

AgriProfit\$

2008

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

**Peace Region
Grey Wooded Soil Zone**

Government of Alberta ■
Agriculture and Rural Development



TABLE OF CONTENTS

2008 Peace Region Grey Wooded Soil Zone

OVERVIEW	1
CROPS	
Spring Wheat	2
Feed Barley	4
Liberty Link Canola	8
Roundup Ready Canola	9
Grass Seed	11
FORAGES	
Alfalfa Hay	12
Alfalfa/Grass Hay	13
Clover/Grass Hay	17
DEFINITIONS AND ALLOCATIONS.....	19

OVERVIEW

2008 Peace Region Grey Wooded 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 danger 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 Peace Region in Alberta; this is the soil 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 2008 participants.

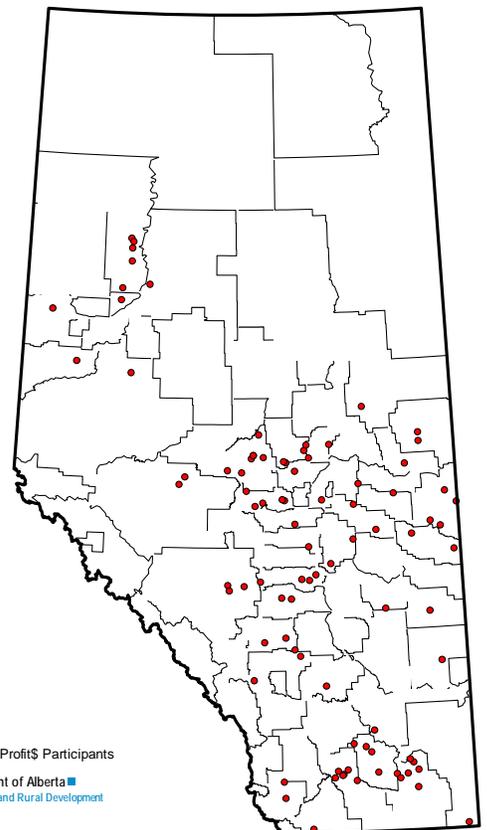
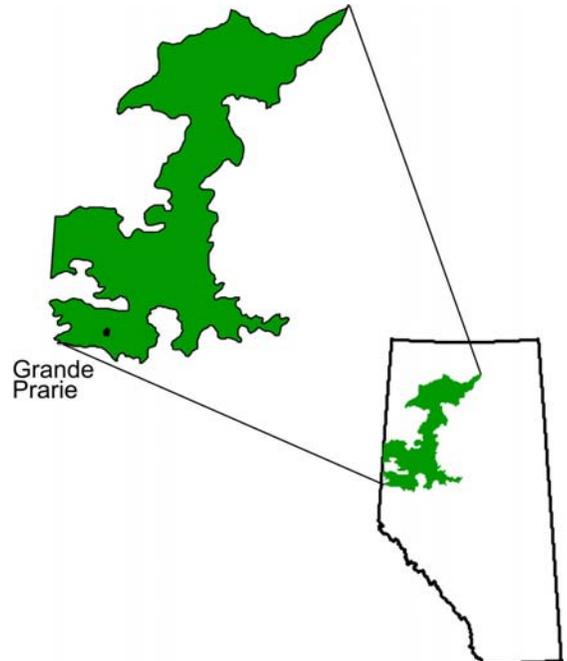
Questions or Comments:

Karla Bergstrom
Production Crops Economist, Economics Branch
Alberta Agriculture and Rural Development
Phone: (780) 422-3122 Fax: (780) 427-5220
Email: karla.bergstrom@gov.ab.ca

Website: www.agriculture.gov.ab.ca
Alberta Ag-Info Centre 310-FARM

Acknowledgements:

Dale Kaliel, Pauline Van Biert, Shukun Guan, Lorraine Kohlman, Nabi Chaudhary, Guangzhi Liu, Richard Stadlwieser, Interviewers and Participants



AgriProfit\$ 2008 Crops Enterprise Analysis

Peace Region Dryland Spring Wheat		Group AVG	Top 1/3 AVG
Acres Cropped:		116.88	128.67
Enterprises:		8	3
		\$/Acre	\$/Acre
(A)	1. Crop Sales - Imputed Value of Production	204.81	270.04
	2. Crop Insurance Receipts	3.74	9.07
	3. Miscellaneous Receipts	.00	.00
	4. Government Program	.00	.00
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00
GROSS RETURN		208.55	279.11
(B)	1. Seed & Seed Cleaning	13.24	14.28
	2. Fertilizer	50.36	48.35
	3. Chemicals	18.32	23.05
	4. Hail / Crop Insurance & Program Premiums	.42	1.02
	5. Trucking & Marketing	6.08	4.75
	6. Fuel	11.24	12.38
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	15.09	12.49
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	4.55	5.40
	11. Custom Work & Specialized Labour	10.48	10.22
	12. Operating Interest Paid	1.31	1.02
	13. Paid Labour & Benefits	7.19	5.62
	14. Unpaid Labour	5.96	5.92
VARIABLE COSTS		144.25	144.49
(C)	1. Cash/Share Rent & Land Lease	28.46	27.04
	2. Taxes, Water Rates, Lic. & Insurance	1.81	1.90
	3. Equipment & Building a) Depreciation	20.09	25.49
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	2.67	2.08
TOTAL CAPITAL COSTS		53.02	56.51
(D)	CASH COSTS (B+C-B14-C3)	171.23	169.59
(E)	TOTAL PRODUCTION COSTS (B+C)	197.27	200.99
(F)	GROSS MARGIN (A-D)	37.33	109.52
	RETURN TO UNPAID LABOUR(A-E+B14)	17.24	84.03
	RETURN TO INVESTMENT (A-E+C4)	13.95	80.19
	RETURN TO EQUITY (A-E)	11.28	78.11
INVESTMENT			
	Land	.00	.00
	Buildings	50.76	47.83
	Machinery	203.52	263.07
	Irr. Mach.	.00	.00
TOTAL		254.29	310.89
MANAGEMENT			
	Yield Per Acre (Bushel)	32.07	42.91
	Expected Market Price Per Bushel	6.39	6.29

