

AgriProfit\$ Cost & Returns ProfilesDryland Feed Barley
Grey-Wooded (South) Soils

16-July-12

**AgriProfit\$
Benchmarks**

A *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 Feed Barley		Total Top 1/3rd		Total Top 1/3rd	
Zone: GreyWooded (South)		-- \$ / Acre --		-- \$ / Bushel --	
(A) 1.	Crop Sales	241.52	290.41	3.34	3.52
6.	Other Revenues	34.66	30.87	0.48	0.37
	Gross Return	276.17	321.28	3.82	3.89
(B) 1.	Seed	15.45	14.12	0.21	0.17
2.	Fertilizer	54.91	46.12	0.76	0.56
3.	Chemicals	22.85	22.34	0.32	0.27
4.	Crop Insurance Premiums	14.60	12.12	0.20	0.15
5.	Trucking & Marketing	5.97	2.93	0.08	0.04
6.	Fuel	15.71	15.19	0.22	0.18
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	13.25	11.82	0.18	0.14
9.	Repairs - Buildings	2.06	1.18	0.03	0.01
10.	Utilities & Misc. Expenses	13.35	6.87	0.18	0.08
11.	Custom Work & Specialized Labour	3.82	4.61	0.05	0.06
12.	Operating Interest Paid	3.23	2.26	0.04	0.03
13.	Paid Labour & Benefits	4.51	5.62	0.06	0.07
14.	Unpaid Labour	10.03	9.01	0.14	0.11
	Variable Costs	179.74	154.17	2.49	1.87
(C) 1.	Cash/Share Rent & Land Lease	17.04	16.33	0.24	0.20
2.	Taxes, Water Rates, Lic. & Insurance	6.52	5.78	0.09	0.07
3.	Equip. & Bldg. a) Depreciation	31.66	26.13	0.44	0.32
	b) Lease Payments	4.23	4.10	0.06	0.05
4.	Paid Capital Interest	10.68	8.12	0.15	0.10
	Total Capital Costs	70.14	60.46	0.97	0.73
(D)	Cash Costs (B+C-B14-C3)	208.19	179.49	2.88	2.18
(E)	Total Production Costs (B+C)	249.87	214.62	3.46	2.60
(F)	Gross Margin (A-D)	67.99	141.79	0.94	1.72
	Return to Unpaid Labour (A-E+B14)	36.33	115.66	0.50	1.40
	Return to Investment (A-E+C4)	36.99	114.78	0.51	1.39
	Return to Equity (A-E)	26.30	106.66	0.36	1.29
	Return on Investment (%)	3.2	8.8		
	Total Investment (\$/acre)	1,154	1,310		
Management					
	Average field size (acres)	130.8	166.3		
	Number of Observations	64	21		
	Yield (Bushels/acre)	72.24	82.49		
	Expected Price (\$/Bushel)	3.34	3.52		

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

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

Descriptive Statistics: Feed Barley Production - Total Group

Crop: Dryland Feed Barley Zone: GreyWooded (South)	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	3.00	3.50	3.34	12.8
Yield (Bushel/Acre)	60.00	77.72	72.24	20.4
----- \$ / Acre -----				
Gross Revenue	227.07	307.92	276.17	20.1
Seed, Fert, Chem	63.03	117.60	93.21	36.8
Oth. Variable Costs	75.20	113.87	86.53	28.5
Fixed Costs	51.60	95.70	70.14	43.5
Total Production Costs	213.77	324.88	249.87	24.2
Total Cash Costs	162.80	257.37	208.19	25.4
Gross Margin	10.09	92.10	67.99	115.1
Return to Equity	(79.32)	47.36	26.30	334.8

