

## AgriProfit\$ Cost & Returns Profiles

Dryland (All) Field Peas Black Soils

16-July-12



*griProfit\$* 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.

For further information, contact:

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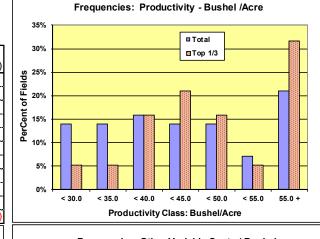
Jason Wood Crops Economist (jason.wood@gov.ab.ca)

AgriProfit   Cost & Returns Profiles	6.25 0.10 6.35 0.64 0.05 0.71 0.34 0.04 0.38					
Core   Black Soils	6.25 0.10 6.35 0.64 0.05 0.71 0.34 0.04					
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(A) 1. Crop Sales Other Revenues 11.61 1.61 Other Revenues 11.61 1.62 Gross Return 265.06 278.80 6.40  (B) 1. Seed 35.28 2 8.21 2. Fertilizer 14.19 2.23 3. Chemicals 36.51 31.25 0.88 4. Crop Insurance Premiums 18.93 15.09 0.46 5. Trucking & Marketing 2.98 1.96 0.07 6. Fuel 16.28 16.55 0.39 7. Irrigation Fuel & Electricity 0.00 0.00 8. Repairs - Machinery 14.72 13.41 0.36 9. Repairs - Buildings 3.10 2.52 0.07 10. Utilities & Misc. Expenses 16.82 8.68 0.41 11. Custom Work & Specialized Labour 12. Operating Interest Paid 11. All Discount Repairs 10.90 13. Paid Labour & Benefits 6.94 7.05 13. Paid Labour Variable Costs 184.54 140.43 4.46  (C) 1. Cash/Share Rent & Land Lease 2. Taxes, Water Rates, Lic. & Insurance 3. Equip. & Bldg. a) Depreciation 4. Paid Capital Interest 10.89 7.12 0.26 Total Capital Costs 94.65 62.92 2.29  (D) Cash Costs (B+C-B14-C3) 265.06 278.40 274.41 4.49 0.85 278.80 6.40 0.85 28.21 0.85 28.21 0.85 0.86 0.40 0.70 0.70 0.70 0.70 0.70 0.70 0.70	0.10 6.35 0.64 0.05 0.71 0.34 0.04					
6.       Other Revenues       11.61       4.39       0.28         Gross Return       265.06       278.80       6.40         (B) 1.       Seed       35.28       28.21       0.85         2.       Fertilizer       14.19       2.23       0.34         3.       Chemicals       36.51       31.25       0.88         4.       Crop Insurance Premiums       18.93       15.09       0.46         5.       Trucking & Marketing       2.98       1.96       0.07         6.       Fuel       16.28       16.55       0.39         7.       Irrigation Fuel & Electricity       0.00       0.00       0.00         8.       Repairs - Machinery       14.72       13.41       0.36         9.       Repairs - Buildings       3.10       2.52       0.07         10.       Utilities & Misc. Expenses       16.82       8.68       0.41         11.       Custom Work & Specialized Labour       6.70       3.59       0.16         12.       Operating Interest Paid       1.18       1.24       0.03         13.       Paid Labour & Benefits       6.94       7.05       0.17         14.       Unpaid Labour <th< th=""><th>0.10 6.35 0.64 0.05 0.71 0.34 0.04</th></th<>	0.10 6.35 0.64 0.05 0.71 0.34 0.04					
Cross Return   265.06   278.80   6.40	0.64 0.05 0.71 0.34 0.04					
2. Fertilizer       14.19       2.23       0.34         3. Chemicals       36.51       31.25       0.88         4. Crop Insurance Premiums       18.93       15.09       0.46         5. Trucking & Marketing       2.98       1.96       0.07         6. Fuel       16.28       16.55       0.39         7. Irrigation Fuel & Electricity       0.00       0.00       0.00         8. Repairs - Machinery       14.72       13.41       0.36         9. Repairs - Buildings       3.10       2.52       0.07         10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs       184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02 </td <td>0.05 0.71 0.34 0.04</td>	0.05 0.71 0.34 0.04					
2. Fertilizer       14.19       2.23       0.34         3. Chemicals       36.51       31.25       0.88         4. Crop Insurance Premiums       18.93       15.09       0.46         5. Trucking & Marketing       2.98       1.96       0.07         6. Fuel       16.28       16.55       0.39         7. Irrigation Fuel & Electricity       0.00       0.00       0.00         8. Repairs - Machinery       14.72       13.41       0.36         9. Repairs - Buildings       3.10       2.52       0.07         10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs       184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02 </td <td>0.05 0.71 0.34 0.04</td>	0.05 0.71 0.34 0.04					
