

SK-1b Future Farm Summary

	Standing Hay 20%	Standing Hay 50%
Description	Reduce hay purchase through renting land with standing hay	Reduce hay purchase through renting land with standing hay
Assumptions	<ul style="list-style-type: none"> Hay price at \$143/tonne Rent 173 acres of land with standing hay to meet 20% of total hay requirement of the farm (including cow-calf and yearlings) Hay yield at 3.7 tonne dry matter/ha (90% DM) Rental fee at \$91/ac Custom harvest cost at \$53/ac (include cutting and baling) Total investment on standing hay is \$143/ac, equivalent to paying about \$96/tonne (DM) for hay 	<ul style="list-style-type: none"> Hay price at \$143/tonne Rent 432 acres of land with standing hay to meet 50% of total hay requirement of the farm (including cow-calf and yearlings) Hay yield at 3.7 tonne dry matter/ha (90% DM) Rental fee at \$91/ac Custom harvest cost at \$53/ac (include cutting and baling) Total investment on standing hay is \$143/ac, equivalent to paying about \$96/tonne (DM) for hay
Trade-Off Considerations	<ul style="list-style-type: none"> Renting land for hay production is about securing supply, and reducing the risk of no feed during a drought There are weather risk impacting yield and quality of hay, which may still require hay being purchased The trade-off is around time spent securing rental land and custom operator vs. buying hay If locking in a multi-year contract, may end up paying more for standing hay if hay price declines Restrict by land availability Transport costs of getting hay home could be high if renting from a distance 	<ul style="list-style-type: none"> Renting land for hay production is about securing supply, and reducing the risk of no feed during a drought There are weather risk impacting yield and quality of hay, which may still require hay being purchased The trade-off is around time spent securing rental land and custom operator vs. buying hay If locking in a multi-year contract, may end up paying more for standing hay if hay price declines Restrict by land availability Transport costs of getting hay home could be high if renting from a distance
5-year average vs. baseline year*		
Estimated at Whole Farm Level(\$/year)		
Net Income	+\$26,277	+\$46,391
Net Cash Farm Income	+\$26,277	+\$46,391
Estimated at Cow-calf Enterprise Level (\$/cow)		
Short-term Profits	+\$24	+\$82
Medium-term Profits	+\$24	+\$82
Long-term Profits	+\$13	+\$70

* Changes in profitability come from the practice change as well as debt servicing

Detailed reports available upon request. Email: info@canfax.ca

