

## AB-12 Future Farm Summary

Sell Bred Heifers	
<b>Description</b>	Diversify marketing by selling breeding heifers.
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Percentage of female calves sold to finishing down from 72% to 53%</li> <li>37% of heifers (20 head) between 12-24 months sold as breeding heifers after preg check</li> <li>Bred heifer price at \$2398/head (AB bred heifer price Nov 2020)</li> <li>Open rate for the 12-24 month group is 11%</li> <li>2 head of open heifers sold as cull at \$204/cwt (\$4.50/kg) (AB, 900 lb + heifers, Oct-Dec avg)</li> <li>146 hours of family labour added to managing the bred heifer group at \$16/hour</li> <li>Add 1 bulls, assume price at \$5000/head (75% of the price of a mature bull)</li> <li>Preg-check at \$5/heifer for 22 heifers (average at \$0.90/head for the whole herd)</li> <li>Have enough homegrown feed when yield is normal</li> <li>Keep grassland acres steady with baseline</li> </ul>
<b>Trade-Off Considerations</b>	<ul style="list-style-type: none"> <li>There will be tax implications from earning more in year one and earning higher revenue in later years. The model shows pre-tax numbers only</li> <li>Potential death loss between weaned and being sold as bred heifers</li> <li>Potential price discount on calves if not making a full load</li> </ul>
<b>5-year average vs. baseline year*</b>	
<b>Estimated Change at Whole Farm Level (\$/year)</b>	
Net Income	+\$34,746
Net Cash Farm Income	+\$34,426
<b>Estimated Change at Cow-calf Enterprise (\$/cow)</b>	
Short-term Profits	+\$90
Medium-term Profits	+\$90
Long-term Profits	+\$79

\* Changes in profitability come from the practice change as well as debt servicing

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