

Dairy Cost Study - Business Analysis
Dairy Enterprise Costs and Returns
Alberta 2017 and 3 Year Average

	----- 2017 -----		---- Average 2015-2017 ----	
	\$/Cow	\$/HI Sold	\$/ Cow	\$/HI Sold
Income:				
Milk Sales	7,338.81	79.57	7,357.89	79.67
Pool Adjustments / Levies (+/-)	3.95	0.04	9.46	0.10
Miscellaneous Receipts	36.89	0.40	38.73	0.42
Net Cattle Sales (+/-)	418.30	4.54	497.76	5.39
Net Inventory Change	208.01	2.26	136.48	1.48
Gross Income	\$8,005.96	\$86.80	\$8,040.32	\$87.05
Expenses:				
Grain	388.78	4.22	421.03	4.56
Complete Feed	1,063.96	11.54	1,012.48	10.96
Supplement	337.26	3.66	373.92	4.05
Minerals & Vitamins	98.11	1.06	79.52	0.86
Roughage	942.94	10.22	1,137.39	12.31
Processing Costs	29.28	0.32	23.97	0.26
Total Feed Costs	\$2,860.34	\$31.01	\$3,048.31	\$33.00
Bedding & Supplies	264.97	2.87	272.89	2.95
Breeding	99.72	1.80	96.75	1.05
Vet. & Medicine	185.19	2.01	179.68	1.95
Milk Hauling	310.85	3.37	314.22	3.40
Producer's Fees	201.07	2.18	199.60	2.16
Utilities	149.75	1.62	151.44	1.64
Fuel, Oil, Lube	99.67	1.08	105.88	1.15
Bldg. & Mach. Repairs	216.44	2.35	230.05	2.49
Miscellaneous	290.93	3.15	300.53	3.25
Total Other Costs	\$1,818.60	\$19.72	\$1,851.05	\$20.04
Hired Labour	340.80	3.70	318.34	3.45
Family Labour	783.38	8.49	777.04	8.41
Total Labour Costs	\$1,124.18	\$12.19	\$1,095.39	\$11.86
Total Operating Costs	\$5,803.13	\$62.92	\$5,994.74	\$64.91
Rent	29.68	0.32	25.53	0.28
Taxes & Insurance	155.90	1.69	151.35	1.64
Depreciation	827.45	8.97	847.13	9.17
Interest (Cap.Debt)	130.29	1.41	147.37	1.60
Total Capital Costs	\$1,143.32	\$12.40	\$1,171.38	\$12.68
Total Production Costs	\$6,946.45	\$75.32	\$7,166.11	\$77.59
Contribution Margin (\$)	\$2,202.83	\$23.88	\$2,045.58	\$22.15
Return to Equity (\$)	\$1,059.51	\$11.49	\$874.20	\$9.47
Milk Price		\$79.61		\$79.76
Inventory Adjustment		\$7.19		\$7.49
Return to Equity (%)		8.84%		7.37%
Average Interest Rate (%)		3.17%		3.42%
Investment	\$16,089.83	\$174.45	\$16,174.11	\$175.11
No. of Cows	165.58		157.85	

For a complete copy of The Economics of Milk Production, 2017

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Report also found at: [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/econ14116](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/econ14116)