

# AgriProfit\$

Benchmarks for Alberta Cattlemen

Economics & Competitiveness

## Economic, Productive & Financial Performance Of Alberta Cow/Calf Operations

Comparing:

Southern Alberta Total,  
Southern Alberta Low Cost, and  
5 Year Southern Alberta Low Cost  
Management Groupings

*(combining Fescue Grassland, Moist Mixed  
Grassland & Mixed Grassland Grass Types)*

Production Year - 2008

October, 2011





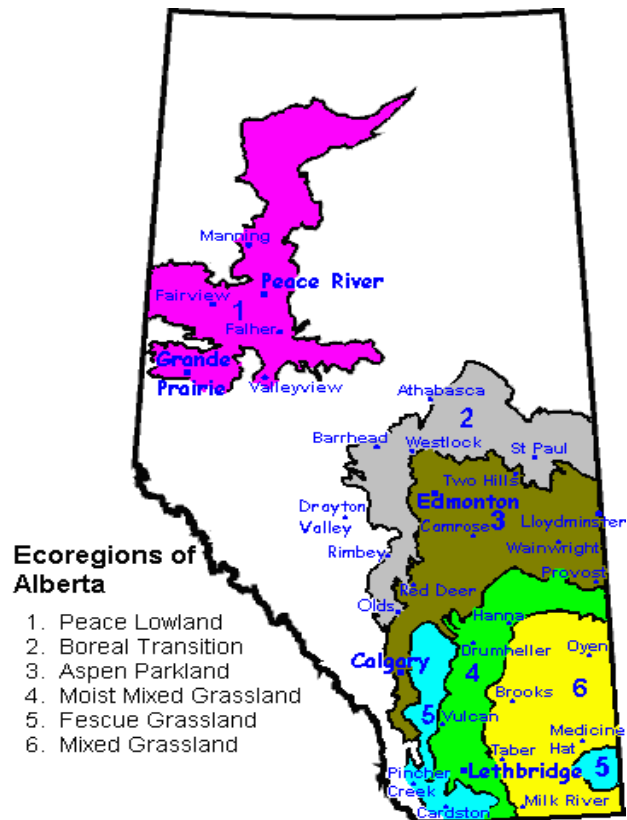
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This *AgriProfit\$ Cost & Returns Report* presents the productive, economic & financial performance of cow/calf producers in the Southern Region for the 2008 production year.

Field research was undertaken through Alberta Agriculture's *AgriProfit\$ Business Analysis & Research* program with the cooperation of producers in the region.

The intent of this report is to benchmark three specific management groupings:

- a regional average including all *AgriProfit\$* participants in the Fescue Grassland, Mixed Grassland & Moist Mixed Grassland grass types.
- an average of the "low cost" herds in the region during 2008. This "**Low Cost**" average includes the lower 50% of producers in the pool as ranked by total costs / lb. of calf weaned\*.
- a five year average of the "low cost" herds in South Alberta. This long term average includes producers in the lower half of each year group as ranked by total costs / lb. of calf weaned.



Cost and returns profiles for common forage and grazing crops in the grass type / region are included in this benchmark report in order to put these profit centers into context with the cow herd profiles they support. A list of definitions for common terms employed in this benchmark report is also appended.

The primary value of this report is to enable producers to gauge their productive, economic and financial performance relative to their peers locally and provincially. Benchmark analysis, comparing to one's own detailed cost and returns analysis, is the first critical step in identifying operational strengths and weaknesses in a cow/calf operation.

The map above illustrates the location of each grass type region within Alberta. This package only reports the results of one specific grass type region. If you are interested in obtaining information on specific regions, please contact the Economics Unit at:

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\* For this analysis total production cost (TPC) per lb. weaned was the primary criteria for identifying the top management herd groupings. It should be noted, however, that there are several other factors that may contribute to the success of a cow/calf operation.

\*\***Note:** Regional & top management groups had sufficient full farm observations to develop the farm financial benchmarks only these are used to develop the farm level financial performance indicators. Enterprise productive & economic information is developed based upon the whole Alberta sample.

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Alberta Agriculture, Food & Rural Development  
October-11

## Historical Review of Alberta Cow/Calf Operations Economic, Financial & Productive Performance: 2004 - 2008

Benchmark Comparables: Southern Alta vs. '04-'08 S. Alta 5 Year Low TPC Group

Enterprise Type: Weaned-Calf

### Enterprise Economic Performance: Major Unit Cost & Returns Groups

	----- \$ / Lb. Weaned -----					S.AB 5Yr Low TPC
	2004	2005	2006	2007	2008	
Weaned Calf Value	0.981	1.300	1.153	0.943	1.013	1.072
Winter Feed & Bedding Costs	0.298	0.304	0.258	0.267	0.269	0.234
Pasture Costs	0.391	0.352	0.458	0.450	0.501	0.389
Labour Costs	0.123	0.094	0.094	0.089	0.092	0.094
Other Variable Costs	0.158	0.155	0.151	0.141	0.129	0.126
Fixed Costs	0.090	0.095	0.075	0.100	0.084	0.073
Total Production Costs	1.061	1.001	1.036	1.047	1.075	0.916

### Farm Financial Performance Indicators:

	2004	2005	2006	2007	2008	S.AB 5Yr Low TPC
<b><u>ROAD to Profitability</u></b>						
Risk (Debt to Asset Ratio)	0.15	0.07	0.06	0.15	0.07	0.05
Operating Expense Ratio	0.68	0.45	0.55	0.70	0.65	0.52
Asset Return	0.02	0.05	0.01	0.02	0.01	0.02
Debt Payout to Profitability	7.37	1.43	3.73	7.53	7.55	1.77
	84,477	206,601	61,704	71,007	56,398	128,373
<b><u>The "3-C's"</u></b>						
Current Ratio	2.05	4.13	5.25	2.39	3.10	7.63
Calif. Working Cap. Ratio	0.64	1.15	1.80	0.57	0.88	1.62
Capital Turnover Ratio	0.11	0.11	0.06	0.13	0.06	0.08
Farm Size (Acres)	7,747	12,314	12,649	8,454	10,636	16,820

Debt to Assets = Total Liabilities / Total Assets  
 Operating Expense Ratio = Operating Expenses / Value of Production  
 Return on Assets = Return on Assets / Total Farm Assets  
 Debt Payout = Total Liabilities / Net Farm Income  
 Profitability = Net Farm Income

