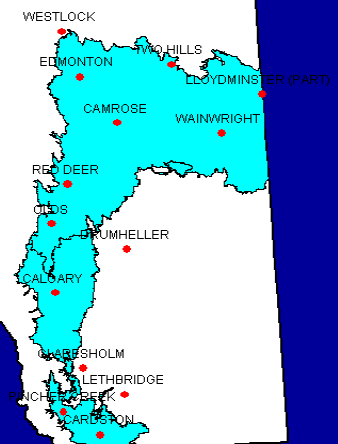


AgriProfit\$

Economics & Competitiveness

2006 Cost and Return Guide

Black Soil Zone



2006 Production Costs and Returns (\$/Acre)

Black Soils

<i>AgriProfit</i> \$	Spring Wheat #2 11.5 %	CPS Wheat #1 CPSR	Feed Barley	Malt Barley 2 row	Milling Oats	H.T. Canola	Feed Peas	Mixed Hay	Export Timothy	Alfalfa Hay	Cereal Silage	
Yield per Acre	55 bu	60 bu	70 bu	65 bu	85 bu	45 bu	45 bu	2.25 t	2.25 t	2.00 t	7.00 t	<i>Cost Assumptions</i>
Exp. Market Price (\$/Unit)	3.40	3.00	2.40	2.70	1.90	5.50	3.50	50.00	118.50 *	60.00	20.00	
Crop Sales	187.00	180.00	168.00	175.50	161.50	247.50	157.50	112.50	266.63	120.00	140.00	Nitrogen Cost \$0.47/lb. actual N
Direct Expenses:												
Seed (Incl. tmt. and cleaning)	12.50	14.50	11.00	10.00	12.00	25.00	27.00	4.00	1.25	5.00	11.00	Phosphorus Cost \$0.41/lb actual P
Fertilizer - Nitrogen	33.00	33.00	33.00	33.00	33.00	42.00	0.00	19.00	40.00	0.00	33.00	Potassium Cost \$0.23/lb. actual K
- Phosphorous	10.00	10.00	10.00	10.00	10.00	10.00	21.00	10.00	8.00	10.00	10.00	
- Potassium	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00	4.50	1.00	1.00	
- Sulphur	1.50	1.50	1.50	1.50	1.50	6.00	3.00	3.00	3.00	6.00	3.00	
Total Fertilizer	45.50	45.50	45.50	45.50	45.50	59.00	36.00	33.00	55.50	17.00	47.00	Sulphur Cost \$0.31/lb. actual S
Chemicals - Pre-Seed	4.50	4.50	4.50	4.50	4.50	4.50	4.50	1.00	5.00	1.00	0.00	
- In Crop	23.00	23.00	20.00	23.00	7.50	25.00	25.00	0.00	10.00	0.00	7.50	Crop insurance rates at 70% with Spring Price Endorsement.
- Pre-Harvest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Crop Insurance	7.00	8.00	7.00	7.00	9.00	8.00	8.50	9.00	10.50	0.00	7.00	
Trucking and Marketing	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	17.00	0.00	0.00	Preseed for timothy includes glyphosate amortized over 4 years.
Fuel, Oil & Lube.	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00	10.00	10.00	
Machinery Repairs	9.50	9.50	9.50	9.50	9.50	9.50	9.50	4.00	4.00	4.00	4.00	
Building Repairs	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.50	0.50	0.50	0.50	
Custom Work	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	10.00	2.50	2.50	Operating Interest 5.25% per annum
Labour	14.50	14.50	14.50	14.50	14.50	14.50	14.50	7.00	20.00	7.00	7.00	
Utilities & Miscellaneous	7.00	7.00	7.00	7.00	7.00	7.00	7.00	3.00	3.00	3.00	3.00	
Operating Interest	2.24	2.30	2.13	2.18	1.82	2.98	2.43	1.00	1.88	0.60	1.72	
Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.75	0.00	0.00	
Total Direct Expense	141.74	144.80	137.13	139.18	127.32	171.48	150.43	75.00	182.38	50.60	101.22	
Contribution Margin	45.26	35.20	30.87	36.32	34.18	76.02	7.07	37.50	84.24	69.40	38.78	

Total Cost per Unit	\$3.96	\$3.68	\$3.04	\$3.31	\$2.39	\$5.50	\$5.03	\$67.11	\$114.84	\$63.30	\$25.32
Breakeven yield	64.0	73.6	88.8	79.7	107.0	45.0	64.7	3.02	2.18	2.11	8.86

Capital Costs	
Land Rent	36
Licenses and Insurance	4
Depreciation	30
Paid Capital Interest	6
Total Capital Costs	76

The contribution margin represents the amount a particular crop contributes to fixed costs and return to management and equity. It is the number to use to compare cropping choices, as fixed costs generally do not vary greatly from crop to crop. For your information we have included a fixed cost profile.

Questions?
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*Market price assumes a blend of 25% @ \$60/t (domestic), 30% @ \$120 (#2 export) and 45% @ \$150 (#1 export).

Individual Production Costs & Returns (\$/Acre)

<i>AgriProfit</i> \$	Crop 1	Crop 2	Crop 3	Crop 4	Crop 5
Yield per Acre					
Price per Unit Produced					
Gross Revenue					
Direct Expenses:					
Seed					
Fertilizer					
Chemicals					
Hail/Crop Insurance					
Trucking and Marketing					
Fuel, Oil & Lube					
Irrigation: Pumping Costs					
Machinery Repairs					
Building Repairs					
Utilities and Miscellaneous					
Custom Work					
Hired Labour					
Operator Labour					
Operating Interest					
Summerfallow Expense					
Other Expenses					
Total Direct Expense					
Contribution Margin					
Land Cost					
Irrigation: Water Rates					
Licenses and Insurance					
Depreciation					
Paid Capital Interest					
Total Capital Costs					
Return to Equity					
Breakeven Yield					
Breakeven Price					