

# Vision of the Future

Sinnett Pork Farm / Sinnett Energy &  
Resources / McGrath Farms Joint  
Venture

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## McGrath Farms Joint Venture



## Sinnett Pork Farm



# Opportunities / Challenges

- Farm Policy and Trade

## Effect Policy Change had on Farm

Policy: Increased Freight Cost due to discontinued Crow Benefit

Acres 20,000

Increased Cost	
\$/acre	\$ 15.00
<u>Total Per Year</u>	<u>\$ 300,000.00</u> Per Year

Sinnett Pork Farm	
Manure Acres	2,000
Application Cost	\$ 50,000.00
Nutrient Value	\$ 180,000.00
<u>Total Value</u>	<u>\$ 130,000.00</u>
Increased Production	\$ 80,000.00
<u>Total Value</u>	<u>\$ 210,000.00</u>
Freight Saving	\$ 40,000.00
<u>Total Value</u>	<u>\$ 250,000.00</u>
Local Feed Premium	\$ 80,000.00
<b>Total Value</b>	<b>\$ 330,000.00</b>

CROP PRODUCTION COSTS (\$/ACRE) BLACK SOIL ZONE 2006									
	Direct Seeded Stubble Crops								
	Spring Wheat	CPS Wheat	Feed Barley	Oats	Large Grn Lentil	Feed Peas	Flax	Canary Seed	Canola
<b>REVENUE PER ACRE</b>									
Estimated Yield (bu/ac,lb/ac) (A)	36.0	45.9	57.6	67.6	972.0	30.6	20.6	1044.0	25.5
Est. On Farm Market Price/bus,lb (B)	3.70	2.90	1.90	1.76	0.12	2.80	6.40	0.10	5.50
Estimated Gross Revenue/ac (AxB) (C)	<b>133.20</b>	<b>133.11</b>	<b>109.44</b>	<b>118.98</b>	<b>116.64</b>	<b>85.68</b>	<b>131.84</b>	<b>104.40</b>	<b>140.25</b>
<b>EXPENSES PER ACRE</b>									
Variable Expenses/acre									
Seed	8.97	7.53	6.24	11.64	16.20	14.40	7.00	5.95	21.90
Fertilizer - Nitrogen	27.60	27.60	27.60	27.60	2.76	2.76	27.60	27.60	27.60
- Phosphorus	3.40	3.40	3.40	3.40	5.60	4.20	4.20	3.40	5.60
- Sulfur & Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.40
Chemical - Herbicides	19.22	19.22	19.20	11.25	35.45	27.10	26.03	18.47	29.00
- Insecticides/Fungicides	2.22	2.22	0.00	0.00	3.45	0.48	0.00	1.89	1.18
- Others	3.00	3.60	3.17	2.30	1.80	3.60	1.75	2.10	11.10
Machinery Operating - Fuel	10.36	10.36	10.36	10.36	11.84	11.84	11.84	10.36	7.60
- Repair	7.60	7.60	7.60	7.60	11.25	11.25	9.50	7.60	5.00
Custom Work & Hired Labour	7.00	7.00	5.00	5.00	5.00	4.25	5.00	6.00	6.68
Crop Insurance Premium	4.52	6.38	4.76	4.96	13.05	6.36	8.45	6.74	5.18
Utilities & Miscellaneous	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18	3.07
Interest on Variable Expenses	2.97	3.00	2.78	2.69	3.18	2.61	3.04	2.86	3.66
Total Variable Expenses (D)	<b>107.04</b>	<b>108.09</b>	<b>100.29</b>	<b>96.98</b>	<b>114.76</b>	<b>94.03</b>	<b>109.59</b>	<b>103.15</b>	<b>131.97</b>
Other Expenses/acre									
Building Repair	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Property Taxes	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
Insurance & Licences	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36
Machinery Depreciation	19.00	19.00	19.00	19.00	22.50	22.50	19.00	19.00	19.00
Building Depreciation	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Machinery Investment	9.31	9.31	9.31	9.31	11.03	11.03	9.31	9.31	9.31
Building Investment	1.57	1.57	1.57	1.57	1.57	1.57	1.57	1.57	1.57
Land Investment	17.33	17.33	17.33	17.33	17.33	17.33	17.33	17.33	17.33
Total Other Expenses (E)	<b>58.60</b>	<b>58.60</b>	<b>58.60</b>	<b>58.60</b>	<b>63.82</b>	<b>63.82</b>	<b>58.60</b>	<b>58.60</b>	<b>58.60</b>
Labour and Management (F)**									
Total Expenses (D+E+F) (G)	<b>165.64</b>	<b>166.69</b>	<b>158.89</b>	<b>155.58</b>	<b>178.58</b>	<b>157.85</b>	<b>168.19</b>	<b>161.75</b>	<b>190.57</b>
Summerfallow Expense (H)									
Total Rotational Expense (G+H)=(I)	<b>165.64</b>	<b>166.69</b>	<b>158.89</b>	<b>155.58</b>	<b>178.58</b>	<b>157.85</b>	<b>168.19</b>	<b>161.75</b>	<b>190.57</b>
<b>RETURNS PER ACRE***</b>									
Return over Variable Expenses (C-D)	<b>26.16</b>	<b>25.02</b>	<b>9.15</b>	<b>22.00</b>	<b>1.88</b>	<b>-8.35</b>	<b>22.25</b>	<b>1.25</b>	<b>8.28</b>
Return over Total Rotational Expenses (C-I)	<b>-32.44</b>	<b>-33.58</b>	<b>-49.45</b>	<b>-36.60</b>	<b>-61.94</b>	<b>-72.17</b>	<b>-36.35</b>	<b>-57.35</b>	<b>-50.32</b>
<b>BREAK-EVEN YIELD PER ACRE ***</b>									
To Cover Variable Expenses	<b>28.9</b>	<b>37.3</b>	<b>52.8</b>	<b>55.1</b>	<b>956.3</b>	<b>33.6</b>	<b>17.1</b>	<b>1031.5</b>	<b>24.0</b>
To Cover Total Rotational Expenses	<b>44.8</b>	<b>57.5</b>	<b>83.6</b>	<b>88.4</b>	<b>1488.2</b>	<b>56.4</b>	<b>26.3</b>	<b>1617.5</b>	<b>34.6</b>
<b>BREAK-EVEN PRICE PER BUS/LB ***</b>									
To Cover Variable Expenses	<b>2.97</b>	<b>2.35</b>	<b>1.74</b>	<b>1.43</b>	<b>0.12</b>	<b>3.07</b>	<b>5.32</b>	<b>0.10</b>	<b>5.18</b>
To Cover Total Rotational Expenses	<b>4.60</b>	<b>3.63</b>	<b>2.76</b>	<b>2.30</b>	<b>0.18</b>	<b>5.16</b>	<b>8.16</b>	<b>0.15</b>	<b>7.47</b>

