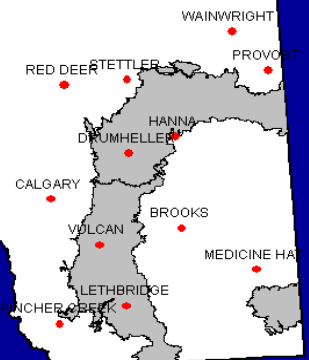


AgriProfit\$

Economics & Competitiveness

2006 Cost and Return Guide

Dark Brown Soil Zone



2006 Production Costs and Returns (\$/Acre)

Dark Brown Soils

<i>AgriProfit</i> \$	Stubble Seeded Crops								Fallow Seeded Crops						<i>Cost Assumptions</i>
	Spring Wheat #1 13.5%	Winter Wheat #1 CWRW	Durum Wheat #2 13%	Feed Barley	H.T. Canola	Edible Peas	Laird Lentils	Mixed Hay	Summer Fallow	Spring Wheat #1 13.5%	Winter Wheat #1 CWRW	Durum Wheat #2 13%	Malt Barley 2 row	H.T. Canola	
Yield per Acre	30 bu.	36 bu.	31 bu.	42 bu.	30 bu.	40 bu.	950 lbs.	1.75 t	0	32 bu.	41 bu.	39 bu.	47 bu.	35 bu.	800 lbs.
Exp. Market Price (\$/Unit)	3.90	3.00	3.80	2.60	5.50	3.90	0.11	50.00	0.00	3.90	3.00	3.80	2.70	5.50	0.14
Crop Sales	117.00	108.00	117.80	109.20	165.00	156.00	104.50	87.50	0.00	124.80	123.00	148.20	126.90	192.50	112.00
Direct Expenses:															
Seed (Incl. tmt. and cleaning)	12.50	15.00	15.00	11.00	25.00	27.00	15.00	4.00	0.00	12.50	14.00	15.00	10.00	25.00	12.50
Fertilizer - Nitrogen	22.00	22.00	22.00	17.50	31.00	0.00	0.00	25.00	0.00	11.00	11.00	11.00	9.00	15.50	15.50
- Phosphorous	6.00	6.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00	4.00
- Potassium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Sulphur	0.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00
Total Fertilizer	28.00	28.00	28.00	23.50	40.00	6.00	7.25	25.00	0.00	15.00	15.00	15.00	13.00	25.50	25.50
Chemicals - Pre-Seed	4.50	4.50	4.50	4.50	4.50	4.50	4.50	1.00	4.50	0.00	0.00	0.00	0.00	0.00	0.00
- In Crop	20.00	7.50	20.00	18.00	25.00	25.00	20.00	0.00	0.00	20.00	7.50	20.00	20.00	25.00	20.00
- Pre-Harvest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crop Insurance	11.00	12.00	13.50	11.50	14.00	8.00	15.50	11.00	0.00	11.00	12.00	13.50	11.50	14.00	11.50
Trucking and Marketing	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.00	0.00	2.50	2.50	2.50	2.50	2.50	2.50
Fuel, Oil & Lube.	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	4.50	10.00	10.00	10.00	10.00	10.00	10.00
Machinery Repairs	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	3.00	7.50	7.50	7.50	7.50	7.50	7.50
Building Repairs	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Custom Work	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	0.00	5.50	5.50	5.50	5.50	5.50	5.50
Labour	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Utilities & Miscellaneous	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	0.00	8.00	8.00	8.00	8.00	8.00	8.00
Operating Interest	1.71	1.44	1.77	1.50	2.48	1.64	1.23	0.79	0.12	1.25	0.96	1.31	1.13	1.98	1.52
Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Direct Expense	123.71	114.44	128.77	116.00	156.98	118.14	109.48	85.29	22.62	105.75	95.46	110.81	101.63	137.48	117.02
Contribution Margin	(6.71)	(6.44)	(10.97)	(6.80)	8.02	37.86	(4.98)	2.21	(22.62)	19.05	27.54	37.39	25.27	55.02	(5.02)

Total Cost per Unit	\$6.52	\$5.18	\$6.48	\$4.48	\$7.63	\$4.75	\$0.19	\$89.88	N/A	\$5.55	\$4.08	\$4.69	\$3.69	\$5.99	\$0.24
Breakeven yield	50.2	62.1	52.8	72.3	41.6	48.8	1650	3.15	N/A	45.6	55.8	48.1	64.3	38.1	1350

Capital Costs	
Land Rent	35
Licenses and Insurance	5
Depreciation	23
Paid Capital Interest	9
Total Capital Costs	72

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 sample fixed cost profile.

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					