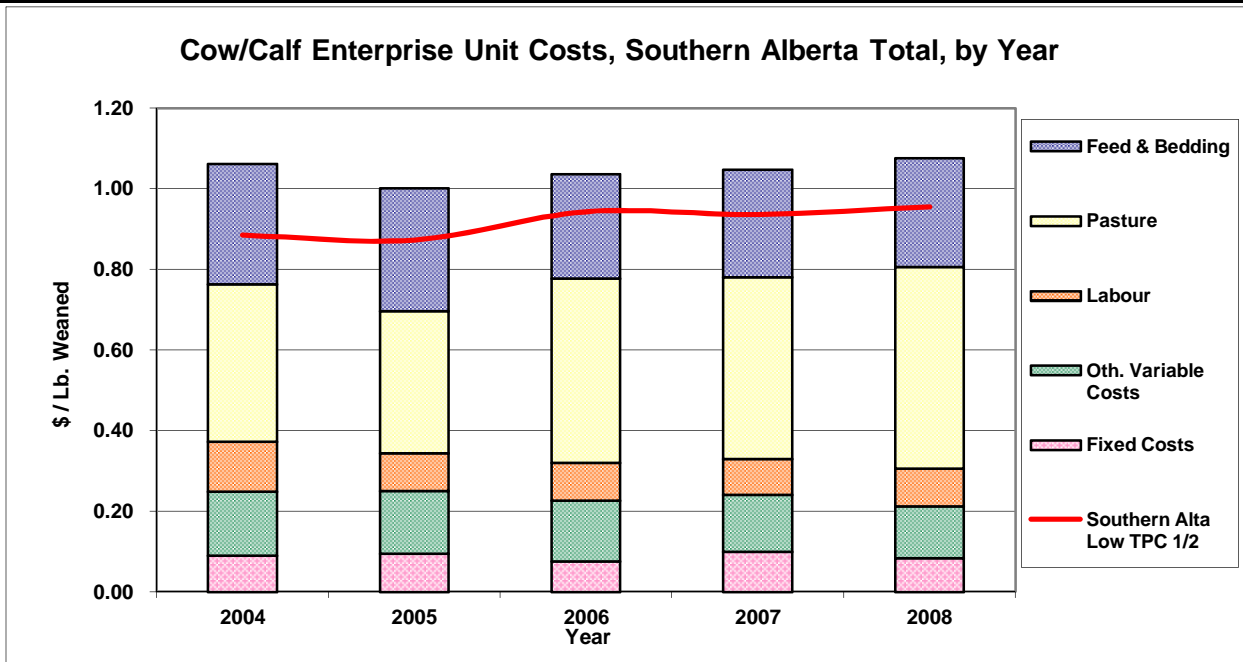
Current Ratio = Current Assets / Current Liabilities  
 Calif. Working Cap. Ratio = Working Capital / Total Expenses  
 Capital Turnover = Value of Production / Total Farm Assets  
 Farm Size = Total Acres in crops, forages & grazing  
 (includes all acres owned, rented & leased)

### Productive Performance Indicators:

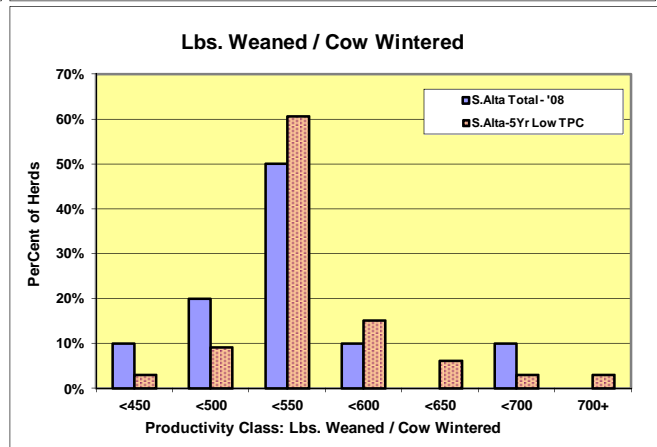
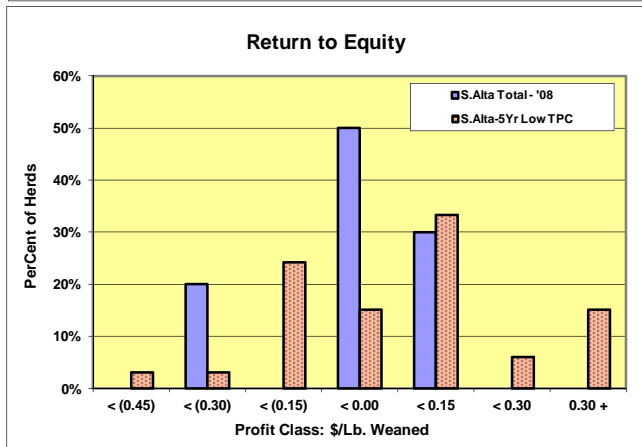
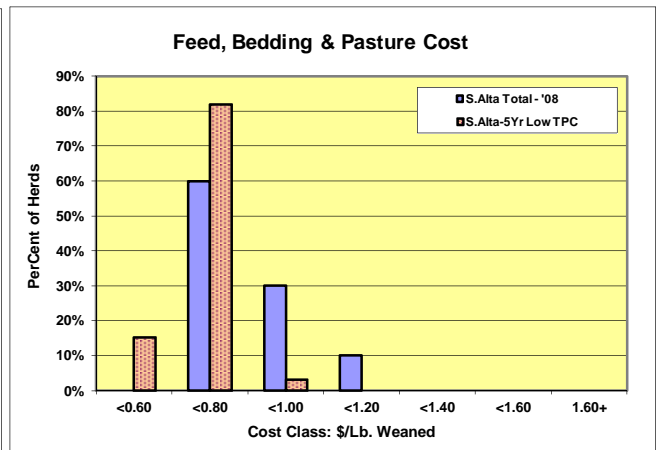
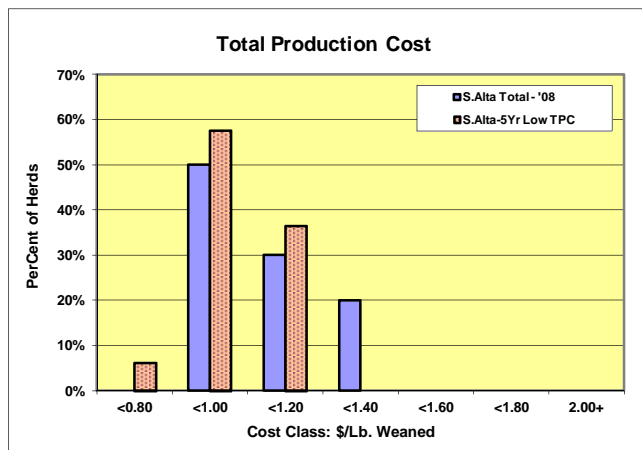
	2004	2005	2006	2007	2008	S.AB 5Yr Low TPC
Calf Crop (%)	88.1	84.7	84.7	85.5	83.9	85.8
Lbs. Weaned/Cow Wintered	521.1	515.4	506.3	491.9	522.7	521.2
Wean Wt as a % of Cow Wt.	44.4	43.7	42.5	42.6	44.3	44.2
Feeding Season Days	122.8	123.5	109.0	112.9	103.2	108.9
Tonnes Fed per Cow (as fed)	2.0	2.4	2.3	2.3	2.1	1.8
G rowth (weaning weight)	540.4	557.1	551.0	526.6	540.9	551.7
O pen Cows (%)	8.4	9.7	8.0	7.5	10.8	8.8
L ength of Calving Period	107.4	79.4	81.7	88.4	83.1	85.6
D eath Loss of Calves (%)	1.9	2.6	2.7	3.8	3.9	2.5

