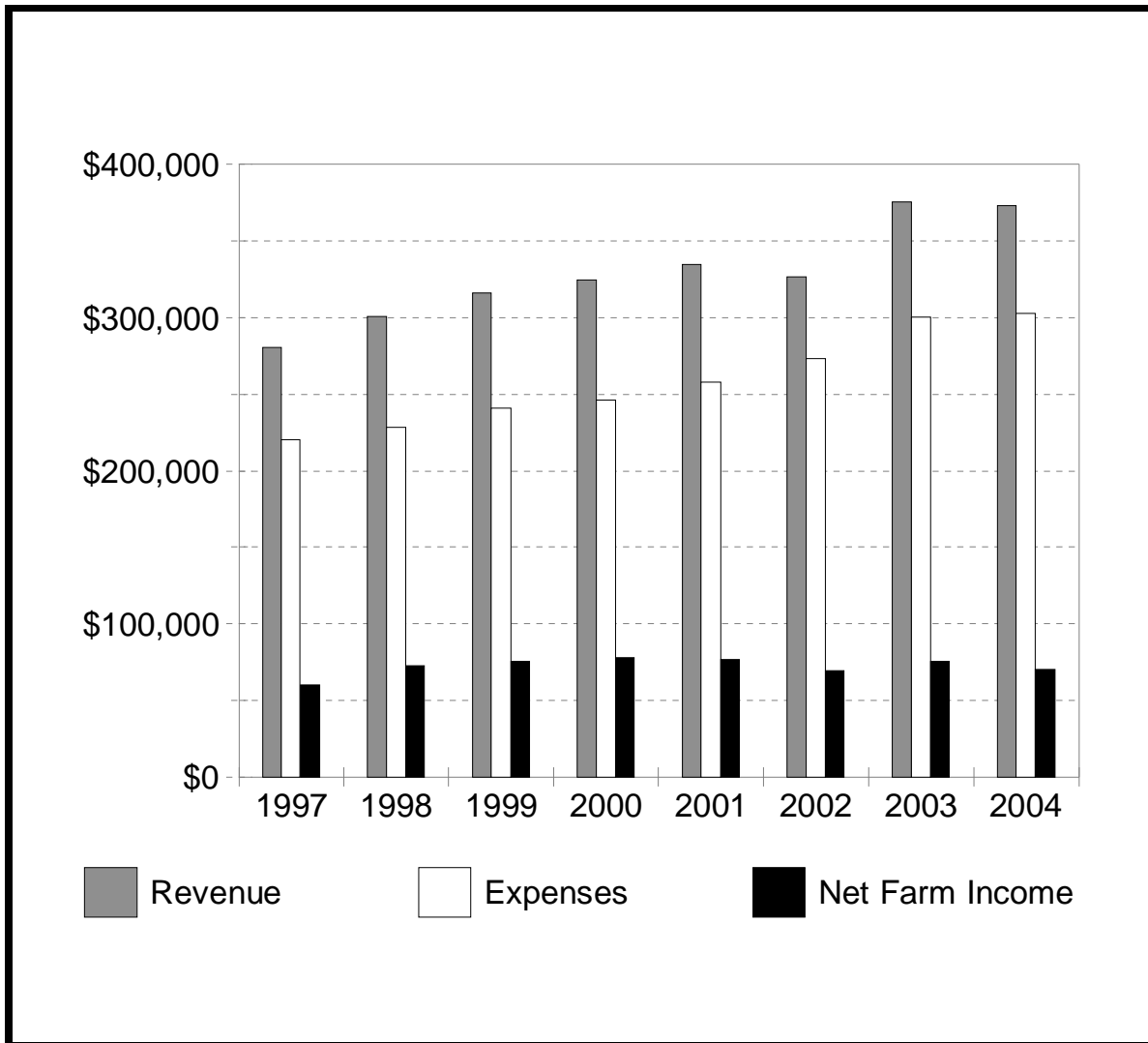


# Ontario Dairy Summary 2004



## 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, Food and Rural Affairs. Also the Ontario Dairy Farm Accounting Project administered by Dairy Farmers of Ontario contributed 84 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, Food and Rural Affairs at 1-877-424-1300 or [ag.info@omafra.gov.on.ca](mailto:ag.info@omafra.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 =  $\frac{(\text{Equity})}{\text{Total Farm Assets}} \times 100$
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 =  $\frac{(\text{Current Assets})}{\text{Current Liabilities}} : 1$
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 OMAFRA 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 2004

