net return to management for non-irrigated no-till corn in 2002. Seed and crop expense costs for the top third were 82% of the low third. Top third enterprises have a fertilizer cost only 48% of the low third. Herbicides for the top third were 56% of the low third non-irrigated no-till corn enterprises. Top third enterprises had cash rent expense only 22% of the low third.

The top third non-irrigated no-till corn enterprises carried higher crop insurance coverage, cut their seed, fertilizer, and chemical costs in an effort to earn a higher net return to management. Top third farms utilize share rental arrangements more than the low third farms which transfers some of the production risk to the landlord when compared to cash rental arrangements.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NO-TILL NON-IRRIGATED MILO

	1997-2001 Average	2002
Number of Farms	29	42
Crop Acres	296	351
Acres Owned	76	98
Acres Rented	220	254
Yield / Acre	80.4	12.4
Bushels	18,417	3,416
Operator Percentage	77.49%	78.55%
Gross Income / Acre	\$139.42	\$92.61
Variable Costs / Acre	\$99.74	\$75.42
Total Expense / Acre	\$134.01	\$98.56
Gross Income / Bushel	\$2.24	\$9.52
Total Expense / Bushel	\$2.15	\$10.13

	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$30,861.70	\$1.68	\$104.40	\$9,518.41	\$2.79	\$27.12
Patronage Refunds	296.58	0.02	1.00	144.64	0.04	0.41
Government Payments	8,713.10	0.47	29.48	3,562.52	1.04	10.15
Miscellaneous Income	662.30	0.04	2.24	315.84	0.09	0.90
Crop Insurance Proceeds	679.65	0.04	2.30	18,964.50	5.55	54.03
OTHER INCOME	\$10,351.64	\$0.56	\$35.02	\$22,987.50	\$6.73	\$65.49
GROSS INCOME	\$41,213.35	\$2.24	\$139.42	\$32,505.91	\$9.52	\$92.61
EXPENSES:						
Labor Hired	\$925.14	\$0.05	\$3.13	\$996.27	\$0.29	\$2.84
General Machinery Repairs	2,839.76	0.15	9.61	2,562.17	0.75	7.30
Interest Paid	2,288.17	0.12	7.74	1,966.95	0.58	5.60
Seed / Other Crop Expense	1,565.74	0.09	5.30	1,720.78	0.50	4.90
Crop Insurance	939.42	0.05	3.18	1,272.26	0.37	3.62
Fertilizer / Lime	4,869.75	0.26	16.47	4,269.78	1.25	12.16
Machine Hire - Lease	2,586.25	0.14	8.75	1,523.82	0.45	4.34
Farm Org Fees / Travel / Publ	555.39	0.03	1.88	526.85	0.15	1.50
Gas / Fuel / Oil	1,352.35	0.07	4.57	1,319.63	0.39	3.76
Crop Storage & Marketing	152.39	0.01	0.52	196.10	0.06	0.56
Personal Property Tax	97.29	0.01	0.33	113.15	0.03	0.32
General Farm Insurance	533.80	0.03	1.81	624.59	0.18	1.78
Utilities	453.18	0.02	1.53	443.07	0.13	1.26
Cash Farm Rent	978.20	0.05	3.31	1,678.33	0.49	4.78
Herbicide / Insecticide	9,102.69	0.49	30.79	6,988.05	2.05	19.91
Conservation	24.42	0.00	0.08	65.76	0.02	0.19
Auto Expense	220.43	0.01	0.75	204.31	0.06	0.58
TOTAL VARIABLE COSTS	\$29,484.36	\$1.60	\$99.74	\$26,471.87	\$7.75	\$75.42
RETURN ABOVE VARIABLE COSTS	\$11,728.99	\$0.64	\$39.68	\$6,034.04	\$1.77	\$17.19
Depreciation	3,077.47	0.17	10.41	3,076.39	0.90	8.76
Real Estate Tax	532.92	0.03	1.80	609.99	0.18	1.74
Unpaid Operator Labor	2,687.06	0.15	9.09	2,738.80	0.80	7.80
Interest Charge *	465.68	0.03	1.58	605.81	0.18	1.73
TOTAL FIXED COSTS	\$6,763.13	\$0.37	\$22.88	\$7,030.99	\$2.06	\$20.03
Land Charge **	\$3,365.67	\$0.18	\$11.39	\$1,092.21	\$0.32	\$3.11
TOTAL EXPENSE	\$39,613.16	\$2.15	\$134.01	\$34,595.07	\$10.13	\$98.56
NET RETURN TO MANAGEMENT	\$1,600.19	\$0.09	\$5.41	(\$2,089.16)	(\$0.61)	(\$5.95)
NET RETURN TO LABOR-MGT	\$5,212.39	\$0.28	\$17.63	\$1,645.91	\$0.48	\$4.69

*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.

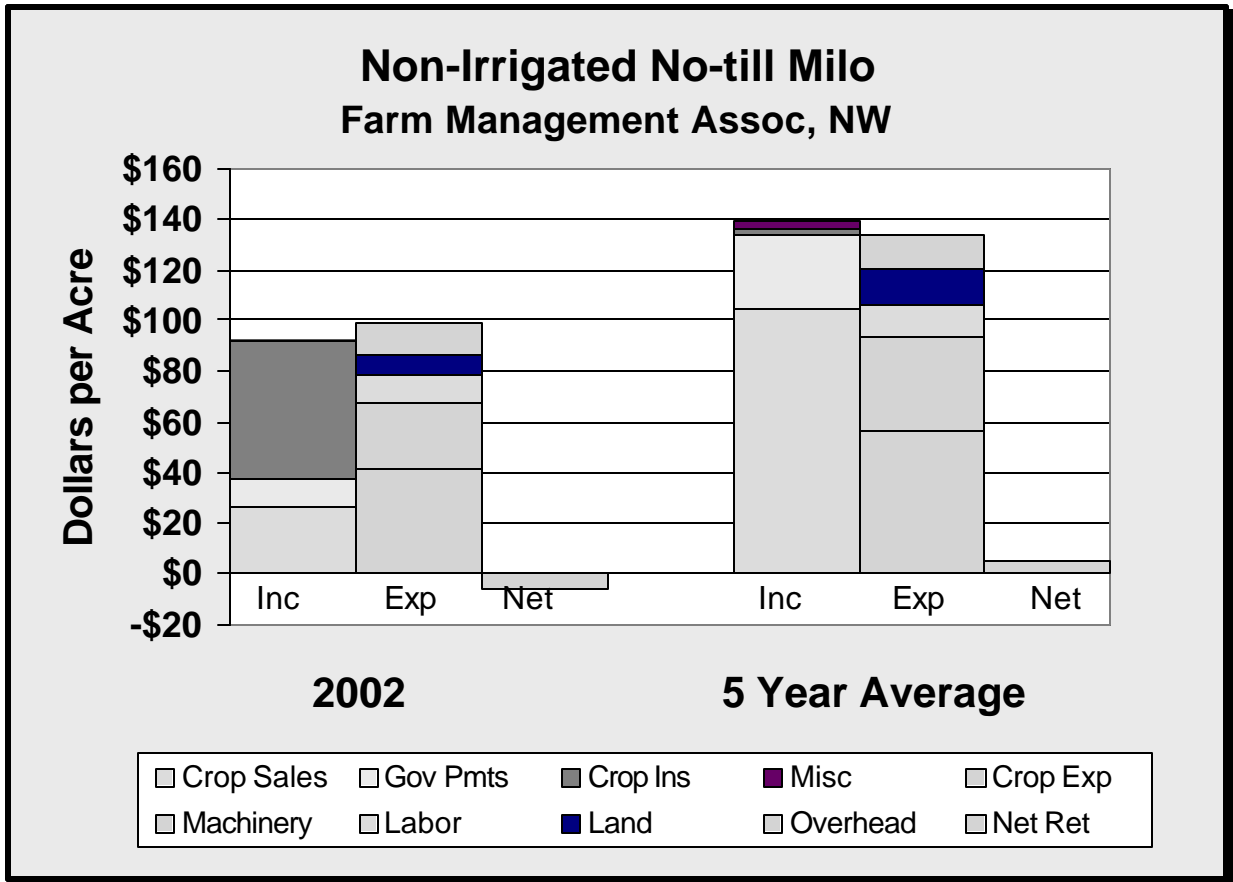


Figure 16

Non-irrigated no-till milo enterprises are summarized in the table on the facing page and in Figure 16. Non-irrigated no-till milo yields declined from 80.4 in the five-year average to 12.4 bushels per acre in 2002. Crop income when combined with crop insurance proceeds earned \$81.15 on the average in 2002, but is \$25.55 lower than the five-year average of \$106.70 per acre. Government payments also declined significantly from \$29.48 on the five-year average to \$10.15 per acre in 2002. Northwest Association producers included in the non-irrigated no-till milo enterprises reduced their variable cost from \$99.74 on the five-year average to \$75.42 in 2002. Variable cost reduction was sufficient to maintain a positive return above variable cost, but not enough to keep the net return to management above zero in 2002.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2002
Non-Irrigated No-Till Milo

