



# AgriProfit\$ Cost & Returns Profiles

Economics & Competitiveness

## Dryland CPS Wheat Black Soils

*AgriProfit\$*  
Benchmarks

16-July-12

**A** *AgriProfit\$* Cost & Returns Profiles give an insight into the productive and economic performance of Alberta cereal, oilseed, forage and grazing crops, reported by soil or grass-type zone.

This benchmark includes *AgriProfit\$* crop observations from the period of 2008 – 2010. Averaging over a 3 year span smoothes out extremes in prices, yields and expenses. This gives a better reflection of the crops' average unit

production costs and profit potential.

Regional average performance for the crop is compared to a "top third"

management group. Fields included in the top management group are drawn from the lowest cost third, as rated by total production cost per unit of output for that crop, in that area, for each of the years.

The 3-year summary table, and a range of frequency charts (over) highlight field level variability in key cost and returns tallies. This emphasizes further the need for producers to know and use their own crop unit costs in managing their businesses.

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### AgriProfit\$ Cost & Returns Profiles

Crop: Dryland CPS Wheat		Total	Top 1/3rd	Total	Top 1/3rd
Zone: Black Soils		-- \$ / Acre --		-- \$ / Bushel --	
(A) 1.	Crop Sales	305.89	402.07	4.78	4.88
6.	Other Revenues	38.54	9.80	0.60	0.12
	<b>Gross Return</b>	<b>344.43</b>	<b>411.87</b>	<b>5.38</b>	<b>5.00</b>
(B) 1.	Seed	20.42	20.12	0.32	0.24
2.	Fertilizer	88.54	87.00	1.38	1.06
3.	Chemicals	31.48	29.05	0.49	0.35
4.	Crop Insurance Premiums	15.96	12.93	0.25	0.16
5.	Trucking & Marketing	3.94	3.55	0.06	0.04
6.	Fuel	15.15	14.98	0.24	0.18
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	14.10	9.96	0.22	0.12
9.	Repairs - Buildings	5.02	3.40	0.08	0.04
10.	Utilities & Misc. Expenses	12.19	12.12	0.19	0.15
11.	Custom Work & Specialized Labour	8.50	5.48	0.13	0.07
12.	Operating Interest Paid	1.56	1.45	0.02	0.02
13.	Paid Labour & Benefits	9.78	12.99	0.15	0.16
14.	Unpaid Labour	10.01	8.48	0.16	0.10
	<b>Variable Costs</b>	<b>236.66</b>	<b>221.52</b>	<b>3.69</b>	<b>2.69</b>
(C) 1.	Cash/Share Rent & Land Lease	22.29	14.36	0.35	0.17
2.	Taxes, Water Rates, Lic. & Insurance	6.15	6.13	0.10	0.07
3.	Equip. & Bldg. a) Depreciation	52.81	46.13	0.82	0.56
	b) Lease Payments	2.77	2.03	0.04	0.02
4.	Paid Capital Interest	9.64	15.54	0.15	0.19
	<b>Total Capital Costs</b>	<b>93.66</b>	<b>84.19</b>	<b>1.46</b>	<b>1.02</b>
(D)	<b>Cash Costs (B+C-B14-C3)</b>	<b>267.50</b>	<b>251.11</b>	<b>4.18</b>	<b>3.05</b>
(E)	<b>Total Production Costs (B+C)</b>	<b>330.32</b>	<b>305.72</b>	<b>5.16</b>	<b>3.71</b>
(F)	<b>Gross Margin (A-D)</b>	<b>76.92</b>	<b>160.77</b>	<b>1.20</b>	<b>1.95</b>
	<b>Return to Unpaid Labour (A-E+B14)</b>	<b>24.11</b>	<b>114.64</b>	<b>0.38</b>	<b>1.39</b>
	<b>Return to Investment (A-E+C4)</b>	<b>23.74</b>	<b>121.70</b>	<b>0.37</b>	<b>1.48</b>
	<b>Return to Equity (A-E)</b>	<b>14.10</b>	<b>106.16</b>	<b>0.22</b>	<b>1.29</b>
	<b>Return on Investment (%)</b>	<b>1.6</b>	<b>6.3</b>		
	<b>Total Investment (\$/acre)</b>	<b>1,487</b>	<b>1,918</b>		
	<b>Management</b>				
	Average field size (acres)	159.3	188.2		
	Number of Observations	42	15		
	Yield (Bushels/acre)	64.06	82.35		
	Expected Price (\$/Bushel)	4.78	4.88		

\* Cost and returns profiles include/combine all tenure types ... owned, rented & leased.

\*\* Top 1/3rd selection criteria: Low Total Production Cost / Bushel

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Descriptive Statistics: CPS Wheat Production - Total Group

Crop: Dryland CPS Wheat  
Zone: Black Soils

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	4.00	5.00	4.78	14.1
Yield (Bushel/Acre)	42.62	75.33	64.06	36.8
----- \$ / Acre -----				
Gross Revenue	202.28	408.02	344.43	37.0
Seed, Fert, Chem	113.65	161.13	140.45	24.5
Oth. Variable Costs	77.91	107.56	96.22	29.5
Fixed Costs	55.86	117.51	93.66	40.5
Total Production Costs	274.18	350.71	330.32	19.6
Total Cash Costs	220.07	296.98	267.50	21.1
Gross Margin	(28.06)	111.06	76.92	146.7
Return to Equity	(66.55)	48.81	14.10	851.6

