

V ECONOMIC ANALYSIS

A. *Canola Pricing System (Based on average prices at harvest, in U.S. dollars)*

Green Seed (%)	\$/100 lb* At Elevator	Plus \$/100 lb LDP**	Final \$/100 lb	Final \$/bu
0 - 2.0	8.47	0.41	8.88	4.44
2.1 - 2.5	8.24	0.41	8.65	4.33
2.5 - 3.0	8.19	0.41	8.60	4.30
3.1 - 3.5	8.15	0.41	8.56	4.28
3.5 - 4.0	8.10	0.41	8.51	4.26
4.1 - 4.5	8.06	0.41	8.47	4.24
4.5 - 5.0	8.01	0.41	8.42	4.21
5.1 - 5.5	7.97	0.41	8.38	4.19
5.5 - 6.0	7.92	0.41	8.33	4.17
6.1 - 7.0	7.56	0.41	7.97	3.99
7.1 - 8.0	7.33	0.41	7.74	3.87

Note 1: *The green seed was determined by using one 500 seed crush strip test done on each sample from every treatment within a particular trial.*

** Green seed discounts obtained from Harvest States Cooperatives, Velva, ND.*

Note 2: *** LDP = Loan Deficiency Program*

B. *Cost Calculations & Assumptions*

The following costs were used in calculating economic returns for the various trials and treatments, and are expressed in **U.S. dollars**. Fertilizer and crop protection product prices were obtained from various dealers throughout the region. Prices reflect a northwestern Minnesota average for summer 2001.

Equipment costs were obtained from the University of Minnesota Extension Service and are estimated equipment variable costs for Minnesota. There has been no value allocated for capital and fixed costs.

CANOLA ARGENTINE VARIETY SEED COSTS

<i>B. napus</i>	\$/lb	Distributor	<i>B. napus</i>	\$/lb	Distributor
44A89	3.45	Pioneer Hi-Bred	InVigor 2573	5.40	Aventis CropScience
46A76	4.15	Pioneer Hi-Bred	InVigor 2663	5.65	Aventis CropScience
Canterra 1492	5.03	Proseed	LG3311	3.96	Agri-Tel Grain
DKL23-38	3.75	DeKalb	LG3366	3.96	Agri-Tel Grain
DKL3345	4.35	DeKalb	LG3525	4.35	Limagrain
DS Roughrider	3.86	Proseed	LiBred 499RR	5.40	Brett Young Seeds
Gladiator	4.55	Interstate Seed	LS 296RR	4.88	Legend Seed
HyClass 601	4.75	Croplan Genetics	Q2	2.97	Interstate Seed
Hylite 201	3.85	Interstate Seed	RideR	4.45	DeKalb
Hyola 357	5.51	Interstate Seed	SW BadgeRR	4.85	Seeds 2000
Hyola 401	4.81	Interstate Seed			

Note: Seed cost may vary. Prices reflect the Minnesota suggested retail for Spring 2001 with Helix Xtra seed treatment.

PRODUCT INFORMATION			
Product	Active Ingredient	Manufacturer/ Distributor	\$/Unit Cost
Assure II	quizalofop-p-ethyl	DuPont Agriculture Products	131.10/gal
Ammonium Sulfate	ammonium sulfate	Agrilience	0.26/lb
Canola Package	fludioxonil + mefenoxam + difenoconazole	Syngenta	0.20/lb seed
Capture	bifenthrin	FMC Corporation	404.90/gal
Class COC	crop oil concentrate - 17 %	Agrilience	5.10/gal
Class Trust	trifluralin	Agrilience	19.00/gal
Folicur	tebuconazole	Bayer	307.25/gal
Gaucho + Clothianidin**	carboxin + thiram + metalaxyl + imidacloprid + clothianidin**	Gustafson	1.56/lb seed**
Gaucho CS	carboxin + thiram + metalaxyl + imidacloprid	Gustafson	0.84/lb seed
Helix Lite	fludioxonil + mefenoxam + difenoconazole + thiamethoxam	Syngenta	0.79/lb seed
Helix XTra	fludioxonil + mefenoxam + difenoconazole + thiamethoxam	Syngenta	1.45/lb seed
Muster	ethametsulfuron	DuPont Agriculture Products	28.95/oz
Liberty	glufosinate ammonium	Aventis CropScience USA	87.60/gal
Poast	sethoxydim	BASF	65.90/gal
Raptor	imazamox	BASF	487.80/gal
Ronilan	vinclozolin	BASF	21.30/lb
Roundup Ultra Max *	glyphosate	Monsanto	51.30/gal
Rovral Flo	iprodione	Aventis CropScience USA	146.23/gal
Stinger	clopyralid	Dow AgroSciences	477.67/gal
Topsin	thiophanate-methyl	Elf Atochem	16.30/lb
Vitaflo 280 + Allegiance	carboxin + thiram + metalaxyl	Gustafson	0.08/lb seed

* Note: \$15/ac TUA includes first 13 oz/ac of Roundup Ultra Max.

** Note: Clothianidin is a non-registered product and price is the company's estimate of market value.

Numerous references to pesticide applications will be found in this report. We advise everyone to consult with recommendations and product labels for complete instructions.

CANOLA FERTILIZER COSTS			
Fertilizer	Analysis	\$/Ton	\$/lb of Nutrient
Ammonium Sulfate	21-0-0-24	165.00	0.28 (of N)
Ammonium Sulfate	21-0-0-24	165.00	0.10 (of S)
Phosphate	18-46-0	230.00	0.14 (of P ₂ O ₅)
Urea	46-0-0	257.00	0.28

Machinery Cost:

- Conventional tillage: \$ 11.73/acre
- Extra spray pass: add \$ 0.32/acre
- Straight combining: subtract \$ 0.71/acre

Additional Machinery Costs: (Custom Application)

- Aerial \$ 4.20/acre
- Ground (fungicide) \$ 4.25/acre
- Fertilizer application \$ 3.75/acre

Note: Machinery costs were obtained from the University of Minnesota Extension Service and are estimated operating costs (such as fuel, lubrication and repairs) for Minnesota.

Minnesota State Check-off:

\$ 0.05 per 100 pounds of canola.

Interest/Opportunity Cost:

This cost calculation demonstrates the cost of money borrowed and charged on crop inputs and machinery-operating costs. In 2001, 7.5% per annum over six months was used.

C. Economic Results Report (example)

Site: Thief River Falls, MN

B. napus Variety Trial: Hyola 401

CALCULATION OF VALUE OF PRODUCTION			
Yield (bu/ac)	X	Price (\$/bu)	= Value of Production
40.8		4.44	181.15

CALCULATION OF VARIABLE COSTS (\$/ac)	
Seed	24.05
Fertilizer	37.11
Herbicides	37.80
Fungicides	20.17
Insecticides	8.60
Machinery	11.73
Insurance	0.00
Check-off	1.02
Interest/opportunity	5.23
Total Variable Costs	145.71

CALCULATION OF CONTRIBUTION MARGIN			
Value of Production (\$/ac)	-	Variable Costs (\$/ac)	= Contribution Margin (\$/ac)
181.15		145.71	35.44

Contribution Margin (\$/ac)	/	Yield (bu/ac)	= Contribution Margin (\$/bu)
35.44		40.8	0.87

This example was developed and prepared with assistance from Royal Bank of Canada agrologists.