	1998-2002 Average				2002			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	6	6	5	17	15	14	13	42
Crop Acres	1640	2483	2633	2252	2069	2351	2342	2254
Percentage of total crop Acres	16%	18%	16%	16%	10%	19%	18%	16%
Crop Acres	255	443	419	363	197	456	418	352
Acres Owned	79	51	123	83	66	111	122	98
Acres Rented	175	393	296	281	131	345	297	254
Yield / Acre	61	66	74	67	21	16	3	14
Total Operator Bushels	12275	22615	24519	19179	3361	5683	1036	3416
INCOME:								
Non_Irrigated No-Till Milo (Op Share)	87.60	85.16	112.31	93.95	38.26	42.51	13.46	32.00
Patronage Refunds	0.89	1.04	2.11	1.29	0.28	0.33	0.61	0.40
Government Payments	25.94	27.74	35.17	29.19	9.74	11.09	12.00	10.89
Miscellaneous Income	0.46	1.23	1.14	0.91	1.37	0.19	0.35	0.66
Crop Insurance Proceeds	6.58	10.75	7.08	8.08	26.83	35.91	84.73	47.78
OTHER INCOME	\$35.48	\$42.19	\$46.64	\$40.89	\$39.33	\$47.76	\$97.69	\$60.20
GROSS INCOME	\$123.03	\$127.35	\$159.11	\$134.87	\$77.59	\$90.28	\$111.15	\$92.21
EXPENSES:								
Labor Hired	1.81	6.05	2.69	3.44	1.92	3.28	2.30	2.49
General Machinery Repairs	12.15	7.13	11.19	10.24	9.82	8.46	5.94	8.16
Irrigation Repairs	0.11	0.00	0.00	0.04	0.03	0.00	0.00	0.01
Interest Paid	8.46	5.57	8.27	7.47	8.76	4.13	5.46	6.20
Seed / Other Crop Expense	5.23	5.74	5.23	5.40	6.65	5.70	3.92	5.49
Crop Insurance	3.71	2.29	5.56	3.79	4.49	2.87	4.14	3.84
Fertilizer / Lime	17.28	16.87	16.78	17.00	18.41	10.39	10.92	13.42
Machine Hire - Lease	5.54	9.85	7.84	7.61	2.66	4.87	6.28	4.52
Farm Org Fees / Travel / Publ	1.45	1.45	1.76	1.54	1.36	1.27	2.29	1.62
Gas / Fuel / Oil	5.96	3.45	5.17	4.91	4.50	4.72	2.54	3.97
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.65	0.95	0.80	0.79	3.06	0.00	0.00	1.09
Personal Property Tax	0.23	0.24	0.27	0.24	0.35	0.16	0.39	0.30
General Farm Insurance	2.27	1.27	1.96	1.85	2.45	1.70	2.10	2.09
Utilities	1.59	0.89	1.63	1.37	1.35	1.08	1.59	1.33
Cash Farm Rent	3.61	7.73	2.35	4.59	6.98	5.13	3.89	5.40
Herbicide / Insecticide	34.39	26.44	28.14	30.00	19.46	25.50	15.40	20.21
Conservation	0.33	0.11	0.21	0.22	0.78	0.00	0.02	0.29
Auto Expense	1.33	0.68	0.82	0.97	1.58	0.77	0.48	0.97
TOTAL VARIABLE COSTS	\$106.28	\$96.70	\$100.67	\$101.54	\$94.60	\$80.04	\$67.65	\$81.40
RETURN ABOVE VARIABLE COSTS	\$16.75	\$30.65	\$58.44	\$33.33	(\$17.02)	\$10.34	\$43.59	\$10.86
Depreciation	13.49	11.81	9.56	11.81	13.26	8.76	5.34	9.31
Real Estate Tax	2.09	1.11	1.62	1.64	2.78	1.41	1.48	1.92
Unpaid Operator Labor	10.71	8.04	8.21	9.12	11.39	9.13	6.76	9.20
Interest Charge *	3.28	4.37	2.93	3.53	2.87	3.34	1.71	2.66
TOTAL FIXED COSTS	\$29.57	\$25.33	\$22.32	\$26.09	\$30.30	\$22.64	\$15.29	\$23.10
Land Charge **	8.31	2.25	12.14	7.45	3.77	4.48	0.76	3.07
TOTAL EXPENSE	\$144.16	\$124.28	\$135.13	\$135.08	\$128.67	\$107.15	\$83.69	\$107.57
NET RETURN TO MANAGEMENT	(\$21.14)	\$3.07	\$23.98	(\$0.22)	(\$51.08)	(\$16.87)	\$27.46	(\$15.37)
NET RETURN TO LABOR-MGT	(\$8.62)	\$17.16	\$34.88	\$12.34	(\$37.78)	(\$4.46)	\$36.52	(\$3.67)

*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.

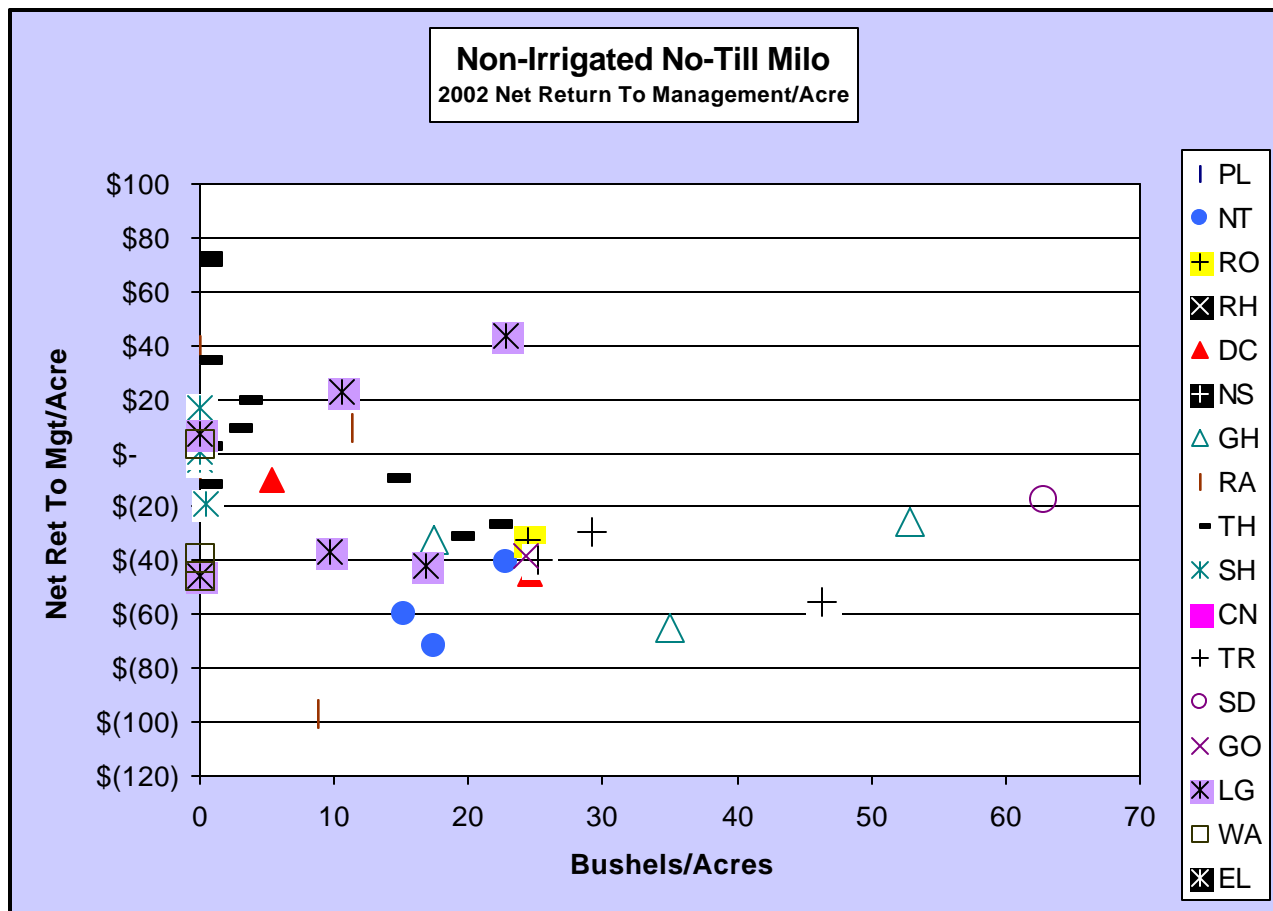


Figure 17

Comparison of the low, mid, and high net return to management for non-irrigated, no-till milo is listed in the table on the facing page and in Figure 17. Net return to management of top third enterprises in 2002 of \$27.46 was above the five-year average for top third enterprises of \$23.98 per acre. Average yield of top third non-irrigated, no-till milo enterprises was only 3 bushels per acre, while the low third produced yields of 21 bushels per acre. Many of the producers with crop production failures, harvested milo hay which was marketed for an excellent price last fall. This creative and more aggressive management paid dividends to those that produced non-irrigated, no-till milo in 2002.

The range in net return to management from the top to low third was \$78.54 in 2002 and \$45.12 in the five-year average, which represents an increase of 74%.

