

Farm Characteristics

CA-QC-2

Farm Description	A cow-calf operation that backgrounds for 120 days, uses 70% homegrown hay and retains replacement heifers
Winter Feeding Ration (lbs/cow/day as fed)	240 days of 38 lb of hay, 75 g of mineral and 25 g of salt per day, provided year-round
Retained Ownership/Replacement Ration (lb/head/day as fed)	120 days of 9 lb of hay, 2 lb of concentrate, 2 lb of oats, 75 g of mineral and 25 g of salt
Disclaimer:	This benchmark is based on 7 farms of data; outliers were excluded as required.

Environment	
Average Annual Temperature	3.5°C
Average Annual Precipitation (mm)	900-1300
Ecoregion	11. Quebec Maritimes
Stocking Rate (Animal Unit days per acre)	0.5 cows/acre
Fertilize Hay (yes/no)	Yes
Fertilize Pasture (yes/no)	No
Typical Hay Yield (tonnes/acre)	1.4
Grassland Acres (owned+rented)	561
Crop Acres (includes hay) (owned+rented)	791
Bush and other acres	50

Physical Performance Indicators	
Breed	Mixed
Cow:Bull Ratio	18:1
Bull Culling Rate (%)	7%
Mature Cow Weight (lb)	1,300
Heifer Retention for a steady herd (%)	16%
Cow Death Loss (%)	2.1%
Cow Culling Rate (%)	13.7%
Calves alive after 24hr/100 Cows exposed	94
Calf Death Loss (%) 24 hr to weaning	4%
Calves weaned per 100 cows exposed	91
Total Liveweight Sold per Cow (lb)	597
Weaning Weight (lb)	538
205 day adjusted Weaning Weight (lb)	525
Average Daily Gain pre-weaning (lb)	2.15
Weaning Weight as % of Cow Weight	41%

Production System	
Herd size	275
Days on field feeding (e.g. swath grazing)	0
Days supplemented on pasture	0
Days on full winter feed	240
Calving Start date	April 14
Weaning date	November 15
Sale date	March 15
Retained ownership	Precondition (90)
% of feed purchased	26.2%
% of land in crops	56%
Annual sales Retained Cattle (head)	201
Placement weight (lbs)	540
Sale Weight (lbs)	750-800
Days on feed	120
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)

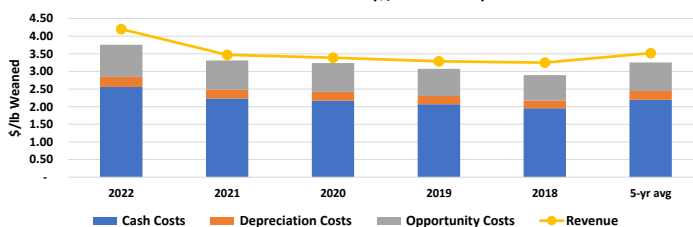
Whole Farm Profitability = Market returns (+ coupled payments) (+ decoupled payments) - whole-farm costs +/- changes in inventory +/- capital gains/losses.

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

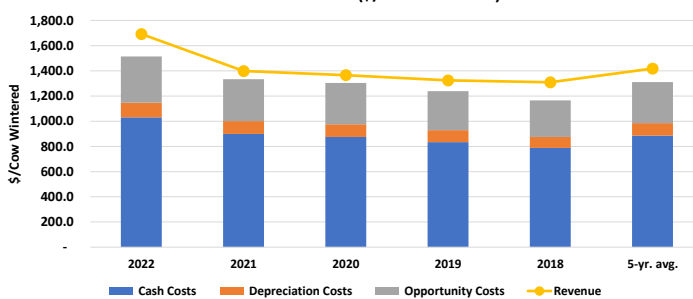
Revenue = sales of calves, cull cows, breeding stock, government payments and other revenue applicable to the specific enterprise

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

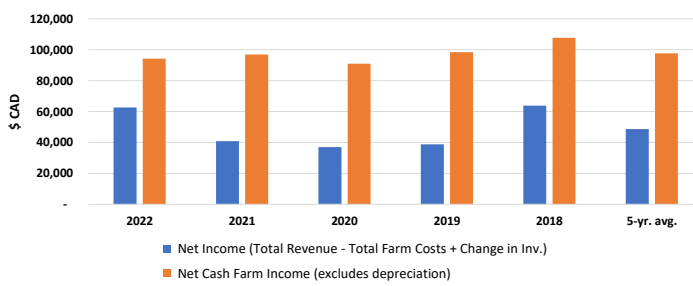
Cost of Production (\$/lb Weaned)