2008 Crops Enterprise Analysis

Peace Region Rent Dryland Spring Wheat

Acres Cropped: 116.88

Enterprises: 8

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	23,937.19	204.81	6.39
	2. Crop Insurance Receipts	437.50	3.74	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00	
	GROSS RETURN	24,374.69	208.55	6.50
(B)	1. Seed & Seed Cleaning	1,546.88	13.24	
	2. Fertilizer Rates: 70N 24P 13K 0S	5,886.13	50.36	
	3. Chemicals	2,141.44	18.32	
	4. Hail / Crop Insurance & Program Premiums	49.06	.42	
	5. Trucking & Marketing	710.94	6.08	
	6. Fuel	1,313.36	11.24	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,763.45	15.09	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	532.35	4.55	
	11. Custom Work & Specialized Labour	1,225.40	10.48	
	12. Operating Interest Paid	153.29	1.31	
	13. Paid Labour & Benefits (46.39 hours)	840.90	7.19	
	14. Unpaid Labour (69.62 hours)	696.21	5.96	
	VARIABLE COSTS	16,859.39	144.25	4.50
(C)	1. Cash/Share Rent & Land Lease	3,326.43	28.46	
	2. Taxes, Water Rates, Lic. & Insurance	211.00	1.81	
	3. Equipment & Building a) Depreciation	2,347.70	20.09	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	311.69	2.67	
	TOTAL CAPITAL COSTS	6,196.81	53.02	1.65
(D)	CASH COSTS (B+C-B14-C3)	20,012.30	171.23	5.34
(E)	TOTAL PRODUCTION COSTS (B+C)	23,056.20	197.27	6.15
(F)	GROSS MARGIN (A-D)	4,362.39	37.33	1.16
	RETURN TO UNPAID LABOUR(A-E+B14)	2,014.69	17.24	.54
	RETURN TO INVESTMENT (A-E+C4) 5.5 %	1,630.17	13.95	.43
	RETURN TO EQUITY (A-E)	1,318.48	11.28	.35
INVESTMENT				
	Land	.00	.00	
	Buildings	5,932.77	50.76	
	Machinery	23,786.89	203.52	
	Irr. Machinery	.00	.00	
	TOTAL	29,719.66	254.29	
MANAGEMENT				
	Yield Per Acre (Bushel)		32.07	
	Expected Market Price Per Bushel		6.39	

**2008 Crops Enterprise Analysis
Peace Region Dryland Feed Barley**

Acres Cropped: 107.06

Enterprises: 16

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	20,631.51	192.71	2.92
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	472.79	4.42	
	GROSS RETURN	21,104.30	197.12	2.99
(B)	1. Seed & Seed Cleaning	1,208.47	11.29	
	2. Fertilizer Rates: 72N 22P 9K	5,507.76	51.44	
	3. Chemicals	2,109.47	19.70	
	4. Hail / Crop Insurance & Program Premiums	472.97	4.42	
	5. Trucking & Marketing	480.05	4.48	
	6. Fuel	1,594.78	14.90	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,303.29	12.17	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	540.77	5.05	
	11. Custom Work & Specialized Labour	841.38	7.86	
	12. Operating Interest Paid	72.69	.68	
	13. Paid Labour & Benefits (32.29 hours)	599.38	5.60	
	14. Unpaid Labour (76.68 hours)	766.83	7.16	
	VARIABLE COSTS	15,497.83	144.76	2.19
(C)	1. Cash/Share Rent & Land Lease	1,371.88	12.81	
	2. Taxes, Water Rates, Lic. & Insurance	314.58	2.94	
	3. Equipment & Building a) Depreciation	2,301.01	21.49	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	544.86	5.09	
	TOTAL CAPITAL COSTS	4,532.33	42.33	.64
(D)	CASH COSTS (B+C-B14-C3)	16,962.33	158.43	2.40
(E)	TOTAL PRODUCTION COSTS (B+C)	20,030.17	187.09	2.83
(F)	GROSS MARGIN (A-D)	4,141.97	38.69	.59
	RETURN TO UNPAID LABOUR(A-E+B14)	1,840.96	17.20	.26
	RETURN TO INVESTMENT (A-E+C4) 3.2 %	1,619.00	15.12	.23
	RETURN TO EQUITY (A-E)	1,074.13	10.03	.15
INVESTMENT				
	Land	21,834.38	203.94	
	Buildings	5,452.53	50.93	
	Machinery	22,971.01	214.56	
	Irr. Machinery	.00	.00	
	TOTAL	50,257.92	469.43	
MANAGEMENT				
	Yield Per Acre (Bushel)		66.03	
	Expected Market Price Per Bushel		2.92	