Non-irrigated, no-till Milo analysis for the top third enterprises reveals the strategy of success similar to non-irrigated, no-till corn. The strategy includes, high crop insurance coverage, minimum expenses to produce a crop, and the benefit of zero or minimal harvest expense due to crop production failure.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NON-IRRIGATED MILO

	1997-2001 Average	2002
Number of Farms	35	21
Crop Acres	193	275
Acres Owned	59	114
Acres Rented	134	161
Yield / Acre	65.0	6.18
Bushels	9,836	1,310
Operator Percentage	78.53%	77.08%
Gross Income / Acre	\$123.86	\$72.61
Variable Costs / Acre	\$84.69	\$55.07
Total Expense / Acre	\$124.11	\$81.95
Gross Income / Bushel	\$2.43	\$15.24
Total Expense / Bushel	\$2.43	\$17.20

	Total Dollars	\$ / Bushel	\$ / Acre	Total Dollars	\$ / Bushel	\$ / Acre
INCOME:						
Grain Sorghum (Operator's Share)	\$16,724.37	\$1.70	\$86.83	\$3,152.84	\$2.41	\$11.46
Patronage Refunds	171.28	0.02	0.89	61.45	0.05	0.22
Government Payments	5,776.65	0.59	29.99	1,776.97	1.36	6.46
Miscellaneous Income	168.57	0.02	0.88	95.71	0.07	0.35
Crop Insurance Proceeds	1,013.74	0.10	5.26	14,879.65	11.36	54.11
OTHER INCOME	\$7,130.24	\$0.72	\$37.02	\$16,813.78	\$12.83	\$61.14
GROSS INCOME	\$23,854.61	\$2.43	\$123.86	\$19,966.62	\$15.24	\$72.61
EXPENSES:						
Labor Hired	\$700.65	\$0.07	\$3.64	\$857.76	\$0.65	\$3.12
General Machinery Repairs	1,870.57	0.19	9.71	1,984.41	1.51	7.22
Interest Paid	1,911.26	0.19	9.92	2,297.38	1.75	8.35
Seed / Other Crop Expense	1,088.97	0.11	5.65	924.95	0.71	3.36
Crop Insurance	600.97	0.06	3.12	988.16	0.75	3.59
Fertilizer / Lime	2,585.27	0.26	13.42	2,200.52	1.68	8.00
Machine Hire - Lease	1,927.56	0.20	10.01	564.08	0.43	2.05
Farm Org Fees / Travel / Publ	318.67	0.03	1.65	268.77	0.21	0.98
Gas / Fuel / Oil	1,369.32	0.14	7.11	1,761.38	1.34	6.41
Crop Storage & Marketing	109.90	0.01	0.57	-	-	-
Personal Property Tax	64.73	0.01	0.34	138.75	0.11	0.50
General Farm Insurance	328.23	0.03	1.70	452.64	0.35	1.65
Utilities	250.82	0.03	1.30	281.48	0.21	1.02
Cash Farm Rent	366.61	0.04	1.90	371.76	0.28	1.35
Herbicide / Insecticide	2,677.15	0.27	13.90	1,901.62	1.45	6.91
Conservation	5.34	0.00	0.03	42.25	0.03	0.15
Auto Expense	135.52	0.01	0.70	107.27	0.08	0.39
TOTAL VARIABLE COSTS	\$16,311.53	\$1.66	\$84.69	\$15,143.18	\$11.56	\$55.07
RETURN ABOVE VARIABLE COSTS	\$7,543.08	\$0.77	\$39.16	\$4,823.44	\$3.68	\$17.54
Depreciation	1,900.03	0.19	9.87	2,618.90	2.00	9.52
Real Estate Tax	354.36	0.04	1.84	434.24	0.33	1.58
Unpaid Operator Labor	3,187.80	0.32	16.55	4,023.21	3.07	14.63
Interest Charge *	24.74	0.00	0.13	-	-	-
TOTAL FIXED COSTS	\$5,466.94	\$0.56	\$28.38	\$7,076.35	\$5.40	\$25.73
Land Charge **	\$2,124.33	\$0.22	\$11.03	\$317.26	\$0.24	\$1.15
TOTAL EXPENSE	\$23,902.79	\$2.43	\$124.11	\$22,536.79	\$17.20	\$81.95
NET RETURN TO MANAGEMENT	(\$48.18)	(\$0.00)	(\$0.25)	(\$2,570.17)	(\$1.96)	(\$9.35)
NET RETURN TO LABOR-MGT	\$3,840.27	\$0.39	\$19.94	\$2,310.80	\$1.76	\$8.40

*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.

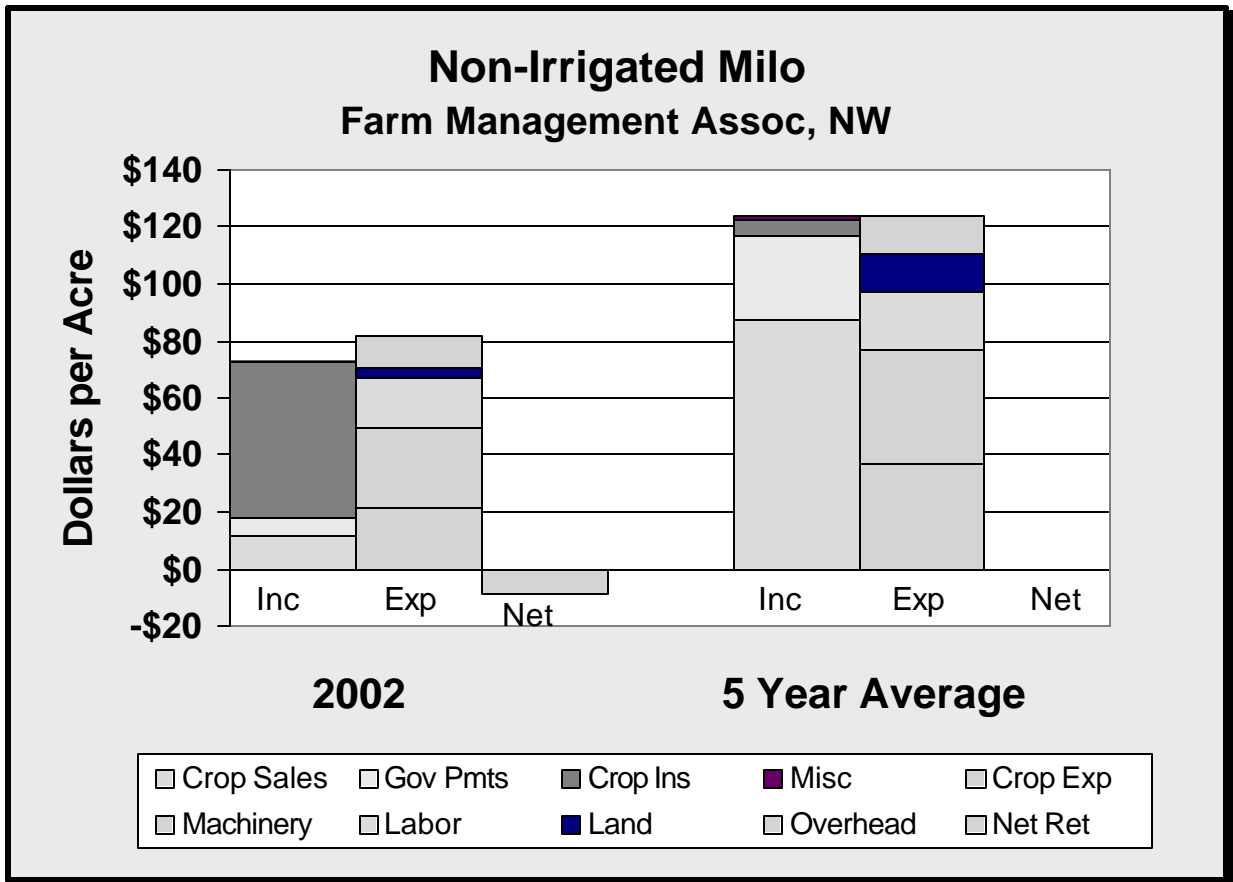


Figure 18

Non-irrigated Milo is an old established enterprise in Northwest Kansas. It represent producers that are using from minimum to full tillage in producing milo in the Northwest Association.

Average yields declined from 65 for the five-year average to 6.18 bushels per acre in 2002. Crop and crop insurance combined income for the five-year average was \$123.85 which compares favorably to the \$65.57 earned in 2002. Producers reduced variable cost from \$84.69 for the five-year average to \$55.07 in 2002. Net return to management for 2002 was -\$9.35.

Crop insurance proceeds for the non-irrigated milo enterprise did not cover production expenses to the level the non-irrigated, no-till corn and non-irrigated, no-till milo enterprises. The non-irrigated milo enterprise has been a “low cost” fall crop alternative that is frequently used to salvage income from a failed non-irrigated wheat enterprise. This was also the case in 2002. That may have contributed to the lower level of crop insurance proceeds in 2002.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2002
Non-Irrigated Milo