## Historical Review of Alberta Cow/Calf Operations (cont'd)

Benchmark Comparables: Southern Alta, by Year  
Enterprise Type: Weaned-Calf



### Frequency Distributions: Selected Economic & Production Indicators, Central Alberta Total, 2008 vs. 5 Year C. Alta Low Cost Group



## 2008 Cow/Calf Enterprise Overview

Economic & Physical Performance Comparisons

Benchmark Comparables: Southern Alta Total & Low Cost; S. Alta 5 Year Low TPC Groups

Enterprise Type: Weaned-Calf

### Economic Performance Indicators:

	\$ / Lb. Weaned		
	Southern Alta		S.AB 5Yr
	Total	Low TPC	Low TPC
Production Stock Sales	1.013	1.011	1.072
<b>Value of Production</b>	<b>0.994</b>	<b>0.941</b>	<b>1.026</b>
Winter Feed Costs	0.259	0.242	0.232
Bedding Costs	0.011	0.001	0.002
Pasture Costs	0.501	0.465	0.389
Labour Costs	0.092	0.093	0.094
Other Variable Costs	0.129	0.106	0.126
Depreciation & Capital Lease Payments	0.065	0.039	0.051
Other Fixed Costs	0.019	0.009	0.022
<b>Total Cash Costs</b>	<b>0.960</b>	<b>0.868</b>	<b>0.800</b>
<b>Total Production Costs</b>	<b>1.075</b>	<b>0.956</b>	<b>0.916</b>
<b>Contribution Margin</b>	<b>0.003</b>	<b>0.034</b>	<b>0.182</b>
<b>Gross Margin</b>	<b>0.034</b>	<b>0.074</b>	<b>0.225</b>
<b>Return to Investment</b>	<b>(0.074)</b>	<b>(0.013)</b>	<b>0.117</b>
<b>Return to Equity &amp; Management</b>	<b>(0.081)</b>	<b>(0.014)</b>	<b>0.110</b>
<b>Total Investment (\$ / cow wintered)</b>	<b>1,732</b>	<b>1,376</b>	<b>1,516</b>

### Physical Performance Indicators:

	Southern Alta				Southern Alta		
	Total	Low TPC	S.AB 5Yr Low TPC		Total	Low TPC	S.AB 5Yr Low TPC
Conception Rate (%)	87.9	88.5	90.3	Cows Wintered	285.9	320.8	298.3
Calving Rate (%)	97.7	97.7	98.0	Cows per Bull	21.1	20.3	22.4
Weaning Rate (%)	97.8	96.0	97.0	Labour Hours per Cow	4.1	3.9	4.3
Calf Crop (%)	83.9	83.0	85.8	AUM's/Cow Wintered	12.5	12.1	11.2
% Calved - 1st 2 Cycles	89.5	92.6	89.5	Feeding Season Days	103.2	104.1	108.9
Lbs. Weaned/Cow Exposed	454.0	457.4	473.1	Tonnes Fed per Cow			
Lbs. Weaned/Cow Wintered	522.7	515.5	521.2	- as-fed	2.1	2.0	1.8
Wean Wt as a % of Cow Wt.	44.3	43.3	44.2	- dry matter			
Weight per Day of Age (lbs.)	2.53	2.57	2.58				

	Southern Alta		S.AB 5Yr
	Total	Low TPC	Low TPC
<b>G</b> rowth (weaning weight)	540.9	551.3	551.7
<b>O</b> pen Cows (%)	10.8	10.5	8.8
<b>L</b> ength of Calving Period	83.1	78.2	85.6
<b>D</b> eath Loss of Calves (%)	3.9	4.1	2.5

## 2008 Cow/Calf Enterprise Overview

Economic & Financial Performance Comparisons

Benchmark Comparables: Southern Alta Total & Low Cost; S. Alta 5 Year Low TPC Groups

Enterprise Type: Weaned-Calf

### Economic Performance Indicators:

	<i>\$ / Cow Wintered</i>		
	Southern Alta		S.AB 5Yr
	Total	Low TPC	Low TPC
Production Stock Sales	529.75	521.06	558.78
<b>Value of Production</b>	<b>519.79</b>	<b>485.35</b>	<b>534.47</b>
Winter Feed Costs	135.21	124.96	120.77
Bedding Costs	5.51	0.77	1.07
Pasture Costs	261.82	239.51	202.73
Labour Costs	48.33	48.10	49.22
Other Variable Costs	67.36	54.45	65.62
Depreciation & Capital Lease Payments	33.93	20.04	26.63
Other Fixed Costs	9.80	4.77	11.30
<b>Total Cash Costs</b>	<b>501.78</b>	<b>447.45</b>	<b>416.99</b>
<b>Total Production Costs</b>	<b>561.95</b>	<b>492.59</b>	<b>477.33</b>
<b>Contribution Margin</b>	<b>1.57</b>	<b>17.57</b>	<b>95.07</b>
<b>Gross Margin</b>	<b>18.02</b>	<b>37.91</b>	<b>117.48</b>
<b>Return to Investment</b>	<b>(38.53)</b>	<b>(6.67)</b>	<b>60.75</b>
<b>Return to Equity &amp; Management</b>	<b>(42.16)</b>	<b>(7.24)</b>	<b>57.14</b>

