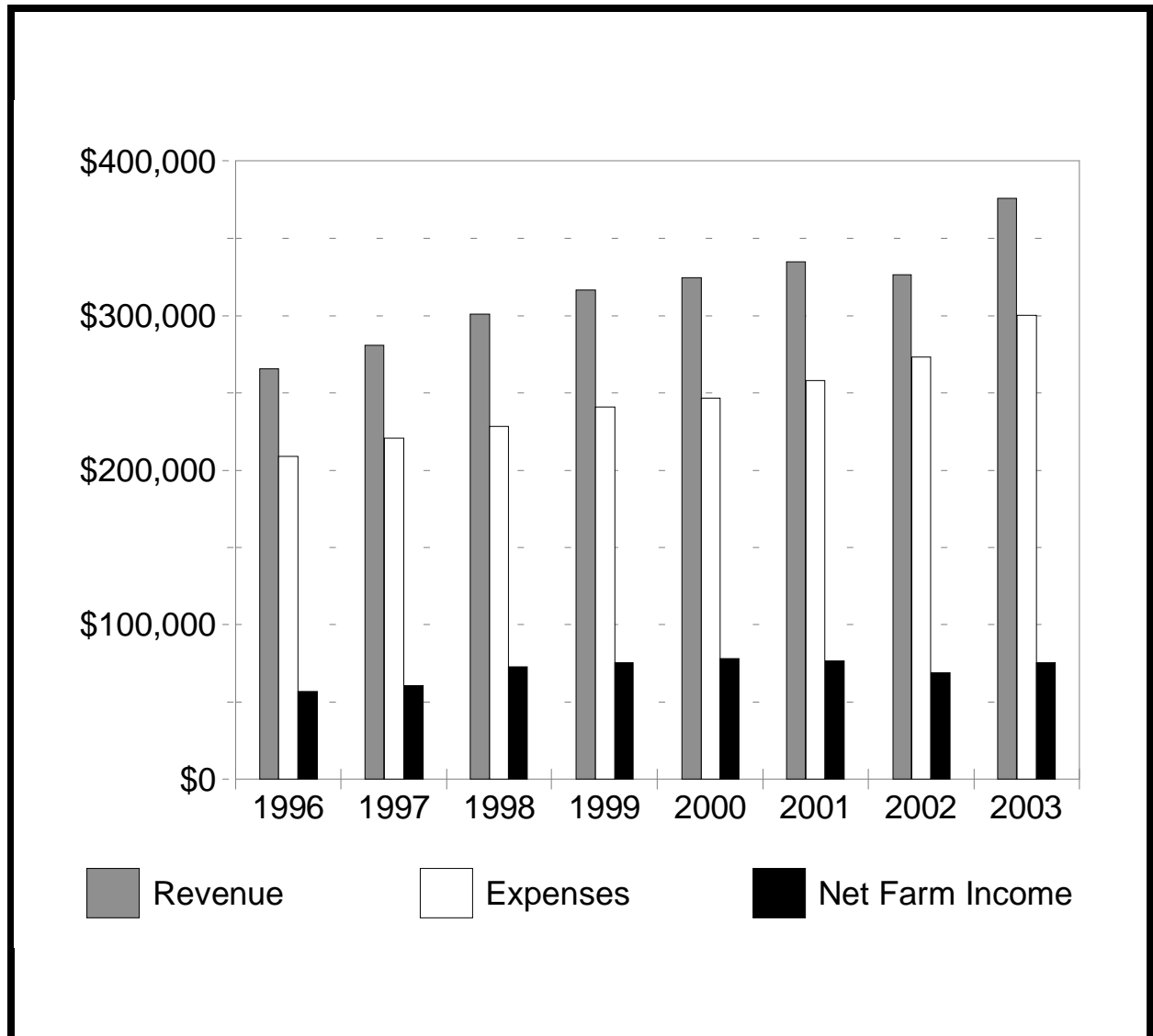


# Ontario Dairy Summary 2003



## **INTRODUCTION**

### Purpose of the Program

The Ontario Farm Management Analysis Program (OFMAP) is a co-operative effort of farmers and staff of the Ontario Ministry of Agriculture and Food. Also the Ontario Dairy Farm Accounting Project administered by Dairy Farmers of Ontario contributed 91 dairy farms to the Provincial Dairy average.

The primary purpose of the Project is to provide management information to farmers. With financial and production reports, the farmer is better able to:

- \* identify profitability, strengths and weaknesses, and efficiency of the farm business.
- \* compare with budgeted plans for this year and with previous years results.
- \* analyze trends over a period of years.
- \* compare the farm business to group averages of similar farms.

The secondary purpose of the Program is to obtain, store and utilize data for the preparation of group reports on a county, regional or provincial basis.

### Purpose of this Report

The purpose of this report is to present financial and physical information for dairy farms in Ontario. Farmers can compare the results of their business records with group averages. It should be noted, however, that averages presented in this report do not necessarily represent ideal levels of performance. They should be used to provide an indication of the performance of similar business operations. This comparison by operators of individual farm performance to group performance may suggest ways of increasing the profitability of their farms. Farmers who have participated in OFMAP will most easily be able to compare their costs and returns on a unit basis eg. hectolitre of milk, per cow.

The information is also used by many to budget changes in size of an enterprise or to add a new enterprise. This will help with the preparation of a business plan and a credit application.

Anyone wishing to participate in OFMAP is encouraged to contact the Ontario Ministry of Agriculture and Food at 1-877-424-1300 or [ag.info@omaf.gov.on.ca](mailto:ag.info@omaf.gov.on.ca).

