



AgriProfit\$ Cost & Returns Profiles

Dryland Herbicide Tolerant Canola (All)

Grey-Wooded (South) 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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<i>AgriProfit\$</i> Cost & Returns Profiles					
Crop: Dryland HT Canola (All)		Total Top 1/3rd		Total Top 1/3rd	
Zone: GreyWooded (South)		-- \$ / Acre --		-- \$ / Bushel --	
(A) 1.	Crop Sales	426.76	490.29	9.95	9.90
6.	Other Revenues	21.00	9.79	0.49	0.20
Gross Return		447.76	500.08	10.44	10.10
(B) 1.	Seed	36.54	36.87	0.85	0.74
2.	Fertilizer	76.54	73.08	1.78	1.48
3.	Chemicals	24.49	23.11	0.57	0.47
4.	Crop Insurance Premiums	22.66	22.29	0.53	0.45
5.	Trucking & Marketing	4.73	5.37	0.11	0.11
6.	Fuel	16.17	16.11	0.38	0.33
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	16.93	14.36	0.39	0.29
9.	Repairs - Buildings	2.16	1.75	0.05	0.04
10.	Utilities & Misc. Expenses	22.86	21.47	0.53	0.43
11.	Custom Work & Specialized Labour	3.98	4.90	0.09	0.10
12.	Operating Interest Paid	3.85	3.28	0.09	0.07
13.	Paid Labour & Benefits	8.79	11.64	0.20	0.24
14.	Unpaid Labour	9.77	9.02	0.23	0.18
Variable Costs		249.47	243.25	5.81	4.91
(C) 1.	Cash/Share Rent & Land Lease	21.59	20.40	0.50	0.41
2.	Taxes, Water Rates, Lic. & Insurance	7.10	6.48	0.17	0.13
3.	Equip. & Bldg. a) Depreciation	38.74	35.58	0.90	0.72
	b) Lease Payments	1.92	1.77	0.04	0.04
4.	Paid Capital Interest	17.56	10.84	0.41	0.22
Total Capital Costs		86.91	75.07	2.03	1.52
(D)	Cash Costs (B+C-B14-C3)	287.87	273.72	6.71	5.53
(E)	Total Production Costs (B+C)	336.37	318.32	7.84	6.43
(F)	Gross Margin (A-D)	159.89	226.36	3.73	4.57
	Return to Unpaid Labour (A-E+B14)	121.15	190.78	2.82	3.85
	Return to Investment (A-E+C4)	128.94	192.60	3.01	3.89
	Return to Equity (A-E)	111.39	181.76	2.60	3.67
Return on Investment (%)		11.8	19.2		
Total Investment (\$/acre)		1,091	1,003		
Management					
	Average field size (acres)	138.6	147.2		
	Number of Observations	126	43		
	Yield (Bushels/acre)	42.91	49.52		
	Expected Price (\$/Bushel)	9.95	9.90		

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

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

Descriptive Statistics: HT Canola (All) Production - Total Group

Crop: Dryland HT Canola (All)
Zone: GreyWooded (South)

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	9.00	10.75	9.95	11.8
Yield (Bushel/Acre)	35.00	52.00	42.91	25.8
----- \$ / Acre -----				
Gross Revenue	360.75	550.00	447.76	29.2
Seed, Fert, Chem	125.22	153.99	137.57	16.1
Oth. Variable Costs	89.41	136.16	111.90	26.0
Fixed Costs	70.03	102.20	86.91	40.0
Total Production Costs	291.99	385.80	336.37	19.4
Total Cash Costs	247.72	332.62	287.87	19.8
Gross Margin	93.63	241.63	159.89	84.8
Return to Equity	33.00	197.21	111.39	123.7

