

Farm Characteristics

CA-QC-4

Farm Description	A cow-calf operation with fall calving, that backgrounds for 90 days (30 days confined, then on pasture), uses 50% homegrown hay and retains replacement heifers
Winter Feeding Ration (lbs/cow/day as fed)	200 days of 35 lb of hay, 100 g of mineral provided year-round
Retained Ownership/Replacement Ration (lb/head/day as fed)	30 days of 10 lb of purchased forage, 2 lb of concentrate, 2 lb of oats, 50 g of mineral and 50 g of salt followed by 60 days on pasture
Disclaimer:	This benchmark is based on 7 farms of data; outliers were excluded as required.

Environment	
Average Annual Temperature	5°C
Average Annual Precipitation (mm)	800-1000
Ecoregion	10. St. Lawrence Lowland
Stocking Rate (Animal Unit days per acre)	0.86 cows/acre
Fertilize Hay (yes/no)	Yes
Fertilize Pasture (yes/no)	No
Typical Hay Yield (tonnes/acre)	1.8
Grassland Acres (owned+rented)	70
Crop Acres (includes hay) (owned+rented)	55
Bush and other acres	120

Physical Performance Indicators

Breed	Mixed
Cow:Bull Ratio	15:1
Bull Culling Rate (%)	13%
Mature Cow Weight (lb)	1,400
Heifer Retention for a steady herd (%)	15%
Cow Death Loss (%)	2.7%
Cow Culling Rate (%)	12.2%
Calves alive after 24hr/100 Cows exposed	95
Calf Death Loss (%) 24 hr to weaning	3%
Calves weaned per 100 cows exposed	92
Total Liveweight Sold per Cow (lb)	648
Weaning Weight (lb)	583
205 day adjusted Weaning Weight (lb)	543
Average Daily Gain pre-weaning (lb)	2.26
Weaning Weight as % of Cow Weight	42%

Production System

Herd size	60
Days on field feeding (e.g. swath grazing)	0
Days supplemented on pasture	0
Days on full winter feed	200
Calving Start date	September 15
Weaning date	May 15
Sale date	August 15
Retained ownership	Precondition (90)
% of feed purchased	51.3%
% of land in crops	22%
Annual sales Retained Cattle (head)	46
Placement weight (lbs)	586
Sale Weight (lbs)	750-800
Days on feed	90
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)

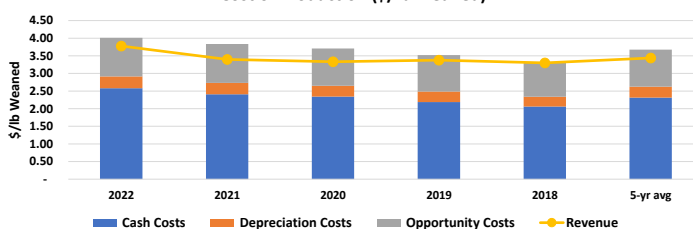
Whole Farm Profitability = Market returns (+ coupled payments) (+ decoupled payments) - whole-farm costs +/- changes in inventory +/- capital gains/losses.

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

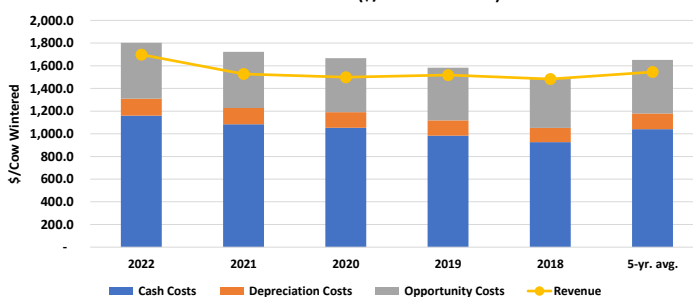
Revenue = sales of calves, cull cows, breeding stock, government payments and other revenue applicable to the specific enterprise

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

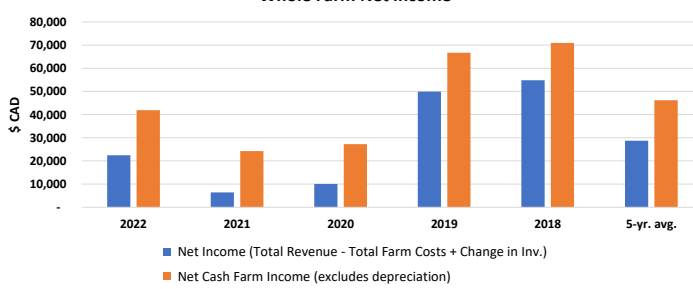
Cost of Production (\$/lb Weaned)