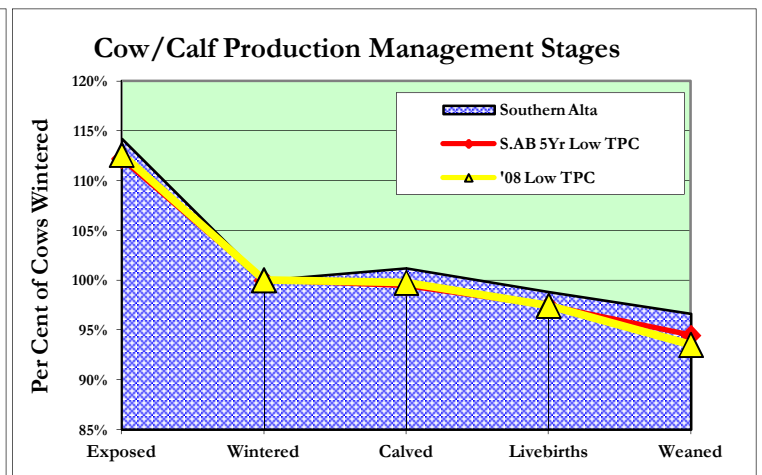
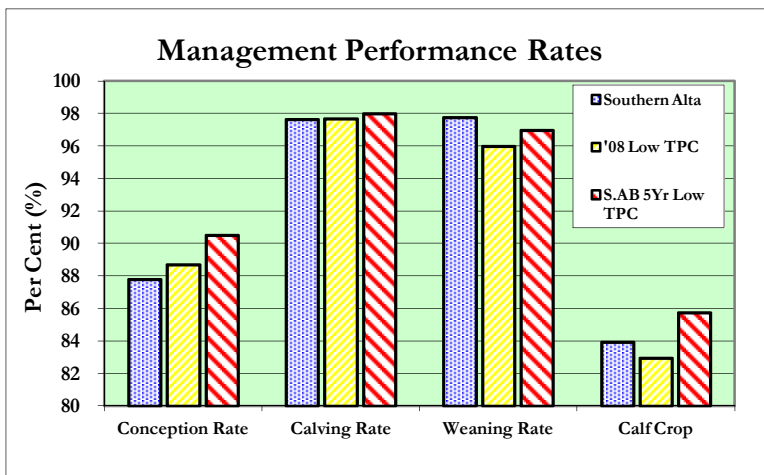
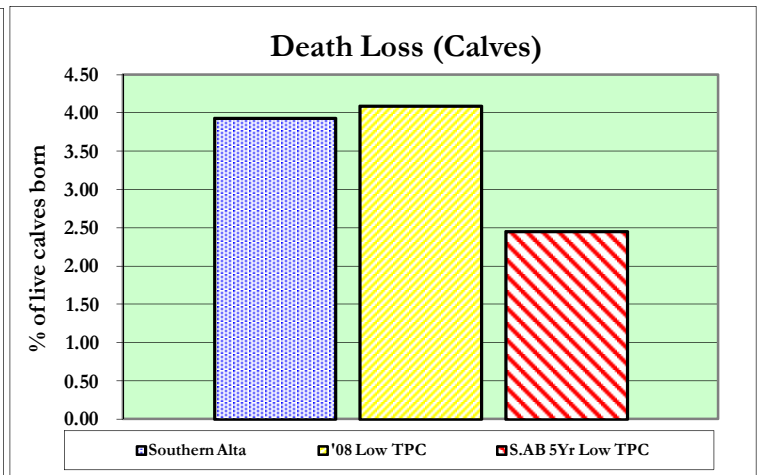
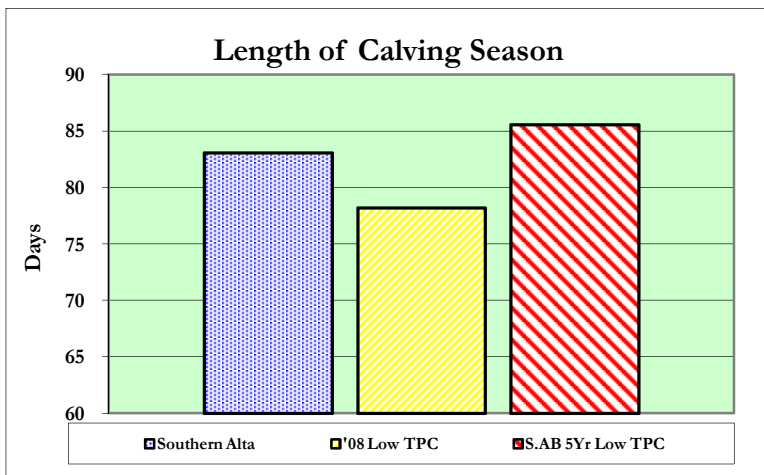
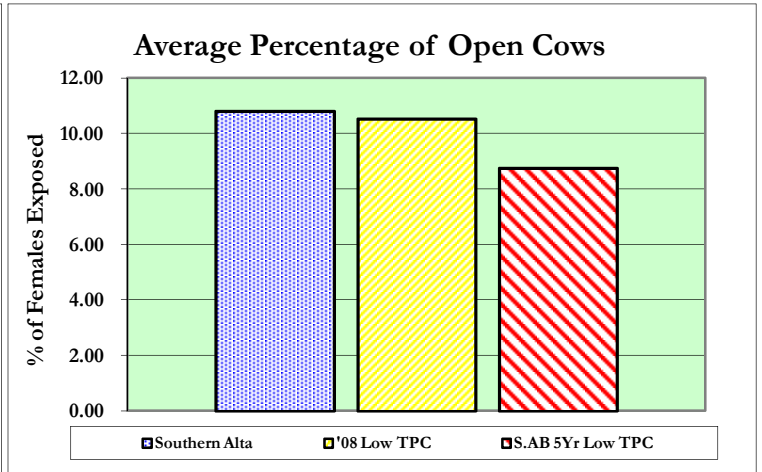
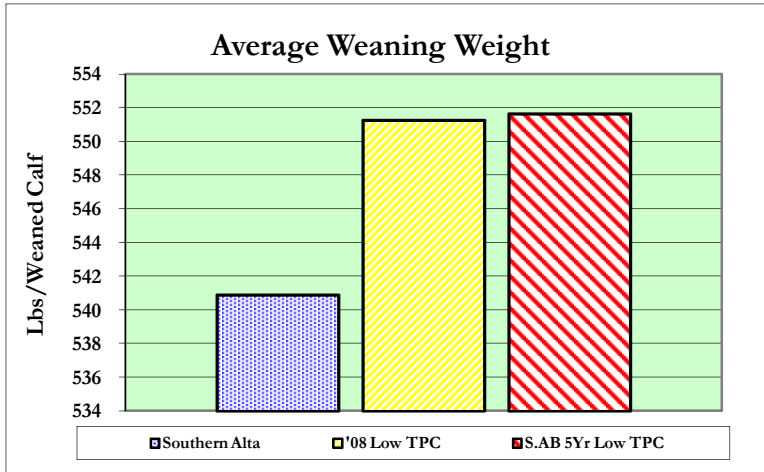
### Financial Performance Indicators:

