

Farm Characteristics

CA-MB-3a

Farm Description	A cow-calf, backgrounding and grain cash crop producing farm selling backgrounders and breeding heifers in one of the warmest, most humid regions for farming on the Canadian prairies.
Winter Feeding Ration (lbs/cow/day as fed)	210 days of hay (30 lb) and greenfeed (10 lb), for 110 days barley (1.5 lb) and DDG (1.5 lb) were also provided, mineral (75 g) was provided year round.
Retained Ownership/Replacement Ration (lb/head/day as fed)	100 days of hay (12.1 lb) and greenfeed (5.9 lb) with mineral (25 -35 g)
Disclaimer:	This benchmark is based on 4 farms of data; outliers were excluded as required.

Environment	
Average Annual Temperature	2°C
Average Annual Precipitation (mm)	485-540 mm
Ecoregion	Lake Manitoba Plain
Stocking Rate (Animal Unit days per acre)	60
Fertilize Hay (yes/no)	Yes
Fertilize Pasture (yes/no)	No
Typical Hay Yield (tonnes/acre)	2.1
Grassland Acres (owned+rented)	1,040
Crop Acres (includes hay) (owned+rented)	859
Bush and other acres	0

Physical Performance Indicators

	Simmental, Angus, Hereford
Breed	
Cow:Bull Ratio	27:1
Bull Culling Rate (%)	8%
Mature Cow Weight (lb)	1,400
Heifer Retention for a steady herd (%)	10%
Cow Death Loss (%)	1.0%
Cow Culling Rate (%)	8.6%
Calves alive after 24hr/100 Cows exposed	94
Calf Death Loss (%) 24 hr to weaning	3%
Calves weaned per 100 cows exposed	91
Total Liveweight Sold per Cow (lb)	501
Weaning Weight (lb)	444
205 day adjusted Weaning Weight (lb)	487
Average Daily Gain pre-weaning (lb)	1.92
Weaning Weight as % of Cow Weight	32%

Production System

Herd size	270
Days on field feeding (e.g. swath grazing)	0
Days supplemented on pasture	60
Days on full winter feed	150
Calving Start date	April 05
Weaning date	November 10
Sale date	February 18
Retained ownership	Background
% of feed purchased	2.5%
% of land in crops	45%
Annual sales Retained Cattle (head)	216
Placement weight (lbs)	445
Sale Weight (lbs)	630-670
Days on feed	100
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)

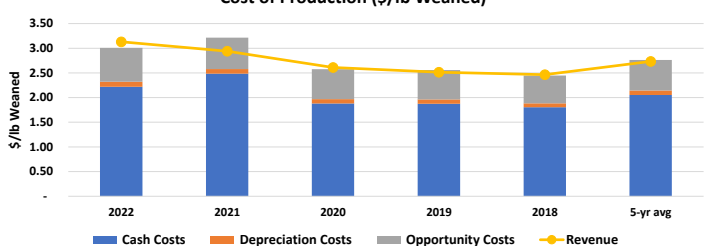
Whole Farm Profitability = Market returns (+ coupled payments) (+ decoupled payments) - whole-farm costs +/- changes in inventory +/- capital gains/losses.

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

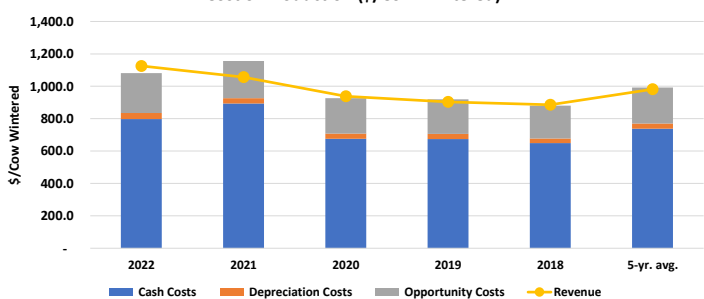
Revenue = sales of calves, cull cows, breeding stock, government payments and other revenue applicable to the specific enterprise

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

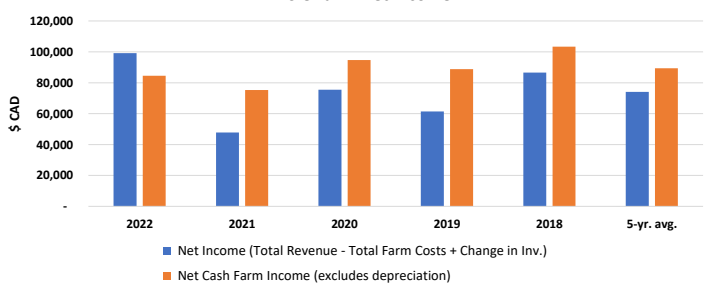
Cost of Production (\$/lb Weaned)