### Basis of Classification

Farms were selected based on the size of the enterprise and the detail of information recorded in their records. The minimum size to be included in this report for each enterprise is shown below:

Dairy - Farms with more than 25 cows

### **\* Note Regarding the Summaries**

Data from individual farms are checked for accuracy. Farms are included in the averages if they meet the selection criteria. Because the records are provided by interested producers, a random sampling procedure has not been used.

## **GENERAL LAYOUT OF THE DAIRY REPORT**

1. The section cover with graphical highlights of the trend reports.
2. The inside cover with the five-year trend report in a graphical and a tabular format.
3. The Farm Income Statement.
4. The Farm Balance Sheet and Measurements of Financial Strength.
5. The Farm Business Analysis Section including measure of performance, efficiency, cost control, profitability, debt servicing capacity and the main enterprise summary.
6. The Livestock Enterprise Reports with unit and general analysis.
7. Crop Enterprise Reports.
8. Crop Average and Yields, Feed Costs, Investment Summary.

## FORMULAS USED TO CALCULATE RESOURCE PERFORMANCE

1. NET FARM INCOME = Total Farm Revenue - Total Farm Expenses. It is the Return to Unpaid Family Labour, Operators Labour and Management, and Equity Capital Invested.
2. OWNER'S EQUITY = Total Farm Assets - Total Liabilities
3. % EQUITY =  $\left( \frac{\text{Equity}}{\text{Total Farm Assets}} \right) \times 100$
4. RETURN ON OWNER'S EQUITY AND UNPAID LABOUR =  $\frac{(\text{Net Farm Income})}{\text{Owner's Equity}} \times 100$
5. RETURN ON OWNER'S ASSETS AND UNPAID LABOUR =  $\frac{(\text{Net Farm Income} + \text{Interest Paid})}{\text{Total Farm Assets}} \times 100$
6. RETURN ON INVESTMENT (\$36,000/Person)  
$$= \frac{(\text{Net Farm Income} + \text{Int Pd} + \text{Wages \& Salaries} - (\$36,000 \times \text{Person Equiv}))}{\text{Total Farm Assets}} \times 100$$
7. RETURN TO OWNER'S LABOUR (5% Investment Rate)  
= Net Farm Income + Interest Paid - (.05 x Total Farm Assets)
8. VALUE OF FARM PRODUCTION = Total Farm Revenue - (Lvstk + Feed Purchased)
9. COST/\$1.00 (VFP) =  $\frac{\text{Total Expenses} - \text{Depreciation} - \text{Feed Purchased} - \text{Livestock Purchased}}{\text{Value of Farm Production}}$
10. CAPITAL TURNOVER (VFP) =  $\frac{\text{Total Farm Assets}}{\text{Value of Farm Production}} = \text{Years}$
11. COST CONTROL =  $\frac{(\text{Net Farm Income})}{\text{Total Farm Revenue}} \times 100$
12. WORKING CAPITAL = Current Assets - Current Liabilities
13. CURRENT RATIO =  $\left( \frac{\text{Current Assets}}{\text{Current Liabilities}} \right) : 1$
14. DEBT STRUCTURE =  $\frac{(\text{Current Liabilities})}{\text{Total Liabilities}} \times 100$
15. DEBT TO ASSET RATIO =  $\frac{(\text{Total Liabilities})}{\text{Total Farm Assets}} : 1$
16. DEBT TO EQUITY RATIO =  $\frac{(\text{Total Liabilities})}{\text{Owners Equity}} : 1$

**NOTES:**

1. Additional information on the various performance criteria present may be found in the OMAF publication #379 - "Money Matters".
2. Re Formula 4 and 5:  
Imputed value for operator person equivalents was not deducted. Hence, these formulas reflect a return to labour and/or investment, whereas in formula 6 an allowance for labour was made.
3. Re Formula 6: Return on Investment  
The portion of this formula that reads "Wages and Salaries minus (\$36,000 x Person Equivalents)" is used to allow both sole proprietorships (where usually no operator wages are paid) and corporations (where operator labour may be included as wages paid) to be included. The \$36,000 is simply a standard figure. Other amounts could be substituted by the reader as desired.
4. Re Formula 7: Labour Income  
In calculating labour income, a figure of 5% return on total assets was used which permits year-to-year comparisons of management information.
5. Debt Servicing Capacity  
The calculation of the average amount available for debt servicing is provided for each commodity group. (Debt Servicing Capacity is more fully explained in "Money Matters".) In this calculation depreciation was used as a proxy for "Reserve for Asset Acquisition".

**ASSUMPTIONS AND DEFINITIONS**

*Farm Selection*

The low one third and the average and the high one-third of farms were selected on the basis of net farm income.

*Calculation of Management Factors*

Person Equivalents = an approximation of the number of full-time people actively participating in the operation of the farm.

*Inventory Valuation and Transfer Value of Home-Grown Feed*

The unit values shown below are suggested values for calculating beginning and ending inventories. Transfer values were used for estimating costs for home-grown feed.

