



AgriProfit\$ Cost & Returns Profiles

Dryland Swath Grazing

Central Alberta

(Aspen Parkland & portions of Boreal Transition)

30-Jul-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.

These benchmark include AgriProfit\$ field 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' intermediate term costs and profit potential.

Regional average performance for the crop is compared to a "top third" management grouping. 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.

In addition to the 3-year summary table, a range of charts are included to highlight field level variability in key cost and returns tallies. This further emphasizes 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 Swath Grazing		Total Top 1/3rd		Total Top 1/3rd	
Zone: Central Alberta		-- \$ / Acre --		-- \$ / AUM --	
(A) 1.	Crop Sales	142.06	174.99	25.92	25.58
6.	Other Revenues	3.57	0.46	0.65	0.07
	Gross Return	145.63	175.45	26.57	25.65
(B) 1.	Seed	13.31	15.18	2.43	2.22
2.	Fertilizer	28.82	20.02	5.26	2.93
3.	Chemicals	6.48	5.71	1.18	0.84
4.	Crop Insurance Premiums	3.05	1.60	0.56	0.23
5.	Trucking & Marketing	0.00	0.00	0.00	0.00
6.	Fuel	6.12	6.41	1.12	0.94
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	0.98	0.92	0.18	0.13
9.	Repairs - Buildings	0.80	1.15	0.15	0.17
10.	Utilities & Misc. Expenses	1.31	1.03	0.24	0.15
11.	Custom Work & Specialized Labour	7.62	3.18	1.39	0.47
12.	Operating Interest Paid	0.17	0.24	0.03	0.04
13.	Paid Labour & Benefits	0.60	0.54	0.11	0.08
14.	Unpaid Labour	4.17	3.72	0.76	0.54
	Variable Costs	73.44	59.71	13.40	8.73
(C) 1.	Cash/Share Rent & Land Lease	7.16	0.17	1.31	0.02
2.	Taxes, Water Rates, Lic. & Insurance	3.48	3.61	0.64	0.53
3.	Equip. & Bldg. a) Depreciation	2.24	1.40	0.41	0.20
	b) Lease Payments	0.01	0.00	0.00	0.00
4.	Paid Capital Interest	6.92	6.41	1.26	0.94
	Total Capital Costs	19.82	11.59	3.62	1.69
(D)	Cash Costs (B+C-B14-C3)	86.85	66.18	15.85	9.67
(E)	Total Production Costs (B+C)	93.26	71.30	17.02	10.42
(F)	Gross Margin (A-D)	58.78	109.27	10.73	15.97
	Return to Unpaid Labour (A-E+B14)	56.53	107.87	10.32	15.77
	Return to Investment (A-E+C4)	59.29	110.56	10.82	16.16
	Return to Equity (A-E)	52.37	104.15	9.56	15.23
	Return on Investment (%)	4.4	11.5		
	Total Investment (\$/acre)	1,360	964		
	Management				
	Average field size (acres)	56.9	59.8		
	Number of Observations	47	16		
	Yield (AUMs/acre)	5.48	6.84		
	Expected Price (\$/AUM)	25.92	25.58		

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

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

Descriptive Statistics: Swath Grazing Production - Total Group

Crop: Dryland Swath Grazing
Zone: Central Alberta

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/AUM)	21.72	28.24	25.92	19.8
Yield (AUM/Acre)	3.83	6.32	5.48	35.9
----- \$ / Acre -----				
Gross Revenue	99.91	175.28	145.63	47.0
Seed, Fert, Chem	15.92	67.01	48.62	53.7
Oth. Variable Costs	11.87	29.56	24.83	59.7
Fixed Costs	6.41	30.10	19.82	94.2
Total Production Costs	59.26	116.55	93.26	42.3
Total Cash Costs	55.02	108.97	86.85	43.8
Gross Margin	15.94	92.51	58.78	102.6
Return to Equity	6.52	90.99	52.37	115.7