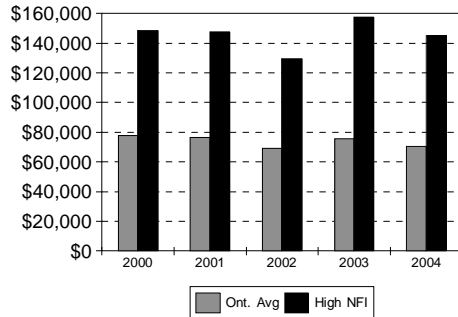
CROP	Beginning		Transfer		Ending	
	\$ per tonne	\$ per bushel	\$ per tonne	\$ per bushel	\$ per tonne	\$ per bushel
Oats	140	2.16	140	2.16	140	2.16
Barley	140	3.05	125	2.72	110	2.39
Soybeans	365	9.94	297	8.08	229	6.24
Shelled Corn	130	3.30	111	2.82	92	2.33
Mixed Grains	115	2.09	113	2.05	110	2.00
Feed Wheat	155	4.23	148	4.03	140	3.81
Hay	95		98		100	
Straw	70		75		80	
Corn Silage	30		28		25	
Haylage	45		48		50	
Grainlage	30		28		25	
Pasture			60			
Rough Pasture			25			

**SUMMARY OF ONTARIO DAIRY FARMS**

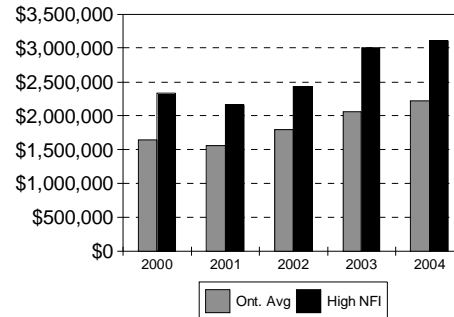
**5 Year Summary**

	Years:	2000	2001	2002	2003	2004
<b>Farm Income Statement</b>						
Total Cash Revenue		\$312,653	\$324,366	\$326,509	\$367,149	\$367,301
Total Farm Revenue		324,346	334,669	342,501	375,683	373,184
Total Cash Expenses		\$214,879	\$224,495	\$236,647	\$262,655	\$271,523
Change in Current Payables		513	-382	1,704	-60	-7,546
Depreciation		30,969	34,325	35,449	38,634	38,804
Total Farm Expenses		246,354	258,013	273,423	300,212	302,781
<b>NET FARM INCOME</b>		<b>\$77,992</b>	<b>\$76,656</b>	<b>\$69,078</b>	<b>\$75,471</b>	<b>\$70,403</b>

**Income**



**Equity**



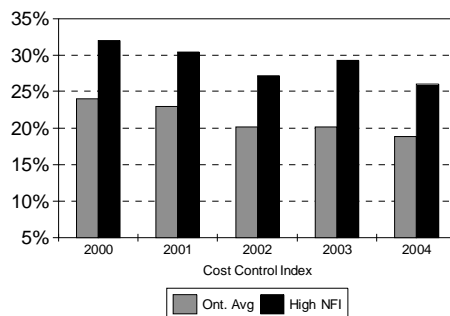
**Farm Balance Sheet (Year End)**

Total Assets	\$2,031,925	\$1,933,641	\$2,178,378	\$2,583,313	\$2,659,794
Total Liabilities	389,181	371,366	380,165	522,722	437,419
Equity in Farm Business	\$1,642,744	\$1,562,275	\$1,798,213	\$2,060,591	\$2,222,375
Percent Equity	80.8%	80.8%	82.6%	79.8%	83.6%
Net Capital Purchases (-Sales)	88,710	90,362	80,426	104,704	93,177
Net Withdrawals (-Contributions)	38,329	42,130	43,179	38,529	41,566

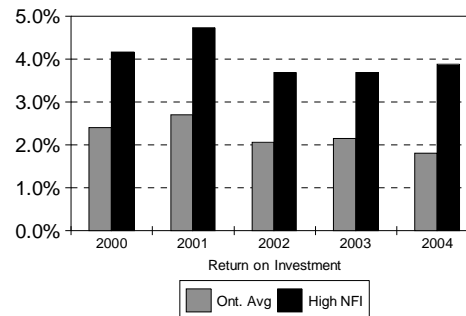
**Farm Business Analysis Section**

	2000	2001	2002	2003	2004
Return on Investment	2.4%	2.7%	2.1%	2.2%	1.8%
Capital Turnover VFP (years)	7.3	6.8	7.5	8.1	8.3
Cost Control Index	24.0%	22.9%	20.2%	20.1%	18.9%
Current Ratio :1	0.7	0.7	0.6	1.0	1.1
Working Capital	-\$34,645	-\$27,720	-\$63,588	-\$1,801	\$7,041
Debt Servicing Capacity	\$53,491	\$50,016	\$36,963	\$58,887	\$48,543
Term & Operating Interest Paid	\$25,804	\$26,673	\$25,687	\$31,556	\$28,798

