

AgriProfit\$

2012

**Cost and Return Benchmarks
for Crops and Forages**

Brown Soil Zone

Alberta 
Government



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2012 Brown Soil Zone

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OVERVIEW

2012 Brown Soil Zone

The *AgriProfit\$* Business Analysis and Research Program provides a provincial overview of costs and returns for field crops and forages. The Economics Branch collects cost of production information annually from Alberta producers to generate regional benchmarks. Producer participants are critical to providing a financial representation of Alberta's cropping industry.

AgriProfit\$ cropping benchmarks are analyzed by soil zone group, top third producers, and owned land versus rented land where available. Top third averages are calculated from fields that have the highest return to equity. Analyzing crops by owned versus rented also provides insight into differences in management.

Benchmarks allow for comparison of individual crop costs and returns to other farms in a similar production area. Benchmarks should not replace individual cropping and financial records. There is a risk of over or underestimating costs and returns if basing them on regional benchmarks and forecasts. Strategic planning is more effective when individual costs are used. Managing unit costs of production is one of the most significant strategies to ensure profitability in a mature commodity market.

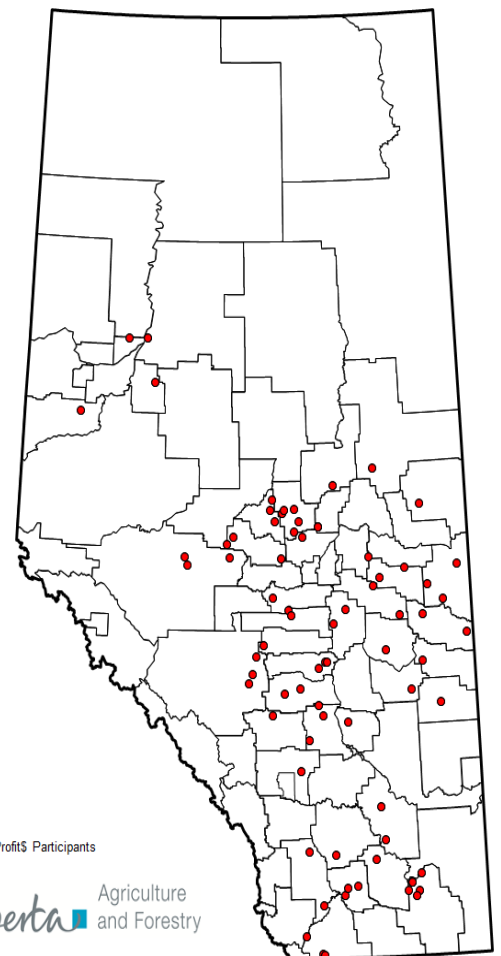
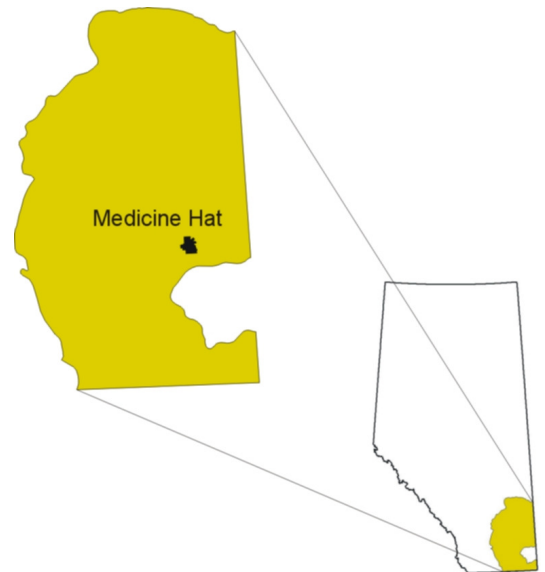
The top map shows the Brown Soil Zone in Alberta; this is the grouping method used for this study. Please note that farms highlighted within these zones may contain characteristics of neighbouring soil zones. The map on the bottom shows the distribution of the 2012 participants.

Questions or Comments:

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2012 AgriProfit\$ Participants