Cost of Production (\$/Cow Wintered)



Whole Farm Net income



Whole Farm Overview Page

Overview							
Operation Maturity	Medium						
Herd Size	60						
Paid Labour (livestock only) (hours)	-			Beef Animals Sold from Retained Ownership	46		
Unpaid Labour (livestock only) (hours)	2,593						
Average wages - paid and unpaid (\$/hr)	21.84						
Revenue		2022	2021	2020	2019	2018	5-yr. avg.
Market Revenue	5-yr avg	152,853	133,986	138,526	134,306	138,332	139,601
Cow-Calf	36%	71,359	65,761	67,195	65,628	65,184	67,025
Cash Crops	0%	-	-	-	-	-	-
Retained Ownership	39%	81,494	68,226	71,331	68,678	73,148	72,575
Government Payments	24%	37,619	31,872	27,984	64,382	65,038	45,379
Other Farm Revenue †	1%	1,415	1,412	1,413	1,419	1,419	1,416
Total Revenue	100%	191,887	167,270	167,922	200,107	204,789	186,395
Change in Inventory		-	-	-	-	-	-
Expenses		2022	2021	2020	2019	2018	5-yr. avg.
Depreciation		19,446	17,843	17,201	16,775	16,100	17,473
Machinery		9,391	8,441	8,150	7,878	7,423	8,257
Buildings		10,055	9,402	9,051	8,897	8,677	9,216
Quota econ. Accounting		-	-	-	-	-	-
Overhead costs		34,848	29,550	26,809	28,289	27,844	29,468
Land improvement		2,036	1,922	1,836	1,820	1,778	1,878
Machinery Maintenance		6,038	5,546	5,374	5,302	5,207	5,493
Buildings Maintenance		3,937	3,819	3,598	3,585	3,484	3,684
Contract labour		1,431	1,359	1,311	1,272	1,216	1,318
Diesel, Gasoline, Natural Gas		9,844	6,064	4,176	5,979	6,261	6,465
Electricity		1,428	1,242	1,251	1,306	1,227	1,291
Water		-	-	-	-	-	-
Farm insurance		4,104	3,897	3,759	3,647	3,488	3,779
Disability and accident insurance		-	-	-	-	-	-
Farm taxes and duties		1,870	1,776	1,713	1,662	1,589	1,722
Advisor costs		1,137	1,079	1,041	1,010	966	1,047
Accountant & legal fees		1,180	1,121	1,081	1,049	1,003	1,087
Phone & utilities		1,842	1,725	1,669	1,657	1,625	1,704
Other overhead costs		-	-	-	-	-	-
Wages, rent and interest payments		11,132	10,738	10,666	9,936	9,198	10,334
Paid Labour		-	-	-	-	-	-
Total land rents		5,360	4,829	4,390	4,091	3,845	4,503
Total Interest on debt		5,771	5,909	6,276	5,845	5,353	5,831
Cow-Calf		42,134	39,969	40,093	35,983	33,945	38,425
Animal purchases		1,750	1,750	1,750	1,750	1,750	1,750
Purchased feed		31,886	30,811	31,845	28,325	26,158	29,805
Other fixed and var. costs *		8,497	7,407	6,497	5,909	6,037	6,869
Retained Ownership		58,787	60,062	60,588	56,662	60,433	59,306
Animal purchases		54,596	53,298	54,642	51,225	55,249	53,802
Purchased feed		1,809	4,780	4,187	3,569	3,296	3,528
Other fixed and var. costs *		2,382	1,984	1,759	1,869	1,888	1,976
Crop and forage		3,103	2,717	2,512	2,566	2,482	2,676
Seed		445	425	412	434	398	423
Fertilizer		1,532	1,238	1,080	1,120	1,090	1,212
Herbicide		-	-	-	-	-	-
Fungicide & Insecticide		-	-	-	-	-	-
Irrigation		-	-	-	-	-	-
Contract labour		-	-	-	-	-	-
Fuel costs (crop & forage)		-	-	-	-	-	-
Other crop and forage		1,126	1,054	1,020	1,013	993	1,041
Total Farm Costs (excludes unpaid labour)		169,449	160,878	157,868	150,212	150,003	157,682
Cash Costs (Total Farm Costs - Depreciation)		150,003	143,036	140,667	133,437	133,902	140,209
Depreciation & Opportunity Costs (including unpaid labour)		76,080	74,476	73,835	73,409	72,734	74,107
Total Economic Costs (cash, depr, opportunity)		226,083	217,512	214,502	206,846	206,637	214,316
Profits		2022	2021	2020	2019	2018	5-yr. avg.
Net Income (Total Revenue - Total Farm Costs + Change in Inv.)		22,438	6,392	10,054	49,895	54,786	28,713
Net Cash Farm Income (excludes depreciation)		41,881	24,234	27,254	66,663	70,879	46,182