AgriProfit\$ 2008 Crops Enterprise Analysis

Peace Region Dryland Feed Barley		Group AVG	Top 1/3 AVG
Acres Cropped:		107.06	173.80
Enterprises:		16	5
		\$/Acre	\$/Acre
(A)	1. Crop Sales - Imputed Value of Production	192.71	239.08
	2. Crop Insurance Receipts	.00	.00
	3. Miscellaneous Receipts	.00	.00
	4. Government Program	.00	.00
	5. Additional Revenue from Straw / Aftermath Grazing	4.42	8.70
GROSS RETURN		197.12	247.78
(B)	1. Seed & Seed Cleaning	11.29	10.35
	2. Fertilizer	51.44	48.81
	3. Chemicals	19.70	15.28
	4. Hail / Crop Insurance & Program Premiums	4.42	4.26
	5. Trucking & Marketing	4.48	1.84
	6. Fuel	14.90	18.96
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	12.17	9.16
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	5.05	6.39
	11. Custom Work & Specialized Labour	7.86	1.12
	12. Operating Interest Paid	.68	.08
	13. Paid Labour & Benefits	5.60	4.12
	14. Unpaid Labour	7.16	7.85
VARIABLE COSTS		144.76	128.21
(C)	1. Cash/Share Rent & Land Lease	12.81	1.61
	2. Taxes, Water Rates, Lic. & Insurance	2.94	3.79
	3. Equipment & Building a) Depreciation	21.49	26.59
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	5.09	6.92
TOTAL CAPITAL COSTS		42.33	38.91
(D)	CASH COSTS (B+C-B14-C3)	158.43	132.68
(E)	TOTAL PRODUCTION COSTS (B+C)	187.09	167.12
(F)	GROSS MARGIN (A-D)	38.69	115.10
	RETURN TO UNPAID LABOUR(A-E+B14)	17.20	88.51
	RETURN TO INVESTMENT (A-E+C4)	15.12	87.58
	RETURN TO EQUITY (A-E)	10.03	80.66
INVESTMENT			
	Land	203.94	339.87
	Buildings	50.93	47.84
	Machinery	214.56	269.59
	Irr. Mach.	.00	.00
TOTAL		469.43	657.30
MANAGEMENT			
	Yield Per Acre (Bushel)	66.03	79.69
	Expected Market Price Per Bushel	2.92	3.00

2008 Crops Enterprise Analysis

Peace Region Own Dryland Feed Barley

Acres Cropped: 169.80

Enterprises: 5

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	39,362.04	231.81	2.97
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	1,512.92	8.91	
	GROSS RETURN	40,874.96	240.72	3.08
(B)	1. Seed & Seed Cleaning	1,783.10	10.50	
	2. Fertilizer Rates: 73N 16P	8,617.63	50.75	
	3. Chemicals	2,928.45	17.25	
	4. Hail / Crop Insurance & Program Premiums	535.59	3.15	
	5. Trucking & Marketing	519.44	3.06	
	6. Fuel	2,903.05	17.10	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,251.68	7.37	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	983.05	5.79	
	11. Custom Work & Specialized Labour	351.00	2.07	
	12. Operating Interest Paid	13.05	.08	
	13. Paid Labour & Benefits (22.35 hours)	432.48	2.55	
	14. Unpaid Labour (137.92 hours)	1,379.19	8.12	
	VARIABLE COSTS	21,697.71	127.78	1.64
(C)	1. Cash/Share Rent & Land Lease	.00	.00	
	2. Taxes, Water Rates, Lic. & Insurance	709.89	4.18	
	3. Equipment & Building a) Depreciation	4,491.35	26.45	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	1,244.89	7.33	
	TOTAL CAPITAL COSTS	6,446.13	37.96	.49
(D)	CASH COSTS (B+C-B14-C3)	22,273.31	131.17	1.68
(E)	TOTAL PRODUCTION COSTS (B+C)	28,143.84	165.75	2.12
(F)	GROSS MARGIN (A-D)	18,601.66	109.55	1.40
	RETURN TO UNPAID LABOUR(A-E+B14)	14,110.31	83.10	1.06
	RETURN TO INVESTMENT (A-E+C4) 11.3 %	13,976.01	82.31	1.05
	RETURN TO EQUITY (A-E)	12,731.12	74.98	.96
INVESTMENT				
	Land	69,870.00	411.48	
	Buildings	8,668.50	51.05	
	Machinery	44,921.37	264.55	
	Irr. Machinery	.00	.00	
	TOTAL	123,459.87	727.09	
MANAGEMENT				
	Yield Per Acre (Bushel)		78.15	
	Expected Market Price Per Bushel		2.97	

