

**Alberta**  
**2016 Dairy Cost Study - Business Analysis**  
**45 Participants**  
**Table 1 Dairy Enterprise Costs and Returns**

	TOTAL ENTERPRISE	PER COW	PER HL SOLD	PERCENT FROM INCOME
<b>INCOME:</b>				
MILK SALES	1,184,941.88	7,348.65	79.13	
POOL ADJUSTMENTS (+ -)	458.13	2.84	.03	
MISCELLANEOUS RECEIPTS	6,508.70	40.36	.43	
NET CATTLE SALES ( + - )	78,043.33	471.60	5.08	
NET INVENTORY CHANGE ( + - )	11,527.77	71.49	.77	
<b>GROSS INCOME -----</b>	<b>1,279,479.80</b>	<b>7,934.94</b>	<b>85.45</b>	<b>100.00</b>
<b>EXPENSES:</b>				
GRAIN	75,157.04	466.10	5.02	
COMPLETE FEED	156,137.41	968.32	10.43	
SUPPLEMENT	59,058.41	366.26	3.94	
MINERALS & VITAMINS	11,131.24	69.03	.74	
ROUGHAGE	193,991.51	1,203.08	12.96	
PROCESSING COSTS	3,488.17	21.63	.23	
<b>TOTAL FEED COSTS -----</b>	<b>498,963.78</b>	<b>3,094.42</b>	<b>33.32</b>	<b>39.00</b>
BEDDING AND SUPPLIES	46,027.99	285.45	3.07	
BREEDING	16,114.45	99.94	1.08	
VET. AND MEDICINE	29,926.83	185.60	2.00	
MILK HAULING	51,971.94	322.31	3.47	
PRODUCER'S FEES	32,182.65	199.59	2.15	
UTILITIES	24,744.89	153.46	1.65	
FUEL, OIL, LUBE	16,739.97	103.82	1.12	
BLDG. & MACH. REPAIRS	39,327.05	243.89	2.63	
MISCELLANEOUS	52,646.06	326.49	3.52	
<b>TOTAL OTHER VARIABLE COSTS ----</b>	<b>309,681.84</b>	<b>1,920.55</b>	<b>20.68</b>	<b>24.20</b>
HIRED LABOUR	50,921.22	315.80	3.40	
FAMILY LABOUR	119,916.42	743.68	8.01	
<b>TOTAL LABOUR COSTS -----</b>	<b>170,837.64</b>	<b>1,059.48</b>	<b>11.41</b>	<b>13.35</b>
<b>TOTAL VARIABLE COSTS</b>	<b>979,483.26</b>	<b>6,074.45</b>	<b>65.41</b>	<b>76.55</b>
RENT	2,834.93	17.58	.19	
TAXES AND INSURANCE	23,024.77	142.79	1.54	
DEPRECIATION	147,706.46	916.03	9.86	
INTEREST ( CAP.DEBT)	26,997.98	167.43	1.80	
<b>TOTAL CAPITAL COSTS -----</b>	<b>200,564.14</b>	<b>1,243.84</b>	<b>13.39</b>	<b>15.68</b>
<b>TOTAL PRODUCTION COSTS</b>	<b>1,180,047.40</b>	<b>7,318.29</b>	<b>78.81</b>	<b>92.23</b>
CONTRIBUTION MARGIN (\$)	299,996.54	1,860.49	20.03	
RETURN TO EQUITY (\$)	99,432.40	616.65	6.64	7.77
MILK PRICE			79.16	
INVENTORY ADJUSTMENT			6.28	
RETURN TO EQUITY (%)			5.11	
AVERAGE CAP. DEBT INTEREST RATE (%)			3.36	

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**Table 2 Statement of Investment**

**LAND BUILDINGS & EQUIPMENT**

	AGE	DEPRECIATION	DAIRY INVESTMENT
DAIRY BUILDINGS	11.55	66,555.54	1,644,521.84
POWER MACHINERY	8.13	27,718.60	185,350.79
DAIRY EQUIPMENT	11.25	33,523.66	132,679.41
OTHER EQUIPMENT	8.85	19,908.66	86,769.35
TOTAL EQUIPMENT	9.30	81,150.92	404,799.55
LAND			148,087.84
SUPPLIES			17,798.80
<b>** SUBTOTAL **</b>		<b>147,706.46</b>	<b>2,215,208.04</b>

**DAIRY LIVESTOCK**

	-- BEGIN YEAR --		-- END OF YEAR --		AVERAGE VALUE
	NUMBER	VALUE	NUMBER	VALUE	
COWS	161.00	346,740.69	162.51	349,995.13	348,367.91
BRED HEIFERS	47.38	94,755.56	50.64	101,288.89	98,022.22
OPEN HEIFERS	58.29	69,946.67	59.18	71,013.33	70,480.00
HEIFER CALVES	43.09	12,926.67	43.73	13,120.00	13,023.33
BULL CALVES	8.00	1,200.00	8.98	1,346.67	1,273.33
BULLS	2.07	3,100.00	2.29	3,433.33	3,266.67
<b>** SUBTOTAL **</b>	<b>319.82</b>	<b>528,669.58</b>	<b>327.33</b>	<b>540,197.35</b>	<b>534,433.47</b>

