

Farm Characteristics

CA-MT-1

Farm Description

A cow-calf operation producing homegrown feed with predominantly direct farm-gate sales of cull cows for boxed beef

Winter Feeding Ration (lbs/cow/day as fed)

Bale grazing 180 days on dry hay (26 lb) and haylage (15 lb), with mineral (100 g) and salt (61 g)

Retained Ownership/Replacement Ration (lb/head/day as fed)

Bale grazing 180 days on dry silage (22 lb) and haylage (11 lb), with mineral (66 g) and salt (50 g)

Disclaimer:

This benchmark is based on 3 farms of data; outliers were excluded as required.

Environment

Average Annual Temperature	5.5°C
Average Annual Precipitation (mm)	900–1150 mm
Ecoregion	Prince Edward Island
Stocking Rate (Animal Unit days per acre)	0.40 cows/acre
Fertilize Hay (yes/no)	Yes
Fertilize Pasture (yes/no)	Yes
Typical Hay Yield (tonnes/acre)	2.7
Grassland Acres (owned+rented)	220
Crop Acres (includes hay) (owned+rented)	450
Bush and other acres	272

Physical Performance Indicators

	Simmental, Angus,
Breed	Devons
Cow:Bull Ratio	25:1
Bull Culling Rate (%)	25%
Mature Cow Weight (lb)	1,400
Heifer Retention for a steady herd (%)	14%
Cow Death Loss (%)	2.0%
Cow Culling Rate (%)	12.0%
Calves alive after 24hr/100 Cows exposed	95
Calf Death Loss (%) 24 hr to weaning	3%
Calves weaned per 100 cows exposed	93
Total Liveweight Sold per Cow (lb)	611
Weaning Weight (lb)	545
205 day adjusted Weaning Weight (lb)	490
Average Daily Gain pre-weaning (lb)	2.02
Weaning Weight as % of Cow Weight	39%

Production System

Herd size	85
Days on field feeding (e.g. swath grazing)	0
Days supplemented on pasture	0
Days on full winter feed	180
Calving Start date	March 20
Weaning date	December 01
Sale date	January 15
Retained ownership	Precondition (45)
% of feed purchased	1.4%
% of land in crops	48%
Annual sales Retained Cattle (head)	65
Placement weight (lbs)	552
Sale Weight (lbs)	600-699
Days on feed	45
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)

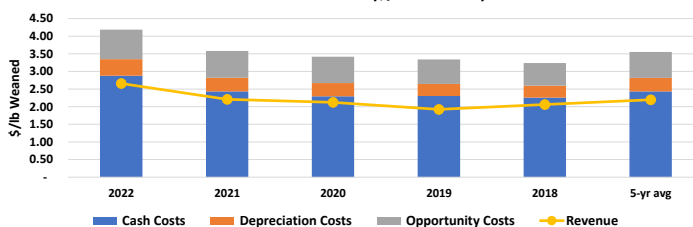
Whole Farm Profitability = Market returns (+ coupled payments) (+ decoupled payments) – whole-farm costs +/- changes in inventory +/- capital gains/losses.

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

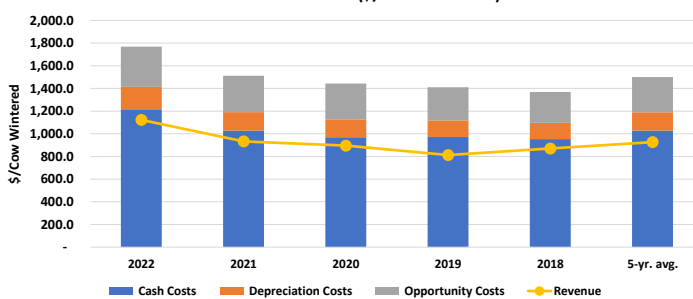
Revenue = sales of calves, cull cows, breeding stock, government payments and other revenue applicable to the specific enterprise

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

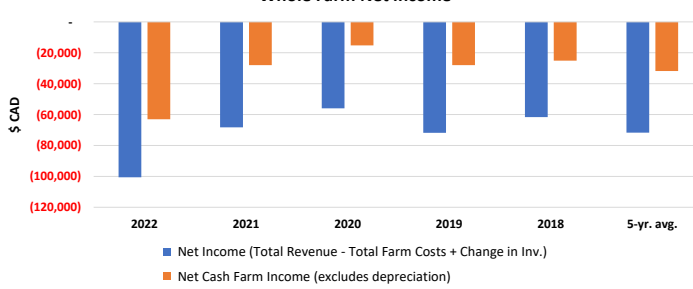
Cost of Production (\$/lb Weaned)