2008 Crops Enterprise Analysis

Peace Region Rent Dryland Feed Barley

Acres Cropped: 78.55

Enterprises: 11

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	12,117.64	154.28	2.85
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00	
	GROSS RETURN	12,117.64	154.28	2.85
(B)	1. Seed & Seed Cleaning	947.27	12.06	
	2. Fertilizer Rates: 72N 25P 13K	4,094.18	52.13	
	3. Chemicals	1,737.20	22.12	
	4. Hail / Crop Insurance & Program Premiums	444.51	5.66	
	5. Trucking & Marketing	462.15	5.88	
	6. Fuel	1,000.11	12.73	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,326.75	16.89	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	339.74	4.33	
	11. Custom Work & Specialized Labour	1,064.28	13.55	
	12. Operating Interest Paid	99.79	1.27	
	13. Paid Labour & Benefits (36.80 hours)	675.24	8.60	
	14. Unpaid Labour (48.85 hours)	488.49	6.22	
	VARIABLE COSTS	12,679.71	161.43	2.98
(C)	1. Cash/Share Rent & Land Lease	1,995.46	25.41	
	2. Taxes, Water Rates, Lic. & Insurance	134.90	1.72	
	3. Equipment & Building a) Depreciation	1,305.40	16.62	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	226.67	2.89	
	TOTAL CAPITAL COSTS	3,662.42	46.63	.86
(D)	CASH COSTS (B+C-B14-C3)	14,548.25	185.22	3.42
(E)	TOTAL PRODUCTION COSTS (B+C)	16,342.13	208.06	3.84
(F)	GROSS MARGIN (A-D)	(2,430.61)	(30.95)	(.57)
	RETURN TO UNPAID LABOUR(A-E+B14)	(3,736.01)	(47.56)	(.88)
	RETURN TO INVESTMENT (A-E+C4) -23.5 %	(3,997.83)	(50.90)	(.94)
	RETURN TO EQUITY (A-E)	(4,224.50)	(53.78)	(.99)
INVESTMENT				
	Land	.00	.00	
	Buildings	3,990.73	50.81	
	Machinery	12,993.57	165.43	
	Irr. Machinery	.00	.00	
	TOTAL	16,984.30	216.24	
MANAGEMENT				
	Yield Per Acre (Bushel)		54.11	
	Expected Market Price Per Bushel		2.85	

2008 Crops Enterprise Analysis

Peace Region Rent Dryland Liberty Link Canola

Acres Cropped: 101.67

Enterprises: 6

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	12,810.00	126.00	9.00
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00	
	GROSS RETURN	12,810.00	126.00	9.00
(B)	1. Seed & Seed Cleaning	3,558.33	35.00	
	2. Fertilizer Rates: 88N 25P 10S	5,591.67	55.00	
	3. Chemicals	2,409.50	23.70	
	4. Hail / Crop Insurance & Program Premiums	.00	.00	
	5. Trucking & Marketing	713.86	7.02	
	6. Fuel	1,061.10	10.44	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,719.69	16.91	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	402.91	3.96	
	11. Custom Work & Specialized Labour	1,643.95	16.17	
	12. Operating Interest Paid	153.92	1.51	
	13. Paid Labour & Benefits (46.58 hours)	844.36	8.31	
	14. Unpaid Labour (60.85 hours)	608.51	5.99	
	VARIABLE COSTS	18,707.80	184.01	13.14
(C)	1. Cash/Share Rent & Land Lease	2,951.82	29.03	
	2. Taxes, Water Rates, Lic. & Insurance	176.99	1.74	
	3. Equipment & Building a) Depreciation	1,656.19	16.29	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	312.97	3.08	
	TOTAL CAPITAL COSTS	5,097.96	50.14	3.58
(D)	CASH COSTS (B+C-B14-C3)	21,541.07	211.88	15.13
(E)	TOTAL PRODUCTION COSTS (B+C)	23,805.76	234.16	16.73
(F)	GROSS MARGIN (A-D)	(8,731.07)	(85.88)	(6.13)
	RETURN TO UNPAID LABOUR(A-E+B14)	(10,387.25)	(102.17)	(7.30)
	RETURN TO INVESTMENT (A-E+C4) -49.0 %	(10,682.79)	(105.08)	(7.51)
	RETURN TO EQUITY (A-E)	(10,995.76)	(108.16)	(7.73)
INVESTMENT				
	Land	.00	.00	
	Buildings	5,370.43	52.82	
	Machinery	16,435.55	161.66	
	Irr. Machinery	.00	.00	
	TOTAL	21,805.98	214.49	
MANAGEMENT				
	Yield Per Acre (Bushel)		14.00	
	Expected Market Price Per Bushel		9.00	

AgriProfit\$ 2008 Crops Enterprise Analysis

Peace Region Dryland Roundup Ready Canola		Group AVG	Top 1/3 AVG
Acres Cropped:		203.00	200.00
Enterprises:		4	1
		\$/Acre	\$/Acre
(A)	1. Crop Sales - Imputed Value of Production	317.00	400.00
	2. Crop Insurance Receipts	.00	.00
	3. Miscellaneous Receipts	.00	.00
	4. Government Program	.00	.00
	5. Additional Revenue from Straw / Aftermath Grazing	.98	.00
GROSS RETURN		317.98	400.00
(B)	1. Seed & Seed Cleaning	21.60	28.00
	2. Fertilizer	61.09	55.00
	3. Chemicals	27.77	19.00
	4. Hail / Crop Insurance & Program Premiums	7.68	8.91
	5. Trucking & Marketing	2.10	.00
	6. Fuel	19.26	16.42
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	9.90	3.25
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	5.80	8.39
	11. Custom Work & Specialized Labour	3.48	.00
	12. Operating Interest Paid	.09	.00
	13. Paid Labour & Benefits	4.63	.00
	14. Unpaid Labour	8.13	5.77
VARIABLE COSTS		171.53	144.75
(C)	1. Cash/Share Rent & Land Lease	.00	.00
	2. Taxes, Water Rates, Lic. & Insurance	3.54	5.93
	3. Equipment & Building a) Depreciation	24.21	44.69
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	7.68	5.79
TOTAL CAPITAL COSTS		35.43	56.41
(D)	CASH COSTS (B+C-B14-C3)	174.61	150.69
(E)	TOTAL PRODUCTION COSTS (B+C)	206.95	201.15
(F)	GROSS MARGIN (A-D)	143.37	249.31
	RETURN TO UNPAID LABOUR(A-E+B14)	119.16	204.62
	RETURN TO INVESTMENT (A-E+C4)	118.71	204.63
	RETURN TO EQUITY (A-E)	111.03	198.85
INVESTMENT			
	Land	404.93	400.00
	Buildings	49.29	37.40
	Machinery	242.54	474.80
	Irr. Mach.	.00	.00
TOTAL		696.76	912.20
MANAGEMENT			
	Yield Per Acre (Bushel)	32.42	40.00
	Expected Market Price Per Bushel	9.78	10.00