<b>TOTAL DAIRY INVESTMENT</b> .....	<b>2,749,641.51</b>
CAPITAL LOANS	804,307.26
OPERATOR EQUITY	1,945,334.24
INVESTMENT PER COW	17,052.43
DEBT/CAPITAL RATIO	.29
CAPITAL TURNOVER ( YR )	2.15

**HERD SIZE**

	Average	Median
NUMBER OF DAIRY COWS	161.25	128.92
NUMBER OF ANIMAL UNITS	254.32	199.83
DRY COWS ( % )	19.27	
CALF CROP ( % )	98.97	
PASTURE PER COW ( AC. )	.28	

**CATTLE SALES & PURCHASES**

	NUMBER SOLD	SELLING PRICE	NUMBER PURCHASED	PURCHASE PRICE
COWS	42.96	1,336.14	1.31	2,612.10
BRED HEIFERS	4.93	2,175.84	.71	2,623.01
OPEN HEIFERS	3.13	1,977.75	.00	.00
HEIFER CALVES	.67	253.50	.07	876.04
BULL CALVES	41.98	190.41	.00	.00
BULLS	1.36	1,996.78	1.42	2,674.00
<b>TOTAL VALUE</b>		<b>85,194.75</b>		<b>9,151.42</b>

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**Table 3 Labour and Management**

<u>LABOUR</u>	HOURS	VALUE	HOURLY RATE
OPERATOR LABOUR	3,420.63	71,833.30	21.00
HIRED LABOUR	2,447.66	50,921.22	20.80
FAMILY UNPAID LABOUR	2,471.41	48,083.12	19.46
TOTAL	8,339.70	170,837.64	20.48
RETURN TO FAMILY LABOUR	.91		
MAN EQUIVALENTS	3.34		
LABOUR HOURS PER COW	51.72		
YEARS FARMING	26.39		

  

<u>MILK PRODUCTION</u>	HL.	% OF TOTAL	VALUE	AVERAGE PRICE / HL
MILK SALES	14,974.20	97.54	1,184,941.88	79.13
OTHER MILK PRODUCED	377.84	2.46		
TOTAL	15,352.04	100.00		

  

	AVERAGE COMPONENT PRICES (\$ / KG)
BUTTERFAT TEST	4.07 KG / HL 11.84
PROTEIN	3.33 KG / HL 3.66
L.O.S.	5.73 KG / HL 3.35
MILK PRODUCTION PER COW	9,520.86 LITRES / YEAR

  

<u>QUOTA INFORMATION</u>	
TPQ HOLDINGS	155.56 KG / DAY
TPQ PRICE	38,076.82 \$ / KG / DAY
CREDIT PRICE	9.28 \$ / KG

  

<u>MANAGEMENT FACTORS</u>	
COST PER HL	78.81
MILK/FEED (KG) RATIO	2.14 LITRES
MILK/LABOUR (HR) RATIO	184.08 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	2.64	119.42	.53	186.16
BARLEY	78.20	187.79	114.28	176.17
WHEAT	.00	.00	.17	176.60
MIXED GRAIN	34.73	464.10	.00	.00
BREW GRAIN (DRY EQ. )	13.29	241.20		
BEET PULP	6.44	239.75		
OTHER PURCHASED	56.00	339.72		
DAIRY RATION	274.81	508.65		
CALF FEED	20.62	493.74		
MILK REPLACER	1.73	3,567.50		
SUPPLEMENT	96.84	587.87		
MOLASSES	6.51	327.70		
SALT	2.18	515.20		
MINERALS & VITAMINS	8.13	1,230.84		
SUBTOTAL -----	602.11	281,221.01	114.99	20,263.09
<u>ROUGHAGE</u>				
ALFALFA HAY	162.28	200.22	153.56	196.26
ALFALFA PELLETS	.00	.00		
STRAW FED	7.66	65.45	18.81	62.63
GREENFEED	1.13	135.00	1.46	142.71
SILAGE/HAYLAGE (DRY EQ.)	241.61	129.92	572.10	171.18
SUBTOTAL -----	412.68	64,535.30	745.93	129,456.21
GRINDING & PROCESSING		3,488.17		
GRAND TOTAL FEED COSTS -----		349,244.49		149,719.29
BEDDING	192.42	64.24	84.64	61.47
AV. PRICE:	CONCENTRATE	420.42 \$/TONNE		
	ROUGHAGE	167.44 \$/TONNE		
FED PER COW:	CONCENTRATE	4.45 TONNES		
	ROUGHAGE	7.19 TONNES		
% HOME GROWN:	CONCENTRATE	16.04 %		
	ROUGHAGE	64.38 %		