

Farm Characteristics

CA-AB-2

Farm Description	A cow-calf and backgrounding operation producing predominantly homegrown feed.
Winter Feeding Ration (lbs/cow/day as fed)	80 days of swath grazing followed by 146 days of winter feed with grain silage (36 lb), hay (10 lb), straw (3.6 lb), barley (2.4 lb), greenfeed (3.5 lb), and mineral and salt (100 g)
Retained Ownership/Replacement Ration (lb/head/day as fed)	125 days on feed with silage (23 lb), hay (0.7 lb), barley (4.7 lb), and greenfeed (4.8 lb)
Disclaimer:	This benchmark is based on 5 farms of data; outliers were excluded as required.

Environment	
Average Annual Temperature	1.5°C
Average Annual Precipitation (mm)	400–500 mm
Ecoregion	Aspen Parkland
Stocking Rate (Animal Unit days per acre)	17
Fertilize Hay (yes/no)	Yes
Fertilize Pasture (yes/no)	No
Typical Hay Yield (tonnes/acre)	1.3
Grassland Acres (owned+rented)	3,341
Crop Acres (includes hay) (owned+rented)	1,193
Bush and other acres	0

Physical Performance Indicators

Breed	Angus
Cow:Bull Ratio	25:1
Bull Culling Rate (%)	27%
Mature Cow Weight (lb)	1,350
Heifer Retention for a steady herd (%)	9%
Cow Death Loss (%)	1.9%
Cow Culling Rate (%)	7.0%
Calves alive after 24hr/100 Cows exposed	88
Calf Death Loss (%) 24 hr to weaning	2%
Calves weaned per 100 cows exposed	85
Total Liveweight Sold per Cow (lb)	541
Weaning Weight (lb)	554
205 day adjusted Weaning Weight (lb)	512
Average Daily Gain pre-weaning (lb)	2.11
Weaning Weight as % of Cow Weight	41%

Production System

Herd size	280
Days on field feeding (e.g. swath grazing)	80
Days supplemented on pasture	0
Days on full winter feed	146
Calving Start date	March 12
Weaning date	November 13
Sale date	March 18
Retained ownership	Background
% of feed purchased	0.4%
% of land in crops	26%
Annual sales Retained Cattle (head)	210
Placement weight (lbs)	557
Sale Weight (lbs)	745-770
Days on feed	125
Days on grass	0

Footnotes:

Cost of Production: Cash Cost + Depreciation + Opportunity Costs

Cash Costs = Cash cost for purchased feed, fertiliser, seeds, fuel, maintenance, land rents, animal purchases, interest on liabilities, wages paid, veterinary costs plus medicine, water, insurance, accounting, etc (excl. Tax)

Depreciation = Linear depreciation on machinery and buildings, calculated on replacement values

Opportunity Costs = Calculated cost for using own production factors like labour (family working hours * wage for qualified local labour, land (own land * regional land rents) and capital (non-land equity * long-term government bonds interest rate)

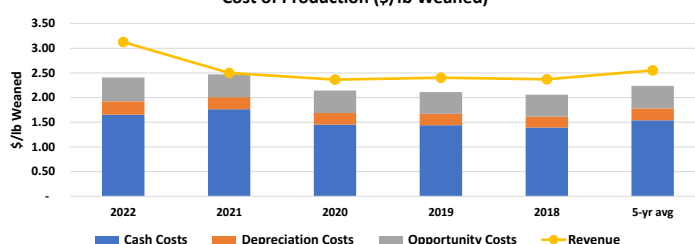
Whole Farm Profitability = Market returns (+ coupled payments) (+ decoupled payments) – whole-farm costs +/- changes in inventory +/- capital gains/losses.

