

Guidelines For Estimating Crop Production Costs - 2012 Western Manitoba*

Date: January 2012

The following budgets are estimates of the cost of producing the most commonly grown field crops in Manitoba. General MAFRI recommendations are assumed in using fertilizers and chemical inputs. These figures provide an economic evaluation of the crops and estimated yields required to cover all costs including labour, investment and depreciation. Management costs have not been accounted for in these budgets.

These budgets may be adjusted by putting in your own figures. As a producer you are encouraged to calculate your own costs of production for various crops. On each farm, costs and yields differ due to soil type, climatic conditions and agronomic practices. An Excel spreadsheet can be downloaded from the Manitoba Agriculture, Food and Rural Initiatives website.

*Western Manitoba refers to areas of lighter soils where farmers practice minimum tillage and use less inputs than on heavier soils in areas like the Red River Valley. Producers should use the publication that best corresponds to their farming practices and soil type.

Disclaimer: This budget is only a guide and is not intended as an in depth study of the cost of production of this industry. Interpretation and utilization of this information is the responsibility of the user. If you require assistance with developing your individual budget, please contact your local Manitoba Agriculture, Food and Rural Initiatives office.

Crop Production Costs 2012 Guidelines (Dollars Per Acre)

	Wheat	Durum Wheat	Winter Wheat	Fall Rye	Malt Barley	Feed Barley
A. Operating Costs						
Seed & Treatment	\$22.50	\$26.00	\$18.00	\$12.00	\$15.00	\$14.00
Fertilizer	\$54.05	\$54.05	\$66.55	\$46.75	\$50.95	\$50.95
Herbicide	\$26.06	\$26.06	\$7.11	\$4.47	\$26.06	\$26.06
Fungicide	\$21.32	\$14.46	\$12.18	\$0.00	\$12.18	\$12.18
Insecticide	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fuel	\$14.68	\$14.68	\$16.15	\$14.67	\$14.75	\$14.75
Machinery Operating	\$10.00	\$10.00	\$8.00	\$8.00	\$10.00	\$10.00
Crop Insurance	\$8.16	\$6.02	\$9.55	\$8.03	\$6.37	\$6.37
Other Costs	\$7.75	\$7.75	\$7.75	\$7.75	\$7.75	\$7.75
Land Taxes	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35
Drying Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest on Operating	<u>\$4.22</u>	<u>\$4.08</u>	<u>\$3.74</u>	<u>\$2.65</u>	<u>\$3.69</u>	<u>\$3.66</u>
Total Operating	\$173.09	\$167.45	\$153.38	\$108.67	\$151.10	\$150.07
B. Fixed Costs						
Land Investment Costs	\$22.50	\$22.50	\$22.50	\$22.50	\$22.50	\$22.50
Machinery Depreciation	\$27.50	\$27.50	\$27.50	\$27.50	\$27.50	\$27.50
Machinery Investment	\$6.88	\$6.88	\$6.88	\$6.88	\$6.88	\$6.88
Storage Costs	<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>
Total Fixed	\$60.40	\$60.40	\$60.40	\$60.40	\$60.40	\$60.40
Total Operating & Fixed	\$233.49	\$227.85	\$213.78	\$169.07	\$211.50	\$210.47
C. Labour	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Total Costs	\$251.49	\$245.85	\$231.78	\$187.07	\$229.50	\$228.47

Estimated Farmgate Price

\$ per unit	\$6.25 bu	\$6.00 bu	\$5.00 bu	\$5.20 bu	\$5.25 bu	\$4.25 bu
\$ per tonne	\$230 t	\$220 t	\$184 t	\$205 t	\$241 t	\$195 t

Breakeven Analysis

Breakeven Yield

Operating Costs	27.7 bu	27.9 bu	30.7 bu	20.9 bu	28.8 bu	35.3 bu
Operating & Fixed Costs	37.4 bu	38.0 bu	42.8 bu	32.5 bu	40.3 bu	49.5 bu
Total Costs	40.2 bu	41.0 bu	46.4 bu	36.0 bu	43.7 bu	53.8 bu

