

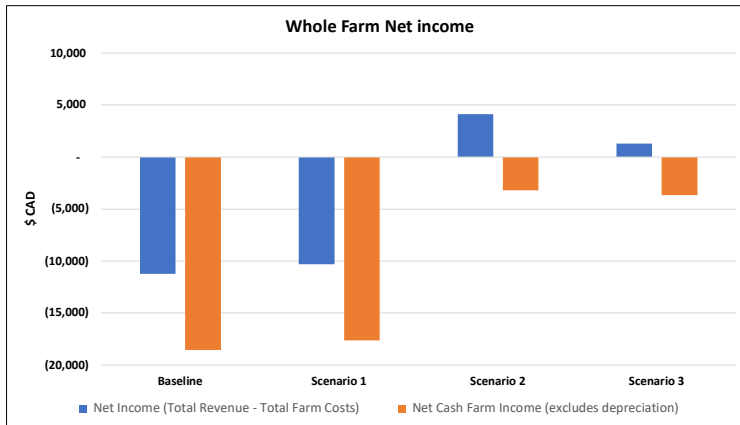


Baseline Farm Description	Mixed operation taking bob calves to slaughter weight (using existing facilities)
Ration (lb/head/day as fed)	Finishing ration is silage based delivered at 37 lbs/hd/day including corn silage (20.5 lb with DM30%), grass silage (6.6 lb), barley (9.9 lb with DMf 86%) and ATB mineral/rumensin mix (100 g)
Scenario 1	Reduce sale price discount from \$0.07/lb to \$0.035/lb.
Scenario 2	Holstein steers ADG increase from 2.54 lb to 3.2 lb (group 1 and 4).
Scenario 3	Keeping dairy-beef cattle only
Summary	This benchmark starts out with a negative profitability and requires ADG on Holstein steers to improve to be comparable with dairy-beef cross cattle or switch to 100% dairy-beef cross cattle to be viable. ADG was more impactful to the bottom line than reducing the price discount; however, if already operating at Scenario 2 or 3, reducing the price discount does provide incremental benefits.
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	900–1150 mm
Ecoregion	Prince Edward Island

Physical Performance Indicators	
Breed	Holstein, Angus, Speckled Park
Sale date	Year round
Retained ownership	Dairy Calves
% of feed purchased	100%
Annual sales of Cattle (no. head)	81
Placement weight (lbs)	86
Sale Weight (lbs)	1528
Days on Feed	583
Average Daily Gain (lbs/day)	3.31

Financial Descriptor	
Operation Maturity	Medium



Whole Farm Overview	Baseline	Scenario 1	Scenario 2	Scenario 3
Market Revenue				
Dairy-Beef Receipts	142,062	142,995	142,062	144,396
Crop Market Receipts	-	-	-	-
Other Farm Revenue †	-	-	-	-
Total Revenue	142,062	142,995	142,062	144,396
Expenses				
Direct costs enterprises	93,433	93,432	78,104	80,931
Overhead costs	10,161	10,161	10,161	10,161
Paid labour	47,277	47,277	47,277	47,277
Rents paid	-	-	-	-
Interest paid	2,253	2,251	2,209	2,209
Depreciation	7,495	7,495	7,495	7,495
Total Farm Costs	160,619	160,616	145,246	148,073
Profits				
Net Income (Total Revenue - Total Farm Costs)	(11,243)	(10,308)	4,131	1,291
Net Cash Farm Income (excludes depreciation)	(18,558)	(17,621)	(3,184)	(3,677)

Footnotes:

Cost of Production: Cash Cost + Depreciation + Opportunity Costs

Cash Costs = Cash cost for purchased feed, fertiliser, seeds, fuel, maintenance, land rents, 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 producing if homegrown.

FINISHING	Baseline	Scenario 1	Scenario 2	Scenario 3
No. of beef cattle sold per year	71	71	71	71

Note: breeding stock sales are in the cow-calf enterprise

REVENUE (\$/head Sold)	Baseline	Scenario 1	Scenario 2	Scenario 3
Market Returns from Retained Ownership	1,998.31	2,011.44	1,998.31	1,998.15
Other Returns (Government payments, by-products)	-	-	-	-
Total	1,998.31	2,011.44	1,998.31	1,998.15

Costs (\$/head Sold)	Baseline	Scenario 1	Scenario 2	Scenario 3
VARIABLE COSTS				
Animal purchases	92.83	92.83	92.83	186.31
Feed (purchase feed, fertiliser, seed, pesticides)	1,174.61	1,174.59	956.07	855.78
Machinery (maintenance, depreciation, contractor)	126.36	126.36	126.36	126.12
Fuel, energy, lubricants, water	33.05	33.05	33.05	33.22
Vet & medicine	24.11	24.11	24.16	22.96
Other inputs	70.01	70.01	70.13	67.24
Labour				
Paid Labour	671.70	671.70	671.70	669.62
Unpaid Labour				
Total Variable Costs	2,192.67	2,192.65	1,974.29	1,961.26

CAPITAL COSTS	Baseline	Scenario 1	Scenario 2	Scenario 3
Insurance, taxes	16.21	16.21	16.21	16.16
Buildings (maintenance, depreciation)	55.77	55.77	55.77	55.69
Land Cost				
Rented Land				
Owned Land				
Capital Costs				
Liabilities	1.05	1.05	0.96	0.87
Own capital	1.05	1.05	0.96	0.87
Total Capital Costs	74.07	74.08	73.89	73.58

TOTAL COSTS	Baseline	Scenario 1	Scenario 2	Scenario 3
Cash Costs	2,159.24	2,159.23	1,940.77	1,927.78
Depreciation Costs	106.45	106.45	106.45	106.19
Opportunity Costs				
Total Production Costs (excludes own capital)	2,265.69	2,265.68	2,047.22	2,033.97

Profits	Baseline	Scenario 1	Scenario 2	Scenario 3
Margin over operating costs	4.11	4.13	4.10	4.39
Short-term profit (cash costs)	(160.92)	(147.79)	57.54	70.37
Medium-term profit (cash + depreciation)	(267.38)	(254.24)	(48.91)	(35.82)
Long-term profit (cash + depreciation + opportunity)	(267.38)	(254.24)	(48.91)	(35.82)

Net Income (\$/head sold)	Baseline	Scenario 1	Scenario 2	Scenario 3
Net Income	(296.55)	(283.36)	(77.55)	(21.18)
Net Cash Farm Income	(192.01)	(178.83)	26.99	40.08

Labour		Baseline	Scenario 1	Scenario 2	Scenario 3
Paid Labour	hours per year	1,745	1,745	1,745	1,745
Unpaid Labour	hours per year	-	-	-	-
Return to labour input	\$/hour	18	18	26	25
Average wages (paid and calculated)	\$/hour	27	27	27	27

Net Income (annual total)		Baseline	Scenario 1	Scenario 2	Scenario 3
Net Income	\$ per year	(18,558)	(17,621)	(3,184)	(3,677)
Net Cash Farm Income	\$ per year	(11,243)	(10,308)	4,131	1,291

