

Farm Characteristics

CA-MB-4

Farm Description	A cow-calf and backgrounding operation with 160 beef cow, utilizing predominantly homegrown feed.
Winter Feeding Ration (lbs/cow/day as fed)	60 days corn grazing, followed by 90 days on hay (35 lb)
Retained Ownership/Replacement Ration (lb/head/day as fed)	Backgrounders: 95 days on hay (16 lb) and oats (3 lb)
Disclaimer:	This benchmark is based on 3 farms of data; outliers were excluded as required.

Environment	
Average Annual Temperature	1.5°C
Average Annual Precipitation (mm)	400-500mm
Ecoregion	Aspen Parkland
Stocking Rate (Animal Unit days per acre)	31
Fertilize Hay (yes/no)	Yes
Fertilize Pasture (yes/no)	No
Typical Hay Yield (tonnes/acre)	2.5
Grassland Acres (owned+rented)	1,465
Crop Acres (includes hay) (owned+rented)	306
Bush and other acres	0

Physical Performance Indicators

Breed	Angus, Simmental
Cow:Bull Ratio	22:1
Bull Culling Rate (%)	15%
Mature Cow Weight (lb)	1,400
Heifer Retention for a steady herd (%)	13%
Cow Death Loss (%)	1.3%
Cow Culling Rate (%)	11.7%
Calves alive after 24hr/100 Cows exposed	89
Calf Death Loss (%) 24 hr to weaning	4%
Calves weaned per 100 cows exposed	86
Total Liveweight Sold per Cow (lb)	589
Weaning Weight (lb)	522
205 day adjusted Weaning Weight (lb)	543
Average Daily Gain pre-weaning (lb)	2.22
Weaning Weight as % of Cow Weight	37%

Production System

Herd size	160
Days on field feeding (e.g. swath grazing)	60
Days supplemented on pasture	0
Days on full winter feed	90
Calving Start date	April 24
Weaning date	November 21
Sale date	February 24
Retained ownership	Background
% of feed purchased	1.2%
% of land in crops	17%
Annual sales Retained Cattle (head)	113
Placement weight (lbs)	523
Sale Weight (lbs)	698-707
Days on feed	95
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)

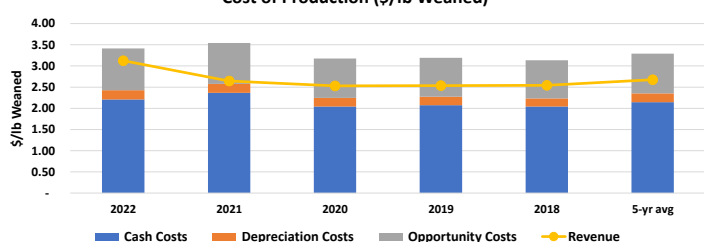
Whole Farm Profitability = Market returns (+ coupled payments) (+ decoupled payments) - whole-farm costs +/- changes in inventory +/- capital gains/losses.

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

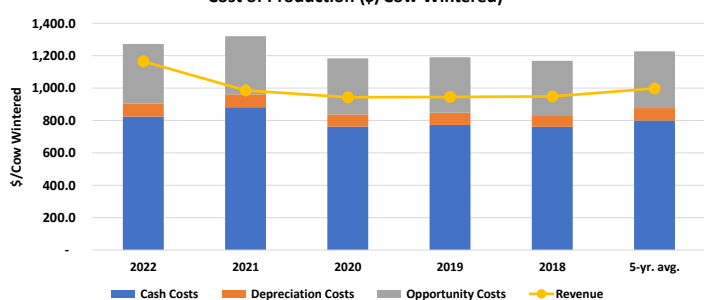
Revenue = sales of calves, cull cows, breeding stock, government payments and other revenue applicable to the specific enterprise

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

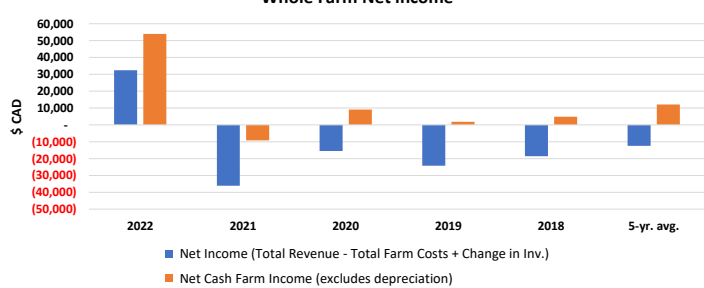
Cost of Production (\$/lb Weaned)