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Crop Production Costs 2012 Guidelines (Dollars Per Acre)						
Oats	Canary Seed	Corn	Canola Invigor	Canola Nexera RR	Flaxseed	Your Farm
\$16.25	\$15.40	\$75.69	\$47.50	\$52.01	\$18.50	_____
\$50.95	\$47.85	\$88.50	\$71.05	\$71.05	\$50.95	_____
\$7.11	\$19.29	\$7.00	\$11.56	\$5.25	\$13.88	_____
\$12.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	_____
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	_____
\$15.26	\$14.73	\$26.80	\$14.24	\$14.24	\$15.95	_____
\$10.00	\$10.00	\$13.00	\$10.00	\$10.00	\$10.00	_____
\$9.91	\$13.87	\$23.19	\$11.22	\$13.60	\$9.79	_____
\$7.75	\$7.75	\$8.25	\$7.75	\$7.75	\$7.75	_____
\$4.35	\$4.35	\$6.00	\$4.35	\$4.35	\$4.35	_____
\$0.00	\$0.00	\$35.00	\$0.00	\$0.00	\$0.00	_____
<u>\$3.34</u>	<u>\$3.33</u>	<u>\$7.09</u>	<u>\$4.44</u>	<u>\$4.46</u>	<u>\$3.28</u>	_____
\$137.10	\$136.57	\$290.52	\$182.11	\$182.71	\$134.45	_____
\$22.50	\$22.50	\$27.50	\$22.50	\$22.50	\$22.50	_____
\$27.50	\$27.50	\$35.00	\$27.50	\$27.50	\$27.50	_____
\$6.88	\$6.88	\$8.75	\$6.88	\$6.88	\$6.88	_____
<u>\$7.04</u>	<u>\$3.52</u>	<u>\$9.40</u>	<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>	_____
\$63.92	\$60.40	\$80.65	\$60.40	\$60.40	\$60.40	_____
\$201.02	\$196.97	\$371.17	\$242.51	\$243.11	\$194.85	_____
\$18.00	\$18.00	\$23.00	\$18.00	\$18.00	\$20.00	_____
\$219.02	\$214.97	\$394.17	\$260.51	\$261.11	\$214.85	_____
\$3.25 bu	\$0.23 lb	\$5.25 bu	\$11.00 bu	\$11.75 bu	\$13.50 bu	_____
\$211 t	\$507 t	\$207 t	\$485 t	\$518 t	\$531 t	_____
42.2 bu	594 lb	55.3 bu	16.6 bu	15.5 bu	10.0 bu	_____
61.9 bu	856 lb	70.7 bu	22.0 bu	20.7 bu	14.4 bu	_____
67.4 bu	935 lb	75.1 bu	23.7 bu	22.2 bu	15.9 bu	_____

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Crop Production Costs 2012 Guidelines (Dollars Per Acre)

