



# AgriProfit\$ Cost & Returns Profiles

## Dryland (All) Herbicide Tolerant Canola

### Black Soils

16-July-12

Economics & Competitiveness

**AgriProfit\$**  
**Benchmarks**

**A**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.

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<b>AgriProfit\$ Cost &amp; Returns Profiles</b>					
<b>Crop: Dryland HT Canola (All)</b>		<b>Total Top 1/3rd</b>		<b>Total Top 1/3rd</b>	
<b>Zone: Black Soils</b>		<b>-- \$ / Acre --</b>		<b>-- \$ / Bushel --</b>	
(A)	1. Crop Sales	428.34	485.00	10.38	10.55
	6. Other Revenues	9.92	3.22	0.24	0.07
	<b>Gross Return</b>	<b>438.25</b>	<b>488.22</b>	<b>10.62</b>	<b>10.62</b>
(B)	1. Seed	32.69	31.95	0.79	0.69
	2. Fertilizer	83.23	77.48	2.02	1.69
	3. Chemicals	30.74	27.10	0.74	0.59
	4. Crop Insurance Premiums	22.45	17.04	0.54	0.37
	5. Trucking & Marketing	3.31	1.97	0.08	0.04
	6. Fuel	14.98	14.93	0.36	0.32
	7. Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	13.04	11.32	0.32	0.25
	9. Repairs - Buildings	3.44	2.12	0.08	0.05
	10. Utilities & Misc. Expenses	12.36	7.81	0.30	0.17
	11. Custom Work & Specialized Labour	5.42	3.81	0.13	0.08
	12. Operating Interest Paid	2.09	1.62	0.05	0.04
	13. Paid Labour & Benefits	11.01	8.14	0.27	0.18
	14. Unpaid Labour	9.51	8.26	0.23	0.18
	<b>Variable Costs</b>	<b>244.26</b>	<b>213.56</b>	<b>5.92</b>	<b>4.64</b>
(C)	1. Cash/Share Rent & Land Lease	27.48	15.68	0.67	0.34
	2. Taxes, Water Rates, Lic. & Insurance	5.58	5.10	0.14	0.11
	3. Equip. & Bldg. a) Depreciation	37.82	33.17	0.92	0.72
	b) Lease Payments	1.56	0.92	0.04	0.02
	4. Paid Capital Interest	8.80	9.06	0.21	0.20
	<b>Total Capital Costs</b>	<b>81.24</b>	<b>63.92</b>	<b>1.97</b>	<b>1.39</b>
(D)	<b>Cash Costs (B+C-B14-C3)</b>	<b>278.17</b>	<b>236.05</b>	<b>6.74</b>	<b>5.13</b>
(E)	<b>Total Production Costs (B+C)</b>	<b>325.50</b>	<b>277.48</b>	<b>7.89</b>	<b>6.03</b>
(F)	<b>Gross Margin (A-D)</b>	<b>160.08</b>	<b>252.17</b>	<b>3.88</b>	<b>5.48</b>
	<b>Return to Unpaid Labour (A-E+B14)</b>	<b>122.26</b>	<b>219.00</b>	<b>2.96</b>	<b>4.76</b>
	<b>Return to Investment (A-E+C4)</b>	<b>121.56</b>	<b>219.80</b>	<b>2.95</b>	<b>4.78</b>
	<b>Return to Equity (A-E)</b>	<b>112.75</b>	<b>210.74</b>	<b>2.73</b>	<b>4.58</b>
	<b>Return on Investment (%)</b>	<b>8.1</b>	<b>14.1</b>		
	<b>Total Investment (\$/acre)</b>	<b>1,508</b>	<b>1,557</b>		
	<b>Management</b>				
	Average field size (acres)	146.9	166.7		
	Number of Observations	257	86		
	Yield (Bushels/acre)	41.26	45.98		
	Expected Price (\$/Bushel)	10.38	10.55		

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

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

Descriptive Statistics: HT Canola Production - Total Group

Crop: Dryland HT Canola  
Zone: Black Soils

	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	9.00	11.00	10.38	14.7
Yield (Bushel/Acre)	32.00	49.00	41.26	29.0
----- \$ / Acre -----				
Gross Revenue	316.22	530.54	438.25	34.9
Seed, Fert, Chem	117.18	181.05	146.66	26.2
Oth. Variable Costs	70.97	119.44	97.61	35.7
Fixed Costs	60.24	101.76	81.24	45.2
Total Production Costs	263.46	377.85	325.50	24.8
Total Cash Costs	222.51	324.98	278.17	28.4
Gross Margin	40.10	230.12	160.08	92.3
Return to Equity	(13.28)	189.45	112.75	136.8

