

AgriProfit\$

2010

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

**Peace Region
Grey Wooded Soil Zone**

Government of Alberta ■
Agriculture and Rural Development



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2010 Peace Region Grey Wooded Soil Zone

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OVERVIEW

2010 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 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.

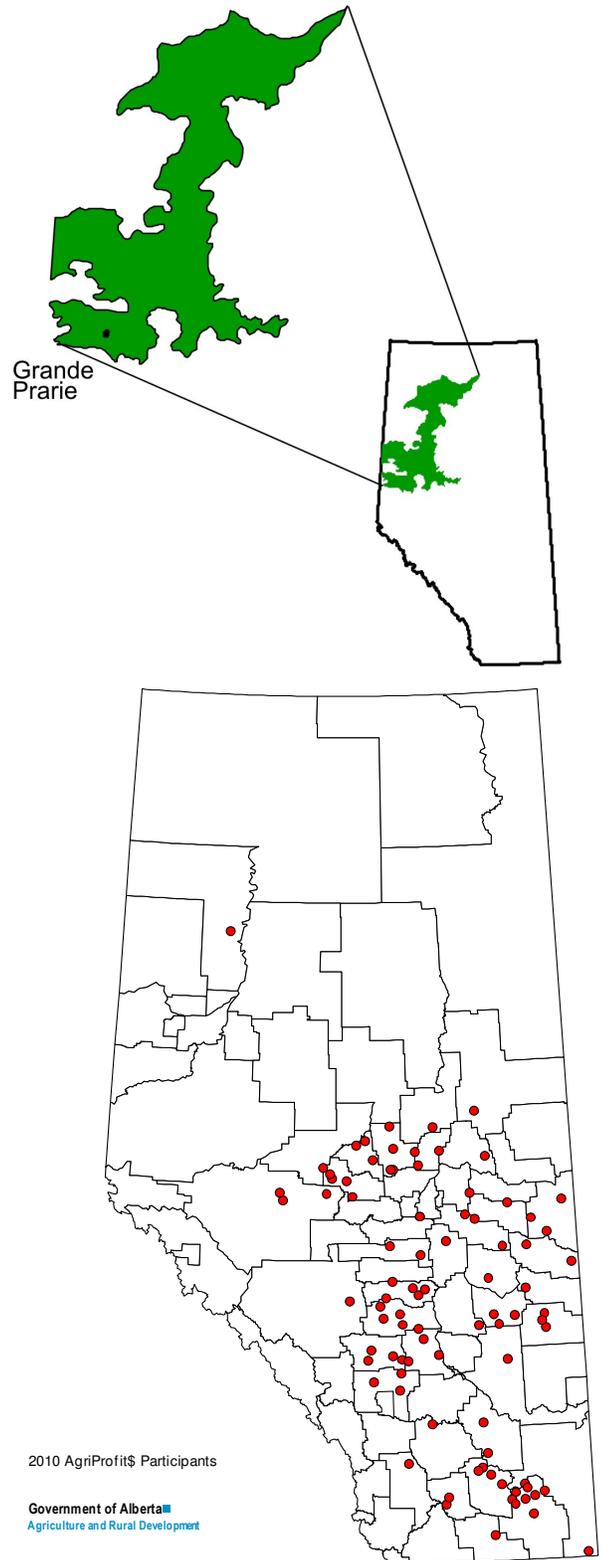
The top map shows the Peace Region in Alberta; this is the soil grouping method used for this study. Please note that farms highlighted within these zones may contain characteristics of neighbouring soil zones. The map on the bottom shows the distribution of the 2010 participants.

