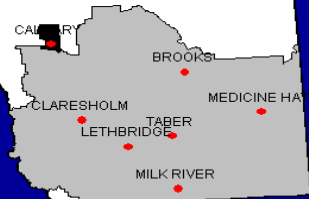


AgriProfit\$

Economics & Competitiveness

2006 Cost and Return Guide

Irrigated Soil Zone



2006 Production Costs and Returns (\$/Acre)

Irrigated Soils

<i>AgriProfit</i> ®	Spring Wheat #1 13.5%	Soft Wheat #1 CWSWS	Durum Wheat #1 13%	Feed Barley	H.T. Canola	Sugar Beets	Dry Beans	Process Potato	Export Timothy	Alfalfa Hay	Cereal Silage	
Yield per Acre	67 bu	88 bu	72 bu	90 bu	44 bu	20.00 t	2090 lbs	15.00 t	4.00 t	4.00 t	12.00 t	<i>Cost Assumptions</i>
Exp. Market Price (\$/Unit)	3.90	3.40	3.80	2.60	5.50	44.50	0.20	135.00	126.00 *	55.00	20.00	
Crop Sales	261.30	299.20	273.60	234.00	242.00	890.00	418.00	2025.00	504.00	220.00	240.00	Nitrogen Cost \$0.46/lb. actual N
Direct Expenses:												
Seed (Incl. trmt. and cleaning)	12.50	16.00	15.00	11.00	25.00	60.00	48.00	200.00	1.25	8.50	11.00	Phosphorus Cost \$0.40/lb actual P
Fertilizer - Nitrogen	58.00	58.00	58.00	58.00	60.00	46.00	20.00	80.00	65.00	5.00	58.00	Potassium Cost \$0.25/lb. actual K
- Phosphorous	18.00	18.00	18.00	18.00	18.00	14.50	10.15	43.50	15.00	24.00	18.00	
- Potassium	4.00	4.00	4.00	4.00	4.00	2.00	3.00	30.00	2.50	0.00	4.00	
- Sulphur	1.50	1.50	1.50	1.50	1.50	0.00	6.00	9.00	3.00	5.00	1.50	Sulphur Cost \$0.30/lb. actual S
- Micros	0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00	0.00	0.00	0.00	
Total Fertilizer	81.50	81.50	81.50	81.50	83.50	62.50	44.15	167.50	85.50	34.00	81.50	
Chemicals - Pre-Seed	4.50	4.50	4.50	4.50	4.50	0.00	0.00	0.00	5.00	5.00	0.00	Crop insurance rates at 70% with Spring Price Endorsement.
- In Crop	24.00	24.00	24.00	20.00	35.00	95.00	85.00	190.00	10.00	0.00	7.50	
- Pre-Harvest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	
Crop Insurance	6.00	6.00	6.50	5.00	6.00	1.00	7.50	1.00	10.50	5.00	5.00	Preseed for timothy includes glyphosate amortized over 4 years.
Trucking & Marketing	1.50	1.50	1.50	1.50	1.50	66.50	5.00	65.00	30.00	0.00	0.00	
Fuel, Oil & Lube.	20.50	20.50	20.50	20.50	20.50	44.00	27.00	60.00	20.50	20.50	20.50	
Machinery Repairs	18.00	18.00	18.00	18.00	18.00	45.00	36.40	60.00	5.50	5.50	5.50	
Building Repairs	2.00	2.00	2.00	2.00	2.00	3.00	2.00	20.00	1.00	1.00	1.00	
Irrigation: Pumping Costs	18.50	18.50	18.50	18.50	18.50	33.60	16.80	55.70	35.00	7.00	7.00	Operating Interest 5.25% per annum
Custom Work	7.00	7.00	7.00	7.00	7.00	40.00	12.00	60.00	40.00	6.50	6.50	
Labour	27.50	27.50	27.50	27.50	27.50	105.00	80.00	280.00	40.00	13.00	13.00	
Utilities & Miscellaneous	14.00	14.00	14.00	14.00	14.00	35.00	22.00	40.00	3.50	3.50	3.50	
Operating Interest	3.22	3.31	3.28	3.07	3.89	5.71	4.65	15.95	2.67	1.25	2.63	
Other Expense	0.00	0.00	0.00	0.00	0.00	45.00	0.00	65.00	60.00	0.00	0.00	
Total Direct Expense	240.72	244.31	243.78	234.07	266.89	641.31	390.50	1330.15	350.42	102.25	164.63	
Contribution Margin	20.58	54.89	29.82	(0.07)	(24.89)	248.69	27.50	694.85	153.58	117.75	75.38	

The contribution margin represents the amount a particular crop contributes to fixed costs and return to management and equity. For a sample of a fixed cost profile, please contact AAFRD.

*Market price assumes a blend of 20% @ \$60/t (domestic), 20% @ \$120 (#2 export) and 60% @ \$150 (#1 export).

Questions?

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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					