**SUGGESTED FEED INVENTORY AND TRANSFER VALUES  
2003**

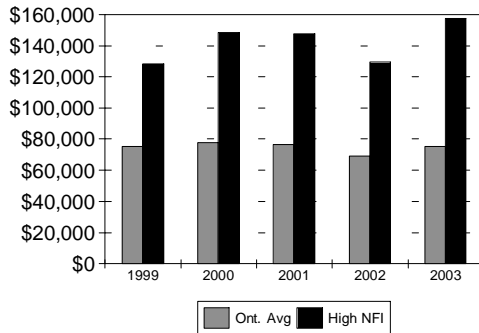
CROP	Beginning		Transfer		Ending	
	\$ per tonne	\$ per bushel	\$ per tonne	\$ per bushel	\$ per tonne	\$ per bushel
Oats	160	2.47	150	2.31	140	2.16
Barley	140	3.05	140	3.05	140	3.05
Soybeans	320	8.71	345	9.39	365	9.94
Shelled Corn	150	3.81	140	3.56	130	3.30
Mixed Grains	125	2.27	120	2.18	115	2.09
Feed Wheat	175	4.76	165	4.49	155	3.13
Hay	90		93		95	
Straw	70		70		70	
Corn Silage	35		33		30	
Haylage	45		45		45	
Grainlage	35		33		30	
Pasture			60			
Rough Pasture			25			

## SUMMARY OF ONTARIO DAIRY FARMS

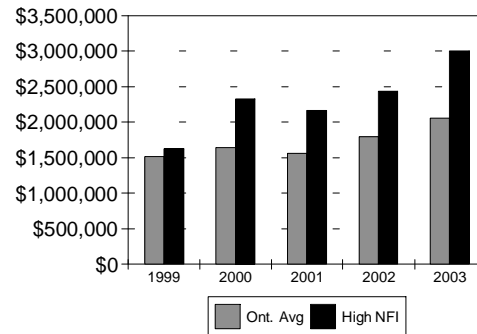
# 5 Year Summary

Years:	1999	2000	2001	2002	2003
<b>Farm Income Statement</b>					
Total Cash Revenue	\$303,827	\$312,653	\$324,366	\$326,509	\$367,149
Total Farm Revenue	316,346	324,346	334,669	342,501	375,683
Total Cash Expenses	\$209,787	\$214,879	\$224,495	\$236,647	\$262,655
Change in Current Payables	-1,019	513	-382	1,704	-60
Depreciation	32,208	30,969	34,325	35,449	38,634
Total Farm Expenses	240,962	246,354	258,013	273,423	300,212
<b>NET FARM INCOME</b>	<b>\$75,384</b>	<b>\$77,992</b>	<b>\$76,656</b>	<b>\$69,078</b>	<b>\$75,471</b>

**Income**



**Equity**



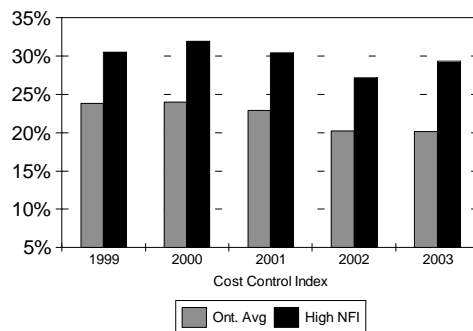
### Farm Balance Sheet (Year End)

Total Assets	\$1,897,103	\$2,031,925	\$1,933,641	\$2,178,378	\$2,583,313
Total Liabilities	383,975	389,181	371,366	380,165	522,722
Equity in Farm Business	\$1,513,128	\$1,642,744	\$1,562,275	\$1,798,213	\$2,060,591
Percent Equity	79.8%	80.8%	80.8%	82.6%	79.8%
Net Capital Purchases (-Sales)	74,487	88,710	90,362	80,426	104,704
Net Withdrawals (-Contributions)	36,441	38,329	42,130	43,179	38,529

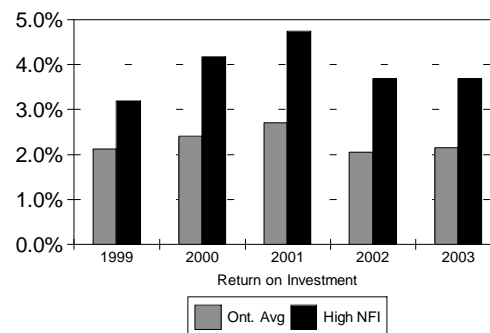
### Farm Business Analysis Section

	1999	2000	2001	2002	2003
Return on Investment	2.1%	2.4%	2.7%	2.1%	2.2%
Capital Turnover VFP (years)	7.0	7.3	6.8	7.5	8.1
Cost Control Index	23.8%	24.0%	22.9%	20.2%	20.1%
Current Ratio :1	0.8	0.7	0.7	0.6	1.0
Working Capital	-\$17,680	-\$34,645	-\$27,720	-\$63,588	-\$1,801
Debt Servicing Capacity	\$49,666	\$53,491	\$50,016	\$36,963	\$58,887
Term & Operating Interest Paid	\$24,734	\$25,804	\$26,673	\$25,687	\$31,556

**Cost Control**



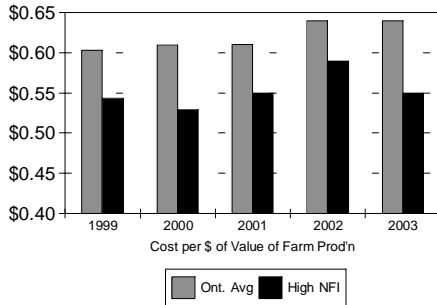
**R.O.I.**



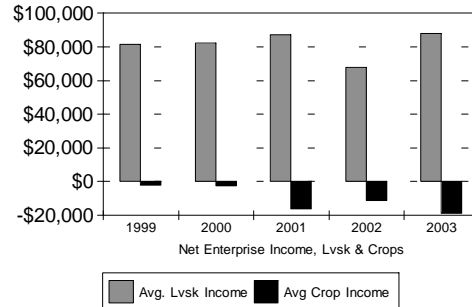
## SUMMARY OF ONTARIO DAIRY FARMS 5 Year Summary

