

AgriProfit\$

**Cost and Return Profiles for
Selected Crops, 2005
*Dark Brown Soil Zone***

July, 2007



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2005 Dark Brown Soil Zone

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OVERVIEW

2005 Dark Brown Soil Zone

The AgriProfit\$ Cost and Return study is a provincial overview of costs and returns for various annual field crops and forages grown throughout the province. Participating farmers are surveyed throughout the winter and the Alberta Agriculture and Food (AF) Economics Unit compiles all the information into this summary package. This detailed and world-class database is used for extension and research purposes.

In this package you will find a brief summary of various field crops and forages grown in the dark brown soil zone. Where numbers warrant, there are two levels of analysis – the group average and the top third. The top third analysis is based on the top third of fields that have the highest return to equity.

The map on the upper right illustrates the Dark Brown Soil Zone areas in Alberta. Please note that farms highlighted within this zone may contain characteristics of neighbouring soil zones, however, this is the grouping method used for this study.

The map on the lower right highlights the locations of participating farmers for the 2005 program season.

For questions regarding this document please contact:

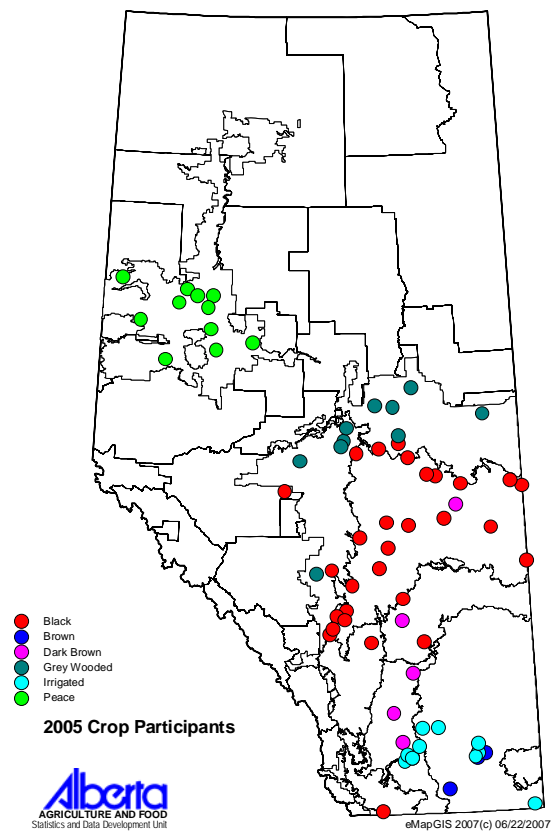
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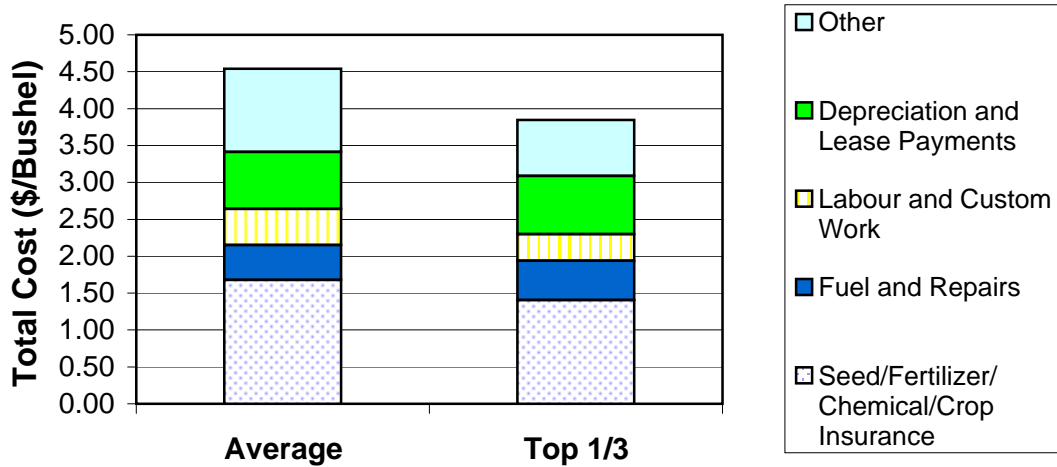
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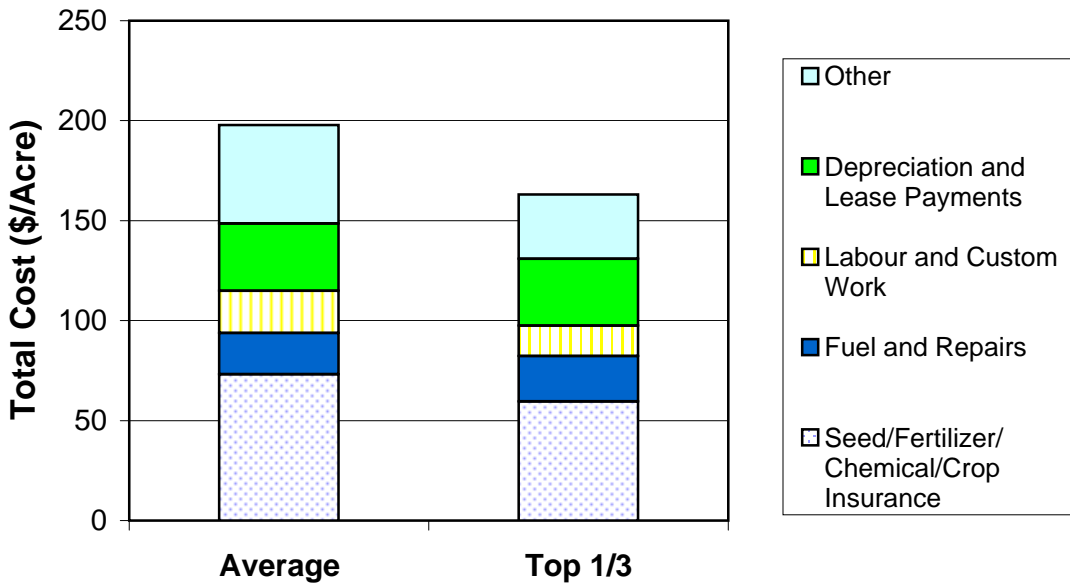
Renn Breitzkreuz, Dale Kaliel, Pauline Van Biert, Shukun Guan, Guangzhi Liu, Nabi Chaudhary, Richard Stadlwieser, Interviewers and Participants



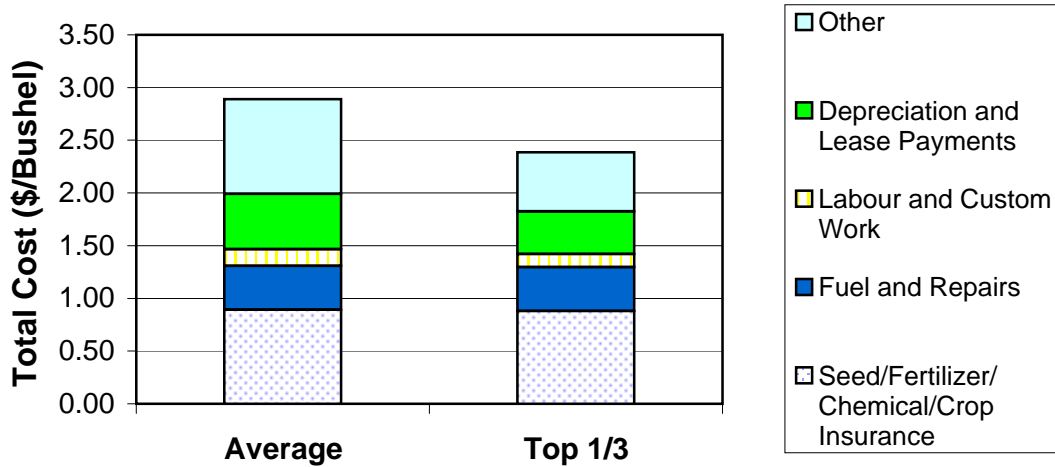
2005 Spring Wheat on Dark Brown Soil Zones on Stubble



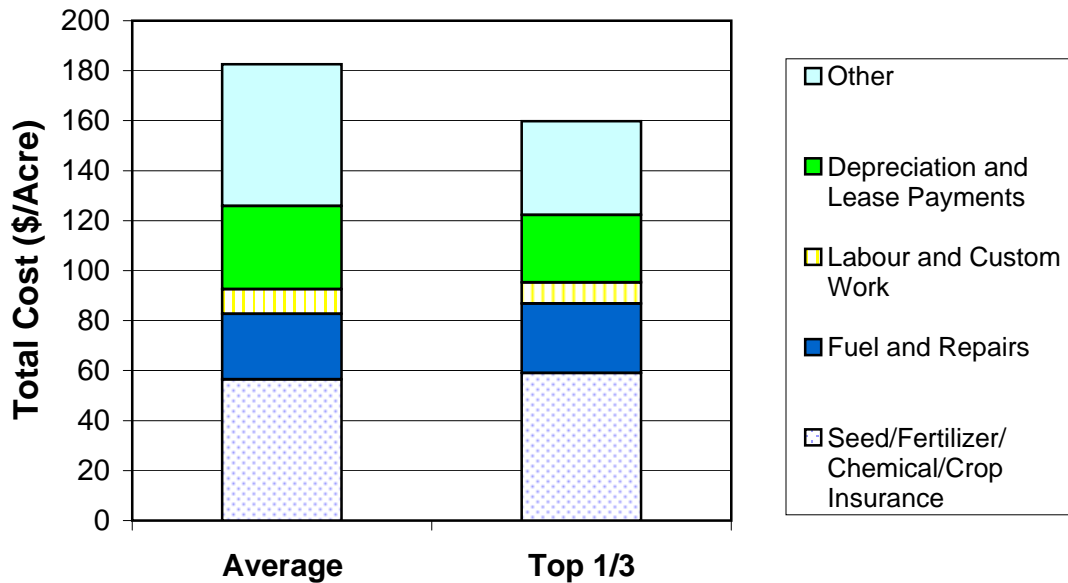
2005 Spring Wheat on Dark Brown Soil Zones on Stubble



2005 Spring Wheat on Dark Brown Soil Zones on Fallow



2005 Spring Wheat on Dark Brown Soil Zones on Fallow



2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Spring Wheat - All*
Soil Zone: *Dark Brown - Dryland - Stubble*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	137.35	154.86	3.15	3.65	
	2. Crop Insurance Receipts	21.67	17.07	0.50	0.40	
	3. Other Receipts	14.72	21.15	0.34	0.50	
	Gross Receipts	173.74	193.08	3.99	4.55	
(B)	Cost Items					
	1. Seed	8.18	6.79	0.19	0.16	
	2. Fertilizer	29.50	21.79	0.68	0.51	
	3. Chemical	23.72	19.09	0.54	0.45	
	4. Hail/Crop Insurance Premium	11.72	11.85	0.27	0.28	
	5. Trucking and Marketing	16.66	6.74	0.38	0.16	
	6. Fuel	11.23	12.80	0.26	0.30	
	7. Irrigation Fuel and Electricity	0.00	0.00	0.00	0.00	
	8. Repairs - Machinery	8.17	8.59	0.19	0.20	
	9. Repairs - Buildings	1.24	1.34	0.03	0.03	
	10. Utilities and Miscellaneous	10.75	11.30	0.25	0.27	
	11. Custom Work	8.71	2.35	0.20	0.06	
	12. Operating Interest Paid	3.80	0.64	0.09	0.02	
	13. Paid Labour	0.82	1.35	0.02	0.03	
	14. Unpaid Labour	11.64	11.60	0.27	0.27	
	Variable Costs	146.14	116.21	3.36	2.74	
(C)	1. Cash/ Share Land Rent	3.48	0.00	0.08	0.00	
	2. Taxes, Water Rates, License & Ins.	5.85	6.20	0.13	0.15	
	3. Equipment and Building:	a) Depreciation	26.97	32.19	0.62	0.76
		b) Lease Payments	6.69	1.13	0.15	0.03
	4. Paid Capital Interest	8.72	7.36	0.20	1.11	
	Capital Costs	51.71	46.88	1.19	2.04	
(D)	Cash Costs	(B+C-B14-C3a)	159.23	119.30	3.66	3.74
(E)	Total Production Costs	(B+C)	197.85	163.09	4.54	4.78
	Gross Margin	(A-D)	14.51	73.78	0.33	0.81
	Return to Unpaid Labour	(A-E+B14)	(12.46)	41.59	(0.29)	0.05
	Return to Investment	(A-E+C4)	(15.38)	37.34	(0.35)	0.88
	Return to Equity	(A-E)	(24.10)	29.98	(0.55)	(0.22)

