



AgriProfit\$ Cost & Returns Profiles

Dryland Malt Barley
Dark Brown Soils

16-July-12

Economics & Competitiveness

AgriProfit\$
Benchmarks

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.

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AgriProfit\$ Cost & Returns Profiles					
Crop: Dryland Malt Barley		Total Top 1/3rd		Total Top 1/3rd	
Zone: Dark Brown Soils		-- \$ / Acre --		-- \$ / Bushel --	
(A) 1.	Crop Sales	225.87	236.14	4.27	4.53
6.	Other Revenues	9.81	0.00	0.19	0.00
	Gross Return	235.68	236.14	4.46	4.53
(B) 1.	Seed	11.42	11.43	0.22	0.22
2.	Fertilizer	39.28	30.04	0.74	0.58
3.	Chemicals	23.21	21.29	0.44	0.41
4.	Crop Insurance Premiums	9.10	7.18	0.17	0.14
5.	Trucking & Marketing	2.42	3.14	0.05	0.06
6.	Fuel	7.91	7.05	0.15	0.14
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	7.43	4.34	0.14	0.08
9.	Repairs - Buildings	1.95	3.12	0.04	0.06
10.	Utilities & Misc. Expenses	5.84	6.43	0.11	0.12
11.	Custom Work & Specialized Labour	1.35	1.70	0.03	0.03
12.	Operating Interest Paid	0.62	0.67	0.01	0.01
13.	Paid Labour & Benefits	3.25	2.46	0.06	0.05
14.	Unpaid Labour	5.66	6.25	0.11	0.12
	Variable Costs	119.44	105.10	2.26	2.02
(C) 1.	Cash/Share Rent & Land Lease	3.19	0.00	0.06	0.00
2.	Taxes, Water Rates, Lic. & Insurance	5.66	3.45	0.11	0.07
3.	Equip. & Bldg. a) Depreciation	25.78	23.71	0.49	0.45
	b) Lease Payments	0.00	0.00	0.00	0.00
4.	Paid Capital Interest	6.24	6.84	0.12	0.13
	Total Capital Costs	40.87	34.00	0.77	0.65
(D)	Cash Costs (B+C-B14-C3)	128.87	109.14	2.44	2.09
(E)	Total Production Costs (B+C)	160.31	139.10	3.03	2.67
(F)	Gross Margin (A-D)	106.80	126.99	2.02	2.44
	Return to Unpaid Labour (A-E+B14)	81.03	103.28	1.53	1.98
	Return to Investment (A-E+C4)	81.61	103.87	1.54	1.99
	Return to Equity (A-E)	75.37	97.03	1.43	1.86
	Return on Investment (%)	5.7	7.6		
	Total Investment (\$/acre)	1,441	1,363		
Management					
	Average field size (acres)	122.2	123.8		
	Number of Observations	27	11		
	Yield (Bushels/acre)	52.85	52.11		
	Expected Price (\$/Bushel)	4.27	4.53		

* Cost and returns profiles include/combine all tenure types ... owned, rented & leased.
** Top 1/3rd selection criteria: Low Total Production Cost / Bushel

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Descriptive Statistics: Malt Barley Production - Total Group

Crop: Dryland Malt Barley
Zone: Dark Brown Soils

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	4.23	4.30	4.27	18.5
Yield (Bushel/Acre)	43.20	64.00	52.85	24.7
----- \$ / Acre -----				
Gross Revenue	183.60	271.71	235.68	27.8
Seed, Fert, Chem	60.95	89.11	73.90	27.3
Oth. Variable Costs	10.89	72.86	45.53	69.4
Fixed Costs	30.42	48.67	40.87	36.1
Total Production Costs	104.03	192.66	160.31	35.2
Total Cash Costs	82.81	162.70	128.87	37.3
Gross Margin	77.26	118.26	106.80	55.7
Return to Equity	34.07	89.51	75.37	77.6