Value of Farm Production Analysis	1999	2000	2001	2002	2003
Cost per Dollar of VFP	\$0.60	\$0.61	\$0.61	\$0.64	\$0.64
Value of Farm Production (Adj Op. Cost - Int.)/VFP	51.2%	51.6%	51.8%	55.4%	54.4%
Depreciation / VFP	11.9%	11.1%	12.0%	12.1%	12.1%
Interest / VFP	9.1%	9.3%	9.3%	8.8%	9.9%
Net Farm Income / VFP	27.8%	28.0%	26.8%	23.6%	23.6%

**Cost Per Dollar**



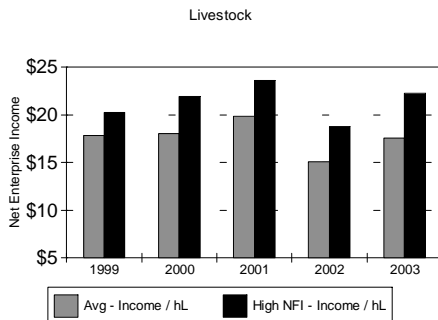
**Livestock & Crop Income**



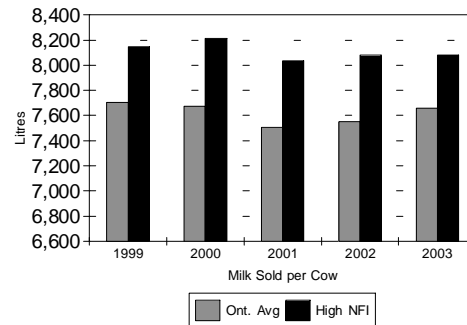
### Crop Enterprise Report

Tillable Acres	298	280	316	316	341
Debt per Tillable Acre	\$1,289	\$1,390	\$1,176	\$1,199	\$1,532
Machinery & Equip Repair / Acre	\$36.49	\$38.53	\$33.93	\$34.02	\$34.66
Val Of Enterprise Production / Acre	\$249.50	\$265.60	\$240.66	\$271.72	\$269.48
Variable Expenses / Acre	167.10	174.50	178.10	190.31	200.82
Depreciation / Acre	58.60	65.70	66.87	68.36	68.73
Fixed Expenses / Acre	90.00	100.00	113.63	117.02	124.64
Net Enterprise Income / Acre	-7.60	-8.90	-51.07	-35.62	-55.97
Total Crop Enterprise Income	-\$2,263	-\$2,491	-\$16,138	-\$11,267	-\$19,114

**Enterprise Income**



**Production**



### Livestock Enterprise Report

Value of Enterprise Prod'n / hL	\$62.77	\$65.04	\$68.21	\$66.02	\$67.16
Feed Cost / hL	20.70	20.94	22.10	23.69	23.35
Variable Expenses / hL	36.91	38.96	40.83	43.44	42.00
Depreciation / hL	2.90	2.76	2.99	3.06	3.02
Fixed Expenses / hL	8.05	8.05	7.55	7.55	7.57
Net Enterprise Income / hL	17.81	18.03	19.84	15.03	17.58
Total Livestock Enterprise Income	\$81,667	\$82,211	\$87,108	\$67,734	\$87,936
Average Number of Cows	59.5	59.4	58.5	59.7	65.3
Litres of Milk Sold	458,590	456,050	439,050	450,780	500,390
Milk Sold Per Cow	7,707	7,678	7,505	7,551	7,663
Avg Cows Per Person (Farm)	25.9	25.8	26.6	27.1	28.4
Value of Ent. Prod'n / Cow	\$4,838	\$4,993	\$5,120	\$4,985	\$5,146
Net Enterprise Income / Cow	\$1,373	\$1,384	\$1,489	\$1,135	\$1,347

## SUMMARY OF ONTARIO DAIRY FARMS

### FARM INCOME STATEMENT

REVENUE	Low 63 Farms	Avg 188 Farms	High 63 Farms
Product sales-milk,subsidy	224,807	317,383	449,461
Market & Feeder Livestock	3,019	4,936	3,856
Breeding stock	5,952	7,618	10,935
Cull stock	4,543	6,586	9,371
Other livestock	582	2,441	6,192
Crop sales	18,836	21,144	30,442
Custom work	1,579	2,410	3,729
Other Farm Revenue	3,993	4,631	5,015
<b>TOTAL CASH REVENUE</b>	<b>\$263,311</b>	<b>\$367,149</b>	<b>\$519,001</b>
Change in Accounts Receivable	-1,041	377	1,285
Changes in Inventory	315	8,157	16,814
<b>TOTAL FARM REVENUE</b>	<b>\$262,585</b>	<b>\$375,683</b>	<b>\$537,100</b>
<b>EXPENSES</b>			
<b>VARIABLE EXPENSES</b>			
Livestock - Purchased Livestock	3,980	5,263	7,468
Pur.Feed-Conc., Grain & Forage	37,001	51,136	68,873
Animal Health & Breeding	10,924	13,332	17,274
Other (Lvsk Stabztn, Barn Sppls)	8,221	10,517	13,557
Crop Inputs - Seed & Plants	5,291	6,389	9,148
Fertilizer & Lime	6,911	8,132	10,084
Pesticides & Other Chemicals	3,223	3,626	4,877
Containers And Twine	1,135	1,308	1,728
Other (Stabztn, Insurance Etc.)	665	1,085	1,753
Marketing & Transportation Costs	14,776	20,672	29,149
Custom Work, Equipment Rent	9,185	10,090	11,092
Hired Labour	30,812	31,428	40,938
Machinery & Equipment- Fuel & Oil	7,716	8,871	10,314
Machinery & Equipment- Repairs	15,538	15,845	17,763
Motor Vehicle Expenses	3,271	3,332	3,077
Building, Fence Repairs	7,169	7,850	10,734
Heating Fuel	788	1,114	1,440
Electricity & Telephone	7,899	9,468	11,811
Accounting, Office Expenses	4,273	4,284	4,964
Interest (Operating)	5,208	4,029	3,087
Other Cash Operating Expenses	1,892	2,992	4,373
Change in Payables	4,561	-60	-1,139
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$190,439</b>	<b>\$220,703</b>	<b>\$282,365</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$72,146</b>	<b>\$154,980</b>	<b>\$254,735</b>
<b>FIXED EXPENSES</b>			
Property Taxes,Fire & Liab. Ins	8,674	10,290	12,251
Lease & Rent Payments	4,700	4,075	4,710
Interest (Term)	19,440	27,527	32,545
Change in Interest Arrears	0	54	161
Depreciation	33,777	38,634	48,480
<b>TOTAL FIXED EXPENSES</b>	<b>66,591</b>	<b>80,580</b>	<b>98,147</b>
<b>TOTAL EXPENSES</b>	<b>257,030</b>	<b>301,283</b>	<b>380,512</b>
- Less Personal Share of Expenses	-1,539	-1,071	-928
<b>TOTAL FARM EXPENSES</b>	<b>\$255,491</b>	<b>\$300,212</b>	<b>\$379,584</b>
<b>NET FARM INCOME</b>	<b>\$7,094</b>	<b>\$75,471</b>	<b>\$157,516</b>