Investment

Buildings	113.83	130.15
Machinery	240.11	281.01
Irrigation Machinery	0.00	0.00
Total (incl. Land)	1284.77	1597.06

Management

Average Yield	(Bushel/acre)	43.55	42.41
Expected Market Price	(\$/Bushel)	3.15	3.65

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Spring Wheat - All*
Soil Zone: *Dark Brown - Dryland - Fallow*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	209.70	237.09	3.32	3.54	
	2. Crop Insurance Receipts	0.00	0.00	0.00	0.00	
	3. Other Receipts	0.05	0.00	0.00	0.00	
	Gross Receipts	209.75	237.09	3.32	3.54	
(B)	Cost Items					
	1. Seed	9.73	10.00	0.15	0.15	
	2. Fertilizer	22.53	24.00	0.36	0.36	
	3. Chemical	19.85	21.00	0.31	0.31	
	4. Hail/Crop Insurance Premium	4.32	4.00	0.07	0.06	
	5. Trucking and Marketing	0.00	0.00	0.00	0.00	
	6. Fuel	13.73	14.45	0.22	0.22	
	7. Irrigation Fuel and Electricity	0.00	0.00	0.00	0.00	
	8. Repairs - Machinery	12.22	13.21	0.19	0.20	
	9. Repairs - Buildings	0.28	0.18	0.00	0.00	
	10. Utilities and Miscellaneous	8.12	7.16	0.13	0.11	
	11. Custom Work	1.12	0.00	0.02	0.00	
	12. Operating Interest Paid	0.03	0.00	0.00	0.00	
	13. Paid Labour	2.11	2.44	0.03	0.04	
	14. Unpaid Labour	6.71	6.00	0.11	0.09	
	Variable Costs	100.75	102.43	1.59	1.53	
(C)	1. Cash/ Share Land Rent	29.13	0.00	0.46	0.00	
	2. Taxes, Water Rates, License & Ins.	6.64	8.28	0.11	0.12	
	3. Equipment and Building:	a) Depreciation	33.31	27.05	0.53	0.40
		b) Lease Payments	0.00	0.00	0.00	0.00
	4. Paid Capital Interest	12.80	22.09	0.20	0.86	
	Capital Costs	81.89	57.42	1.30	1.38	
(D)	Cash Costs	142.63	126.80	2.26	2.42	
(E)	Total Production Costs	182.65	159.85	2.89	2.91	
	<i>Gross Margin</i>	<i>67.12</i>	<i>110.29</i>	<i>1.06</i>	<i>1.12</i>	
	<i>Return to Unpaid Labour</i>	<i>33.81</i>	<i>83.24</i>	<i>0.54</i>	<i>0.72</i>	
	<i>Return to Investment</i>	<i>39.90</i>	<i>99.33</i>	<i>0.63</i>	<i>1.48</i>	
	<i>Return to Equity</i>	<i>27.10</i>	<i>77.24</i>	<i>0.43</i>	<i>0.63</i>	

Investment

Buildings	95.90	95.88
Machinery	313.43	253.53
Irrigation Machinery	0.00	0.00
Total (incl. Land)	1547.43	2349.41

Management

Average Yield	(Bushel/acre)	63.19	67.00
Expected Market Price	(\$/Bushel)	3.32	3.54

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Spring Wheat - Own*
Soil Zone: *Dark Brown - Dryland - Stubble*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	142.26	152.83	3.28	3.63
	2. Crop Insurance Receipts	19.62	15.72	0.45	0.37
	3. Other Receipts	16.91	22.38	0.39	0.53
	Gross Receipts	178.79	190.92	4.12	4.53
(B)	Cost Items				
	1. Seed	7.58	6.25	0.17	0.15
	2. Fertilizer	26.76	20.27	0.62	0.48
	3. Chemical	22.37	18.20	0.52	0.43
	4. Hail/Crop Insurance Premium	11.71	11.86	0.27	0.28
	5. Trucking and Marketing	12.91	4.71	0.30	0.11
	6. Fuel	11.78	13.11	0.27	0.31
	7. Irrigation Fuel and Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	8.30	8.66	0.19	0.21
	9. Repairs - Buildings	1.27	1.35	0.03	0.03
	10. Utilities and Miscellaneous	10.98	11.42	0.25	0.27
	11. Custom Work	6.58	1.14	0.15	0.03
	12. Operating Interest Paid	2.62	0.00	0.06	0.00
	13. Paid Labour	1.00	1.45	0.02	0.03
	14. Unpaid Labour	11.62	11.60	0.27	0.28
	Variable Costs	135.51	110.02	3.12	2.61
(C)	1. Cash/ Share Land Rent	0.00	0.00	0.00	0.00
	2. Taxes, Water Rates, License & Ins.	6.50	6.15	0.15	0.15
	3. Equipment and Building: a) Depreciation	29.31	33.38	0.67	0.79
	b) Lease Payments	4.61	0.00	0.11	0.00
	4. Paid Capital Interest	9.73	6.55	0.22	1.09
	Capital Costs	50.15	46.08	1.15	2.03
(D)	Cash Costs (B+C-B14-C3a)	144.73	111.12	3.33	3.58
(E)	Total Production Costs (B+C)	185.66	156.10	4.27	4.64
	Gross Margin (A-D)	34.06	79.80	0.78	0.96
	Return to Unpaid Labour (A-E+B14)	4.76	46.41	0.11	0.16
	Return to Investment (A-E+C4)	2.86	41.37	0.07	0.98
	Return to Equity (A-E)	(6.87)	34.82	(0.16)	(0.11)

Investment

Buildings	119.56	133.33
Machinery	259.30	290.64
Irrigation Machinery	0.00	0.00
Total (incl. Land)	1517.22	1623.98

Management

Average Yield (Bushel/acre)	43.43	42.14
Expected Market Price (\$/Bushel)	3.28	3.63

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Spring Wheat - Own*
Soil Zone: *Dark Brown - Dryland - Fallow*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	208.05	--	3.44	--
	2. Crop Insurance Receipts	0.00	--	0.00	--
	3. Other Receipts	0.07	--	0.00	--
	Gross Receipts	208.13	0.00	3.44	0.00
(B)	Cost Items				
	1. Seed	9.58	--	0.16	--
	2. Fertilizer	21.69	--	0.36	--
	3. Chemical	19.26	--	0.32	--
	4. Hail/Crop Insurance Premium	4.50	--	0.07	--
	5. Trucking and Marketing	0.00	--	0.00	--
	6. Fuel	13.31	--	0.22	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	11.66	--	0.19	--
	9. Repairs - Buildings	0.33	--	0.01	--
	10. Utilities and Miscellaneous	8.67	--	0.14	--
	11. Custom Work	1.76	--	0.03	--
	12. Operating Interest Paid	0.05	--	0.00	--
	13. Paid Labour	1.92	--	0.03	--
14. Unpaid Labour	7.11	--	0.12	--	
	Variable Costs	99.85	0.00	1.65	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	9.33	--	0.15	--
	3. Equipment and Building: a) Depreciation	36.90	--	0.61	--
	b) Lease Payments	0.00	--	0.00	--
4. Paid Capital Interest	17.44	--	0.29	--	
	Capital Costs	63.67	0.00	1.05	0.00
(D)	Cash Costs (B+C-B14-C3a)	119.51	--	1.98	--
(E)	Total Production Costs (B+C)	163.52	--	2.70	--
	Gross Margin (A-D)	88.61	--	1.47	--
	Return to Unpaid Labour (A-E+B14)	51.72	--	0.86	--
	Return to Investment (A-E+C4)	62.05	--	1.03	--
	Return to Equity (A-E)	44.60	--	0.74	--

Investment

Buildings	95.92	--
Machinery	347.72	--
Irrigation Machinery	0.00	--
Total (incl. Land)	2233.37	--

Management

Average Yield (Bushel/acre)	60.48	--
Expected Market Price (\$/Bushel)	3.44	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Spring Wheat - Rent*
Soil Zone: *Dark Brown - Dryland - Stubble*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	115.33	--	2.62	--
	2. Crop Insurance Receipts	30.83	--	0.70	--
	3. Other Receipts	4.93	--	0.11	--
	Gross Receipts	151.09	0.00	3.43	0.00
(B)	Cost Items				
	1. Seed	10.84	--	0.25	--
	2. Fertilizer	41.80	--	0.95	--
	3. Chemical	29.77	--	0.68	--
	4. Hail/Crop Insurance Premium	11.73	--	0.27	--
	5. Trucking and Marketing	33.46	--	0.76	--
	6. Fuel	8.77	--	0.20	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	7.60	--	0.17	--
	9. Repairs - Buildings	1.11	--	0.03	--
	10. Utilities and Miscellaneous	9.70	--	0.22	--
	11. Custom Work	18.24	--	0.41	--
	12. Operating Interest Paid	9.08	--	0.21	--
	13. Paid Labour	0.00	--	0.00	--
	14. Unpaid Labour	11.71	--	0.27	--
	Variable Costs	193.82	0.00	4.39	0.00
(C)	1. Cash/ Share Land Rent	19.10	--	0.43	--
	2. Taxes, Water Rates, License & Ins.	2.91	--	0.07	--
	3. Equipment and Building: a) Depreciation	16.50	--	0.37	--
	b) Lease Payments	15.98	--	0.36	--
4. Paid Capital Interest	4.19	--	0.09	--	
	Capital Costs	58.68	0.00	1.33	0.00
(D)	Cash Costs (B+C-B14-C3a)	224.29	--	5.09	--
(E)	Total Production Costs (B+C)	252.51	--	5.73	--
	Gross Margin (A-D)	(73.20)	--	(1.66)	--
	Return to Unpaid Labour (A-E+B14)	(89.70)	--	(2.03)	--
	Return to Investment (A-E+C4)	(97.23)	--	(2.20)	--
	Return to Equity (A-E)	(101.42)	--	(2.30)	--

Investment

Buildings	88.14	--
Machinery	154.01	--
Irrigation Machinery	0.00	--
Total (incl. Land)	242.15	--

