

2016 Cropping Alternatives

2016 Production Costs and Returns (\$/acre)

Black Soils

Stubble Seeded Crops

| <i>AgriProfit</i> \$ | Spring Wheat 2 CWRS 11.5% | CPS Wheat 1 CPSR | Feed Barley 1 CW | Malt Barley Select CW 2R | Milling Oats 3 CW | Argentine HT Canola 1 CAN | Field Peas 2 CAN | Mixed Hay | Alfalfa Hay | Cereal Silage |
|-----------------------------|---------------------------------|------------------------|------------------------|--------------------------------|-------------------------|---------------------------------|------------------------|--------------------|-------------------|--------------------|
| Expected Yield per Acre | 65.00 bu | 75.00 bu | 90.00 bu | 75.00 bu | 115.00 bu | 45.00 bu | 50.00 bu | 2.25 t | 2.50 t | 6.50 t |
| Expected Market Price | 5.85 /bu | 5.55 /bu | 3.92 /bu | 5.23 /bu | 2.54 /bu | 10.66 /bu | 8.44 /bu | 88.18 /t | 110.23 /t | 45.93 /t |
| Crop Sales (\$/acre) | 380.38 | 416.44 | 352.71 | 391.90 | 292.64 | 479.70 | 421.88 | 198.41 | 275.58 | 298.55 |
| Direct Expenses: | | | | | | | | | | |
| Seed, Cleaning & Treatment | 24.75 | 24.05 | 19.00 | 22.50 | 18.13 | 55.43 | 46.50 | 3.53 | 10.63 | 17.64 |
| Fertilizer (NPKS blend) | 70.50 80-30-10-0 | 70.50 80-30-10-0 | 70.50 80-30-10-0 | 73.00 70-30-20-10 | 60.00 70-30-0-0 | 99.50 100-40-15-20 | 27.50 5-30-15-0 | 18.00 15-15-0-0 | 18.00 5-25-0-0 | 54.00 65-25-0-0 |
| Chemical | 41.19 * | 41.19 * | 16.52 | 41.19 * | 13.84 | 34.45 * | 34.35 * | 1.52 | 1.89 | 13.84 |
| Hail/Crop Insurance | 15.01 | 17.30 | 13.43 | 13.43 | 15.60 | 18.63 | 18.87 | 0.00 | 0.00 | 0.00 |
| Trucking & Marketing | 31.14 | 35.93 | 34.50 | 28.75 | 31.22 | 17.97 | 23.95 | 54.46 | 60.51 | 19.07 |
| Fuel, Oil & Lube | 15.80 | 14.30 | 14.95 | 16.44 | 10.46 | 16.23 | 20.50 | 6.83 | 4.27 | 26.90 |
| Machinery Repairs | 17.47 | 17.22 | 11.65 | 16.97 | 11.65 | 15.45 | 17.98 | 15.20 | 7.09 | 11.14 |
| Building Repairs | 2.03 | 5.07 | 2.03 | 5.57 | 2.79 | 2.28 | 4.56 | 5.07 | 3.04 | 3.55 |
| Custom Work | 2.07 | 2.07 | 2.33 | 3.11 | 15.01 | 2.59 | 8.54 | 2.07 | 4.66 | 5.18 |
| Labour (Paid and Unpaid) | 18.43 | 22.53 | 14.85 | 24.06 | 19.97 | 18.94 | 22.53 | 25.60 | 11.26 | 32.77 |
| Utilities & Miscellaneous | 11.95 | 11.95 | 11.95 | 11.95 | 11.95 | 14.55 | 14.55 | 7.25 | 7.25 | 8.30 |
| Operating Interest | 6.33 | 6.30 | 4.92 | 6.34 | 4.27 | 8.79 | 5.03 | 1.07 | 1.42 | 3.97 |
| Total Direct Expense | 256.67 | 268.40 | 216.61 | 263.31 | 214.88 | 304.80 | 244.85 | 140.59 | 130.02 | 196.35 |
| Contribution Margin | 123.71 | 148.04 | 136.10 | 128.59 | 77.76 | 174.90 | 177.03 | 57.81 | 145.55 | 102.20 |

| | | | | | | | | | | |
|----------------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|---------------|---------------|---------------|
| Total Cost per Unit | 5.42 | 4.86 | 3.47 | 4.79 | 2.70 | 8.90 | 6.81 | 98.75 | 84.65 | 42.76 |
| Break-Even Yield | 61.00 bu | 66.00 bu | 80.00 bu | 69.00 bu | 123.00 bu | 38.00 bu | 41.00 bu | 2.52 t | 1.92 t | 6.05 t |

| Capital Costs by Enterprise | Crops | Forages |
|-----------------------------|---------------|---------------|
| Crop Share/Cash Rent | 73.00 | 46.43 |
| Licenses and Insurance | 12.31 | 6.15 |
| Depreciation | 44.80 | 47.60 |
| Paid Capital Interest | 7.26 | 4.84 |
| Total Capital Costs | 122.84 | 104.61 |
| Adjusted Capital Costs | 95.82 | 81.59 |

Questions?

Rawlin Thangaraj 780-422-4056

Production Crops Economist, Economics Branch

Alberta Agriculture and Rural Development

Note: Please refer to 2015 Methodology on Ropin the Web.

Prepared December 15, 2015