Cost of Production (\$/Cow Wintered)



Whole Farm Net income



Whole Farm Overview Page

Overview							
Operation Maturity	Medium						
Herd Size	85						
Paid Labour (livestock only) (hours)	743			Beef Animals Sold from Retained Ownership	65		
Unpaid Labour (livestock only) (hours)	1,638						
Average wages - paid and unpaid (\$/hr)	18.15						
Revenue		2022	2021	2020	2019	2018	5-yr. avg.
Market Revenue	5-yr avg	238,613	224,413	217,930	208,196	213,181	220,467
Cow-Calf	33%	95,404	79,328	76,149	69,055	73,966	78,780
Cash Crops	28%	60,976	73,827	72,472	73,827	60,976	68,416
Retained Ownership	30%	82,233	71,258	69,309	65,314	78,238	73,270
Government Payments	0%	-	-	-	-	-	-
Other Farm Revenue †	8%	20,125	20,125	20,125	20,125	20,125	20,125
Total Revenue	100%	258,738	244,538	238,055	228,321	233,306	240,592
Change in Inventory		9,779	2,959	907	(3,271)	2,234	2,522
Expenses		2022	2021	2020	2019	2018	5-yr. avg.
Depreciation		47,378	43,238	41,700	40,576	38,760	42,330
Machinery		29,327	26,358	25,450	24,602	23,181	25,784
Buildings		18,052	16,880	16,250	15,974	15,579	16,547
Quota econ. Accounting		-	-	-	-	-	-
Overhead costs		64,087	53,701	48,184	50,939	50,355	53,453
Land improvement		3,206	2,977	2,826	2,839	2,788	2,927
Machinery Maintenance		6,366	6,288	6,091	6,052	5,947	6,149
Buildings Maintenance		6,659	5,850	5,442	5,528	5,424	5,780
Contract labour		3,956	3,756	3,624	3,515	3,362	3,643
Diesel, Gasoline, Natural Gas		20,028	11,915	7,836	10,951	11,278	12,402
Electricity		-	-	-	-	-	-
Water		-	-	-	-	-	-
Farm insurance		3,751	3,561	3,435	3,332	3,187	3,453
Disability and accident insurance		-	-	-	-	-	-
Farm taxes and duties		2,699	2,563	2,472	2,398	2,294	2,485
Advisor costs		429	408	393	382	365	395
Accountant & legal fees		2,658	2,523	2,434	2,361	2,258	2,447
Phone & utilities		4,035	3,779	3,656	3,629	3,560	3,732
Other overhead costs		10,300	10,080	9,975	9,952	9,892	10,040
Wages, rent and interest payments		61,047	47,523	44,970	50,020	50,381	50,788
Paid Labour		19,217	18,245	17,600	17,075	16,330	17,694
Total land rents		10,861	9,359	8,500	8,360	7,350	8,886
Total Interest on debt		30,968	19,919	18,870	24,586	26,701	24,209
Cow-Calf		17,016	15,161	13,799	13,143	13,079	14,440
Animal purchases		775	775	775	775	775	775
Purchased feed		5,893	4,917	4,227	3,686	3,724	4,489
Other fixed and var. costs *		10,348	9,469	8,798	8,683	8,579	9,175
Retained Ownership		82,911	69,004	64,354	59,701	64,522	68,098
Animal purchases		78,988	65,852	61,625	56,952	61,855	65,055
Purchased feed		2,854	2,245	1,906	1,910	1,841	2,151
Other fixed and var. costs *		1,069	906	824	838	826	892
Crop and forage		96,669	87,159	81,944	82,493	80,082	85,669
Seed		10,508	10,136	9,619	9,805	8,887	9,791
Fertilizer		29,420	23,776	20,734	21,494	20,929	23,271
Herbicide		1,257	1,138	1,087	1,038	1,018	1,108
Fungicide & Insecticide		2,745	2,718	2,718	2,718	2,718	2,724
Irrigation		-	-	-	-	-	-
Contract labour		-	-	-	-	-	-
Fuel costs (crop & forage)		-	-	-	-	-	-
Other crop and forage		52,739	49,390	47,786	47,437	46,530	48,776
Total Farm Costs (excludes unpaid labour)		369,109	315,786	294,951	296,872	297,178	314,779
Cash Costs (Total Farm Costs - Depreciation)		321,731	272,547	253,251	256,296	258,418	272,449
Depreciation & Opportunity Costs (including unpaid labour)		77,113	72,973	71,434	70,310	68,494	72,065
Total Economic Costs (cash, depr, opportunity)		398,843	345,520	324,686	326,606	326,912	344,513
Profits		2022	2021	2020	2019	2018	5-yr. avg.
Net Income (Total Revenue - Total Farm Costs + Change in Inv.)		(100,591)	(68,288)	(55,989)	(71,822)	(61,638)	(71,666)
Net Cash Farm Income (excludes depreciation)		(62,992)	(28,009)	(15,196)	(27,975)	(25,112)	(31,857)