Cost of Production (\$/Cow Wintered)



Whole Farm Net income



Whole Farm Overview Page

Overview							
Operation Maturity	Medium						
Herd Size	275						
Paid Labour (livestock only) (hours)	1,531			Beef Animals Sold from Retained Ownership	201		
Unpaid Labour (livestock only) (hours)	5,747						
Average wages - paid and unpaid (\$/hr)	24.75						
Revenue		2022	2021	2020	2019	2018	5-yr. avg.
Market Revenue	5-yr avg	614,697	552,816	548,055	524,418	535,886	555,175
Cow-Calf	40%	335,996	274,768	279,316	256,446	259,257	281,157
Cash Crops	0%	-	-	-	-	-	-
Retained Ownership	39%	278,701	278,048	268,739	267,973	276,629	274,018
Government Payments	20%	167,619	142,173	124,742	140,002	130,754	141,058
Other Farm Revenue †	0%	2	1	0	2	2	1
Total Revenue	100%	782,318	694,990	672,797	664,423	666,642	696,234
Change in Inventory		29,761	(155)	-	(7,128)	6,157	5,727
Expenses		2022	2021	2020	2019	2018	5-yr. avg.
Depreciation		61,366	55,928	53,944	52,459	50,051	54,749
Machinery		40,082	36,025	34,784	33,625	31,682	35,240
Buildings		21,284	19,903	19,160	18,834	18,369	19,510
Quota econ. Accounting		-	-	-	-	-	-
Overhead costs		138,016	112,070	99,365	108,029	107,140	112,924
Land improvement		6,259	5,909	5,645	5,597	5,467	5,775
Machinery Maintenance		28,253	25,955	25,148	24,813	24,366	25,707
Buildings Maintenance		5,041	4,890	4,607	4,590	4,461	4,718
Contract labour		3,394	3,222	3,108	3,015	2,884	3,124
Diesel, Gasoline, Natural Gas		53,102	32,710	22,526	32,253	33,773	34,873
Electricity		6,680	5,811	5,852	6,110	5,740	6,039
Water		-	-	-	-	-	-
Farm insurance		14,518	13,783	13,296	12,899	12,336	13,367
Disability and accident insurance		1,990	1,889	1,822	1,768	1,691	1,832
Farm taxes and duties		5,256	4,990	4,814	4,670	4,467	4,839
Advisor costs		2,658	2,523	2,434	2,361	2,258	2,447
Accountant & legal fees		5,008	4,755	4,587	4,450	4,256	4,611
Phone & utilities		3,545	3,320	3,212	3,189	3,128	3,279
Other overhead costs		2,313	2,313	2,313	2,313	2,313	2,313
Wages, rent and interest payments		83,704	77,818	77,944	74,621	69,677	76,753
Paid Labour		36,032	34,209	33,000	32,015	30,618	33,175
Total land rents		21,107	19,016	17,287	16,111	15,142	17,733
Total Interest on debt		26,564	24,593	27,657	26,495	23,917	25,845
Cow-Calf		141,333	129,333	127,975	116,299	111,178	125,224
Animal purchases		8,532	8,532	8,532	8,532	8,532	8,532
Purchased feed		98,370	90,469	92,490	82,984	77,519	88,366
Other fixed and var. costs *		34,431	30,332	26,953	24,783	25,127	28,325
Retained Ownership		291,519	248,844	248,421	238,381	243,314	254,096
Animal purchases		255,290	212,564	216,816	206,922	211,992	220,717
Purchased feed		21,354	24,121	20,884	19,934	19,683	21,195
Other fixed and var. costs *		14,875	12,159	10,721	11,525	11,638	12,184
Crop and forage		33,504	30,003	28,147	28,678	27,588	29,584
Seed		7,942	7,578	7,347	7,739	7,109	7,543
Fertilizer		11,352	9,174	8,000	8,293	8,075	8,979
Herbicide		1,850	1,675	1,600	1,528	1,498	1,630
Fungicide & Insecticide		-	-	-	-	-	-
Irrigation		-	-	-	-	-	-
Contract labour		-	-	-	-	-	-
Fuel costs (crop & forage)		-	-	-	-	-	-
Other crop and forage		12,361	11,576	11,200	11,118	10,906	11,432
Total Farm Costs (excludes unpaid labour)		749,443	653,996	635,796	618,467	608,948	653,330
Cash Costs (Total Farm Costs - Depreciation)		688,077	598,068	581,852	566,009	558,897	598,580
Depreciation & Opportunity Costs (including unpaid labour)		203,602	198,163	196,179	194,694	192,287	196,985
Total Economic Costs (cash, depr, opportunity)		891,679	796,231	778,031	760,703	751,184	795,566
Profits		2022	2021	2020	2019	2018	5-yr. avg.
Net Income (Total Revenue - Total Farm Costs + Change in Inv.)		62,636	40,840	37,001	38,828	63,851	48,631
Net Cash Farm Income (excludes depreciation)		94,240	96,921	90,945	98,412	107,743	97,652