Crop	Mkt & LDP Revenue	Direct Costs	Acres	Revenue x Acres	Direct Costs x Acres	Total RODC
HRSW	127.08	87.92	0	0	0	0
Durum	102.37	78.77	0	0	0	0
Barley	119.90	81.22	0	0	0	0
Corn	166.53	147.99	0	0	0	0
Soybeans	138.32	79.42	400	55328	31768	23560
Drybeans	221.65	128.37	300	66495	38511	27984
Oil_SF	156.18	97.52	0	0	0	0
Conf_SF	183.92	115.45	0	0	0	0
Canola	146.00	114.04	0	0	0	0
Flax	125.81	68.71	300	37743	20613	17130
Peas	126.00	76.66	500	63000	38330	24670
Oats	88.20	69.8	0	0	0	0
Mustard	123.50	56.73	0	0	0	0
Buckwheat	110.20	50.15	0	0	0	0
Millet	104.00	46.41	0	0	0	0
Winter Wheat	142.65	86.85	500	71325	43425	27900
Totals			2,000	293,891	172,647	121,244

CashFlow Summary			
Inflows, Total for Farm		OutFlows, Total for Farm	
Market & LDP Rev.	293891	Direct Costs	172647
Decoupled Gov't Pmts	27500	Mach. Princ. & Int. Pmts	28000
Other Cash Inflow	0	Land Rent	70600
	<b>321391</b>	Land Princ/ & Int. Pmts	0
		Land Taxes	0
		Other Cash Outflow	7000
		Total	<b>278247</b>
Est. cash available for family living, SE & income taxes and investment			<b>43144</b>

Expenses are equivalent to \$160/acre Canadian

# Opportunities / Challenges

- Farm Policy and Trade
- Production Insurance
- Biogas and Fertilizer Development
- Saskatchewan Packer Issue
- Risk Management
- Ethanol and Biodiesel

