

AB-2 Future Farm Summary

	Sell Cows 5 Yrs Old, Buy Heifers	Sell Cows 5 Yrs Old, Raise Heifers	Sell Cows 7-8 Yrs Old, Buy Heifers	Sell Cows 7-8 Yrs Old, Raise Heifers	Yearling Grassers
Description	Adjust culling strategy to sell cows at 5 years old and buy additional heifers to keep the herd stable	Adjust culling strategy to sell cows at 5 years old and increase the number of homegrown replacement heifers	Adjust culling strategy to cull cows at 7-8 years old and buy heifers to keep the herd stable	Adjust culling strategy to cull cows at 7-8 years old and increase number of homegrown replacement heifers	Buy cattle to feed on grass over the summer
Assumptions	<ul style="list-style-type: none"> Sell cows at 5 years old Heifer retention rate steady with baseline Buy 36 head of heifer at \$1,915.65/head to maintain a steady herd Cows are sold as bred cow at \$1,629/head Heifers transferred to backgrounding steady with the baseline 	<ul style="list-style-type: none"> Sell cows at 5 years old Heifer retention rate up from 21% to 52% Cows are sold as bred cow at \$1,629/head Fewer Heifers transferred to the backgrounding enterprise 	<ul style="list-style-type: none"> Sell cows at 7-8 years old Heifer retention rate steady with baseline Heifers transferred to backgrounding steady with the baseline Buy 17 head of heifers at \$1915.65/head to maintain a steady herd Cow price steady with baseline 	<ul style="list-style-type: none"> Sell cows at 7-8 years old Heifer retention rate up from 21% to 36% Cow price steady with baseline Fewer heifers transferred to backgrounding enterprise 	<ul style="list-style-type: none"> Purchase 50 steers at 700lb in May Purchase price at \$189/cwt (AB monthly average price in May 2020, 700-800lb steers) Grazing period: 160 days from mid-May to mid-October Average daily gain at 1.25lb per day on native pasture Sell weight at 900 lbs Sell price \$174/cwt (AB monthly average price in Oct 2020, 900+ steers) Assume pasture in the baseline scenario is understock, to add 50 yearlings on pasture for 160 days, stocking rate needs to increase 11% Add 80g of mineral during the 160-day grazing period Death loss for the grasser group is 1.6% Additional labour cost for 60 days of grazing: 24 hours, 0.4hr/day



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Trade-Off Considerations	<ul style="list-style-type: none"> Decrease cows' productive years on the farm Higher turnover of cows could result in genetic issue if culling selection was not appropriate 	<ul style="list-style-type: none"> Decrease cows' productive years on the farm Higher turnover of cows could result in genetic issue if culling selection was not appropriate 	<ul style="list-style-type: none"> Decrease cows' productive years on the farm Higher turnover of cows could result in genetic issue if culling selection was not appropriate 	<ul style="list-style-type: none"> Decrease cows' productive years on the farm Higher turnover of cows could result in genetic issue if culling selection was not appropriate 	<ul style="list-style-type: none"> There are tax implications of shifting when sales occur. This model shows pre-tax numbers only
5-year average vs. baseline year*					
Estimated Change at Whole Farm Level (\$/ year)					
Net Income	-\$4,068	+\$19,079	-\$8,612	+\$914	+\$15,060
Net Cash Farm Income	-\$4,071	+\$19,074	-\$8,614	+\$911	+\$15,056
Estimated Change at Cow-calf Enterprise (\$/cow)					
Short-term Profits	-\$30	+\$71	-\$42	+\$4	+\$45**
Medium-term Profits	-\$35	+\$65	-\$44	+\$2	+\$49
Long-term Profits	-\$54	+\$47	-\$51	-\$4	+\$66

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

** Reduced overheads allocated to the cow-calf enterprise due to increased revenue in the backgrounding enterprise

Detailed report available upon request. Email: info@canfax.ca