3. Chemicals       36.51       31.25       0.88         4. Crop Insurance Premiums       18.93       15.09       0.46         5. Trucking & Marketing       2.98       1.96       0.07         6. Fuel       16.28       16.55       0.39         7. Irrigation Fuel & Electricity       0.00       0.00       0.00         8. Repairs - Machinery       14.72       13.41       0.36         9. Repairs - Buildings       3.10       2.52       0.07         10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs       184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25 <td< td=""><td>0.71 0.34 0.04</td></td<>	0.71 0.34 0.04					
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5. Trucking & Marketing       2.98       1.96       0.07         6. Fuel       16.28       16.55       0.39         7. Irrigation Fuel & Electricity       0.00       0.00       0.00         8. Repairs - Machinery       14.72       13.41       0.36         9. Repairs - Buildings       3.10       2.52       0.07         10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs       184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92 <td< td=""><td>0.04</td></td<>	0.04					
6. Fuel       16.28       16.55       0.39         7. Irrigation Fuel & Electricity       0.00       0.00       0.00         8. Repairs - Machinery       14.72       13.41       0.36         9. Repairs - Buildings       3.10       2.52       0.07         10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs       184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D)       Cash Costs (B+C-B14-C3)       226.19 <t< td=""><td></td></t<>						
7.       Irrigation Fuel & Electricity       0.00       0.00       0.00         8.       Repairs - Machinery       14.72       13.41       0.36         9.       Repairs - Buildings       3.10       2.52       0.07         10.       Utilities & Misc. Expenses       16.82       8.68       0.41         11.       Custom Work & Specialized Labour       6.70       3.59       0.16         12.       Operating Interest Paid       1.18       1.24       0.03         13.       Paid Labour & Benefits       6.94       7.05       0.17         14.       Unpaid Labour       10.90       8.64       0.26         Variable Costs       184.54       140.43       4.46         (C) 1.       Cash/Share Rent & Land Lease       32.11       13.67       0.78         2.       Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3.       Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4.       Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D	0.38					
8. Repairs - Machinery       14.72       13.41       0.36         9. Repairs - Buildings       3.10       2.52       0.07         10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs         184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D)       Cash Costs (B+C-B14-C3)       226.19       159.45       5.46						
9. Repairs - Buildings       3.10       2.52       0.07         10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs         184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D)       Cash Costs (B+C-B14-C3)       226.19       159.45       5.46	0.00					
10. Utilities & Misc. Expenses       16.82       8.68       0.41         11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs         184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D)       Cash Costs (B+C-B14-C3)       226.19       159.45       5.46	0.31					
11. Custom Work & Specialized Labour       6.70       3.59       0.16         12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs         184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D) Cash Costs (B+C-B14-C3)       226.19       159.45       5.46	0.06					
