



# AgriProfit\$ Cost & Returns Profiles

## Dryland (All) Herbicide Tolerant Canola

### Dark Brown Soils

16-July-12

Economics & Competitiveness

*AgriProfit\$*  
Benchmarks

**A**griProfit\$ 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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<b>AgriProfit\$ Cost &amp; Returns Profiles</b>					
<b>Crop: Dryland HT Canola</b>		<b>Total Top 1/3rd</b>		<b>Total Top 1/3rd</b>	
<b>Zone: Dark Brown Soils</b>		<b>-- \$ / Acre --</b>		<b>-- \$ / Bushel --</b>	
(A)	1. Crop Sales	371.17	407.63	10.54	10.25
	6. Other Revenues	15.05	0.86	0.43	0.02
	<b>Gross Return</b>	<b>386.22</b>	<b>408.49</b>	<b>10.96</b>	<b>10.27</b>
(B)	1. Seed	35.14	33.58	1.00	0.84
	2. Fertilizer	52.98	44.32	1.50	1.11
	3. Chemicals	27.65	23.23	0.78	0.58
	4. Crop Insurance Premiums	16.47	17.16	0.47	0.43
	5. Trucking & Marketing	3.72	2.97	0.11	0.07
	6. Fuel	10.04	8.68	0.28	0.22
	7. Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	10.74	10.46	0.30	0.26
	9. Repairs - Buildings	2.46	2.00	0.07	0.05
	10. Utilities & Misc. Expenses	7.01	6.20	0.20	0.16
	11. Custom Work & Specialized Labour	7.45	2.42	0.21	0.06
	12. Operating Interest Paid	1.13	0.91	0.03	0.02
	13. Paid Labour & Benefits	5.25	6.79	0.15	0.17
	14. Unpaid Labour	8.00	7.05	0.23	0.18
	<b>Variable Costs</b>	<b>188.04</b>	<b>165.77</b>	<b>5.34</b>	<b>4.17</b>
(C)	1. Cash/Share Rent & Land Lease	35.93	22.81	1.02	0.57
	2. Taxes, Water Rates, Lic. & Insurance	3.64	3.21	0.10	0.08
	3. Equip. & Bldg. a) Depreciation	24.40	24.06	0.69	0.60
	b) Lease Payments	0.82	0.00	0.02	0.00
	4. Paid Capital Interest	3.41	5.76	0.10	0.14
	<b>Total Capital Costs</b>	<b>68.20</b>	<b>55.85</b>	<b>1.94</b>	<b>1.40</b>
(D)	<b>Cash Costs (B+C-B14-C3)</b>	<b>223.84</b>	<b>190.49</b>	<b>6.35</b>	<b>4.79</b>
(E)	<b>Total Production Costs (B+C)</b>	<b>256.24</b>	<b>221.61</b>	<b>7.27</b>	<b>5.57</b>
(F)	<b>Gross Margin (A-D)</b>	<b>162.38</b>	<b>218.00</b>	<b>4.61</b>	<b>5.48</b>
	<b>Return to Unpaid Labour (A-E+B14)</b>	<b>137.98</b>	<b>193.93</b>	<b>3.92</b>	<b>4.87</b>
	<b>Return to Investment (A-E+C4)</b>	<b>133.40</b>	<b>192.63</b>	<b>3.79</b>	<b>4.84</b>
	<b>Return to Equity (A-E)</b>	<b>129.98</b>	<b>186.88</b>	<b>3.69</b>	<b>4.70</b>
	<b>Return on Investment (%)</b>	<b>17.8</b>	<b>22.0</b>		
	<b>Total Investment (\$/acre)</b>	<b>749</b>	<b>876</b>		
	<b>Management</b>				
	Average field size (acres)	141.1	139.7		
	Number of Observations	80	26		
	Yield (Bushels/acre)	35.23	39.78		
	Expected Price (\$/Bushel)	10.54	10.25		

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

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

Descriptive Statistics: HT Canola Production - Total Group

Crop: Dryland HT Canola  
 Zone: Dark Brown Soils

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	9.00	11.70	10.54	14.0
Yield (Bushel/Acre)	30.00	43.33	35.23	30.1
----- \$ / Acre -----				
Gross Revenue	282.63	456.30	386.22	34.4
Seed, Fert, Chem	97.00	147.90	115.77	25.0
Oth. Variable Costs	62.97	82.16	72.27	24.7
Fixed Costs	39.81	80.60	68.20	54.8
Total Production Costs	215.67	291.55	256.24	21.8
Total Cash Costs	186.64	243.23	223.84	24.0
Gross Margin	79.98	278.80	162.38	77.7
Return to Equity	37.66	248.90	129.98	97.6

