

Northern Alberta
2018 Dairy Cost Study - Business Analysis
15 Participants
Table 1 Dairy Enterprise Costs and Returns

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
INCOME:				
MILK SALES	1,323,627.29	6,718.92	79.65	
POOL ADJUSTMENTS (+ -)	1,513.15	7.68	.09	
MISCELLANEOUS RECEIPTS	8,234.27	41.80	.50	
NET CATTLE SALES (+ -)	89,032.44	451.94	5.36	
NET INVENTORY CHANGE (+ -)	36,688.79	186.24	2.21	
GROSS INCOME -----	1,459,095.94	7,406.58	87.80	100.00
EXPENSES:				
GRAIN	106,176.12	538.97	6.39	
COMPLETE FEED	170,179.47	863.86	10.24	
SUPPLEMENT	67,672.85	343.52	4.07	
MINERALS & VITAMINS	14,827.92	75.27	.89	
ROUGHAGE	193,322.52	981.33	11.63	
PROCESSING COSTS	13,639.15	69.23	.82	
TOTAL FEED COSTS -----	565,818.02	2,872.17	34.05	38.78
BEDDING AND SUPPLIES	55,077.46	279.58	3.31	
BREEDING	20,565.69	104.39	1.24	
VET. AND MEDICINE	38,193.42	193.88	2.30	
MILK HAULING	58,789.53	298.42	3.54	
PRODUCER'S FEES	35,484.96	180.13	2.14	
UTILITIES	30,965.70	157.19	1.86	
FUEL, OIL, LUBE	18,911.76	96.00	1.14	
BLDG. & MACH. REPAIRS	50,033.38	253.98	3.01	
MISCELLANEOUS	71,483.29	362.86	4.30	
TOTAL OTHER VARIABLE COSTS ----	379,505.19	1,926.42	22.84	26.01
HIRED LABOUR	99,206.01	503.58	5.97	
FAMILY LABOUR	105,066.13	533.33	6.32	
TOTAL LABOUR COSTS -----	204,272.15	1,036.91	12.29	14.00
TOTAL VARIABLE COSTS	1,149,595.36	5,835.51	69.18	78.79
RENT	5,462.99	27.73	.33	
TAXES AND INSURANCE	31,190.60	158.33	1.88	
DEPRECIATION	153,777.67	780.60	9.25	
INTEREST (CAP.DEBT)	31,477.71	159.79	1.89	
TOTAL CAPITAL COSTS -----	221,908.96	1,126.44	13.35	15.21
TOTAL PRODUCTION COSTS	1,371,504.33	6,961.95	82.53	94.00
CONTRIBUTION MARGIN (\$)	309,500.58	1,571.07	18.62	
RETURN TO EQUITY (\$)	87,591.61	444.63	5.27	6.00
MILK PRICE			79.74	
INVENTORY ADJUSTMENT			8.06	
RETURN TO EQUITY (%)			4.27	
AVERAGE CAP. DEBT INTEREST RATE (%)			3.18	

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Table 2 Statement of Investment**

<u>LAND BUILDINGS & EQUIPMENT</u>	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	12.04	76,180.86	1,889,891.81
POWER MACHINERY	9.42	23,922.63	156,875.80
DAIRY EQUIPMENT	11.65	35,838.70	139,497.80
OTHER EQUIPMENT	8.83	17,835.48	77,806.67
TOTAL EQUIPMENT	10.10	77,596.81	374,180.28
LAND			92,013.33
SUPPLIES			19,331.76
** SUBTOTAL **		153,777.67	2,375,417.19

<u>DAIRY LIVESTOCK</u>	--- BEGIN YEAR ---		--- END OF YEAR ---		AVERAGE
	NUMBER	VALUE	NUMBER	VALUE	VALUE
COWS	190.87	433,349.72	197.33	448,031.84	440,690.78
BRED HEIFERS	50.53	101,066.67	61.80	123,600.00	112,333.33
OPEN HEIFERS	52.33	78,500.00	51.60	77,400.00	77,950.00
HEIFER CALVES	73.60	29,440.00	74.33	29,733.33	29,586.67
BULL CALVES	24.07	3,610.00	27.93	4,190.00	3,900.00
BULLS	.87	1,300.00	.67	1,000.00	1,150.00
** SUBTOTAL **	392.27	647,266.38	413.67	683,955.17	665,610.78