Alberta Agriculture and Forestry

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: Spring Wheat - All
Soil Zone: All - Dryland
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	325.50	312.46	7.91	7.84
	2. Crop Insurance Receipts	22.20	51.75	0.54	1.30
	3. Other Receipts	3.07	6.92	0.07	0.17
	Gross Receipts	350.77	371.13	8.53	9.31
(B)	Cost Items				
	1. Seed	17.72	17.72	0.43	0.44
	2. Fertilizer	46.76	44.31	1.14	1.11
	3. Chemical	39.53	38.58	0.96	0.97
	4. Hail/Crop Insurance Premium	13.82	18.57	0.34	0.47
	5. Trucking and Marketing	7.20	16.31	0.17	0.41
	6. Fuel	11.97	6.14	0.29	0.15
	7. Irrigation Fuel and Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	14.57	5.65	0.35	0.14
	9. Repairs - Buildings	1.67	2.57	0.04	0.06
	10. Utilities and Miscellaneous	9.00	3.38	0.22	0.08
	11. Custom Work	10.37	0.00	0.25	0.00
	12. Operating Interest Paid	3.76	0.05	0.09	0.00
	13. Paid Labour	10.42	3.72	0.25	0.09
	14. Unpaid Labour	13.89	7.20	0.34	0.18
	Variable Costs	200.69	164.20	4.88	4.12
(C)	1. Cash/ Share Land Rent	11.38	14.34	0.28	0.36
	2. Taxes, Water Rates, License & Ins.	3.69	2.17	0.09	0.05
	3. Equipment and Building: a) Depreciation	28.94	16.50	0.70	0.41
	b) Lease Payments	2.49	0.00	0.06	0.00
4. Paid Capital Interest	0.87	0.59	0.02	0.84	
	Capital Costs	47.37	33.61	1.15	1.67
(D)	Cash Costs (B+C-B14-C3a)	205.23	174.10	4.99	5.19
(E)	Total Production Costs (B+C)	248.06	197.81	6.03	5.79
	Gross Margin (A-D)	145.54	197.02	3.54	4.11
	Return to Unpaid Labour (A-E+B14)	116.60	180.52	2.84	3.70
	Return to Investment (A-E+C4)	103.59	173.92	2.52	4.36
	Return to Equity (A-E)	102.71	173.32	2.50	3.52

Investment

Buildings	82.03	31.45
Machinery	294.16	168.02
Irrigation Machinery	0.00	0.00
Total (incl. Land)	1518.03	627.40

Management

Average Yield (Bushel/acre)	41.13	39.88
Expected Market Price (\$/Bushel)	7.91	7.84

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: Spring Wheat - Own
Soil Zone: All - Dryland
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	307.34	--	7.89	--
	2. Crop Insurance Receipts	28.28	--	0.73	--
	3. Other Receipts	3.62	--	0.09	--
	Gross Receipts	339.24	0.00	8.70	0.00
(B)	Cost Items				
	1. Seed	16.92	--	0.43	--
	2. Fertilizer	44.10	--	1.13	--
	3. Chemical	38.44	--	0.99	--
	4. Hail/Crop Insurance Premium	13.90	--	0.36	--
	5. Trucking and Marketing	7.82	--	0.20	--
	6. Fuel	11.95	--	0.31	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	15.56	--	0.40	--
	9. Repairs - Buildings	0.43	--	0.01	--
	10. Utilities and Miscellaneous	9.30	--	0.24	--
	11. Custom Work	11.67	--	0.30	--
	12. Operating Interest Paid	4.20	--	0.11	--
	13. Paid Labour	9.51	--	0.24	--
	14. Unpaid Labour	15.04	--	0.39	--
	Variable Costs	198.83	0.00	5.10	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	4.13	--	0.11	--
	3. Equipment and Building: a) Depreciation	29.53	--	0.76	--
	b) Lease Payments	2.80	--	0.07	--
4. Paid Capital Interest	0.71	--	0.02	--	
	Capital Costs	37.17	0.00	0.95	0.00
(D)	Cash Costs (B+C-B14-C3a)	191.44	--	4.91	--
(E)	Total Production Costs (B+C)	236.01	--	6.05	--
	Gross Margin (A-D)	147.80	--	3.79	--
	Return to Unpaid Labour (A-E+B14)	118.27	--	3.03	--
	Return to Investment (A-E+C4)	103.95	--	2.67	--
	Return to Equity (A-E)	103.23	--	2.65	--

Investment

Buildings	91.03	--
Machinery	297.20	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1842.66	--

Management

Average Yield (Bushel/acre)	38.98	--
Expected Market Price (\$/Bushel)	7.89	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: Spring Wheat - Rent
Soil Zone: All - Dryland
Unit: Bushel

