

Southern Alberta
2017 Dairy Cost Study - Business Analysis
24 Participants
Table 1 Dairy Enterprise Costs and Returns

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
INCOME:				
MILK SALES	1,218,849.38	8,018.75	79.60	
POOL ADJUSTMENTS (+ -)	651.66	4.29	.04	
MISCELLANEOUS RECEIPTS	5,826.88	38.33	.38	
NET CATTLE SALES (+ -)	29,389.95	193.35	1.92	
NET INVENTORY CHANGE (+ -)	48,444.09	318.71	3.16	
GROSS INCOME -----	1,303,161.95	8,573.43	85.11	100.00
EXPENSES:				
GRAIN	50,797.85	334.20	3.32	
COMPLETE FEED	193,391.22	1,272.31	12.63	
SUPPLEMENT	56,534.86	371.94	3.69	
MINERALS & VITAMINS	19,084.54	125.56	1.25	
ROUGHAGE	159,078.91	1,046.57	10.39	
PROCESSING COSTS	.00	.00	.00	
TOTAL FEED COSTS -----	478,887.38	3,150.57	31.27	36.75
BEDDING AND SUPPLIES	44,580.75	293.29	2.91	
BREEDING	14,259.78	93.81	.93	
VET. AND MEDICINE	26,482.45	174.23	1.73	
MILK HAULING	51,606.06	339.51	3.37	
PRODUCER'S FEES	33,761.25	222.11	2.20	
UTILITIES	23,885.44	157.14	1.56	
FUEL, OIL, LUBE	17,429.75	114.67	1.14	
BLDG. & MACH. REPAIRS	28,772.13	189.29	1.88	
MISCELLANEOUS	36,023.29	237.00	2.35	
TOTAL OTHER VARIABLE COSTS ----	276,800.90	1,821.06	18.08	21.24
HIRED LABOUR	31,340.38	206.19	2.05	
FAMILY LABOUR	144,955.72	953.66	9.47	
TOTAL LABOUR COSTS -----	176,296.10	1,159.84	11.51	13.53
TOTAL VARIABLE COSTS	931,984.37	6,131.48	60.87	71.52
RENT	1,924.37	12.66	.13	
TAXES AND INSURANCE	21,986.59	144.65	1.44	
DEPRECIATION	136,934.25	900.88	8.94	
INTEREST (CAP.DEBT)	17,487.76	115.05	1.14	
TOTAL CAPITAL COSTS -----	178,332.97	1,173.24	11.65	13.68
TOTAL PRODUCTION COSTS	1,110,317.34	7,304.72	72.51	85.20
CONTRIBUTION MARGIN (\$)	371,177.58	2,441.96	24.24	
RETURN TO EQUITY (\$)	192,844.62	1,268.71	12.59	14.80
MILK PRICE			79.64	
INVENTORY ADJUSTMENT			5.46	
RETURN TO EQUITY (%)			9.32	
AVERAGE CAP. DEBT INTEREST RATE (%)			3.27	

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Table 2 Statement of Investment**

<u>LAND BUILDINGS & EQUIPMENT</u>	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	11.72	59,957.17	1,483,618.19
POWER MACHINERY	7.88	27,800.05	186,583.17
DAIRY EQUIPMENT	13.23	32,256.12	117,051.49
OTHER EQUIPMENT	9.82	16,920.92	71,003.39
TOTAL EQUIPMENT	10.04	76,977.09	374,638.05
LAND			154,592.08
SUPPLIES			13,517.60
** SUBTOTAL **		136,934.25	2,026,365.92

<u>DAIRY LIVESTOCK</u>	--- BEGIN YEAR ---		--- END OF YEAR ---		AVERAGE
	NUMBER	VALUE	NUMBER	VALUE	VALUE
COWS	146.88	361,797.75	158.96	391,562.67	376,680.21
BRED HEIFERS	46.96	93,916.67	52.38	104,750.00	99,333.33
OPEN HEIFERS	53.79	80,687.50	58.13	87,187.50	83,937.50
HEIFER CALVES	28.25	11,300.00	30.96	12,383.33	11,841.67
BULL CALVES	4.92	737.50	4.58	687.50	712.50
BULLS	2.92	4,375.00	3.13	4,687.50	4,531.25
** SUBTOTAL **	283.71	552,814.41	308.13	601,258.50	577,036.46