**Cost Control**



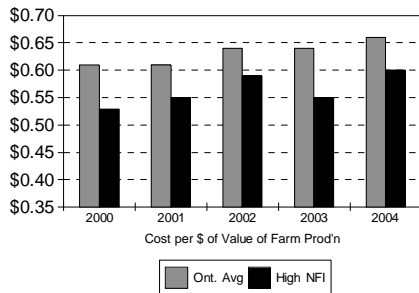
**R.O.I.**



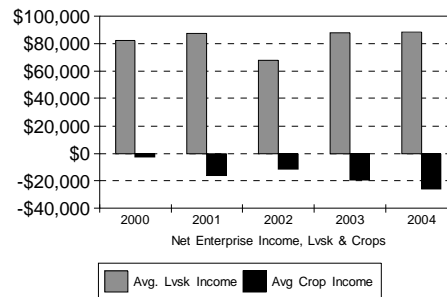
## SUMMARY OF ONTARIO DAIRY FARMS 5 Year Summary

Value of Farm Production Analysis	2000	2001	2002	2003	2004
Cost per Dollar of VFP	\$0.61	\$0.61	\$0.64	\$0.64	\$0.66
Value of Farm Production	\$278,690	\$285,608	\$292,121	\$319,284	\$320,524
(Adj Op. Cost - Int.)/VFP	51.6%	51.8%	55.4%	54.4%	56.9%
Depreciation / VFP	11.1%	12.0%	12.1%	12.1%	12.1%
Interest / VFP	9.3%	9.3%	8.8%	9.9%	9.0%
Net Farm Income / VFP	28.0%	26.8%	23.6%	23.6%	22.0%

**Cost Per Dollar**



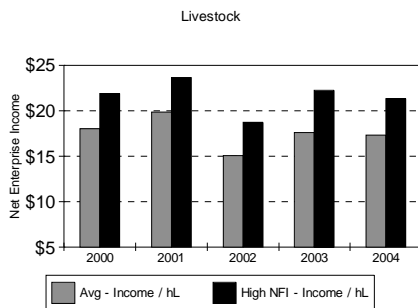
**Livestock & Crop Income**



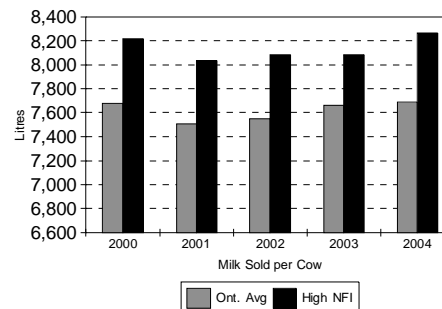
### Crop Enterprise Report

Tillable Acres	280	316	316	341	348
Debt per Tillable Acre	\$1,390	\$1,176	\$1,199	\$1,532	\$1,258
Machinery & Equip Repair / Acre	\$38.53	\$33.93	\$34.02	\$34.66	\$35.05
Val Of Enterprise Production / Acre	\$265.60	\$240.66	\$271.72	\$269.48	\$253.65
Variable Expenses / Acre	174.50	178.10	190.31	200.82	209.82
Depreciation / Acre	65.70	66.87	68.36	68.73	68.57
Fixed Expenses / Acre	100.00	113.63	117.02	124.64	119.51
Net Enterprise Income / Acre	-8.90	-51.07	-35.62	-55.97	-74.94
Total Crop Enterprise Income	-\$2,491	-\$16,138	-\$11,267	-\$19,114	-\$26,064