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	391.84	--	8.00	--	
	2. Crop Insurance Receipts	0.00	--	0.00	--	
	3. Other Receipts	1.07	--	0.02	--	
	Gross Receipts	392.91	0.00	8.02	0.00	
(B)	Cost Items					
	1. Seed	20.68	--	0.42	--	
	2. Fertilizer	56.47	--	1.15	--	
	3. Chemical	43.53	--	0.89	--	
	4. Hail/Crop Insurance Premium	13.53	--	0.28	--	
	5. Trucking and Marketing	4.92	--	0.10	--	
	6. Fuel	12.05	--	0.25	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	10.96	--	0.22	--	
	9. Repairs - Buildings	6.22	--	0.13	--	
	10. Utilities and Miscellaneous	7.92	--	0.16	--	
	11. Custom Work	5.62	--	0.11	--	
	12. Operating Interest Paid	2.15	--	0.04	--	
	13. Paid Labour	13.74	--	0.28	--	
	14. Unpaid Labour	9.69	--	0.20	--	
Variable Costs	207.47	0.00	4.24	0.00		
(C)	1. Cash/ Share Land Rent	52.94	--	1.08	--	
	2. Taxes, Water Rates, License & Ins.	2.09	--	0.04	--	
	3. Equipment and Building:	a) Depreciation	26.78	--	0.55	--
		b) Lease Payments	1.35	--	0.03	--
	4. Paid Capital Interest	1.46	--	0.03	--	
Capital Costs	84.62	0.00	1.73	0.00		
(D)	Cash Costs (B+C-B14-C3a)	255.63	--	5.22	--	
(E)	Total Production Costs (B+C)	292.09	--	5.96	--	
	Gross Margin (A-D)	137.28	--	2.80	--	
	Return to Unpaid Labour (A-E+B14)	110.50	--	2.26	--	
	Return to Investment (A-E+C4)	102.28	--	2.09	--	
	Return to Equity (A-E)	100.82	--	2.06	--	

Investment

Buildings	49.15	--
Machinery	283.04	--
Irrigation Machinery	0.00	--
Total (incl. Land)	332.19	--

Management

Average Yield	(Bushel/acre)	48.98	--
Expected Market Price	(\$/Bushel)	8.00	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Malt Barley - All*
Soil Zone: *All - Dryland*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	420.00	--	6.00	--	
	2. Crop Insurance Receipts	0.00	--	0.00	--	
	3. Other Receipts	1.46	--	0.02	--	
	Gross Receipts	421.46	0.00	6.02	0.00	
(B)	Cost Items					
	1. Seed	24.00	--	0.34	--	
	2. Fertilizer	60.00	--	0.86	--	
	3. Chemical	40.00	--	0.57	--	
	4. Hail/Crop Insurance Premium	10.00	--	0.14	--	
	5. Trucking and Marketing	6.97	--	0.10	--	
	6. Fuel	10.12	--	0.14	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	6.34	--	0.09	--	
	9. Repairs - Buildings	8.56	--	0.12	--	
	10. Utilities and Miscellaneous	5.54	--	0.08	--	
	11. Custom Work	0.00	--	0.00	--	
	12. Operating Interest Paid	0.18	--	0.00	--	
	13. Paid Labour	12.97	--	0.19	--	
	14. Unpaid Labour	5.55	--	0.08	--	
	Variable Costs	190.22	0.00	2.72	0.00	
(C)	1. Cash/ Share Land Rent	32.94	--	0.47	--	
	2. Taxes, Water Rates, License & Ins.	3.93	--	0.06	--	
	3. Equipment and Building:	a) Depreciation	21.61	--	0.31	--
		b) Lease Payments	0.00	--	0.00	--
	4. Paid Capital Interest	3.58	--	0.05	--	
	Capital Costs	62.06	0.00	0.89	0.00	
(D)	Cash Costs	225.12	--	3.22	--	
(E)	Total Production Costs	252.28	--	3.60	--	
	Gross Margin	196.34	--	2.80	--	
	Return to Unpaid Labour	174.73	--	2.50	--	
	Return to Investment	172.76	--	2.47	--	
	Return to Equity	169.18	--	2.42	--	

Investment

Buildings	17.35	--
Machinery	235.55	--
Irrigation Machinery	0.00	--
Total (incl. Land)	788.99	--

Management

Average Yield	(Bushel/acre)	70.00	--
Expected Market Price	(\$/Bushel)	6.00	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Malt Barley - Rent*
Soil Zone: *All - Dryland*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	420.00	--	6.00	--	
	2. Crop Insurance Receipts	0.00	--	0.00	--	
	3. Other Receipts	1.46	--	0.02	--	
	Gross Receipts	421.46	0.00	6.02	0.00	
(B)	Cost Items					
	1. Seed	24.00	--	0.34	--	
	2. Fertilizer	60.00	--	0.86	--	
	3. Chemical	40.00	--	0.57	--	
	4. Hail/Crop Insurance Premium	10.00	--	0.14	--	
	5. Trucking and Marketing	6.97	--	0.10	--	
	6. Fuel	10.12	--	0.14	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	6.34	--	0.09	--	
	9. Repairs - Buildings	8.56	--	0.12	--	
	10. Utilities and Miscellaneous	5.54	--	0.08	--	
	11. Custom Work	0.00	--	0.00	--	
	12. Operating Interest Paid	0.18	--	0.00	--	
	13. Paid Labour	12.97	--	0.19	--	
	14. Unpaid Labour	5.55	--	0.08	--	
Variable Costs	190.22	0.00	2.72	0.00		
(C)	1. Cash/ Share Land Rent	50.00	--	0.71	--	
	2. Taxes, Water Rates, License & Ins.	1.89	--	0.03	--	
	3. Equipment and Building:	a) Depreciation	21.61	--	0.31	--
		b) Lease Payments	0.00	--	0.00	--
	4. Paid Capital Interest	2.07	--	0.03	--	
Capital Costs	75.58	0.00	1.08	0.00		
(D)	Cash Costs	(B+C-B14-C3a)	238.63	--	3.41	
(E)	Total Production Costs	(B+C)	265.80	--	3.80	
	Gross Margin	(A-D)	182.83	--	2.61	
	Return to Unpaid Labour	(A-E+B14)	161.22	--	2.30	
	Return to Investment	(A-E+C4)	157.74	--	2.25	
	Return to Equity	(A-E)	155.67	--	2.22	

