

AgriProfit\$ Cost & Returns Profiles

Dryland Tame Grass 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

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AgriProfit\$ Cost & Returns Profiles								
Crop	: Tame Grass Pasture	Total	Top 1/3rd	Total	Top 1/3rd			
	Southern Alberta	\$/Ac	\$ / Acre		\$/AUM			
(A) 1.	Crop Sales	16.34	13.16	21.75	21.84			
6.	Other Revenues	2.30	0.44	3.06	0.74			
	Gross Return	18.64	13.60	24.81	22.58			
(B) 1.	Seed	0.00	0.00	0.00	0.00			
2.	Fertilizer	1.07	0.00	1.42	0.00			
3.	Chemicals	0.42	0.04	0.56	0.07			
4.	Crop Insurance Premiums	0.69	0.36	0.92	0.60			
5.	Trucking & Marketing	0.00	0.00	0.00	0.00			
6.	Fuel	0.53	0.28	0.70	0.46			
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00			
8.	Repairs - Machinery	0.41	0.18	0.55	0.30			
9.	Repairs - Buildings	0.39	0.17	0.52	0.28			
10	. Utilities & Misc. Expenses	0.58	0.16	0.77	0.27			
11	. Custom Work & Specialized Labour	0.19	0.00	0.25	0.00			
	. Operating Interest Paid	0.08	0.02	0.10	0.03			
	. Paid Labour & Benefits	0.34	0.11	0.46	0.17			
14	. Unpaid Labour	0.75	0.40	1.00	0.67			
	Variable Costs	5.46	1.73	7.27	2.87			
(C) 1.	Cash/Share Rent & Land Lease	0.83	0.00	1.10	0.00			
2.	Taxes, Water Rates, Lic. & Insurance	1.82	1.37	2.42	2.27			
3.		0.86	0.39	1.15	0.64			
	b) Lease Payments	0.50	0.03	0.66	0.05			
4.	Paid Capital Interest	2.10	1.98	2.79	3.28			
	Total Capital Costs	6.10	3.76	8.12	6.25			
(D)	Cash Costs (B+C-B14-C3)	9.95	4.70	13.24	7.81			
(E)	Total Production Costs (B+C)	11.57	5.49	15.39	9.12			
(F)	Gross Margin (A-D)	8.69	8.90	11.57	14.77			
	Return to Unpaid Labour (A-E+B14)	7.83	8.51	10.42	14.13			
	Return to Investment (A-E+C4)	9.18	10.09	12.21	16.74			
	Return to Equity (A-E)	7.08	8.11	9.42	13.46			
	Return on Investment (%)	1.2	1.9					
	Total Investment (\$/acre)	745	537					
	Management	386.9	441.3					
	Average field size (acres) Number of Observations	386.9 52	44 1.3 17	ĺ				
	Yield (AUMs/acre)	0.75	0.60					
	Expected Price (\$/AUM)	21.75	21.84					
	Expected Files (#/AOIVI)	21.73	۲۱.U 1					
* 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: Tame Grass Pasture - Total Group

Crop: Dryland Tame Grass	Quartiles		Group			
Zone: Southern Alberta	Low	High	Average	CV (%)		
Price (\$/AUM)	21.43	22.59	21.75	10.1		
Yield (AUM/Acre)	0.58	1.61	0.75	114.7		
	\$ / Acre					
Gross Revenue	15.30	36.61	18.64	98.0		
Seed, Fert, Chem	0.00	0.00	1.49	764.6		
Oth. Variable Costs	3.78	7.37	3.97	95.9		
Fixed Costs	4.34	11.74	6.10	148.0		
Total Production Costs	11.69	16.65	11.57	135.4		
Total Cash Costs	9.19	12.34	9.95	152.8		
Gross Margin	2.86	23.71	8.69	196.8		
Return to Equity	1.10	19.81	7.08	239.4		

















