



AgriProfit\$ Cost & Returns Profiles

Economics & Competitiveness

Dryland Field Peas (All) Dark Brown Soils

AgriProfit\$ Benchmarks

16-July-12

AgriProfit\$ 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.

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)

| AgriProfit\$ Cost & Returns Profiles | | | | | |
|---|--|------------------------|---------------|--------------------------|-------------|
| Crop: Dryland Field Peas (All) | | Total Top 1/3rd | | Total Top 1/3rd | |
| Zone: Dark Brown Soils | | -- \$ / Acre -- | | -- \$ / Bushel -- | |
| (A) 1. | Crop Sales | 268.97 | 294.74 | 6.74 | 6.59 |
| 6. | Other Revenues | 19.28 | 8.15 | 0.48 | 0.18 |
| | Gross Return | 288.25 | 302.89 | 7.22 | 6.78 |
| (B) 1. | Seed | 34.98 | 31.82 | 0.88 | 0.71 |
| 2. | Fertilizer | 5.79 | 3.65 | 0.15 | 0.08 |
| 3. | Chemicals | 36.92 | 35.26 | 0.93 | 0.79 |
| 4. | Crop Insurance Premiums | 12.50 | 10.82 | 0.31 | 0.24 |
| 5. | Trucking & Marketing | 5.14 | 3.53 | 0.13 | 0.08 |
| 6. | Fuel | 12.60 | 13.70 | 0.32 | 0.31 |
| 7. | Irrigation Fuel & Electricity | 0.00 | 0.00 | 0.00 | 0.00 |
| 8. | Repairs - Machinery | 9.74 | 12.96 | 0.24 | 0.29 |
| 9. | Repairs - Buildings | 2.57 | 1.51 | 0.06 | 0.03 |
| 10. | Utilities & Misc. Expenses | 8.71 | 8.75 | 0.22 | 0.20 |
| 11. | Custom Work & Specialized Labour | 4.10 | 2.73 | 0.10 | 0.06 |
| 12. | Operating Interest Paid | 1.07 | 1.29 | 0.03 | 0.03 |
| 13. | Paid Labour & Benefits | 5.24 | 5.00 | 0.13 | 0.11 |
| 14. | Unpaid Labour | 8.59 | 8.71 | 0.22 | 0.19 |
| | Variable Costs | 147.94 | 139.72 | 3.71 | 3.13 |
| (C) 1. | Cash/Share Rent & Land Lease | 23.78 | 21.08 | 0.60 | 0.47 |
| 2. | Taxes, Water Rates, Lic. & Insurance | 5.00 | 3.66 | 0.13 | 0.08 |
| 3. | Equip. & Bldg. a) Depreciation | 27.19 | 26.78 | 0.68 | 0.60 |
| | b) Lease Payments | 1.17 | 0.00 | 0.03 | 0.00 |
| 4. | Paid Capital Interest | 3.12 | 2.61 | 0.08 | 0.06 |
| | Total Capital Costs | 60.26 | 54.14 | 1.51 | 1.21 |
| (D) | Cash Costs (B+C-B14-C3) | 172.42 | 158.36 | 4.32 | 3.54 |
| (E) | Total Production Costs (B+C) | 208.20 | 193.86 | 5.22 | 4.34 |
| (F) | Gross Margin (A-D) | 115.83 | 144.53 | 2.90 | 3.23 |
| | Return to Unpaid Labour (A-E+B14) | 88.63 | 117.74 | 2.22 | 2.63 |
| | Return to Investment (A-E+C4) | 83.17 | 111.65 | 2.08 | 2.50 |
| | Return to Equity (A-E) | 80.05 | 109.03 | 2.01 | 2.44 |
| | Return on Investment (%) | 9.1 | 11.9 | | |
| | Total Investment (\$/acre) | 910 | 940 | | |
| | Management | | | | |
| | Average field size (acres) | 120.1 | 141.9 | | |
| | Number of Observations | 43 | 15 | | |
| | Yield (Bushels/acre) | 39.90 | 44.69 | | |
| | Expected Price (\$/Bushel) | 6.74 | 6.59 | | |

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

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

Descriptive Statistics: All Field Pea Production - Total Group

Crop: Dryland All Field Pea
Zone: Dark Brown Soils

| | Quartiles | | Group Average | CV (%) |
|------------------------|-----------|--------|---------------|--------|
| | Low | High | | |
| Price (\$/Bushel) | 5.95 | 7.50 | 6.74 | 17.9 |
| Yield (Bushel/Acre) | 27.46 | 53.00 | 39.90 | 34.1 |
| ----- \$ / Acre ----- | | | | |
| Gross Revenue | 203.52 | 364.00 | 288.25 | 34.7 |
| Seed, Fert, Chem | 63.64 | 90.88 | 77.69 | 24.1 |
| Oth. Variable Costs | 66.26 | 79.53 | 70.25 | 16.6 |
| Fixed Costs | 42.23 | 85.57 | 60.26 | 40.8 |
| Total Production Costs | 181.98 | 241.95 | 208.20 | 18.1 |
| Total Cash Costs | 143.71 | 202.04 | 172.42 | 20.4 |
| Gross Margin | 35.99 | 181.86 | 115.83 | 84.9 |
| Return to Equity | (0.16) | 133.09 | 80.05 | 117.6 |