<i>ROAD to Profitability</i>	Southern Alta		S.AB 5Yr	
	Total	Low TPC	Low TPC	
Risk (Debt to Asset Ratio)	0.07	0.03	0.05	= Total Liabilities / Total Assets
Operating Expense Ratio	0.65	0.58	0.52	= Operating Expenses / Value of Production
Asset Return	0.01	0.02	0.02	= Return on Assets / Total Farm Assets
Debt Payout	7.55	1.41	1.77	= Total Liabilities / Net Farm Income
to Profitability	56,397.77	94,141.72	128,373.41	= Net Farm Income
<b><i>The "3-C's"</i></b>				
Current Ratio	3.10	13.64	7.63	= Current Assets / Current Liabilities
Calif. Working Cap. Ratio	0.88	1.95	1.62	= Working Capital / Total Expenses
Capital Turnover Ratio	0.06	0.07	0.08	= Value of Production / Total Farm Assets
Farm Size (Acres)	10,636	17,502	16,820	= Total Acres in crops, forages & grazing (includes all acres owned, rented & leased)

# 2008 Cow/Calf Enterprise Overview

## Physical Performance Comparisons

Benchmark Comparables: Southern Alta Total & Low Cost; S. Alta 5 Year Low TPC Groups

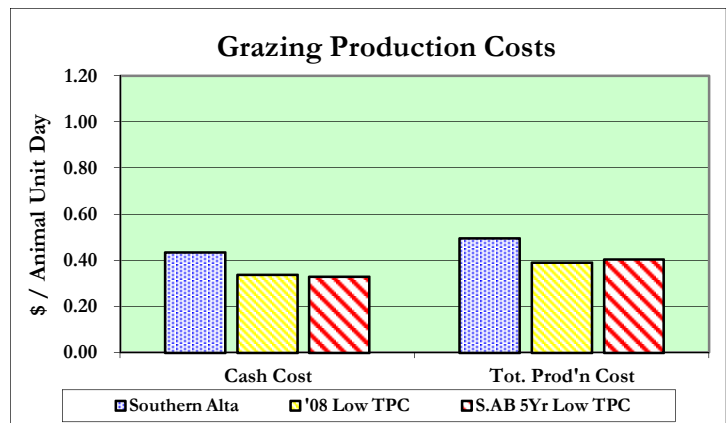
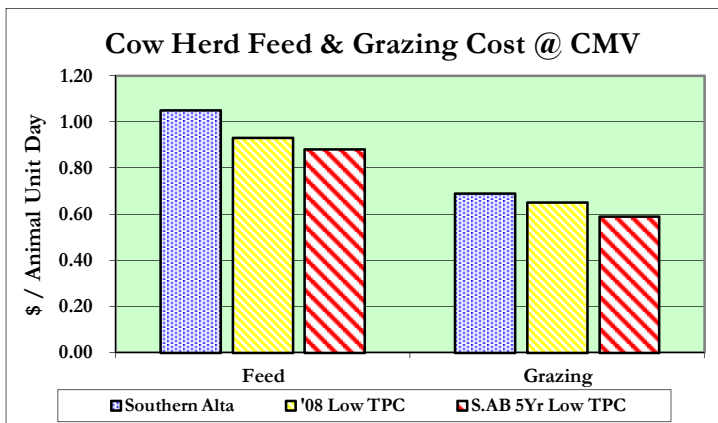
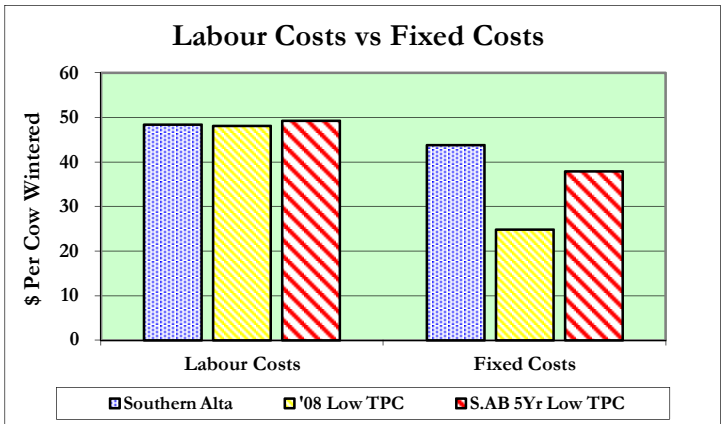
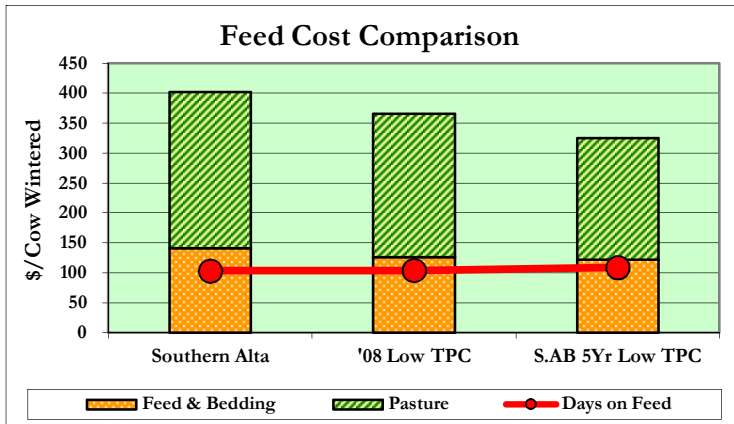
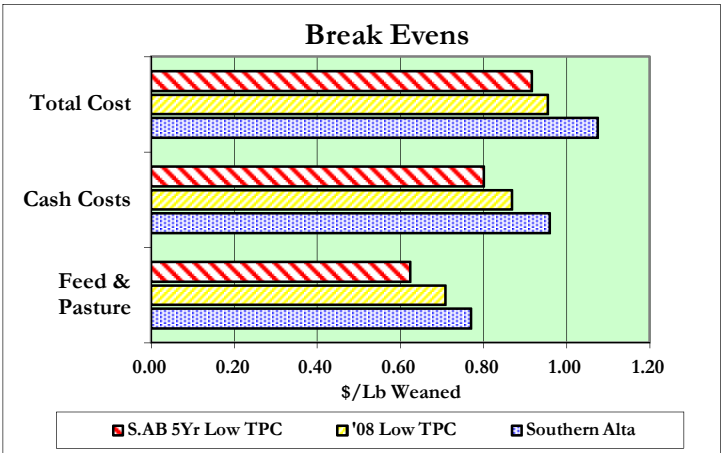
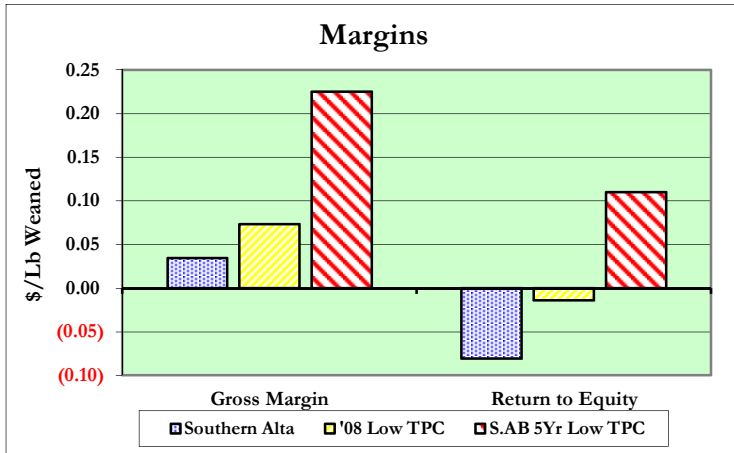