TOTAL DAIRY INVESTMENT -----	3,041,027.96
CAPITAL LOANS	990,567.58
OPERATOR EQUITY	2,050,460.38
INVESTMENT PER COW	15,436.69
DEBT/CAPITAL RATIO	.33
CAPITAL TURNOVER (YR)	2.08

<u>HERD SIZE</u>	Average	Median
NUMBER OF DAIRY COWS	197.00	127.42
NUMBER OF ANIMAL UNITS	307.36	181.42
DRY COWS (%)	22.17	
CALF CROP (%)	103.05	
PASTURE PER COW (AC.)	.17	

<u>CATTLE SALES & PURCHASES</u>	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	44.67	1,249.07	.00	.00
BRED HEIFERS	1.40	2,015.24	.00	.00
OPEN HEIFERS	12.73	1,346.57	.00	.00
HEIFER CALVES	3.67	96.18	.80	350.00
BULL CALVES	59.53	225.44	.00	.00
BULLS	.33	1,437.12	.27	2,625.00
TOTAL VALUE		90,012.44		980.00

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Table 3 Labour and Management

LABOUR

	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	2,236.77	49,208.87	22.00
HIRED LABOUR	4,315.07	99,206.01	22.99
FAMILY UNPAID LABOUR	2,550.80	55,857.27	21.90
TOTAL	9,102.63	204,272.15	22.44
RETURN TO FAMILY LABOUR	(6.87)		
MAN EQUIVALENTS	3.64		
LABOUR HOURS PER COW	46.21		
YEARS FARMING	26.50		

MILK PRODUCTION

	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	16,618.52	96.85	1,323,627.29	79.65
OTHER MILK PRODUCED	539.88	3.15		
TOTAL	17,158.40	100.00		

AVERAGE COMPONENT PRICES (\$ / KG)

BUTTERFAT TEST	4.25 KG / HL	16.24
PROTEIN	3.32 KG / HL	2.41
L.O.S.	5.77 KG / HL	.68
MILK PRODUCTION PER COW	8,709.85 LITRES / YEAR	

QUOTA INFORMATION

TPQ HOLDINGS	187.71 KG / DAY
TPQ PRICE	38,682.48 \$ / KG / DAY
CREDIT PRICE	8.03 \$ / KG

MANAGEMENT FACTORS

COST PER HL	82.53
MILK/FEED (KG) RATIO	1.90 LITRES
MILK/LABOUR (HR) RATIO	188.50 LITRES
MILK/CAPITAL (\$) RATIO	.56 LITRES

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Table 4 Feed Report**

<u>CONCENTRATES</u>	--- PURCHASED ---		--- HOMEGROWN---	
	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	.00	.00	.00	.00
BARLEY	280.50	202.50	85.16	208.42
WHEAT	.00	.00	12.67	219.86
MIXED GRAIN	.00	.00	.00	.00
BREW GRAIN (DRY EQ.)	12.20	425.01		
BEET PULP	18.25	270.93		
OTHER PURCHASED	51.31	364.73		
DAIRY RATION	259.92	606.56		
CALF FEED	13.93	589.69		
MILK REPLACER	1.27	3,388.28		
SUPPLEMENT	122.65	543.23		
MOLASSES	3.20	326.74		
SALT	1.93	822.58		
MINERALS & VITAMINS	41.15	321.69		
SUBTOTAL -----	806.31	338,321.36	97.83	20,535.00
<u>ROUGHAGE</u>				
HAY (ALL VARIETIES)	153.12	177.55	63.61	140.61
ALFALFA PELLETS	.00	.00		
STRAW FED	20.36	61.31	30.39	63.17
GREENFEED	.92	100.00	.68	116.48
SILAGE/HAYLAGE (DRY EQ.)	349.46	154.17	767.89	130.20
SUBTOTAL -----	523.86	82,402.77	862.57	110,919.74
GRINDING & PROCESSING		13,639.15		
GRAND TOTAL FEED COSTS -----		434,363.28		131,454.74
BEDDING	278.19	79.29	88.23	63.20
AV. PRICE:	CONCENTRATE	396.90 \$/TONNE		
	ROUGHAGE	139.44 \$/TONNE		
FED PER COW:	CONCENTRATE	4.59 TONNES		
	ROUGHAGE	7.04 TONNES		
% HOME GROWN:	CONCENTRATE	10.82 %		
	ROUGHAGE	62.22 %		