

Alberta
2014 Dairy Cost Study - Business Analysis
49 Participants
Table 1 Dairy Enterprise Costs and Returns

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
INCOME:				
MILK SALES	997,108.53	7,337.46	82.01	
POOL ADJUSTMENTS (+ -)	921.86	6.78	.08	
MISCELLANEOUS RECEIPTS	5,386.91	39.64	.44	
NET CATTLE SALES (+ -)	55,564.34	408.88	4.57	
NET INVENTORY CHANGE (+ -)	13,174.90	96.95	1.08	
GROSS INCOME -----	1,072,156.53	7,889.72	88.18	100.00
EXPENSES:				
GRAIN	48,221.08	354.85	3.97	
COMPLETE FEED	132,342.28	973.87	10.88	
SUPPLEMENT	54,105.52	398.15	4.45	
MINERALS & VITAMINS	9,934.37	73.10	.82	
ROUGHAGE	140,148.64	1,031.32	11.53	
PROCESSING COSTS	2,566.63	18.89	.21	
TOTAL FEED COSTS -----	387,318.54	2,850.18	31.86	36.13
BEDDING AND SUPPLIES	34,122.72	251.10	2.81	
BREEDING	12,210.26	89.85	1.00	
VET. AND MEDICINE	22,676.21	166.87	1.87	
MILK HAULING	37,834.15	278.41	3.11	
PRODUCER'S FEES	26,010.65	191.41	2.14	
UTILITIES	21,957.60	161.58	1.81	
FUEL, OIL, LUBE	20,075.77	147.73	1.65	
BLDG. & MACH. REPAIRS	28,553.37	210.12	2.35	
MISCELLANEOUS	41,333.02	304.16	3.40	
TOTAL OTHER VARIABLE COSTS ----	244,773.74	1,801.23	20.13	22.83
HIRED LABOUR	43,151.84	317.54	3.55	
FAMILY LABOUR	113,126.02	832.46	9.30	
TOTAL LABOUR COSTS -----	156,277.86	1,150.01	12.85	14.58
TOTAL VARIABLE COSTS	788,370.14	5,801.41	64.84	73.53
RENT	2,786.82	20.51	.23	
TAXES AND INSURANCE	19,050.97	140.19	1.57	
DEPRECIATION	108,143.79	795.80	8.89	
INTEREST (CAP.DEBT)	19,547.14	143.84	1.61	
TOTAL CAPITAL COSTS -----	149,528.72	1,100.34	12.30	13.95
TOTAL PRODUCTION COSTS	937,898.86	6,901.75	77.14	87.48
CONTRIBUTION MARGIN (\$)	283,786.40	2,088.31	23.34	
RETURN TO EQUITY (\$)	134,257.67	987.97	11.04	12.52
MILK PRICE			82.09	
INVENTORY ADJUSTMENT			6.10	
RETURN TO EQUITY (%)			8.75	
AVERAGE CAP. DEBT INTEREST RATE (%)			4.02	

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Table 2 Statement of Investment

<u>LAND BUILDINGS & EQUIPMENT</u>	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	12.67	45,671.24	1,138,763.72
POWER MACHINERY	7.89	22,988.79	154,276.54
DAIRY EQUIPMENT	11.89	25,785.44	99,316.60
OTHER EQUIPMENT	9.12	13,698.32	59,085.89
TOTAL EQUIPMENT	9.37	62,472.55	312,679.03
LAND			129,392.36
SUPPLIES			15,840.15
** SUBTOTAL **		108,143.79	1,596,675.26

<u>DAIRY LIVESTOCK</u>	--- BEGIN YEAR ---		--- END OF YEAR ---		AVERAGE
	NUMBER	VALUE	NUMBER	VALUE	VALUE
COWS	135.98	276,917.58	141.69	288,554.52	282,736.05
BRED HEIFERS	41.04	73,873.47	42.41	76,334.69	75,104.08
OPEN HEIFERS	55.02	55,020.41	53.76	53,755.10	54,387.76
HEIFER CALVES	38.47	7,693.88	40.27	8,053.06	7,873.47
BULL CALVES	5.90	707.76	6.27	751.84	729.80
BULLS	1.71	2,571.43	1.67	2,510.20	2,540.82
** SUBTOTAL **	278.12	416,784.52	286.06	429,959.42	423,371.97