Whole Farm Net Income = Whole farm profitability + depreciation + changes in inventory + capital gains/losses. Known as: 'Net farm income' (Agri Profits, 2018)

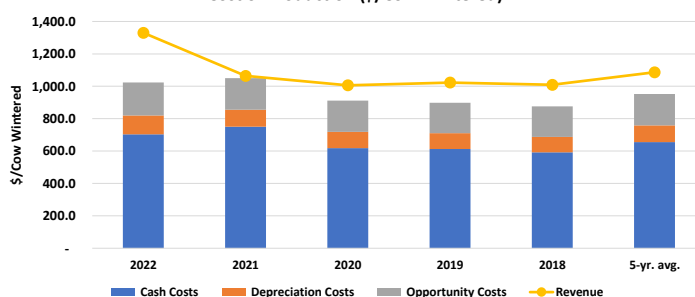
Revenue = sales of calves, cull cows, breeding stock, government payments and other revenue applicable to the specific enterprise

NOTE: Feed costs are based on cost of production if homegrown.

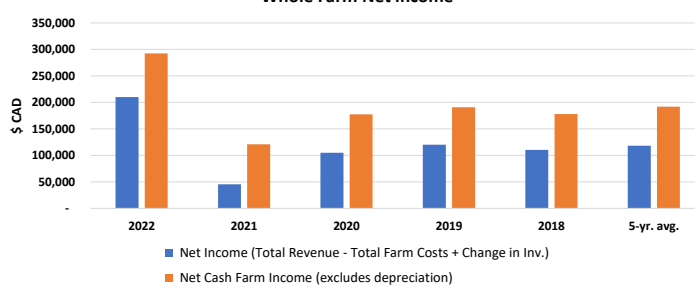
Cost of Production (\$/lb Weaned)



Cost of Production (\$/Cow Wintered)