† 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 *	275	275	275	275	275	275
Average male and female calf price (\$/head)	1,206	1,008	1,034	980	1,007	1,047
REVENUE						
Cow Calf	1,692	1,398	1,366	1,324	1,309	1,418
Cull animals and slaughter receipts	293	226	227	180	172	220
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	928	773	788	752	771	803
Government payments	470.4	398.9	350.0	391.4	366.2	395.4
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	1,692	1,398	1,366	1,324	1,309	1,418
VARIABLE COSTS						
Animal purchases	31.0	31.0	31.0	31.0	31.0	31
Feed (purchase feed, fertiliser, seed, pesticides)	441.7	402.5	407.0	372.1	347.7	394
Machinery (maintenance, depreciation, contractor)	136.0	117.9	116.8	110.8	102.5	117
Fuel, energy, lubricants, water	113.3	69.6	52.6	69.2	68.7	75
Vet & medicine	43.6	40.6	38.4	37.4	36.1	39
Other inputs cow calf enterprise	104.1	90.1	80.1	72.2	73.4	84
Labour						
Paid Labour	68.3	61.8	61.2	57.7	53.3	60
Unpaid Labour	277.6	251.3	248.5	234.5	216.4	246
Total Variable Costs	1,215.8	1,065.0	1,035.6	984.8	929.2	1,046
CAPITAL COSTS						
Insurance, taxes	48.1	44.0	43.3	41.1	38.3	43
Buildings (maintenance, depreciation)	49.9	44.8	44.0	42.2	39.7	44
Land Cost	-	-	-	-	-	-
Rented Land	55.1	48.6	44.7	41.1	38.1	46
Own Land	55.8	51.3	49.0	46.6	44.3	49
Capital Costs	-	-	-	-	-	-
Liabilities	55.4	49.5	56.1	53.4	46.5	52
Own capital	33.8	30.3	30.9	29.7	29.2	31
Total Capital Costs	298.0	268.6	268.1	254.1	236.1	265
COSTS						
Cash Costs	1,030.2	899.5	875.2	833.6	788.3	885
Depreciation Costs	116.3	101.1	100.0	94.6	87.1	100
Opportunity Costs	367.2	333.0	328.5	310.8	289.9	326
Total Production Costs	1,513.8	1,333.5	1,303.7	1,239.0	1,165.3	1,311
Profits						
	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	662.0	498.6	490.4	490.4	520.7	532
Medium-term profit (cash + depreciation)	545.6	397.4	390.5	395.8	433.6	433
Long-term profit (cash + depreciation + opportunity)	178.5	64.5	62.0	85.0	143.7	107

