

**Alberta**  
**2017 Dairy Cost Study - Business Analysis**  
**39 Participants**  
**Table 1 Dairy Enterprise Costs and Returns**

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
<b>INCOME:</b>				
MILK SALES	1,215,184.68	7,338.81	79.57	
POOL ADJUSTMENTS (+ -)	654.41	3.95	.04	
MISCELLANEOUS RECEIPTS	6,107.93	36.89	.40	
NET CATTLE SALES (+ -)	69,263.39	418.30	4.54	
NET INVENTORY CHANGE (+ -)	34,443.21	208.01	2.26	
<b>GROSS INCOME -----</b>	<b>1,325,653.62</b>	<b>8,005.96</b>	<b>86.80</b>	<b>100.00</b>
<b>EXPENSES:</b>				
GRAIN	64,376.18	388.78	4.22	
COMPLETE FEED	176,174.10	1,063.96	11.54	
SUPPLEMENT	55,845.17	337.26	3.66	
MINERALS & VITAMINS	16,246.13	98.11	1.06	
ROUGHAGE	156,135.15	942.94	10.22	
PROCESSING COSTS	4,848.58	29.28	.32	
<b>TOTAL FEED COSTS -----</b>	<b>473,625.31</b>	<b>2,860.34</b>	<b>31.01</b>	<b>35.73</b>
BEDDING AND SUPPLIES	43,874.98	264.97	2.87	
BREEDING	16,511.83	99.72	1.08	
VET. AND MEDICINE	30,664.83	185.19	2.01	
MILK HAULING	51,472.12	310.85	3.37	
PRODUCER'S FEES	33,294.14	201.07	2.18	
UTILITIES	24,795.86	149.75	1.62	
FUEL, OIL, LUBE	16,503.77	99.67	1.08	
BLDG. & MACH. REPAIRS	35,839.51	216.44	2.35	
MISCELLANEOUS	48,173.43	290.93	3.15	
<b>TOTAL OTHER VARIABLE COSTS ----</b>	<b>301,130.46</b>	<b>1,818.60</b>	<b>19.72</b>	<b>22.72</b>
HIRED LABOUR	56,430.61	340.80	3.70	
FAMILY LABOUR	129,714.54	783.38	8.49	
<b>TOTAL LABOUR COSTS -----</b>	<b>186,145.15</b>	<b>1,124.18</b>	<b>12.19</b>	<b>14.04</b>
<b>TOTAL VARIABLE COSTS</b>	<b>960,900.93</b>	<b>5,803.13</b>	<b>62.92</b>	<b>72.49</b>
RENT	4,914.42	29.68	.32	
TAXES AND INSURANCE	25,813.87	155.90	1.69	
DEPRECIATION	137,012.71	827.45	8.97	
INTEREST ( CAP.DEBT)	21,574.25	130.29	1.41	
<b>TOTAL CAPITAL COSTS -----</b>	<b>189,315.25</b>	<b>1,143.32</b>	<b>12.40</b>	<b>14.28</b>
<b>TOTAL PRODUCTION COSTS</b>	<b>1,150,216.18</b>	<b>6,946.45</b>	<b>75.32</b>	<b>86.77</b>
CONTRIBUTION MARGIN (\$)	364,752.69	2,202.83	23.88	
RETURN TO EQUITY (\$)	175,437.43	1,059.51	11.49	13.23
MILK PRICE			79.61	
INVENTORY ADJUSTMENT			7.19	
RETURN TO EQUITY (%)			8.84	
AVERAGE CAP. DEBT INTEREST RATE (%)			3.17	

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**Table 2 Statement of Investment**

<u>LAND BUILDINGS &amp; EQUIPMENT</u>	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	11.94	62,895.54	<b>1,558,997.02</b>
POWER MACHINERY	8.44	25,061.69	166,806.66
DAIRY EQUIPMENT	12.63	32,810.61	122,346.46
OTHER EQUIPMENT	9.51	16,244.86	69,014.48
<b>TOTAL EQUIPMENT</b>	<b>10.11</b>	<b>74,117.16</b>	<b>358,167.59</b>
LAND			130,902.82
SUPPLIES			15,987.58
<b>** SUBTOTAL **</b>		<b>137,012.71</b>	<b>2,064,055.02</b>

<u>DAIRY LIVESTOCK</u>	--- BEGIN YEAR ---		--- END OF YEAR ---		AVERAGE
	NUMBER	VALUE	NUMBER	VALUE	VALUE
COWS	160.92	380,237.99	170.67	403,260.68	391,749.34
BRED HEIFERS	46.59	93,179.49	52.56	105,128.21	99,153.85
OPEN HEIFERS	57.90	86,846.15	56.56	84,846.15	85,846.15
HEIFER CALVES	44.49	17,794.87	47.13	18,851.28	18,323.08
BULL CALVES	11.21	1,680.77	12.44	1,865.38	1,773.08
BULLS	2.13	3,192.31	2.28	3,423.08	3,307.69
<b>** SUBTOTAL **</b>	<b>323.23</b>	<b>582,931.58</b>	<b>341.64</b>	<b>617,374.79</b>	<b>600,153.18</b>