† 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 *	60	60	60	60	60	60
Average male and female calf price (\$/head)	1,195	1,137	1,184	1,184	1,184	1,177
REVENUE						
Cow Calf	1,698	1,528	1,499	1,518	1,483	1,545
Cull animals and slaughter receipts	267	208	209	183	176	209
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	923	888	911	911	911	909
Government payments	509.1	431.7	378.8	424.1	396.6	428.1
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	1,698	1,528	1,499	1,518	1,483	1,545
VARIABLE COSTS						
Animal purchases	29.2	29.2	29.2	29.2	29.2	29
Feed (purchase feed, fertiliser, seed, pesticides)	607.4	582.1	594.7	536.7	498.5	564
Machinery (maintenance, depreciation, contractor)	130.0	124.2	118.7	116.5	107.6	119
Fuel, energy, lubricants, water	86.9	59.1	43.4	58.7	58.2	61
Vet & medicine	44.4	41.3	39.0	38.0	36.7	40
Other inputs cow calf enterprise	129.2	114.0	99.7	90.4	91.8	105
Labour						
Paid Labour	-	-	-	-	-	-
Unpaid Labour	441.0	439.7	419.3	409.7	377.9	418
Total Variable Costs	1,468.2	1,389.5	1,344.0	1,279.2	1,200.0	1,336
CAPITAL COSTS						
Insurance, taxes	55.5	54.5	52.2	50.9	47.4	52
Buildings (maintenance, depreciation)	107.9	107.0	101.2	100.6	94.5	102
Land Cost	-	-	-	-	-	-
Rented Land	68.4	62.5	56.6	52.9	49.2	58
Own Land	14.2	14.4	14.4	14.4	14.3	14
Capital Costs	-	-	-	-	-	-
Liabilities	51.1	54.0	56.0	44.3	38.8	49
Own capital	37.9	41.2	42.3	40.9	37.9	40
Total Capital Costs	335.0	333.6	322.7	304.0	282.2	316
COSTS						
Cash Costs	1,160.1	1,083.4	1,053.0	983.0	926.9	1,041
Depreciation Costs	149.9	144.4	137.7	135.2	125.2	138
Opportunity Costs	493.2	495.3	476.0	465.0	430.1	472
Total Production Costs	1,803.2	1,723.1	1,666.7	1,583.1	1,482.2	1,652
Profits						
Short-term profit (cash costs)	538.3	444.3	445.7	535.0	556.1	504
Medium-term profit (cash + depreciation)	388.4	299.9	308.0	399.8	430.9	365
Long-term profit (cash + depreciation + opportunity)	(104.8)	(195.4)	(168.0)	(65.2)	0.8	(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	26,970	26,970	26,970	26,970	26,970	26,970
Average male and female weaning weight (lbs)	583	583	583	583	583	
Average male and female calf price at weaning (\$/lb)	2.05	1.95	2.03	2.03	2.03	2.02
REVENUE						
Cow Calf Operation	3.78	3.40	3.33	3.38	3.30	3.44
Cull animals and slaughter receipts	0.59	0.46	0.47	0.41	0.39	0.46
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	2.05	1.98	2.03	2.03	2.03	2.02
Government payments	1.13	0.96	0.84	0.94	0.88	0.95
Other returns	-	-	-	-	-	-
Total Cow-Calf Revenue	3.78	3.40	3.33	3.38	3.30	3.44
VARIABLE COSTS						
Animal purchases	0.06	0.06	0.06	0.06	0.06	0.06
Feed (purchase feed, fertiliser, seed, pesticides)	1.35	1.29	1.32	1.19	1.11	1.25
Machinery (maintenance, depreciation, contractor)	0.29	0.28	0.26	0.26	0.24	0.27
Fuel, energy, lubricants, water	0.19	0.13	0.10	0.13	0.13	0.14
Vet & medicine	0.10	0.09	0.09	0.08	0.08	0.09
Other inputs cow calf enterprise	0.29	0.25	0.22	0.20	0.20	0.23
Labour						
Paid Labour	-	-	-	-	-	-
Unpaid Labour	0.98	0.98	0.93	0.91	0.84	0.93
Total Variable Costs	3.3	3.1	3.0	2.8	2.7	3.0
CAPITAL COSTS						
Insurance, taxes	0.12	0.12	0.12	0.11	0.11	0.12
Buildings (maintenance, depreciation)	0.24	0.24	0.23	0.22	0.21	0.23
Land Cost						
Rented Land	0.15	0.14	0.13	0.12	0.11	0.13
Owned Land	0.03	0.03	0.03	0.03	0.03	0.03
Capital Costs						
Liabilities	0.11	0.12	0.12	0.10	0.09	0.11
Own capital	0.08	0.09	0.09	0.09	0.08	0.09
Total Capital Costs	0.7	0.7	0.7	0.7	0.6	0.7
COSTS						
Cash Costs	2.58	2.41	2.34	2.19	2.06	2.32
Depreciation Costs	0.33	0.32	0.31	0.30	0.28	0.31
Opportunity Costs	1.10	1.10	1.06	1.03	0.96	1.05
Total Production Costs	4.01	3.83	3.71	3.52	3.30	3.67
Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	1.20	0.99	0.99	1.19	1.24	1.12
Medium-term profit (cash + depreciation)	0.86	0.67	0.69	0.89	0.96	0.81
Long-term profit (cash + depreciation + opportunity)	(0.23)	(0.43)	(0.37)	(0.15)	0.00	(0.24)