	1998-2002 Average				2002			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	4	4	4	12	8	7	6	21
Crop Acres	1690	1651	1529	1624	1277	2168	1549	1665
Percentage of total crop Acres	14%	16%	21%	17%	15%	16%	20%	17%
Crop Acres	229	257	320	268	194	338	311	275
Acres Owned	82	86	144	103	35	157	172	115
Acres Rented	147	172	176	165	159	181	139	161
Yield / Acre	42	57	62	53	17	3	1	8
Total Operator Bushels	7872	11755	16882	12090	2379	1022	220	1310
INCOME:								
Non-Irrigated Milo (Op Share)	74.14	72.15	91.63	79.10	21.43	6.96	9.21	13.11
Patronage Refunds	1.72	0.82	1.50	1.34	0.30	0.08	0.14	0.18
Government Payments	33.51	29.08	39.53	33.95	6.44	6.18	11.38	7.76
Miscellaneous Income	0.49	0.42	0.28	0.40	0.03	0.42	0.40	0.26
Crop Insurance Proceeds	7.80	6.59	11.92	8.72	28.38	59.22	74.53	51.85
OTHER INCOME	\$43.79	\$37.01	\$53.50	\$44.62	\$35.15	\$65.90	\$87.13	\$60.25
GROSS INCOME	\$117.93	\$109.16	\$145.13	\$123.72	\$56.58	\$72.86	\$96.34	\$73.36
EXPENSES:								
Labor Hired	4.93	0.93	1.89	2.59	1.94	2.95	2.21	2.36
General Machinery Repairs	13.11	6.68	10.29	10.02	11.39	5.89	8.95	8.86
Irrigation Repairs	0.46	0.08	0.00	0.18	0.00	0.00	0.00	0.00
Interest Paid	13.22	10.20	10.93	11.46	6.13	9.16	11.12	8.57
Seed / Other Crop Expense	6.80	5.34	5.69	5.95	4.80	2.99	2.72	3.60
Crop Insurance	2.69	2.22	2.93	2.60	3.57	3.07	3.74	3.45
Fertilizer / Lime	14.58	9.45	13.76	12.58	11.17	7.58	4.03	7.93
Machine Hire - Lease	5.16	3.62	4.10	4.30	3.06	4.56	3.11	3.57
Farm Org Fees / Travel / Publ	1.43	0.98	1.49	1.30	1.09	0.98	1.41	1.14
Gas / Fuel / Oil	8.88	6.97	7.33	7.73	8.14	6.55	5.73	6.92
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	1.21	0.85	0.23	0.77	0.00	0.00	0.00	0.00
Personal Property Tax	0.67	0.46	0.33	0.49	0.22	0.58	0.68	0.47
General Farm Insurance	2.02	1.39	2.01	1.80	2.95	1.52	2.16	2.25
Utilities	1.42	0.87	1.14	1.14	1.12	0.87	1.33	1.10
Cash Farm Rent	0.00	4.51	0.74	1.77	1.77	2.16	0.00	1.39
Herbicide / Insecticide	16.30	14.39	9.89	13.59	9.75	9.95	3.09	7.91
Conservation	0.20	0.11	0.06	0.12	0.29	0.00	0.00	0.11
Auto Expense	1.35	0.70	0.98	1.01	0.53	0.43	0.35	0.44
TOTAL VARIABLE COSTS	\$94.52	\$70.32	\$73.78	\$79.64	\$67.93	\$59.23	\$50.61	\$60.08
RETURN ABOVE VARIABLE COSTS	\$23.41	\$38.84	\$71.35	\$44.08	(\$11.35)	\$13.62	\$45.74	\$13.28
Depreciation	9.86	9.52	11.61	10.31	9.12	9.99	8.98	9.37
Real Estate Tax	3.07	1.90	2.45	2.47	1.83	1.84	1.79	1.82
Unpaid Operator Labor	25.56	18.76	15.82	20.12	26.12	12.86	13.68	18.15
Interest Charge *	1.39	3.15	2.10	2.22	3.15	1.19	0.33	1.69
TOTAL FIXED COSTS	\$39.88	\$33.32	\$31.99	\$35.12	\$40.22	\$25.89	\$24.79	\$31.03
Land Charge **	13.93	8.28	16.95	12.99	0.55	1.67	3.07	1.65
TOTAL EXPENSE	\$148.33	\$111.92	\$122.72	\$127.74	\$108.70	\$86.79	\$78.46	\$92.76
NET RETURN TO MANAGEMENT	(\$30.40)	(\$2.75)	\$22.41	(\$4.02)	(\$52.12)	(\$13.94)	\$17.88	(\$19.39)
NET RETURN TO LABOR-MGT	\$0.08	\$16.94	\$40.13	\$18.69	(\$24.06)	\$1.88	\$33.77	\$1.11

*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.

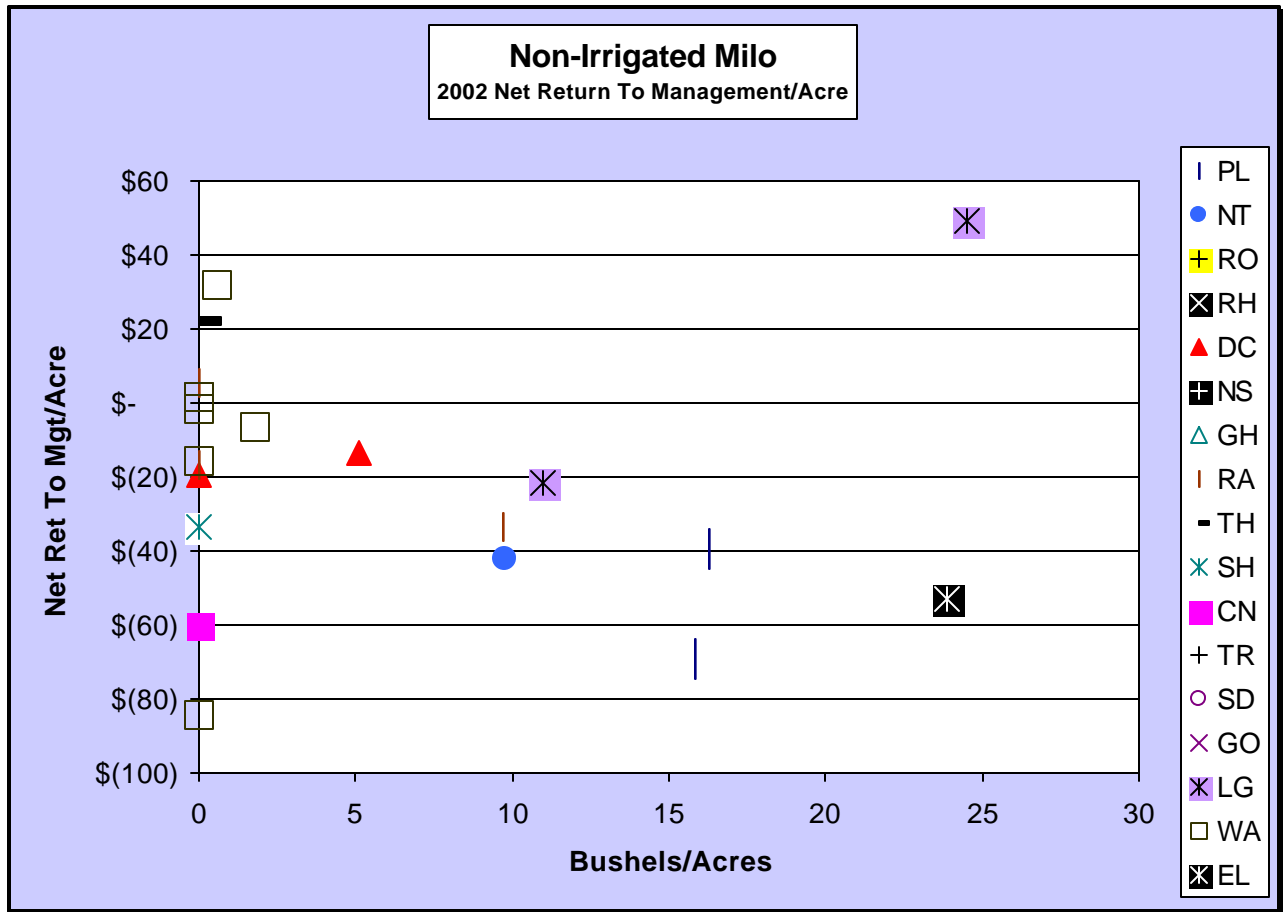


Figure 19

Non-irrigated milo has a similar pattern to the previous non-irrigated feed grain crop enterprises in the 2002 records analysis. The top third of producers experienced a positive net return to management whereas the mid, low and average earned a loss. Those producers successful in earning a positive net return to management had higher crop insurance proceeds and lower cost of production than those in the low and mid thirds.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NON-IRRIGATED OILSEED SUNFLOWERS

	1997-2001 Average	2002
Number of Farms	28	6
Crop Acres	207	215
Acres Owned	44	26
Acres Rented	163	189
Yield / Acre	13.70	2.56
Cwt	2,258	527
Operator Percentage	79.69%	95.75%
Gross Income / Acre	\$134.29	\$99.68
Variable Costs / Acre	\$98.84	\$48.35
Total Expense / Acre	\$136.72	\$80.09
Gross Income / Cwt	\$12.30	\$40.67
Total Expense / Cwt	\$12.52	\$32.67

