The Costs of Growing Wheat Around the World: A Look at agri benchmark Typical Farms

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Agritechnica, Hannover
1. What is \textit{agri benchmark}?
2. Global Wheat Production
3. \textit{agri benchmark} Typical Farms
Let’s grow together

1. Understanding growers needs and constraints enables you to improve products and services.

2. Understanding trends in global crop production allows you to adjust strategies.

3. Understanding agronomical and economic drivers of current production systems is the basis for innovations.

4. Understanding strengths and weaknesses of production systems from a global perspective makes it possible to take profitable decisions.
Who we are and what we do

1. *agri benchmark* is a global, non-profit network of agricultural economists, advisors, producers and specialists in key sectors of the value chains.

2. We use internationally standardized methods to analyze farms, production systems and their profitability.

3. We combine our farm-level knowledge with our expertise in international commodity markets and value chains.

4. Thereby we are able to provide scientifically consistent and soundly based answers on strategic issues to decision makers in agribusiness, policy and farming.
Present in all major countries and crops

Crop coverage:
- Corn
- Soybeans
- **Wheat**
- Sugar beet
- Rice
- Rapeseed
- Oats
- Rye
- (Malting) barley
- Sunflower
- Sorghum
- Cotton
- Peas
- Beans
- Palm oil
- Sugar cane

Countries participating in *agri benchmark* Cash Crop

Countries to come online 2014/15

Priorities for new partnerships

Slide 5
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Major clients and research partners

- Food and Agriculture Organization of the United Nations (FAO)
- John Deere
- European Commission
- IIASA
- Bayer
- Federal Ministry of Food and Agriculture
- GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)
1. What is *agri benchmark*?
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Production by Major Wheat Country/Region
2011-12 to 2015-16

Million Metric Tons

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USDA – WASDE- June 10, 2015 & PSD Custom Query
Outline

1. What is *agri benchmark*?
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agri benchmark Typical Farms

X = countries with Agri-Benchmark representative farms which produced wheat in 2014

Source of base map: International Maize and Wheat Improvement Center (CIMMYT)
Percent of crop land in wheat for *agri benchmark* representative farms, 2014

![Bar chart showing the percent of crop land in wheat for different regions and representative farms, 2014. The chart includes regions such as EU, EAST, NO. AMERICA, and SO. HEMISPHERE.](chart_image)
Total wheat costs, 2014 (USD/ha)
# Wheat cost of production, 2014 (USD/t)

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<tr>
<th>Region</th>
<th>Location</th>
<th>Cost (USD/t)</th>
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<td>SO. HEMISPHERE</td>
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- **BR65PR**
- **UY360CEN**
- **UY292SW**
- **ZA1600EFS**
- **FR110VGAV**
- **DK605FYN**
- **DE120HI**
- **DE160UE**
- **SE445SK**
- **DE360OW**
- **FR110ALS**
- **UK310WASH**
- **US1215INS**
- **AU4000WB**
- **UK800CAM**
- **DK1300SL**
- **DE250KAB**
- **UK440SUFF**
- **CA1100NWM**
- **PL420PO**
- **DE1100VP**
- **RO6500IL**
- **DE1300MB**
- **US1000ND**
- **CA6000SAS**
- **CA2000RRV**
- **AR900WBA**
- **CZ1200JM**
- **HU1100TC**
- **CZ4000JC**
- **AR330ZN**
- **PL730WO**
- **CA2000SAS**
- **FR230PICB**
- **SE570LAV**
- **PL2100ST**
- **UA2600WU**
- **AR7005BA**
- **UA7100PO**
- **RU2000BS**
- **UA2000FA**
Wheat profit excluding decoupled payments, 2014 (USD/t)
Outline

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4. *Case Study of:* 8 farms [RU, UA, PL, DK, US, CA, AR, AU]
Wheat yield of selected farms in exporting regions, 2014 (t/ha)

- RU20000BS
- UA2000FA
- PL2100ST
- DK605FYN
- CA2000SAS
- US1000ND
- AR700SBA
- AU4000WB

Regions:
- East
- EU
- NA
- SH

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Wheat price, USD/tonne, 2014
Case Study: Summary of Cost of Production

- Russia and Ukraine farms have a strong cost advantage in:
  - Fertilizer
  - Pesticides
  - Land
  - Labor (after Argentina and Canada)

- U.S. farm has high costs in:
  - Fertilizer
  - Crop insurance
  - Land (due to competition for land)

- Australia farm has high cost per ton produced:
  - Herbicides
  - Machinery
  - Family labor
Cost of Production - Continued

- Denmark and Poland farms have high costs in:
  - Fungicide
  - Farm tax

- Denmark also has highest costs in:
  - Machinery
  - Labor
  - Land

- Argentina farm substituted contractor cost for machinery and labor costs
Thank you for your interest in *agri benchmark*. For more information, please visit: [http://www.agribenchmark.org/cash-crop/](http://www.agribenchmark.org/cash-crop/)