



AgriProfit\$ Cost & Returns Profiles

Economics & Competitiveness

Dryland Oats Black Soils

16-July-12

AgriProfit\$ Benchmarks

AgriProfit\$ 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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AgriProfit\$ Cost & Returns Profiles					
Crop: Dryland Oats		Total Top 1/3rd		Total Top 1/3rd	
Zone: Black Soils		-- \$ / Acre --		-- \$ / Bushel --	
(A)	1. Crop Sales	180.09	192.04	2.44	2.36
	6. Other Revenues	27.50	15.82	0.37	0.19
	Gross Return	207.60	207.86	2.81	2.55
(B)	1. Seed	10.63	12.07	0.14	0.15
	2. Fertilizer	54.94	30.02	0.74	0.37
	3. Chemicals	15.14	13.19	0.20	0.16
	4. Crop Insurance Premiums	10.10	6.40	0.14	0.08
	5. Trucking & Marketing	3.06	2.37	0.04	0.03
	6. Fuel	14.98	16.61	0.20	0.20
	7. Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	14.12	24.90	0.19	0.31
	9. Repairs - Buildings	4.50	0.68	0.06	0.01
	10. Utilities & Misc. Expenses	19.59	17.51	0.26	0.22
	11. Custom Work & Specialized Labour	7.05	7.58	0.10	0.09
	12. Operating Interest Paid	2.84	3.76	0.04	0.05
	13. Paid Labour & Benefits	13.89	3.33	0.19	0.04
	14. Unpaid Labour	10.31	8.83	0.14	0.11
	Variable Costs	181.15	147.26	2.45	1.81
(C)	1. Cash/Share Rent & Land Lease	7.45	8.86	0.10	0.11
	2. Taxes, Water Rates, Lic. & Insurance	6.63	6.22	0.09	0.08
	3. Equip. & Bldg. a) Depreciation	42.35	31.18	0.57	0.38
	b) Lease Payments	0.29	0.00	0.00	0.00
	4. Paid Capital Interest	5.59	2.81	0.08	0.03
	Total Capital Costs	62.30	49.06	0.84	0.60
(D)	Cash Costs (B+C-B14-C3)	190.80	156.30	2.58	1.92
(E)	Total Production Costs (B+C)	243.46	196.32	3.29	2.41
(F)	Gross Margin (A-D)	16.80	51.56	0.23	0.63
	Return to Unpaid Labour (A-E+B14)	(25.55)	20.38	(0.35)	0.25
	Return to Investment (A-E+C4)	(30.27)	14.35	(0.41)	0.18
	Return to Equity (A-E)	(35.86)	11.54	(0.48)	0.14
	Return on Investment (%)	(1.4)	0.8		
	Total Investment (\$/acre)	2,183	1,820		
	Management				
	Average field size (acres)	114.4	117.4		
	Number of Observations	15	5		
	Yield (Bushels/acre)	73.95	81.36		
	Expected Price (\$/Bushel)	2.44	2.36		

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

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

Descriptive Statistics: Oats Production - Total Group

	Quartiles		Group Average	CV (%)
	Low	High		
Crop: Dryland Oats				
Zone: Black Soils				
Price (\$/Bushel)	2.00	2.55	2.44	31.0
Yield (Bushel/Acre)	72.50	100.70	73.95	29.5
----- \$ / Acre -----				
Gross Revenue	180.95	283.12	207.60	49.1
Seed, Fert, Chem	62.66	125.58	80.71	46.4
Oth. Variable Costs	80.38	113.15	100.44	24.8
Fixed Costs	47.10	71.94	62.30	39.3
Total Production Costs	195.55	287.65	243.46	31.3
Total Cash Costs	155.89	239.63	190.80	34.1
Gross Margin	(30.98)	106.93	16.80	549.8
Return to Equity	(87.11)	79.37	(35.86)	(278.8)

