



Cost and Returns Budget for Creeping Red Fescue – Underseeded to Canola

This budget estimates the direct income and expenses over the life of a creeping red fescue stand, on one acre of creeping red fescue underseeded to canola. These numbers are intended to assist producers in evaluating the basic financial requirements over this period.

The *Budget Margin* must provide funds for interest, overhead and other indirect expenses as well as a return for living, loan repayment and investment. A total farm financial analysis should be completed to determine the impact of this enterprise on the total farm business.

Assumptions

The following assumptions and timing for field operations were assumed in deriving these costs:

Year 1 – Establishment and Underseeding to Canola

- Prev. fall** 1. Pre-harvest glyphosate for perennial weed control
- May** 2. HD and a light duty cultivation
- 3. Apply anhydrous
- 4. Seed canola/fescue (with grass seed attachment on drill)
- 5. Harrow pack
- June** 6. Spray Poast Ultra + Lontrel
- Aug/Sept** 7. Swath Canola
- 8. Combine/truck/augers

Year 2 – Clip Year

- June** 1. Spray Banvel + 2,4-D
- 2. Mow
- Sept** 3. Mow
- Oct** 4. Broadcast fertilizer

Year 3 – Production

- May** 1. Spray Ally + Venture
- July** 2. Swath
- Aug** 3. Combine/truck/augers
- 4. Bale (zero net cost)¹
- Sept** 5. Mow
- Oct** 6. Broadcast fertilizer

Year 4 – Production

- May** 1. Spray Refine Extra + Assure
- July** 2. Swath
- Aug** 3. Combine/truck/augers
- 4. Bale (zero net cost)

Year 5 – Rejuvenate (field is either returned to annual crops or rejuvenated)

- May** 1. Plow
- 2. Roll
- 3. Float
- Aug** 4. Spray Banvel + 2,4-D
- 5. Mow
- Oct** 6. Broadcast fertilizer

Year 6 – Production

- May** 1. Spray Ally + Venture
- July** 2. Swath
- Aug** 3. Combine/truck/augers
- 4. Bale (zero net cost)
- Sept** 5. Mow
- Oct** 6. Broadcast fertilizer

¹ Assumption that returns for baling aftermath will cover costs.

Year 7 – Production

- May** 1. Spray Refine Extra + Assure
- July** 2. Swath
- Aug** 3. Combine/truck/augers
- 4. Bale (zero net cost)
- Sept** 5. Plow

Price and production sensitivity

The following table shows the impact on **Budget Margin** in the established stand (Year 6) resulting from a change in projected market returns and yields.

Table 1. Price and yield sensitivity

Price \$/lb	Yields: lbs. per acre			
	200	400	600	800
0.20	-7.30	32.70	72.70	112.70
0.30	12.70	72.70	132.70	192.70
0.40	32.70	112.70	192.70	272.70
0.50	52.70	152.70	252.70	352.70
0.60	72.70	192.70	312.70	432.70
0.70	92.70	232.70	372.70	512.70
0.80	112.70	272.70	432.70	592.70

Certified seed usually commands a \$.05/lb premium over common, but overall price levels depend on the American and European grass seed market.

Table 2. Per acre costs and returns for creeping red fescue underseeded to canola – 7 years of production

	Yield	Price Unit	Year 1 Establishment	Year 2 Clip	Year 3 Production	Year 4 Production	Year 5 Rejuvenate	Year 6 Production	Year 7 Production	Seven Year Average Returns
Canola	25	7.50 Bus	187.50							
Fescue	325	0.50 lb			162.50	162.50		162.50	162.50	
TOTAL INCOME		\$/acre	187.50		162.50	162.50		162.50	162.50	119.64
DIRECT EXPENSES (\$/Acre)										
	Quantity	Price Unit								
Seed: Canola Seed	6	\$2.00 /lb	12.00							
Fescue Seed	2	\$2.25 /lb	4.50							
Fertilizer: 82-0-0	90	\$0.19 /lb	17.35							
11-51-0	25	\$0.19 /lb	4.71							
20-0-0-24	50	\$0.12 /lb	6.13							
0-0-62	15	\$0.10 /lb	1.53							
34-0-0 *	150	\$0.12 /lb		18.04	18.04		18.04	18.04		
Herbicides: Banvel (litre)	0.245	\$32.60 /litre		7.99			7.99			
2,4-D (litre)	0.45	\$5.99 /litre		2.70			2.70			
Poast (litre)	0.13	\$89.61 /litre	11.65							
Roundup (litre)	1	\$8.99 /litre	8.99							
Lontrel (litre)	0.17	\$132.88 /litre	22.59							
Ally (gm)	3	\$1.70 /gm			5.10			5.10		
Assure (litre)	0.3	\$41.25 /litre				12.38			12.38	
Venture (kg)	0.2	\$70.31 /kg			14.06			14.06		
Refine Extra (gm)	8	\$0.67 /gm				5.36			5.36	
Equipment operating & maint.			17.84	7.70	10.11	7.62	16.39	10.11	14.69	
TOTAL DIRECT EXPENSES			107.29	36.42	47.30	25.35	45.11	47.30	32.43	48.74
Budget MARGIN			80.21	-36.42	115.20	137.15	-45.11	115.20	130.07	70.90

* A blend of N,P,K,S is sometimes used instead of straight Nitrogen

This information is provided as a guideline only. Projected yields indicate about average production. An individual crop plan should be developed by each producer. Planning forms may be obtained from your local Government Agriculture Office in Alberta or British Columbia.

Prepared by:

Calvin Yoder – Forage Specialist, Spirit River
 George Monner – Farm Management Specialist, Fairview