

Dairy Cost Study - Business Analysis
Dairy Enterprise Costs and Returns
Alberta 2018 and 3 Year Average

	----- 2018 -----		---- Average 2016-2018 ----	
	\$/Cow	\$/HI Sold	\$ / Cow	\$/HI Sold
Income:				
Milk Sales	7,561.79	79.32	7,418.00	79.34
Pool Adjustments / Levies (+/-)	8.94	0.09	5.29	0.06
Miscellaneous Receipts	39.22	0.41	38.81	0.42
Net Cattle Sales (+/-)	313.71	3.29	399.99	4.28
Net Inventory Change	155.11	1.63	145.58	1.56
Gross Income	\$8,078.77	\$84.74	\$8,007.67	\$85.65
Expenses:				
Grain	489.87	5.14	448.38	4.80
Complete Feed	1,145.45	12.02	1,060.63	11.34
Supplement	366.79	3.85	356.76	3.82
Minerals & Vitamins	115.42	1.21	94.55	1.01
Roughage	1,230.66	12.91	1,128.93	12.07
Processing Costs	31.52	0.33	27.56	0.29
Total Feed Costs	\$3,379.72	\$35.45	\$3,116.81	\$33.34
Bedding & Supplies	308.40	3.23	286.43	3.06
Breeding	99.03	1.04	99.55	1.06
Vet. & Medicine	183.91	1.93	184.89	1.98
Milk Hauling	338.01	3.55	323.83	3.46
Producer's Fees	210.58	2.21	203.83	2.18
Utilities	159.42	1.67	154.25	1.65
Fuel, Oil, Lube	112.15	1.18	105.27	1.13
Bldg. & Mach. Repairs	225.35	2.36	228.41	2.44
Miscellaneous	292.82	3.07	303.14	3.24
Total Other Costs	\$1,929.66	\$20.24	\$1,889.61	\$20.21
Hired Labour	335.04	3.51	330.71	3.54
Family Labour	816.88	8.57	781.89	8.36
Total Labour Costs	\$1,151.92	\$12.08	\$1,112.59	\$11.90
Total Operating Costs	\$6,461.30	\$67.78	\$6,119.01	\$65.45
Rent	15.82	0.17	21.92	0.23
Taxes & Insurance	144.83	1.52	148.67	1.59
Depreciation	850.88	8.93	864.24	9.24
Interest (Cap.Debt)	136.61	1.43	144.53	1.55
Total Capital Costs	\$1,148.14	\$12.04	\$1,179.36	\$12.61
Total Production Costs	\$7,609.44	\$79.82	\$7,298.36	\$78.06
Contribution Margin (\$)	\$1,617.46	\$16.97	\$1,888.67	\$20.20
Return to Equity (\$)	\$469.33	\$4.92	\$709.31	\$7.59
Milk Price		\$79.41		\$79.40
Inventory Adjustment		\$5.33		\$6.42
Return to Equity (%)		3.82%		5.85%
Average Interest Rate (%)		3.36%		3.30%
Investment	\$16,342.51	\$171.42	\$16,494.92	\$176.50
No. of Cows	168.96		165.26	

For a complete copy of The Economics of Milk Production, 2018

Please contact: Pauline Van Biert

Phone: 780-415-2153 or e-mail: pauline.vanbiert@gov.ab.ca

Report also found at: www.alberta.ca/the-economics-of-milk-production.aspx