Investment

Buildings	17.35	--
Machinery	235.55	--
Irrigation Machinery	0.00	--
Total (incl. Land)	252.90	--

Management

Average Yield	(Bushel/acre)	70.00	--
Expected Market Price	(\$/Bushel)	6.00	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Liberty Link Canola - All*
Soil Zone: *All - Dryland*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	440.05	492.48	13.21	13.00	
	2. Crop Insurance Receipts	20.49	24.00	0.61	0.63	
	3. Other Receipts	1.35	1.46	0.04	0.04	
	Gross Receipts	461.89	517.94	13.86	13.67	
(B)	Cost Items					
	1. Seed	51.48	50.00	1.54	1.32	
	2. Fertilizer	67.82	70.00	2.04	1.85	
	3. Chemical	33.49	30.41	1.00	0.80	
	4. Hail/Crop Insurance Premium	18.72	20.00	0.56	0.53	
	5. Trucking and Marketing	5.55	6.97	0.17	0.18	
	6. Fuel	12.23	10.12	0.37	0.27	
	7. Irrigation Fuel and Electricity	0.00	0.00	0.00	0.00	
	8. Repairs - Machinery	9.68	6.34	0.29	0.17	
	9. Repairs - Buildings	6.41	8.56	0.19	0.23	
	10. Utilities and Miscellaneous	6.78	5.54	0.20	0.15	
	11. Custom Work	5.96	0.00	0.18	0.00	
	12. Operating Interest Paid	1.30	0.18	0.04	0.00	
	13. Paid Labour	12.02	12.97	0.36	0.34	
	14. Unpaid Labour	8.70	5.55	0.26	0.15	
	Variable Costs	240.15	226.63	7.21	5.98	
(C)	1. Cash/ Share Land Rent	27.59	18.32	0.83	0.48	
	2. Taxes, Water Rates, License & Ins.	4.24	5.68	0.13	0.15	
	3. Equipment and Building:	a) Depreciation	25.03	21.61	0.75	0.57
		b) Lease Payments	0.70	0.00	0.02	0.00
	4. Paid Capital Interest	3.44	4.87	0.10	1.33	
	Capital Costs	61.00	50.49	1.83	2.54	
(D)	Cash Costs	267.41	249.95	8.02	7.80	
(E)	Total Production Costs	301.14	277.11	9.04	8.52	
	Gross Margin	194.48	267.99	5.84	5.87	
	Return to Unpaid Labour	169.45	246.38	5.08	5.30	
	Return to Investment	164.18	245.70	4.93	6.49	
	Return to Equity	160.74	240.83	4.82	5.15	

Investment

Buildings	45.30	17.35
Machinery	258.26	235.55
Irrigation Machinery	0.00	0.00
Total (incl. Land)	997.48	1248.19

Management

Average Yield	(Bushel/acre)	33.32	37.88
Expected Market Price	(\$/Bushel)	13.21	13.00

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Liberty Link Canola - Own*
Soil Zone: *All - Dryland*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	461.09	--	13.59	--	
	2. Crop Insurance Receipts	22.69	--	0.67	--	
	3. Other Receipts	1.47	--	0.04	--	
	Gross Receipts	485.25	0.00	14.30	0.00	
(B)	Cost Items					
	1. Seed	51.26	--	1.51	--	
	2. Fertilizer	65.41	--	1.93	--	
	3. Chemical	28.67	--	0.84	--	
	4. Hail/Crop Insurance Premium	18.30	--	0.54	--	
	5. Trucking and Marketing	4.14	--	0.12	--	
	6. Fuel	13.41	--	0.40	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	12.73	--	0.38	--	
	9. Repairs - Buildings	4.91	--	0.14	--	
	10. Utilities and Miscellaneous	8.47	--	0.25	--	
	11. Custom Work	11.88	--	0.35	--	
	12. Operating Interest Paid	2.72	--	0.08	--	
	13. Paid Labour	12.89	--	0.38	--	
	14. Unpaid Labour	11.51	--	0.34	--	
	Variable Costs	246.30	0.00	7.26	0.00	
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--	
	2. Taxes, Water Rates, License & Ins.	6.83	--	0.20	--	
	3. Equipment and Building:	a) Depreciation	28.58	--	0.84	--
		b) Lease Payments	1.68	--	0.05	--
	4. Paid Capital Interest	4.56	--	0.13	--	
	Capital Costs	41.65	0.00	1.23	0.00	
(D)	Cash Costs	(B+C-B14-C3a)	247.86	--	7.30	
(E)	Total Production Costs	(B+C)	287.95	--	8.49	
	Gross Margin	(A-D)	237.39	--	7.00	
	Return to Unpaid Labour	(A-E+B14)	208.81	--	6.15	
	Return to Investment	(A-E+C4)	201.86	--	5.95	
	Return to Equity	(A-E)	197.30	--	5.81	