12. Operating Interest Paid       1.18       1.24       0.03         13. Paid Labour & Benefits       6.94       7.05       0.17         14. Unpaid Labour       10.90       8.64       0.26         Variable Costs         184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D) Cash Costs (B+C-B14-C3)       226.19       159.45       5.46	0.20					
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14.     Unpaid Labour     10.90     8.64     0.26       Variable Costs     184.54     140.43     4.46       (C) 1.     Cash/Share Rent & Land Lease     32.11     13.67     0.78       2.     Taxes, Water Rates, Lic. & Insurance     6.29     5.44     0.15       3.     Equip. & Bldg. a) Depreciation     42.11     35.26     1.02       b) Lease Payments     3.25     1.43     0.08       4.     Paid Capital Interest     10.89     7.12     0.26       Total Capital Costs     94.65     62.92     2.29       (D)     Cash Costs (B+C-B14-C3)     226.19     159.45     5.46	0.03					
Variable Costs       184.54       140.43       4.46         (C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D) Cash Costs (B+C-B14-C3)       226.19       159.45       5.46	0.16					
(C) 1. Cash/Share Rent & Land Lease       32.11       13.67       0.78         2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D) Cash Costs (B+C-B14-C3)       226.19       159.45       5.46	0.20 3.20					
2. Taxes, Water Rates, Lic. & Insurance       6.29       5.44       0.15         3. Equip. & Bldg. a) Depreciation       42.11       35.26       1.02         b) Lease Payments       3.25       1.43       0.08         4. Paid Capital Interest       10.89       7.12       0.26         Total Capital Costs       94.65       62.92       2.29         (D) Cash Costs (B+C-B14-C3)       226.19       159.45       5.46	3.20					
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b) Lease Payments 3.25 1.43 0.08 4. Paid Capital Interest 10.89 7.12 0.26  Total Capital Costs 94.65 62.92 2.29  (D) Cash Costs (B+C-B14-C3) 226.19 159.45 5.46	0.12					
4. Paid Capital Interest     10.89     7.12     0.26       Total Capital Costs     94.65     62.92     2.29       (D) Cash Costs (B+C-B14-C3)     226.19     159.45     5.46	0.80					
Total Capital Costs 94.65 62.92 2.29 (D) Cash Costs (B+C-B14-C3) 226.19 159.45 5.46	0.03					
(D) Cash Costs (B+C-B14-C3) 226.19 159.45 5.46	0.16					
	1.43					
(E) Total Production Costs (B+C) 279.20 203.35 6.75	3.63					
	4.63					
(F) Gross Margin (A-D) 38.87 119.34 0.94	2.72					
Return to Unpaid Labour (A-E+B14) (3.24) 84.08 (0.08)	1.91					
Return to Investment (A-E+C4) (3.25) 82.57 (0.08)	1.88					
Return to Equity (A-E) (14.14) 75.44 (0.34)	1.72					
Return on Investment (%) (0.2) 5.1						
Total Investment (\$/acre) 1,402 1,622						
Management						
Average field size (acres) 120.1 123.5						
Number of Observations 57 19						
Yield (Bushels/acre) 41.39 43.91						
Expected Price (\$/Bushel) 6.12 6.25						
* Cost and returns profiles include/combine all tenure types ow ned, rented & leased.  ** Top 1/3rd selection criteria: Low Total Production Cost / Bushel						

AgriProfit#

## Descriptive Statistics: Field Pea (All) Production - Total Group

Crop: Dryland Field Pea (All)	Quartiles		Group	
Zone: Black Soils	Low	High	Average	CV (%)
Price (\$/Bushel)	5.50	6.75	6.12	15.0
Yield (Bushel/Acre)	33.96	51.00	41.39	32.5
	\$ / Acre			
Gross Revenue	229.48	324.16	265.06	36.6
Seed, Fert, Chem	59.33	108.51	85.99	39.0
Oth. Variable Costs	73.67	126.15	98.56	32.1
Fixed Costs	62.25	118.89	94.65	38.3
Total Production Costs	210.07	345.61	279.20	28.1
Total Cash Costs	165.56	282.89	226.19	33.3
Gross Margin	(16.95)	126.67	38.87	249.3
Return to Equity	(79.18)	70.40	(14.14)	(747.9)



## Frequencies: Seed, Fert & Chem Costs / Bushel 45% ■ Total 40% ■Top 1/3 35% PerCent of Fields 25% 20% 15% 10% < \$3.50 < \$1.00 < \$1.50 < \$2.00 < \$2.50 < \$3.00 Cost Class: \$/Bushel