Management

Average Yield (Bushel/acre)	44.10	--
Expected Market Price (\$/Bushel)	2.62	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Spring Wheat - Rent*
Soil Zone: *Dark Brown - Dryland - Fallow*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	212.59	--	3.13	--
	2. Crop Insurance Receipts	0.00	--	0.00	--
	3. Other Receipts	0.00	--	0.00	--
	Gross Receipts	212.59	0.00	3.13	0.00
(B)	Cost Items				
	1. Seed	10.00	--	0.15	--
	2. Fertilizer	24.00	--	0.35	--
	3. Chemical	20.90	--	0.31	--
	4. Hail/Crop Insurance Premium	4.00	--	0.06	--
	5. Trucking and Marketing	0.00	--	0.00	--
	6. Fuel	14.45	--	0.21	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	13.21	--	0.19	--
	9. Repairs - Buildings	0.18	--	0.00	--
	10. Utilities and Miscellaneous	7.16	--	0.11	--
	11. Custom Work	0.00	--	0.00	--
	12. Operating Interest Paid	0.00	--	0.00	--
	13. Paid Labour	2.44	--	0.04	--
14. Unpaid Labour	6.00	--	0.09	--	
	Variable Costs	102.33	0.00	1.51	0.00
(C)	1. Cash/ Share Land Rent	80.02	--	1.18	--
	2. Taxes, Water Rates, License & Ins.	1.96	--	0.03	--
	3. Equipment and Building: a) Depreciation	27.05	--	0.40	--
	b) Lease Payments	0.00	--	0.00	--
4. Paid Capital Interest	4.69	--	0.07	--	
	Capital Costs	113.72	0.00	1.67	0.00
(D)	Cash Costs (B+C-B14-C3a)	183.00	--	2.69	--
(E)	Total Production Costs (B+C)	216.05	--	3.18	--
	Gross Margin (A-D)	29.59	--	0.44	--
	Return to Unpaid Labour (A-E+B14)	2.54	--	0.04	--
	Return to Investment (A-E+C4)	1.23	--	0.02	--
	Return to Equity (A-E)	(3.46)	--	(0.05)	--

Investment

Buildings	95.88	--
Machinery	253.53	--
Irrigation Machinery	0.00	--
Total (incl. Land)	349.41	--

Management

Average Yield	(Bushel/acre)	67.93	--
Expected Market Price	(\$/Bushel)	3.13	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Malt Barley - All*
Soil Zone: *Dark Brown - Dryland - Stubble*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	161.63	--	2.42	--
	2. Crop Insurance Receipts	56.95	--	0.85	--
	3. Other Receipts	9.92	--	0.15	--
	Gross Receipts	228.49	0.00	3.42	0.00
(B)	Cost Items				
	1. Seed	8.79	--	0.13	--
	2. Fertilizer	32.18	--	0.48	--
	3. Chemical	17.44	--	0.26	--
	4. Hail/Crop Insurance Premium	11.55	--	0.17	--
	5. Trucking and Marketing	22.29	--	0.33	--
	6. Fuel	10.11	--	0.15	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	7.80	--	0.12	--
	9. Repairs - Buildings	1.17	--	0.02	--
	10. Utilities and Miscellaneous	10.56	--	0.16	--
	11. Custom Work	12.43	--	0.19	--
	12. Operating Interest Paid	5.68	--	0.08	--
	13. Paid Labour	0.44	--	0.01	--
14. Unpaid Labour	11.65	--	0.17	--	
	Variable Costs	152.09	0.00	2.28	0.00
(C)	1. Cash/ Share Land Rent	7.90	--	0.12	--
	2. Taxes, Water Rates, License & Ins.	6.10	--	0.09	--
	3. Equipment and Building: a) Depreciation	25.77	--	0.39	--
	b) Lease Payments	9.96	--	0.15	--
4. Paid Capital Interest	9.67	--	0.14	--	
	Capital Costs	59.39	0.00	0.89	0.00
(D)	Cash Costs (B+C-B14-C3a)	174.07	--	2.61	--
(E)	Total Production Costs (B+C)	211.48	--	3.17	--
	Gross Margin (A-D)	54.42	--	0.81	--
	Return to Unpaid Labour (A-E+B14)	28.65	--	0.43	--
	Return to Investment (A-E+C4)	26.67	--	0.40	--
	Return to Equity (A-E)	17.01	--	0.25	--

Investment

Buildings	102.49	--
Machinery	234.98	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1140.99	--

Management

Average Yield (Bushel/acre)	66.79	--
Expected Market Price (\$/Bushel)	2.42	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Malt Barley - Own*
Soil Zone: *Dark Brown - Dryland - Stubble*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	153.57	--	2.39	--
	2. Crop Insurance Receipts	73.97	--	1.15	--
	3. Other Receipts	11.65	--	0.18	--
	Gross Receipts	239.19	0.00	3.72	0.00
(B)	Cost Items				
	1. Seed	8.29	--	0.13	--
	2. Fertilizer	30.53	--	0.47	--
	3. Chemical	15.63	--	0.24	--
	4. Hail/Crop Insurance Premium	11.49	--	0.18	--
	5. Trucking and Marketing	18.42	--	0.29	--
	6. Fuel	10.58	--	0.16	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	7.87	--	0.12	--
	9. Repairs - Buildings	1.19	--	0.02	--
	10. Utilities and Miscellaneous	10.86	--	0.17	--
	11. Custom Work	10.26	--	0.16	--
	12. Operating Interest Paid	4.50	--	0.07	--
	13. Paid Labour	0.59	--	0.01	--
	14. Unpaid Labour	11.62	--	0.18	--
	Variable Costs	141.82	0.00	2.21	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	7.20	--	0.11	--
	3. Equipment and Building: a) Depreciation	28.98	--	0.45	--
	b) Lease Payments	7.88	--	0.12	--
4. Paid Capital Interest	11.57	--	0.18	--	
	Capital Costs	55.62	0.00	0.87	0.00
(D)	Cash Costs	156.84	--	2.44	--
(E)	Total Production Costs	197.45	--	3.07	--
	Gross Margin	82.35	--	1.28	--
	Return to Unpaid Labour	53.37	--	0.83	--
	Return to Investment	53.31	--	0.83	--
	Return to Equity	41.74	--	0.65	--

Investment

Buildings	107.46	--
Machinery	263.06	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1452.64	--

Management

Average Yield	(Bushel/acre)	64.30	--
Expected Market Price	(\$/Bushel)	2.39	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: Rye - All
Soil Zone: Dark Brown - Dryland - Stubble
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	149.31	--	2.82	--
	2. Crop Insurance Receipts	0.00	--	0.00	--
	3. Other Receipts	14.37	--	0.27	--
	Gross Receipts	163.67	0.00	3.09	0.00
(B)	Cost Items				
	1. Seed	8.00	--	0.15	--
	2. Fertilizer	34.50	--	0.65	--
	3. Chemical	0.00	--	0.00	--
	4. Hail/Crop Insurance Premium	6.40	--	0.12	--
	5. Trucking and Marketing	0.00	--	0.00	--
	6. Fuel	9.04	--	0.17	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	5.82	--	0.11	--
	9. Repairs - Buildings	0.93	--	0.02	--
	10. Utilities and Miscellaneous	14.36	--	0.27	--
	11. Custom Work	19.14	--	0.36	--
	12. Operating Interest Paid	0.25	--	0.00	--
	13. Paid Labour	0.00	--	0.00	--
14. Unpaid Labour	11.28	--	0.21	--	
	Variable Costs	109.73	0.00	2.07	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	13.28	--	0.25	--
	3. Equipment and Building: a) Depreciation	73.87	--	1.40	--
	b) Lease Payments	0.00	--	0.00	--
4. Paid Capital Interest	0.00	--	0.00	--	
	Capital Costs	87.15	0.00	1.65	0.00
(D)	Cash Costs (B+C-B14-C3a)	111.72	--	2.11	--
(E)	Total Production Costs (B+C)	196.87	--	3.72	--
	Gross Margin (A-D)	51.95	--	0.98	--
	Return to Unpaid Labour (A-E+B14)	(21.92)	--	(0.41)	--
	Return to Investment (A-E+C4)	(33.20)	--	(0.63)	--
	Return to Equity (A-E)	(33.20)	--	(0.63)	--

Investment

Buildings	96.05	--
Machinery	701.49	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1797.53	--

Management

Average Yield (Bushel/acre)	52.90	--
Expected Market Price (\$/Bushel)	2.82	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: Rye - Own
Soil Zone: Dark Brown - Dryland - Stubble
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	149.31	--	2.82	--
	2. Crop Insurance Receipts	0.00	--	0.00	--
	3. Other Receipts	14.37	--	0.27	--
	Gross Receipts	163.67	0.00	3.09	0.00
(B)	Cost Items				
	1. Seed	8.00	--	0.15	--
	2. Fertilizer	34.50	--	0.65	--
	3. Chemical	0.00	--	0.00	--
	4. Hail/Crop Insurance Premium	6.40	--	0.12	--
	5. Trucking and Marketing	0.00	--	0.00	--
	6. Fuel	9.04	--	0.17	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	5.82	--	0.11	--
	9. Repairs - Buildings	0.93	--	0.02	--
	10. Utilities and Miscellaneous	14.36	--	0.27	--
	11. Custom Work	19.14	--	0.36	--
	12. Operating Interest Paid	0.25	--	0.00	--
	13. Paid Labour	0.00	--	0.00	--
14. Unpaid Labour	11.28	--	0.21	--	
	Variable Costs	109.73	0.00	2.07	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	13.28	--	0.25	--
	3. Equipment and Building: a) Depreciation	73.87	--	1.40	--
	b) Lease Payments	0.00	--	0.00	--
4. Paid Capital Interest	0.00	--	0.00	--	
	Capital Costs	87.15	0.00	1.65	0.00
(D)	Cash Costs (B+C-B14-C3a)	111.72	--	2.11	--
(E)	Total Production Costs (B+C)	196.87	--	3.72	--
	Gross Margin (A-D)	51.95	--	0.98	--
	Return to Unpaid Labour (A-E+B14)	(21.92)	--	(0.41)	--
	Return to Investment (A-E+C4)	(33.20)	--	(0.63)	--
	Return to Equity (A-E)	(33.20)	--	(0.63)	--

Investment

Buildings	96.05	--
Machinery	701.49	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1797.53	--

Management

Average Yield (Bushel/acre)	52.90	--
Expected Market Price (\$/Bushel)	2.82	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Winter Wheat - All*
Soil Zone: *Dark Brown - Dryland - Fallow*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	262.50	--	3.50	--
	2. Crop Insurance Receipts	0.00	--	0.00	--
	3. Other Receipts	4.93	--	0.07	--
	Gross Receipts	267.43	0.00	3.57	0.00
(B)	Cost Items				
	1. Seed	11.25	--	0.15	--
	2. Fertilizer	41.80	--	0.56	--
	3. Chemical	5.65	--	0.08	--
	4. Hail/Crop Insurance Premium	11.73	--	0.16	--
	5. Trucking and Marketing	33.46	--	0.45	--
	6. Fuel	8.77	--	0.12	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	7.60	--	0.10	--
	9. Repairs - Buildings	1.11	--	0.01	--
	10. Utilities and Miscellaneous	9.70	--	0.13	--
	11. Custom Work	17.09	--	0.23	--
	12. Operating Interest Paid	9.08	--	0.12	--
	13. Paid Labour	0.00	--	0.00	--
14. Unpaid Labour	11.71	--	0.16	--	
	Variable Costs	168.96	0.00	2.25	0.00
(C)	1. Cash/ Share Land Rent	26.22	--	0.35	--
	2. Taxes, Water Rates, License & Ins.	5.19	--	0.07	--
	3. Equipment and Building: a) Depreciation	16.50	--	0.22	--
	b) Lease Payments	15.98	--	0.21	--
4. Paid Capital Interest	12.12	--	0.16	--	
	Capital Costs	76.01	0.00	1.01	0.00
(D)	Cash Costs (B+C-B14-C3a)	216.75	--	2.89	--
(E)	Total Production Costs (B+C)	244.97	--	3.27	--
	Gross Margin (A-D)	50.67	--	0.68	--
	Return to Unpaid Labour (A-E+B14)	34.17	--	0.46	--
	Return to Investment (A-E+C4)	34.57	--	0.46	--
	Return to Equity (A-E)	22.46	--	0.30	--

