

**Southern Alberta**  
**2016 Dairy Cost Study - Business Analysis**  
**30 Participants**  
**Table 1 Dairy Enterprise Costs and Returns**

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
<b>INCOME:</b>				
MILK SALES	1,228,355.64	7,764.57	78.93	
POOL ADJUSTMENTS (+ -)	468.13	2.96	.03	
MISCELLANEOUS RECEIPTS	6,464.11	40.86	.42	
NET CATTLE SALES ( + - )	62,659.88	396.08	4.03	
NET INVENTORY CHANGE ( + - )	11,504.08	72.72	.74	
<b>GROSS INCOME -----</b>	<b>1,309,451.83</b>	<b>8,277.19</b>	<b>84.14</b>	<b>100.00</b>
<b>EXPENSES:</b>				
GRAIN	75,589.77	477.81	4.86	
COMPLETE FEED	172,880.17	1,092.79	11.11	
SUPPLEMENT	63,108.08	398.91	4.06	
MINERALS & VITAMINS	12,827.56	81.08	.82	
ROUGHAGE	204,973.47	1,295.66	13.17	
PROCESSING COSTS	104.00	.66	.01	
<b>TOTAL FEED COSTS -----</b>	<b>529,483.05</b>	<b>3,346.92</b>	<b>34.02</b>	<b>40.44</b>
BEDDING AND SUPPLIES	49,540.48	313.15	3.18	
BREEDING	15,835.95	100.10	1.02	
VET. AND MEDICINE	29,409.63	185.90	1.89	
MILK HAULING	53,971.25	341.16	3.47	
PRODUCER'S FEES	33,654.98	212.74	2.16	
UTILITIES	26,505.29	167.54	1.70	
FUEL, OIL, LUBE	17,969.19	113.59	1.15	
BLDG. & MACH. REPAIRS	39,077.76	247.01	2.51	
MISCELLANEOUS	47,785.07	302.05	3.07	
<b>TOTAL OTHER VARIABLE COSTS ----</b>	<b>313,749.60</b>	<b>1,983.25</b>	<b>20.16</b>	<b>23.96</b>
HIRED LABOUR	44,136.91	278.99	2.84	
FAMILY LABOUR	128,222.33	810.51	8.24	
<b>TOTAL LABOUR COSTS -----</b>	<b>172,359.24</b>	<b>1,089.50</b>	<b>11.08</b>	<b>13.16</b>
<b>TOTAL VARIABLE COSTS</b>	<b>1,015,591.89</b>	<b>6,419.67</b>	<b>65.26</b>	<b>77.56</b>
RENT	1,470.57	9.30	.09	
TAXES AND INSURANCE	22,489.08	142.16	1.45	
DEPRECIATION	155,431.91	982.50	9.99	
INTEREST ( CAP.DEBT)	24,731.03	156.33	1.59	
<b>TOTAL CAPITAL COSTS -----</b>	<b>204,122.59</b>	<b>1,290.28</b>	<b>13.12</b>	<b>15.59</b>
<b>TOTAL PRODUCTION COSTS</b>	<b>1,219,714.48</b>	<b>7,709.95</b>	<b>78.38</b>	<b>93.15</b>
CONTRIBUTION MARGIN (\$)	293,859.95	1,857.52	18.88	
RETURN TO EQUITY (\$)	89,737.35	567.24	5.77	6.85
MILK PRICE			78.96	
INVENTORY ADJUSTMENT			5.18	
RETURN TO EQUITY (%)			4.23	
AVERAGE CAP. DEBT INTEREST RATE (%)			3.34	

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**Table 3 Labour and Management**

**LABOUR**

	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	3,839.23	80,623.90	21.00
HIRED LABOUR	2,012.03	44,136.91	21.94
FAMILY UNPAID LABOUR	2,520.28	47,598.43	18.89
<b>TOTAL</b>	<b>8,371.55</b>	<b>172,359.24</b>	<b>20.59</b>
RETURN TO FAMILY LABOUR	(2.44)		
MAN EQUIVALENTS	3.35		
LABOUR HOURS PER COW	52.92		
YEARS FARMING	27.10		

**MILK PRODUCTION**

	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	15,562.37	97.74	1,228,355.64	78.93
OTHER MILK PRODUCED	359.19	2.26		
<b>TOTAL</b>	<b>15,921.57</b>	<b>100.00</b>		

**AVERAGE COMPONENT PRICES (\$ / KG)**

BUTTERFAT TEST	4.05 KG / HL	11.85
PROTEIN	3.31 KG / HL	3.66
L.O.S.	5.73 KG / HL	3.35
MILK PRODUCTION PER COW	10,064.20 LITRES / YEAR	

**QUOTA INFORMATION**

TPQ HOLDINGS	161.54 KG / DAY
TPQ PRICE	38,302.91 \$ / KG / DAY
CREDIT PRICE	9.20 \$ / KG

**MANAGEMENT FACTORS**

COST PER HL	78.38
MILK/FEED (KG) RATIO	2.21 LITRES
MILK/LABOUR (HR) RATIO	190.19 LITRES
MILK/CAPITAL (\$) RATIO	.56 LITRES

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Table 4 Feed Report**

	--- PURCHASED ---		--- HOMEGROWN---	
CONCENTRATES	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	3.96	119.42	.80	186.16
BARLEY	11.53	196.05	123.19	182.58
WHEAT	.00	.00	.26	176.58
MIXED GRAIN	52.10	464.10	.00	.00
BREW GRAIN (DRY EQ. )	13.09	199.57		
BEET PULP	4.77	263.81		
OTHER PURCHASED	64.01	345.54		
DAIRY RATION	302.35	500.97		
CALF FEED	26.75	486.28		
MILK REPLACER	2.35	3,577.31		
SUPPLEMENT	93.99	641.52		
MOLASSES	8.58	328.06		
SALT	2.03	482.94		
MINERALS & VITAMINS	9.76	1,214.15		
<b>SUBTOTAL -----</b>	<b>595.27</b>	<b>301,718.17</b>	<b>124.25</b>	<b>22,687.41</b>
ROUGHAGE				
ALFALFA HAY	193.53	195.22	191.77	204.29
ALFALFA PELLETS	.00	.00		
STRAW FED	3.90	65.03	26.82	63.03
GREENFEED	1.70	135.00	2.20	142.71
SILAGE/HAYLAGE (DRY EQ.)	140.66	124.95	577.65	186.88
<b>SUBTOTAL -----</b>	<b>339.79</b>	<b>55,840.22</b>	<b>798.45</b>	<b>149,133.26</b>
GRINDING & PROCESSING		104.00		
<b>GRAND TOTAL FEED COSTS -----</b>		<b>357,662.38</b>		<b>171,820.67</b>
BEDDING	201.08	61.06	88.06	62.50
AV. PRICE:	CONCENTRATE	450.86 \$/TONNE		
	ROUGHAGE	180.08 \$/TONNE		
FED PER COW:	CONCENTRATE	4.55 TONNES		
	ROUGHAGE	7.19 TONNES		
% HOME GROWN:	CONCENTRATE	17.27 %		
	ROUGHAGE	70.15 %		