	Soybeans Conventional	Soybeans Roundup	Navybeans Solid Seed	Navybeans Row Crop	Peas	Sunflowers Confection
A. Operating Costs						
Seed & Treatment	\$50.00	\$92.00	\$75.92	\$52.00	\$39.88	\$41.40
Fertilizer	\$11.00	\$11.00	\$51.65	\$29.95	\$13.75	\$54.05
Herbicide	\$25.71	\$12.36	\$70.69	\$70.69	\$26.24	\$33.90
Fungicide	\$0.00	\$0.00	\$0.00	\$0.00	\$24.61	\$0.00
Insecticide	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13.80
Fuel	\$13.76	\$13.76	\$18.17	\$21.47	\$14.56	\$18.77
Machinery Operating	\$10.80	\$10.80	\$10.40	\$12.00	\$10.50	\$11.00
Crop Insurance	\$18.59	\$18.59	\$24.42	\$24.42	\$11.96	\$23.73
Other Costs	\$7.75	\$7.75	\$8.25	\$8.25	\$8.25	\$8.25
Land Taxes	\$4.35	\$4.35	\$6.00	\$6.00	\$4.35	\$4.35
Drying Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.00
Interest on Operating	<u>\$3.55</u>	<u>\$4.27</u>	<u>\$6.64</u>	<u>\$5.62</u>	<u>\$3.85</u>	<u>\$5.48</u>
Total Operating Costs	\$145.51	\$174.88	\$272.14	\$230.40	\$157.95	\$224.73
B. Fixed Costs						
Land Investment Costs	\$22.50	\$22.50	\$27.50	\$27.50	\$22.50	\$22.50
Machinery Depreciation	\$27.50	\$27.50	\$28.50	\$27.50	\$27.50	\$27.50
Machinery Investment	\$6.88	\$6.88	\$7.13	\$6.88	\$6.88	\$6.88
Storage Costs	<u>\$4.70</u>	<u>\$4.70</u>	<u>\$4.70</u>	<u>\$4.70</u>	<u>\$3.52</u>	<u>\$3.52</u>
Total Fixed Costs	\$61.58	\$61.58	\$67.83	\$66.58	\$60.40	\$60.40
Total Operating & Fixed	\$207.09	\$236.46	\$339.97	\$296.98	\$218.35	\$285.13
C. Labour	\$18.00	\$18.00	\$18.00	\$21.60	\$20.00	\$20.00
Total Costs	\$225.09	\$254.46	\$357.97	\$318.58	\$238.35	\$305.13

Estimated Farmgate Price

	Breakeven Analysis					
\$ per unit	\$10.50 bu	\$10.50 bu	\$0.40 lb	\$0.40 lb	\$6.50 bu	\$0.35 lb
\$ per tonne	\$386 t	\$386 t	\$882 t	\$882 t	\$239 t	\$772 t

Breakeven Yield

Operating Costs	13.9 bu	16.7 bu	680 lb	576 lb	24.3 bu	642 lb
Operating & Fixed Costs	19.7 bu	22.5 bu	850 lb	742 lb	33.6 bu	815 lb
Total Costs	21.4 bu	24.2 bu	895 lb	796 lb	36.7 bu	872 lb

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Crop Production Costs 2012 Guidelines (Dollars Per Acre)						
Sunflowers Oil	Lentils	Buckwheat	Hemp Oil	Hemp Fiber	Your Farm	Your Farm
\$35.00	\$32.50	\$31.25	\$40.00	\$64.75	_____	_____
\$54.05	\$13.75	\$47.85	\$63.35	\$78.35	_____	_____
\$33.90	\$26.24	\$8.88	\$0.00	\$0.00	_____	_____
\$0.00	\$24.61	\$0.00	\$0.00	\$0.00	_____	_____
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	_____	_____
\$18.77	\$15.30	\$14.68	\$16.79	\$17.31	_____	_____
\$11.00	\$11.00	\$10.00	\$13.50	\$13.50	_____	_____
\$13.49	\$21.90	\$19.01	\$19.55	\$0.00	_____	_____
\$8.25	\$7.75	\$7.75	\$7.75	\$7.75	_____	_____
\$4.35	\$4.35	\$5.55	\$5.55	\$5.55	_____	_____
\$10.00	\$0.00	\$0.00	\$20.00	\$0.00	_____	_____
<u>\$4.72</u>	<u>\$3.94</u>	<u>\$3.62</u>	<u>\$4.66</u>	<u>\$4.68</u>	_____	_____
\$193.53	\$161.34	\$148.59	\$191.15	\$191.89	_____	_____
\$22.50	\$22.50	\$22.50	\$22.50	\$22.50	_____	_____
\$27.50	\$27.50	\$27.50	\$31.00	\$27.00	_____	_____
\$6.88	\$6.88	\$6.88	\$7.75	\$6.75	_____	_____
<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>	<u>\$3.52</u>	_____	_____
\$60.40	\$60.40	\$60.40	\$64.77	\$59.77	_____	_____
\$253.93	\$221.74	\$208.99	\$255.92	\$251.66	_____	_____
\$20.00	\$20.00	\$18.00	\$18.00	\$18.00	_____	_____
\$273.93	\$241.74	\$226.99	\$273.92	\$269.66	_____	_____
\$0.30 lb \$661 t	\$0.22 lb \$485 t	\$13.50 bu \$620 t	\$0.75 lb \$1,653 t	\$0.07 lb \$154 t	_____	_____
645 lb	733 lb	11.0 bu	255 lb	2741 lb	_____	_____
846 lb	1,008 lb	15.5 bu	341 lb	3595 lb	_____	_____
913 lb	1,099 lb	16.8 bu	365 lb	3852 lb	_____	_____