\* See "Notes Regarding the Summaries" in the Introduction of this summary report.

## SUMMARY OF ONTARIO DAIRY FARMS

### FARM BALANCE SHEET

(Assets at Estimated Value)

FARM ASSETS	Low 63 Farms	Avg 188 Farms	High 63 Farms
<b>Current Assets:</b>			
Cash (On Hand And In Bank)	-1,577	1,083	4,506
Accounts Receivable	16,124	22,293	31,139
Market & Feeder Livestock	2,017	2,467	2,325
Home-Grown Crops	39,644	51,952	69,407
Purchased Feed & Supplies	1,475	3,026	4,443
Other Current Assets	0	0	0
<b>..Total Current Assets</b>	<b>\$57,683</b>	<b>\$80,821</b>	<b>\$111,820</b>
<b>Long Term Assets</b>			
Breeding Livestock	117,699	156,786	221,104
Market Quota	886,289	1,278,526	1,826,820
Field Machinery	201,920	216,307	271,492
Barn Equipment	64,113	74,613	91,730
Farm Buildings	139,592	189,444	243,148
Land	405,643	559,148	820,266
Other Long Term Assets	7,306	27,668	26,420
<b>..Total Long Term Assets</b>	<b>\$1,822,562</b>	<b>\$2,502,492</b>	<b>\$3,500,980</b>
<b>TOTAL FARM ASSETS</b>	<b>\$1,880,245</b>	<b>\$2,583,313</b>	<b>\$3,612,800</b>
<b>LIABILITIES</b>			
Accounts Payable	15,931	15,733	12,252
Interest Arrears	0	58	173
Operating Credit	9,672	17,219	25,509
Current Portion Of Term Debt	35,250	49,612	61,901
<b>..Total Current Liabilities</b>	<b>\$60,853</b>	<b>\$82,622</b>	<b>\$99,835</b>
<b>Term Debt</b>	<b>352,119</b>	<b>440,100</b>	<b>510,064</b>
<b>TOTAL FARM LIABILITIES</b>	<b>\$412,972</b>	<b>\$522,722</b>	<b>\$609,899</b>
<b>EQUITY IN FARM BUSINESS</b>	<b>\$1,467,273</b>	<b>\$2,060,591</b>	<b>\$3,002,901</b>

#### MEASURES OF FINANCIAL STRENGTH

...from the balance sheet at year end

Percent Equity	78.04%	79.77%	83.12%
Working Capital	-\$3,170	-\$1,801	\$11,985
Current Ratio      xx:1	0.95	0.98	1.12
Debt Structure	14.74%	15.81%	16.37%
Debt to Asset Ratio    xx:1	0.22	0.20	0.17
Debt to Equity Ratio    xx:1	0.28	0.25	0.20

**SUMMARY OF ONTARIO DAIRY FARMS**  
**FARM BUSINESS ANALYSIS SECTION**

<b>MEASURES OF PERFORMANCE EFFICIENCY</b>	<b>Low 63 Farms</b>	<b>Avg 188 Farms</b>	<b>High 63 Farms</b>
Capital Turnover(years)	8.48	8.09	7.84
Value of Farm Production	\$221,604	\$319,284	\$460,759
Cost per dollar of VFP	\$0.82	\$0.64	\$0.55
Cost Control Index	2.7%	20.1%	29.3%

**EXPENSES & NFI RELATIVE TO VFP**

(Adj.Prod. Cst.- Int) / VFP	70.4%	54.4%	47.6%
Depreciation / VFP	15.2%	12.1%	10.5%
Interest / VFP	11.1%	9.9%	7.7%
Net Income / VFP	3.2%	23.6%	34.2%
Interest & Principal / V.F.P.	51.9%	79.4%	101.0%

**MEASURES OF PROFITABILITY**

Net Farm Income	\$7,094	\$75,471	\$157,516
Return on Total Assets	1.69%	4.14%	5.35%
Return to Equity	0.48%	3.66%	5.25%
Return on Investment (at \$36000 per person)	-0.50%	2.15%	3.69%
Return to Owners Labour (at 5.0% investment rate)	-\$62,270	-\$22,139	\$12,508

