



# AgriProfit\$ Cost & Returns Profiles

## Dryland (All) Herbicide Tolerant Canola 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

<b>AgriProfit\$ Cost &amp; Returns Profiles</b>					
<b>Crop: Herbicide Tolerant Canola</b>		<b>Total</b>	<b>Top 1/3rd</b>	<b>Total</b>	<b>Top 1/3rd</b>
<b>Zone: Brown Soils</b>		<b>-- \$ / Acre --</b>		<b>-- \$ / Bushel --</b>	
<b>(A)</b>	1. Crop Sales	279.40	326.24	9.88	9.75
	6. Other Revenues	9.12	5.64	0.32	0.17
	<b>Gross Return</b>	<b>288.52</b>	<b>331.87</b>	<b>10.20</b>	<b>9.92</b>
<b>(B)</b>	1. Seed	29.20	30.43	1.03	0.91
	2. Fertilizer	47.82	49.34	1.69	1.47
	3. Chemicals	40.70	33.79	1.44	1.01
	4. Crop Insurance Premiums	17.82	15.65	0.63	0.47
	5. Trucking & Marketing	2.12	2.44	0.07	0.07
	6. Fuel	11.82	11.80	0.42	0.35
	7. Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	4.67	3.54	0.16	0.11
	9. Repairs - Buildings	1.54	1.56	0.05	0.05
	10. Utilities & Misc. Expenses	8.23	6.37	0.29	0.19
	11. Custom Work & Specialized Labour	4.37	4.77	0.15	0.14
	12. Operating Interest Paid	1.36	0.49	0.05	0.01
	13. Paid Labour & Benefits	4.58	3.37	0.16	0.10
	14. Unpaid Labour	6.05	6.31	0.21	0.19
	<b>Variable Costs</b>	<b>180.27</b>	<b>169.84</b>	<b>6.37</b>	<b>5.08</b>
<b>(C)</b>	1. Cash/Share Rent & Land Lease	24.05	14.79	0.85	0.44
	2. Taxes, Water Rates, Lic. & Insurance	3.25	3.10	0.11	0.09
	3. Equip. & Bldg. a) Depreciation	17.29	16.39	0.61	0.49
	b) Lease Payments	0.30	0.53	0.01	0.02
	4. Paid Capital Interest	13.23	15.79	0.47	0.47
	<b>Total Capital Costs</b>	<b>58.12</b>	<b>50.60</b>	<b>2.05</b>	<b>1.51</b>
<b>(D)</b>	<b>Cash Costs (B+C-B14-C3)</b>	<b>215.05</b>	<b>197.74</b>	<b>7.60</b>	<b>5.91</b>
<b>(E)</b>	<b>Total Production Costs (B+C)</b>	<b>238.39</b>	<b>220.44</b>	<b>8.43</b>	<b>6.59</b>
<b>(F)</b>	<b>Gross Margin (A-D)</b>	<b>73.47</b>	<b>134.13</b>	<b>2.60</b>	<b>4.01</b>
	<b>Return to Unpaid Labour (A-E+B14)</b>	<b>56.18</b>	<b>117.74</b>	<b>1.99</b>	<b>3.52</b>
	<b>Return to Investment (A-E+C4)</b>	<b>63.36</b>	<b>127.22</b>	<b>2.24</b>	<b>3.80</b>
	<b>Return to Equity (A-E)</b>	<b>50.13</b>	<b>111.43</b>	<b>1.77</b>	<b>3.33</b>
<b>Return on Investment (%)</b>		<b>6.4</b>	<b>12.0</b>		
<b>Total Investment (\$/acre)</b>		<b>990</b>	<b>1,063</b>		
<b>Management</b>					
	Average field size (acres)	148.3	182.5		
	Number of Observations	15	6		
	Yield (Bushels/acre)	28.29	33.45		
	Expected Price (\$/Bushel)	9.88	9.75		

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.

For further information, contact:

Dale A. Kaliel  
Sr. Economist:  
Production Economics  
(dale.kaliel@gov.ab.ca)  
or,

Jason Wood  
Crops Economist  
(jason.wood@gov.ab.ca)

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

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

Descriptive Statistics: HT Canola Production - Total Group

Crop: Dryland HT Canola  
 Zone: Brown Soils

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	9.00	11.50	9.88	14.4
Yield (Bushel/Acre)	21.50	28.00	28.29	29.6
----- \$ / Acre -----				
Gross Revenue	221.25	346.95	288.52	29.9
Seed, Fert, Chem	97.34	133.88	117.71	25.4
Oth. Variable Costs	165.69	220.91	62.56	50.9
Fixed Costs	43.57	68.02	58.12	48.0
Total Production Costs	213.98	281.85	238.39	18.9
Total Cash Costs	185.77	257.19	215.05	18.5
Gross Margin	(12.41)	107.15	73.47	102.6
Return to Equity	(40.85)	83.08	50.13	151.0

