

AgriProfit\$ Program

Submitted by Alberta Agriculture and Forestry

Economics and Competitiveness, a branch of Alberta Agriculture and Forestry (AF), operates the AgriProfit\$ program.

The AgriProfit\$ Business Analysis and Research Program provides applied economic analysis and farm financial management information to: program participants, Alberta producers, and businesses and governments working with our Agriculture industry.

AgriProfit\$ provides:

- Participants with a detailed analysis of their farming operations. Participants are then able to chart the course of their business in an economically sustainable fashion by assessing their business' production, management and technology options.
- Benchmarks and farm financial management information based on real farms. An annual account of production costs and returns gives a realistic reflection of the Alberta cropping industry's profitability and allows producers to assess their competitiveness.
- Ongoing monitoring of the economic and financial performance of Alberta's agriculture industry. This helps AF respond to industry issues.

The ultimate goal of the program is to “provide good business management information to knowledgeable business managers, so they can make better business management decisions”.

Program Strengths:

- Accepted, consistent analysis standards – reliable and broadly comparable individual and “group” results.
- Not one size fits all – operations range by region and business type.
- Producers add realism to the group results.

Is there a cost to participate?

No! Other than your valuable time, this program is free-of-charge.

What's in it for producers?

AgriProfit\$ puts producers in a better position to take control of their business and make better business management decisions. Good information is the first and most important step in managing for profitability. If “all good things take time”, then good management information is well worth the time producers invest.

Participants receive:

- A detailed farm economic analysis with their production costs and returns calculated on a per unit basis (i.e. per bushel, per pound).

- A financial analysis of their “whole farm” business, revealing financial performance, strengths and weaknesses.
- A benchmark report to assess performance of their enterprise and farm over time and compare their performance to their “peers” by region, size of operation, type of operation, management practices, etc.

The following two phrases link AgriProfit\$ and farm business success:

1. You Can’t Manage What You Don’t Measure!

“Measure” your current business position

Do a basic business analysis of key enterprises and roll it up to a “whole farm” financial position.

“Measure” your business position annually

Every year of analysis adds another dimension that shows progress, opportunity for change, and strengths and weaknesses.

Use analysis to “Manage” for profit

Cost profiles and farm financial analyses form the basis of managing profit centers, financial projections, budgeting and capital investments.

2. Who’s in Control of this Business, Anyhow?

Without a business analysis a farm directs itself

When a manager uses an AgriProfit\$ analysis to make strategic decisions that improve profitability, then the manager is now in control of the business’ destiny.

Where does this information come from?

The information in the database comes from the program’s participants, who are Alberta’s crop and livestock producers. AgriProfit\$ collects farm and field level information on production, costs and returns, and investment information.

How is producer information used?

The information participants provide is subject to the Freedom of Information and Protection of Privacy Act (FOIP). We only publish averaged results.

How should benchmarks be used?

Benchmarks can be valuable for assessing the competitiveness of a farm, and in identifying a farm’s operational strengths and weaknesses. Benchmarks do not suggest that all producers in a region have the same “average costs”, so application of averages to individual situations requires caution. In fact, significant farm to farm variation is normal.

Overall, an AgriProfit\$ business analysis provides key management information that helps producers take control of their businesses and move towards sustainable business success. It’s designed to “measure” so producers can “manage”.

Links for the Agriprofit program and the benchmark reports:

<https://www.alberta.ca/agriprofits-business-analysis-and-research-program.aspx>

<https://www.alberta.ca/agriprofits-benchmark-informtion-for-alberta-cattlemen.aspx>

Links for signup page :

[https://www1.agric.gov.ab.ca/\\$Department/softdown.nsf/main?openform&type=AgriProfit&page=download](https://www1.agric.gov.ab.ca/$Department/softdown.nsf/main?openform&type=AgriProfit&page=download)

Should you have any questions, comments, or signup about the AgriProfit\$ Business Analysis and Research Program please contact:

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