Cost of Production (\$/Cow Wintered)



Whole Farm Net income



Whole Farm Overview Page

Overview							
Operation Maturity	Start-up						
Herd Size	160						
Paid Labour (livestock only) (hours)	1,415						
Unpaid Labour (livestock only) (hours)	1,591						
Average wages - paid and unpaid (\$/hr)	16.59						
Revenue		2022	2021	2020	2019	2018	5-yr. avg.
Market Revenue	5-yr avg	420,260	313,988	322,660	317,311	317,765	338,397
Cow-Calf	46%	186,401	148,111	150,906	151,235	151,765	157,683
Cash Crops	12%	89,404	23,907	30,567	28,261	24,408	39,309
Retained Ownership	41%	144,454	141,971	141,187	137,815	141,592	141,404
Government Payments	1%	-	12,391	-	-	-	2,478
Other Farm Revenue †	0%	-	-	-	-	-	-
Total Revenue	100%	420,260	326,379	322,660	317,311	317,765	340,875
Change in Inventory		8,074	-	1,333	(874)	652	1,837
Expenses		2022	2021	2020	2019	2018	5-yr. avg.
Depreciation		29,647	26,919	25,971	25,216	23,979	26,346
Machinery		22,139	19,898	19,213	18,572	17,500	19,465
Buildings		7,508	7,020	6,758	6,643	6,479	6,882
Quota econ. Accounting		-	-	-	-	-	-
Overhead costs		44,151	42,333	40,860	40,342	39,435	41,424
Land improvement		1,737	1,657	1,588	1,588	1,588	1,632
Machinery Maintenance		9,531	9,505	9,200	9,098	8,957	9,258
Buildings Maintenance		3,432	3,137	2,976	3,006	2,958	3,102
Contract labour		18	17	16	16	16	17
Diesel, Gasoline, Natural Gas		7,415	7,257	7,024	6,946	6,838	7,096
Electricity		-	-	-	-	-	-
Water		-	-	-	-	-	-
Farm insurance		4,160	3,950	3,810	3,697	3,535	3,831
Disability and accident insurance		1,018	967	933	905	865	937
Farm taxes and duties		2,109	2,002	1,931	1,874	1,792	1,941
Advisor costs		569	540	521	505	483	524
Accountant & legal fees		2,897	2,750	2,653	2,574	2,461	2,667
Phone & utilities		1,397	1,308	1,266	1,257	1,233	1,292
Other overhead costs		9,870	9,243	8,943	8,877	8,708	9,128
Wages, rent and interest payments		86,088	80,207	79,530	83,103	82,689	82,324
Paid Labour		27,270	25,890	24,975	24,230	23,172	25,107
Total land rents		18,293	17,223	16,362	16,060	15,737	16,735
Total Interest on debt		40,525	37,094	38,192	42,813	43,780	40,481
Cow-Calf		43,478	55,089	39,810	38,453	38,202	43,006
Animal purchases		22,667	22,667	22,667	22,667	22,667	22,667
Purchased feed		9,952	22,144	7,238	6,149	6,267	10,350
Other fixed and var. costs *		10,860	10,278	9,905	9,637	9,268	9,990
Retained Ownership		156,635	126,519	124,495	123,788	123,798	131,047
Animal purchases		151,894	118,066	120,254	119,689	119,834	125,947
Purchased feed		-	3,996	-	-	-	799
Other fixed and var. costs *		4,741	4,457	4,241	4,099	3,964	4,300
Crop and forage		35,919	31,397	28,870	29,756	28,856	30,959
Seed		7,180	6,796	6,507	6,925	6,433	6,768
Fertilizer		22,723	18,939	16,906	17,414	17,035	18,603
Herbicide		873	790	755	721	707	769
Fungicide & Insecticide		-	-	-	-	-	-
Irrigation		-	-	-	-	-	-
Contract labour		4,270	4,054	3,910	3,910	3,910	4,011
Fuel costs (crop & forage)		-	-	-	-	-	-
Other crop and forage		874	818	792	786	771	808
Total Farm Costs (excludes unpaid labour)		395,919	362,463	339,536	340,657	336,958	355,107
Cash Costs (Total Farm Costs - Depreciation)		366,272	335,544	313,565	315,441	312,979	328,760
Depreciation & Opportunity Costs (including unpaid labour)		56,041	53,312	52,365	51,610	50,373	52,740
Total Economic Costs (cash, depr, opportunity)		422,313	388,857	365,930	367,051	363,352	381,500
Profits		2022	2021	2020	2019	2018	5-yr. avg.
Net Income (Total Revenue - Total Farm Costs + Change in Inv.)		32,415	(36,084)	(15,543)	(24,220)	(18,542)	(12,395)
Net Cash Farm Income (excludes depreciation)		53,988	(9,165)	9,095	1,870	4,785	12,115