<b>Person Equivalents for the Farm</b>	2.0	2.3	2.8
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**DEBT SERVICING CAPACITY ANALYSIS**

<b>Cash Revenue minus Cash Expenses</b>	\$44,619	\$104,494	\$185,991
plus Interest Payment	24,648	31,556	35,632
plus Non-Farm Revenue	18,172	39,540	88,447
minus Owners Withdrawals & Income Tax	-32,530	-78,069	-150,214
<b>Cash Avail. for Debt Serv. and Cap. Purc.</b>	\$54,909	\$97,521	\$159,856
minus committed Interest & Principal *	-58,198	-78,164	-94,386
minus Reserve for Capital Purchases (Depreciation)	-33,777	-38,634	-48,480
<b>Available After Reserve to Service Additional Debt</b>	-\$37,066	-\$19,277	\$16,990

**PHYSICAL SUMMARY FOR THE DAIRY ENTERPRISE**

Average Number of Cows	50.0	65.3	86.8
Total hectolitre Milk Sold	3,553	5,004	7,018
Milk Sold Per Cow (litres)	7,105	7,663	8,085
Milk Sold Per Person (Enterprise)	444,075	500,390	584,825
Milk Sold Per Person (Whole Farm)	177,630	217,561	250,639
Avg Cows/Person (Dairy Enterprise)	62.5	65.3	72.3
Average Somatic Cell Count	238,639	220,208	198,233
Calving Interval	13.66	13.59	13.46
Herd Turnover	25.3	27.2	29.4
Heifer Age at First Calving (Months)	25.38	25.65	26.13
Total Butterfat Sold (Kg)	14,211	19,825	27,777
Butterfat Sold per Cow (Kg)	279.8	297.6	317.0
Total Protein Sold (Kg)	11,862	16,555	23,015
Protein Sold per Cow (Kg)	232.6	248.2	263.3

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**

(PER COW BASIS)

<b>REVENUE</b>	<b>Low 63 Farms</b>	<b>Avg 188 Farms</b>	<b>High 63 Farms</b>
Product Sales	\$4,496.34	\$4,860.43	\$5,178.12
Market Livestock	12.36	17.41	12.27
Feeder Livestock	28.10	20.05	16.04
Breeding Livestock	111.40	112.76	124.59
Cull Stock	90.86	100.55	107.28
Other Livestock Enterprise Sales	5.84	6.80	5.62
- Livestock Purchased	-73.94	-76.83	-85.58
+ Inventory Change	29.36	99.22	164.24
+ Change in Receivables	-20.82	5.77	14.80
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$4,679.50</b>	<b>\$5,146.16</b>	<b>\$5,537.38</b>
<b>VARIABLE EXPENSES</b>			
<b>Livestock Expenses:</b>			
Purchased feed & grain	677.46	716.72	751.03
Purchased forages	4.22	11.90	14.45
Home-grown grains transferred	331.83	295.30	285.94
Home-grown forages transferred	800.47	765.14	770.64
<b>Total Feed Cost</b>	<b>\$1,813.98</b>	<b>\$1,789.06</b>	<b>\$1,822.06</b>
Animal Health & Breeding	218.48	204.00	198.71
Other (Stabilization, Supplies)	156.16	151.79	152.81
Marketing, Transportation	288.50	309.23	327.37
Custom Work, Equipment Rent	51.74	43.29	37.86
Hired Labour	390.12	304.82	303.62
Machinery & Equip.- Fuel & Oil	16.04	27.52	32.67
Machinery & Equipment- Repair	75.28	61.18	51.71
Motor Vehicle Expenses	26.86	20.31	12.48
Building, Fence Repairs	121.20	101.32	102.72
Heating Fuel	3.38	4.70	5.33
Electricity & Telephone	120.82	112.54	106.95
Accounting, Office Expenses	53.26	42.33	37.10
Interest - Operating	33.78	22.30	15.21
Other Cash Variable Expenses	24.64	22.60	17.09
Change in Payables	100.74	1.53	-13.12
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$3,494.98</b>	<b>\$3,218.52</b>	<b>\$3,210.55</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$1,184.52</b>	<b>\$1,927.64</b>	<b>\$2,326.84</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	117.38	105.76	93.82
Lease & Rent Payments	14.80	10.21	8.00
Interest - Term	213.46	232.68	211.14
Depreciation	247.72	231.68	216.38
<b>TOTAL FIXED EXPENSES</b>	<b>593.36</b>	<b>580.34</b>	<b>529.34</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$4,088.34</b>	<b>\$3,798.86</b>	<b>\$3,739.89</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$591.16</b>	<b>\$1,347.30</b>	<b>\$1,797.50</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**

(PER HECTOLITRE BASIS)