† 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 *	85	85	85	85	85	85
Average male and female calf price (\$/head)	1,172	984	907	818	920	960
REVENUE						
Cow Calf	1,122	933	896	812	870	927
Cull animals and slaughter receipts	193	159	171	142	142	162
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	929	775	725	670	728	765
Government payments	-	-	-	-	-	-
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	1,122	933	896	812	870	927
VARIABLE COSTS						
Animal purchases	9.1	9.1	9.1	9.1	9.1	9
Feed (purchase feed, fertiliser, seed, pesticides)	542.6	503.0	482.8	473.5	453.0	491
Machinery (maintenance, depreciation, contractor)	165.7	137.3	133.4	123.3	120.0	136
Fuel, energy, lubricants, water	83.7	44.9	29.7	39.5	41.7	48
Vet & medicine	85.8	76.9	70.0	68.8	67.9	74
Other inputs cow calf enterprise	108.8	97.8	95.9	92.3	92.5	97
Labour						
Paid Labour	80.3	68.8	66.8	61.6	60.3	68
Unpaid Labour	206.4	176.8	171.6	158.4	155.0	174
Total Variable Costs	1,282.4	1,114.7	1,059.3	1,026.6	999.5	1,097
CAPITAL COSTS						
Insurance, taxes	33.6	30.4	29.4	28.0	26.9	30
Buildings (maintenance, depreciation)	103.3	85.7	82.3	77.6	77.6	85
Land Cost	-	-	-	-	-	-
Rented Land	72.0	62.1	56.4	55.5	48.5	59
Own Land	142.3	128.6	120.9	119.6	109.7	124
Capital Costs	-	-	-	-	-	-
Liabilities	129.4	75.1	71.6	88.8	98.6	93
Own capital	5.1	15.2	22.9	13.9	7.0	13
Total Capital Costs	485.6	397.1	383.5	383.3	368.4	404
COSTS						
Cash Costs	1,216.2	1,028.1	969.3	971.6	953.0	1,028
Depreciation Costs	198.0	163.0	158.2	146.5	143.2	162
Opportunity Costs	353.7	320.6	315.3	291.8	271.7	311
Total Production Costs	1,768.0	1,511.8	1,442.8	1,409.9	1,367.9	1,500
Profits						
Short-term profit (cash costs)	(93.8)	(94.8)	(73.4)	(159.2)	(82.8)	(101)
Medium-term profit (cash + depreciation)	(291.9)	(257.9)	(231.6)	(305.7)	(226.0)	(263)
Long-term profit (cash + depreciation + opportunity)	(645.6)	(578.5)	(546.9)	(597.5)	(497.7)	(573)