Questions or Comments:

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2010 Crops Enterprise Analysis

All Dryland Spring Wheat

Acres Cropped: 120.43

Enterprises: 7

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	24,085.71	200.00	8.00
	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	24,085.71	200.00	8.00
(B)	1. Seed & Seed Cleaning	2,167.71	18.00	
	2. Fertilizer Rates: 83N 26P 12S	4,215.00	35.00	
	3. Chemicals	3,372.00	28.00	
	4. Hail / Crop Insurance & Program Premiums	.00	.00	
	5. Trucking & Marketing	.00	.00	
	6. Fuel	623.82	5.18	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	825.72	6.86	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	393.97	3.27	
	11. Custom Work & Specialized Labour	1,204.29	10.00	
	12. Operating Interest Paid	155.69	1.29	
	13. Paid Labour & Benefits (30.20 hours)	1,354.53	11.25	
	14. Unpaid Labour (49.28 hours)	492.77	4.09	
	VARIABLE COSTS	14,805.50	122.94	4.92
(C)	1. Cash/Share Rent & Land Lease	3,210.43	26.66	
	2. Taxes, Water Rates, Lic. & Insurance	192.83	1.60	
	3. Equipment & Building a) Depreciation	2,177.08	18.08	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	254.64	2.11	
	TOTAL CAPITAL COSTS	5,834.97	48.45	1.94
(D)	CASH COSTS (B+C-B14-C3)	17,970.62	149.22	5.97
(E)	TOTAL PRODUCTION COSTS (B+C)	20,640.47	171.39	6.86
(F)	GROSS MARGIN (A-D)	6,115.09	50.78	2.03
	RETURN TO UNPAID LABOUR(A-E+B14)	3,938.02	32.70	1.31
	RETURN TO INVESTMENT (A-E+C4) 14.0 %	3,699.89	30.72	1.23
	RETURN TO EQUITY (A-E)	3,445.25	28.61	1.14
INVESTMENT				
	Land	.00	.00	
	Buildings	6,227.72	51.71	
	Machinery	20,203.12	167.76	
	Irr. Machinery	.00	.00	
	TOTAL	26,430.84	219.47	
MANAGEMENT				
	Yield Per Acre (Bushel)		25.00	
	Expected Market Price Per Bushel		8.00	

2010 Crops Enterprise Analysis

All Dryland Spring Wheat		Group AVG	Top 1/3 AVG
Acres Cropped:		120.43	71.00
Enterprises:		7	2
		\$/Acre	\$/Acre
(A)	1. Crop Sales - Imputed Value of Production	200.00	200.00
	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		200.00	200.00
(B)	1. Seed & Seed Cleaning	18.00	18.00
	2. Fertilizer	35.00	35.00
	3. Chemicals	28.00	28.00
	4. Hail / Crop Insurance & Program Premiums	.00	.00
	5. Trucking & Marketing	.00	.00
	6. Fuel	5.18	5.18
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	6.86	6.86
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	3.27	3.27
	11. Custom Work & Specialized Labour	10.00	10.00
	12. Operating Interest Paid	1.29	1.29
	13. Paid Labour & Benefits	11.25	11.25
	14. Unpaid Labour	4.09	4.09
VARIABLE COSTS		122.94	122.94
(C)	1. Cash/Share Rent & Land Lease	26.66	25.00
	2. Taxes, Water Rates, Lic. & Insurance	1.60	1.60
	3. Equipment & Building	18.08	18.08
	a) Depreciation		
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	2.11	2.11
TOTAL CAPITAL COSTS		48.45	46.79
(D)	CASH COSTS (B+C-B14-C3)	149.22	147.56
(E)	TOTAL PRODUCTION COSTS (B+C)	171.39	169.73
(F)	GROSS MARGIN (A-D)	50.78	52.44
	RETURN TO UNPAID LABOUR(A-E+B14)	32.70	34.36
	RETURN TO INVESTMENT (A-E+C4)	30.72	32.38
	RETURN TO EQUITY (A-E)	28.61	30.27
INVESTMENT			
	Land	.00	.00
	Buildings	51.71	51.71
	Machinery	167.76	167.76
	Irr. Mach.	.00	.00
TOTAL		219.47	219.47
MANAGEMENT			
	Yield Per Acre (Bushel)	25.00	25.00
	Expected Market Price Per Bushel	8.00	8.00

