

**Southern Alberta**  
**2014 Dairy Cost Study - Business Analysis**  
**32 Participants**  
**Table 1 Dairy Enterprise Costs and Returns**

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
<b>INCOME:</b>				
MILK SALES	1,039,395.18	7,549.37	81.89	
POOL ADJUSTMENTS (+ -)	898.46	6.53	.07	
MISCELLANEOUS RECEIPTS	5,452.65	39.60	.43	
NET CATTLE SALES ( + - )	45,798.97	332.65	3.61	
NET INVENTORY CHANGE ( + - )	17,434.98	126.63	1.37	
<b>GROSS INCOME -----</b>	<b>1,108,980.25</b>	<b>8,054.78</b>	<b>87.38</b>	<b>100.00</b>
<b>EXPENSES:</b>				
GRAIN	44,789.07	325.31	3.53	
COMPLETE FEED	144,877.33	1,052.28	11.41	
SUPPLEMENT	60,909.11	442.40	4.80	
MINERALS & VITAMINS	11,679.83	84.83	.92	
ROUGHAGE	156,555.85	1,137.10	12.34	
PROCESSING COSTS	121.56	.88	.01	
<b>TOTAL FEED COSTS -----</b>	<b>418,932.76</b>	<b>3,042.81</b>	<b>33.01</b>	<b>37.78</b>
BEDDING AND SUPPLIES	34,974.28	254.03	2.76	
BREEDING	11,725.51	85.17	.92	
VET. AND MEDICINE	21,775.95	158.16	1.72	
MILK HAULING	39,320.58	285.59	3.10	
PRODUCER'S FEES	27,126.79	197.03	2.14	
UTILITIES	22,553.90	163.81	1.78	
FUEL, OIL, LUBE	22,095.31	160.48	1.74	
BLDG. & MACH. REPAIRS	28,019.18	203.51	2.21	
MISCELLANEOUS	34,046.62	247.29	2.68	
<b>TOTAL OTHER VARIABLE COSTS ----</b>	<b>241,638.10</b>	<b>1,755.07</b>	<b>19.04</b>	<b>21.79</b>
HIRED LABOUR	40,352.33	293.09	3.18	
FAMILY LABOUR	116,318.30	844.85	9.16	
<b>TOTAL LABOUR COSTS -----</b>	<b>156,670.63</b>	<b>1,137.94</b>	<b>12.34</b>	<b>14.13</b>
<b>TOTAL VARIABLE COSTS</b>	<b>817,241.49</b>	<b>5,935.82</b>	<b>64.39</b>	<b>73.69</b>
RENT	1,688.82	12.27	.13	
TAXES AND INSURANCE	18,848.54	136.90	1.49	
DEPRECIATION	111,536.81	810.12	8.79	
INTEREST ( CAP.DEBT)	15,981.63	116.08	1.26	
<b>TOTAL CAPITAL COSTS -----</b>	<b>148,055.80</b>	<b>1,075.36</b>	<b>11.67</b>	<b>13.35</b>
<b>TOTAL PRODUCTION COSTS</b>	<b>965,297.29</b>	<b>7,011.18</b>	<b>76.06</b>	<b>87.04</b>
CONTRIBUTION MARGIN (\$)	291,738.76	2,118.97	22.99	
RETURN TO EQUITY (\$)	143,682.96	1,043.60	11.32	12.96
MILK PRICE			81.96	
INVENTORY ADJUSTMENT			5.41	
RETURN TO EQUITY (%)			8.61	
AVERAGE CAP. DEBT INTEREST RATE (%)			4.26	

**Southern Alberta  
2014 Dairy Cost Study - Business Analysis  
32 Participants  
Table 2 Statement of Investment**

<u>LAND BUILDINGS &amp; EQUIPMENT</u>	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	13.44	45,177.08	<b>1,133,364.73</b>
POWER MACHINERY	7.22	25,843.69	175,171.01
DAIRY EQUIPMENT	13.02	25,647.26	93,943.42
OTHER EQUIPMENT	8.60	14,868.79	65,433.07
<b>TOTAL EQUIPMENT</b>	<b>9.19</b>	<b>66,359.73</b>	<b>334,547.49</b>
LAND			134,737.59
SUPPLIES			14,791.84
<b>** SUBTOTAL **</b>		<b>111,536.81</b>	<b>1,617,441.66</b>

<u>DAIRY LIVESTOCK</u>	--- BEGIN YEAR ---		--- END OF YEAR ---		AVERAGE
	NUMBER	VALUE	NUMBER	VALUE	VALUE
COWS	135.00	277,304.61	140.63	288,858.97	283,081.79
BRED HEIFERS	44.81	80,662.50	46.94	84,487.50	82,575.00
OPEN HEIFERS	49.88	49,875.00	51.88	51,875.00	50,875.00
HEIFER CALVES	29.34	5,868.75	31.47	6,293.75	6,081.25
BULL CALVES	4.59	551.25	4.25	510.00	530.63
BULLS	2.19	3,281.25	1.97	2,953.13	3,117.19
<b>** SUBTOTAL **</b>	<b>265.81</b>	<b>417,543.36</b>	<b>277.13</b>	<b>434,978.34</b>	<b>426,260.85</b>

