

## AgriProfit\$ Cost & Returns Profiles

## **Dryland Native Grassland Pasture** Southern Alberta

(Fescue Grassland, Mixed Grassland & MoistMixed Grassland) 30-July-12



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.

These benchmark include AgriProfit\$ field obervations 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' intermediate term

> costs and profit potential.

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

In addition to the 3year summary table, a range of charts are included to highlight field level variability in key cost and returns tallies. This further emphasizes the need for producers to know and use their own crop unit costs in managing their businesses.

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For further

or.

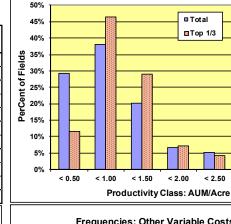
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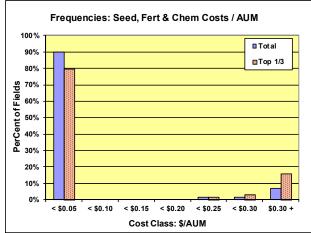
		AgriProfit\$ Cost	& Retur	ns Profiles			
Cro	p:	Native Grassland Pasture	Total	Top 1/3rd	Total	Top 1/3rd	
		Southern Alberta	\$ / Acre		\$/ <i>A</i>	\$/AUM	
(A)	1.	Crop Sales	5.61	8.22	22.06	22.41	
	6.	Other Revenues	0.47	0.33	1.83	0.89	
		Gross Return	6.07	8.55	23.90	23.29	
(B)	1.	Seed	0.00	0.00	0.00	0.00	
	2.	Fertilizer	0.00	0.00	0.00	0.00	
	3.	Chemicals	0.01	0.03	0.05	0.07	
	4.	Crop Insurance Premiums	0.45	0.48	1.75	1.31	
	5.	Trucking & Marketing	0.00	0.00	0.00	0.00	
	6.	Fuel	0.26	0.32	1.04	0.88	
	7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00	
	8.	Repairs - Machinery	0.15	0.15	0.60	0.41	
	9.	Repairs - Buildings	0.23	0.25	0.90	0.69	
	10.	Utilities & Misc. Expenses	0.13	0.11	0.50	0.30	
	11.	Custom Work & Specialized Labour	0.00	0.00	0.01	0.00	
		Operating Interest Paid	0.01	0.01	0.05	0.02	
		Paid Labour & Benefits	0.21	0.24	0.83	0.65	
	14.	Unpaid Labour	0.26	0.25	1.02	0.68	
		Variable Costs	1.72	1.84	6.75	5.00	
(C)	1.	Cash/Share Rent & Land Lease	1.02	0.50	4.00	1.37	
	2.	Taxes, Water Rates, Lic. & Insurance	0.25	0.35	0.99	0.95	
	3.	Equip. & Bldg. a) Depreciation	0.27	0.28	1.06	0.75	
		b) Lease Payments	0.03	0.02	0.13	0.05	
	4.	Paid Capital Interest	0.34	0.08	1.33	0.20	
		Total Capital Costs	1.91	1.22	7.50	3.33	
(D)		Cash Costs (B+C-B14-C3)	3.10	2.54	12.18	6.91	
(E)		Total Production Costs (B+C)	3.62	3.06	14.25	8.33	
(F)		Gross Margin (A-D)	2.98	6.01	11.72	16.39	
		Return to Unpaid Labour (A-E+B14)	2.71	5.74	10.66	15.64	
		Return to Investment (A-E+C4)	2.79	5.57	10.97	15.17	
		Return to Equity (A-E)	2.45	5.49	9.65	14.96	
		Return on Investment (%)	1.5	2.7			
		Total Investment (\$/acre)	184	207			
		Management	1 242 4	963.6			
		Average field size (acres)	1,243.1 208				
		Number of Observations		69 0.37			
		Yield (AUMs/acre)	0.25 22.06	0.37 22.41			
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* Cost and returns profiles include/combine all tenure types ow ned, rented & leased.							

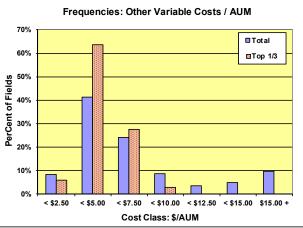
<sup>\*</sup> Top 1/3rd selection criteria: Low Total Production Cost / AUM

## Descriptive Statistics: Native Grass Pasture - Total Group

Crop: Dryland Native Grass	Quartiles		Group		
Zone: Southern Alberta	Low	High	Average	CV (%)	
Price (\$/AUM)	21.80	25.00	22.06	11.6	
Yield (AUM/Acre)	0.44	1.11	0.25	211.9	
		\$ / Acre			
Gross Revenue	11.28	26.75	6.07	224.0	
Seed, Fert, Chem	0.00	0.00	0.01	######	
Oth. Variable Costs	2.84	5.73	1.70	175.8	
Fixed Costs	2.44	14.89	1.91	549.7	
Total Production Costs	7.32	19.43	3.62	330.9	
Total Cash Costs	4.66	17.39	3.10	343.1	
Gross Margin	1.25	16.05	2.98	398.7	
Return to Equity	(0.41)	14.03	2.45	505.5	







< 3.00

3.00 +

Frequencies: Productivity - AUM /Acre