Investment

Buildings	65.49	--
Machinery	292.83	--
Irrigation Machinery	0.00	--
Total (incl. Land)	2034.24	--

Management

Average Yield	(Bushel/acre)	33.93	--
Expected Market Price	(\$/Bushel)	13.59	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Liberty Link Canola - Rent*
Soil Zone: *All - Dryland*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	425.18	455.00	12.93	13.00
	2. Crop Insurance Receipts	18.94	24.00	0.58	0.69
	3. Other Receipts	1.26	1.46	0.04	0.04
	Gross Receipts	445.38	480.46	13.54	13.73
(B)	Cost Items				
	1. Seed	51.64	50.00	1.57	1.43
	2. Fertilizer	69.52	70.00	2.11	2.00
	3. Chemical	36.89	35.32	1.12	1.01
	4. Hail/Crop Insurance Premium	19.02	20.00	0.58	0.57
	5. Trucking and Marketing	6.54	6.97	0.20	0.20
	6. Fuel	11.39	10.12	0.35	0.29
	7. Irrigation Fuel and Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	7.53	6.34	0.23	0.18
	9. Repairs - Buildings	7.47	8.56	0.23	0.24
	10. Utilities and Miscellaneous	5.58	5.54	0.17	0.16
	11. Custom Work	1.78	0.00	0.05	0.00
	12. Operating Interest Paid	0.30	0.18	0.01	0.01
	13. Paid Labour	11.41	12.97	0.35	0.37
	14. Unpaid Labour	6.72	5.55	0.20	0.16
	Variable Costs	235.80	231.54	7.17	6.62
(C)	1. Cash/ Share Land Rent	47.08	50.00	1.43	1.43
	2. Taxes, Water Rates, License & Ins.	2.42	1.89	0.07	0.05
	3. Equipment and Building: a) Depreciation	22.52	21.61	0.68	0.62
	b) Lease Payments	0.00	0.00	0.00	0.00
4. Paid Capital Interest	2.65	2.07	0.08	2.16	
	Capital Costs	74.67	75.58	2.27	4.26
(D)	Cash Costs	281.22	279.95	8.55	10.10
(E)	Total Production Costs	310.47	307.11	9.44	10.87
	Gross Margin	164.16	200.51	4.99	3.63
	Return to Unpaid Labour	141.64	178.90	4.31	3.01
	Return to Investment	137.56	175.42	4.18	5.01
	Return to Equity	134.92	173.35	4.10	2.85

Investment

Buildings	31.04	17.35
Machinery	233.83	235.55
Irrigation Machinery	0.00	0.00
Total (incl. Land)	264.86	252.90

Management

Average Yield	(Bushel/acre)	32.89	35.00
Expected Market Price	(\$/Bushel)	12.93	13.00

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Field Peas - All*
Soil Zone: *All - Dryland*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	318.84	--	8.49	--	
	2. Crop Insurance Receipts	28.54	--	0.76	--	
	3. Other Receipts	0.00	--	0.00	--	
	Gross Receipts	347.38	0.00	9.25	0.00	
(B)	Cost Items					
	1. Seed	48.67	--	1.30	--	
	2. Fertilizer	14.20	--	0.38	--	
	3. Chemical	34.63	--	0.92	--	
	4. Hail/Crop Insurance Premium	29.09	--	0.77	--	
	5. Trucking and Marketing	21.84	--	0.58	--	
	6. Fuel	26.71	--	0.71	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	41.81	--	1.11	--	
	9. Repairs - Buildings	2.29	--	0.06	--	
	10. Utilities and Miscellaneous	22.86	--	0.61	--	
	11. Custom Work	17.52	--	0.47	--	
	12. Operating Interest Paid	0.00	--	0.00	--	
	13. Paid Labour	4.79	--	0.13	--	
	14. Unpaid Labour	10.47	--	0.28	--	
Variable Costs	274.89	0.00	7.32	0.00		
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--	
	2. Taxes, Water Rates, License & Ins.	7.73	--	0.21	--	
	3. Equipment and Building:	a) Depreciation	27.49	--	0.73	--
		b) Lease Payments	5.96	--	0.16	--
	4. Paid Capital Interest	5.50	--	0.15	--	
Capital Costs	46.68	0.00	1.24	0.00		
(D)	Cash Costs	283.62	--	7.55	--	
(E)	Total Production Costs	321.58	--	8.56	--	
	Gross Margin	63.77	--	1.70	--	
	Return to Unpaid Labour	36.28	--	0.97	--	
	Return to Investment	31.31	--	0.83	--	
	Return to Equity	25.81	--	0.69	--	