**Enterprise Income**



**Production**



### Livestock Enterprise Report

Value of Enterprise Prod'n / hL	\$65.04	\$68.21	\$66.02	\$67.16	\$66.74
Feed Cost / hL	20.94	22.10	23.69	23.35	23.22
Variable Expenses / hL	38.96	40.83	43.44	42.00	42.04
Depreciation / hL	2.76	2.99	3.06	3.02	2.94
Fixed Expenses / hL	8.05	7.55	7.55	7.57	7.37
Net Enterprise Income / hL	18.03	19.84	15.03	17.58	17.33
Total Livestock Enterprise Income	\$82,211	\$87,108	\$67,734	\$87,936	\$88,059
Average Number of Cows	59.4	58.5	59.7	65.3	66.1
Litres of Milk Sold	456,050	439,050	450,780	500,390	508,130
Milk Sold Per Cow	7,678	7,505	7,551	7,663	7,687
Avg Cows Per Person (Farm)	25.8	26.6	27.1	28.4	27.5
Value of Ent. Prod'n / Cow	\$4,993	\$5,120	\$4,985	\$5,146	\$5,130
Net Enterprise Income / Cow	\$1,384	\$1,489	\$1,135	\$1,347	\$1,332

**SUMMARY OF ONTARIO DAIRY FARMS**

**FARM INCOME STATEMENT**

<b>REVENUE</b>	<b>Low 59 Farms</b>	<b>Avg 177 Farms</b>	<b>High 59 Farms</b>
Product sales-milk,subsidy	242,366	324,921	480,970
Market & Feeder Livestock	2,151	3,597	2,690
Breeding stock	4,607	5,610	6,751
Cull stock	4,101	5,149	7,467
Other livestock	3,116	5,532	11,477
Crop sales	15,991	14,982	20,150
Custom work	1,416	1,407	1,219
Other Farm Revenue	4,471	6,103	8,443
<b>TOTAL CASH REVENUE</b>	<b>\$278,219</b>	<b>\$367,301</b>	<b>\$539,167</b>
Change in Accounts Receivable	436	2,276	5,177
Changes in Inventory	-4,411	3,607	12,533
<b>TOTAL FARM REVENUE</b>	<b>\$274,244</b>	<b>\$373,184</b>	<b>\$556,877</b>
<b>EXPENSES</b>			
<b>VARIABLE EXPENSES</b>			
Livestock - Purchased Livestock	3,207	3,108	3,848
Pur.Feed-Conc., Grain & Forage	35,298	49,552	76,670
Animal Health & Breeding	11,268	12,888	17,430
Other (Lvsk Stabztn, Barn Sppls)	10,646	10,642	12,082
Crop Inputs - Seed & Plants	5,707	6,594	8,306
Fertilizer & Lime	7,373	8,323	10,815
Pesticides & Other Chemicals	2,820	3,353	4,521
Containers And Twine	1,343	1,656	2,271
Other (Stabztn, Insurance Etc.)	562	943	1,211
Marketing & Transportation Costs	15,511	21,098	31,374
Custom Work, Equipment Rent	9,745	10,552	13,027
Hired Labour	37,136	35,448	55,914
Machinery & Equipment- Fuel & Oil	9,044	11,136	15,167
Machinery & Equipment- Repairs	15,639	16,207	19,967
Motor Vehicle Expenses	2,198	3,134	3,459
Building, Fence Repairs	8,636	8,333	9,603
Heating Fuel	1,095	990	879
Electricity & Telephone	8,914	10,118	13,183
Accounting, Office Expenses	5,387	4,457	4,905
Interest (Operating)	3,629	3,607	3,328
Other Cash Operating Expenses	3,709	4,831	7,466
Change in Payables	1,749	-2,569	-7,546
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$200,616</b>	<b>\$224,401</b>	<b>\$307,880</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$73,628</b>	<b>\$148,783</b>	<b>\$248,997</b>
<b>FIXED EXPENSES</b>			
Property Taxes,Fire & Liab. Ins	9,644	10,959	13,734
Lease & Rent Payments	5,097	4,066	4,447
Interest (Term)	17,424	25,191	39,346
Change in Interest Arrears	0	10	29
Depreciation	34,274	38,804	47,138
<b>TOTAL FIXED EXPENSES</b>	<b>66,439</b>	<b>79,030</b>	<b>104,694</b>
<b>TOTAL EXPENSES</b>	<b>267,055</b>	<b>303,431</b>	<b>412,574</b>
- Less Personal Share of Expenses	-403	-650	-752
<b>TOTAL FARM EXPENSES</b>	<b>\$266,652</b>	<b>\$302,781</b>	<b>\$411,822</b>
<b>NET FARM INCOME</b>	<b>\$7,592</b>	<b>\$70,403</b>	<b>\$145,055</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)