Investment

Buildings	88.14	--
Machinery	154.01	--
Irrigation Machinery	0.00	--
Total (incl. Land)	815.68	--

Management

Average Yield (Bushel/acre)	75.00	--
Expected Market Price (\$/Bushel)	3.50	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: *Roundup Ready Canola - All*
Soil Zone: *Dark Brown - Dryland - Stubble*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	252.32	--	6.43	--	
	2. Crop Insurance Receipts	6.39	--	0.16	--	
	3. Other Receipts	2.36	--	0.06	--	
	Gross Receipts	261.07	0.00	6.65	0.00	
(B)	Cost Items					
	1. Seed	19.03	--	0.48	--	
	2. Fertilizer	32.54	--	0.83	--	
	3. Chemical	20.44	--	0.52	--	
	4. Hail/Crop Insurance Premium	7.60	--	0.19	--	
	5. Trucking and Marketing	16.05	--	0.41	--	
	6. Fuel	11.73	--	0.30	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	10.52	--	0.27	--	
	9. Repairs - Buildings	0.62	--	0.02	--	
	10. Utilities and Miscellaneous	8.38	--	0.21	--	
	11. Custom Work	7.79	--	0.20	--	
	12. Operating Interest Paid	4.35	--	0.11	--	
	13. Paid Labour	1.27	--	0.03	--	
	14. Unpaid Labour	8.74	--	0.22	--	
Variable Costs	149.06	0.00	3.80	0.00		
(C)	1. Cash/ Share Land Rent	44.88	--	1.14	--	
	2. Taxes, Water Rates, License & Ins.	4.35	--	0.11	--	
	3. Equipment and Building:	a) Depreciation	21.99	--	0.56	--
		b) Lease Payments	7.67	--	0.20	--
	4. Paid Capital Interest	9.99	--	0.25	--	
Capital Costs	88.87	0.00	2.26	0.00		
(D)	Cash Costs	207.20	--	5.28	--	
(E)	Total Production Costs	237.94	--	6.06	--	
	Gross Margin	53.87	--	1.37	--	
	Return to Unpaid Labour	31.88	--	0.81	--	
	Return to Investment	33.12	--	0.84	--	
	Return to Equity	23.14	--	0.59	--	

Investment

Buildings	92.17	--
Machinery	205.79	--
Irrigation Machinery	0.00	--
Total (incl. Land)	891.46	--

Management

Average Yield	(Bushel/acre)	39.24	--
Expected Market Price	(\$/Bushel)	6.43	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: Roundup Ready Canola - Own
Soil Zone: Dark Brown - Dryland - Stubble
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	291.41	--	7.58	--
	2. Crop Insurance Receipts	2.86	--	0.07	--
	3. Other Receipts	1.08	--	0.03	--
	Gross Receipts	295.35	0.00	7.68	0.00
(B)	Cost Items				
	1. Seed	16.13	--	0.42	--
	2. Fertilizer	27.91	--	0.73	--
	3. Chemical	21.29	--	0.55	--
	4. Hail/Crop Insurance Premium	7.55	--	0.20	--
	5. Trucking and Marketing	7.34	--	0.19	--
	6. Fuel	13.20	--	0.34	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	11.98	--	0.31	--
	9. Repairs - Buildings	0.38	--	0.01	--
	10. Utilities and Miscellaneous	7.72	--	0.20	--
	11. Custom Work	3.56	--	0.09	--
	12. Operating Interest Paid	1.99	--	0.05	--
	13. Paid Labour	1.90	--	0.05	--
	14. Unpaid Labour	7.25	--	0.19	--
	Variable Costs	128.21	0.00	3.33	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	7.97	--	0.21	--
	3. Equipment and Building: a) Depreciation	24.74	--	0.64	--
	b) Lease Payments	3.51	--	0.09	--
4. Paid Capital Interest	21.19	--	0.55	--	
	Capital Costs	57.41	0.00	1.49	0.00
(D)	Cash Costs (B+C-B14-C3a)	153.63	--	3.99	--
(E)	Total Production Costs (B+C)	185.62	--	4.83	--
	Gross Margin (A-D)	141.72	--	3.68	--
	Return to Unpaid Labour (A-E+B14)	116.98	--	3.04	--
	Return to Investment (A-E+C4)	130.92	--	3.40	--
	Return to Equity (A-E)	109.73	--	2.85	--

Investment

Buildings	94.18	--
Machinery	231.68	--
Irrigation Machinery	0.00	--
Total (incl. Land)	2106.35	--

Management

Average Yield (Bushel/acre)	38.46	--
Expected Market Price (\$/Bushel)	7.58	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: Roundup Ready Canola - Rent
Soil Zone: Dark Brown - Dryland - Stubble
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	232.77	--	5.87	--
	2. Crop Insurance Receipts	8.15	--	0.21	--
	3. Other Receipts	3.00	--	0.08	--
	Gross Receipts	243.93	0.00	6.15	0.00
(B)	Cost Items				
	1. Seed	20.48	--	0.52	--
	2. Fertilizer	34.85	--	0.88	--
	3. Chemical	20.02	--	0.51	--
	4. Hail/Crop Insurance Premium	7.63	--	0.19	--
	5. Trucking and Marketing	20.40	--	0.51	--
	6. Fuel	10.99	--	0.28	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	9.79	--	0.25	--
	9. Repairs - Buildings	0.74	--	0.02	--
	10. Utilities and Miscellaneous	8.71	--	0.22	--
	11. Custom Work	9.90	--	0.25	--
	12. Operating Interest Paid	5.53	--	0.14	--
	13. Paid Labour	0.95	--	0.02	--
	14. Unpaid Labour	9.48	--	0.24	--
	Variable Costs	159.49	0.00	4.02	0.00
(C)	1. Cash/ Share Land Rent	67.32	--	1.70	--
	2. Taxes, Water Rates, License & Ins.	2.54	--	0.06	--
	3. Equipment and Building: a) Depreciation	20.62	--	0.52	--
	b) Lease Payments	9.75	--	0.25	--
4. Paid Capital Interest	4.38	--	0.11	--	
	Capital Costs	104.60	0.00	2.64	0.00
(D)	Cash Costs	(B+C-B14-C3a)	233.99	--	5.90
(E)	Total Production Costs	(B+C)	264.09	--	6.66
	Gross Margin	(A-D)	9.94	--	0.25
	Return to Unpaid Labour	(A-E+B14)	(10.68)	--	(0.27)
	Return to Investment	(A-E+C4)	(15.78)	--	(0.40)
	Return to Equity	(A-E)	(20.16)	--	(0.51)

Investment

Buildings	91.16	--
Machinery	192.85	--
Irrigation Machinery	0.00	--
Total (incl. Land)	284.01	--

Management

Average Yield	(Bushel/acre)	39.63	--
Expected Market Price	(\$/Bushel)	5.87	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: Yellow Peas - All
Soil Zone: Dark Brown - Dryland - Stubble
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	131.23	--	3.88	--
	2. Crop Insurance Receipts	59.91	--	1.77	--
	3. Other Receipts	15.33	--	0.45	--
	Gross Receipts	206.46	0.00	6.11	0.00
(B)	Cost Items				
	1. Seed	15.70	--	0.46	--
	2. Fertilizer	15.08	--	0.45	--
	3. Chemical	29.63	--	0.88	--
	4. Hail/Crop Insurance Premium	13.80	--	0.41	--
	5. Trucking and Marketing	3.23	--	0.10	--
	6. Fuel	14.75	--	0.44	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	8.22	--	0.24	--
	9. Repairs - Buildings	1.89	--	0.06	--
	10. Utilities and Miscellaneous	9.52	--	0.28	--
	11. Custom Work	2.36	--	0.07	--
	12. Operating Interest Paid	0.40	--	0.01	--
	13. Paid Labour	1.15	--	0.03	--
	14. Unpaid Labour	12.12	--	0.36	--
	Variable Costs	127.83	0.00	3.78	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	5.45	--	0.16	--
	3. Equipment and Building: a) Depreciation	28.72	--	0.85	--
	b) Lease Payments	0.00	--	0.00	--
4. Paid Capital Interest	6.97	--	0.21	--	
	Capital Costs	41.14	0.00	1.22	0.00
(D)	Cash Costs (B+C-B14-C3a)	128.13	--	3.79	--
(E)	Total Production Costs (B+C)	168.98	--	5.00	--
	Gross Margin (A-D)	78.33	--	2.32	--
	Return to Unpaid Labour (A-E+B14)	49.61	--	1.47	--
	Return to Investment (A-E+C4)	44.46	--	1.32	--
	Return to Equity (A-E)	37.49	--	1.11	--

Investment

Buildings	120.30	--
Machinery	248.79	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1372.17	--

Management

Average Yield (Bushel/acre)	33.81	--
Expected Market Price (\$/Bushel)	3.88	--

2005 Crop Enterprise Analysis

AgriProfit\$

Crop: Yellow Peas - Own
Soil Zone: Dark Brown - Dryland - Stubble
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	131.23	--	3.88	--	
	2. Crop Insurance Receipts	59.91	--	1.77	--	
	3. Other Receipts	15.33	--	0.45	--	
	Gross Receipts	206.46	0.00	6.11	0.00	
(B)	Cost Items					
	1. Seed	15.70	--	0.46	--	
	2. Fertilizer	15.08	--	0.45	--	
	3. Chemical	29.63	--	0.88	--	
	4. Hail/Crop Insurance Premium	13.80	--	0.41	--	
	5. Trucking and Marketing	3.23	--	0.10	--	
	6. Fuel	14.75	--	0.44	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	8.22	--	0.24	--	
	9. Repairs - Buildings	1.89	--	0.06	--	
	10. Utilities and Miscellaneous	9.52	--	0.28	--	
	11. Custom Work	2.36	--	0.07	--	
	12. Operating Interest Paid	0.40	--	0.01	--	
	13. Paid Labour	1.15	--	0.03	--	
	14. Unpaid Labour	12.12	--	0.36	--	
Variable Costs	127.83	0.00	3.78	0.00		
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--	
	2. Taxes, Water Rates, License & Ins.	5.45	--	0.16	--	
	3. Equipment and Building:	a) Depreciation	28.72	--	0.85	--
		b) Lease Payments	0.00	--	0.00	--
	4. Paid Capital Interest	6.97	--	0.21	--	
Capital Costs	41.14	0.00	1.22	0.00		
(D)	Cash Costs	(B+C-B14-C3a)	128.13	--	3.79	
(E)	Total Production Costs	(B+C)	168.98	--	5.00	
	Gross Margin	(A-D)	78.33	--	2.32	
	Return to Unpaid Labour	(A-E+B14)	49.61	--	1.47	
	Return to Investment	(A-E+C4)	44.46	--	1.32	
	Return to Equity	(A-E)	37.49	--	1.11	