TOTAL DAIRY INVESTMENT -----	2,603,402.38
CAPITAL LOANS	534,396.89
OPERATOR EQUITY	2,069,005.48
INVESTMENT PER COW	17,127.65
DEBT/CAPITAL RATIO	.21
CAPITAL TURNOVER (YR)	2.00

<u>HERD SIZE</u>	Average	Median
NUMBER OF DAIRY COWS	152.00	142.67
NUMBER OF ANIMAL UNITS	240.64	220.50
DRY COWS (%)	16.78	
CALF CROP (%)	102.11	
PASTURE PER COW (AC.)	.25	

<u>CATTLE SALES & PURCHASES</u>	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	36.13	1,281.23	4.50	3,180.56
BRED HEIFERS	.75	2,102.16	2.63	2,869.84
OPEN HEIFERS	1.46	1,429.48	4.04	1,431.96
HEIFER CALVES	.92	378.18	.00	.00
BULL CALVES	42.21	207.64	.00	.00
BULLS	1.79	1,755.78	1.75	2,959.42
TOTAL VALUE		62,202.26		32,812.31

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Table 3 Labour and Management

LABOUR

	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	3,525.81	77,567.83	22.00
HIRED LABOUR	1,399.89	31,340.38	22.39
FAMILY UNPAID LABOUR	3,313.51	67,387.89	20.34
TOTAL	8,239.21	176,296.10	21.40
RETURN TO FAMILY LABOUR	16.11		
MAN EQUIVALENTS	3.30		
LABOUR HOURS PER COW	54.21		
YEARS FARMING	26.25		

MILK PRODUCTION

	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	15,312.23	97.64	1,218,849.38	79.60
OTHER MILK PRODUCED	369.79	2.36		
TOTAL	15,682.01	100.00		

AVERAGE COMPONENT PRICES (\$ / KG)

BUTTERFAT TEST	4.13 KG / HL	13.06
PROTEIN	3.32 KG / HL	3.15
L.O.S.	5.73 KG / HL	2.67
MILK PRODUCTION PER COW	10,317.12 LITRES / YEAR	

QUOTA INFORMATION

TPQ HOLDINGS	160.49 KG / DAY
TPQ PRICE	37,368.60 \$ / KG / DAY
CREDIT PRICE	4.98 \$ / KG

MANAGEMENT FACTORS

COST PER HL	72.51
MILK/FEED (KG) RATIO	2.29 LITRES
MILK/LABOUR (HR) RATIO	190.33 LITRES
MILK/CAPITAL (\$) RATIO	.60 LITRES

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Table 4 Feed Report**

<u>CONCENTRATES</u>	--- PURCHASED ---		--- HOMEGROWN---	
	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	2.64	137.79	2.27	184.63
BARLEY	4.55	155.68	113.90	174.75
WHEAT	.00	.00	.39	195.70
MIXED GRAIN	.00	.00	.00	.00
BREW GRAIN (DRY EQ.)	10.07	164.10		
BEET PULP	1.25	231.18		
OTHER PURCHASED	77.65	352.66		
DAIRY RATION	339.87	496.65		
CALF FEED	25.40	558.78		
MILK REPLACER	3.09	3,366.47		
SUPPLEMENT	74.73	699.43		
MOLASSES	12.19	349.88		
SALT	1.22	515.66		
MINERALS & VITAMINS	14.69	1,256.37		
SUBTOTAL -----	567.36	299,409.34	116.56	20,399.13
<u>ROUGHAGE</u>				
ALFALFA HAY	210.44	164.54	167.31	142.88
ALFALFA PELLETS	.00	.00		
STRAW FED	3.33	73.36	17.39	60.38
GREENFEED	.00	.00	6.90	100.11
SILAGE/HAYLAGE (DRY EQ.)	77.70	96.46	706.85	128.84
SUBTOTAL -----	291.48	42,364.86	898.45	116,714.05
GRINDING & PROCESSING		.00		
GRAND TOTAL FEED COSTS -----		341,774.20		137,113.18
BEDDING	205.22	65.33	42.77	59.59
AV. PRICE:	CONCENTRATE	467.61 \$/TONNE		
	ROUGHAGE	133.69 \$/TONNE		
FED PER COW:	CONCENTRATE	4.50 TONNES		
	ROUGHAGE	7.83 TONNES		
% HOME GROWN:	CONCENTRATE	17.04 %		
	ROUGHAGE	75.50 %		