<b>REVENUE</b>	<b>Low 63 Farms</b>	<b>Avg 188 Farms</b>	<b>High 63 Farms</b>
Product Sales	\$63.28	\$63.43	\$64.04
Market Livestock	0.17	0.23	0.15
Feeder Livestock	0.40	0.26	0.20
Breeding Livestock	1.57	1.47	1.54
Cull Stock	1.28	1.31	1.33
Other Livestock Enterprise Sales	0.08	0.09	0.07
- Livestock Purchased	-1.04	-1.00	-1.06
+ Inventory Change	0.41	1.29	2.03
+ Change in Receivables	-0.29	0.08	0.18
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$65.86</b>	<b>\$67.16</b>	<b>\$68.49</b>
<b>VARIABLE EXPENSES</b>			
Livestock Expenses:			
Purchased feed & grain	9.53	9.35	9.29
Purchased forages	0.06	0.16	0.18
Home-grown grains transferred	4.67	3.85	3.54
Home-grown forages transferred	11.27	9.98	9.53
<b>Total Feed Cost</b>	<b>\$25.53</b>	<b>\$23.35</b>	<b>\$22.54</b>
Animal Health & Breeding	3.07	2.66	2.46
Other (Stabilization, Supplies)	2.20	1.98	1.89
Marketing, Transportation	4.06	4.04	4.05
Custom Work, Equipment Rent	0.73	0.56	0.47
Hired Labour	5.49	3.98	3.76
Machinery & Equip.- Fuel & Oil	0.23	0.36	0.40
Machinery & Equipment- Repair	1.06	0.80	0.64
Motor Vehicle Expenses	0.38	0.26	0.15
Building, Fence Repairs	1.71	1.32	1.27
Heating Fuel	0.05	0.06	0.07
Electricity & Telephone	1.70	1.47	1.32
Accounting, Office Expenses	0.75	0.55	0.46
Interest - Operating	0.48	0.29	0.19
Other Cash Variable Expenses	0.35	0.29	0.21
Change in Payables	1.42	0.02	-0.16
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$49.19</b>	<b>\$42.00</b>	<b>\$39.71</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$16.67</b>	<b>\$25.16</b>	<b>\$28.78</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	1.65	1.38	1.16
Lease & Rent Payments	0.21	0.13	0.10
Interest - Term	3.00	3.04	2.61
Depreciation	3.49	3.02	2.68
<b>TOTAL FIXED EXPENSES</b>	<b>8.35</b>	<b>7.57</b>	<b>6.55</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$57.54</b>	<b>\$49.57</b>	<b>\$46.26</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$8.32</b>	<b>\$17.58</b>	<b>\$22.23</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**

(PER KILOGRAM BUTTERFAT BASIS)

<b>REVENUE</b>	<b>Low 63 Farms</b>	<b>Avg 188 Farms</b>	<b>High 63 Farms</b>
Product Sales	\$15.82	\$16.01	\$16.18
Market Livestock	0.04	0.06	0.04
Feeder Livestock	0.10	0.07	0.05
Breeding Livestock	0.39	0.37	0.39
Cull Stock	0.32	0.33	0.34
Other Livestock Enterprise Sales	0.02	0.02	0.02
- Livestock Purchased	-0.26	-0.25	-0.27
+ Inventory Change	0.10	0.33	0.51
+ Change in Receivables	-0.07	0.02	0.05
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$16.46</b>	<b>\$16.95</b>	<b>\$17.30</b>
<b>VARIABLE EXPENSES</b>			
Livestock Expenses:			
Purchased feed & grain	2.38	2.36	2.35
Purchased forages	0.01	0.04	0.05
Home-grown grains transferred	1.17	0.97	0.89
Home-grown forages transferred	2.82	2.52	2.41
<b>Total Feed Cost</b>	<b>\$6.38</b>	<b>\$5.89</b>	<b>\$5.69</b>
Animal Health & Breeding	0.77	0.67	0.62
Other (Stabilization, Supplies)	0.55	0.50	0.48
Marketing, Transportation	1.02	1.02	1.02
Custom Work, Equipment Rent	0.18	0.14	0.12
Hired Labour	1.37	1.00	0.95
Machinery & Equip.- Fuel & Oil	0.06	0.09	0.10
Machinery & Equipment- Repair	0.26	0.20	0.16
Motor Vehicle Expenses	0.09	0.07	0.04
Building, Fence Repairs	0.43	0.33	0.32
Heating Fuel	0.01	0.02	0.02
Electricity & Telephone	0.43	0.37	0.33
Accounting, Office Expenses	0.19	0.14	0.12
Interest - Operating	0.12	0.07	0.05
Other Cash Variable Expenses	0.09	0.07	0.05
Change in Payables	0.35	0.01	-0.04
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$12.30</b>	<b>\$10.60</b>	<b>\$10.03</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$4.17</b>	<b>\$6.35</b>	<b>\$7.27</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	0.41	0.35	0.29
Lease & Rent Payments	0.05	0.03	0.02
Interest - Term	0.75	0.77	0.66
Depreciation	0.87	0.76	0.68
<b>TOTAL FIXED EXPENSES</b>	<b>2.09</b>	<b>1.91</b>	<b>1.65</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$14.38</b>	<b>\$12.51</b>	<b>\$11.69</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$2.08</b>	<b>\$4.44</b>	<b>\$5.62</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**CROP ENTERPRISE REPORT**

(PER TILLABLE ACRE BASIS)