<b>FARM ASSETS</b>	<b>Low 59 Farms</b>	<b>Avg 177 Farms</b>	<b>High 59 Farms</b>
<b>Current Assets:</b>			
Cash (On Hand And In Bank)	-6,325	-1,548	4,538
Accounts Receivable	17,858	24,897	38,437
Market & Feeder Livestock	2,139	2,453	2,120
Home-Grown Crops	43,231	51,216	69,797
Purchased Feed & Supplies	2,272	2,764	3,631
Other Current Assets	0	0	0
<b>..Total Current Assets</b>	<b>\$59,175</b>	<b>\$79,782</b>	<b>\$118,523</b>
<b>Long Term Assets</b>			
Breeding Livestock	113,868	138,195	192,972
Market Quota	1,023,450	1,386,291	2,068,412
Field Machinery	209,665	219,300	250,191
Barn Equipment	58,784	72,581	90,899
Farm Buildings	145,162	191,358	257,242
Land	436,161	542,882	671,383
Other Long Term Assets	19,632	29,405	29,221
<b>..Total Long Term Assets</b>	<b>\$2,006,722</b>	<b>\$2,580,012</b>	<b>\$3,560,320</b>
<b>TOTAL FARM ASSETS</b>	<b>\$2,065,897</b>	<b>\$2,659,794</b>	<b>\$3,678,843</b>
<b>LIABILITIES</b>			
Accounts Payable	14,973	10,625	7,919
Interest Arrears	0	71	213
Operating Credit	14,477	19,234	29,648
Current Portion Of Term Debt	32,342	42,811	59,245
<b>..Total Current Liabilities</b>	<b>\$61,792</b>	<b>\$72,741</b>	<b>\$97,025</b>
<b>Term Debt</b>	<b>305,223</b>	<b>364,678</b>	<b>469,953</b>
<b>TOTAL FARMLIABILITIES</b>	<b>\$367,015</b>	<b>\$437,419</b>	<b>\$566,978</b>
<b>EQUITY IN FARM BUSINESS</b>	<b>\$1,698,882</b>	<b>\$2,222,375</b>	<b>\$3,111,865</b>

**MEASURES OF FINANCIAL STRENGTH**

...from the balance sheet at year end

Percent Equity	82.23%	83.55%	84.59%
Working Capital	-\$2,617	\$7,041	\$21,498
Current Ratio    xx:1	0.96	1.10	1.22
Debt Structure	16.84%	16.63%	17.11%
Debt to Asset Ratio   xx:1	0.18	0.16	0.15
Debt to Equity Ratio   xx:1	0.22	0.20	0.18

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

<b>MEASURES OF PERFORMANCE EFFICIENCY</b>	<b>Low 59 Farms</b>	<b>Avg 177 Farms</b>	<b>High 59 Farms</b>
Capital Turnover(years)	8.76	8.30	7.72
Value of Farm Production	\$235,739	\$320,524	\$476,359
Cost per dollar of VFP	\$0.82	\$0.66	\$0.60
Cost Control Index	2.8%	18.9%	26.0%

**EXPENSES & NFI RELATIVE TO VFP**

(Adj.Prod. Cst.- Int) / VFP	73.3%	56.9%	50.7%
Depreciation / VFP	14.5%	12.1%	9.9%
Interest / VFP	8.9%	9.0%	9.0%
Net Income / VFP	3.2%	22.0%	30.5%
Interest & Principal / V.F.P.	49.4%	55.5%	63.8%

**MEASURES OF PROFITABILITY**

Net Farm Income	\$7,592	\$70,403	\$145,055
Return on Total Assets	1.39%	3.73%	5.10%
Return to Equity	0.45%	3.17%	4.66%
Return on Investment (at \$36000 per person)	-0.82%	1.81%	3.88%
Return to Owners Labour (at 5.0% investment rate)	-\$74,650	-\$33,789	\$3,787

<b>Person Equivalents for the Farm</b>	2.3	2.4	2.8
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**DEBT SERVICING CAPACITY ANALYSIS**

<b>Cash Revenue minus Cash Expenses</b>	\$47,187	\$100,115	\$166,214
plus Interest Payment	21,053	28,798	42,674
plus Non-Farm Revenue	24,732	16,269	17,891
minus Owners Withdrawals & Income Tax	-34,184	-57,835	-92,894
<b>Cash Avail. for Debt Serv. and Cap. Purc.</b>	\$58,788	\$87,347	\$133,885
minus committed Interest & Principal *	-56,956	-79,084	-114,485
minus Reserve for Capital Purchases (Depreciation)	-34,274	-38,804	-47,138
<b>Available After Reserve to Service Additional Debt</b>	-\$32,442	-\$30,541	-\$27,738