2010 Crops Enterprise Analysis

All Dryland Feed Barley

Acres Cropped: 107.00

Enterprises: 8

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	15,370.59	143.65	3.50
	2. Crop Insurance Receipts	5,370.00	50.19	
	3. Miscellaneous Receipts	.00	.00	
	4. Government Program	.00	.00	
	5. Additional Revenue from Straw / Aftermath Grazing	380.63	3.56	
GROSS RETURN		21,121.22	197.39	4.81
(B)	1. Seed & Seed Cleaning	1,226.88	11.47	
	2. Fertilizer Rates: 80N 27P 10S	4,032.00	37.68	
	3. Chemicals	2,773.05	25.92	
	4. Hail / Crop Insurance & Program Premiums	1,432.00	13.38	
	5. Trucking & Marketing	229.83	2.15	
	6. Fuel	627.17	5.86	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	863.83	8.07	
	9. Repairs - Buildings	78.57	.73	
	10. Utilities & Miscellaneous Expenses	400.27	3.74	
	11. Custom Work & Specialized Labour	950.13	8.88	
	12. Operating Interest Paid	116.40	1.09	
	13. Paid Labour & Benefits (33.08 hours)	1,230.24	11.50	
	14. Unpaid Labour (52.24 hours)	522.35	4.88	
VARIABLE COSTS		14,482.73	135.35	3.30
(C)	1. Cash/Share Rent & Land Lease	2,511.50	23.47	
	2. Taxes, Water Rates, Lic. & Insurance	236.07	2.21	
	3. Equipment & Building a) Depreciation	2,481.35	23.19	
	b) Lease Payments	.00	.00	
4. Paid Capital Interest	189.24	1.77		
TOTAL CAPITAL COSTS		5,418.16	50.64	1.23
(D)	CASH COSTS (B+C-B14-C3)	16,897.18	157.92	3.85
(E)	TOTAL PRODUCTION COSTS (B+C)	19,900.89	185.99	4.53
(F)	GROSS MARGIN (A-D)	4,224.04	39.48	.96
	RETURN TO UNPAID LABOUR(A-E+B14)	1,742.69	16.29	.40
	RETURN TO INVESTMENT (A-E+C4) 3.6 %	1,409.57	13.17	.32
	RETURN TO EQUITY (A-E)	1,220.33	11.40	.28
INVESTMENT				
	Land	8,750.00	81.78	
	Buildings	6,847.20	63.99	
	Machinery	23,770.35	222.15	
	Irr. Machinery	.00	.00	
	TOTAL	39,367.54	367.92	
MANAGEMENT				
	Yield Per Acre (Bushel)		41.06	
	Expected Market Price Per Bushel		3.50	

2010 Crops Enterprise Analysis

All Dryland Feed Barley		Group AVG	Top 1/3 AVG
Acres Cropped:		107.00	106.33
Enterprises:		8	3
		\$/Acre	\$/Acre
(A)	1. Crop Sales - Imputed Value of Production	143.65	213.25
	2. Crop Insurance Receipts	50.19	33.67
	3. Miscellaneous Receipts	.00	.00
	4. Government Program	.00	.00
	5. Additional Revenue from Straw / Aftermath Grazing	3.56	9.55
GROSS RETURN		197.39	256.46
(B)	1. Seed & Seed Cleaning	11.47	12.25
	2. Fertilizer	37.68	42.20
	3. Chemicals	25.92	22.41
	4. Hail / Crop Insurance & Program Premiums	13.38	8.98
	5. Trucking & Marketing	2.15	5.76
	6. Fuel	5.86	7.01
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	8.07	10.12
	9. Repairs - Buildings	.73	1.97
	10. Utilities & Miscellaneous Expenses	3.74	4.53
	11. Custom Work & Specialized Labour	8.88	6.99
	12. Operating Interest Paid	1.09	.74
	13. Paid Labour & Benefits	11.50	11.92
	14. Unpaid Labour	4.88	6.21
VARIABLE COSTS		135.35	141.10
(C)	1. Cash/Share Rent & Land Lease	23.47	15.85
	2. Taxes, Water Rates, Lic. & Insurance	2.21	3.22
	3. Equipment & Building	23.19	31.80
	a) Depreciation		
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	1.77	1.19
TOTAL CAPITAL COSTS		50.64	52.06
(D)	CASH COSTS (B+C-B14-C3)	157.92	155.15
(E)	TOTAL PRODUCTION COSTS (B+C)	185.99	193.15
(F)	GROSS MARGIN (A-D)	39.48	101.32
	RETURN TO UNPAID LABOUR(A-E+B14)	16.29	69.52
	RETURN TO INVESTMENT (A-E+C4)	13.17	64.50
	RETURN TO EQUITY (A-E)	11.40	63.31
INVESTMENT			
	Land	81.78	219.44
	Buildings	63.99	84.66
	Machinery	222.15	313.72
	Irr. Mach.	.00	.00
TOTAL		367.92	617.82
MANAGEMENT			
	Yield Per Acre (Bushel)	41.06	64.27
	Expected Market Price Per Bushel	3.50	3.32