2008 Crops Enterprise Analysis

Peace Region Own Dryland Roundup Ready Canola

Acres Cropped: 203.00

Enterprises: 4

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	64,351.82	317.00	9.78
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	198.67	.98	
	GROSS RETURN	64,550.50	317.98	9.81
(B)	1. Seed & Seed Cleaning	4,385.44	21.60	
	2. Fertilizer Rates: 82N 25P 14S	12,400.32	61.09	
	3. Chemicals	5,637.30	27.77	
	4. Hail / Crop Insurance & Program Premiums	1,559.21	7.68	
	5. Trucking & Marketing	425.31	2.10	
	6. Fuel	3,910.10	19.26	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	2,009.98	9.90	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	1,177.00	5.80	
	11. Custom Work & Specialized Labour	707.33	3.48	
	12. Operating Interest Paid	17.82	.09	
	13. Paid Labour & Benefits (48.57 hours)	939.74	4.63	
	14. Unpaid Labour (165.04 hours)	1,650.39	8.13	
	VARIABLE COSTS	34,819.94	171.53	5.29
(C)	1. Cash/Share Rent & Land Lease	.00	.00	
	2. Taxes, Water Rates, Lic. & Insurance	718.11	3.54	
	3. Equipment & Building a) Depreciation	4,915.13	24.21	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	1,558.40	7.68	
	TOTAL CAPITAL COSTS	7,191.64	35.43	1.09
(D)	CASH COSTS (B+C-B14-C3)	35,446.07	174.61	5.39
(E)	TOTAL PRODUCTION COSTS (B+C)	42,011.58	206.95	6.38
(F)	GROSS MARGIN (A-D)	29,104.43	143.37	4.42
	RETURN TO UNPAID LABOUR(A-E+B14)	24,189.31	119.16	3.68
	RETURN TO INVESTMENT (A-E+C4) 17.0 %	24,097.32	118.71	3.66
	RETURN TO EQUITY (A-E)	22,538.92	111.03	3.43
INVESTMENT				
	Land	82,200.00	404.93	
	Buildings	10,006.57	49.29	
	Machinery	49,236.04	242.54	
	Irr. Machinery	.00	.00	
	TOTAL	141,442.61	696.76	
MANAGEMENT				
	Yield Per Acre (Bushel)		32.42	
	Expected Market Price Per Bushel		9.78	

2008 Crops Enterprise Analysis

Peace Region Dryland Grass Seed

Acres Cropped: 142.00

Enterprises: 3

		Total \$	\$/Acre	\$/Pound
(A)	1. Crop Sales - Imputed Value of Production	22,242.83	156.64	.80
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	4,980.00	35.07	
	GROSS RETURN	27,222.83	191.71	.98
(B)	1. Seed & Seed Cleaning	.00	.00	
	2. Fertilizer Rates: 72N	5,423.00	38.19	
	3. Chemicals	2,156.67	15.19	
	4. Hail / Crop Insurance & Program Premiums	.00	.00	
	5. Trucking & Marketing	833.02	5.87	
	6. Fuel	1,805.42	12.71	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,514.03	10.66	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	780.19	5.49	
	11. Custom Work & Specialized Labour	1,919.81	13.52	
	12. Operating Interest Paid	169.87	1.20	
	13. Paid Labour & Benefits (34.52 hours)	625.66	4.41	
	14. Unpaid Labour (144.71 hours)	1,447.06	10.19	
	VARIABLE COSTS	16,674.73	117.43	.60
(C)	1. Cash/Share Rent & Land Lease	2,867.64	20.19	
	2. Taxes, Water Rates, Lic. & Insurance	475.76	3.35	
	3. Equipment & Building a) Depreciation	2,356.69	16.60	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	2,345.93	16.52	
	TOTAL CAPITAL COSTS	8,046.02	56.66	.29
(D)	CASH COSTS (B+C-B14-C3)	20,916.99	147.30	.76
(E)	TOTAL PRODUCTION COSTS (B+C)	24,720.75	174.09	.89
(F)	GROSS MARGIN (A-D)	6,305.84	44.41	.23
	RETURN TO UNPAID LABOUR(A-E+B14)	3,949.15	27.81	.14
	RETURN TO INVESTMENT (A-E+C4) 8.7 %	4,848.02	34.14	.18
	RETURN TO EQUITY (A-E)	2,502.09	17.62	.09
INVESTMENT				
	Land	23,333.33	164.32	
	Buildings	10,331.89	72.76	
	Machinery	21,822.15	153.68	
	Irr. Machinery	.00	.00	
	TOTAL	55,487.38	390.76	
MANAGEMENT				
	Yield Per Acre (Pound)		195.00	
	Expected Market Price Per Pound		.80	