† 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 *	160	160	160	160	160	160
Average male and female calf price (\$/head)	1,306	1,015	1,045	1,042	1,044	1,090
REVENUE						
Cow Calf	1,165	986	943	945	949	998
Cull animals and slaughter receipts	216	188	187	189	191	194
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	949	738	756	756	757	791
Government payments	-	60.0	-	-	-	12.0
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	1,165	986	943	945	949	998
VARIABLE COSTS						
Animal purchases	141.7	141.7	141.7	141.7	141.7	142
Feed (purchase feed, fertiliser, seed, pesticides)	188.0	248.8	147.0	143.4	140.6	174
Machinery (maintenance, depreciation, contractor)	99.8	99.6	95.2	95.2	91.3	96
Fuel, energy, lubricants, water	20.2	21.4	20.4	20.7	20.4	21
Vet & medicine	45.6	43.3	41.8	40.6	38.8	42
Other inputs cow calf enterprise	62.3	61.7	59.1	59.1	57.5	60
Labour						
Paid Labour	74.2	76.3	72.7	72.4	69.0	73
Unpaid Labour	80.6	82.9	79.0	78.6	75.0	79
Total Variable Costs	712.3	775.8	656.9	651.7	634.3	686
CAPITAL COSTS						
Insurance, taxes	26.3	26.1	25.0	24.6	23.5	25
Buildings (maintenance, depreciation)	29.8	29.9	28.3	28.8	28.1	29
Land Cost	-	-	-	-	-	-
Rented Land	106.4	100.1	95.1	93.4	91.5	97
Own Land	287.2	276.0	267.0	263.8	260.4	271
Capital Costs	-	-	-	-	-	-
Liabilities	110.2	112.0	111.2	127.9	130.4	118
Own capital	0.0	0.0	0.0	0.0	0.0	0
Total Capital Costs	560.0	544.2	526.7	538.5	534.0	541
COSTS						
Cash Costs	823.8	881.8	762.0	772.5	761.4	800
Depreciation Costs	80.6	79.4	75.6	75.3	71.4	76
Opportunity Costs	367.8	358.9	345.9	342.4	335.4	350
Total Production Costs	1,272.2	1,320.1	1,183.5	1,190.2	1,168.2	1,227
Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	341.2	103.9	181.2	172.7	187.1	197
Medium-term profit (cash + depreciation)	260.6	24.5	105.6	97.4	115.7	121
Long-term profit (cash + depreciation + opportunity)	(107.2)	(334.4)	(240.3)	(245.0)	(219.7)	(229)