Investment

Buildings	188.94	--
Machinery	197.58	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1631.77	--

Management

Average Yield	(Bushel/acre)	37.55	--
Expected Market Price	(\$/Bushel)	8.49	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Field Peas - Own*
Soil Zone: *All - Dryland*
Unit: *Bushel*

		----- \$/Acre -----		---- \$/Bushel ----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	318.84	--	8.49	--	
	2. Crop Insurance Receipts	28.54	--	0.76	--	
	3. Other Receipts	0.00	--	0.00	--	
	Gross Receipts	347.38	0.00	9.25	0.00	
(B)	Cost Items					
	1. Seed	48.67	--	1.30	--	
	2. Fertilizer	14.20	--	0.38	--	
	3. Chemical	34.63	--	0.92	--	
	4. Hail/Crop Insurance Premium	29.09	--	0.77	--	
	5. Trucking and Marketing	21.84	--	0.58	--	
	6. Fuel	26.71	--	0.71	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	41.81	--	1.11	--	
	9. Repairs - Buildings	2.29	--	0.06	--	
	10. Utilities and Miscellaneous	22.86	--	0.61	--	
	11. Custom Work	17.52	--	0.47	--	
	12. Operating Interest Paid	0.00	--	0.00	--	
	13. Paid Labour	4.79	--	0.13	--	
	14. Unpaid Labour	10.47	--	0.28	--	
Variable Costs	274.89	0.00	7.32	0.00		
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--	
	2. Taxes, Water Rates, License & Ins.	7.73	--	0.21	--	
	3. Equipment and Building:	a) Depreciation	27.49	--	0.73	--
		b) Lease Payments	5.96	--	0.16	--
	4. Paid Capital Interest	5.50	--	0.15	--	
Capital Costs	46.68	0.00	1.24	0.00		
(D)	Cash Costs	283.62	--	7.55	--	
(E)	Total Production Costs	321.58	--	8.56	--	
	Gross Margin	63.77	--	1.70	--	
	Return to Unpaid Labour	36.28	--	0.97	--	
	Return to Investment	31.31	--	0.83	--	
	Return to Equity	25.81	--	0.69	--	

Investment

Buildings	188.94	--
Machinery	197.58	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1631.77	--

Management

Average Yield	(Bushel/acre)	37.55	--
Expected Market Price	(\$/Bushel)	8.49	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Alfalfa Hay - All*
Soil Zone: *All - Dryland*
Unit: *Tonne*

		----- \$/Acre -----		----- \$/Tonne -----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	113.40	143.56	80.83	84.71	
	2. Crop Insurance Receipts	0.78	1.14	0.56	0.68	
	3. Other Receipts	6.12	3.70	4.36	2.18	
	Gross Receipts	120.30	148.40	85.75	87.57	
(B)	Cost Items					
	1. Seed	0.00	0.00	0.00	0.00	
	2. Fertilizer	11.12	18.01	7.93	10.62	
	3. Chemical	0.00	0.00	0.00	0.00	
	4. Hail/Crop Insurance Premium	2.47	4.89	1.76	2.89	
	5. Trucking and Marketing	0.94	0.00	0.67	0.00	
	6. Fuel	7.61	4.90	5.42	2.89	
	7. Irrigation Fuel and Electricity	0.00	0.00	0.00	0.00	
	8. Repairs - Machinery	9.85	5.88	7.02	3.47	
	9. Repairs - Buildings	1.17	0.56	0.83	0.33	
	10. Utilities and Miscellaneous	4.60	4.51	3.28	2.66	
	11. Custom Work	2.32	2.56	1.65	1.51	
	12. Operating Interest Paid	0.51	1.24	0.37	0.73	
	13. Paid Labour	2.44	0.00	1.74	0.00	
	14. Unpaid Labour	10.84	12.73	7.73	7.51	
	Variable Costs	53.87	55.27	38.40	32.62	
(C)	1. Cash/ Share Land Rent	6.81	2.19	4.85	1.29	
	2. Taxes, Water Rates, License & Ins.	2.92	2.36	2.08	1.39	
	3. Equipment and Building:	a) Depreciation	20.72	22.56	14.77	13.31
		b) Lease Payments	0.00	0.00	0.00	0.00
	4. Paid Capital Interest	8.73	6.92	6.22	20.09	
	Capital Costs	39.17	34.04	27.92	36.09	
(D)	Cash Costs	61.49	54.02	43.83	47.88	
(E)	Total Production Costs	93.04	89.31	66.32	68.70	
	Gross Margin	58.81	94.38	41.92	39.69	
	Return to Unpaid Labour	38.10	71.81	27.16	26.37	
	Return to Investment	35.99	66.01	25.65	38.95	
	Return to Equity	27.26	59.09	19.43	18.86	