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Seed & Treatment Per Acre

<u>Crop</u>	<u>Seeding Rate</u> <u>per Acre</u>	<u>Price</u> <u>per Unit</u>	<u>Cost</u> <u>per Acre</u>
Wheat	2 bu	\$11.25 /bu	\$22.50
Durum Wheat	2 bu	\$13.00 /bu	\$26.00
Winter wheat	2.0 bu	\$9.00 /bu	\$18.00
Fall Rye	1.5 bu	\$8.00 /bu	\$12.00
Malt Barley	2.0 bu	\$7.50 /bu	\$15.00
Feed Barley	2.0 bu	\$7.00 /bu	\$14.00
Oats	2.5 bu	\$6.50 /bu	\$16.25
Canary Seed	44 lbs	\$0.35 /lb	\$15.40
Corn	29,000 plants	\$0.0026 /plant	\$75.69
Canola - Invigor	4.75 lb	\$10.00 /lb	\$47.50
Canola - Nexera RR	4.75 lb	\$10.95 /lb	\$52.01
Flaxseed	50 lb	\$0.37 /lb	\$18.50
* Soybeans Conventional	200,000 seeds	0.00025 /seed	\$50.00
* Soybeans Roundup	200,000 seeds	0.00046 /seed	\$92.00
Navy Beans Solid Seed	73 lbs	\$1.04 /lb	\$75.92
Navy Beans Row Crop	50 lbs	\$1.04 /lb	\$52.00
Peas	2.75 bu	\$14.50 /bu	\$39.88
Sunflowers Confection	18,000 plants	\$0.00230 /plant	\$41.40
Sunflowers Oil	20,000 plants	\$0.0018 /plant	\$35.00
Lentils	50 lb	\$0.65 /lb	\$32.50
Buckwheat	1.25 bu	\$25.00 /bu	\$31.25
Hemp Oil	20 lb	\$2.00 /lb	\$40.00
Hemp Fiber	35 lb	\$1.85 /lb	\$64.75

* If row cropping, change seeding rate to 180,000 plants/acre which reduces seed cost by 10%.

Fertilizer

Price of Fertilizer

	<u>\$/lb</u>	<u>\$/kg</u>	
Nitrogen	\$0.620	\$1.37	\$0.66 *
Phosphorus	\$0.550	\$1.21	
Potash	\$0.500	\$1.10	
Sulphur	\$0.330	\$0.73	

