



AgriProfit\$ Cost & Returns Profiles

Economics & Competitiveness

Dryland Oats Grey-Wooded (South) Soils

16-July-12

AgriProfit\$
Benchmarks

A *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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<i>AgriProfit\$</i> Cost & Returns Profiles					
Crop: Dryland Oats		Total Top 1/3rd		Total Top 1/3rd	
Zone: GreyWooded (South)		-- \$ / Acre --		-- \$ / Bushel --	
(A) 1.	Crop Sales	285.31	315.58	2.83	2.80
6.	Other Revenues	24.98	21.48	0.25	0.19
	Gross Return	310.30	337.06	3.07	2.99
(B) 1.	Seed	11.18	11.26	0.11	0.10
2.	Fertilizer	46.79	53.96	0.46	0.48
3.	Chemicals	11.04	12.52	0.11	0.11
4.	Crop Insurance Premiums	7.68	4.09	0.08	0.04
5.	Trucking & Marketing	4.26	7.15	0.04	0.06
6.	Fuel	15.24	14.30	0.15	0.13
7.	Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
8.	Repairs - Machinery	9.52	5.92	0.09	0.05
9.	Repairs - Buildings	0.66	0.71	0.01	0.01
10.	Utilities & Misc. Expenses	10.30	8.56	0.10	0.08
11.	Custom Work & Specialized Labour	1.78	1.44	0.02	0.01
12.	Operating Interest Paid	1.61	1.93	0.02	0.02
13.	Paid Labour & Benefits	4.69	6.51	0.05	0.06
14.	Unpaid Labour	10.67	8.80	0.11	0.08
	Variable Costs	135.42	137.15	1.34	1.22
(C) 1.	Cash/Share Rent & Land Lease	9.49	7.64	0.09	0.07
2.	Taxes, Water Rates, Lic. & Insurance	5.54	4.16	0.05	0.04
3.	Equip. & Bldg. a) Depreciation	30.10	22.76	0.30	0.20
	b) Lease Payments	2.85	2.95	0.03	0.03
4.	Paid Capital Interest	7.44	8.41	0.07	0.07
	Total Capital Costs	55.41	45.91	0.55	0.41
(D)	Cash Costs (B+C-B14-C3)	150.06	151.50	1.49	1.34
(E)	Total Production Costs (B+C)	190.83	183.06	1.89	1.62
(F)	Gross Margin (A-D)	160.24	185.56	1.59	1.64
	Return to Unpaid Labour (A-E+B14)	130.14	162.80	1.29	1.44
	Return to Investment (A-E+C4)	126.90	162.41	1.26	1.44
	Return to Equity (A-E)	119.47	154.00	1.18	1.36
	Return on Investment (%)	10.0	12.9		
	Total Investment (\$/acre)	1,265	1,264		
	Management				
	Average field size (acres)	78.1	101.5		
	Number of Observations	22	8		
	Yield (Bushels/acre)	100.92	112.86		
	Expected Price (\$/Bushel)	2.83	2.80		

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

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

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Descriptive Statistics: Oats Production - Total Group

Crop: Dryland Oats Zone: GreyWooded (South)	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	2.25	3.30	2.83	23.5
Yield (Bushel/Acre)	69.50	108.75	100.92	29.4
----- \$ / Acre -----				
Gross Revenue	194.56	368.49	310.30	36.7
Seed, Fert, Chem	46.00	81.01	69.01	45.9
Oth. Variable Costs	49.80	99.26	66.40	49.2
Fixed Costs	34.55	78.75	55.41	56.2
Total Production Costs	156.06	248.12	190.83	30.9
Total Cash Costs	121.02	177.69	150.06	28.2
Gross Margin	56.47	261.17	160.24	81.6
Return to Equity	(29.00)	242.04	119.47	127.5