Investment

Buildings	50.40	66.96
Machinery	175.34	181.27
Irrigation Machinery	0.00	0.00
Total (incl. Land)	1145.59	2226.00

Management

Average Yield	(Tonne/acre)	1.40	1.69
Expected Market Price	(\$/Tonne)	80.83	84.71

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Alfalfa Hay - Own*
Soil Zone: *All - Dryland*
Unit: *Tonne*

		----- \$/Acre -----		----- \$/Tonne -----	
		Average	Top 1/3	Average	Top 1/3
(A)	1. Crop Sales	119.34	--	76.30	--
	2. Crop Insurance Receipts	0.37	--	0.24	--
	3. Other Receipts	0.00	--	0.00	--
	Gross Receipts	119.71	0.00	76.54	0.00
(B)	Cost Items				
	1. Seed	0.00	--	0.00	--
	2. Fertilizer	5.82	--	3.72	--
	3. Chemical	0.00	--	0.00	--
	4. Hail/Crop Insurance Premium	2.40	--	1.53	--
	5. Trucking and Marketing	1.45	--	0.93	--
	6. Fuel	7.89	--	5.05	--
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--
	8. Repairs - Machinery	11.85	--	7.58	--
	9. Repairs - Buildings	0.96	--	0.61	--
	10. Utilities and Miscellaneous	5.16	--	3.30	--
	11. Custom Work	2.53	--	1.61	--
	12. Operating Interest Paid	0.79	--	0.51	--
	13. Paid Labour	3.77	--	2.41	--
14. Unpaid Labour	9.52	--	6.09	--	
	Variable Costs	52.14	0.00	33.34	0.00
(C)	1. Cash/ Share Land Rent	0.00	--	0.00	--
	2. Taxes, Water Rates, License & Ins.	3.80	--	2.43	--
	3. Equipment and Building: a) Depreciation	20.88	--	13.35	--
	b) Lease Payments	0.00	--	0.00	--
4. Paid Capital Interest	12.02	--	7.68	--	
	Capital Costs	36.70	0.00	23.46	0.00
(D)	Cash Costs	58.43	--	37.36	--
(E)	Total Production Costs	88.84	--	56.80	--
	Gross Margin	61.28	--	39.18	--
	Return to Unpaid Labour	40.40	--	25.83	--
	Return to Investment	42.89	--	27.42	--
	Return to Equity	30.87	--	19.74	--

Investment

Buildings	64.40	--
Machinery	171.78	--
Irrigation Machinery	0.00	--
Total (incl. Land)	1655.08	--

Management

Average Yield	(Tonne/acre)	1.56	--
Expected Market Price	(\$/Tonne)	76.30	--

2012 Crop Enterprise Analysis

AgriProfit\$

Crop: *Alfalfa Hay - Rent*
 Soil Zone: *All - Dryland*
 Unit: *Tonne*

		----- \$/Acre -----		----- \$/Tonne -----		
		Average	Top 1/3	Average	Top 1/3	
(A)	1. Crop Sales	102.44	--	92.64	--	
	2. Crop Insurance Receipts	1.54	--	1.40	--	
	3. Other Receipts	17.39	--	15.73	--	
	Gross Receipts	121.38	0.00	109.77	0.00	
(B)	Cost Items					
	1. Seed	0.00	--	0.00	--	
	2. Fertilizer	20.89	--	18.89	--	
	3. Chemical	0.00	--	0.00	--	
	4. Hail/Crop Insurance Premium	2.59	--	2.34	--	
	5. Trucking and Marketing	0.00	--	0.00	--	
	6. Fuel	7.08	--	6.40	--	
	7. Irrigation Fuel and Electricity	0.00	--	0.00	--	
	8. Repairs - Machinery	6.16	--	5.57	--	
	9. Repairs - Buildings	1.56	--	1.41	--	
	10. Utilities and Miscellaneous	3.56	--	3.22	--	
	11. Custom Work	1.93	--	1.75	--	
	12. Operating Interest Paid	0.00	--	0.00	--	
	13. Paid Labour	0.00	--	0.00	--	
	14. Unpaid Labour	13.26	--	12.00	--	
Variable Costs	57.04	0.00	51.59	0.00		
(C)	1. Cash/ Share Land Rent	19.36	--	17.51	--	
	2. Taxes, Water Rates, License & Ins.	1.31	--	1.18	--	
	3. Equipment and Building:	a) Depreciation	20.41	--	18.46	--
		b) Lease Payments	0.00	--	0.00	--
	4. Paid Capital Interest	2.67	--	2.41	--	
Capital Costs	43.74	0.00	39.56	0.00		
(D)	Cash Costs	67.11	--	60.70	--	
(E)	Total Production Costs	100.79	--	91.15	--	
	<i>Gross Margin</i>	<i>54.26</i>	<i>--</i>	<i>49.07</i>	<i>--</i>	
	<i>Return to Unpaid Labour</i>	<i>33.85</i>	<i>--</i>	<i>30.62</i>	<i>--</i>	
	<i>Return to Investment</i>	<i>23.26</i>	<i>--</i>	<i>21.03</i>	<i>--</i>	
	<i>Return to Equity</i>	<i>20.59</i>	<i>--</i>	<i>18.62</i>	<i>--</i>	