Investment

Buildings	120.30	--
Machinery	248.79	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1372.17	--

Management

Average Yield	(Bushel/acre)	33.81	--
Expected Market Price	(\$/Bushel)	3.88	--

2005 Crop Enterprise Analysis

Crop: **Summerfallow - All**
 Soil Zone: **Dark Brown - Dryland**
 Unit: **0**

		-----\$/Acre-----	
		Average	Top 1/3
(A)	1. Crop Sales	0.00	--
	2. Crop Insurance Receipts	0.00	--
	3. Other Receipts	2.24	--
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	Gross Receipts	2.24	0.00
(B)	Cost Items		
	1. Seed	0.00	--
	2. Fertilizer	0.00	--
	3. Chemical	11.78	--
	4. Hail/Crop Insurance Premium	0.00	--
	5. Trucking and Marketing	14.15	--
	6. Fuel	6.52	--
	7. Irrigation Fuel and Electricity	0.00	--
	8. Repairs - Machinery	6.75	--
	9. Repairs - Buildings	1.27	--
	10. Utilities and Miscellaneous	3.39	--
	11. Custom Work	5.49	--
	12. Operating Interest Paid	4.11	--
	13. Paid Labour	0.02	--
	14. Unpaid Labour	3.51	--
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	Variable Costs	56.99	0.00
(C)	Capital Costs		
	1. Cash/ Share Land Rent	0.00	--
	2. Taxes, Water Rates, License & Ins.	9.43	--
	3. Equipment and Building: a) Depreciation	42.82	--
	b) Lease Payments	6.76	--
	4. Paid Capital Interest	8.59	--
<hr/>			
	Capital Costs	67.59	0.00
(D)	Cash Costs (B+C-B14-C3a)	78.25	--
(E)	Total Production Costs (B+C)	124.58	--
	Gross Margin (A-D)	(76.01)	--
	Return to Unpaid Labour (A-E+B14)	(118.83)	--
	Return to Investment (A-E+C4)	(113.75)	--
	Return to Equity (A-E)	(122.34)	--

Investment

Buildings	92.20	--
Machinery	403.19	--
Irrigation Machinery	0.00	--
<hr/>		
Total (incl. Land)	1443.21	--

Management

Average Yield (/acre)	0.00	--
Expected Market Price (\$/)	0.00	--

2005 Crop Enterprise Analysis

Crop: **Summerfallow - Own**
 Soil Zone: **Dark Brown - Dryland**
 Unit: **0**

		-----\$/Acre-----	
		Average	Top 1/3
(A)	1. Crop Sales	0.00	--
	2. Crop Insurance Receipts	0.00	--
	3. Other Receipts	2.24	--
Gross Receipts		2.24	0.00
(B)	Cost Items		
	1. Seed	0.00	--
	2. Fertilizer	0.00	--
	3. Chemical	11.78	--
	4. Hail/Crop Insurance Premium	0.00	--
	5. Trucking and Marketing	14.15	--
	6. Fuel	6.52	--
	7. Irrigation Fuel and Electricity	0.00	--
	8. Repairs - Machinery	6.75	--
	9. Repairs - Buildings	1.27	--
	10. Utilities and Miscellaneous	3.39	--
	11. Custom Work	5.49	--
	12. Operating Interest Paid	4.11	--
	13. Paid Labour	0.02	--
	14. Unpaid Labour	3.51	--
Variable Costs		56.99	0.00
(C)	1. Cash/ Share Land Rent	0.00	--
	2. Taxes, Water Rates, License & Ins.	9.43	--
	3. Equipment and Building: a) Depreciation	42.82	--
	b) Lease Payments	6.76	--
	4. Paid Capital Interest	8.59	--
Capital Costs		67.59	0.00
(D)	Cash Costs (B+C-B14-C3a)	78.25	--
(E)	Total Production Costs (B+C)	124.58	--
	Gross Margin (A-D)	(76.01)	--
	Return to Unpaid Labour (A-E+B14)	(118.83)	--
	Return to Investment (A-E+C4)	(113.75)	--
	Return to Equity (A-E)	(122.34)	--

Investment

Buildings	92.20	--
Machinery	403.19	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1443.21	--

Management

Average Yield (/acre)	0.00	--
Expected Market Price (\$/)	0.00	--

FREQUENCY AND CUMULATIVE FREQUENCY DISTRIBUTION

Distribution charts organize data into pictures, which is a format that the human processing system (the brain) can better understand. Frequency distributions relate the percentage (or number) of observations falling in a specific range. Cumulative frequency distribution displays the same information as frequency distribution, but it is expressed as a “rate of change” (i.e. the steeper the slope the greater the change). Cumulative frequency also illustrates how many observations lie above or below certain values, rather than only recording the number of items within the intervals.

The frequency information in this benchmark report provides an indication of how crops performed, on a field-by-field basis, within the *AgriProfit\$* pool. Looking forward, this information can be used to evaluate how and why this crop might be included in future cropping plans based on these types of frequencies. In the following discussions, the spring wheat frequency distribution charts are used as an example of how to interpret the frequency information.

The first pair of charts provides the distribution of the spring wheat on stubble yield range in the Dark Brown soil zone. From these charts a lot can be interpreted about yield performance:

- The low is less than 30 bushels per acre and the high is less than 55 bushels per acre, and
- 70% of the spring wheat on stubble fields in this soil zone yield between 25 and 45 bushels per acre

This detailed information provides a better understanding of yield variability. The average yield on stubble is 44 bushels per acre according to the spring wheat crop analysis. While the average (or mean) is important, consideration of both the mean and variability ultimately sets the stage for good decision-making and management practices.

The second set of graphs focuses on the distribution of cost totals. Understanding these provides a basis for cost control and managing for yield per dollar invested. It is important to look at cash costs for individual field analysis (as an indication of cash flow pressure points). Cash costs include all cash expenses accrued to the production of that crop. Total production costs are important when assessing all crops together for an overall enterprise analysis, relating the longer term cost efficiency of each crop and the combined crop mix. Total production costs include the non-cash elements of unpaid labour and depreciation, in addition to cash costs. Looking at the charts, if the price of wheat was \$4 per bushel, then 30% of the fields are covering their cash costs and 25% of the fields are covering their total production costs. In the long run, the best mix of crops would cover total production costs and give a positive net return per acre.

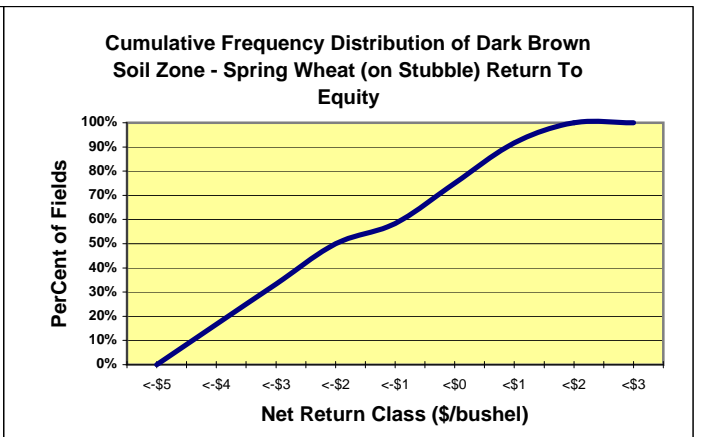
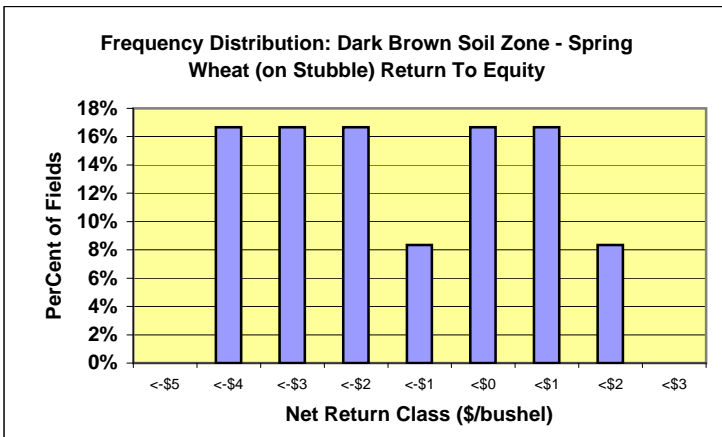
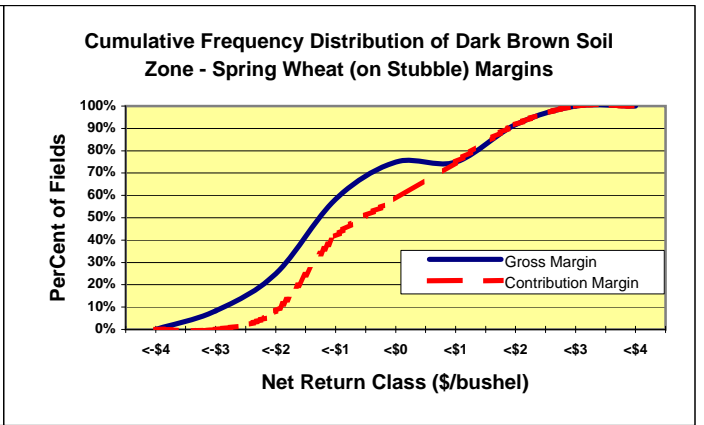
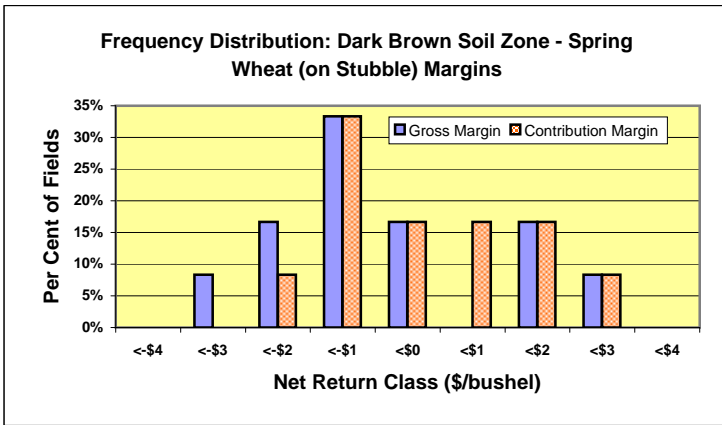
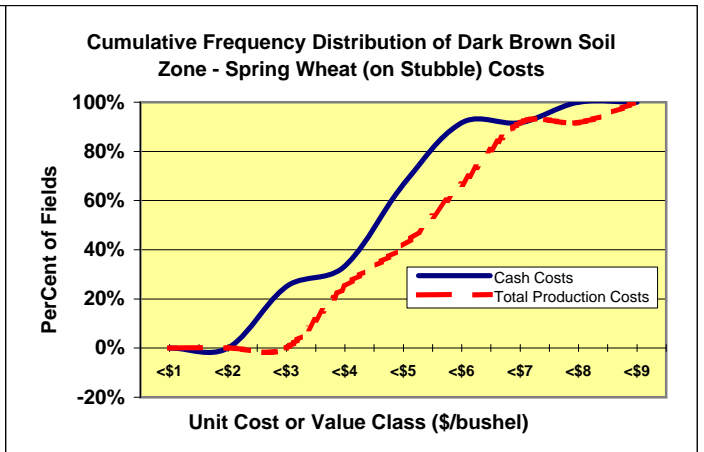
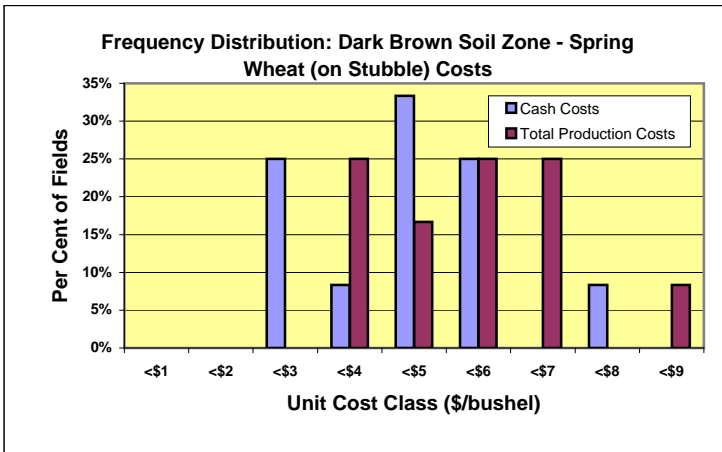
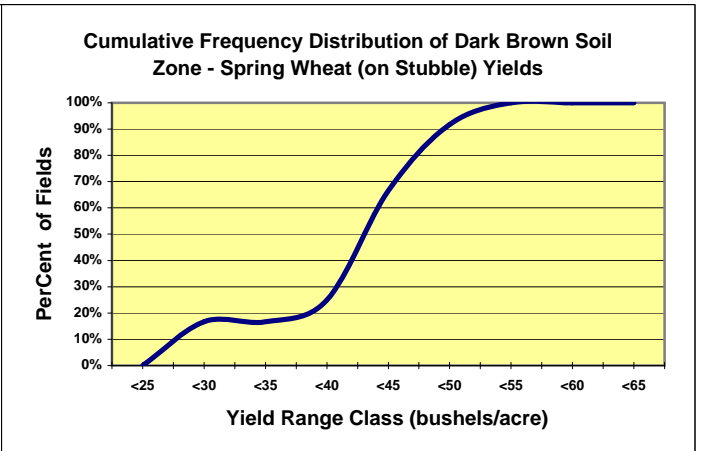
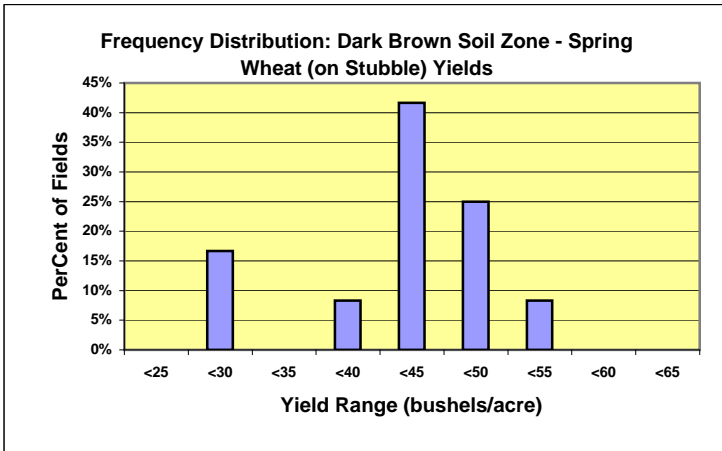
The third set of graphs highlights contribution and gross margins. Contribution margin is the return over variable costs, which are a combination of variable cash and non-cash (unpaid labour) costs. It is the best single indicator of profitability at the individual field level and it is used to compare and select crops to grow regardless of the fields being owned or rented. The first objective in setting up a crop plan is to select crops with a positive contribution margin; this will identify the most profitable crop mix over the long term. Gross margin is the return over total cash costs, which include fixed costs (land rent, taxes, water rights, licenses and capital interest). It is valuable in predicting each crop’s ability to generate cash flow for the year. From