Amount of Actual Pounds of Elements Applied Per Acre

Crop	Nitrogen		Phosphorus		Potash		Sulphur		Total
	<u>lbs</u>	<u>\$/acre</u>	<u>lbs</u>	<u>\$/acre</u>	<u>lbs</u>	<u>\$/acre</u>	<u>lbs</u>	<u>\$/acre</u>	<u>\$/acre</u>
Wheat	65	\$40.30	25	\$13.75	0	\$0.00	0	\$0.00	\$54.05
Durum Wheat	65	\$40.30	25	\$13.75	0	\$0.00	0	\$0.00	\$54.05
Winter wheat	80	\$52.80	25	\$13.75	0	\$0.00	0	\$0.00	\$66.55
Fall Rye	50	\$33.00	25	\$13.75	0	\$0.00	0	\$0.00	\$46.75
Malt Barley	60	\$37.20	25	\$13.75	0	\$0.00	0	\$0.00	\$50.95
Feed Barley	60	\$37.20	25	\$13.75	0	\$0.00	0	\$0.00	\$50.95
Oats	60	\$37.20	25	\$13.75	0	\$0.00	0	\$0.00	\$50.95
Canary Seed	55	\$34.10	25	\$13.75	0	\$0.00	0	\$0.00	\$47.85
Corn	100	\$62.00	30	\$16.50	20	\$10.00	0	\$0.00	\$88.50
Canola - Invigor	80	\$49.60	30	\$16.50	0	\$0.00	15	\$4.95	\$71.05
Canola - Nexera RR	80	\$49.60	30	\$16.50	0	\$0.00	15	\$4.95	\$71.05
Flaxseed	60	\$37.20	25	\$13.75	0	\$0.00	0	\$0.00	\$50.95
Soybeans Conventional	0	\$0.00	20	\$11.00	0	\$0.00	0	\$0.00	\$11.00
Soybeans Roundup	0	\$0.00	20	\$11.00	0	\$0.00	0	\$0.00	\$11.00
Navy Beans Solid Seed	70	\$43.40	15	\$8.25	0	\$0.00	0	\$0.00	\$51.65
Navy Beans Row Crop	35	\$21.70	15	\$8.25	0	\$0.00	0	\$0.00	\$29.95
Peas	0	\$0.00	25	\$13.75	0	\$0.00	0	\$0.00	\$13.75
Sunflowers Confection	65	\$40.30	25	\$13.75	0	\$0.00	0	\$0.00	\$54.05
Sunflowers Oil	65	\$40.30	25	\$13.75	0	\$0.00	0	\$0.00	\$54.05
Lentils	0	\$0.00	25	\$13.75	0	\$0.00	0	\$0.00	\$13.75
Buckwheat	55	\$34.10	25	\$13.75	0	\$0.00	0	\$0.00	\$47.85
Hemp Oil	80	\$49.60	25	\$13.75	0	\$0.00	0	\$0.00	\$63.35
Hemp Fiber	80	\$49.60	25	\$13.75	30	\$15.00	0	\$0.00	\$78.35

The nitrogen price used in the above assumptions is an average of anhydrous, liquid and granular fertilizers. The higher price for nitrogen * only applies to winter wheat and fall rye, because it is generally spring applied.

The fertilizer recommendation will vary depending on the soil type, climate and crop rotation. MAFRI recommends that soil test sampling and analysis be conducted each year to produce a better baseline for fertility. It costs \$0.50 to \$1.50/acre for custom sampling and analysis.

Chemicals Per Acre

<u>Crop</u>	<u>Weed Control \$/acre</u>	<u>Disease Control \$/acre</u>	<u>Insect Control \$/acre</u>	<u>Total Cost \$/acre</u>
Wheat	\$26.06	\$21.32	\$0.00	\$47.38
Durum Wheat	\$26.06	\$14.46	\$0.00	\$40.52
Winter wheat	\$7.11	\$12.18	\$0.00	\$19.29
Fall Rye	\$4.47	\$0.00	\$0.00	\$4.47
Malt Barley	\$26.06	\$12.18	\$0.00	\$38.24
Feed Barley	\$26.06	\$12.18	\$0.00	\$38.24
Oats	\$7.11	\$12.18	\$0.00	\$19.29
Canary Seed	\$19.29	\$0.00	\$0.00	\$19.29
Corn	\$7.00	\$0.00	\$0.00	\$7.00
Canola - Invigor	\$11.56	\$0.00	\$0.00	\$11.56
Canola - Nexera RR	\$5.25	\$0.00	\$0.00	\$5.25
Flaxseed	\$13.88	\$0.00	\$0.00	\$13.88
Soybeans Conventional	\$25.71	\$0.00	\$0.00	\$25.71
Soybeans Roundup	\$12.36	\$0.00	\$0.00	\$12.36
Navy Beans Solid Seed	\$70.69	\$0.00	\$0.00	\$70.69
Navy Beans Row Crop	\$70.69	\$0.00	\$0.00	\$70.69
Peas	\$26.24	\$24.61	\$0.00	\$50.85
Sunflowers Confection	\$33.90	\$0.00	\$13.80	\$47.70
Sunflowers Oil	\$33.90	\$0.00	\$0.00	\$33.90
Lentils	\$26.24	\$24.61	\$0.00	\$50.85
Buckwheat	\$8.88	\$0.00	\$0.00	\$8.88
Hemp Oil	\$0.00	\$0.00	\$0.00	\$0.00
Hemp Fiber	\$0.00	\$0.00	\$0.00	\$0.00