Investment

Buildings	24.59	--
Machinery	181.92	--
Irrigation Machinery	0.00	--
Total (incl. Land)	206.51	--

Management

Average Yield	(Tonne/acre)	1.11	--
Expected Market Price	(\$/Tonne)	92.64	--

DEFINITIONS AND ALLOCATIONS

I INCOME

- A Imputed Value of Production** – total of estimated yields/acre X estimated final prices
- B Crop Insurance Receipts** – added regardless of when payment is received
- C Miscellaneous Receipts** – such as patronage dividends or input rebates
- D Government Program Receipts** – allocated to all cropped acres equally
- E Straw/Aftermath Grazing Revenue** – value of straw + imputed value of grazing

II EXPENSES

- A Crop Specific Inputs** – allocated by producer to each crop as documented on the survey form
 - 1. **Seed**
 - 2. **Fertilizer**
 - 3. **Chemical**
 - 4. **Hail and Crop Insurance**
 - 5. **Custom Work and Specialized Labour**
 - 6. **Land Rent** – cash rent or crop share (converted to a cash basis)
- B Allocated Crop Inputs** – allocation ratios based on research from AAFRD
 - 1. **Irrigation to Dryland Ratio** – allocated to crops at a 3:1 ratio
 - 2. **Trucking and Marketing** – allocated to specific cropping acres by producer
 - 3. **Fuel** – Summerfallow – allocation of 0.3:1 compared to crop acres; Sugar beets – allocation of 2.96:1 compared to other irrigated crop acres
 - 4. **Irrigation Fuel** – allocation based on total pumping hours for each crop
 - 5. **Machinery Repairs** – allocated equally to all acres except summerfallow (0.3:1) and special crops (as specified by producer)
 - 6. **Building Repairs** – allocated to all acres equally except for special crops buildings
 - 7. **Operating Interest** – interest paid on operating loans allocated equally
 - 8. **Paid Labour** – based on allocations between crops as specified by producer
 - 9. **Unpaid and Operator Labour** – operator - \$10/hour, other unpaid labour - \$7.50/hour
 - 10. **Land Taxes** – allocated equally to all owned cropped acres
 - 11. **Water Rates** – allocated equally to all owned irrigated acres
 - 12. **Water Rates** – allocated equally to all owned irrigated acres
 - 13. **Equipment Depreciation** – imputed at 8.5% for power equipment, 11% for non-power, based on current market value

- 14. **Insurance and Licenses** – allocated to all cropped acres equally
- 15. **Building Depreciation** – imputed at 5% on the current market value
- 16. **Paid Capital Interest** – allocated to all owned cropped acres equally except summerfallow (0.25:1)

III CAPITAL INVESTMENT

- A Land** – producer estimate of bare land value for both irrigated and dryland owned acreage
- B Buildings** – allocated equally to all acreage except special crops buildings (allocated to the crop)
- C Equipment**
 - 1. **General Use** – allocated to all acres equally, except summerfallow (0.3:1)
 - 2. **Crop Specific** – allocated by producer to each crop based on percentage of use
 - 3. **Irrigation** – allocated according to pumping hours as specified by producer

IV SUMMARY CALCULATION

- A Gross Return** = imputed value of production + crop insurance receipts + miscellaneous receipts + government program payments + straw/grazing revenue
- B Variable Costs** = seed + fertilizer + chemicals + crop insurance + trucking and marketing + fuel + machinery and building repairs + utilities + miscellaneous overhead + custom work + operating interest + paid and unpaid labour
- C Total Capital Costs** = land rent + land taxes + water rates + insurance + depreciation + paid capital interest
- D Cash Costs** = variable costs + capital costs – unpaid labour – depreciation
- E Total Production Costs** = variable costs + total capital costs
- F Gross Margin** (returns left to cover total capital costs and operator equity) = gross return – total cash costs
- G Return to Unpaid Labour** (funds remaining after all expenses have been paid except unpaid labour) = gross return – total production costs + unpaid labour
- H Return to Investment** (shows the operation's ability to earn a return on its total assets) = gross return – total production costs + paid capital interest
- I Return to Equity** (amount remaining from operations used to provide a return to individual or shareholder equity) = gross return – total production costs