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RETAINED OWNERSHIP		2022	2021	2020	2019	2018	5-yr. avg.
No. of beef cattle sold per year		46	46	46	46	46	46
<i>Note: breeding stock sales are in the cow-calf enterprise</i>							
Placement weight (lbs)		586					
Sale Weight (lbs)		750-800					
Days on Feed		90					
Average Daily Gain (lbs/day)		2.22					

REVENUE (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
Market Returns from Retained Ownership	1,771.61	1,483.17	1,550.67	1,493.00	1,590.18	1,577.73
Other Returns (Government payments, by-products)	153.81	129.79	114.26	129.79	120.47	129.62
Total Revenue	1,925.42	1,612.95	1,664.93	1,622.79	1,710.65	1,707.35

Costs (\$/head Sold)	2022	2021	2020	2019	2018	5-yr. avg.
VARIABLE COSTS						
Animal purchases	1,186.88	1,158.65	1,187.87	1,113.59	1,201.06	1,169.61
Feed (purchase feed, fertiliser, seed, pesticides)	52.00	115.36	102.11	88.63	82.69	88.16
Machinery (maintenance, depreciation, contractor)	193.63	168.10	164.39	158.99	157.56	168.53
Fuel, energy, lubricants, water	129.45	80.03	60.14	80.14	85.21	86.99
Vet & medicine	4.22	3.71	3.30	3.26	3.25	3.55
Other inputs	95.33	82.42	76.95	78.24	78.68	82.33
Labour						
Paid Labour	-	-	-	-	-	-
Unpaid Labour	656.99	594.96	580.59	559.17	553.17	588.97
Total Variable Costs	2,318.49	2,203.23	2,175.34	2,082.02	2,161.63	2,188.14

CAPITAL COSTS						
Insurance, taxes	56.66	51.32	50.08	48.24	47.72	50.80
Buildings (maintenance, depreciation)	160.68	144.82	140.16	137.31	138.38	144.27
Land Cost						
Rented Land	27.30	23.49	21.59	19.99	19.42	22.36
Owned Land	5.68	5.43	5.49	5.45	5.64	5.54
Capital Costs						
Liabilities	57.91	56.98	62.22	47.40	44.72	53.85
<i>Own capital</i>	<i>54.74</i>	<i>54.31</i>	<i>57.14</i>	<i>54.52</i>	<i>54.25</i>	<i>54.99</i>
Total Capital Costs	362.97	336.36	336.69	312.90	310.12	331.81