	Total Dollars	\$ / Cwt	\$ / Acre	Total Dollars	\$ / Cwt	\$ / Acre
INCOME:						
Sunflowers (Operator's Share)	\$19,197.11	\$8.50	\$92.83	\$6,343.46	\$12.04	\$29.50
Patronage Refunds	250.16	0.11	1.21	69.13	0.13	0.32
Government Payments	7,298.99	3.23	35.29	3,158.48	5.99	14.69
Miscellaneous Income	321.26	0.14	1.55	71.53	0.14	0.33
Crop Insurance Proceeds	704.42	0.31	3.41	11,788.72	22.37	54.83
OTHER INCOME	\$8,574.83	\$3.80	\$41.46	\$15,087.86	\$28.63	\$70.18
GROSS INCOME	\$27,771.94	\$12.30	\$134.29	\$21,431.32	\$40.67	\$99.68
EXPENSES:						
Labor Hired	\$1,414.26	\$0.63	\$6.84	\$1,763.50	\$3.35	\$8.20
General Machinery Repairs	2,300.33	1.02	11.12	985.84	1.87	4.59
Interest Paid	1,836.05	0.81	8.88	444.99	0.84	2.07
Seed / Other Crop Expense	2,664.25	1.18	12.88	2,349.54	4.46	10.93
Crop Insurance	639.51	0.28	3.09	463.67	0.88	2.16
Fertilizer / Lime	2,820.81	1.25	13.64	64.33	0.12	0.30
Machine Hire - Lease	2,087.99	0.92	10.10	1,334.00	2.53	6.20
Farm Org Fees / Travel / Publ	302.66	0.13	1.46	172.70	0.33	0.80
Gas / Fuel / Oil	1,282.33	0.57	6.20	1,128.77	2.14	5.25
Crop Storage & Marketing	116.94	0.05	0.57	-	-	-
Personal Property Tax	71.60	0.03	0.35	40.43	0.08	0.19
General Farm Insurance	412.66	0.18	2.00	253.37	0.48	1.18
Utilities	314.43	0.14	1.52	264.64	0.50	1.23
Cash Farm Rent	876.93	0.39	4.24	-	-	-
Herbicide / Insecticide	3,082.29	1.37	14.90	994.00	1.89	4.62
Conservation	16.39	0.01	0.08	0.59	0.00	0.00
Auto Expense	199.93	0.09	0.97	135.42	0.26	0.63
TOTAL VARIABLE COSTS	\$20,439.36	\$9.05	\$98.84	\$10,395.79	\$19.73	\$48.35
RETURN ABOVE VARIABLE COSTS	\$7,332.58	\$3.25	\$35.46	\$11,035.53	\$20.94	\$51.33
Depreciation	2,394.74	1.06	11.58	1,832.50	3.48	8.52
Real Estate Tax	249.44	0.11	1.21	197.42	0.37	0.92
Unpaid Operator Labor	3,086.36	1.37	14.92	3,435.00	6.52	15.98
Interest Charge *	300.92	0.13	1.46	765.16	1.45	3.56
TOTAL FIXED COSTS	\$6,031.46	\$2.67	\$29.17	\$6,230.08	\$11.82	\$28.98
Land Charge **	\$1,803.49	\$0.80	\$8.72	\$593.62	\$1.13	\$2.76
TOTAL EXPENSE	\$28,274.31	\$12.52	\$136.72	\$17,219.49	\$32.67	\$80.09
NET RETURN TO MANAGEMENT	(\$502.37)	(\$0.22)	(\$2.43)	\$4,211.83	\$7.99	\$19.59
NET RETURN TO LABOR-MGT	\$3,998.25	\$1.77	\$19.33	\$9,410.33	\$17.86	\$43.77

*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.

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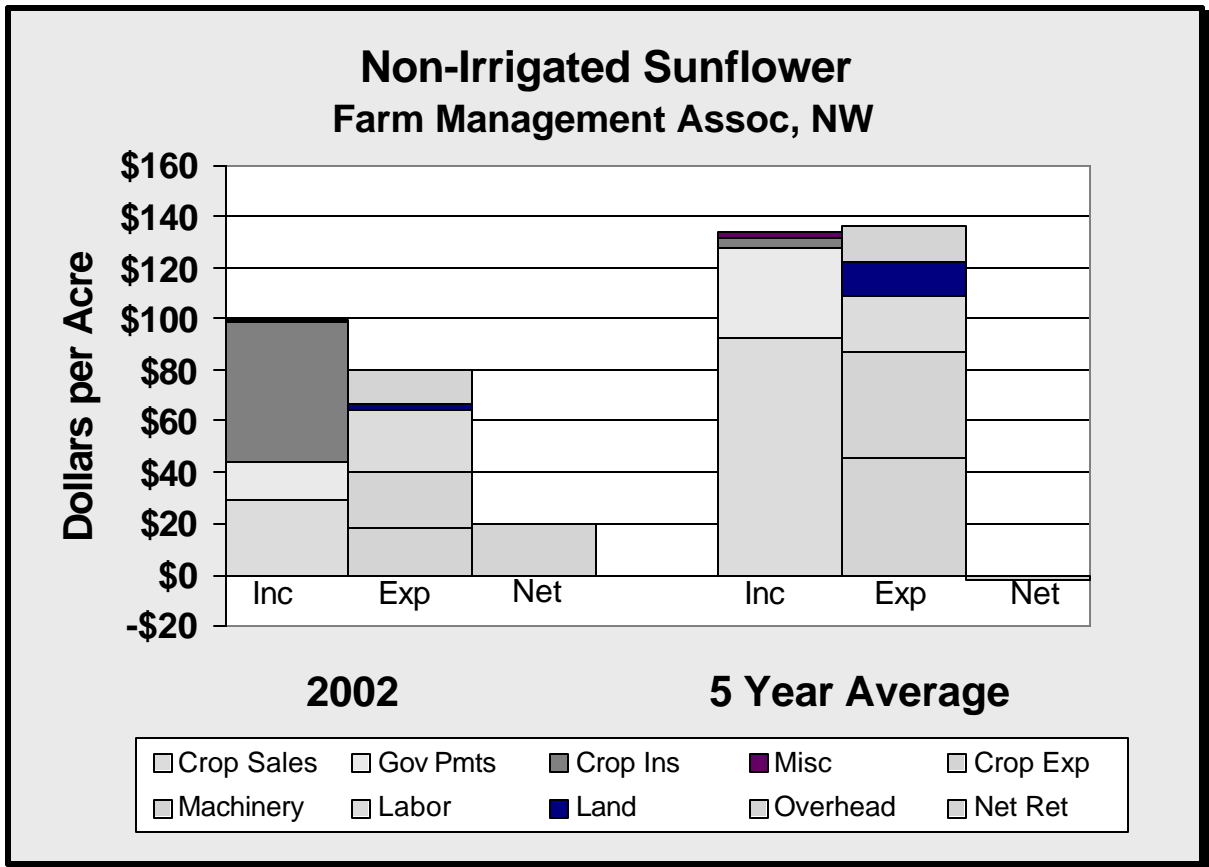


Figure 20

Sunflower has been a common non-irrigated fall crop in Northwest Kansas for many years. The dry weather of the past three years have discouraged production of sunflower. Yields in 2002 were 2.56 cwt compared to the five-year average of 13.70 cwt. Prices increased to \$12.04 on the average compared with \$8.50 for the five-year average. Crop and crop insurance combined income sources declined in 2002 to \$84.33 from the five-year average of \$96.24. Producers earned a positive net return to management by reducing variable costs from \$98.84 for the five-year average to a low \$48.35 per acre in 2002.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5 YEARS AVERAGE & 2002
Non-Irrigated Sunflowers

	1998-2002 Average				2002			
	Low third	Mid third	Top Third	Average	Low third	Mid third	Top Third	Average
Number of Farms	5	4	4	13	6	6	5	17
Crop Acres	1715	2852	2585	2384	3238	3144	1887	2756
Percentage of total crop Acres	14%	12%	12%	12%	5%	15%	14%	11%
Crop Acres	242	329	299	288	148	462	273	296
Acres Owned	53	48	80	59	75	158	54	98
Acres Rented	188	281	219	230	73	304	219	197
Yield / Acre	12	11	15	12	0	0	2	1
Total Operator Bushels	2206	2918	3521	2822	14	158	592	235
INCOME:								
Non-Irrigated Sunflowers (Op Share)	68.18	71.82	87.10	74.70	4.88	9.88	23.47	12.11
Patronage Refunds	1.75	1.97	1.43	1.74	0.27	0.69	0.41	0.46
Government Payments	42.43	32.48	40.16	38.28	10.78	10.18	13.79	11.45
Miscellaneous Income	1.05	0.47	1.33	0.92	0.24	0.65	0.15	0.36
Crop Insurance Proceeds	13.38	15.99	19.26	15.93	72.26	57.86	79.22	69.23
OTHER INCOME	\$58.74	\$51.27	\$62.55	\$57.15	\$83.55	\$69.62	\$93.57	\$81.58
GROSS INCOME	\$126.92	\$123.09	\$149.65	\$131.86	\$88.43	\$79.50	\$117.04	\$93.69
EXPENSES:								
Labor Hired	3.56	13.45	6.22	7.79	8.20	3.67	9.04	6.85
General Machinery Repairs	11.45	9.06	9.55	10.08	10.91	5.28	6.09	7.51
Irrigation Repairs	0.00	0.01	0.00	0.00	0.12	0.00	0.00	0.04
Interest Paid	13.47	2.96	10.69	8.98	5.28	3.68	7.30	5.31
Seed / Other Crop Expense	19.01	9.54	15.14	14.59	9.96	10.97	12.17	10.97
Crop Insurance	4.22	2.76	1.61	2.98	1.86	3.01	3.00	2.60
Fertilizer / Lime	12.88	14.76	9.97	12.74	8.05	5.17	3.48	5.69
Machine Hire - Lease	10.31	6.93	8.03	8.48	3.68	5.25	5.38	4.74
Farm Org Fees / Travel / Publ	1.98	0.98	1.45	1.48	1.23	1.09	0.97	1.11
Gas / Fuel / Oil	7.54	6.54	5.66	6.67	5.70	3.57	4.34	4.55
Irrigation Energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Storage & Marketing	0.06	0.08	0.69	0.24	0.00	0.03	0.00	0.01
Personal Property Tax	0.32	0.48	0.24	0.35	0.33	0.52	0.39	0.42
General Farm Insurance	2.33	2.16	1.73	2.10	2.38	1.51	1.48	1.81
Utilities	1.86	0.97	1.54	1.45	1.28	1.78	0.86	1.33
Cash Farm Rent	6.33	6.13	4.23	5.68	13.26	2.83	0.00	5.68
Herbicide / Insecticide	19.18	12.09	18.04	16.35	28.99	17.19	5.29	17.86
Conservation	0.04	0.12	0.17	0.10	0.00	0.41	0.00	0.15
Auto Expense	1.35	0.45	0.80	0.88	0.49	0.29	0.88	0.54
TOTAL VARIABLE COSTS	\$115.88	\$89.49	\$95.75	\$100.97	\$101.74	\$66.24	\$60.69	\$77.14
RETURN ABOVE VARIABLE COSTS	\$11.03	\$33.60	\$53.90	\$30.89	(\$13.31)	\$13.26	\$56.35	\$16.56
Depreciation	13.17	11.65	11.69	12.22	13.88	9.07	11.09	11.36
Real Estate Tax	1.83	1.43	0.96	1.45	0.98	1.28	1.10	1.12
Unpaid Operator Labor	20.98	12.53	13.90	16.03	20.71	12.86	15.48	16.40
Interest Charge *	3.35	6.03	1.00	3.65	5.02	3.56	2.07	3.64
TOTAL FIXED COSTS	\$39.33	\$31.64	\$27.56	\$33.35	\$40.59	\$26.78	\$29.74	\$32.52
Land Charge **	5.08	8.51	9.77	7.59	0.00	0.84	2.25	0.96
TOTAL EXPENSE	\$160.29	\$129.65	\$133.07	\$141.91	\$142.33	\$93.86	\$92.68	\$110.62
NET RETURN TO MANAGEMENT	(\$33.38)	(\$6.56)	\$16.58	(\$10.05)	(\$53.90)	(\$14.36)	\$24.36	(\$16.93)
NET RETURN TO LABOR-MGT	(\$8.83)	\$19.42	\$36.69	\$13.77	(\$24.99)	\$2.18	\$48.88	\$6.33

