

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

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
INCOME:				
MILK SALES	917,510.12	6,923.07	82.26	
POOL ADJUSTMENTS (+ -)	965.90	7.29	.09	
MISCELLANEOUS RECEIPTS	5,263.16	39.71	.47	
NET CATTLE SALES (+ -)	73,946.21	557.96	6.63	
NET INVENTORY CHANGE (+ -)	5,139.77	38.78	.46	
GROSS INCOME -----	1,002,825.16	7,566.81	89.91	100.00
EXPENSES:				
GRAIN	54,681.33	412.60	4.90	
COMPLETE FEED	108,746.91	820.55	9.75	
SUPPLEMENT	41,298.77	311.62	3.70	
MINERALS & VITAMINS	6,648.78	50.17	.60	
ROUGHAGE	109,264.49	824.45	9.80	
PROCESSING COSTS	7,169.12	54.09	.64	
TOTAL FEED COSTS -----	327,809.40	2,473.48	29.39	32.69
BEDDING AND SUPPLIES	32,519.78	245.38	2.92	
BREEDING	13,122.74	99.02	1.18	
VET. AND MEDICINE	24,370.81	183.89	2.18	
MILK HAULING	35,036.15	264.37	3.14	
PRODUCER'S FEES	23,909.69	180.41	2.14	
UTILITIES	20,835.16	157.21	1.87	
FUEL, OIL, LUBE	16,274.29	122.80	1.46	
BLDG. & MACH. REPAIRS	29,558.91	223.04	2.65	
MISCELLANEOUS	55,048.59	415.37	4.94	
TOTAL OTHER VARIABLE COSTS ----	250,676.13	1,891.48	22.47	25.00
HIRED LABOUR	48,421.49	365.36	4.34	
FAMILY LABOUR	107,117.03	808.25	9.60	
TOTAL LABOUR COSTS -----	155,538.52	1,173.62	13.94	15.51
TOTAL VARIABLE COSTS	734,024.05	5,538.57	65.81	73.20
RENT	4,853.64	36.62	.44	
TAXES AND INSURANCE	19,432.02	146.62	1.74	
DEPRECIATION	101,756.93	767.81	9.12	
INTEREST (CAP.DEBT)	26,258.70	198.13	2.35	
TOTAL CAPITAL COSTS -----	152,301.29	1,149.19	13.65	15.19
TOTAL PRODUCTION COSTS	886,325.34	6,687.76	79.46	88.38
CONTRIBUTION MARGIN (\$)	268,801.11	2,028.24	24.10	
RETURN TO EQUITY (\$)	116,499.82	879.05	10.44	11.62
MILK PRICE			82.34	
INVENTORY ADJUSTMENT			7.56	
RETURN TO EQUITY (%)			9.10	
AVERAGE CAP. DEBT INTEREST RATE (%)			3.78	

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Table 2 Statement of Investment

<u>LAND BUILDINGS & EQUIPMENT</u>	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	11.30	46,601.42	1,149,157.08
POWER MACHINERY	9.57	17,614.85	115,251.90
DAIRY EQUIPMENT	9.77	26,045.55	109,506.83
OTHER EQUIPMENT	10.45	11,495.10	47,026.09
TOTAL EQUIPMENT	9.80	55,155.51	271,784.82
LAND			119,330.74
SUPPLIES			17,813.44
** SUBTOTAL **		101,756.93	1,558,086.08

<u>DAIRY LIVESTOCK</u>	--- BEGIN YEAR ---		--- END OF YEAR ---		AVERAGE
	NUMBER	VALUE	NUMBER	VALUE	VALUE
COWS	137.82	275,917.40	143.71	287,693.64	281,805.52
BRED HEIFERS	33.94	61,094.12	33.88	60,988.24	61,041.18
OPEN HEIFERS	64.71	64,705.88	57.29	57,294.12	61,000.00
HEIFER CALVES	55.65	11,129.41	56.82	11,364.71	11,247.06
BULL CALVES	8.35	1,002.35	10.06	1,207.06	1,104.71
BULLS	.82	1,235.29	1.12	1,676.47	1,455.88
** SUBTOTAL **	301.29	415,084.46	302.88	420,224.23	417,654.34