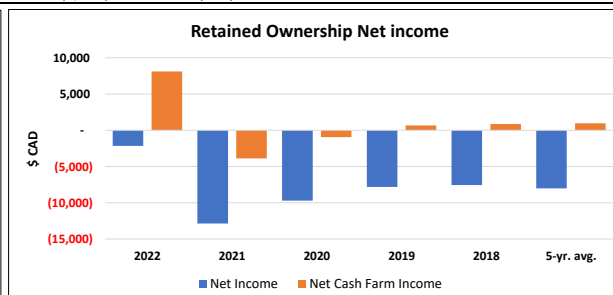
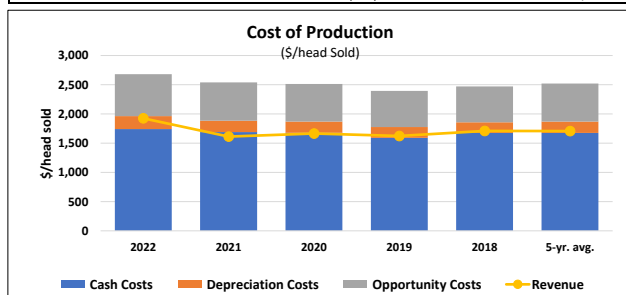
TOTAL COSTS						
Cash Costs	1,740.74	1,689.44	1,678.21	1,591.24	1,675.48	1,675.02
Depreciation Costs	223.32	195.45	190.60	184.54	183.21	195.43
Opportunity Costs	717.41	654.70	643.21	619.14	613.06	649.50
Total Production Costs (excludes own capital)	2,681.46	2,539.58	2,512.03	2,394.92	2,471.75	2,519.95

Profits	2022	2021	2020	2019	2018	5-yr. avg.
Short-term profit (cash costs)	184.68	(76.48)	(13.28)	31.55	35.17	32.33
Medium-term profit (cash + depreciation)	(38.64)	(271.93)	(203.89)	(152.99)	(148.04)	(163.10)
Long-term profit (cash + depreciation + opportunity)	(756.04)	(926.63)	(847.10)	(772.13)	(761.10)	(812.60)

Net Income (\$/head sold)	2022	2021	2020	2019	2018	5-yr. avg.
Net Income	(46.97)	(279.68)	(211.20)	(169.81)	(164.16)	(174.36)
Net Cash Farm Income	176.32	(84.23)	(20.60)	14.65	18.97	21.02

Labour						
Paid Labour	-	-	-	-	-	-
Unpaid Labour	1,384	1,320	1,335	1,326	1,371	1,347
Return to labour input	(3.3)	(12)	(9)	(7)	(7)	(8)
Average wages (paid and calculated)	22	21	20	19	19	20

Net Income (annual total)	2022	2021	2020	2019	2018	5-yr. avg.
Net Income	\$ per year (2,161)	(12,865)	(9,715)	(7,811)	(7,551)	(8,021)
Net Cash Farm Income	\$ per year 8,111	(3,875)	(948)	674	873	967



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	2.27	1,771.61	9.13
Other Returns (Government payments, by-products)	0.20	#N/A	0.79
Total	2.47	#N/A	9.92
Costs (\$/lb LW Sold)	2021	2021	2021
VARIABLE COSTS			
Animal purchases	1.52	1,186.88	6.11
Feed (purchase feed, fertiliser, seed, pesticides)	0.07	52.00	0.27
Machinery (maintenance, depreciation, contractor)	0.25	193.63	1.00
Fuel, energy, lubricants, water	0.17	129.45	0.67
Vet & medicine	0.01	4.22	0.02
Other inputs	0.12	95.33	0.49
Labour			
Paid Labour	-	-	-
Unpaid Labour	0.84	656.99	3.38
Total Variable Costs	2.97	2,318.49	11.94
CAPITAL COSTS			
Insurance, taxes	0.07	56.66	0.29
Buildings (maintenance, depreciation)	0.21	160.68	0.83
Land Cost			
Rented Land	0.03	27.30	0.14
Owned Land	0.01	5.68	0.03
Capital Costs			
Liabilities	0.07	57.91	0.30
Own capital	0.07	54.74	0.28
Total Capital Costs	0.47	362.97	1.87
TOTAL COSTS			
Cash Costs	2.23	1,740.74	8.97
Depreciation Costs	0.29	223.32	1.15
Opportunity Costs	0.92	717.41	3.70
Total Production Costs (excludes own capital)	3.44	2,681.46	13.81
Profits	2021	2021	2021
Margin over operating costs	5.15	18.23	0.09
Short-term profit (cash costs)	0.24	184.68	0.95
Medium-term profit (cash + depreciation)	(0.05)	(38.64)	(0.20)
Long-term profit (cash + depreciation + opportunity)	(0.97)	(756.04)	(3.89)
Net Income	2021	2021	2021
Net Income	(0.06)	(46.97)	(0.24)
Net Cash Farm Income	0.23	176.32	0.91

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