# 2008 Cow/Calf Enterprise Overview

## Economic Performance Comparisons

Benchmark Comparables: Southern Alta Total & Low Cost; S. Alta 5 Year Low TPC Groups



**Cow/Calf Enterprise Unit Cost & Returns Detail - 2008****Economic Performance Comparisons**

		Southern Alta		S.AB 5Yr
		Total	Low TPC	Low TPC
		----- \$/Lb Weaned -----		
<b>(A)</b>				
1.	Weaned Calves	1.013	1.011	1.072
2.	Feeder Calves	0.000	0.000	0.000
3.	Slaughter Cattle	0.000	0.000	0.000
4.	Purebred Calves	0.000	0.000	0.000
5.	Baby Calves	0.000	0.000	0.000
6.	Cull Cows/Open Heifers	0.154	0.184	0.134
7.	Bulls	0.021	0.023	0.016
8.	Bred Cows/Bred Heifers	0.002	0.004	0.032
9.	Miscellaneous Receipts	0.000	0.000	0.000
10.	Government Programs	0.003	0.000	0.005
11.	Inventory Adjustment	0.254	0.088	0.126
12.	Less: Cattle Purchases	0.453	0.369	0.360
<b>Value of Production</b>		<b>0.994</b>	<b>0.941</b>	<b>1.026</b>
<b>(B)</b>				
1.	Winter Feed	0.259	0.242	0.232
2.	Bedding	0.011	0.001	0.002
3.	Pasture	0.501	0.465	0.389
4.	Veterinary & Medicine	0.027	0.022	0.020
5.	Breeding Fees/Bull Rental	0.001	0.000	0.000
6.	Trucking & Marketing Charges	0.023	0.021	0.024
7.	Fuel	0.023	0.019	0.018
8.	Repairs - Machine	0.015	0.012	0.017
9.	Repairs - Corrals & Buildings	0.009	0.009	0.013
10.	Utilities & Miscellaneous Expenses	0.022	0.016	0.026
11.	Custom Work & Specialized Labour	0.005	0.005	0.006
12.	Operating Interest Paid	0.002	0.000	0.002
13.	Paid Labour & Benefits	0.041	0.045	0.030
14.	Unpaid Labour	0.051	0.049	0.065
<b>Variable Costs</b>		<b>0.991</b>	<b>0.907</b>	<b>0.843</b>
<b>(C)</b>				
1.	Share/Lease Cattle Payments	0.000	0.000	0.004
2.	Taxes, Water Rates, Lic. & Insurance	0.012	0.008	0.011
3.	Equipment & Building	0.064	0.039	0.051
	a) Depreciation			
	b) Lease Payments	0.001	0.000	0.000
4.	Paid Capital Interest	0.007	0.001	0.007
<b>Total Capital Costs</b>		<b>0.084</b>	<b>0.048</b>	<b>0.073</b>
<b>(D)</b>	<b>Cash Costs</b>	<b>(B+C-B14-C3)</b>	<b>0.960</b>	<b>0.868</b>
<b>(E)</b>	<b>Total Production Costs</b>	<b>(B+C)</b>	<b>1.075</b>	<b>0.916</b>
<b>(F)</b>	<b>Gross Margin</b>	<b>(A-D)</b>	<b>0.034</b>	<b>0.074</b>
	<b>Return to Unpaid Labour</b>	<b>(A-D+B14)</b>	<b>(0.030)</b>	<b>0.175</b>
	<b>Return to Investment</b>	<b>(A-E+C4)</b>	<b>(0.074)</b>	<b>(0.013)</b>
	<b>Return to Equity</b>	<b>(A-E)</b>	<b>(0.081)</b>	<b>(0.014)</b>