2010 Crops Enterprise Analysis

Rented Dryland Feed Barley

Acres Cropped: 102.29

Enterprises: 7

	Total \$	\$/Acre	\$/Bushel
(A) 1. Crop Sales - Imputed Value of Production	12,508.39	122.29	3.75
2. Crop Insurance Receipts	6,137.14	60.00	
3. Miscellaneous Receipts	.00	.00	
4. Government Program	.00	.00	
5. Additional Revenue from Straw / Aftermath Grazing	.00	.00	
GROSS RETURN	18,645.54	182.29	5.59
(B) 1. Seed & Seed Cleaning	1,125.14	11.00	
2. Fertilizer Rates: 83N 26P 12S	3,580.00	35.00	
3. Chemicals	2,864.00	28.00	
4. Hail / Crop Insurance & Program Premiums	1,636.57	16.00	
5. Trucking & Marketing	.00	.00	
6. Fuel	529.84	5.18	
7. Irrigation Fuel & Electricity	.00	.00	
8. Repairs - Machine	701.32	6.86	
9. Repairs - Buildings	.00	.00	
10. Utilities & Miscellaneous Expenses	334.62	3.27	
11. Custom Work & Specialized Labour	1,022.86	10.00	
12. Operating Interest Paid	132.24	1.29	
13. Paid Labour & Benefits (25.65 hours)	1,150.47	11.25	
14. Unpaid Labour (41.85 hours)	418.53	4.09	
VARIABLE COSTS	13,495.59	131.94	4.05
(C) 1. Cash/Share Rent & Land Lease	2,870.29	28.06	
2. Taxes, Water Rates, Lic. & Insurance	163.78	1.60	
3. Equipment & Building a) Depreciation	1,849.09	18.08	
b) Lease Payments	.00	.00	
4. Paid Capital Interest	216.27	2.11	
TOTAL CAPITAL COSTS	5,099.43	49.85	1.53
(D) CASH COSTS (B+C-B14-C3)	16,327.39	159.63	4.89
(E) TOTAL PRODUCTION COSTS (B+C)	18,595.02	181.79	5.57
(F) GROSS MARGIN (A-D)	2,318.14	22.66	.69
RETURN TO UNPAID LABOUR(A-E+B14)	469.05	4.59	.14
RETURN TO INVESTMENT (A-E+C4) 1.2 %	266.79	2.61	.08
RETURN TO EQUITY (A-E)	50.52	.49	.02
INVESTMENT			
Land	.00	.00	
Buildings	5,289.50	51.71	
Machinery	17,159.47	167.76	
Irr. Machinery	.00	.00	
TOTAL	22,448.97	219.47	
MANAGEMENT			
Yield Per Acre (Bushel)		32.61	
Expected Market Price Per Bushel		3.75	