Cost of Production (\$/Cow Wintered)



Whole Farm Net income



Whole Farm Overview Page

Overview							
Operation Maturity	Medium/Startup						
Herd Size	270						
Paid Labour (livestock only) (hours)	739			Beef Animals Sold from Retained Ownership	216		
Unpaid Labour (livestock only) (hours)	2,190						
Average wages - paid and unpaid (\$/hr)	23.98						
Revenue		2022	2021	2020	2019	2018	5-yr. avg.
Market Revenue	5-yr avg	631,065	549,813	559,205	542,853	547,313	566,050
Cow-Calf	44%	303,892	244,638	253,366	243,974	239,189	257,012
Cash Crops	4%	39,532	18,693	21,237	21,623	20,629	24,343
Retained Ownership	49%	287,641	286,482	284,601	277,255	287,494	284,695
Government Payments	2%	-	46,617	-	-	-	9,323
Other Farm Revenue †	1%	4,055	4,052	4,055	4,056	4,058	4,055
Total Revenue	100%	635,120	600,482	563,260	546,910	551,371	579,428
Change in Inventory		36,507	(7,538)	-	(8,739)	948	4,236
Expenses		2022	2021	2020	2019	2018	5-yr. avg.
Depreciation		21,931	19,942	19,238	18,690	17,796	19,519
Machinery		15,578	14,001	13,519	13,068	12,314	13,696
Buildings		6,353	5,940	5,719	5,621	5,483	5,823
Quota econ. Accounting		-	-	-	-	-	-
Overhead costs		69,868	67,135	64,529	64,277	63,086	65,779
Land improvement		21,004	20,027	19,189	19,273	18,969	19,692
Machinery Maintenance		12,587	12,553	12,150	12,102	11,915	12,261
Buildings Maintenance		1,408	1,287	1,221	1,236	1,217	1,274
Contract labour		7,159	6,797	6,557	6,361	6,084	6,592
Diesel, Gasoline, Natural Gas		15,456	14,741	14,002	14,112	14,036	14,470
Electricity		-	-	-	-	-	-
Water		2,507	2,507	2,507	2,507	2,507	2,507
Farm insurance		3,740	3,550	3,425	3,323	3,178	3,443
Disability and accident insurance		-	-	-	-	-	-
Farm taxes and duties		2,728	2,590	2,498	2,423	2,318	2,511
Advisor costs		426	404	390	378	362	392
Accountant & legal fees		497	472	455	441	422	457
Phone & utilities		1,920	1,798	1,740	1,727	1,694	1,776
Other overhead costs		436	408	395	392	385	403
Wages, rent and interest payments		58,348	54,460	51,848	50,858	48,709	52,845
Paid Labour		23,148	21,977	21,200	20,567	19,670	21,312
Total land rents		30,301	28,183	26,481	25,883	25,244	27,218
Total Interest on debt		4,900	4,300	4,167	4,408	3,795	4,314
Cow-Calf		40,291	82,488	33,663	31,746	31,630	43,963
Animal purchases		10,000	10,000	10,000	10,000	10,000	10,000
Purchased feed		18,279	59,805	13,295	11,295	11,512	22,837
Other fixed and var. costs *		12,012	12,683	10,368	10,451	10,118	11,126
Retained Ownership		270,497	223,659	228,989	219,286	216,095	231,705
Animal purchases		260,239	208,293	219,931	210,540	207,484	221,297
Purchased feed		1,770	7,385	1,295	1,094	1,115	2,532
Other fixed and var. costs *		8,487	7,980	7,763	7,653	7,496	7,876
Crop and forage		111,569	97,433	89,504	91,943	88,458	95,781
Seed		25,960	24,571	23,527	25,038	23,259	24,471
Fertilizer		57,246	46,264	40,344	41,823	40,724	45,280
Herbicide		7,553	6,840	6,533	6,239	6,117	6,657
Fungicide & Insecticide		-	-	-	-	-	-
Irrigation		-	-	-	-	-	-
Contract labour		6,399	6,076	5,861	5,686	5,438	5,892
Fuel costs (crop & forage)		4,390	4,297	4,159	4,142	4,078	4,213
Other crop and forage		10,021	9,385	9,080	9,014	8,842	9,268
Total Farm Costs (excludes unpaid labour)		572,504	545,116	487,770	476,801	465,773	509,593
Cash Costs (Total Farm Costs - Depreciation)		550,573	525,175	468,532	458,111	447,977	490,073
Depreciation & Opportunity Costs (including unpaid labour)		74,452	72,463	71,759	71,211	70,317	72,040
Total Economic Costs (cash, depr, opportunity)		625,025	597,637	540,291	529,322	518,294	562,114
Profits		2022	2021	2020	2019	2018	5-yr. avg.
Net Income (Total Revenue - Total Farm Costs + Change in Inv.)		99,123	47,828	75,490	61,370	86,545	74,071
Net Cash Farm Income (excludes depreciation)		84,542	75,305	94,723	88,793	103,386	89,349