*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.

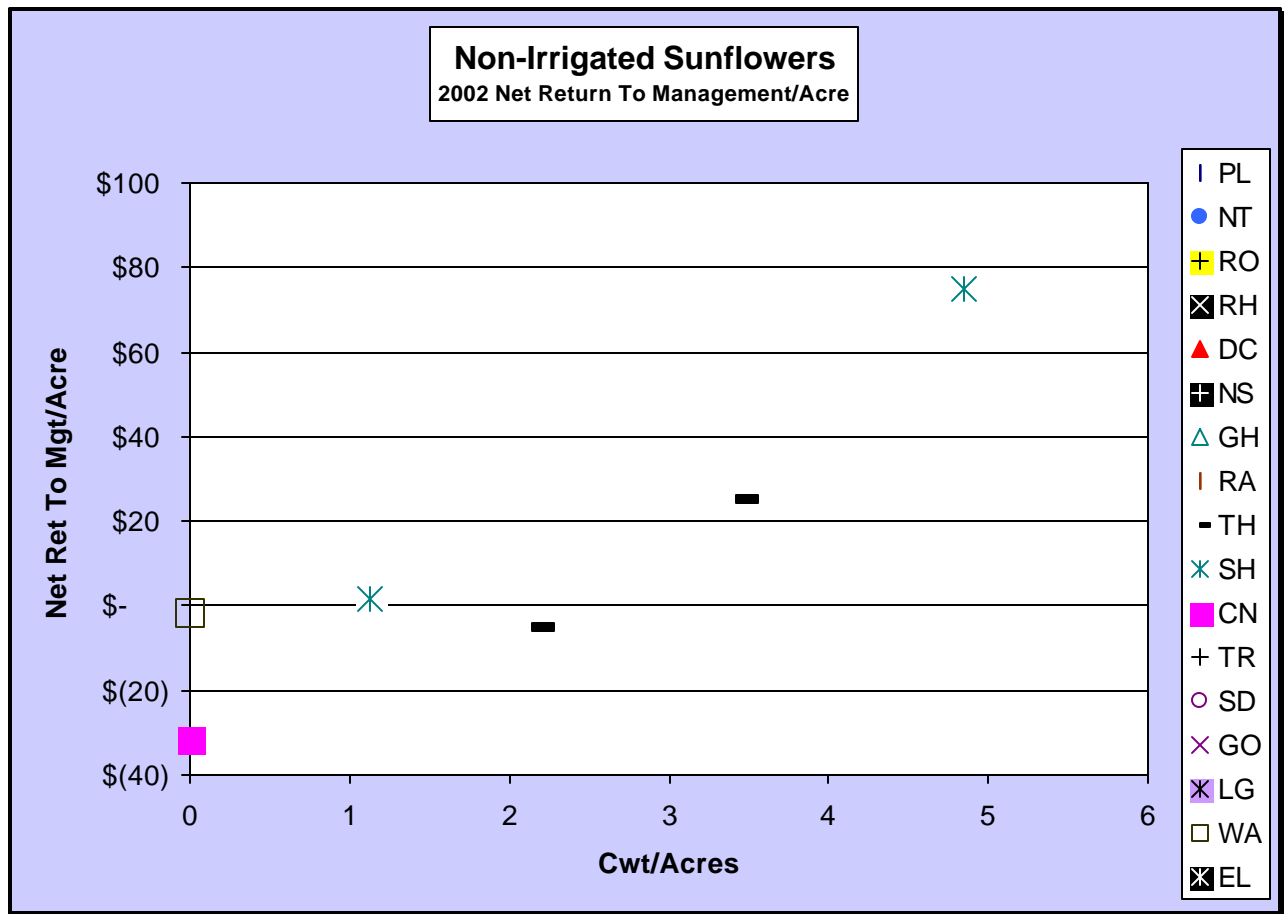


Figure 21

Both non-irrigated and non-irrigated no-till sunflower enterprises are included in the table on the facing page and Figure 21. Top third enterprises earned a positive net return to management for both 2002 and the five-year average. Top third enterprises earned more income from the crop and crop insurance per acre, which gave them an advantage over the low third group. Those same top third enterprises spent only \$60.69 per acre on variable cost when compared to the low third which spent \$101.74 in 2002.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 2001 & 2002
NO-TILL NON-IRRIGATED OILSEED SUNFLOWERS

	2001	2002
Number of Farms	7	11
Crop Acres	308	339
Acres Owned	23	137
Acres Rented	285	202
Yield / Acre	14.52	0.29
Cwt	3,594	75
Operator Percentage	80.36%	76.29%
Gross Income / Acre	\$149.73	\$87.36
Variable Costs / Acre	\$114.19	\$84.56
Total Expense / Acre	\$147.53	\$108.24
Gross Income / Cwt	\$12.83	\$394.88
Total Expense / Cwt	\$12.64	\$489.26

	Total Dollars	\$ / Cwt	\$ / Acre	Total Dollars	\$ / Cwt	\$ / Acre
INCOME:						
Sunflowers (Operator's Share)	\$27,522.15	\$7.66	\$89.36	\$834.85	\$11.13	\$2.46
Patronage Refunds	172.83	0.05	0.56	123.28	1.64	0.36
Government Payments	14,245.09	3.96	46.25	2,921.87	38.96	8.62
Miscellaneous Income	47.24	0.01	0.15	220.33	2.94	0.65
Crop Insurance Proceeds	4,128.57	1.15	13.40	25,515.48	340.21	75.27
OTHER INCOME	\$18,593.73	5.17	60.37	\$28,780.96	\$383.75	\$84.90
GROSS INCOME	\$46,115.88	\$12.83	\$149.73	\$29,615.81	\$394.88	\$87.36
EXPENSES:						
Labor Hired	\$2,698.31	\$0.75	\$8.76	\$2,186.85	\$29.16	\$6.45
General Machinery Repairs	2,750.12	0.77	8.93	2,284.46	30.46	6.74
Interest Paid	510.04	0.14	1.66	2,523.74	33.65	7.44
Seed / Other Crop Expense	3,051.57	0.85	9.91	3,945.45	52.61	11.64
Crop Insurance	1,388.86	0.39	4.51	1,195.32	15.94	3.53
Fertilizer / Lime	6,661.00	1.85	21.63	2,427.55	32.37	7.16
Machine Hire - Lease	1,545.13	0.43	5.02	1,146.54	15.29	3.38
Farm Org Fees / Travel / Publ	311.47	0.09	1.01	490.93	6.55	1.45
Gas / Fuel / Oil	1,890.49	0.53	6.14	1,017.13	13.56	3.00
Crop Storage & Marketing	22.07	0.01	0.07	4.09	0.05	0.01
Personal Property Tax	55.62	0.02	0.18	341.95	4.56	1.01
General Farm Insurance	355.64	0.10	1.15	618.52	8.25	1.82
Utilities	132.55	0.04	0.43	527.19	7.03	1.56
Cash Farm Rent	5,804.20	1.61	18.84	2,799.55	37.33	8.26
Herbicide / Insecticide	7,893.43	2.20	25.63	6,927.82	92.37	20.44
Conservation	38.97	0.01	0.13	50.29	0.67	0.15
Auto Expense	62.44	0.02	0.20	179.21	2.39	0.53
TOTAL VARIABLE COSTS	\$35,171.91	\$9.79	\$114.19	\$28,666.59	\$382.22	\$84.56
RETURN ABOVE VARIABLE COSTS	\$10,943.97	\$3.05	\$35.53	\$949.22	\$12.66	\$2.80
Depreciation	3,147.34	0.88	10.22	3,129.36	41.72	9.23
Real Estate Tax	87.23	0.02	0.28	466.99	6.23	1.38
Unpaid Operator Labor	3,513.21	0.98	11.41	4,119.28	54.92	12.15
Interest Charge *	2,607.42	0.73	8.47	197.65	2.64	0.58
TOTAL FIXED COSTS	\$9,355.20	2.60	30.37	\$7,913.28	\$105.51	\$23.34
Land Charge **	\$912.16	\$0.25	\$2.96	\$114.89	\$1.53	\$0.34
TOTAL EXPENSE	\$45,439.27	\$12.64	\$147.53	\$36,694.76	\$489.26	\$108.24
NET RETURN TO MANAGEMENT	\$676.61	\$0.19	\$2.20	(\$7,078.95)	(\$94.39)	(\$20.88)
NET RETURN TO LABOR-MGT	\$6,888.13	\$1.92	\$22.36	(\$772.82)	(\$10.30)	(\$2.28)