*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	110,750	110,750	110,750	110,750	110,750	110,750
Average male and female weaning weight (lbs)	538	538	538	538	538	
Average male and female calf price at weaning (\$/lb)	2.24	1.88	1.92	1.82	1.87	1.95
REVENUE						
Cow Calf Operation	4.20	3.47	3.39	3.29	3.25	3.52
Cull animals and slaughter receipts	0.73	0.56	0.56	0.45	0.43	0.55
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	2.31	1.92	1.96	1.87	1.91	1.99
Government payments	1.17	0.99	0.87	0.97	0.91	0.98
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	4.20	3.47	3.39	3.29	3.25	3.52
VARIABLE COSTS						
Animal purchases	0.08	0.08	0.08	0.08	0.08	0.08
Feed (purchase feed, fertiliser, seed, pesticides)	1.10	1.00	1.01	0.92	0.86	0.98
Machinery (maintenance, depreciation, contractor)	0.34	0.29	0.29	0.28	0.25	0.29
Fuel, energy, lubricants, water	0.28	0.17	0.13	0.17	0.17	0.19
Vet & medicine	0.11	0.10	0.10	0.09	0.09	0.10
Other inputs cow calf enterprise	0.26	0.22	0.20	0.18	0.18	0.21
Labour						
Paid Labour	0.17	0.15	0.15	0.14	0.13	0.15
Unpaid Labour	0.69	0.62	0.62	0.58	0.54	0.61
Total Variable Costs	3.0	2.6	2.6	2.4	2.3	2.6
CAPITAL COSTS						
Insurance, taxes	0.12	0.11	0.11	0.10	0.09	0.11
Buildings (maintenance, depreciation)	0.12	0.11	0.11	0.10	0.10	0.11
Land Cost						
Rented Land	0.14	0.12	0.11	0.10	0.09	0.11
Owned Land	0.14	0.13	0.12	0.12	0.11	0.12
Capital Costs						
Liabilities	0.14	0.12	0.14	0.13	0.12	0.13
Own capital	0.08	0.08	0.08	0.07	0.07	0.08
Total Capital Costs	0.7	0.7	0.7	0.6	0.6	0.7
COSTS						
Cash Costs	2.56	2.23	2.17	2.07	1.96	2.20
Depreciation Costs	0.29	0.25	0.25	0.23	0.22	0.25
Opportunity Costs	0.91	0.83	0.82	0.77	0.72	0.81
Total Production Costs	3.76	3.31	3.24	3.08	2.89	3.26
Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	1.64	1.24	1.22	1.22	1.29	1.32
Medium-term profit (cash + depreciation)	1.35	0.99	0.97	0.98	1.08	1.07
Long-term profit (cash + depreciation + opportunity)	0.44	0.16	0.15	0.21	0.36	0.26

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RETAINED OWNERSHIP		2022	2021	2020	2019	2018	5-yr. avg.
No. of beef cattle sold per year		201	201	201	201	201	201
<i>Note: breeding stock sales are in the cow-calf enterprise</i>							
Placement weight (lbs)		540					
Sale Weight (lbs)		750-800					
Days on Feed		120					
Average Daily Gain (lbs/day)		2.08					

REVENUE (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
Market Returns from Retained Ownership	1,386.57	1,383.33	1,337.01	1,333.20	1,376.27	1,363.27
Other Returns (Government payments, by-products)	190.30	161.62	141.75	161.01	149.45	160.83
Total Revenue	1,576.87	1,544.95	1,478.76	1,494.21	1,525.72	1,524.10

Costs (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
VARIABLE COSTS						
Animal purchases	1,270.10	1,057.53	1,078.69	1,029.46	1,054.69	1,098.09
Feed (purchase feed, fertiliser, seed, pesticides)	189.09	198.04	175.26	173.53	172.32	181.65
Machinery (maintenance, depreciation, contractor)	170.81	163.11	153.79	154.17	152.96	158.97
Fuel, energy, lubricants, water	142.36	96.37	69.23	96.24	102.56	101.35
Vet & medicine	0.65	0.57	0.51	0.50	0.50	0.54
Other inputs	105.56	92.22	83.44	87.73	88.43	91.48
Labour						
Paid Labour	85.80	85.58	80.51	80.32	79.47	82.33
Unpaid Labour	348.66	347.75	327.14	326.37	322.94	334.57
Total Variable Costs	2,313.03	2,041.18	1,968.56	1,948.32	1,973.87	2,048.99

CAPITAL COSTS						
Insurance, taxes	46.70	46.58	43.82	43.71	43.25	44.81
Buildings (maintenance, depreciation)	62.69	62.02	57.98	58.77	59.25	60.14
Land Cost						
Rented Land	29.68	28.09	24.90	23.86	23.20	25.95
Owned Land	30.09	29.66	27.34	27.01	27.01	28.22
Capital Costs						
Liabilities	56.42	54.65	60.79	58.80	55.33	57.20
Own capital	41.28	40.87	39.72	40.44	42.59	40.98
Total Capital Costs	266.86	261.87	254.55	252.60	250.63	257.30