a cash flow point of view, the gross margin provides an indication of the crop's ability to contribute to principal payments and operator withdrawals. From a profitability perspective, gross margin is what is leftover to cover the non-cash costs and provide a return on investment.

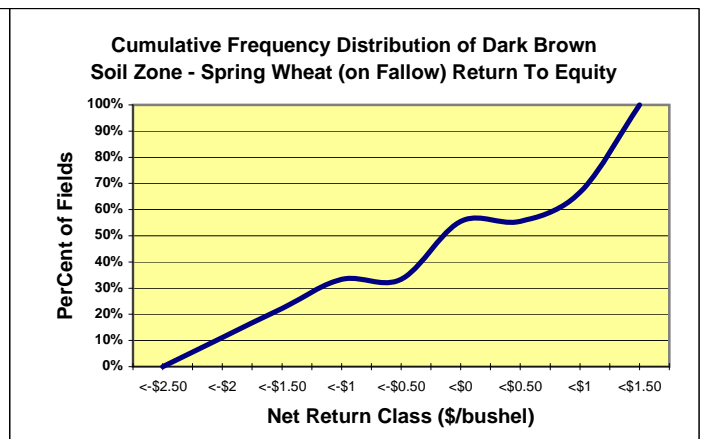
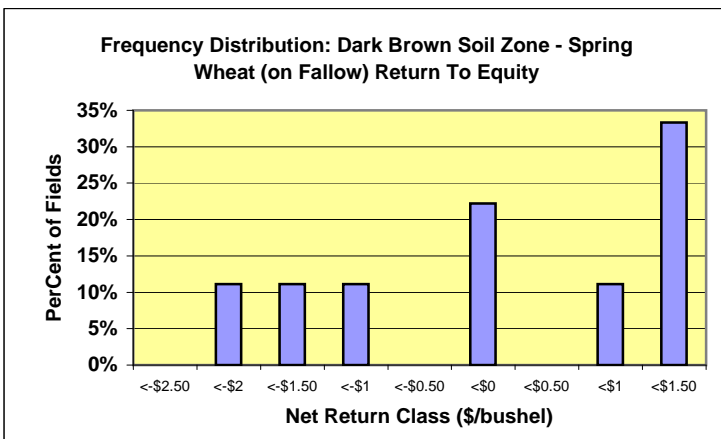
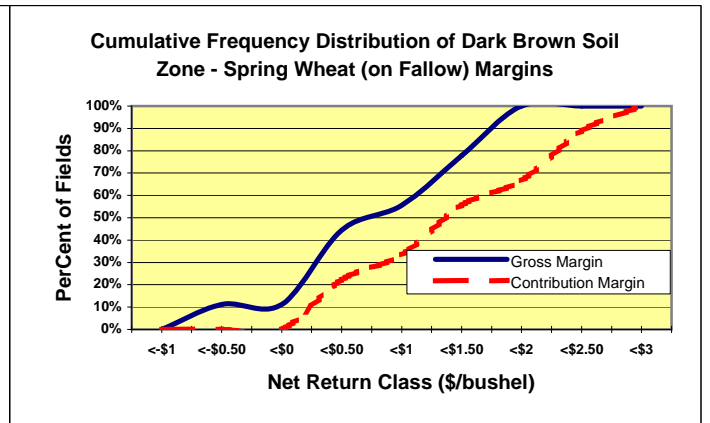
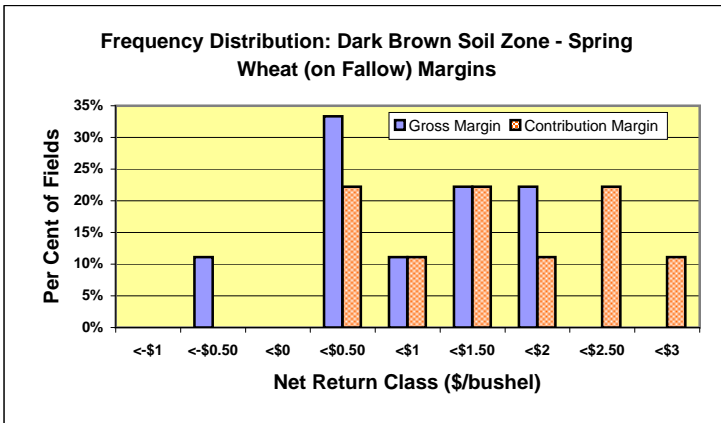
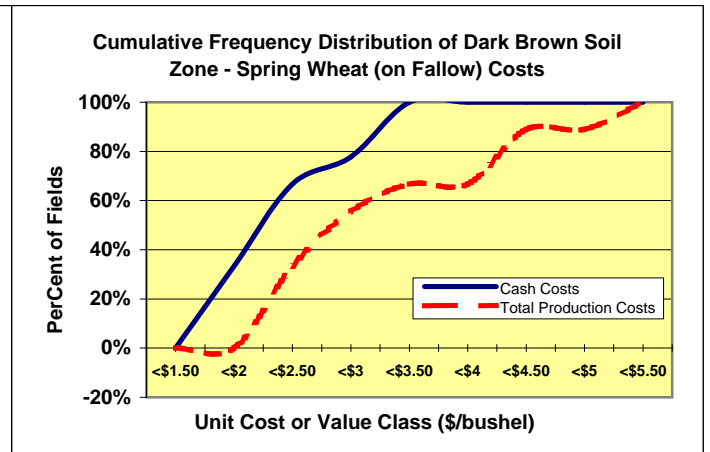
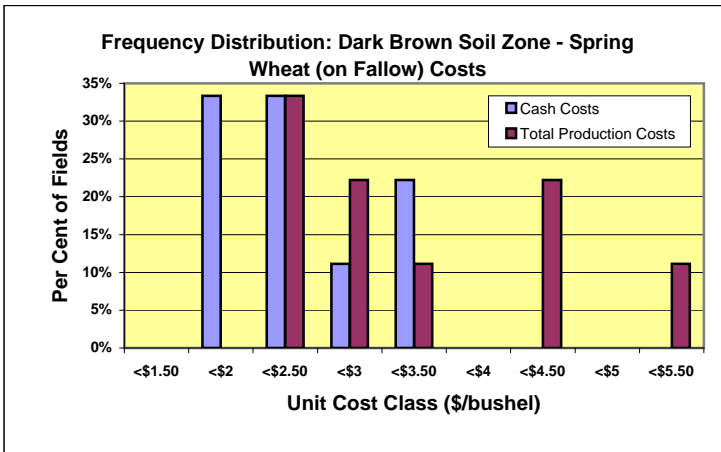
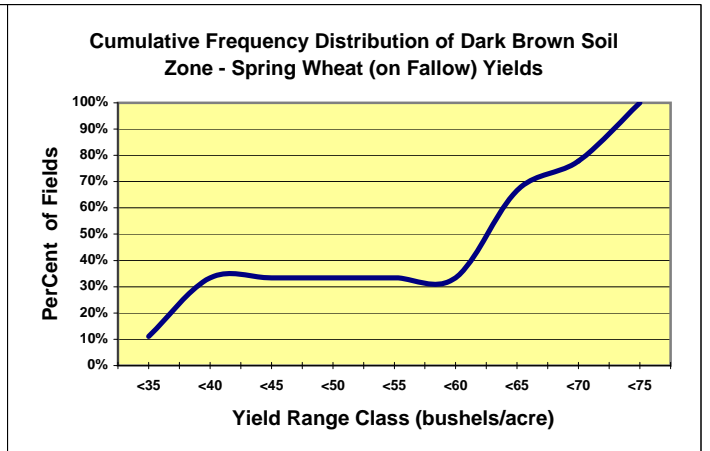
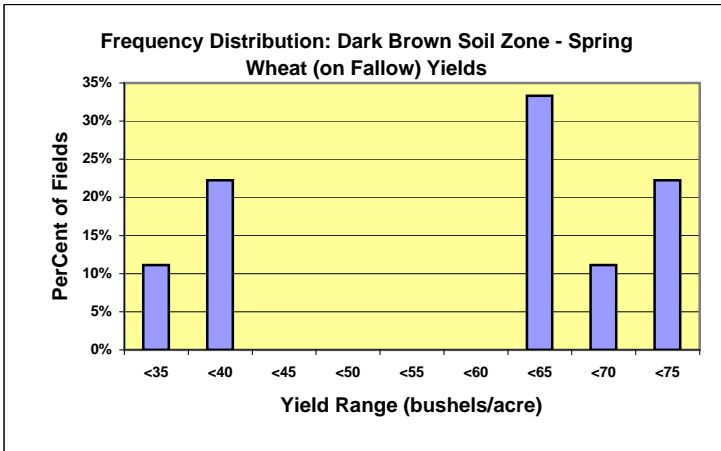
The final set of graphs shows the distribution of returns to equity, or profit per unit of production. This example shows that 70% of the fields had a loss and 30% of the fields at least broke even. Return to equity can be used to compare the profitability of one crop versus another or one farm enterprise to another in the same industry.