Note:

**Pre-emergent burn off (\$1.75/acre) and/or pre-harvest desiccation (\$3.50/acre) not included in weed control.
Chemical costs do not include year end rebates or bundling discounts.**

Operating Costs

Interest Rate on Operating

5.00%

Per Acre

Crop	Machine Operating Cost					
	Fuel \$/acre	Cost \$/acre	Crop Insurance \$/acre	Other Costs \$/acre	Land Taxes \$/acre	Drying Costs \$/acre
Wheat	\$14.68	\$10.00	\$8.16	\$7.75	\$4.35	\$0.00
Durum Wheat	\$14.68	\$10.00	\$6.02	\$7.75	\$4.35	\$0.00
Winter wheat	\$16.15	\$8.00	\$9.55	\$7.75	\$4.35	\$0.00
Fall Rye	\$14.67	\$8.00	\$8.03	\$7.75	\$4.35	\$0.00
Malt Barley	\$14.75	\$10.00	\$6.37	\$7.75	\$4.35	\$0.00
Feed Barley	\$14.75	\$10.00	\$6.37	\$7.75	\$4.35	\$0.00
Oats	\$15.26	\$10.00	\$9.91	\$7.75	\$4.35	\$0.00
Canary Seed	\$14.73	\$10.00	\$13.87	\$7.75	\$4.35	\$0.00
Corn	\$26.80	\$13.00	\$23.19	\$8.25	\$6.00	\$35.00
Canola - Invigor	\$14.24	\$10.00	\$11.22	\$7.75	\$4.35	\$0.00
Canola - Nexera RR	\$14.24	\$10.00	\$13.60	\$7.75	\$4.35	\$0.00
Flaxseed	\$15.95	\$10.00	\$9.79	\$7.75	\$4.35	\$0.00
Soybeans Conventional	\$13.76	\$10.80	\$18.59	\$7.75	\$4.35	\$0.00
Soybeans Roundup	\$13.76	\$10.80	\$18.59	\$7.75	\$4.35	\$0.00
Navy Beans Solid Seed	\$18.17	\$10.40	\$24.42	\$8.25	\$6.00	\$0.00
Navy Beans Row Crop	\$21.47	\$12.00	\$24.42	\$8.25	\$6.00	\$0.00
Peas	\$14.56	\$10.50	\$11.96	\$8.25	\$4.35	\$0.00
Sunflowers Confection	\$18.77	\$11.00	\$23.73	\$8.25	\$4.35	\$10.00
Sunflowers Oil	\$18.77	\$11.00	\$13.49	\$8.25	\$4.35	\$10.00
Lentils	\$15.30	\$11.00	\$21.90	\$7.75	\$4.35	\$0.00
Buckwheat	\$14.68	\$10.00	\$19.01	\$7.75	\$5.55	\$0.00
Hemp Oil	\$16.79	\$13.50	\$19.55	\$7.75	\$5.55	\$20.00
Hemp Fiber	\$17.31	\$13.50	\$0.00	\$7.75	\$5.55	\$0.00

Fixed Costs

Depreciation Rate	10.0%	Storage Costs		
Investment Rate	2.50%	Non-aeration	50%	\$1.85 /bu
Hours per acre	1.5	Aeration	50%	\$2.15 /bu
Cost per hr.	\$12.00	Yield/acre		30 bu/ac
		Yield/acre (corn)		80 bu/ac
		Yield/acre (beans)		40 bu/ac