**PHYSICAL SUMMARY FOR THE DAIRY ENTERPRISE**

Average Number of Cows	54.5	66.1	90.6
Total hectolitre Milk Sold	3,834	5,081	7,487
Milk Sold Per Cow (litres)	7,035	7,687	8,264
Milk Sold Per Person (Enterprise)	225,529	298,900	374,360
Milk Sold Per Person (Whole Farm)	166,696	211,721	267,400
Avg Cows/Person (Dairy Enterprise)	32.1	38.9	45.3
Average Somatic Cell Count	229,365	210,972	200,727
Calving Interval	13.70	13.62	13.54
Herd Turnover	28.8	31.0	32.9
Heifer Age at First Calving (Months)	25.28	25.81	25.54
Total Butterfat Sold (Kg)	15,348	20,070	29,367
Butterfat Sold per Cow (Kg)	279.7	298.9	324.5
Total Protein Sold (Kg)	12,814	16,893	24,830
Protein Sold per Cow (Kg)	233.6	251.1	274.3

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**

(PER COW BASIS)

<b>REVENUE</b>	<b>Low 59 Farms</b>	<b>Avg 177 Farms</b>	<b>High 59 Farms</b>
Product Sales	\$4,447.71	\$4,916.10	\$5,309.44
Market Livestock	6.15	7.97	10.10
Feeder Livestock	12.09	18.38	17.99
Breeding Livestock	82.22	81.86	74.51
Cull Stock	75.03	77.84	82.42
Other Livestock Enterprise Sales	8.97	7.99	7.91
- Livestock Purchased	-55.93	-44.64	-40.61
+ Inventory Change	-10.06	31.09	63.72
+ Change in Receivables	8.00	33.80	55.74
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$4,574.18</b>	<b>\$5,130.38</b>	<b>\$5,581.23</b>
<b>VARIABLE EXPENSES</b>			
<b>Livestock Expenses:</b>			
Purchased feed & grain	607.12	703.16	816.90
Purchased forages	8.33	6.72	6.34
Home-grown grains transferred	255.36	254.47	226.19
Home-grown forages transferred	881.36	820.60	787.08
<b>Total Feed Cost</b>	<b>\$1,752.17</b>	<b>\$1,784.95</b>	<b>\$1,836.51</b>
Animal Health & Breeding	205.89	194.72	192.38
Other (Stabilization, Supplies)	180.75	149.49	126.87
Marketing, Transportation	279.38	312.13	338.25
Custom Work, Equipment Rent	42.75	42.42	37.79
Hired Labour	450.46	350.65	398.30
Machinery & Equip.- Fuel & Oil	23.76	29.94	39.09
Machinery & Equipment- Repair	71.63	60.65	56.23
Motor Vehicle Expenses	16.29	18.43	15.00
Building, Fence Repairs	135.03	107.29	90.98
Heating Fuel	4.40	3.95	3.26
Electricity & Telephone	126.79	118.49	113.52
Accounting, Office Expenses	62.92	43.45	35.00
Interest - Operating	22.86	19.64	15.62
Other Cash Variable Expenses	42.28	34.72	26.79
Change in Payables	32.09	-38.85	-83.25
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$3,449.45</b>	<b>\$3,232.06</b>	<b>\$3,242.34</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$1,124.73</b>	<b>\$1,898.32</b>	<b>\$2,338.89</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	119.47	111.30	101.74
Lease & Rent Payments	20.26	11.63	7.88
Interest - Term	177.58	217.20	250.73
Depreciation	217.54	226.31	215.67
<b>TOTAL FIXED EXPENSES</b>	<b>534.84</b>	<b>566.44</b>	<b>576.03</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$3,984.30</b>	<b>\$3,798.50</b>	<b>\$3,818.36</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$589.89</b>	<b>\$1,331.87</b>	<b>\$1,762.86</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**

(PER HECTOLITRE BASIS)

