

AgriProfit\$ Cost & Returns Profiles

Dryland Native/Bush Pasture Central Alberta

(Aspen Parkland & portions of Boreal Transition) 30-July-12



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.

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 3-year 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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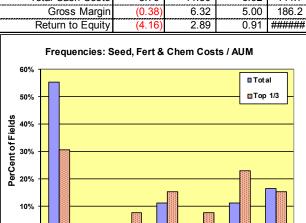
•	Crop Sales Other Revenues Gross Return	Total \$ / Ac 8.59 3.33	Top 1/3rd cre 11.71	Total \$/ <i>A</i>	Top 1/3rd	
(A) 1. 6. (B) 1.	Crop Sales Other Revenues	8.59		\$/ <i>A</i>	1184	
6. (B) 1.	Other Revenues		11 71		\$/AUM	
(B) 1.		3.33	11.71	19.41	18.89	
	Gross Return		1.03	7.54	1.66	
		11.92	12.74	26.95	20.55	
2.	Seed	0.03	0.09	0.06	0.15	
	Fertilizer	0.00	0.00	0.00	0.00	
3.	Chemicals	0.06	0.08	0.13	0.13	
4.	Crop Insurance Premiums	0.16	0.05	0.37	0.08	
5.	Trucking & Marketing	0.00	0.00	0.00	0.00	
6.	Fuel	1.20	1.24	2.70	2.00	
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00	
8.	Repairs - Machinery	0.42	0.44	0.96	0.71	
9.	Repairs - Buildings	0.30	0.35	0.68	0.56	
	. Utilities & Misc. Expenses	0.62	0.52	1.39	0.84	
	. Custom Work & Specialized Labour	0.00	0.00	0.00	0.00	
	. Operating Interest Paid	0.10	0.03	0.24	0.04	
	. Paid Labour & Benefits	0.05	0.09	0.12	0.14	
14	. Unpaid Labour	3.06	2.59	6.92	4.17	
	Variable Costs	6.00	5.48	13.57	8.83	
(C) 1.	Cash/Share Rent & Land Lease	2.41	1.39	5.45	2.25	
2.	Taxes, Water Rates, Lic. & Insurance	0.99	0.87	2.24	1.40	
3.	Equip. & Bldg. a) Depreciation	1.03	1.01	2.33	1.62	
	b) Lease Payments	0.01	0.00	0.01	0.00	
4.	Paid Capital Interest	0.57	0.03	1.29	0.05	
	Total Capital Costs	5.01	3.29	11.33	5.32	
(D)	Cash Costs (B+C-B14-C3)	6.92	5.18	15.65	8.35	
(E)	Total Production Costs (B+C)	11.02	8.77	24.90	14.15	
(F)	Gross Margin (A-D)	5.00	7.56	11.30	12.20	
(,	Return to Unpaid Labour (A-E+B14)	3.97	6.56	8.97	10.58	
	Return to Investment (A-E+C4)	1.48	4.00	3.34	6.45	
	Return to Equity (A-E)	0.91	3.97	2.05	6.40	
	Return on Investment (%)	0.5	1.2	1		
	Total Investment (\$/acre)	285	322	<u> </u>		
	Management Average field size (acres)	183.1	166.2			
	Number of Observations	39	13			
	Yield (AUMs/acre)	0.44	0.62			
	Expected Price (\$/AUM)	19.41	18.89			

^{*} Cost and returns profiles include/combine all tenure types ... ow ned, rented & leased.

^{**} Top 1/3rd selection criteria: Low Total Production Cost / AUM

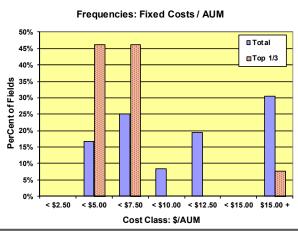
Descriptive Statistics: Native/Bush Pasture - Total Group

Crop: Dryland Native/Bush	Quartiles		Group			
Zone: Central Alberta	Low	High	Average	CV (%)		
Price (\$/AUM)	20.00	21.75	19.41	19.0		
Yield (AUM/Acre)	0.34	0.66	0.44	79.0		
	\$ / Acre					
Gross Revenue	6.08	20.78	11.92	79.1		
Seed, Fert, Chem	0.00	0.07	0.08	237.5		
Oth. Variable Costs	5.11	7.58	5.92	29.8		
Fixed Costs	2.04	8.83	5.01	191.0		
Total Production Costs	7.28	16.47	11.02	97.5		
Total Cash Costs	3.70	11.50	6.92	144.7		
Gross Margin	(0.38)	6.32	5.00	186.2		
Return to Equity	(4.16)	2.89	0.91	######		



< \$0.25

< \$0.30



< \$0.05

< \$0.10

< \$0.15

< \$0.20

Cost Class: \$/AUM