TOTAL DAIRY INVESTMENT -----	2,020,047.23
CAPITAL LOANS	486,012.82
OPERATOR EQUITY	1,534,034.41
INVESTMENT PER COW	14,865.00
DEBT/CAPITAL RATIO	.24
CAPITAL TURNOVER (YR)	1.88

<u>HERD SIZE</u>	Average	Median
NUMBER OF DAIRY COWS	135.89	116.33
NUMBER OF ANIMAL UNITS	217.19	181.08
DRY COWS (%)	19.99	
CALF CROP (%)	106.75	
PASTURE PER COW (AC.)	.29	

<u>CATTLE SALES & PURCHASES</u>	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	38.31	1,415.10	2.63	2,296.90
BRED HEIFERS	1.14	1,994.38	2.55	1,871.20
OPEN HEIFERS	1.57	1,983.24	.08	2,200.00
HEIFER CALVES	.55	306.97	.00	.00
BULL CALVES	42.94	175.71	.00	.00
BULLS	1.06	2,037.54	1.02	2,856.35
TOTAL VALUE		69,478.98		13,914.64

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Table 3 Labour and Management

LABOUR

	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	2,780.44	61,169.65	22.00
HIRED LABOUR	1,985.74	43,151.84	21.73
FAMILY UNPAID LABOUR	2,424.13	51,956.37	21.43
TOTAL	7,190.32	156,277.86	21.73
RETURN TO FAMILY LABOUR	15.11		
MAN EQUIVALENTS	2.88		
LABOUR HOURS PER COW	52.91		
YEARS FARMING	23.82		

MILK PRODUCTION

	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	12,158.42	97.18	997,108.53	82.01
OTHER MILK PRODUCED	352.73	2.82		
TOTAL	12,511.16	100.00		

AVERAGE COMPONENT PRICES (\$ / KG)

BUTTERFAT TEST	3.98 KG / HL	11.44
PROTEIN	3.31 KG / HL	4.62
L.O.S.	5.71 KG / HL	3.80
MILK PRODUCTION PER COW	9,206.63 LITRES / YEAR	

QUOTA INFORMATION

TPQ HOLDINGS	123.79 KG / DAY
TPQ PRICE	37,896.76 \$ / KG / DAY
CREDIT PRICE	7.62 \$ / KG

MANAGEMENT FACTORS

COST PER HL	77.14
MILK/FEED (KG) RATIO	2.08 LITRES
MILK/LABOUR (HR) RATIO	174.00 LITRES
MILK/CAPITAL (\$) RATIO	.62 LITRES

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Table 4 Feed Report

	--- PURCHASED ---		--- HOMEGROWN---	
<u>CONCENTRATES</u>	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	4.58	107.35	4.20	162.93
BARLEY	76.48	155.61	112.11	166.43
WHEAT	.21	211.00	.21	159.09
MIXED GRAIN	.00	.00	.00	.00
BREW GRAIN (DRY EQ.)	15.26	185.33		
BEET PULP	8.39	153.76		
OTHER PURCHASED	28.99	423.97		
DAIRY RATION	222.08	532.70		
CALF FEED	20.39	506.33		
MILK REPLACER	1.00	3,733.38		
SUPPLEMENT	92.15	573.20		
MOLASSES	4.59	279.61		
SALT	1.59	399.36		
MINERALS & VITAMINS	8.77	1,060.25		
SUBTOTAL -----	484.48	225,226.89	116.52	19,376.36
<u>ROUGHAGE</u>				
HAY (ALL VARIETIES)	132.53	143.64	174.64	152.60
ALFALFA PELLETS	.00	.00		
STRAW FED	2.65	64.55	14.87	54.75
GREENFEED	.00	.00	1.06	112.24
SILAGE/HAYLAGE (DRY EQ.)	180.38	124.87	531.01	133.40
SUBTOTAL -----	315.56	41,730.75	721.57	98,417.89
GRINDING & PROCESSING		2,566.63		
GRAND TOTAL FEED COSTS -----		269,524.28		117,794.25
BEDDING	139.97	59.97	80.47	51.38
AV. PRICE:	CONCENTRATE	407.00 \$/TONNE		
	ROUGHAGE	135.13 \$/TONNE		
FED PER COW:	CONCENTRATE	4.42 TONNES		
	ROUGHAGE	7.63 TONNES		
% HOME GROWN:	CONCENTRATE	19.39 %		
	ROUGHAGE	69.57 %		