**Cow/Calf Enterprise Unit Cost & Returns Detail - 2008****Economic Performance Comparisons**

	Southern Alta		S.AB 5Yr
	<u>Total</u>	<u>Low TPC</u>	<u>Low TPC</u>
	----- \$/Cow Wintered -----		
<b>(A)</b>			
1. Weaned Calves	529.75	521.06	558.68
2. Feeder Calves	0.00	0.00	0.00
3. Slaughter Cattle	0.00	0.00	0.00
4. Purebred Calves	0.00	0.00	0.00
5. Baby Calves	0.00	0.00	0.10
6. Cull Cows/Open Heifers	80.39	94.84	69.94
7. Bulls	11.04	11.67	8.51
8. Bred Cows/Bred Heifers	1.25	2.23	16.55
9. Miscellaneous Receipts	0.02	0.04	0.07
10. Government Programs	1.59	0.14	2.68
11. Inventory Adjustment	132.58	45.43	65.58
12. Less: Cattle Purchases	236.83	190.06	187.64
<b>Value of Production</b>	<b>519.79</b>	<b>485.35</b>	<b>534.47</b>
<b>(B)</b>			
1. Winter Feed	135.21	124.96	120.77
2. Bedding	5.51	0.77	1.07
3. Pasture	261.82	239.51	202.73
4. Veterinary & Medicine	14.30	11.35	10.42
5. Breeding Fees/Bull Rental	0.51	0.00	0.20
6. Trucking & Marketing Charges	12.23	10.88	12.37
7. Fuel	12.22	9.95	9.50
8. Repairs - Machine	7.92	6.30	8.97
9. Repairs - Corrals & Buildings	4.89	4.80	6.89
10. Utilities & Miscellaneous Expenses	11.59	8.26	13.35
11. Custom Work & Specialized Labour	2.58	2.70	2.97
12. Operating Interest Paid	1.12	0.21	0.95
13. Paid Labour & Benefits	21.63	22.99	15.38
14. Unpaid Labour	26.70	25.11	33.84
<b>Variable Costs</b>	<b>518.22</b>	<b>467.79</b>	<b>439.40</b>
<b>(C)</b>			
1. Share/Lease Cattle Payments	0.00	0.00	2.01
2. Taxes, Water Rates, Lic. & Insurance	6.17	4.20	5.68
3. Equipment & Building	33.48	20.04	26.50
a) Depreciation			
b) Lease Payments	0.45	0.00	0.13
4. Paid Capital Interest	3.63	0.57	3.61
<b>Total Capital Costs</b>	<b>43.73</b>	<b>24.81</b>	<b>37.93</b>
<b>(D) Cash Costs</b>	<b>(B+C-B14-C3)</b>	<b>501.78</b>	<b>447.45</b>
<b>(E) Total Production Costs</b>	<b>(B+C)</b>	<b>561.95</b>	<b>492.59</b>
<b>(F) Gross Margin</b>	<b>(A-D)</b>	<b>18.02</b>	<b>37.91</b>
<b>Return to Unpaid Labour</b>	<b>(A-D+B14)</b>	<b>(15.46)</b>	<b>17.87</b>
<b>Return to Investment</b>	<b>(A-E+C4)</b>	<b>(38.53)</b>	<b>(6.67)</b>
<b>Return to Equity</b>	<b>(A-E)</b>	<b>(42.16)</b>	<b>(7.24)</b>
<b>Total Investment</b>		<b>1,732.08</b>	<b>1,375.88</b>
			<b>1,516.03</b>

**2008 Forage & Pasture Enterprise Cost & Returns Analysis**  
**Southern Alta**

	----- Forages -----		----- Pastures -----		
	Alfalfa	Greenfeed	Tame	Native	Swath
	/Grass Hay		Grass	Grassland	
			Pasture	Pasture	Grazing
Average field size (acres)	88.5	162.0	271.8	1,378.1	103.4
Number of Observations	22	5	13	58	7
	-----\$/Tonne-----		-----\$/AUM-----		
<b>(A)</b> 1. Crop Sales	75.36	68.41	19.41	21.49	21.16
2. Crop Insurance Receipts	0.06	0.00	0.18	1.66	0.00
3. Miscellaneous Receipts	0.00	0.00	0.00	0.00	0.00
4. Government Programs	0.00	0.00	0.00	0.00	0.00
5. Straw / Aftermath Grazing	8.26	2.30	0.00	0.00	0.00
	<b>Gross Return</b>	<b>83.68</b>	<b>19.60</b>	<b>23.15</b>	<b>21.16</b>
<b>(B)</b> 1. Seed	0.00	4.44	0.00	0.00	1.99
2. Fertilizer	1.07	2.08	5.55	0.00	5.84
3. Chemicals	0.00	0.58	2.22	0.08	1.01
4. Crop Insurance Premiums	0.83	4.75	0.21	1.80	0.52
5. Trucking & Marketing	0.00	0.00	0.00	0.00	0.00
6. Fuel	6.11	12.96	0.50	1.04	0.93
7. Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00	0.00
8. Repairs - Machinery	3.32	3.78	0.39	0.62	0.24
9. Repairs - Buildings	0.07	0.00	0.28	0.90	0.18
10. Utilities & Misc. Expenses	4.10	5.97	0.71	0.50	0.22
11. Custom Work & Specialized Labour	0.70	0.00	0.98	0.00	4.59
12. Operating Interest Paid	0.30	0.07	0.01	0.03	0.01
13. Paid Labour & Benefits	4.42	7.54	0.68	1.43	0.49
14. Unpaid Labour	5.62	6.71	0.66	0.84	0.13
	<b>Variable Costs</b>	<b>26.54</b>	<b>48.88</b>	<b>12.19</b>	<b>16.14</b>
<b>(C)</b> 1. Cash/Share Rent & Land Lease	3.68	0.53	0.04	3.92	0.79
2. Taxes, Water Rates, Lic. & Insurance	2.53	2.48	1.93	1.04	0.47
3. Equip. & Bldg. a) Depreciation	11.00	13.61	1.19	1.18	0.44
b) Lease Payments	0.00	0.00	0.22	0.02	0.00
4. Paid Capital Interest	2.07	0.87	0.96	0.82	0.16
	<b>Total Capital Costs</b>	<b>19.29</b>	<b>17.48</b>	<b>4.35</b>	<b>6.99</b>
<b>(D)</b> Cash Costs (B+C-B14-C3)	<b>29.21</b>	<b>46.04</b>	<b>14.68</b>	<b>12.20</b>	<b>17.43</b>
<b>(E)</b> Total Production Costs (B+C)	<b>45.84</b>	<b>66.36</b>	<b>16.54</b>	<b>14.21</b>	<b>18.00</b>
<b>(F)</b> Gross Margin (A-D)	<b>54.48</b>	<b>24.67</b>	<b>4.91</b>	<b>10.95</b>	<b>3.74</b>
Return to Unpaid Labour (A-E+B14)	<b>43.47</b>	<b>11.06</b>	<b>3.72</b>	<b>9.77</b>	<b>3.29</b>
Return to Investment (A-E+C4)	<b>39.92</b>	<b>5.21</b>	<b>4.03</b>	<b>9.76</b>	<b>3.32</b>
Return to Equity (A-E)	<b>37.85</b>	<b>4.35</b>	<b>3.06</b>	<b>8.94</b>	<b>3.16</b>
<b>Return on Investment (%)</b>	<b>8.0</b>	<b>0.5</b>	<b>0.3</b>	<b>1.0</b>	<b>0.5</b>
<b>Total Investment (\$/acre)</b>	<b>837.47</b>	<b>1,338.31</b>	<b>1,506.75</b>	<b>244.51</b>	<b>4,097.29</b>
<b>Management</b>					
Yield per Acre (tonnes or AUM's)	1.69	1.37	1.10	0.25	5.60
Expected Market Price (\$/unit)	75.36	68.41	19.41	21.49	21.16

