

AgriProfit\$ Cost & Returns Profiles

Dryland Feed Barley 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:

Dale A. Kaliel Sr. Economist: Production Economics (dale.kaliel@gov.ab.ca) or,

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

AgriProfit\$ Cost & Returns Profiles										
Cro	op:	Dryland Feed Barley	Total	Top 1/3rd	Total	Top 1/3rd				
Zone:		Black Soils	\$ / Acre		\$ / Bı	\$ / Bushel				
(A)	1.	Crop Sales	249.29	272.98	3.30	3.25				
	6.	Other Revenues	31.70	37.38	0.42	0.44				
		Gross Return	280.99	310.36	3.71	3.69				
(B)	1.	Seed	12.48	11.96	0.16	0.14				
	2.	Fertilizer	61.43	59.03	0.81	0.70				
	3.	Chemicals	25.10	21.58	0.33	0.26				
	4.	Crop Insurance Premiums	10.79	8.26	0.14	0.10				
	5.	Trucking & Marketing	1.17	1.00	0.02	0.01				
	6.	Fuel	15.33	14.28	0.20	0.17				
	7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00				
	8.	Repairs - Machinery	11.69	8.22	0.15	0.10				
	9.	Repairs - Buildings	3.54	1.61	0.05	0.02				
		Utilities & Misc. Expenses	9.23	6.33	0.12	0.08				
		Custom Work & Specialized Labour	2.21	1.59	0.03	0.02				
		Operating Interest Paid	1.71	1.28	0.02	0.02				
		Paid Labour & Benefits	6.78	5.85	0.09	0.07				
	14.	Unpaid Labour	8.01	7.31	0.11	0.09				
		Variable Costs	169.47	148.31	2.24	1.77				
(C)	1	Cash/Share Rent & Land Lease	16.75	6.86	0.22	0.08				
	2.	Taxes, Water Rates, Lic. & Insurance	5.83	4.63	0.08	0.06				
	3.	Equip. & Bldg. a) Depreciation	38.23	35.85	0.51	0.43				
	0.	b) Lease Payments	0.42	0.51	0.01	0.01				
	4.	Paid Capital Interest	8.28	6.40	0.11	0.08				
	•	Total Capital Costs	69.51	54.25	0.92	0.65				
		•								
(D)		Cash Costs (B+C-B14-C3)	192.75	159.40	2.55	1.90				
(E)		Total Production Costs (B+C)	238.99	202.56	3.16	2.41				
(F)		Gross Margin (A-D)	88.24	150.95	1.17	1.80				
۱۰,		Return to Unpaid Labour (A-E+B14)	50.01	115.10	0.66	1.37				
		Return to Investment (A-E+C4)	50.29	114.20	0.66	1.36				
		Return to Equity (A-E)	42.00	107.80	0.56	1.28				
					-					
		Return on Investment (%)	3.5	7.5						
		Total Investment (\$/acre)	1,457	1,524						
		Management								
		Average field size (acres)	160.3	213.0						
		Number of Observations	75	25						
		Yield (Bushels/acre)	75.65	84.00						
1		Expected Price (\$/Bushel)	3.30	3.25						
					_					

AgriProfit#

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

Descriptive Statistics: Feed Barley Production - Total Group

Crop: Dryland Feed Barley	op: Dryland Feed Barley Quartiles		Group			
Zone: Black Soils	Low	High	Average	CV (%)		
Price (\$/Bushel)	3.00	3.50	3.30	13.8		
Yield (Bushel/Acre)	57.75	90.01	75.65	28.3		
	\$ / Acre					
Gross Revenue	174.93	313.59	280.99	38.6		
Seed, Fert, Chem	79.17	118.83	99.01	28.7		
Oth. Variable Costs	59.79	95.49	70.46	35.7		
Fixed Costs	50.51	97.60	69.51	40.3		
Total Production Costs	202.84	296.29	238.99	26.1		
Total Cash Costs	166.01	237.72	192.75	31.1		
Gross Margin	(19.40)	146.68	88.24	134.1		
Dotum to Couity	(62.40)	110 OF	40.00	204.0		

