Whole Farm Net income



Whole Farm Overview Page

Overview							
Operation Maturity	Medium						
Herd Size	280						
Paid Labour (livestock only) (hours)	1,020			Beef Animals Sold from Retained Ownership	210		
Unpaid Labour (livestock only) (hours)	2,127						
Average wages - paid and unpaid (\$/hr)	17.49						
Revenue		2022	2021	2020	2019	2018	5-yr. avg.
Market Revenue	5-yr avg	792,057	645,959	676,370	694,623	665,939	694,990
Cow-Calf	41%	342,781	271,635	281,670	286,366	282,491	292,989
Cash Crops	12%	121,644	56,280	92,031	97,375	76,977	88,861
Retained Ownership	43%	327,633	318,044	302,669	310,883	306,471	313,140
Government Payments	3%	37,378	34,018	7,698	7,698	7,698	18,898
Other Farm Revenue †	1%	7,847	7,825	7,825	7,828	7,826	7,830
Total Revenue	100%	837,281	687,801	691,893	710,149	681,463	721,717
Change in Inventory		-	-	-	-	-	-
Expenses		2022	2021	2020	2019	2018	5-yr. avg.
Depreciation		82,551	75,497	72,799	70,900	67,854	73,920
Machinery		46,690	41,964	40,518	39,168	36,906	41,049
Buildings		35,860	33,533	32,281	31,732	30,948	32,871
Quota econ. Accounting		-	-	-	-	-	-
Overhead costs		29,870	29,314	27,411	27,299	26,440	28,067
Land improvement		-	-	-	-	-	-
Machinery Maintenance		8,285	8,285	8,150	8,009	7,679	8,082
Buildings Maintenance		2,949	2,949	2,775	2,814	2,758	2,849
Contract labour		167	153	153	149	142	153
Diesel, Gasoline, Natural Gas		3,798	3,798	2,988	3,313	3,391	3,458
Electricity		1,603	1,603	1,179	1,153	1,057	1,319
Water		-	-	-	-	-	-
Farm insurance		2,816	2,673	2,579	2,502	2,393	2,592
Disability and accident insurance		-	-	-	-	-	-
Farm taxes and duties		1,817	1,725	1,664	1,614	1,544	1,673
Advisor costs		6,073	5,765	5,562	5,396	5,160	5,591
Accountant & legal fees		-	-	-	-	-	-
Phone & utilities		1,750	1,750	1,750	1,737	1,704	1,738
Other overhead costs		613	613	613	613	613	613
Wages, rent and interest payments		60,478	59,264	61,389	63,712	59,440	60,857
Paid Labour		23,545	22,353	21,563	20,920	20,007	21,678
Total land rents		31,445	30,543	30,230	29,737	29,475	30,286
Total Interest on debt		5,489	6,368	9,595	13,055	9,958	8,893
Cow-Calf		64,343	92,020	56,168	54,615	53,187	64,066
Animal purchases		12,300	12,300	12,300	12,300	12,300	12,300
Purchased feed		10,802	39,358	6,601	5,608	5,716	13,617
Other fixed and var. costs *		41,241	40,361	37,267	36,707	35,171	38,149
Retained Ownership		265,259	274,286	262,070	266,324	261,293	265,846
Animal purchases		251,380	250,761	250,761	254,925	250,456	251,657
Purchased feed		420	10,386	-	-	-	2,161
Other fixed and var. costs *		13,458	13,140	11,309	11,399	10,837	12,029
Crop and forage		124,766	111,948	107,251	107,250	103,002	110,843
Seed		18,942	17,930	17,167	18,270	16,972	17,856
Fertilizer		34,126	27,799	24,406	25,253	24,619	27,241
Herbicide		13,306	12,051	11,510	10,992	10,777	11,727
Fungicide & Insecticide		-	-	-	-	-	-
Irrigation		-	-	-	-	-	-
Contract labour		50,201	45,977	45,977	44,605	42,658	45,884
Fuel costs (crop & forage)		-	-	-	-	-	-
Other crop and forage		8,191	8,191	8,191	8,131	7,976	8,136
Total Farm Costs (excludes unpaid labour)		627,267	642,329	587,088	590,101	571,215	603,600
Cash Costs (Total Farm Costs - Depreciation)		544,716	566,832	514,288	519,201	503,361	529,680
Depreciation & Opportunity Costs (including unpaid labour)		119,755	112,701	110,004	108,104	105,058	111,124
Total Economic Costs (cash, depr, opportunity)		664,471	679,533	624,292	627,305	608,419	640,804
Profits		2022	2021	2020	2019	2018	5-yr. avg.
Net Income (Total Revenue - Total Farm Costs + Change in Inv.)		210,015	45,472	104,805	120,048	110,248	118,117
Net Cash Farm Income (excludes depreciation)		292,541	120,967	177,602	190,943	178,098	192,030

† Other Farm Revenue includes: Other enterprises, capital gains and losses as well as calculated interest on savings based on the models previous year profits.

*Other fixed and var. costs includes: veterinary, medicine, maintenance and spare parts, and other/miscellaneous