† 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



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Cow-Calf Enterprise (\$/Cow Wintered)	2022	2021	2020	2019	2018	5 yr. avg.
Cows Wintered *	270	270	270	270	270	270
Average male and female calf price (\$/head)	1,214	961	996	957	941	1,014
REVENUE						
Cow Calf	1,126	1,057	938	904	886	982
Cull animals and slaughter receipts	129	118	124	124	117	123
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	996	788	815	780	768	829
Government payments	-	150.7	-	-	-	30.1
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	1,126	1,057	938	904	886	982
VARIABLE COSTS						
Animal purchases	37.0	37.0	37.0	37.0	37.0	37
Feed (purchase feed, fertiliser, seed, pesticides)	446.4	555.1	357.3	358.7	346.8	413
Machinery (maintenance, depreciation, contractor)	77.4	72.5	70.3	69.1	64.0	71
Fuel, energy, lubricants, water	44.3	42.5	40.9	41.3	39.7	42
Vet & medicine	20.7	19.7	19.0	18.4	17.6	19
Other inputs cow calf enterprise	29.2	32.4	24.4	25.2	24.4	27
Labour						
Paid Labour	38.8	36.4	35.3	34.5	31.5	35
Unpaid Labour	69.5	65.3	63.3	61.9	56.5	63
Total Variable Costs	763.3	861.0	647.6	646.2	617.6	707
CAPITAL COSTS						
Insurance, taxes	15.6	14.8	14.3	13.9	13.0	14
Buildings (maintenance, depreciation)	13.0	12.0	11.6	11.5	10.7	12
Land Cost	-	-	-	-	-	-
Rented Land	103.9	96.6	90.8	88.8	86.4	93
Own Land	144.6	133.0	123.8	120.6	116.9	128
Capital Costs	-	-	-	-	-	-
Liabilities	8.2	7.7	6.9	7.4	6.1	7
Own capital	32.5	30.8	31.3	30.8	29.2	31
Total Capital Costs	317.9	294.8	278.6	273.0	262.4	285
COSTS						
Cash Costs	797.8	893.6	675.8	674.5	648.8	738
Depreciation Costs	36.8	33.1	32.1	31.4	28.5	32
Opportunity Costs	246.6	229.1	218.3	213.3	202.7	222
Total Production Costs	1,081.2	1,155.8	926.2	919.1	880.0	992
Profits						
Short-term profit (cash costs)	327.7	163.1	262.6	229.1	237.1	244
Medium-term profit (cash + depreciation)	290.9	130.1	230.5	197.8	208.5	212
Long-term profit (cash + depreciation + opportunity)	44.3	(99.0)	12.2	(15.5)	5.9	(10)

