

Southern Alberta
2018 Dairy Cost Study - Business Analysis
25 Participants
Table 1 Dairy Enterprise Costs and Returns

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
INCOME:				
MILK SALES	1,250,053.33	8,216.65	79.11	
POOL ADJUSTMENTS (+ -)	1,510.06	9.93	.10	
MISCELLANEOUS RECEIPTS	5,661.31	37.21	.36	
NET CATTLE SALES (+ -)	31,386.97	206.31	1.99	
NET INVENTORY CHANGE (+ -)	19,841.22	130.42	1.26	
GROSS INCOME -----	1,308,452.89	8,600.51	82.81	100.00
EXPENSES:				
GRAIN	68,725.23	451.73	4.35	
COMPLETE FEED	207,550.37	1,364.24	13.14	
SUPPLEMENT	58,553.75	384.88	3.71	
MINERALS & VITAMINS	22,306.48	146.62	1.41	
ROUGHAGE	216,698.01	1,424.36	13.71	
PROCESSING COSTS	337.96	2.22	.02	
TOTAL FEED COSTS -----	574,171.79	3,774.05	36.34	43.88
BEDDING AND SUPPLIES	50,325.63	330.79	3.18	
BREEDING	14,431.68	94.86	.91	
VET. AND MEDICINE	26,801.70	176.17	1.70	
MILK HAULING	56,102.20	368.76	3.55	
PRODUCER'S FEES	35,635.91	234.24	2.26	
UTILITIES	24,518.94	161.16	1.55	
FUEL, OIL, LUBE	18,970.89	124.70	1.20	
BLDG. & MACH. REPAIRS	30,899.28	203.10	1.96	
MISCELLANEOUS	36,268.73	238.40	2.30	
TOTAL OTHER VARIABLE COSTS ----	293,954.96	1,932.18	18.60	22.47
HIRED LABOUR	31,050.30	204.09	1.97	
FAMILY LABOUR	157,793.24	1,037.18	9.99	
TOTAL LABOUR COSTS -----	188,843.54	1,241.28	11.95	14.43
TOTAL VARIABLE COSTS	1,056,970.29	6,947.51	66.89	80.78
RENT	998.70	6.56	.06	
TAXES AND INSURANCE	20,437.60	134.34	1.29	
DEPRECIATION	137,757.02	905.48	8.72	
INTEREST (CAP.DEBT)	18,044.58	118.61	1.14	
TOTAL CAPITAL COSTS -----	177,237.90	1,164.99	11.22	13.55
TOTAL PRODUCTION COSTS	1,234,208.19	8,112.50	78.11	94.33
CONTRIBUTION MARGIN (\$)	251,482.60	1,653.00	15.92	
RETURN TO EQUITY (\$)	74,244.70	488.01	4.70	5.67
MILK PRICE			79.21	
INVENTORY ADJUSTMENT			3.60	
RETURN TO EQUITY (%)			3.55	
AVERAGE CAP. DEBT INTEREST RATE (%)			3.58	

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Table 2 Statement of Investment**

<u>LAND BUILDINGS & EQUIPMENT</u>	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	12.54	59,542.62	1,483,077.90
POWER MACHINERY	8.12	29,902.10	199,991.56
DAIRY EQUIPMENT	13.68	31,127.59	110,593.90
OTHER EQUIPMENT	10.05	17,184.71	71,465.93
TOTAL EQUIPMENT	10.30	78,214.40	382,051.39
LAND			127,688.80
SUPPLIES			17,168.06
** SUBTOTAL **		137,757.02	2,009,986.15

<u>DAIRY LIVESTOCK</u>	--- BEGIN YEAR ---		--- END OF YEAR ---		AVERAGE
	NUMBER	VALUE	NUMBER	VALUE	VALUE
COWS	152.04	380,358.81	156.28	390,966.03	385,662.42
BRED HEIFERS	48.64	97,280.00	51.04	102,080.00	99,680.00
OPEN HEIFERS	51.28	76,920.00	53.84	80,760.00	78,840.00
HEIFER CALVES	35.24	14,096.00	36.20	14,480.00	14,288.00
BULL CALVES	4.20	630.00	4.40	660.00	645.00
BULLS	3.32	4,980.00	3.44	5,160.00	5,070.00
** SUBTOTAL **	294.72	574,264.81	305.20	594,106.03	584,185.42