TOTAL DAIRY INVESTMENT -----	1,975,740.42
CAPITAL LOANS	695,185.27
OPERATOR EQUITY	1,280,555.15
INVESTMENT PER COW	14,907.94
DEBT/CAPITAL RATIO	.35
CAPITAL TURNOVER (YR)	1.97

<u>HERD SIZE</u>	Average	Median
NUMBER OF DAIRY COWS	132.53	98.75
NUMBER OF ANIMAL UNITS	216.73	145.33
DRY COWS (%)	23.26	
CALF CROP (%)	110.12	
PASTURE PER COW (AC.)	.33	

<u>CATTLE SALES & PURCHASES</u>	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	40.12	1,367.49	.47	2,462.50
BRED HEIFERS	2.06	2,271.43	.00	.00
OPEN HEIFERS	3.88	2,121.94	.12	2,650.00
HEIFER CALVES	.59	497.00	.00	.00
BULL CALVES	45.71	161.49	.00	.00
BULLS	.59	1,810.66	.47	2,331.25
TOTAL VALUE		76,513.86		2,567.65

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Table 3 Labour and Management

LABOUR

	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	2,662.65	58,578.24	22.00
HIRED LABOUR	2,383.51	48,421.49	20.32
FAMILY UNPAID LABOUR	2,281.12	48,538.79	21.28
TOTAL	7,327.28	155,538.52	21.23
RETURN TO FAMILY LABOUR	16.74		
MAN EQUIVALENTS	2.93		
LABOUR HOURS PER COW	55.29		
YEARS FARMING	26.74		

MILK PRODUCTION

	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	11,154.11	96.59	917,510.12	82.26
OTHER MILK PRODUCED	394.16	3.41		
TOTAL	11,548.26	100.00		

AVERAGE COMPONENT PRICES (\$ / KG)

BUTTERFAT TEST	4.05 KG / HL	11.43
PROTEIN	3.36 KG / HL	4.62
L.O.S.	5.71 KG / HL	3.80
MILK PRODUCTION PER COW	8,713.74 LITRES / YEAR	

QUOTA INFORMATION

TPQ HOLDINGS	112.63 KG / DAY
TPQ PRICE	37,941.45 \$ / KG / DAY
CREDIT PRICE	7.85 \$ / KG

MANAGEMENT FACTORS

COST PER HL	79.46
MILK/FEED (KG) RATIO	1.99 LITRES
MILK/LABOUR (HR) RATIO	157.61 LITRES
MILK/CAPITAL (\$) RATIO	.58 LITRES

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Table 4 Feed Report**

<u>CONCENTRATES</u>	--- PURCHASED ---		--- HOMEGROWN---	
	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	1.25	49.00	1.44	144.00
BARLEY	155.57	158.42	83.26	145.69
WHEAT	.61	211.00	.61	159.09
MIXED GRAIN	.00	.00	.00	.00
BREW GRAIN (DRY EQ.)	16.74	187.17		
BEET PULP	6.21	246.49		
OTHER PURCHASED	27.40	465.29		
DAIRY RATION	192.99	534.73		
CALF FEED	6.71	581.90		
MILK REPLACER	.41	3,984.42		
SUPPLEMENT	77.53	523.29		
MOLASSES	2.51	289.93		
SALT	2.61	392.40		
MINERALS & VITAMINS	4.90	1,147.34		
SUBTOTAL -----	495.44	198,941.33	85.31	12,434.46
<u>ROUGHAGE</u>				
HAY (ALL VARIETIES)	131.60	118.84	103.53	102.69
ALFALFA PELLETS	.00	.00		
STRAW FED	2.99	63.21	8.29	43.24
GREENFEED	.00	.00	.24	71.89
SILAGE/HAYLAGE (DRY EQ.)	328.44	130.23	428.51	92.55
SUBTOTAL -----	463.02	58,598.92	540.58	50,665.57
GRINDING & PROCESSING		7,169.12		
GRAND TOTAL FEED COSTS -----		264,709.38		63,100.03
BEDDING	144.52	73.24	96.00	42.82
AV. PRICE:	CONCENTRATE	363.97 \$/TONNE		
	ROUGHAGE	108.87 \$/TONNE		
FED PER COW:	CONCENTRATE	4.38 TONNES		
	ROUGHAGE	7.57 TONNES		
% HOME GROWN:	CONCENTRATE	14.69 %		
	ROUGHAGE	53.86 %		