Cow-Calf Enterprise (\$/Cow Wintered)	2022	2021	2020	2019	2018	5 yr. avg.
Cows Wintered *	280	280	280	280	280	280
Average male and female calf price (\$/head)	1,426	1,116	1,161	1,180	1,158	1,208
REVENUE						
Cow Calf	1,330	1,064	1,006	1,023	1,009	1,086
Cull animals and slaughter receipts	124	108	110	112	114	114
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	1,100	862	896	910	894	933
Government payments	106.0	94.0	-	-	-	40.0
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	1,330	1,064	1,006	1,023	1,009	1,086
VARIABLE COSTS						
Animal purchases	43.9	43.9	43.9	43.9	43.9	44
Feed (purchase feed, fertiliser, seed, pesticides)	199.6	273.4	150.6	149.6	145.2	184
Machinery (maintenance, depreciation, contractor)	199.1	175.5	175.3	169.4	162.2	176
Fuel, energy, lubricants, water	31.9	31.7	22.5	22.6	21.1	26
Vet & medicine	40.5	38.5	37.1	36.0	34.4	37
Other inputs cow calf enterprise	80.1	79.0	76.7	76.1	74.4	77
Labour						
Paid Labour	36.0	33.2	31.7	30.5	30.0	32
Unpaid Labour	55.7	51.2	49.0	47.1	46.3	50
Total Variable Costs	686.9	726.4	586.8	575.1	557.5	627
CAPITAL COSTS						
Insurance, taxes	26.0	24.4	23.6	22.8	21.9	24
Buildings (maintenance, depreciation)	54.0	50.3	48.2	47.4	46.6	49
Land Cost	-	-	-	-	-	-
Rented Land	99.6	95.5	95.1	93.4	92.6	95
Own Land	98.3	94.1	93.6	91.9	91.0	94
Capital Costs	-	-	-	-	-	-
Liabilities	8.7	9.9	14.0	18.8	14.7	13
Own capital	50.1	49.9	50.7	49.0	51.6	50
Total Capital Costs	336.6	324.2	325.1	323.4	318.5	326
COSTS						
Cash Costs	703.4	750.5	618.0	612.9	592.6	655
Depreciation Costs	116.1	104.8	100.7	97.7	94.5	103
Opportunity Costs	204.0	195.3	193.2	188.0	188.9	194
Total Production Costs	1,023.5	1,050.5	911.8	898.6	876.0	952
Profits						
Short-term profit (cash costs)	626.8	313.7	388.0	409.8	416.3	431
Medium-term profit (cash + depreciation)	510.7	208.9	287.3	312.2	321.8	328
Long-term profit (cash + depreciation + opportunity)	306.7	13.6	94.1	124.2	132.9	134

*Model Maintains a stable herd size

Costs and revenue are reported for a calendar (e.g. January to December). It reflects revenue and expenses that a producer experiences over that period. Producers who want a cash flow analysis typically use a calendar or agricultural year. This method is often preferred by lenders when getting evaluated for a line of credit or a loan. The model maintains a stable herd, retention rates were adjusted to ensure that.

Cash Costs

Cash costs are the outlays over the course of the year, including machine repairs, paid labour, costs of feed production, and purchased feed. CDN COP Network bases cash costs on actual costs of production. Agri Profit\$ uses the market value for some cash costs, including feed.

The cost of producing the feed on-farm and the purchased feed costs as used in that year to reflect the experience and situation of producers. Production inputs, land and any purchased feeds utilized that year are included.

Rations for each type of animal and inventories are used to calculate total feed requirements. Any shortfall in production are assumed to be purchased at market value. Feed rations and yields are provided "as fed" to balance the model. Below are the included costs for feed production:

Feed: Calculated as feed cost (purchase feed + fertilizer, seed and pesticides for own feed production) + machinery cost (machinery maintenance + depreciation + contractor) + fuel, energy, lubricants and water + land cost (land rents paid + opportunity cost own land)

Land: separated into owned and rented land, includes both crop and pastureland. Land costs = Rents paid + calculated land rents for own land (opportunity cost).

By using the cost of land, the advantage that mature operations have is clearly shown as their cost structure is lower when land has been fully paid off.

Allocation

Generic allocation uses percent revenues from each commodity to cover overheads and utilizes accounting data for the overhead costs. This takes the approach that overheads and fixed costs will be covered by something grown on the farm and recognizes that there are commodity price cycles where grains and livestock tend to be opposite. It is not so much concerned about each enterprise paying their way as that all overheads are covered by the mix of commodities grown. It should be recognized that as commodity prices fluctuate and revenues to each enterprise fluctuate, the shifting shares will change the cost structure for each enterprise from year to year.

Depreciation

Depreciation on buildings and machinery is a non-cash cost that reveals the ability of the farm to continue operating if an asset needs replacement.

Differences in depreciation costs between AgriProfit\$ and the CDN COP Network primarily comes from the use of specific (AgriProfit\$) versus generic (CDN COP Network) allocation. Where generic allocation results in machinery depreciation used for feed production to show up in the cow-calf enterprise as that is where revenue is generated. In contrast, specific allocation removes that cost and since feed is treated at market value, machinery depreciation for feed production is treated as a cash cost. This results in the CDN COP Network typically having lower cash costs and higher depreciation costs than what is reported in AgriProfit\$.