<b>TOTAL DAIRY INVESTMENT</b> -----	<b>2,664,208.20</b>
CAPITAL LOANS	680,161.11
OPERATOR EQUITY	1,984,047.09
INVESTMENT PER COW	16,089.83
DEBT/CAPITAL RATIO	.26
CAPITAL TURNOVER ( YR )	2.01

<u>HERD SIZE</u>	Average	Median
NUMBER OF DAIRY COWS	165.58	134.33
NUMBER OF ANIMAL UNITS	260.47	206.83
DRY COWS ( % )	18.86	
CALF CROP ( % )	101.92	
PASTURE PER COW ( AC. )	.22	

<u>CATTLE SALES &amp; PURCHASES</u>	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	41.31	1,559.48	2.90	3,137.17
BRED HEIFERS	3.74	2,156.87	2.00	2,938.46
OPEN HEIFERS	3.05	1,600.56	2.49	1,431.96
HEIFER CALVES	2.41	928.14	1.03	347.50
BULL CALVES	46.72	213.32	.00	.00
BULLS	1.13	1,743.15	1.15	2,945.45
<b>TOTAL VALUE</b>		<b>91,546.61</b>		<b>22,283.22</b>

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**Table 3 Labour and Management**

**LABOUR**

	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	3,087.18	67,917.92	22.00
HIRED LABOUR	2,560.26	56,430.61	22.04
FAMILY UNPAID LABOUR	2,976.85	61,796.62	20.76
<b>TOTAL</b>	<b>8,624.29</b>	<b>186,145.15</b>	<b>21.58</b>
RETURN TO FAMILY LABOUR	14.33		
MAN EQUIVALENTS	3.45		
LABOUR HOURS PER COW	52.08		
YEARS FARMING	26.22		

**MILK PRODUCTION**

	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	15,271.87	97.29	1,215,184.68	79.57
OTHER MILK PRODUCED	425.51	2.71		
<b>TOTAL</b>	<b>15,697.38</b>	<b>100.00</b>		

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

BUTTERFAT TEST	4.15 KG / HL	13.06
PROTEIN	3.35 KG / HL	3.16
L.O.S.	5.73 KG / HL	2.68
MILK PRODUCTION PER COW	9,480.05 LITRES / YEAR	

**QUOTA INFORMATION**

TPQ HOLDINGS	163.92 KG / DAY
TPQ PRICE	37,531.98 \$ / KG / DAY
CREDIT PRICE	4.85 \$ / KG

**MANAGEMENT FACTORS**

COST PER HL	75.32
MILK/FEED (KG) RATIO	2.14 LITRES
MILK/LABOUR (HR) RATIO	182.01 LITRES
MILK/CAPITAL (\$) RATIO	.59 LITRES

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**Table 4 Feed Report**

<u>CONCENTRATES</u>	--- PURCHASED ---		--- HOMEGROWN---	
	QUANTITY (TONNES)	PRICE	QUANTITY (TONNES)	PRICE
OATS	1.62	137.79	1.40	184.63
BARLEY	110.57	169.99	97.06	169.32
WHEAT	.00	.00	.51	189.50
MIXED GRAIN	.00	.00	.00	.00
BREW GRAIN (DRY EQ. )	12.77	241.94		
BEET PULP	3.25	283.42		
OTHER PURCHASED	69.99	350.83		
DAIRY RATION	306.64	512.85		
CALF FEED	20.23	559.05		
MILK REPLACER	2.26	3,370.64		
SUPPLEMENT	87.35	605.17		
MOLASSES	8.61	346.52		
SALT	1.49	579.21		
MINERALS & VITAMINS	11.24	1,368.66		
<b>SUBTOTAL -----</b>	<b>636.03</b>	<b>295,853.11</b>	<b>98.97</b>	<b>16,788.48</b>
<u>ROUGHAGE</u>				
ALFALFA HAY	161.24	166.37	126.42	135.65
ALFALFA PELLETS	.00	.00		
STRAW FED	9.35	59.90	17.49	58.00
GREENFEED	7.41	100.00	4.24	100.11
SILAGE/HAYLAGE (DRY EQ.)	204.20	128.99	723.09	114.90
<b>SUBTOTAL -----</b>	<b>382.20</b>	<b>54,464.91</b>	<b>871.24</b>	<b>101,670.24</b>
GRINDING & PROCESSING		4,848.58		
<b>GRAND TOTAL FEED COSTS -----</b>		<b>355,166.59</b>		<b>118,458.71</b>
BEDDING	206.40	65.17	46.12	57.35
AV. PRICE:	CONCENTRATE	425.36 \$/TONNE		
	ROUGHAGE	124.57 \$/TONNE		
FED PER COW:	CONCENTRATE	4.44 TONNES		
	ROUGHAGE	7.57 TONNES		
% HOME GROWN:	CONCENTRATE	13.47 %		
	ROUGHAGE	69.51 %		