**2008 Crops Enterprise Analysis
Peace Region Dryland Alfalfa Hay**

Acres Cropped: 220.33

Enterprises: 3

		Total \$	\$/Acre	\$/Tonne
(A)	1. Crop Sales - Imputed Value of Production	15,403.67	69.91	46.44
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00	
	GROSS RETURN	15,403.67	69.91	46.44
(B)	1. Seed & Seed Cleaning	.00	.00	
	2. Fertilizer Rates:	.00	.00	
	3. Chemicals	.00	.00	
	4. Hail / Crop Insurance & Program Premiums	147.98	.67	
	5. Trucking & Marketing	289.00	1.31	
	6. Fuel	3,865.56	17.54	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,806.34	8.20	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	1,290.62	5.86	
	11. Custom Work & Specialized Labour	.00	.00	
	12. Operating Interest Paid	.42	.00	
	13. Paid Labour & Benefits (48.50 hours)	938.54	4.26	
	14. Unpaid Labour (129.47 hours)	1,294.66	5.88	
	VARIABLE COSTS	9,633.12	43.72	29.04
(C)	1. Cash/Share Rent & Land Lease	2,366.07	10.74	
	2. Taxes, Water Rates, Lic. & Insurance	437.79	1.99	
	3. Equipment & Building a) Depreciation	2,938.09	13.33	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	846.19	3.84	
	TOTAL CAPITAL COSTS	6,588.13	29.90	19.86
(D)	CASH COSTS (B+C-B14-C3)	11,988.51	54.41	36.14
(E)	TOTAL PRODUCTION COSTS (B+C)	16,221.26	73.62	48.90
(F)	GROSS MARGIN (A-D)	3,415.16	15.50	10.30
	RETURN TO UNPAID LABOUR(A-E+B14)	477.07	2.17	1.44
	RETURN TO INVESTMENT (A-E+C4) .0 %	28.60	.13	.09
	RETURN TO EQUITY (A-E)	(817.59)	(3.71)	(2.46)
INVESTMENT				
	Land	57,466.67	260.82	
	Buildings	4,060.72	18.43	
	Machinery	29,115.07	132.14	
	Irr. Machinery	.00	.00	
	TOTAL	90,642.46	411.39	
MANAGEMENT				
	Yield Per Acre (Tonne)		1.51	
	Expected Market Price Per Tonne		46.44	

2008 Crops Enterprise Analysis

Peace Region Dryland Alfalfa/Grass Hay

Acres Cropped: 220.00

Enterprises: 8

		Total \$	\$/Acre	\$/Tonne
(A)	1. Crop Sales - Imputed Value of Production	15,217.02	69.17	47.06
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	699.02	3.18	
	GROSS RETURN	15,916.03	72.35	49.23
(B)	1. Seed & Seed Cleaning	.00	.00	
	2. Fertilizer Rates:	.00	.00	
	3. Chemicals	.00	.00	
	4. Hail / Crop Insurance & Program Premiums	51.86	.24	
	5. Trucking & Marketing	85.15	.39	
	6. Fuel	1,565.28	7.11	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,670.45	7.59	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	567.97	2.58	
	11. Custom Work & Specialized Labour	911.81	4.14	
	12. Operating Interest Paid	34.03	.15	
	13. Paid Labour & Benefits (36.11 hours)	609.11	2.77	
	14. Unpaid Labour (139.35 hours)	1,393.54	6.33	
	VARIABLE COSTS	6,889.21	31.31	21.31
(C)	1. Cash/Share Rent & Land Lease	3,421.63	15.55	
	2. Taxes, Water Rates, Lic. & Insurance	255.29	1.16	
	3. Equipment & Building a) Depreciation	1,629.12	7.41	
	b) Lease Payments	287.45	1.31	
	4. Paid Capital Interest	1,454.19	6.61	
	TOTAL CAPITAL COSTS	7,047.67	32.03	21.80
(D)	CASH COSTS (B+C-B14-C3)	10,914.22	49.61	33.76
(E)	TOTAL PRODUCTION COSTS (B+C)	13,936.88	63.35	43.11
(F)	GROSS MARGIN (A-D)	5,001.81	22.74	15.47
	RETURN TO UNPAID LABOUR(A-E+B14)	3,372.69	15.33	10.43
	RETURN TO INVESTMENT (A-E+C4) 9.5 %	3,433.35	15.61	10.62
	RETURN TO EQUITY (A-E)	1,979.15	9.00	6.12
INVESTMENT				
	Land	17,937.50	81.53	
	Buildings	2,212.67	10.06	
	Machinery	15,990.54	72.68	
	Irr. Machinery	.00	.00	
	TOTAL	36,140.72	164.28	
MANAGEMENT				
	Yield Per Acre (Tonne)		1.47	
	Expected Market Price Per Tonne		47.06	