TOTAL DAIRY INVESTMENT -----	2,594,171.56
CAPITAL LOANS	504,185.69
OPERATOR EQUITY	2,089,985.88
INVESTMENT PER COW	17,051.59
DEBT/CAPITAL RATIO	.19
CAPITAL TURNOVER (YR)	1.98

<u>HERD SIZE</u>	Average	Median
NUMBER OF DAIRY COWS	152.14	137.42
NUMBER OF ANIMAL UNITS	239.03	213.42
DRY COWS (%)	17.77	
CALF CROP (%)	103.83	
PASTURE PER COW (AC.)	.21	

<u>CATTLE SALES & PURCHASES</u>	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	45.96	1,036.72	6.96	2,564.57
BRED HEIFERS	1.12	1,653.02	2.96	2,072.28
OPEN HEIFERS	.60	1,280.05	.60	2,163.73
HEIFER CALVES	.84	165.26	.00	.00
BULL CALVES	47.56	191.51	.00	.00
BULLS	2.08	1,800.17	2.48	2,657.28
TOTAL VALUE		63,258.62		31,871.64

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Table 3 Labour and Management

LABOUR

	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	3,906.62	85,945.64	22.00
HIRED LABOUR	1,355.39	31,050.30	22.91
FAMILY UNPAID LABOUR	3,355.82	71,847.60	21.41
TOTAL	8,617.83	188,843.54	21.91
RETURN TO FAMILY LABOUR	.29		
MAN EQUIVALENTS	3.45		
LABOUR HOURS PER COW	56.65		
YEARS FARMING	28.24		

MILK PRODUCTION

	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	15,801.23	97.64	1,250,053.33	79.11
OTHER MILK PRODUCED	381.70	2.36		
TOTAL	16,182.93	100.00		

AVERAGE COMPONENT PRICES (\$ / KG)

BUTTERFAT TEST	4.15 KG / HL	16.23
PROTEIN	3.28 KG / HL	2.40
L.O.S.	5.76 KG / HL	.68
MILK PRODUCTION PER COW	10,637.10 LITRES / YEAR	

QUOTA INFORMATION

TPQ HOLDINGS	171.59 KG / DAY
TPQ PRICE	39,210.26 \$ / KG / DAY
CREDIT PRICE	9.52 \$ / KG

MANAGEMENT FACTORS

COST PER HL	78.11
MILK/FEED (KG) RATIO	2.31 LITRES
MILK/LABOUR (HR) RATIO	187.78 LITRES
MILK/CAPITAL (\$) RATIO	.62 LITRES

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Table 4 Feed Report**

<u>CONCENTRATES</u>	--- PURCHASED ---		--- HOMEGROWN---	
	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	2.61	160.75	.00	.00
BARLEY	19.38	222.29	120.25	229.81
WHEAT	.14	233.41	.25	226.05
MIXED GRAIN	.00	.00	.00	.00
BREW GRAIN (DRY EQ.)	7.56	176.23		
BEET PULP	.00	.00		
OTHER PURCHASED	88.90	393.05		
DAIRY RATION	324.15	561.79		
CALF FEED	25.81	592.49		
MILK REPLACER	3.02	3,365.37		
SUPPLEMENT	78.85	697.97		
MOLASSES	11.10	317.31		
SALT	1.13	465.70		
MINERALS & VITAMINS	17.22	1,265.17		
SUBTOTAL -----	579.85	329,443.63	120.51	27,692.20
<u>ROUGHAGE</u>				
HAY (ALL VARIETIES)	229.48	183.20	138.74	214.06
ALFALFA PELLETS	.00	.00		
STRAW FED	13.94	54.70	33.20	84.49
GREENFEED	.00	.00	3.75	168.31
SILAGE/HAYLAGE (DRY EQ.)	91.90	141.56	660.84	193.31
SUBTOTAL -----	335.33	55,814.56	836.53	160,883.45
GRINDING & PROCESSING		337.96		
GRAND TOTAL FEED COSTS -----		385,596.14		188,575.65
BEDDING	242.12	76.30	5.52	85.14
AV. PRICE:	CONCENTRATE	509.93 \$/TONNE		
	ROUGHAGE	184.92 \$/TONNE		
FED PER COW:	CONCENTRATE	4.60 TONNES		
	ROUGHAGE	7.70 TONNES		
% HOME GROWN:	CONCENTRATE	17.21 %		
	ROUGHAGE	71.38 %		