Understanding these concepts in *AgriProfit\$* and evaluating historical performance on a per bushel basis can be very useful for other Alberta Agriculture and Food (AF) applications. For example, [CropChoice\\$](#) is a tool that combines traditional crop planning with the ability to measure the riskiness of your plan. Producers can then creatively evaluate potential risk management strategies.

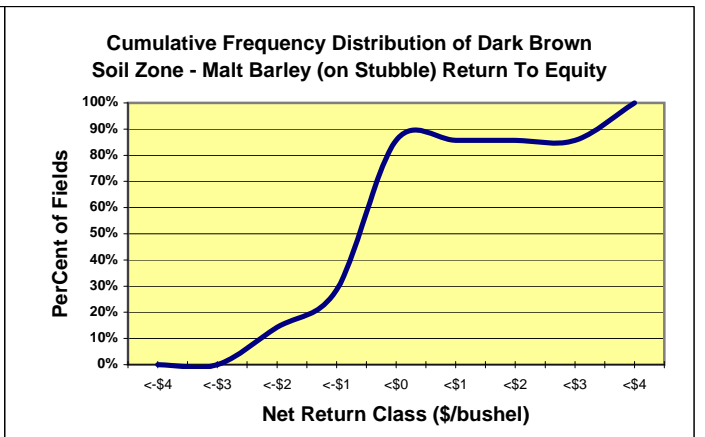
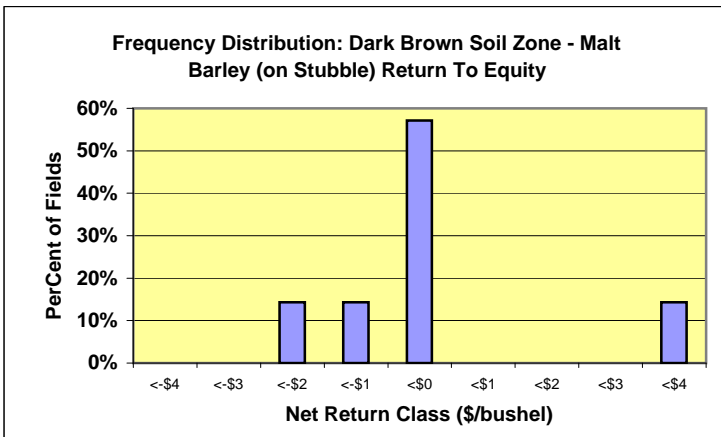
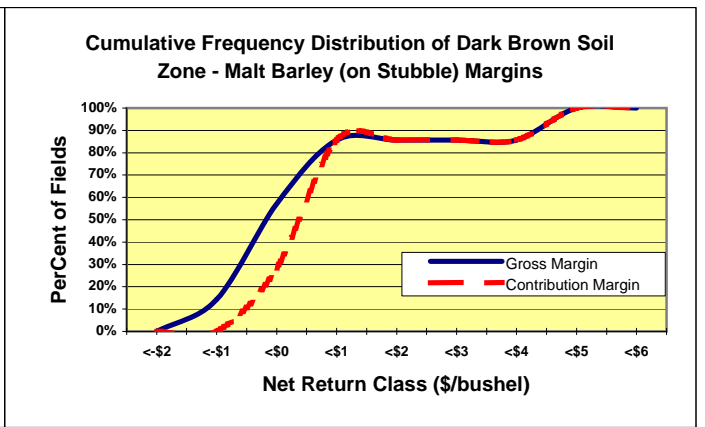
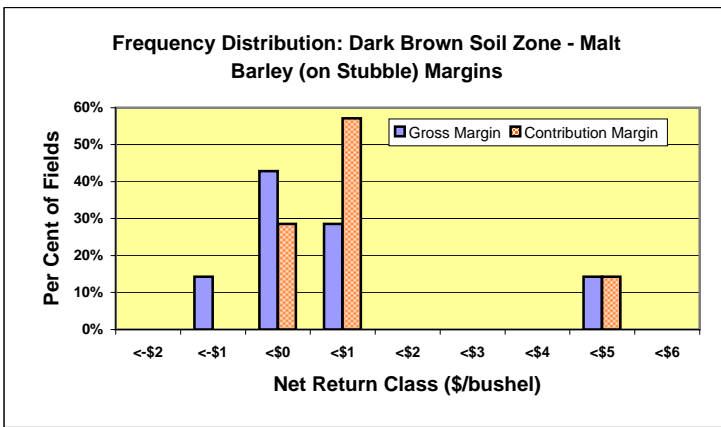
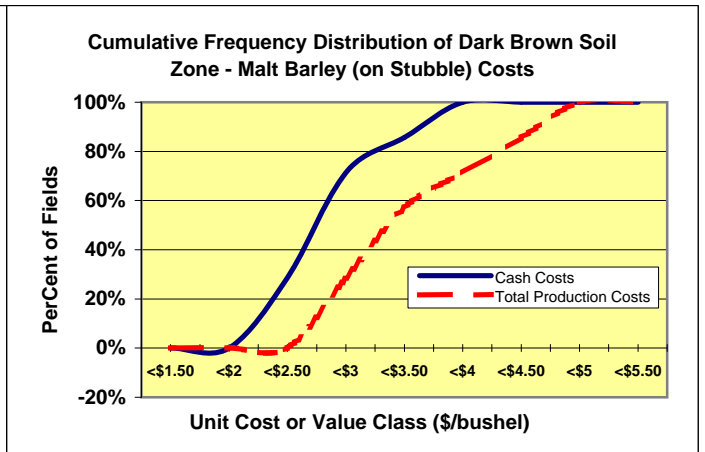
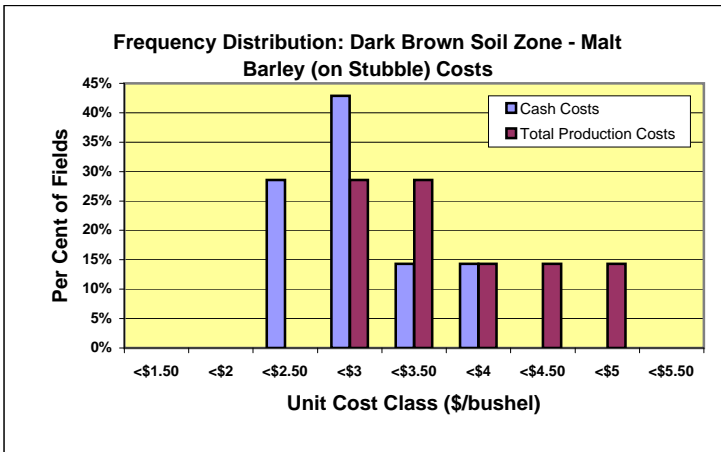
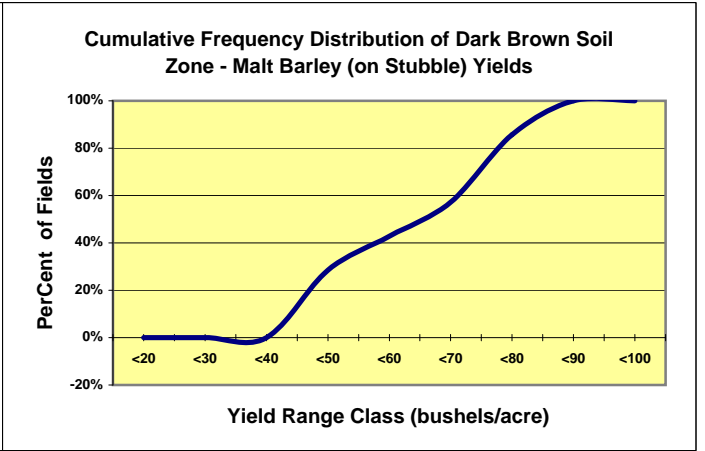
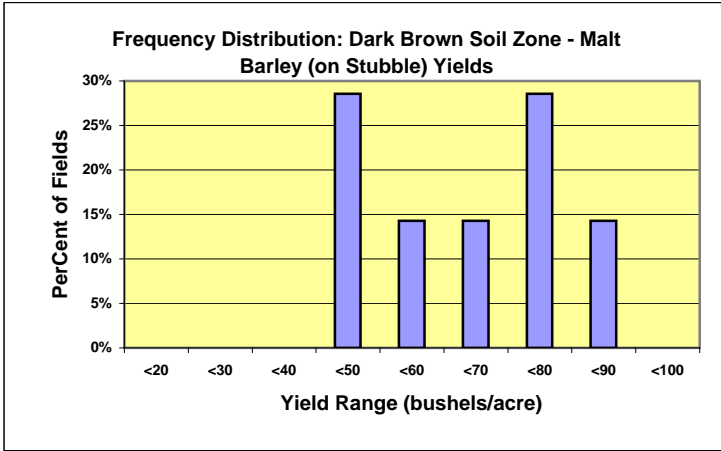
Dark Brown Soil Zone - Spring Wheat (on Stubble): 2005



