



AgriProfit\$ Cost & Returns Profiles

Dryland Spring Wheat
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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AgriProfit\$ Cost & Returns Profiles					
Crop: Dryland Spring Wheat		Total Top 1/3rd		Total Top 1/3rd	
Zone: GreyWooded (South)		-- \$ / Acre --		-- \$ / Bushel --	
(A) 1.	Crop Sales	336.47	378.54	5.59	5.62
6.	Other Revenues	24.94	15.34	0.41	0.23
	Gross Return	361.41	393.87	6.00	5.85
(B) 1.	Seed	19.36	19.15	0.32	0.28
2.	Fertilizer	67.60	57.88	1.12	0.86
3.	Chemicals	35.07	33.79	0.58	0.50
4.	Crop Insurance Premiums	16.87	15.62	0.28	0.23
5.	Trucking & Marketing	4.52	3.70	0.07	0.06
6.	Fuel	15.77	14.59	0.26	0.22
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	16.92	13.55	0.28	0.20
9.	Repairs - Buildings	0.64	0.66	0.01	0.01
10.	Utilities & Misc. Expenses	23.67	20.74	0.39	0.31
11.	Custom Work & Specialized Labour	5.37	4.08	0.09	0.06
12.	Operating Interest Paid	3.90	3.47	0.06	0.05
13.	Paid Labour & Benefits	13.56	15.49	0.23	0.23
14.	Unpaid Labour	8.74	6.56	0.15	0.10
	Variable Costs	232.00	209.29	3.85	3.11
(C) 1.	Cash/Share Rent & Land Lease	19.34	14.28	0.32	0.21
2.	Taxes, Water Rates, Lic. & Insurance	6.57	7.03	0.11	0.10
3.	Equip. & Bldg. a) Depreciation	38.22	33.10	0.63	0.49
	b) Lease Payments	2.11	2.89	0.04	0.04
4.	Paid Capital Interest	18.11	25.53	0.30	0.38
	Total Capital Costs	84.35	82.82	1.40	1.23
(D)	Cash Costs (B+C-B14-C3)	269.39	252.45	4.47	3.75
(E)	Total Production Costs (B+C)	316.34	292.11	5.25	4.34
(F)	Gross Margin (A-D)	92.02	141.42	1.53	2.10
	Return to Unpaid Labour (A-E+B14)	53.80	108.33	0.89	1.61
	Return to Investment (A-E+C4)	63.18	127.29	1.05	1.89
	Return to Equity (A-E)	45.06	101.76	0.75	1.51
	Return on Investment (%)	5.7	9.6		
	Total Investment (\$/acre)	1,114	1,327		
	Management				
	Average field size (acres)	162.2	168.2		
	Number of Observations	41	15		
	Yield (Bushels/acre)	60.23	67.33		
	Expected Price (\$/Bushel)	5.59	5.62		

* 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: Spring Wheat Production - Total Group

Crop: Dryland Spring Wheat
Zone: GreyWooded (South)

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	5.00	5.90	5.59	12.8
Yield (Bushel/Acre)	53.30	65.00	60.23	21.4
----- \$ / Acre -----				
Gross Revenue	308.75	414.20	361.41	21.1
Seed, Fert, Chem	114.13	138.11	122.03	17.4
Oth. Variable Costs	88.18	134.25	109.97	25.5
Fixed Costs	70.25	109.33	84.35	27.5
Total Production Costs	264.96	371.31	316.34	20.1
Total Cash Costs	220.38	323.54	269.39	22.9
Gross Margin	31.44	130.32	92.02	101.6
Return to Equity	(45.10)	59.90	45.06	213.5