2010 Crops Enterprise Analysis

All Dryland Novel Trait Canola

Acres Cropped: 123.67

Enterprises: 3

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	29,626.67	239.57	11.00
	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	29,626.67	239.57	11.00
(B)	1. Seed & Seed Cleaning	4,266.50	34.50	
	2. Fertilizer Rates: 107N 33P 16S	5,565.00	45.00	
	3. Chemicals	4,127.99	33.38	
	4. Hail / Crop Insurance & Program Premiums	.00	.00	
	5. Trucking & Marketing	.00	.00	
	6. Fuel	640.60	5.18	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	847.92	6.86	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	404.56	3.27	
	11. Custom Work & Specialized Labour	1,236.67	10.00	
	12. Operating Interest Paid	159.88	1.29	
	13. Paid Labour & Benefits (31.02 hours)	1,390.95	11.25	
	14. Unpaid Labour (50.60 hours)	506.02	4.09	
	VARIABLE COSTS	19,146.08	154.82	7.11
(C)	1. Cash/Share Rent & Land Lease	1,946.67	15.74	
	2. Taxes, Water Rates, Lic. & Insurance	802.68	6.49	
	3. Equipment & Building a) Depreciation	2,235.61	18.08	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	1,094.82	8.85	
	TOTAL CAPITAL COSTS	6,079.77	49.16	2.26
(D)	CASH COSTS (B+C-B14-C3)	22,484.23	181.81	8.35
(E)	TOTAL PRODUCTION COSTS (B+C)	25,225.86	203.98	9.37
(F)	GROSS MARGIN (A-D)	7,142.44	57.76	2.65
	RETURN TO UNPAID LABOUR(A-E+B14)	4,906.83	39.68	1.82
	RETURN TO INVESTMENT (A-E+C4) 4.2 %	5,495.63	44.44	2.04
	RETURN TO EQUITY (A-E)	4,400.81	35.59	1.63
INVESTMENT				
	Land	104,000.00	840.97	
	Buildings	6,395.17	51.71	
	Machinery	20,746.34	167.76	
	Irr. Machinery	.00	.00	
	TOTAL	131,141.52	1,060.44	
MANAGEMENT				
	Yield Per Acre (Bushel)		21.78	
	Expected Market Price Per Bushel		11.00	

2010 Crops Enterprise Analysis

All Dryland Novel Trait Canola

Group AVG

Top 1/3 AVG

Acres Cropped:

123.67

60.00

Enterprises:

3

1

\$/Acre

\$/Acre

(A)	1. Crop Sales - Imputed Value of Production	239.57	341.00
	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	239.57	341.00
(B)	1. Seed & Seed Cleaning	34.50	34.50
	2. Fertilizer	45.00	45.00
	3. Chemicals	33.38	33.38
	4. Hail / Crop Insurance & Program Premiums	.00	.00
	5. Trucking & Marketing	.00	.00
	6. Fuel	5.18	5.18
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	6.86	6.86
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	3.27	3.27
	11. Custom Work & Specialized Labour	10.00	10.00
	12. Operating Interest Paid	1.29	1.29
	13. Paid Labour & Benefits	11.25	11.25
	14. Unpaid Labour	4.09	4.09
	VARIABLE COSTS	154.82	154.82
(C)	1. Cash/Share Rent & Land Lease	15.74	25.00
	2. Taxes, Water Rates, Lic. & Insurance	6.49	1.60
	3. Equipment & Building	18.08	18.08
	a) Depreciation		
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	8.85	2.11
	TOTAL CAPITAL COSTS	49.16	46.79
(D)	CASH COSTS (B+C-B14-C3)	181.81	179.44
(E)	TOTAL PRODUCTION COSTS (B+C)	203.98	201.61
(F)	GROSS MARGIN (A-D)	57.76	161.56
	RETURN TO UNPAID LABOUR(A-E+B14)	39.68	143.48
	RETURN TO INVESTMENT (A-E+C4)	44.44	141.50
	RETURN TO EQUITY (A-E)	35.59	139.39
INVESTMENT			
	Land	840.97	.00
	Buildings	51.71	51.71
	Machinery	167.76	167.76
	Irr. Mach.	.00	.00
	TOTAL	1,060.44	219.47
MANAGEMENT			
	Yield Per Acre (Bushel)	21.78	31.00
	Expected Market Price Per Bushel	11.00	11.00

