

**2012 Dairy Cost Study - Business Analysis**  
**Dairy Enterprise Costs and Returns - Alberta Total**

	----- 2012 -----		---- Average 2010-2012 ----	
	\$/Cow	\$/HI Sold	\$ / Cow	\$/HI Sold
<b>Income:</b>				
Milk Sales	\$6,828.94	\$79.14	\$6,830.96	\$78.25
Pool Adjustments / Levies (+/-)	(1.21)	(0.01)	11.49	0.24
Miscellaneous Receipts	42.57	0.49	51.12	0.59
Net Cattle Sales (+/-)	250.14	2.90	203.23	2.33
Net Inventory Change	53.76	0.62	102.55	1.17
<b>Gross Income</b>	<b>\$7,174.20</b>	<b>\$83.14</b>	<b>\$7,208.83</b>	<b>\$82.58</b>
<b>Expenses:</b>				
Grain	\$414.51	\$4.80	\$338.03	\$3.87
Complete Feed	1,047.80	12.14	939.56	10.76
Supplement	278.31	3.23	272.56	3.12
Minerals & Vitamins	63.66	0.74	56.93	0.65
Roughage	881.29	10.21	816.11	9.35
Processing Costs	17.11	0.20	18.28	0.21
<b>Total Feed Costs</b>	<b>\$2,702.68</b>	<b>\$31.32</b>	<b>\$2,441.47</b>	<b>\$27.97</b>
Bedding & Supplies	227.10	2.63	220.66	2.53
Breeding	80.56	0.93	82.59	0.95
Vet. & Medicine	149.61	1.73	153.39	1.76
Milk Hauling	252.24	2.92	242.11	2.77
Producer's Fees	167.95	1.95	162.26	1.86
Utilities	147.18	1.71	144.19	1.65
Fuel, Oil, Lube	116.18	1.35	111.38	1.28
Bldg. & Mach. Repairs	190.08	2.20	209.30	2.40
Miscellaneous	256.91	2.98	269.39	3.09
<b>Total Other Costs</b>	<b>\$1,587.81</b>	<b>\$18.40</b>	<b>\$1,595.27</b>	<b>\$18.27</b>
Hired Labour	275.46	3.19	300.90	3.45
Family Labour	798.44	9.25	743.48	8.52
<b>Total Labour Costs</b>	<b>\$1,073.90</b>	<b>\$12.44</b>	<b>\$1,044.37</b>	<b>\$11.96</b>
<b>Total Operating Costs</b>	<b>\$5,364.39</b>	<b>\$62.16</b>	<b>\$5,081.12</b>	<b>\$58.21</b>
Rent	10.68	0.12	11.92	0.14
Taxes & Insurance	140.77	1.63	146.82	1.68
Depreciation	704.59	8.16	727.32	8.33
Interest (Cap.Debt)	191.23	2.22	203.99	2.34
<b>Total Capital Costs</b>	<b>\$1,047.28</b>	<b>\$12.14</b>	<b>\$1,090.05</b>	<b>\$12.49</b>
<b>Total Production Costs</b>	<b>\$6,411.66</b>	<b>\$74.30</b>	<b>\$6,171.16</b>	<b>\$70.69</b>
<b>Contribution Margin (\$)</b>	<b>\$1,809.81</b>	<b>\$20.97</b>	<b>\$2,127.71</b>	<b>\$24.37</b>
<b>Return to Equity (\$)</b>	<b>\$762.54</b>	<b>\$8.84</b>	<b>\$1,037.66</b>	<b>\$11.89</b>
<b>Milk Price</b>		<b>\$79.12</b>		<b>\$78.49</b>
<b>Inventory Adjustment</b>		<b>\$4.02</b>		<b>\$4.22</b>
<b>Return to Equity (%)</b>		<b>8.76%</b>		<b>12.30%</b>
<b>Average Interest Rate (%)</b>		<b>4.70%</b>		<b>4.69%</b>
<b>Investment</b>	<b>\$12,779.42</b>	<b>\$148.09</b>	<b>\$12,831.78</b>	<b>\$146.98</b>
<b>No. of Cows</b>	<b>133.78</b>		<b>132.27</b>	

For a complete copy of The Economics of Milk Production, 2012

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Report also found at: [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/econ14116](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/econ14116)