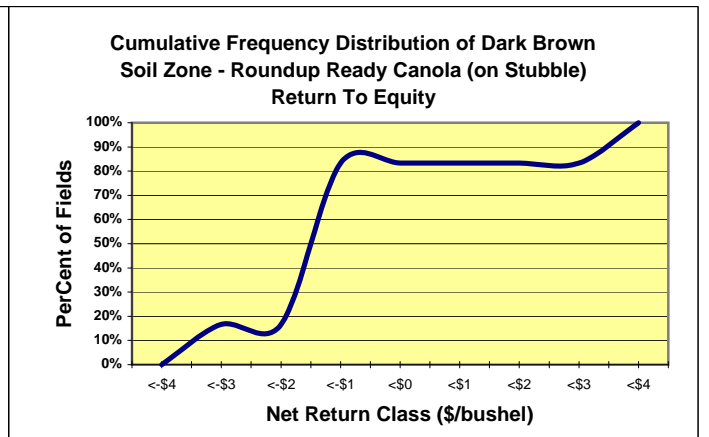
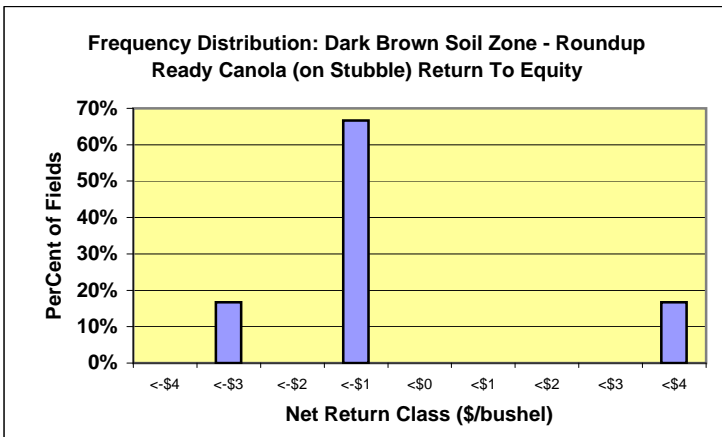
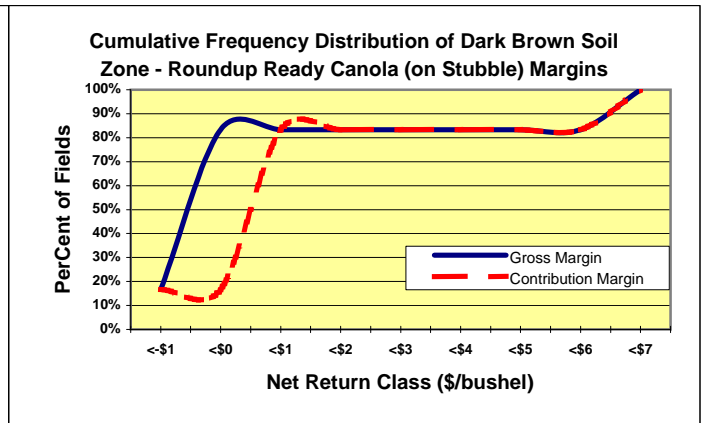
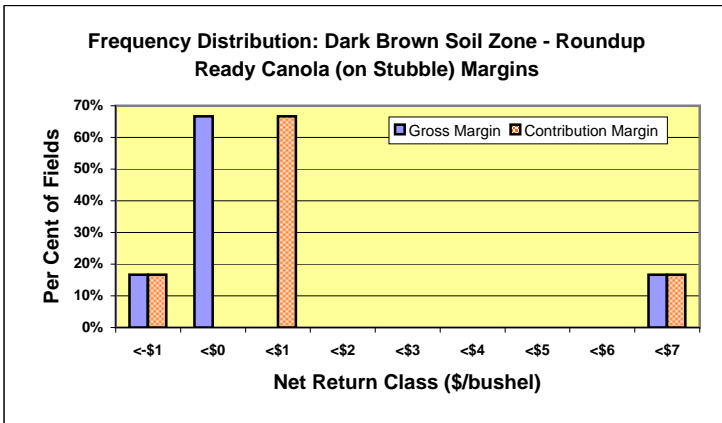
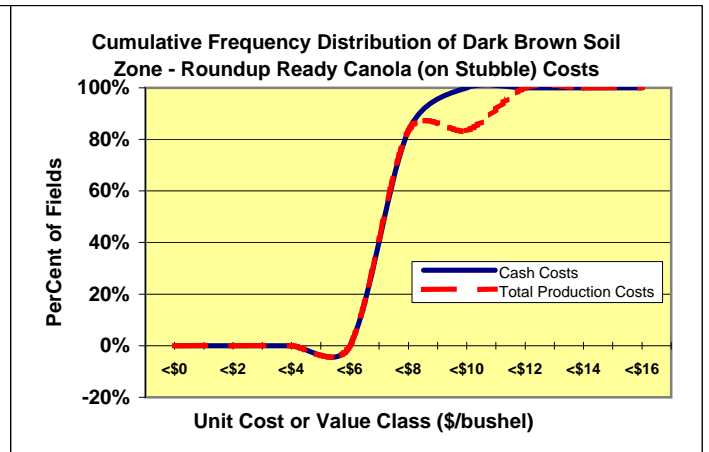
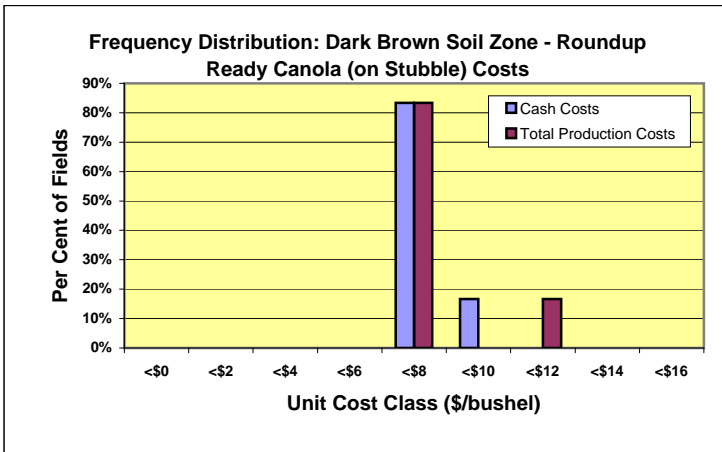
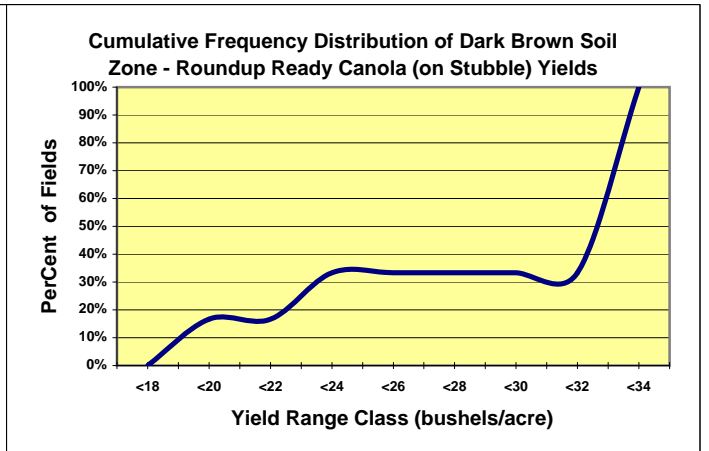
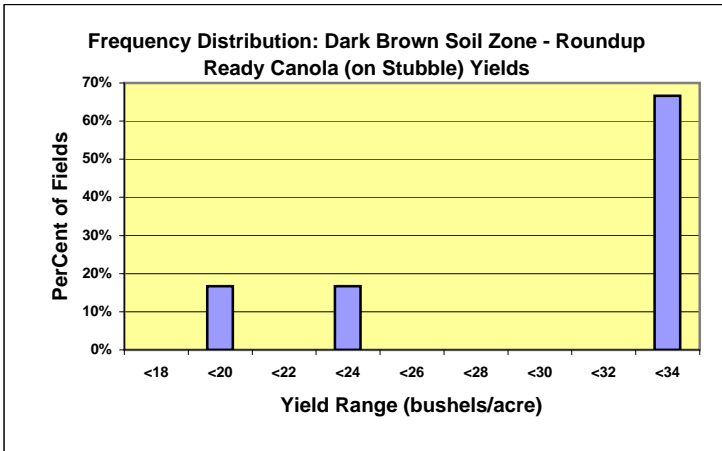
Dark Brown Soil Zone - Spring Wheat (on Fallow): 2005



Dark Brown Soil Zone - Malt Barley (on Stubble): 2005



Dark Brown Soil Zone - Roundup Ready Canola (on Stubble): 2005



DEFINITIONS AND ALLOCATIONS

I INCOME

- A Imputed Value of Production** – total of estimated yields/acre X estimated final prices
- B Crop Insurance Receipts** – added regardless of when payment is received
- C Miscellaneous Receipts** – such as patronage dividends or input rebates
- D Government Program Receipts** – allocated to all cropped acres equally
- E Straw/Aftermath Grazing Revenue** – value of straw + imputed value of grazing

II EXPENSES

- A Crop Specific Inputs** – allocated by producer to each crop as documented on the survey form
 - 1. **Seed**
 - 2. **Fertilizer**
 - 3. **Chemical**
 - 4. **Hail and Crop Insurance**
 - 5. **Custom Work and Specialized Labour**
 - 6. **Land Rent** – cash rent or crop share (converted to a cash basis)
- B Allocated Crop Inputs** – allocation ratios based on research from AAFRD
 - 1. **Irrigation to Dryland Ratio** – allocated to crops at a 3:1 ratio
 - 2. **Trucking and Marketing** – allocated to specific cropping acres by producer
 - 3. **Fuel** – Summerfallow – allocation of 0.3:1 compared to crop acres; Sugar beets – allocation of 2.96:1 compared to other irrigated crop acres
 - 4. **Irrigation Fuel** – allocation based on total pumping hours for each crop
 - 5. **Machinery Repairs** – allocated equally to all acres except summerfallow (0.3:1) and special crops (as specified by producer)
 - 6. **Building Repairs** – allocated to all acres equally except for special crops buildings
 - 7. **Operating Interest** – interest paid on operating loans allocated equally
 - 8. **Paid Labour** – based on allocations between crops as specified by producer
 - 9. **Unpaid and Operator Labour** – operator - \$10/hour, other unpaid labour - \$7.50/hour
 - 10. **Land Taxes** – allocated equally to all owned cropped acres
 - 11. **Water Rates** – allocated equally to all owned irrigated acres
 - 12. **Water Rates** – allocated equally to all owned irrigated acres
 - 13. **Equipment Depreciation** – imputed at 8.5% for power equipment, 11% for non-power, based on current market value

- 14. **Insurance and Licenses** – allocated to all cropped acres equally
- 15. **Building Depreciation** – imputed at 5% on the current market value
- 16. **Paid Capital Interest** – allocated to all owned cropped acres equally except summerfallow (0.25:1)

III CAPITAL INVESTMENT

- A Land** – producer estimate of bare land value for both irrigated and dryland owned acreage
- B Buildings** – allocated equally to all acreage except special crops buildings (allocated to the crop)
- C Equipment**
 - 1. **General Use** – allocated to all acres equally, except summerfallow (0.3:1)
 - 2. **Crop Specific** – allocated by producer to each crop based on percentage of use
 - 3. **Irrigation** – allocated according to pumping hours as specified by producer

IV SUMMARY CALCULATION

- A Gross Return** = imputed value of production + crop insurance receipts + miscellaneous receipts + government program payments + straw/grazing revenue
- B Variable Costs** = seed + fertilizer + chemicals + crop insurance + trucking and marketing + fuel + machinery and building repairs + utilities + miscellaneous overhead + custom work + operating interest + paid and unpaid labour
- C Total Capital Costs** = land rent + land taxes + water rates + insurance + depreciation + paid capital interest
- D Cash Costs** = variable costs + capital costs – unpaid labour – depreciation
- E Total Production Costs** = variable costs + total capital costs
- F Gross Margin** (returns left to cover total capital costs and operator equity) = gross return – total cash costs
- G Return to Unpaid Labour** (funds remaining after all expenses have been paid except unpaid labour) = gross return – total production costs + unpaid labour
- H Return to Investment** (shows the operation's ability to earn a return on its total assets) = gross return – total production costs + paid capital interest
- I Return to Equity** (amount remaining from operations used to provide a return to individual or shareholder equity) = gross return – total production costs