*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	97,058	97,058	97,058	97,058	97,058	97,058
Average male and female weaning weight (lbs)	444	444	444	444	444	
Average male and female calf price at weaning (\$/lb)	2.73	2.16	2.24	2.15	2.12	2.28
REVENUE						
Cow Calf Operation	3.13	2.94	2.61	2.51	2.46	2.73
Cull animals and slaughter receipts	0.36	0.33	0.34	0.34	0.33	0.34
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	2.77	2.19	2.27	2.17	2.14	2.31
Government payments	-	0.42	-	-	-	0.08
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	3.13	2.94	2.61	2.51	2.46	2.73
VARIABLE COSTS						
Animal purchases	0.10	0.10	0.10	0.10	0.10	0.10
Feed (purchase feed, fertiliser, seed, pesticides)	1.24	1.54	0.99	1.00	0.96	1.15
Machinery (maintenance, depreciation, contractor)	0.22	0.20	0.20	0.19	0.18	0.20
Fuel, energy, lubricants, water	0.12	0.12	0.11	0.11	0.11	0.12
Vet & medicine	0.06	0.05	0.05	0.05	0.05	0.05
Other inputs cow calf enterprise	0.08	0.09	0.07	0.07	0.07	0.08
Labour						
Paid Labour	0.11	0.10	0.10	0.10	0.09	0.10
Unpaid Labour	0.19	0.18	0.18	0.17	0.16	0.18
Total Variable Costs	2.1	2.4	1.8	1.8	1.7	2.0
CAPITAL COSTS						
Insurance, taxes	0.04	0.04	0.04	0.04	0.04	0.04
Buildings (maintenance, depreciation)	0.04	0.03	0.03	0.03	0.03	0.03
Land Cost						
Rented Land	0.29	0.27	0.25	0.25	0.24	0.26
Owned Land	0.40	0.37	0.34	0.34	0.33	0.36
Capital Costs						
Liabilities	0.02	0.02	0.02	0.02	0.02	0.02
Own capital	0.09	0.09	0.09	0.09	0.08	0.09
Total Capital Costs	0.9	0.8	0.8	0.8	0.7	0.8
COSTS						
Cash Costs	2.22	2.49	1.88	1.88	1.80	2.05
Depreciation Costs	0.10	0.09	0.09	0.09	0.08	0.09
Opportunity Costs	0.69	0.64	0.61	0.59	0.56	0.62
Total Production Costs	3.01	3.22	2.58	2.56	2.45	2.76
Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	0.91	0.45	0.73	0.64	0.66	0.68
Medium-term profit (cash + depreciation)	0.81	0.36	0.64	0.55	0.58	0.59
Long-term profit (cash + depreciation + opportunity)	0.12	(0.28)	0.03	(0.04)	0.02	(0.03)

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RETAINED OWNERSHIP		2022	2021	2020	2019	2018	5-yr. avg.
No. of beef cattle sold per year		216	216	216	216	216	216
<i>Note: breeding stock sales are in the cow-calf enterprise</i>							
Placement weight (lbs)		445					
Sale Weight (lbs)		630-670					
Days on Feed		100					
Average Daily Gain (lbs/day)		2.18					

REVENUE (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
Market Returns from Retained Ownership	1,331.67	1,326.31	1,317.60	1,283.59	1,330.99	1,318.03
Other Returns (Government payments, by-products)	-	27.46	-	-	-	5.49
Total Revenue	1,331.67	1,353.77	1,317.60	1,283.59	1,330.99	1,323.52

Costs (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
VARIABLE COSTS						
Animal purchases	1,204.81	964.32	1,018.20	974.72	960.57	1,024.52
Feed (purchase feed, fertiliser, seed, pesticides)	89.02	107.70	72.52	72.69	73.15	83.02
Machinery (maintenance, depreciation, contractor)	85.37	85.15	81.43	78.66	79.01	81.92
Fuel, energy, lubricants, water	42.75	43.32	41.09	40.85	42.42	42.09
Vet & medicine	-	-	-	-	-	-
Other inputs	46.62	44.23	42.91	42.22	41.62	43.52
Labour						
Paid Labour	51.72	51.95	49.59	47.51	47.56	49.67
Unpaid Labour	92.67	93.08	88.86	85.13	85.21	88.99
Total Variable Costs	1,612.96	1,389.75	1,394.61	1,341.78	1,329.55	1,413.73

CAPITAL COSTS	2022	2021	2020	2019	2018	5-yr. avg.
Insurance, taxes	9.23	9.25	8.83	8.46	8.46	8.85
Buildings (maintenance, depreciation)	17.34	17.08	16.23	15.84	16.20	16.54
Land Cost						
Rented Land	9.69	9.30	8.69	8.43	8.44	8.91
Owned Land	13.49	12.81	11.85	11.45	11.41	12.20
Capital Costs						
Liabilities	10.95	9.56	9.75	10.18	9.18	9.92
Own capital	42.58	42.80	43.21	41.72	43.39	42.74
Total Capital Costs	103.28	100.80	98.56	96.09	97.08	99.16