## *Definitions & Explanations to Accompany the Cow/Calf Enterprise Overview*

Production Stock Sales – revenues associated with the sale of weaned calves & other **non-breeding stock** related sales.

Value of Production (VOP) – the value of what was produced by the cow/calf enterprise over the course of the production year. Includes cash & non-cash values of:

- cull & breeding stock sales,
- revenues from miscellaneous sources (eg. Program payments, patronage refunds, etc) as allocated to the cow/calf enterprise,
- inventory adjustments relating changes in the number & value of stock included in the enterprise,
- an adjustment for livestock purchases (value is added only from the point of purchase forward)

Winter Feed Costs – the cost of all feeds used by the cow/calf enterprise, purchased or homegrown, based on the market value of these feeds (**not** the cost of raising the feeds).

Pasture Costs – the value of grazing used by the cow/calf enterprise (exclusive of any other retained ownership/backgrounding uses). Pasture is valued into the cow/calf enterprise at market value (**not** cost) & is treated as a “cash” cost.

Labour Costs – a sum of paid & contributed labour, as allocated to the cow/calf enterprise. Paid labour is valued at cost, while unpaid labour is valued at a standard or base cost.

Depreciation & capital Lease Payments – sum of depreciation & mach./equip’t/bldg. lease payments on assets allocated to the cow/calf enterprise.

Other Fixed Costs – total cash overheads, as allocated to the cow/calf enterprise (share/lease cattle payments, property taxes, insurances, licenses & term loan interest).

Total Cash Costs – sum of enterprise cash costs, considering home grown feeds, bedding & pasture as cash costs.

Total Production Costs – sum of all variable& fixed production costs.

Contribution Margin – VOP less Variable Costs

Gross Margin – VOP less Total Cash Costs

Return to Investment – VOP less Total Production Costs Plus Term (Capital) Interest Paid

Return to Investment – VOP less Total Production Costs Plus Term (Capital) Interest Paid

Return to Equity & Management – VOP less Total Production Costs.

Investment – sum of assets allocated to the enterprise. Includes: breeding stock, machinery, equipment, buildings/facilities & building site (only)

### **Breeding Performance Rates**

*(adjusted for sales & purchases of bred cattle)*

Conception rate (%) - # Bred / # Exposed

Calving Rate (%) - # Livebirths / # Bred Females

Weaning Rate (%) - # Weaned / # Exposed

Calved in 1<sup>st</sup> 2 Cycles (%) -  $\frac{\# \text{ Calved Cycle 1 \& 2}}{\text{Total Calved}}$

Lbs. Weaned/Cow Exposed -  $\frac{\text{Total Lbs. Weaned}}{\# \text{ Females Exposed}}$

Lbs. Weaned/Cow Wintered -  $\frac{\text{Total Lbs. Weaned}}{\# \text{ Bred Females Exposed}}$

Weaned Wt. As % of Cow Wt. -  $\frac{\text{Avg. Lbs. Weaned}}{\text{Avg. Mature Cow Wt.}}$   
*(adjusting bred heifer wts.)*

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Weight per day of Age (lbs.) –  $\frac{\text{Avg. Lbs. Weaned}}{\text{Wtd Avg Wean Age}}$

Cows Wintered – Open Inventory of Bred Cows & Heifers

Cows / Bulls - # Cows & Heifers Exposed / # Bulls Used

Labour Hours / Cow – Total Labour Hrs / Cows Wintered

AUM's / Cow Wintered –  $\frac{\text{Total Enterprise AUM's}}{\text{Cows Wintered}}$

Feeding Season Days – Days Fed (in yard)

Tonnes fed per Cow –  
*As fed*  $\frac{\text{Tonnes Total Feed (As-Fed)}}{\# \text{ Cows Wintered}}$   
*Dry Matter*  $\frac{\text{Tonnes Total Feed (Dry Matter)}}{\# \text{ Cows Wintered}}$

### **GOLD Indicators**

Growth (Wean wt.) -  $\frac{\text{Total Lbs. Weaned}}{\# \text{ Calves Weaned}}$

Open Cows (%) -  $\frac{\# \text{ Open Cows \& Heifers}}{\# \text{ Exposed}}$

Length of Calving Period – Days from 1<sup>st</sup> to last calf

Death Loss of Calves (%) -  $\frac{\# \text{ Calves Died}}{\text{Live Births}}$