



AgriProfit\$ Cost & Returns Profiles

Dryland Feed Barley
Grey-Wooded (Peace) 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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AgriProfit\$ Cost & Returns Profiles					
Crop: Dryland Feed Barley		Total Top 1/3rd		Total Top 1/3rd	
Zone: GreyWooded (Peace)		-- \$ / Acre --		-- \$ / Bushel --	
(A) 1.	Crop Sales	173.29	215.21	3.01	2.96
6.	Other Revenues	25.13	23.60	0.44	0.32
	Gross Return	198.42	238.81	3.45	3.29
(B) 1.	Seed	10.99	10.51	0.19	0.14
2.	Fertilizer	48.63	49.18	0.85	0.68
3.	Chemicals	21.81	18.96	0.38	0.26
4.	Crop Insurance Premiums	7.91	6.51	0.14	0.09
5.	Trucking & Marketing	3.67	2.77	0.06	0.04
6.	Fuel	11.67	14.60	0.20	0.20
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	11.29	9.90	0.20	0.14
9.	Repairs - Buildings	0.50	0.60	0.01	0.01
10.	Utilities & Misc. Expenses	4.84	5.62	0.08	0.08
11.	Custom Work & Specialized Labour	8.27	4.50	0.14	0.06
12.	Operating Interest Paid	0.69	0.20	0.01	0.00
13.	Paid Labour & Benefits	8.05	6.15	0.14	0.08
14.	Unpaid Labour	6.59	7.30	0.11	0.10
	Variable Costs	144.91	136.81	2.52	1.88
(C) 1.	Cash/Share Rent & Land Lease	14.69	4.04	0.26	0.06
2.	Taxes, Water Rates, Lic. & Insurance	2.59	3.43	0.05	0.05
3.	Equip. & Bldg. a) Depreciation	21.64	24.78	0.38	0.34
	b) Lease Payments	0.00	0.00	0.00	0.00
4.	Paid Capital Interest	3.62	4.74	0.06	0.07
	Total Capital Costs	42.54	36.98	0.74	0.51
(D)	Cash Costs (B+C-B14-C3)	159.22	141.72	2.77	1.95
(E)	Total Production Costs (B+C)	187.45	173.79	3.26	2.39
(F)	Gross Margin (A-D)	39.20	97.10	0.68	1.34
	Return to Unpaid Labour (A-E+B14)	17.56	72.32	0.31	1.00
	Return to Investment (A-E+C4)	14.59	69.76	0.25	0.96
	Return to Equity (A-E)	10.97	65.02	0.19	0.89
	Return on Investment (%)	3.3	11.0		
	Total Investment (\$/acre)	437	633		
	Management				
	Average field size (acres)	111.3	160.0		
	Number of Observations	28	10		
	Yield (Bushels/acre)	57.52	72.67		
	Expected Price (\$/Bushel)	3.01	2.96		

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

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

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Descriptive Statistics: Feed Barley Production - Total Group

Crop: Dryland Feed Barley
 Zone: GreyWooded (Peace)

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	2.80	3.75	3.01	15.3
Yield (Bushel/Acre)	34.50	75.00	57.52	34.4
----- \$ / Acre -----				
Gross Revenue	140.00	240.01	198.42	31.8
Seed, Fert, Chem	74.00	88.60	81.43	14.4
Oth. Variable Costs	57.94	75.65	63.48	19.5
Fixed Costs	47.74	49.79	42.54	25.7
Total Production Costs	180.96	213.38	187.45	11.9
Total Cash Costs	152.76	191.11	159.22	14.6
Gross Margin	(51.11)	89.09	39.20	199.3
Return to Equity	(73.38)	61.06	10.97	664.0