<b>REVENUE</b>	<b>Low 59 Farms</b>	<b>Avg 177 Farms</b>	<b>High 59 Farms</b>
Product Sales	\$63.22	\$63.95	\$64.25
Market Livestock	0.09	0.10	0.12
Feeder Livestock	0.17	0.24	0.22
Breeding Livestock	1.17	1.06	0.90
Cull Stock	1.07	1.01	1.00
Other Livestock Enterprise Sales	0.13	0.10	0.10
- Livestock Purchased	-0.79	-0.58	-0.49
+ Inventory Change	-0.14	0.40	0.77
+ Change in Receivables	0.11	0.44	0.67
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$65.02</b>	<b>\$66.74</b>	<b>\$67.54</b>
<b>VARIABLE EXPENSES</b>			
Livestock Expenses:			
Purchased feed & grain	8.63	9.15	9.89
Purchased forages	0.12	0.09	0.08
Home-grown grains transferred	3.63	3.31	2.74
Home-grown forages transferred	12.53	10.67	9.52
<b>Total Feed Cost</b>	<b>\$24.91</b>	<b>\$23.22</b>	<b>\$22.22</b>
Animal Health & Breeding	2.93	2.53	2.33
Other (Stabilization, Supplies)	2.57	1.94	1.54
Marketing, Transportation	3.97	4.06	4.09
Custom Work, Equipment Rent	0.61	0.55	0.46
Hired Labour	6.40	4.56	4.82
Machinery & Equip.- Fuel & Oil	0.34	0.39	0.47
Machinery & Equipment- Repair	1.02	0.79	0.68
Motor Vehicle Expenses	0.23	0.24	0.18
Building, Fence Repairs	1.92	1.40	1.10
Heating Fuel	0.06	0.05	0.04
Electricity & Telephone	1.80	1.54	1.37
Accounting, Office Expenses	0.89	0.57	0.42
Interest - Operating	0.32	0.26	0.19
Other Cash Variable Expenses	0.60	0.45	0.32
Change in Payables	0.46	-0.51	-1.01
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$49.03</b>	<b>\$42.04</b>	<b>\$39.23</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$15.99</b>	<b>\$24.69</b>	<b>\$28.30</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	1.70	1.45	1.23
Lease & Rent Payments	0.29	0.15	0.10
Interest - Term	2.52	2.83	3.03
Depreciation	3.09	2.94	2.61
<b>TOTAL FIXED EXPENSES</b>	<b>7.60</b>	<b>7.37</b>	<b>6.97</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$56.64</b>	<b>\$49.41</b>	<b>\$46.20</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$8.39</b>	<b>\$17.33</b>	<b>\$21.33</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**  
(PER KILOGRAM BUTTERFAT BASIS)

<b>REVENUE</b>	<b>Low 59 Farms</b>	<b>Avg 177 Farms</b>	<b>High 59 Farms</b>
Product Sales	\$15.79	\$16.19	\$16.38
Market Livestock	0.02	0.03	0.03
Feeder Livestock	0.04	0.06	0.06
Breeding Livestock	0.29	0.27	0.23
Cull Stock	0.27	0.26	0.25
Other Livestock Enterprise Sales	0.03	0.03	0.02
- Livestock Purchased	-0.20	-0.15	-0.13
+ Inventory Change	-0.04	0.10	0.20
+ Change in Receivables	0.03	0.11	0.17
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$16.24</b>	<b>\$16.90</b>	<b>\$17.22</b>
<b>VARIABLE EXPENSES</b>			
Livestock Expenses:			
Purchased feed & grain	2.16	2.32	2.52
Purchased forages	0.03	0.02	0.02
Home-grown grains transferred	0.91	0.84	0.70
Home-grown forages transferred	3.13	2.70	2.43
<b>Total Feed Cost</b>	<b>\$6.22</b>	<b>\$5.88</b>	<b>\$5.67</b>
Animal Health & Breeding	0.73	0.64	0.59
Other (Stabilization, Supplies)	0.64	0.49	0.39
Marketing, Transportation	0.99	1.03	1.04
Custom Work, Equipment Rent	0.15	0.14	0.12
Hired Labour	1.60	1.15	1.23
Machinery & Equip.- Fuel & Oil	0.08	0.10	0.12
Machinery & Equipment- Repair	0.25	0.20	0.17
Motor Vehicle Expenses	0.06	0.06	0.05
Building, Fence Repairs	0.48	0.35	0.28
Heating Fuel	0.02	0.01	0.01
Electricity & Telephone	0.45	0.39	0.35
Accounting, Office Expenses	0.22	0.14	0.11
Interest - Operating	0.08	0.06	0.05
Other Cash Variable Expenses	0.15	0.11	0.08
Change in Payables	0.11	-0.13	-0.26
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$12.25</b>	<b>\$10.64</b>	<b>\$10.00</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$3.99</b>	<b>\$6.25</b>	<b>\$7.22</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	0.42	0.37	0.31
Lease & Rent Payments	0.07	0.04	0.02
Interest - Term	0.63	0.72	0.77
Depreciation	0.77	0.75	0.67
<b>TOTAL FIXED EXPENSES</b>	<b>1.90</b>	<b>1.87</b>	<b>1.78</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$14.15</b>	<b>\$12.51</b>	<b>\$11.78</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$2.09</b>	<b>\$4.39</b>	<b>\$5.44</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**CROP ENTERPRISE REPORT**