*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	35,891	35,891	35,891	35,891	35,891	35,891
Average male and female weaning weight (lbs)	545	545	545	545	545	
Average male and female calf price at weaning (\$/lb)	2.15	1.81	1.67	1.50	1.69	1.76
REVENUE						
Cow Calf Operation	2.66	2.21	2.12	1.92	2.06	2.19
Cull animals and slaughter receipts	0.46	0.38	0.40	0.34	0.34	0.38
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	2.20	1.83	1.72	1.59	1.72	1.81
Government payments	-	-	-	-	-	-
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	2.66	2.21	2.12	1.92	2.06	2.19
VARIABLE COSTS						
Animal purchases	0.02	0.02	0.02	0.02	0.02	0.02
Feed (purchase feed, fertiliser, seed, pesticides)	1.28	1.19	1.14	1.12	1.07	1.16
Machinery (maintenance, depreciation, contractor)	0.39	0.33	0.32	0.29	0.28	0.32
Fuel, energy, lubricants, water	0.20	0.11	0.07	0.09	0.10	0.11
Vet & medicine	0.20	0.18	0.17	0.16	0.16	0.17
Other inputs cow calf enterprise	0.26	0.23	0.23	0.22	0.22	0.23
Labour						
Paid Labour	0.19	0.16	0.16	0.15	0.14	0.16
Unpaid Labour	0.49	0.42	0.41	0.38	0.37	0.41
Total Variable Costs	3.0	2.6	2.5	2.4	2.4	2.6
CAPITAL COSTS						
Insurance, taxes	0.08	0.07	0.07	0.07	0.06	0.07
Buildings (maintenance, depreciation)	0.24	0.20	0.19	0.18	0.18	0.20
Land Cost						
Rented Land	0.17	0.15	0.13	0.13	0.11	0.14
Owned Land	0.34	0.30	0.29	0.28	0.26	0.29
Capital Costs						
Liabilities	0.31	0.18	0.17	0.21	0.23	0.22
Own capital	0.01	0.04	0.05	0.03	0.02	0.03
Total Capital Costs	1.1	0.9	0.9	0.9	0.9	1.0
COSTS						
Cash Costs	2.88	2.43	2.30	2.30	2.26	2.43
Depreciation Costs	0.47	0.39	0.37	0.35	0.34	0.38
Opportunity Costs	0.84	0.76	0.75	0.69	0.64	0.74
Total Production Costs	4.19	3.58	3.42	3.34	3.24	3.55
Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	(0.22)	(0.22)	(0.17)	(0.38)	(0.20)	(0.24)
Medium-term profit (cash + depreciation)	(0.69)	(0.61)	(0.55)	(0.72)	(0.54)	(0.62)
Long-term profit (cash + depreciation + opportunity)	(1.53)	(1.37)	(1.30)	(1.42)	(1.18)	(1.36)

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RETAINED OWNERSHIP		2022	2021	2020	2019	2018	5-yr. avg.
No. of beef cattle sold per year		65	65	65	65	65	65
<i>Note: breeding stock sales are in the cow-calf enterprise</i>							
Placement weight (lbs)	552						
Sale Weight (lbs)	600-699						
Days on Feed	45						
Average Daily Gain (lbs/day)	2.69						

REVENUE (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
Market Returns from Retained Ownership	1,265.13	1,096.27	1,066.29	1,004.83	1,203.67	1,127.24
Other Returns (Government payments, by-products)	-	-	-	-	-	-
Total Revenue	1,265.13	1,096.27	1,066.29	1,004.83	1,203.67	1,127.24

Costs (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
VARIABLE COSTS						
Animal purchases	1,215.20	1,013.11	948.08	876.19	951.62	1,000.84
Feed (purchase feed, fertiliser, seed, pesticides)	238.10	213.59	198.99	197.74	210.14	211.71
Machinery (maintenance, depreciation, contractor)	209.02	167.94	156.91	144.92	170.77	169.91
Fuel, energy, lubricants, water	105.58	54.97	34.97	46.45	59.28	60.25
Vet & medicine	-	-	-	-	-	-
Other inputs	108.30	91.39	86.11	82.13	97.20	93.03
Labour						
Paid Labour	101.31	84.17	78.54	72.42	85.83	84.45
Unpaid Labour	260.33	216.29	201.81	186.10	220.56	217.02
Total Variable Costs	2,237.85	1,841.46	1,705.41	1,605.95	1,795.40	1,837.21

CAPITAL COSTS						
Insurance, taxes	21.12	17.69	16.52	15.29	17.97	17.72
Buildings (maintenance, depreciation)	130.27	104.86	96.79	91.19	110.39	106.70
Land Cost						
Rented Land	5.43	4.61	4.10	4.03	3.90	4.41
Owned Land	10.73	9.54	8.78	8.68	8.81	9.31
Capital Costs						
Liabilities	163.26	91.89	84.20	104.28	140.35	116.80
Own capital	5.50	17.94	26.28	15.69	9.27	14.93
Total Capital Costs	336.32	246.53	236.66	239.16	290.69	269.87