AgriProfit\$ 2008 Crops Enterprise Analysis

Peace Region Dryland Alfalfa/Grass Hay		Group AVG	Top 1/3 AVG
Acres Cropped:		220.00	476.67
Enterprises:		8	3
		\$/Acre	\$/Acre
(A)	1. Crop Sales - Imputed Value of Production	69.17	69.11
	2. Crop Insurance Receipts	.00	.00
	3. Miscellaneous Receipts	.00	.00
	4. Government Program	.00	.00
	5. Additional Revenue from Straw / Aftermath Grazing	3.18	3.91
GROSS RETURN		72.35	73.02
(B)	1. Seed & Seed Cleaning	.00	.00
	2. Fertilizer	.00	.00
	3. Chemicals	.00	.00
	4. Hail / Crop Insurance & Program Premiums	.24	.00
	5. Trucking & Marketing	.39	.00
	6. Fuel	7.11	6.83
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	7.59	7.99
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	2.58	2.14
	11. Custom Work & Specialized Labour	4.14	.45
	12. Operating Interest Paid	.15	.00
	13. Paid Labour & Benefits	2.77	3.41
	14. Unpaid Labour	6.33	6.37
VARIABLE COSTS		31.31	27.19
(C)	1. Cash/Share Rent & Land Lease	15.55	16.87
	2. Taxes, Water Rates, Lic. & Insurance	1.16	1.02
	3. Equipment & Building a) Depreciation	7.41	7.05
	b) Lease Payments	1.31	1.61
	4. Paid Capital Interest	6.61	3.63
TOTAL CAPITAL COSTS		32.03	30.18
(D)	CASH COSTS (B+C-B14-C3)	49.61	43.95
(E)	TOTAL PRODUCTION COSTS (B+C)	63.35	57.37
(F)	GROSS MARGIN (A-D)	22.74	29.07
	RETURN TO UNPAID LABOUR(A-E+B14)	15.33	22.03
	RETURN TO INVESTMENT (A-E+C4)	15.61	19.29
	RETURN TO EQUITY (A-E)	9.00	15.66
INVESTMENT			
	Land	81.53	34.27
	Buildings	10.06	6.64
	Machinery	72.68	72.65
	Irr. Mach.	.00	.00
TOTAL		164.28	113.56
MANAGEMENT			
	Yield Per Acre (Tonne)	1.47	1.48
	Expected Market Price Per Tonne	47.06	46.78

2008 Crops Enterprise Analysis

Peace Region Own Dryland Alfalfa/Grass Hay

Acres Cropped: 68.00

Enterprises: 5

		Total \$	\$/Acre	\$/Tonne
(A)	1. Crop Sales - Imputed Value of Production	5,057.23	74.37	46.40
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00	
	GROSS RETURN	5,057.23	74.37	46.40
(B)	1. Seed & Seed Cleaning	.00	.00	
	2. Fertilizer Rates:	.00	.00	
	3. Chemicals	.00	.00	
	4. Hail / Crop Insurance & Program Premiums	82.98	1.22	
	5. Trucking & Marketing	136.24	2.00	
	6. Fuel	1,217.41	17.90	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	543.14	7.99	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	451.36	6.64	
	11. Custom Work & Specialized Labour	.00	.00	
	12. Operating Interest Paid	54.45	.80	
	13. Paid Labour & Benefits (0.00 hours)	.00	.00	
	14. Unpaid Labour (68.84 hours)	688.40	10.12	
	VARIABLE COSTS	3,173.98	46.68	29.12
(C)	1. Cash/Share Rent & Land Lease	.00	.00	
	2. Taxes, Water Rates, Lic. & Insurance	320.99	4.72	
	3. Equipment & Building a) Depreciation	1,261.80	18.56	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	1,548.94	22.78	
	TOTAL CAPITAL COSTS	3,131.73	46.05	28.73
(D)	CASH COSTS (B+C-B14-C3)	4,355.52	64.05	39.96
(E)	TOTAL PRODUCTION COSTS (B+C)	6,305.71	92.73	57.86
(F)	GROSS MARGIN (A-D)	701.71	10.32	6.44
	RETURN TO UNPAID LABOUR(A-E+B14)	(560.09)	(8.24)	(5.14)
	RETURN TO INVESTMENT (A-E+C4) .7 %	300.46	4.42	2.76
	RETURN TO EQUITY (A-E)	(1,248.48)	(18.36)	(11.46)
INVESTMENT				
	Land	28,700.00	422.06	
	Buildings	2,711.40	39.87	
	Machinery	11,371.52	167.23	
	Irr. Machinery	.00	.00	
	TOTAL	42,782.92	629.16	
MANAGEMENT				
	Yield Per Acre (Tonne)		1.60	
	Expected Market Price Per Tonne		46.40	

2008 Crops Enterprise Analysis

Peace Region Rent Dryland Alfalfa/Grass Hay

Acres Cropped: 473.33

Enterprises: 3

		Total \$	\$/Acre	\$/Tonne
(A)	1. Crop Sales - Imputed Value of Production	32,150.00	67.92	47.24
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	1,864.04	3.94	
	GROSS RETURN	34,014.04	71.86	49.98
(B)	1. Seed & Seed Cleaning	.00	.00	
	2. Fertilizer Rates:	.00	.00	
	3. Chemicals	.00	.00	
	4. Hail / Crop Insurance & Program Premiums	.00	.00	
	5. Trucking & Marketing	.00	.00	
	6. Fuel	2,145.05	4.53	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	3,549.31	7.50	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	762.33	1.61	
	11. Custom Work & Specialized Labour	2,431.50	5.14	
	12. Operating Interest Paid	.00	.00	
	13. Paid Labour & Benefits (96.28 hours)	1,624.29	3.43	
	14. Unpaid Labour (256.88 hours)	2,568.78	5.43	
	VARIABLE COSTS	13,081.26	27.64	19.22
(C)	1. Cash/Share Rent & Land Lease	9,124.33	19.28	
	2. Taxes, Water Rates, Lic. & Insurance	145.79	.31	
	3. Equipment & Building a) Depreciation	2,241.31	4.74	
	b) Lease Payments	766.52	1.62	
	4. Paid Capital Interest	1,296.28	2.74	
	TOTAL CAPITAL COSTS	13,574.24	28.68	19.95
(D)	CASH COSTS (B+C-B14-C3)	21,845.40	46.15	32.10
(E)	TOTAL PRODUCTION COSTS (B+C)	26,655.50	56.31	39.17
(F)	GROSS MARGIN (A-D)	12,168.64	25.71	17.88
	RETURN TO UNPAID LABOUR(A-E+B14)	9,927.33	20.97	14.59
	RETURN TO INVESTMENT (A-E+C4) 34.5 %	8,654.83	18.28	12.72
	RETURN TO EQUITY (A-E)	7,358.55	15.55	10.81
INVESTMENT				
	Land	.00	.00	
	Buildings	1,381.46	2.92	
	Machinery	23,688.91	50.05	
	Irr. Machinery	.00	.00	
	TOTAL	25,070.37	52.97	
MANAGEMENT				
	Yield Per Acre (Tonne)		1.44	
	Expected Market Price Per Tonne		47.24	