*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	59,649	59,649	59,649	59,649	59,649	59,649
Average male and female weaning weight (lbs)	522	522	522	522	522	
Average male and female calf price at weaning (\$/lb)	2.50	1.94	2.00	2.00	2.00	2.09
REVENUE						
Cow Calf Operation	3.12	2.64	2.53	2.54	2.54	2.68
Cull animals and slaughter receipts	0.58	0.50	0.50	0.51	0.51	0.52
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	2.55	1.98	2.03	2.03	2.03	2.12
Government payments	-	0.16	-	-	-	0.03
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	3.12	2.64	2.53	2.54	2.54	2.68
VARIABLE COSTS						
Animal purchases	0.38	0.38	0.38	0.38	0.38	0.38
Feed (purchase feed, fertiliser, seed, pesticides)	0.50	0.67	0.39	0.38	0.38	0.47
Machinery (maintenance, depreciation, contractor)	0.27	0.27	0.26	0.26	0.24	0.26
Fuel, energy, lubricants, water	0.05	0.06	0.05	0.06	0.05	0.06
Vet & medicine	0.12	0.12	0.11	0.11	0.10	0.11
Other inputs cow calf enterprise	0.17	0.17	0.16	0.16	0.15	0.16
Labour						
Paid Labour	0.20	0.20	0.20	0.19	0.19	0.20
Unpaid Labour	0.22	0.22	0.21	0.21	0.20	0.21
Total Variable Costs	1.9	2.1	1.8	1.7	1.7	1.8
CAPITAL COSTS						
Insurance, taxes	0.07	0.07	0.07	0.07	0.06	0.07
Buildings (maintenance, depreciation)	0.08	0.08	0.08	0.08	0.08	0.08
Land Cost						
Rented Land	0.29	0.27	0.26	0.25	0.25	0.26
Owned Land	0.77	0.74	0.72	0.71	0.70	0.73
Capital Costs						
Liabilities	0.30	0.30	0.30	0.34	0.35	0.32
Own capital	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital Costs	1.5	1.5	1.4	1.4	1.4	1.5
COSTS						
Cash Costs	2.21	2.37	2.04	2.07	2.04	2.15
Depreciation Costs	0.22	0.21	0.20	0.20	0.19	0.21
Opportunity Costs	0.99	0.96	0.93	0.92	0.90	0.94
Total Production Costs	3.41	3.54	3.17	3.19	3.13	3.29
Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	0.92	0.28	0.49	0.46	0.50	0.53
Medium-term profit (cash + depreciation)	0.70	0.07	0.28	0.26	0.31	0.32
Long-term profit (cash + depreciation + opportunity)	(0.29)	(0.90)	(0.64)	(0.66)	(0.59)	(0.62)

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RETAINED OWNERSHIP		2022	2021	2020	2019	2018	5-yr. avg.
No. of beef cattle sold per year		113	113	113	113	113	113
<i>Note: breeding stock sales are in the cow-calf enterprise</i>							
Placement weight (lbs)	523						
Sale Weight (lbs)	698-707						
Days on Feed	95						
Average Daily Gain (lbs/day)	1.90						

REVENUE (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
Market Returns from Retained Ownership	1,345.64	1,322.50	1,315.20	1,283.79	1,318.98	1,317.22
Other Returns (Government payments, by-products)	-	26.00	-	-	-	5.20
Total Revenue	1,345.64	1,348.50	1,315.20	1,283.79	1,318.98	1,322.42

Costs (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
VARIABLE COSTS						
Animal purchases	1,414.94	1,099.82	1,120.21	1,114.94	1,116.29	1,173.24
Feed (purchase feed, fertiliser, seed, pesticides)	35.08	67.20	27.18	28.06	27.26	36.96
Machinery (maintenance, depreciation, contractor)	109.71	128.28	120.71	115.83	114.38	117.78
Fuel, energy, lubricants, water	24.60	30.57	28.78	28.00	28.46	28.08
Vet & medicine	11.70	10.93	10.04	8.95	8.27	9.98
Other inputs	81.33	88.89	84.30	82.49	82.27	83.86
Labour						
Paid Labour	90.46	109.05	102.34	97.68	96.43	99.19
Unpaid Labour	98.27	118.46	111.17	106.11	104.75	107.75
Total Variable Costs	1,866.09	1,653.20	1,604.74	1,582.07	1,578.10	1,656.84

CAPITAL COSTS						
Insurance, taxes	17.72	21.23	19.94	19.04	18.78	19.34
Buildings (maintenance, depreciation)	36.29	42.78	39.89	38.90	39.27	39.43
Land Cost						
Rented Land	4.74	4.47	4.24	4.16	4.08	4.34
Owned Land	12.79	12.31	11.91	11.76	11.61	12.07
Capital Costs						
Liabilities	134.43	153.26	156.50	172.59	182.18	159.79
Own capital	-	-	-	-	-	-
Total Capital Costs	205.96	234.05	232.47	246.45	255.92	234.97