Opportunity Costs

Opportunity costs are the non-cash costs that reveal the opportunity of using different resources. These costs can include Unpaid labour, renting out land, the opportunity of selling or buying feed production, and return to own capital.

Land: The Opportunity costs of land are the rents for new contracts if the farm rents out owned land. It reflects the future cost of renting land. If the producers' profits of utilizing the land outweigh the profits of renting the land, utilizing owned land for production should be preferred and vice-versa.

Labour: The opportunity costs of labour are the calculated wage for family labour, either off-farm salary or farm manager salary. It is important to note that the opportunity cost of labour reflects the income you can receive for the same type of labour.

Capital: The opportunity cost of capital is the interest rate for long-term government bonds multiplied by the equity without land (values of machines, buildings, livestock, circulating capital, less total loans). If the producers' return on capital through farm and ranch production of an enterprise is greater than investing elsewhere then, continuous production should be preferred.

Unit Reported

Often cow-calf COP is expressed as dollars per cow wintered (\$/cow wintered) which adjusts the calf price per head for the number of calves sold per 100 cows. When evaluating overall cost structure to identify areas for improvement, or comparing to a benchmark, this is sufficient.

However, a per unit cost provides producers with their break-even cost, allowing them to compare with posted market prices for their calves' average weight category. This break-even price will depend on the percentage of calves weaned that year from the cow herd. The higher percent weaned, the lower per pound the break-even price will be.



Cow-Calf Enterprise (\$/lb Weaned)	2022	2021	2020	2019	2018	5 yr. avg.
Pounds Weaned	119,141	119,141	119,141	119,141	119,141	119,141
Average male and female weaning weight (lbs)	554	554	554	554	554	
Average male and female calf price at weaning (\$/lb)	2.57	2.01	2.09	2.13	2.09	2.18
REVENUE						
Cow Calf Operation	3.13	2.50	2.36	2.40	2.37	2.55
Cull animals and slaughter receipts	0.29	0.25	0.26	0.26	0.27	0.27
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	2.59	2.03	2.10	2.14	2.10	2.19
Government payments	0.25	0.22	-	-	-	0.09
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	3.13	2.50	2.36	2.40	2.37	2.55
VARIABLE COSTS						
Animal purchases	0.10	0.10	0.10	0.10	0.10	0.10
Feed (purchase feed, fertiliser, seed, pesticides)	0.47	0.64	0.35	0.35	0.34	0.43
Machinery (maintenance, depreciation, contractor)	0.47	0.41	0.41	0.40	0.38	0.41
Fuel, energy, lubricants, water	0.07	0.07	0.05	0.05	0.05	0.06
Vet & medicine	0.10	0.09	0.09	0.08	0.08	0.09
Other inputs cow calf enterprise	0.19	0.19	0.18	0.18	0.17	0.18
Labour						
Paid Labour	0.08	0.08	0.07	0.07	0.07	0.08
Unpaid Labour	0.13	0.12	0.12	0.11	0.11	0.12
Total Variable Costs	1.6	1.7	1.4	1.4	1.3	1.5
CAPITAL COSTS						
Insurance, taxes	0.06	0.06	0.06	0.05	0.05	0.06
Buildings (maintenance, depreciation)	0.13	0.12	0.11	0.11	0.11	0.12
Land Cost						
Rented Land	0.23	0.22	0.22	0.22	0.22	0.22
Owned Land	0.23	0.22	0.22	0.22	0.21	0.22
Capital Costs						
Liabilities	0.02	0.02	0.03	0.04	0.03	0.03
Own capital	0.12	0.12	0.12	0.12	0.12	0.12
Total Capital Costs	0.8	0.8	0.8	0.8	0.7	0.8
COSTS						
Cash Costs	1.65	1.76	1.45	1.44	1.39	1.54
Depreciation Costs	0.27	0.25	0.24	0.23	0.22	0.24
Opportunity Costs	0.48	0.46	0.45	0.44	0.44	0.46
Total Production Costs	2.41	2.47	2.14	2.11	2.06	2.24
Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	1.47	0.74	0.91	0.96	0.98	1.01
Medium-term profit (cash + depreciation)	1.20	0.49	0.68	0.73	0.76	0.77
Long-term profit (cash + depreciation + opportunity)	0.72	0.03	0.22	0.29	0.31	0.32