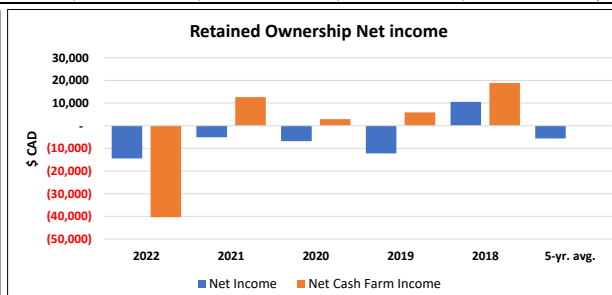
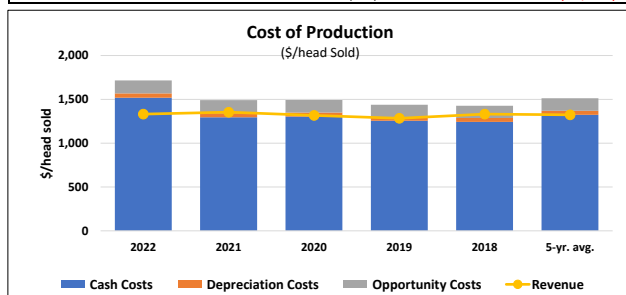
TOTAL COSTS	2022	2021	2020	2019	2018	5-yr. avg.
Cash Costs	1,518.50	1,294.73	1,304.25	1,256.40	1,243.58	1,323.49
Depreciation Costs	49.00	47.14	45.00	43.17	43.03	45.47
Opportunity Costs	148.74	148.69	143.91	138.30	140.02	143.93
Total Production Costs (excludes own capital)	1,716.24	1,490.56	1,493.17	1,437.87	1,426.63	1,512.89

Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	(186.83)	59.04	13.35	27.19	87.41	0.03
Medium-term profit (cash + depreciation)	(235.83)	11.90	(31.65)	(15.98)	44.39	(45.44)
Long-term profit (cash + depreciation + opportunity)	(384.57)	(136.79)	(175.57)	(154.28)	(95.63)	(189.37)

Net Income (\$/head sold)	2022	2021	2020	2019	2018	5-yr. avg.
Net Income	(66.80)	(23.60)	(31.64)	(56.43)	48.79	(25.94)
Net Cash Farm Income	(186.83)	58.44	13.35	27.19	87.41	(0.09)

Labour		2022	2021	2020	2019	2018	5-yr. avg.
Paid Labour	hours per year	373	395	391	386	404	389
Unpaid Labour	hours per year	1,111	1,175	1,163	1,149	1,202	1,160
Return to labour input	\$/hour	(35.0)	1	(5)	(3)	5	(7)
Average wages (paid and calculated)	\$/hour	21	20	19	19	18	19

Net Income (annual total)	2022	2021	2020	2019	2018	5-yr. avg.
Net Income	\$ per year (14,430)	(5,097)	(6,835)	(12,188)	10,539	(5,602)
Net Cash Farm Income	\$ per year (40,355)	12,622	2,883	5,873	18,881	(19)



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	2.04	1,331.67	6.44
Other Returns (Government payments, by-products)	-	-	-
Total	2.04	1,331.67	6.44
Costs (\$/lb LW Sold)	2021	2021	2021
VARIABLE COSTS			
Animal purchases	1.85	1,204.81	5.83
Feed (purchase feed, fertiliser, seed, pesticides)	0.14	89.02	0.43
Machinery (maintenance, depreciation, contractor)	0.13	85.37	0.41
Fuel, energy, lubricants, water	0.07	42.75	0.21
Vet & medicine	-	-	-
Other inputs	0.07	46.62	0.23
Labour			
Paid Labour	0.08	51.72	0.25
Unpaid Labour	0.14	92.67	0.45
Total Variable Costs	2.47	1,612.96	7.80
CAPITAL COSTS			
Insurance, taxes	0.01	9.23	0.04
Buildings (maintenance, depreciation)	0.03	17.34	0.08
Land Cost			
Rented Land	0.01	9.69	0.05
Owned Land	0.02	13.49	0.07
Capital Costs			
Liabilities	0.02	10.95	0.05
Own capital	0.07	42.58	0.21
Total Capital Costs	0.16	103.28	0.50
TOTAL COSTS			
Cash Costs	2.33	1,518.50	7.35
Depreciation Costs	0.08	49.00	0.24
Opportunity Costs	0.23	148.74	0.72
Total Production Costs (excludes own capital)	2.63	1,716.24	8.30
Profits	2021	2021	2021
Margin over operating costs	0.21	0.63	0.00
Short-term profit (cash costs)	(0.29)	(186.83)	(0.90)
Medium-term profit (cash + depreciation)	(0.36)	(235.83)	(1.14)
Long-term profit (cash + depreciation + opportunity)	(0.59)	(384.57)	(1.86)
Net Income	2021	2021	2021
Net Income	(0.10)	(66.80)	(0.32)
Net Cash Farm Income	(0.29)	(186.83)	(0.90)

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