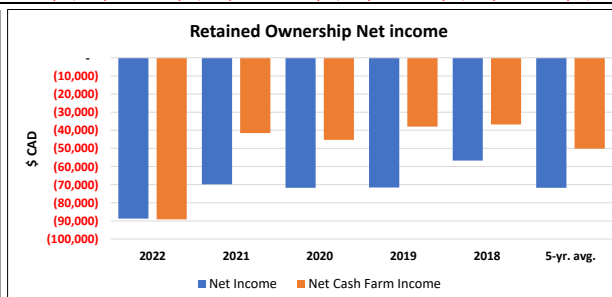
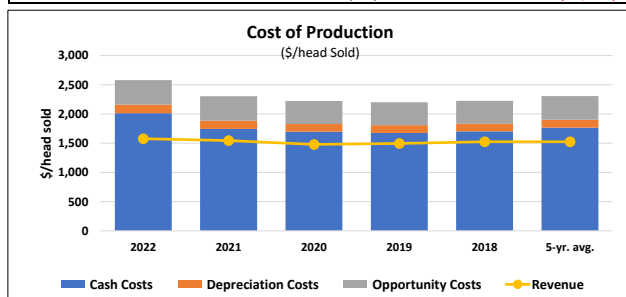
TOTAL COSTS						
Cash Costs	2,013.72	1,744.85	1,697.31	1,675.49	1,702.06	1,766.69
Depreciation Costs	146.13	139.91	131.60	131.60	129.91	135.83
Opportunity Costs	420.04	418.28	394.21	393.83	392.53	403.78
Total Production Costs (excludes own capital)	2,579.89	2,303.04	2,223.11	2,200.92	2,224.50	2,306.29

Profits						
Short-term profit (cash costs)	(436.85)	(199.90)	(218.55)	(181.28)	(176.34)	(242.58)
Medium-term profit (cash + depreciation)	(582.98)	(339.82)	(350.15)	(312.88)	(306.25)	(378.42)
Long-term profit (cash + depreciation + opportunity)	(1,003.02)	(758.10)	(744.35)	(706.71)	(698.78)	(782.19)

Net Income (\$/head sold)						
Net Income	(441.74)	(347.45)	(356.83)	(356.00)	(282.37)	(356.88)
Net Cash Farm Income	(443.68)	(206.77)	(225.23)	(188.94)	(183.09)	(249.55)

Labour						
Paid Labour	718	754	736	756	783	749
Unpaid Labour	2,751	2,890	2,818	2,898	2,998	2,871
Return to labour input	(32.9)	(18)	(19)	(17)	(16)	(20)
Average wages (paid and calculated)	25	24	23	22	21	23

Net Income (annual total)		2022	2021	2020	2019	2018	5-yr. avg.
Net Income	\$ per year	(88,791)	(69,838)	(71,723)	(71,557)	(56,755)	(71,733)
Net Cash Farm Income	\$ per year	(89,180)	(41,561)	(45,272)	(37,978)	(36,802)	(50,159)



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	1.78	1,386.57	5.77
Other Returns (Government payments, by-products)	0.24	190.30	0.79
Total	2.02	1,576.87	6.57
Costs (\$/lb LW Sold)	2021	2021	2021
VARIABLE COSTS			
Animal purchases	1.63	1,270.10	5.29
Feed (purchase feed, fertiliser, seed, pesticides)	0.24	189.09	0.79
Machinery (maintenance, depreciation, contractor)	0.22	170.81	0.71
Fuel, energy, lubricants, water	0.18	142.36	0.59
Vet & medicine	0.00	0.65	0.00
Other inputs	0.14	105.56	0.44
Labour			
Paid Labour	0.11	85.80	0.36
Unpaid Labour	0.45	348.66	1.45
Total Variable Costs	2.96	2,313.03	9.63
CAPITAL COSTS			
Insurance, taxes	0.06	46.70	0.19
Buildings (maintenance, depreciation)	0.08	62.69	0.26
Land Cost			
Rented Land	0.04	29.68	0.12
Owned Land	0.04	30.09	0.13
Capital Costs			
Liabilities	0.07	56.42	0.23
Own capital	0.05	41.28	0.17
Total Capital Costs	0.34	266.86	1.11
TOTAL COSTS			
Cash Costs	2.58	2,013.72	8.38
Depreciation Costs	0.19	146.13	0.61
Opportunity Costs	0.54	420.04	1.75
Total Production Costs (excludes own capital)	3.31	2,579.89	10.74
Profits	2021	2021	2021
Margin over operating costs	0.40	1.40	0.01
Short-term profit (cash costs)	(0.56)	(436.85)	(1.82)
Medium-term profit (cash + depreciation)	(0.75)	(582.98)	(2.43)
Long-term profit (cash + depreciation + opportunity)	(1.29)	(1,003.02)	(4.18)
Net Income	2021	2021	2021
Net Income	(0.57)	(441.74)	(1.84)
Net Cash Farm Income	(0.57)	(443.68)	(1.85)

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