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

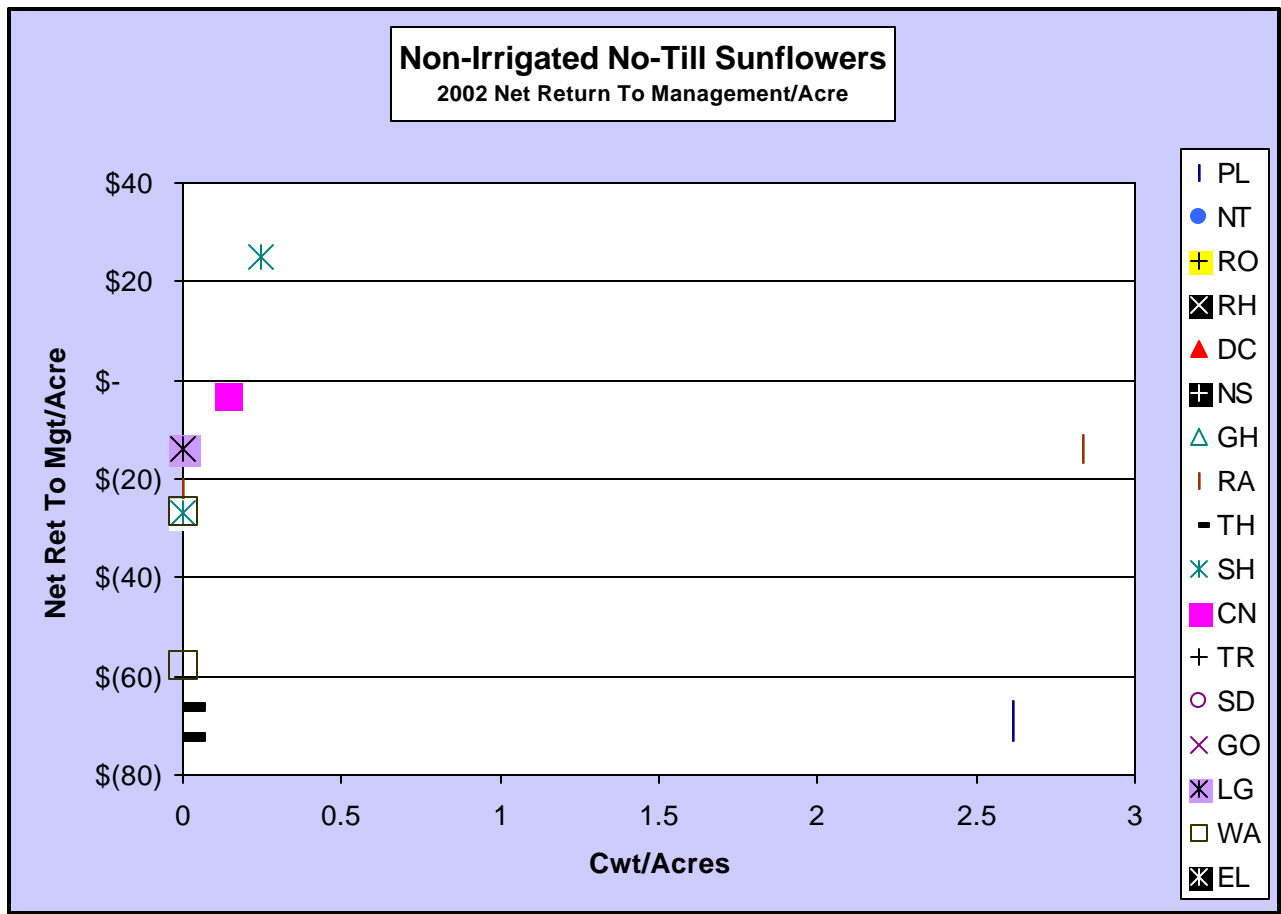


Figure 22

The table on the facing page and Figure 22 display enterprise analysis results for non-irrigated, no-till sunflower. The table on the facing page shows 2001 and 2002 results of the analysis. Government payments in 2001 were 536% of 2002. Most that can be explained by LDP on low value (\$7.66/cwt) sunflower in 2001 and yields of 14.52 cwt per acre. Yields declined to .29 cwt in 2002 and prices moved to an average of \$11.13, which is above the LDP trigger level. Regardless, gross income to non-irrigated no-till sunflower was only \$87.36 in 2002, which was a decline of 42% from the \$149.73 earned in 2001. Producers reduced variable costs to \$84.56 in 2002 from \$114.19 in 2001, but this was not adequate to turn around the losses in net return to management experienced in 2002.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NON-IRRIGATED SUDAN - CANE HAY

	1997-2001 Average	2002
Number of Farms	44	21
Crop Acres	68	90
Acres Owned	33	26
Acres Rented	35	64
Yield / Acre	3.07	0.95
Tons	192	85
Operator Percentage	91.83%	99.42%
Gross Income / Acre	\$139.04	\$65.22
Variable Costs / Acre	\$86.02	\$64.01
Total Expense / Acre	\$169.78	\$123.97
Gross Income / Ton	\$49.29	\$69.05
Total Expense / Ton	\$60.18	\$131.26

	Total Dollars	\$ / Ton	\$ / Acre	Total Dollars	\$ / Ton	\$ / Acre
INCOME:						
Sudan-Cane Hay (Operator's Share)	\$7,599.43	\$39.50	\$111.43	\$4,230.94	\$49.78	\$47.01
Patronage Refunds	66.81	0.35	0.98	20.11	0.24	0.22
Government Payments	1,686.12	8.76	24.72	1,610.35	18.95	17.89
Miscellaneous Income	78.31	0.41	1.15	8.08	0.10	0.09
Crop Insurance Proceeds	51.78	0.27	0.76	-	-	-
OTHER INCOME	\$1,883.02	\$9.79	\$27.61	\$1,638.54	\$19.28	\$18.21
GROSS INCOME	\$9,482.45	\$49.29	\$139.04	\$5,869.48	\$69.05	\$65.22
EXPENSES:						
Labor Hired	\$605.89	\$3.15	\$8.88	\$583.85	\$6.87	\$6.49
General Machinery Repairs	1,432.80	7.45	21.01	1,222.91	14.39	13.59
Interest Paid	713.63	3.71	10.46	633.71	7.46	7.04
Seed / Other Crop Expense	546.25	2.84	8.01	741.52	8.72	8.24
Crop Insurance	3.68	0.02	0.05	21.43	0.25	0.24
Fertilizer / Lime	437.98	2.28	6.42	511.14	6.01	5.68
Machine Hire - Lease	624.27	3.24	9.15	320.84	3.77	3.56
Farm Org Fees / Travel / Publ	111.13	0.58	1.63	80.20	0.94	0.89
Gas / Fuel / Oil	517.45	2.69	7.59	546.19	6.43	6.07
Crop Storage & Marketing	1.01	0.01	0.01	-	-	-
Personal Property Tax	29.04	0.15	0.43	22.52	0.26	0.25
General Farm Insurance	139.98	0.73	2.05	102.76	1.21	1.14
Utilities	95.82	0.50	1.40	66.49	0.78	0.74
Cash Farm Rent	286.73	1.49	4.20	385.10	4.53	4.28
Herbicide / Insecticide	259.23	1.35	3.80	483.67	5.69	5.37
Conservation	7.80	0.04	0.11	1.36	0.02	0.02
Auto Expense	53.65	0.28	0.79	37.07	0.44	0.41
TOTAL VARIABLE COSTS	\$5,866.34	\$30.49	\$86.02	\$5,760.76	\$67.77	\$64.01
RETURN ABOVE VARIABLE COSTS	\$3,616.11	\$18.79	\$53.02	\$108.72	\$1.28	\$1.21
Depreciation	1,021.10	5.31	14.97	885.97	10.42	9.84
Real Estate Tax	168.36	0.88	2.47	171.49	2.02	1.91
Unpaid Operator Labor	3,133.68	16.29	45.95	3,626.79	42.67	40.30
Interest Charge *	65.34	0.34	0.96	-	-	-
TOTAL FIXED COSTS	\$4,388.48	\$22.81	\$64.35	\$4,684.25	\$55.11	\$52.05
Land Charge **	\$1,324.19	\$6.88	\$19.42	\$712.26	\$8.38	\$7.91
TOTAL EXPENSE	\$11,579.01	\$60.18	\$169.78	\$11,157.27	\$131.26	\$123.97
NET RETURN TO MANAGEMENT	(\$2,096.56)	(\$10.90)	(\$30.74)	(\$5,287.79)	(\$62.21)	(\$58.75)
NET RETURN TO LABOR-MGT	\$1,643.01	\$8.54	\$24.09	(\$1,077.15)	(\$12.67)	(\$11.97)

*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.