2008 Crops Enterprise Analysis

Peace Region Dryland Clover/Grass Hay

Acres Cropped: 126.50

Enterprises: 4

		Total \$	\$/Acre	\$/Tonne
(A)	1. Crop Sales - Imputed Value of Production	9,404.29	74.34	52.26
	2. Crop Insurance Receipts	.00	.00	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00	
	GROSS RETURN	9,404.29	74.34	52.26
(B)	1. Seed & Seed Cleaning	.00	.00	
	2. Fertilizer Rates:	.00	.00	
	3. Chemicals	.00	.00	
	4. Hail / Crop Insurance & Program Premiums	107.42	.85	
	5. Trucking & Marketing	.00	.00	
	6. Fuel	2,423.32	19.16	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	1,434.23	11.34	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	1,248.24	9.87	
	11. Custom Work & Specialized Labour	807.00	6.38	
	12. Operating Interest Paid	253.48	2.00	
	13. Paid Labour & Benefits (14.43 hours)	279.28	2.21	
	14. Unpaid Labour (131.55 hours)	1,315.49	10.40	
	VARIABLE COSTS	7,868.44	62.20	43.73
(C)	1. Cash/Share Rent & Land Lease	1,815.00	14.35	
	2. Taxes, Water Rates, Lic. & Insurance	310.79	2.46	
	3. Equipment & Building a) Depreciation	2,470.42	19.53	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	1,109.68	8.77	
	TOTAL CAPITAL COSTS	5,705.90	45.11	31.71
(D)	CASH COSTS (B+C-B14-C3)	9,788.43	77.38	54.40
(E)	TOTAL PRODUCTION COSTS (B+C)	13,574.34	107.31	75.44
(F)	GROSS MARGIN (A-D)	(384.14)	(3.04)	(2.13)
	RETURN TO UNPAID LABOUR(A-E+B14)	(2,854.56)	(22.57)	(15.86)
	RETURN TO INVESTMENT (A-E+C4) -5.9 %	(3,060.37)	(24.19)	(17.01)
	RETURN TO EQUITY (A-E)	(4,170.05)	(32.96)	(23.17)
INVESTMENT				
	Land	23,975.00	189.53	
	Buildings	7,090.67	56.05	
	Machinery	20,414.73	161.38	
	Irr. Machinery	.00	.00	
	TOTAL	51,480.41	406.96	
MANAGEMENT				
	Yield Per Acre (Tonne)		1.42	
	Expected Market Price Per Tonne		52.26	

AgriProfit\$ 2008 Crops Enterprise Analysis

Peace Region Dryland Clover/Grass Hay		Group AVG	Top 1/3 AVG
Acres Cropped:		126.50	171.00
Enterprises:		4	1
		\$/Acre	\$/Acre
(A)	1. Crop Sales - Imputed Value of Production	74.34	72.00
	2. Crop Insurance Receipts	.00	.00
	3. Miscellaneous Receipts	.00	.00
	4. Government Program	.00	.00
	5. Additional Revenue from Straw / Aftermath Grazing	.00	.00
GROSS RETURN		74.34	72.00
(B)	1. Seed & Seed Cleaning	.00	.00
	2. Fertilizer	.00	.00
	3. Chemicals	.00	.00
	4. Hail / Crop Insurance & Program Premiums	.85	1.03
	5. Trucking & Marketing	.00	.00
	6. Fuel	19.16	18.91
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	11.34	9.02
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	9.87	6.47
	11. Custom Work & Specialized Labour	6.38	.00
	12. Operating Interest Paid	2.00	.00
	13. Paid Labour & Benefits	2.21	6.53
	14. Unpaid Labour	10.40	4.46
VARIABLE COSTS		62.20	46.44
(C)	1. Cash/Share Rent & Land Lease	14.35	.00
	2. Taxes, Water Rates, Lic. & Insurance	2.46	1.35
	3. Equipment & Building a) Depreciation	19.53	12.82
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	8.77	3.76
TOTAL CAPITAL COSTS		45.11	17.93
(D)	CASH COSTS (B+C-B14-C3)	77.38	47.09
(E)	TOTAL PRODUCTION COSTS (B+C)	107.31	64.37
(F)	GROSS MARGIN (A-D)	(3.04)	24.91
	RETURN TO UNPAID LABOUR(A-E+B14)	(22.57)	12.09
	RETURN TO INVESTMENT (A-E+C4)	(24.19)	11.39
	RETURN TO EQUITY (A-E)	(32.96)	7.63
INVESTMENT			
	Land	189.53	400.00
	Buildings	56.05	16.34
	Machinery	161.38	129.89
	Irr. Mach.	.00	.00
TOTAL		406.96	546.23
MANAGEMENT			
	Yield Per Acre (Tonne)	1.42	1.52
	Expected Market Price Per Tonne	52.26	47.24

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