<b>REVENUE</b>	<b>Low 63 Farms</b>	<b>Avg 188 Farms</b>	<b>High 63 Farms</b>
Wheat	\$9.17	\$9.45	\$11.71
Spring Grains	3.98	7.10	8.39
Grain Corn	26.80	11.21	5.16
Soybeans	15.59	11.26	11.54
Forage	4.98	6.81	6.76
Fruits	0.00	0.00	0.00
Vegetables	0.00	0.00	0.00
Homegrown Seed	0.00	0.00	0.00
Other Crop Sales & Custom Work	2.71	8.85	16.12
Crop Insurance	2.61	7.01	12.45
Crop Stabilization	0.28	0.95	0.38
Value grains fed to livestock	57.90	56.84	58.92
Value forages fed to livestock	140.95	148.53	159.87
+ Inventory change	-11.30	1.48	4.94
+ Change in receivables	0.00	0.00	0.00
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$253.68</b>	<b>\$269.48</b>	<b>\$296.24</b>
<b>EXPENSES</b>			
<b>VARIABLE EXPENSES</b>			
Seed & Plants	18.56	18.72	21.41
Fertilizer & Lime	24.24	23.83	23.60
Pesticides & Other Chemicals	11.30	10.62	11.41
Containers And Twine	3.98	3.83	4.04
Other (Stabztn, Insurance Etc.)	2.33	3.18	4.10
Marketing & Transportation	1.11	1.18	1.37
Custom Work, Equipment Rent	23.08	21.23	18.27
Hired Labour	36.11	31.52	31.32
Machinery & Equip - Fuel & Oil	24.25	20.62	17.30
Machinery & Equipment- Repair	41.30	34.66	30.99
Motor Vehicle Expenses	6.63	5.57	4.04
Building, Fence Repairs	3.89	3.51	4.01
Heating Fuel	1.77	2.01	2.09
Electricity & Telephone	6.35	5.98	5.60
Accounting, Office Expenses	5.65	4.43	4.02
Interest (Operating)	12.34	7.47	3.98
Other Variable Cash Expenses	2.31	2.46	2.07
Change in Payables	0.00	0.00	0.00
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$225.22</b>	<b>\$200.82</b>	<b>\$189.63</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$28.46</b>	<b>\$68.67</b>	<b>\$106.60</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	9.84	9.86	9.49
Lease & Rent Payments	13.89	9.99	9.40
Interest (Term)	30.75	36.06	33.12
Depreciation	75.03	68.73	69.23
<b>TOTAL FIXED EXPENSES</b>	<b>\$129.51</b>	<b>\$124.64</b>	<b>\$121.24</b>
<b>TOTAL EXPENSES</b>	<b>\$354.73</b>	<b>\$325.46</b>	<b>\$310.87</b>
<b>NET ENTERPRISE INCOME</b>	<b>-\$101.05</b>	<b>-\$55.97</b>	<b>-\$14.64</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**CROPS GROWN AND FED REPORT**

**CROP ACRES AND YIELDS**

CROP	Low 63 Farms			Avg 188 Farms			High 63 Farms		
	Acres Grown	Total Yield	Yield per Acre	Acres Grown	Total Yield	Yield per Acre	Acres Grown	Total Yield	Yield per Acre
Wheat	13.1	18.8	1.4	15.3	23.2	1.5	21.8	33.6	1.5
Spring grains	43.4	53.9	1.2	65.8	94.9	1.4	89.2	138.5	1.6
Grain corn	33.5	109.6	3.3	27.5	85.9	3.1	28.7	92.2	3.2
Soybeans	13.0	15.1	1.2	12.2	12.4	1.0	16.0	15.1	0.9
Straw	xxx.x	20.1		xxx.x	36.9		xxx.x	64.0	
Other Crop	2.6	3.5	1.3	6.3	6.8	1.1	6.5	7.8	1.2
Other Crop	2.9	12.2	4.2	5.8	21.2	3.7	7.9	36.0	4.6
Corn silage	14.4	198.9	13.8	20.3	275.2	13.6	27.0	396.0	14.7
Hay	140.0	160.5	2.4	171.4	175.9	2.6	217.5	200.7	2.8
Haylage	xxx.x	362.7		xxx.x	535.6		xxx.x	805.0	
Tillable pasture	22.2			16.7			12.7		
Rough pasture	35.5			26.8			26.7		
Non Crop Land	77.5			79.0			84.3		
Total Acres	398.1			447.1			538.3		
Tillable Acres reported	285.1			341.3			427.3		
Calculated Tillable Acres	285.1			341.3			427.3		

**TOTAL FEED FED AND FEED ALLOCATED TO THE LIVESTOCK ENTERPRISE**

	Total Fed	Feed Cost	Cost per Cow	Total Fed	Feed Cost	Cost per Cow	Total Fed	Feed Cost	Cost per Cow
Wheat	1	116	2	1	132	2	1	198	2
Spring grains	47	5,652	113	69	8,316	127	92	11,040	127
Grain corn	70	9,744	195	70	9,842	151	90	12,656	146
Soybeans	2	828	17	2	794	12	3	863	10
Straw	28	1,967	39	34	2,401	37	46	3,192	37
Other Crop	2	252	5	2	200	3	1	63	1
Other Crop	4	240	5	10	588	9	13	804	9
Corn silage	192	6,336	127	251	8,283	127	356	11,748	135
Hay	151	14,034	281	151	14,071	215	171	15,931	184
Haylage	353	15,872	317	518	23,297	357	756	34,038	392
Tillable pasture	18	1,098	22	14	864	13	11	684	8
Rough pasture	19	478	10	18	460	7	20	495	6
Total		56,615	1,132		69,246	1,060		91,711	1,057

**CROP AND LIVESTOCK ENTERPRISE INVESTMENT**

Allocated Investment From the Balance Sheet (Year End Values)	Crops per Acre	Lvsk per Cow	Crops per Acre	Lvsk per Cow	Crops per Acre	Lvsk per Cow
Home Grown Crops & Supplies	139	2	152	4	162	6
Feeder & Market Livestock		40		38		27
Breeding Stock		2,327		2,392		2,547
Market quota	0	17,726	0	19,579	0	21,046
Machinery & Equipment	708	1,282	634	1,143	635	1,057
Land & Farm buildings	1,521	2,233	1,749	2,321	2,033	2,241
Enterprise Assets/Unit	2,373	23,935	2,537	25,818	2,831	27,283
Total Enterprise Assets	676451	1196747	865740	1685931	1209795	2368132
<b>Debt per Acre &amp; per Cow</b>	<b>1,449</b>	<b>8,259</b>	<b>1,532</b>	<b>8,005</b>	<b>1,427</b>	<b>7,026</b>