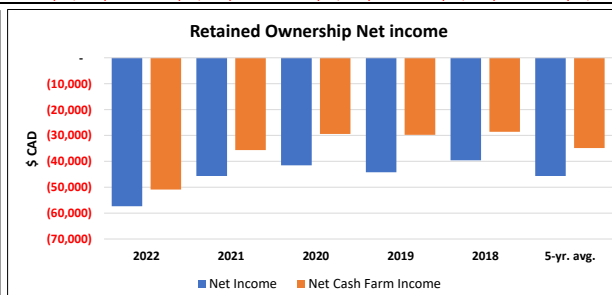
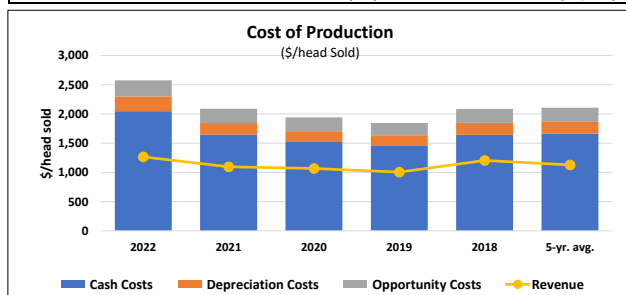
TOTAL COSTS						
Cash Costs	2,047.82	1,644.75	1,519.13	1,462.54	1,643.72	1,663.59
Depreciation Costs	249.77	199.47	186.07	172.09	203.73	202.23
Opportunity Costs	276.57	243.77	236.86	210.47	238.65	241.26
Total Production Costs (excludes own capital)	2,574.16	2,087.99	1,942.07	1,845.11	2,086.10	2,107.09

Profits						
Short-term profit (cash costs)	(782.70)	(548.47)	(452.84)	(457.71)	(440.05)	(536.36)
Medium-term profit (cash + depreciation)	(1,032.47)	(747.95)	(638.92)	(629.81)	(643.78)	(738.58)
Long-term profit (cash + depreciation + opportunity)	(1,309.04)	(991.72)	(875.78)	(840.28)	(882.43)	(979.85)

Net Income (\$/head sold)						
Net Income	(882.02)	(702.42)	(638.92)	(680.13)	(609.42)	(702.58)
Net Cash Farm Income	(782.70)	(548.47)	(452.84)	(457.71)	(440.05)	(536.36)

Labour							
Paid Labour	hours per year	383	335	324	308	382	346
Unpaid Labour	hours per year	886	775	750	712	883	801
Return to labour input	\$/hour	(48.5)	(40)	(36)	(37)	(30)	(38)
Average wages (paid and calculated)	\$/hour	19	18	17	16	16	17

Net Income (annual total)		2022	2021	2020	2019	2018	5-yr. avg.
Net Income	\$ per year	(57,331)	(45,658)	(41,530)	(44,208)	(39,612)	(45,668)
Net Cash Farm Income	\$ per year	(50,875)	(35,651)	(29,435)	(29,751)	(28,603)	(34,863)



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



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RETAINED OWNERSHIP	\$/lb LW Sold	\$/hd sold	\$/lb gain
REVENUE	2021	2021	2021
Market Returns from Retained Ownership	1.91	1,265.13	11.68
Other Returns (Government payments, by-products)	-	-	-
Total	1.91	1,265.13	11.68
Costs (\$/lb LW Sold)	2021	2021	2021
VARIABLE COSTS			
Animal purchases	1.84	1,215.20	11.22
Feed (purchase feed, fertiliser, seed, pesticides)	0.36	238.10	2.20
Machinery (maintenance, depreciation, contractor)	0.32	209.02	1.93
Fuel, energy, lubricants, water	0.16	105.58	0.97
Vet & medicine	-	-	-
Other inputs	0.16	108.30	1.00
Labour			
Paid Labour	0.15	101.31	0.94
Unpaid Labour	0.39	260.33	2.40
Total Variable Costs	3.39	2,237.85	20.66
CAPITAL COSTS			
Insurance, taxes	0.03	21.12	0.20
Buildings (maintenance, depreciation)	0.20	130.27	1.20
Land Cost			
Rented Land	0.01	5.43	0.05
Owned Land	0.02	10.73	0.10
Capital Costs			
Liabilities	0.25	163.26	1.51
Own capital	0.01	5.50	0.05
Total Capital Costs	0.51	336.32	3.11
TOTAL COSTS			
Cash Costs	3.10	2,047.82	18.91
Depreciation Costs	0.38	249.77	2.31
Opportunity Costs	0.42	276.57	2.55
Total Production Costs (excludes own capital)	3.90	2,574.16	23.77
Profits	2021	2021	2021
Margin over operating costs	0.52	1.56	0.01
Short-term profit (cash costs)	(1.18)	(782.70)	(7.23)
Medium-term profit (cash + depreciation)	(1.56)	(1,032.47)	(9.53)
Long-term profit (cash + depreciation + opportunity)	(1.98)	(1,309.04)	(12.09)
Net Income	2021	2021	2021
Net Income	(1.33)	(882.02)	(8.14)
Net Cash Farm Income	(1.18)	(782.70)	(7.23)

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