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RETAINED OWNERSHIP		2022	2021	2020	2019	2018	5-yr. avg.
No. of beef cattle sold per year		210	210	210	210	210	210
<i>Note: breeding stock sales are in the cow-calf enterprise</i>							
Placement weight (lbs)		557					
Sale Weight (lbs)		745-770					
Days on Feed		125					
Average Daily Gain (lbs/day)		1.67					

REVENUE (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
Market Returns from Retained Ownership	1,560.16	1,514.50	1,441.28	1,480.40	1,459.39	1,491.14
Other Returns (Government payments, by-products)	-	-	-	-	-	-
Total Revenue	1,560.16	1,514.50	1,441.28	1,480.40	1,459.39	1,491.14

Costs (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
VARIABLE COSTS						
Animal purchases	1,197.05	1,194.10	1,194.10	1,213.93	1,192.65	1,198.36
Feed (purchase feed, fertiliser, seed, pesticides)	141.56	186.00	121.79	124.94	120.44	138.94
Machinery (maintenance, depreciation, contractor)	175.02	176.81	165.44	160.82	154.12	166.44
Fuel, energy, lubricants, water	32.67	34.65	24.79	25.16	23.92	28.24
Vet & medicine	4.70	4.46	4.30	4.19	3.99	4.33
Other inputs	53.70	54.80	50.23	50.66	49.52	51.78
Labour						
Paid Labour	45.92	51.78	45.42	44.09	43.34	46.11
Unpaid Labour	70.95	80.00	70.18	68.11	66.95	71.24
Total Variable Costs	1,721.57	1,782.60	1,676.25	1,691.91	1,654.93	1,705.45

CAPITAL COSTS						
Insurance, taxes	6.46	7.21	6.38	6.19	6.06	6.46
Buildings (maintenance, depreciation)	36.67	37.63	34.42	33.92	33.56	35.24
Land Cost						
Rented Land	16.81	18.04	17.14	16.94	16.79	17.14
Owned Land	16.59	17.77	16.87	16.66	16.50	16.88
Capital Costs						
Liabilities	10.23	14.02	19.99	27.22	21.33	18.56
Own capital	62.96	76.90	71.82	70.22	73.84	71.15
Total Capital Costs	149.72	171.57	166.60	171.14	168.08	165.42

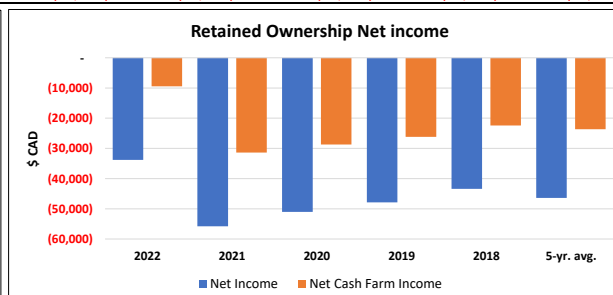
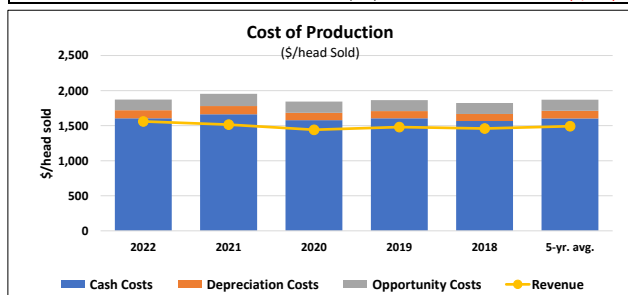
TOTAL COSTS						
Cash Costs	1,604.70	1,663.28	1,577.76	1,604.83	1,565.90	1,603.29
Depreciation Costs	116.10	116.22	106.23	103.23	99.81	108.32
Opportunity Costs	150.50	174.67	158.86	154.99	157.29	159.26
Total Production Costs (excludes own capital)	1,871.29	1,954.16	1,842.85	1,863.05	1,823.01	1,870.87

Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	(44.54)	(148.78)	(136.48)	(124.44)	(106.52)	(112.15)
Medium-term profit (cash + depreciation)	(160.64)	(265.00)	(242.71)	(227.66)	(206.33)	(220.47)
Long-term profit (cash + depreciation + opportunity)	(311.14)	(439.67)	(401.57)	(382.65)	(363.62)	(379.73)

Net Income (\$/head sold)	2022	2021	2020	2019	2018	5-yr. avg.
Net Income	(161.07)	(265.73)	(242.93)	(227.95)	(206.57)	(220.85)
Net Cash Farm Income	(45.02)	(149.51)	(136.71)	(124.73)	(106.76)	(112.55)

Labour						
Paid Labour	477	567	515	516	530	521
Unpaid Labour	1,009	1,198	1,089	1,090	1,120	1,101
Return to labour input	(27.5)	(37)	(37)	(35)	(32)	(34)
Average wages (paid and calculated)	17	16	15	15	14	15

Net Income (annual total)	2022	2021	2020	2019	2018	5-yr. avg.
Net Income	\$ per year (33,825)	(55,802)	(51,015)	(47,870)	(43,379)	(46,378)
Net Cash Farm Income	\$ per year (9,454)	(31,397)	(28,708)	(26,194)	(22,419)	(23,635)



NOTE: Feed costs are based on cost of production if homegrown.



RETAINED OWNERSHIP	\$/lb LW Sold	\$/hd sold	\$/lb gain
REVENUE	2021	2021	2021
Market Returns from Retained Ownership	2.06	1,560.16	7.71
Other Returns (Government payments, by-products)	-	-	-
Total	2.06	1,560.16	7.71
Costs (\$/lb LW Sold)	2021	2021	2021
VARIABLE COSTS			
Animal purchases	1.58	1,197.05	5.91
Feed (purchase feed, fertiliser, seed, pesticides)	0.19	141.56	0.70
Machinery (maintenance, depreciation, contractor)	0.23	175.02	0.86
Fuel, energy, lubricants, water	0.04	32.67	0.16
Vet & medicine	0.01	4.70	0.02
Other inputs	0.07	53.70	0.27
Labour			
Paid Labour	0.06	45.92	0.23
Unpaid Labour	0.09	70.95	0.35
Total Variable Costs	2.27	1,721.57	8.50
CAPITAL COSTS			
Insurance, taxes	0.01	6.46	0.03
Buildings (maintenance, depreciation)	0.05	36.67	0.18
Land Cost			
Rented Land	0.02	16.81	0.08
Owned Land	0.02	16.59	0.08
Capital Costs			
Liabilities	0.01	10.23	0.05
Own capital	0.08	62.96	0.31
Total Capital Costs	0.20	149.72	0.74
TOTAL COSTS			
Cash Costs	2.11	1,604.70	7.93
Depreciation Costs	0.15	116.10	0.57
Opportunity Costs	0.20	150.50	0.74
Total Production Costs (excludes own capital)	2.47	1,871.29	9.24
Profits	2021	2021	2021
Margin over operating costs	0.55	1.88	0.01
Short-term profit (cash costs)	(0.06)	(44.54)	(0.22)
Medium-term profit (cash + depreciation)	(0.21)	(160.64)	(0.79)
Long-term profit (cash + depreciation + opportunity)	(0.41)	(311.14)	(1.54)
Net Income	2021	2021	2021
Net Income	(0.21)	(161.07)	(0.80)
Net Cash Farm Income	(0.06)	(45.02)	(0.22)

NOTE: Feed costs are based on cost of production if homegrown.