2010 Crops Enterprise Analysis

All Dryland Liberty Link Canola

Acres Cropped: 110.00

Enterprises: 5

		Total \$	\$/Acre	\$/Bushel
(A)	1. Crop Sales - Imputed Value of Production	24,950.00	226.82	10.00
	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	24,950.00	226.82	10.00
(B)	1. Seed & Seed Cleaning	3,850.00	35.00	
	2. Fertilizer Rates: 107N 33P 16S	4,950.00	45.00	
	3. Chemicals	3,020.60	27.46	
	4. Hail / Crop Insurance & Program Premiums	.00	.00	
	5. Trucking & Marketing	.00	.00	
	6. Fuel	569.80	5.18	
	7. Irrigation Fuel & Electricity	.00	.00	
	8. Repairs - Machine	754.21	6.86	
	9. Repairs - Buildings	.00	.00	
	10. Utilities & Miscellaneous Expenses	359.85	3.27	
	11. Custom Work & Specialized Labour	1,100.00	10.00	
	12. Operating Interest Paid	142.21	1.29	
	13. Paid Labour & Benefits (27.59 hours)	1,237.23	11.25	
	14. Unpaid Labour (45.01 hours)	450.10	4.09	
	VARIABLE COSTS	16,434.01	149.40	6.59
(C)	1. Cash/Share Rent & Land Lease	3,080.00	28.00	
	2. Taxes, Water Rates, Lic. & Insurance	176.13	1.60	
	3. Equipment & Building a) Depreciation	1,988.55	18.08	
	b) Lease Payments	.00	.00	
	4. Paid Capital Interest	232.59	2.11	
	TOTAL CAPITAL COSTS	5,477.26	49.79	2.20
(D)	CASH COSTS (B+C-B14-C3)	19,472.63	177.02	7.80
(E)	TOTAL PRODUCTION COSTS (B+C)	21,911.27	199.19	8.78
(F)	GROSS MARGIN (A-D)	5,477.37	49.79	2.20
	RETURN TO UNPAID LABOUR(A-E+B14)	3,488.82	31.72	1.40
	RETURN TO INVESTMENT (A-E+C4) 13.6 %	3,271.31	29.74	1.31
	RETURN TO EQUITY (A-E)	3,038.73	27.62	1.22
INVESTMENT				
	Land	.00	.00	
	Buildings	5,688.43	51.71	
	Machinery	18,453.62	167.76	
	Irr. Machinery	.00	.00	
	TOTAL	24,142.05	219.47	
MANAGEMENT				
	Yield Per Acre (Bushel)		22.68	
	Expected Market Price Per Bushel		10.00	

2010 Crops Enterprise Analysis

All Dryland Liberty Link Canola

Group AVG

Top 1/3 AVG

Acres Cropped:

110.00

75.00

Enterprises:

5

2

\$/Acre

\$/Acre

(A)	1. Crop Sales - Imputed Value of Production	226.82	300.00
	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	226.82	300.00
(B)	1. Seed & Seed Cleaning	35.00	35.00
	2. Fertilizer	45.00	45.00
	3. Chemicals	27.46	27.46
	4. Hail / Crop Insurance & Program Premiums	.00	.00
	5. Trucking & Marketing	.00	.00
	6. Fuel	5.18	5.18
	7. Irrigation Fuel & Electricity	.00	.00
	8. Repairs - Machine	6.86	6.86
	9. Repairs - Buildings	.00	.00
	10. Utilities & Miscellaneous Expenses	3.27	3.27
	11. Custom Work & Specialized Labour	10.00	10.00
	12. Operating Interest Paid	1.29	1.29
	13. Paid Labour & Benefits	11.25	11.25
	14. Unpaid Labour	4.09	4.09
	VARIABLE COSTS	149.40	149.40
(C)	1. Cash/Share Rent & Land Lease	28.00	28.00
	2. Taxes, Water Rates, Lic. & Insurance	1.60	1.60
	3. Equipment & Building	18.08	18.08
	a) Depreciation		
	b) Lease Payments	.00	.00
	4. Paid Capital Interest	2.11	2.11
	TOTAL CAPITAL COSTS	49.79	49.79
(D)	CASH COSTS (B+C-B14-C3)	177.02	177.02
(E)	TOTAL PRODUCTION COSTS (B+C)	199.19	199.19
(F)	GROSS MARGIN (A-D)	49.79	122.98
	RETURN TO UNPAID LABOUR(A-E+B14)	31.72	104.90
	RETURN TO INVESTMENT (A-E+C4)	29.74	102.92
	RETURN TO EQUITY (A-E)	27.62	100.81
INVESTMENT			
	Land	.00	.00
	Buildings	51.71	51.71
	Machinery	167.76	167.76
	Irr. Mach.	.00	.00
	TOTAL	219.47	219.47
MANAGEMENT			
	Yield Per Acre (Bushel)	22.68	30.00
	Expected Market Price Per Bushel	10.00	10.00

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