Per Acre

<u>Crop</u>	<u>Land Value</u> \$/acre	<u>Land Cost</u> \$/acre	<u>Machinery Investment</u> \$/acre	<u>Machinery Depreciation</u> \$/acre	<u>Machinery Investment</u> \$/acre	<u>Storage</u> \$/acre	<u>Labour</u> \$/acre
Wheat	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Durum Wheat	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Winter wheat	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Fall Rye	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Malt Barley	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Feed Barley	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Oats	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$7.04	\$18.00
Canary Seed	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Corn	\$1,100.00	\$27.50	\$350.00	\$35.00	\$8.75	\$9.40	\$23.00
Canola - Invigor	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Canola - Nexera RR	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Flaxseed	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$20.00
Soybeans Conventional	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$4.70	\$18.00
Soybeans Roundup	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$4.70	\$18.00
Navy Beans Solid Seed	\$1,100.00	\$27.50	\$285.00	\$28.50	\$7.13	\$4.70	\$18.00
Navy Beans Row Crop	\$1,100.00	\$27.50	\$275.00	\$27.50	\$6.88	\$4.70	\$21.60
Peas	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$20.00
Sunflowers Confection	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$20.00
Sunflowers Oil	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$20.00
Lentils	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$20.00
Buckwheat	\$900.00	\$22.50	\$275.00	\$27.50	\$6.88	\$3.52	\$18.00
Hemp Oil	\$900.00	\$22.50	\$310.00	\$31.00	\$7.75	\$3.52	\$18.00
Hemp Fiber	\$900.00	\$22.50	\$270.00	\$27.00	\$6.75	\$3.52	\$18.00

Storage costs were based on an estimated yield of 30 bu/acre for most grain crops; 60 bu/acre for corn; soybean and navy bean storage was based on a separate budget.

Other Assumptions

Fuel Costs:

Includes fuel used for field work, trucking in inputs and trucking out production.

Machinery Operating Costs:

Includes costs for maintenance, repairs, licenses and insurance.

Crop Insurance: (2011 rates. New rates for 2012 are not included.)

Risk Area #6 at the 70% coverage on a "B" soil zone and additional hail insurance at \$100/acre coverage for all crops.

Other Costs:

Includes overhead expenses - hydro, telephone, accounting, buildings, supplies and insurance, etc.

Land Taxes:

The average for the province was based on land tax assessment and mill rates of a sample of municipalities growing crops less provincial tax rebate.

Drying Costs:

Budget allocates costs only for corn, sunflowers and hemp. However, drying costs may be incurred in some years for the other crops.

Interest On Operating:

Interest charges on operating costs are calculated at 5% for six months.

Land Investment Cost:

Land values are based on approximate average land values in western Manitoba. Budget assumed 2.5% return on land investment

Depreciation:

Assumed 10% on machinery, no salvage value.

Investment Cost:

Assumed 2.5% opportunity cost on machinery.

Storage Cost:

Assumed a 5% depreciation cost and 2.5% investment cost.

Farm storage requirements were assumed to be 30 bushels/acre costing \$1.85/bushel for 50% of the storage and \$2.15/bushel for 50% aerated storage.

Storage requirements for corn were calculated at 80 bushels/acre.

Storage requirements for oats were calculated at 60 bushels/acre.

Example - WheatNon-Aeration Bins (50%)

Depreciation:	$\frac{\$55.50 - \$5.55}{20 \text{ years}}$	=	\$2.50
Investment:	$\frac{\$55.50 + \$5.55}{2} \times 4\%$	=	<u>\$1.22</u>
	Sub-Total	=	\$3.72 x 50% = \$1.86

Aeration Bins (50%)

Depreciation:	$\frac{\$64.50 - \$6.45}{20 \text{ years}}$	=	\$2.90
Investment:	$\frac{\$64.50 + \$6.45}{2} \times 4\%$	=	<u>\$1.42</u>
	Sub-Total	=	\$4.22 x 50% = \$2.16
	Total		\$4.02

For further information contact your MAFRI office.

Prepared by:

Dan Caron
Business Development Specialist

Grant Palmer
Policy Economist

Gary Smart
Business Development Specialist

Darren Bond
Business Development Specialist