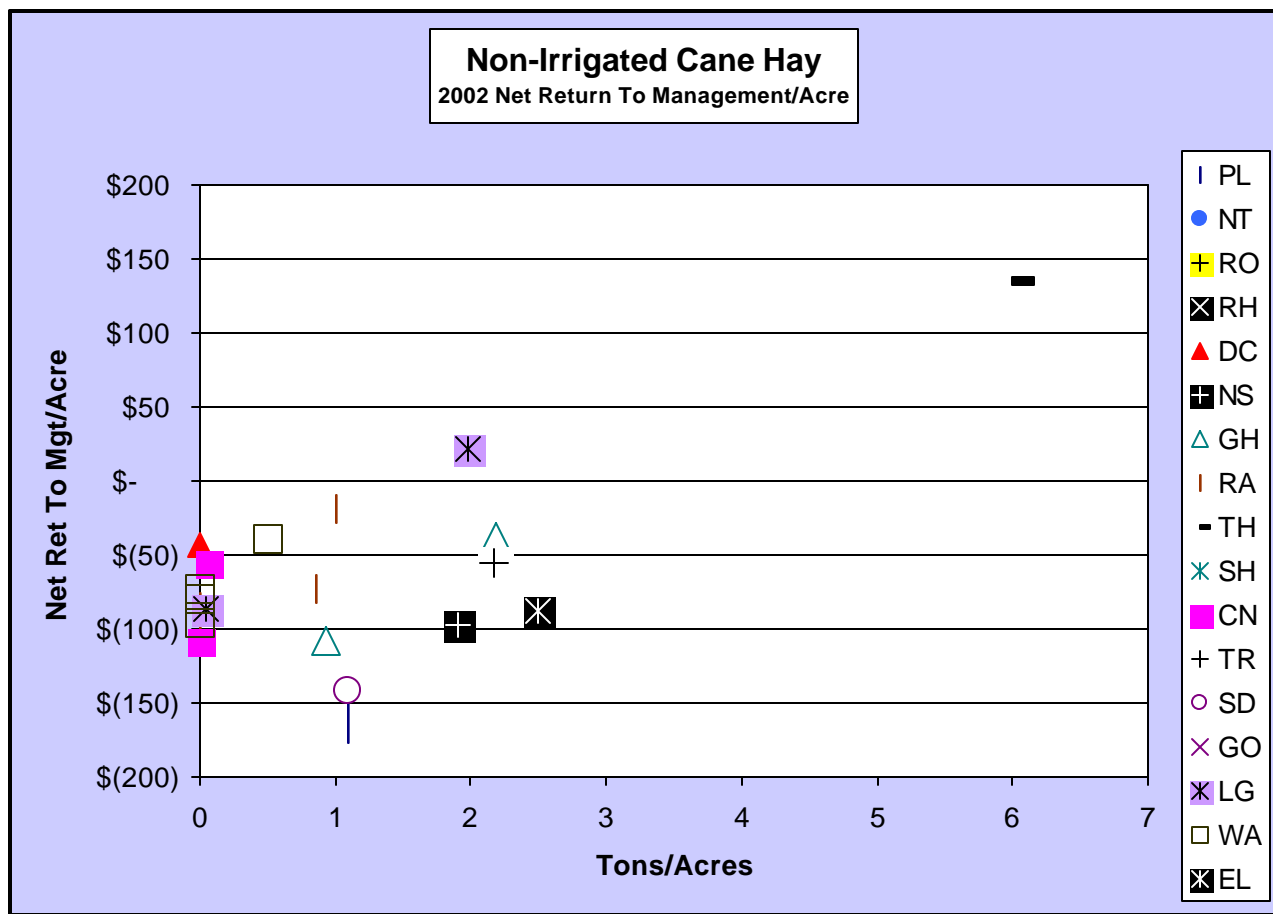


Figure 23

Non-irrigated cane hay enterprise analysis results are displayed in the table on the facing page and in Figure 23. Yields for cane hay declined to .95 ton per acre, which is well below the five-year average of 3.07 tons per acre. Most producers that have a non-irrigated cane hay enterprise are producing the commodity as feed for their own livestock. Some producers attempt to sell cane hay during high price cycles in the feed markets, which occurred in 2002. The average price for cane hay increased to \$49.78 from the five-year average of \$39.50 per ton. Producers reduced variable cost to \$64.01 from the five-year average of \$86.02, but that was not enough to cover the reduced gross income value of only .95 ton per acre. Many producers that raised cane hay in 2002 to feed their own livestock not only lost money per acre on their own feed, but also spent hard cash to purchase replacement feed to keep their cattle.

NORTHWEST KANSAS FARM MANAGEMENT ASSOCIATION
PROFIT CENTER ANALYSIS: 5-YEAR AVERAGE & 2002
NON-IRRIGATED 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.

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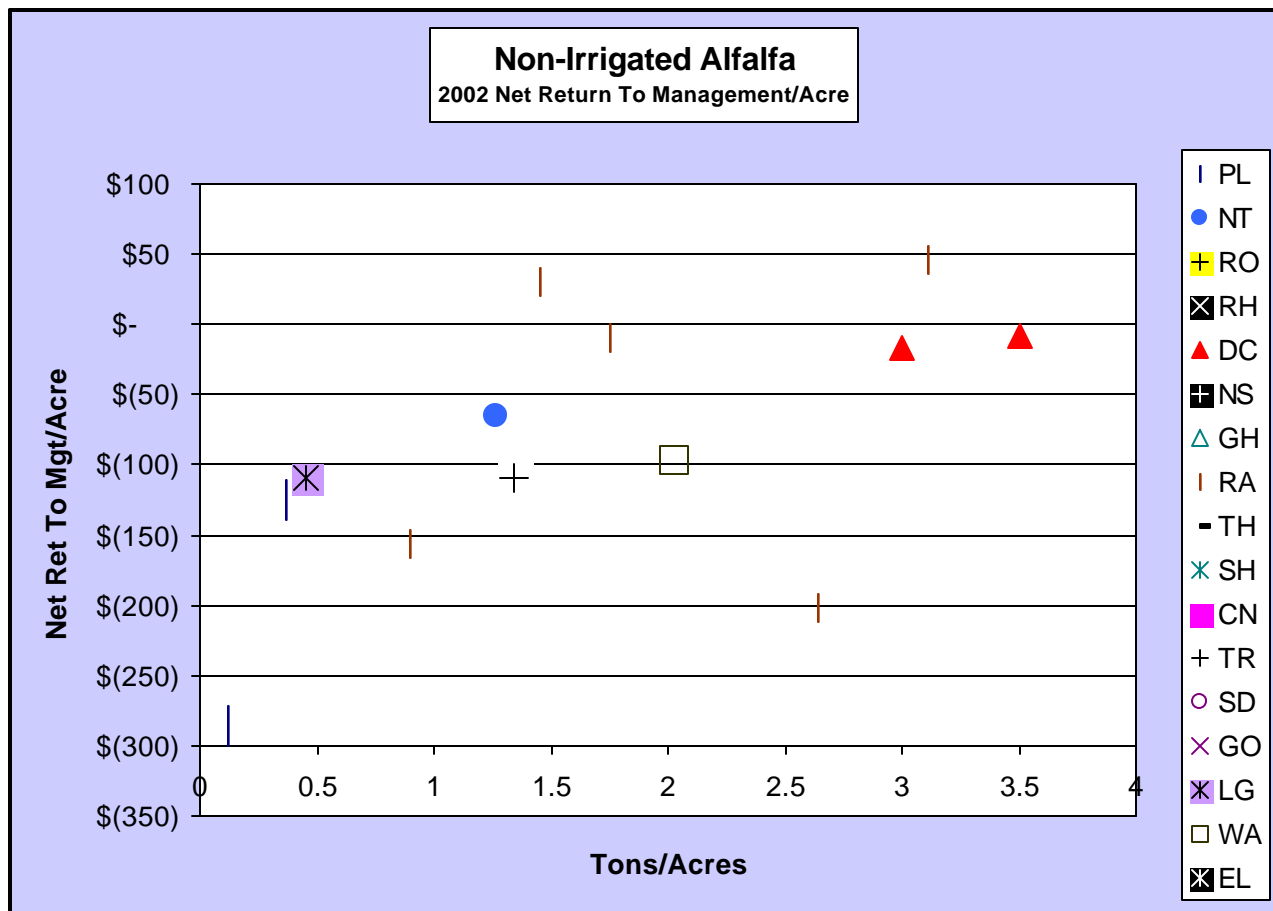


Figure 24

Non-irrigated alfalfa, commonly produced on creek bottoms in Northwest Kansas experienced a serious loss in net return to management of -\$95.39 during 2002. Alfalfa commodity prices rebounded to \$76.48 per ton in 2002, which is a marked increase from the \$59.68 per ton in the five-year summary. Improved alfalfa markets were not enough to offset the 1.97 tons per acre yield experienced in 2002, which was well below the five-year average of 3.52 ton per acre.

Variable costs were reduced in 2002, when compared to the five-year average. Note that the machine hire expense in 2002 was only \$3.34 per acre when compared to the \$11.07 in the five-year average. Combine that with a 90% increase in depreciation in 2002 over the five-year average. The non-irrigated alfalfa producers in the 2002 analysis own more hay harvesting equipment than those in the five-year average. When total costs are compared, the 2002 analysis shows \$241.05 versus \$231.00 of the five-year average. Non-irrigated alfalfa would need to yield 3.37 ton per acre at the \$76.48 per ton price to show an economic profit.