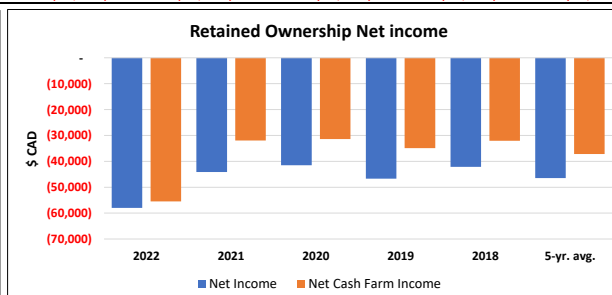
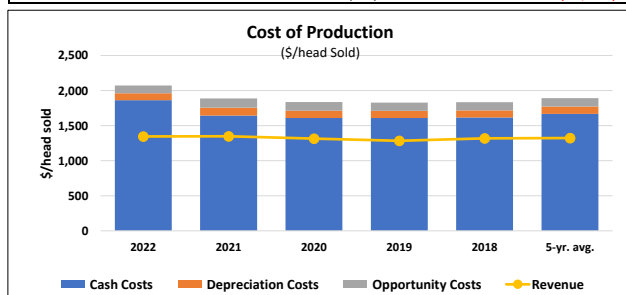
TOTAL COSTS						
Cash Costs	1,862.65	1,643.10	1,607.71	1,609.00	1,617.88	1,668.07
Depreciation Costs	98.34	113.38	106.42	101.65	99.78	103.92
Opportunity Costs	111.05	130.77	123.08	117.87	116.36	119.83
Total Production Costs (excludes own capital)	2,072.05	1,887.25	1,837.21	1,828.52	1,834.03	1,891.81

Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	(517.01)	(294.59)	(292.50)	(325.21)	(298.90)	(345.64)
Medium-term profit (cash + depreciation)	(615.36)	(407.97)	(398.92)	(426.86)	(398.69)	(449.56)
Long-term profit (cash + depreciation + opportunity)	(726.41)	(538.75)	(522.00)	(544.73)	(515.05)	(569.39)

Net Income (\$/head sold)	2022	2021	2020	2019	2018	5-yr. avg.
Net Income	(540.14)	(410.95)	(386.51)	(435.00)	(392.62)	(433.04)
Net Cash Farm Income	(517.01)	(297.57)	(292.50)	(325.21)	(298.90)	(346.24)

Labour							
Paid Labour	hours per year	585	743	723	711	734	699
Unpaid Labour	hours per year	636	807	786	773	798	760
Return to labour input	\$/hour	(47.3)	(22)	(22)	(25)	(22)	(27)
Average wages (paid and calculated)	\$/hour	17	16	15	15	14	15

Net Income (annual total)		2022	2021	2020	2019	2018	5-yr. avg.
Net Income	\$ per year	(57,984)	(44,115)	(41,492)	(46,697)	(42,147)	(46,487)
Net Cash Farm Income	\$ per year	(55,502)	(31,944)	(31,400)	(34,911)	(32,087)	(37,169)



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	1.91	1,345.64	7.08
Other Returns (Government payments, by-products)	-	-	-
Total	1.91	1,345.64	7.08
Costs (\$/lb LW Sold)	2021	2021	2021
VARIABLE COSTS			
Animal purchases	2.01	1,414.94	7.45
Feed (purchase feed, fertiliser, seed, pesticides)	0.05	35.08	0.18
Machinery (maintenance, depreciation, contractor)	0.16	109.71	0.58
Fuel, energy, lubricants, water	0.03	24.60	0.13
Vet & medicine	0.02	11.70	0.06
Other inputs	0.12	81.33	0.43
Labour			
Paid Labour	0.13	90.46	0.48
Unpaid Labour	0.14	98.27	0.52
Total Variable Costs	2.65	1,866.09	9.82
CAPITAL COSTS			
Insurance, taxes	0.03	17.72	0.09
Buildings (maintenance, depreciation)	0.05	36.29	0.19
Land Cost			
Rented Land	0.01	4.74	0.02
Owned Land	0.02	12.79	0.07
Capital Costs			
Liabilities	0.19	134.43	0.71
Own capital	-	-	-
Total Capital Costs	0.29	205.96	1.08
TOTAL COSTS			
Cash Costs	2.65	1,862.65	9.80
Depreciation Costs	0.14	98.34	0.52
Opportunity Costs	0.16	111.05	0.58
Total Production Costs (excludes own capital)	2.94	2,072.05	10.91
Profits	2021	2021	2021
Margin over operating costs	(0.23)	(0.75)	(0.00)
Short-term profit (cash costs)	(0.73)	(517.01)	(2.72)
Medium-term profit (cash + depreciation)	(0.87)	(615.36)	(3.24)
Long-term profit (cash + depreciation + opportunity)	(1.03)	(726.41)	(3.82)
Net Income	2021	2021	2021
Net Income	(0.77)	(540.14)	(2.84)
Net Cash Farm Income	(0.73)	(517.01)	(2.72)

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