<b>TOTAL DAIRY INVESTMENT</b> -----	<b>2,043,702.52</b>
CAPITAL LOANS	374,889.96
OPERATOR EQUITY	1,668,812.56
INVESTMENT PER COW	14,843.89
DEBT/CAPITAL RATIO	.18
CAPITAL TURNOVER ( YR )	1.84

<u>HERD SIZE</u>	Average	Median
NUMBER OF DAIRY COWS	137.68	125.25
NUMBER OF ANIMAL UNITS	217.43	208.00
DRY COWS ( % )	18.32	
CALF CROP ( % )	105.02	
PASTURE PER COW ( AC. )	.27	

<u>CATTLE SALES &amp; PURCHASES</u>	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	37.34	1,442.27	3.78	2,285.95
BRED HEIFERS	.66	1,532.63	3.91	1,871.20
OPEN HEIFERS	.34	1,151.06	.06	1,750.00
HEIFER CALVES	.53	195.19	.00	.00
BULL CALVES	41.47	184.03	.00	.00
BULLS	1.31	2,091.56	1.31	2,956.37
<b>TOTAL VALUE</b>		<b>65,741.70</b>		<b>19,942.73</b>

**Southern Alberta**  
**2014 Dairy Cost Study - Business Analysis**  
**32 Participants**  
**Table 3 Labour and Management**

**LABOUR**

	<b>HOURS</b>	<b>VALUE</b>	<b>HOURLY RATE</b>
OPERATOR LABOUR	2,843.02	62,546.34	22.00
HIRED LABOUR	1,774.43	40,352.33	22.74
FAMILY UNPAID LABOUR	2,500.11	53,771.95	21.51
<b>TOTAL</b>	<b>7,117.55</b>	<b>156,670.63</b>	<b>22.01</b>
RETURN TO FAMILY LABOUR	14.30		
MAN EQUIVALENTS	2.85		
LABOUR HOURS PER COW	51.70		
YEARS FARMING	22.27		

**MILK PRODUCTION**

	<b>HL.</b>	<b>% OF TOTAL</b>	<b>VALUE</b>	<b>AVERAGE PRICE / HL</b>
MILK SALES	12,691.97	97.46	1,039,395.18	81.89
OTHER MILK PRODUCED	330.73	2.54		
<b>TOTAL</b>	<b>13,022.69</b>	<b>100.00</b>		

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

BUTTERFAT TEST	3.95 KG / HL	11.44
PROTEIN	3.28 KG / HL	4.62
L.O.S.	5.71 KG / HL	3.79
MILK PRODUCTION PER COW	9,458.69 LITRES / YEAR	

**QUOTA INFORMATION**

TPQ HOLDINGS	129.72 KG / DAY
TPQ PRICE	37,848.45 \$ / KG / DAY
CREDIT PRICE	7.53 \$ / KG

**MANAGEMENT FACTORS**

COST PER HL	76.06
MILK/FEED (KG) RATIO	2.13 LITRES
MILK/LABOUR (HR) RATIO	182.97 LITRES
MILK/CAPITAL (\$) RATIO	.64 LITRES

**Southern Alberta  
2014 Dairy Cost Study - Business Analysis  
32 Participants  
Table 4 Feed Report**

<u>CONCENTRATES</u>	--- PURCHASED ---		--- HOMEGROWN---	
	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	6.35	113.44	5.66	165.49
BARLEY	34.46	148.87	127.44	173.63
WHEAT	.00	.00	.00	.00
MIXED GRAIN	.00	.00	.00	.00
BREW GRAIN (DRY EQ. )	14.48	184.21		
BEET PULP	9.55	121.72		
OTHER PURCHASED	29.83	403.80		
DAIRY RATION	237.54	531.82		
CALF FEED	27.65	496.58		
MILK REPLACER	1.31	3,691.31		
SUPPLEMENT	99.92	593.78		
MOLASSES	5.69	277.19		
SALT	1.04	408.64		
MINERALS & VITAMINS	10.83	1,039.31		
<b>SUBTOTAL -----</b>	<b>478.65</b>	<b>239,191.10</b>	<b>133.10</b>	<b>23,064.25</b>
<u>ROUGHAGE</u>				
HAY (ALL VARIETIES)	133.02	156.68	212.41	165.52
ALFALFA PELLETS	.00	.00		
STRAW FED	2.48	65.40	18.36	57.52
GREENFEED	.00	.00	1.49	115.71
SILAGE/HAYLAGE (DRY EQ.)	101.72	115.67	585.46	149.28
<b>SUBTOTAL -----</b>	<b>237.22</b>	<b>32,769.54</b>	<b>817.72</b>	<b>123,786.31</b>
GRINDING & PROCESSING		121.56		
<b>GRAND TOTAL FEED COSTS -----</b>		<b>272,082.20</b>		<b>146,850.56</b>
BEDDING	137.55	52.56	72.23	57.42
AV. PRICE:	CONCENTRATE	428.70 \$/TONNE		
	ROUGHAGE	148.40 \$/TONNE		
FED PER COW:	CONCENTRATE	4.44 TONNES		
	ROUGHAGE	7.66 TONNES		
% HOME GROWN:	CONCENTRATE	21.76 %		
	ROUGHAGE	77.51 %		