(PER TILLABLE ACRE BASIS)

<b>REVENUE</b>	<b>Low 59 Farms</b>	<b>Avg 177 Farms</b>	<b>High 59 Farms</b>
Wheat	\$5.09	\$5.65	\$7.34
Spring Grains	2.59	4.99	7.04
Grain Corn	26.21	11.04	2.40
Soybeans	8.24	5.89	5.86
Forage	4.79	7.75	9.60
Fruits	0.00	0.00	0.00
Vegetables	0.00	1.29	2.75
Homegrown Seed	0.06	0.02	0.00
Other Crop Sales & Custom Work	2.17	5.77	9.92
Crop Insurance	0.13	0.46	0.40
Crop Stabilization	0.18	0.49	0.64
Value grains fed to livestock	44.02	48.77	46.41
Value forages fed to livestock	155.79	157.23	159.54
+ Inventory change	-11.95	4.30	15.12
+ Change in receivables	0.00	0.00	0.00
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$237.33</b>	<b>\$253.65</b>	<b>\$267.02</b>
<b>EXPENSES</b>			
<b>VARIABLE EXPENSES</b>			
Seed & Plants	17.65	18.97	18.81
Fertilizer & Lime	22.81	23.94	24.49
Pesticides & Other Chemicals	8.72	9.65	10.24
Containers And Twine	4.15	4.76	5.14
Other (Stabztn, Insurance Etc.)	1.74	2.71	2.74
Marketing & Transportation	0.88	1.10	1.36
Custom Work, Equipment Rent	22.94	22.26	21.71
Hired Labour	38.93	33.46	40.71
Machinery & Equip - Fuel & Oil	23.97	25.84	25.47
Machinery & Equipment- Repair	36.30	35.05	33.62
Motor Vehicle Expenses	4.05	5.10	4.46
Building, Fence Repairs	3.95	3.48	3.08
Heating Fuel	2.11	1.75	1.17
Electricity & Telephone	6.20	6.37	6.24
Accounting, Office Expenses	6.06	4.50	3.78
Interest (Operating)	7.37	6.64	4.33
Other Variable Cash Expenses	3.82	3.50	2.84
Change in Payables	0.00	0.00	0.00
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$211.65</b>	<b>\$209.08</b>	<b>\$210.19</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$25.67</b>	<b>\$44.57</b>	<b>\$56.83</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	9.69	10.30	10.23
Lease & Rent Payments	12.35	9.48	8.45
Interest (Term)	23.96	31.16	37.63
Depreciation	69.34	68.57	62.43
<b>TOTAL FIXED EXPENSES</b>	<b>\$115.34</b>	<b>\$119.51</b>	<b>\$118.74</b>
<b>TOTAL EXPENSES</b>	<b>\$326.99</b>	<b>\$328.59</b>	<b>\$328.93</b>
<b>NET ENTERPRISE INCOME</b>	<b>-\$89.67</b>	<b>-\$74.94</b>	<b>-\$61.91</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**CROPS GROWN AND FED REPORT**

**CROP ACRES AND YIELDS**

CROP	Low 59 Farms			Avg 177 Farms			High 59 Farms		
	Acres Grown	Total Yield	Yield per Acre	Acres Grown	Total Yield	Yield per Acre	Acres Grown	Total Yield	Yield per Acre
Wheat	10.1	11.2	1.1	10.9	16.6	1.5	15.7	28.5	1.8
Spring grains	50.9	66.9	1.3	64.7	92.6	1.4	83.0	131.5	1.6
Grain corn	34.4	116.8	3.4	24.9	85.1	3.4	19.4	71.0	3.7
Soybeans	20.1	20.7	1.0	15.5	14.2	0.9	16.3	11.4	0.7
Straw	xxx.x	28.1		xxx.x	36.8		xxx.x	45.0	
Other Crop	1.6	1.3	0.8	6.2	7.2	1.2	10.1	11.1	1.1
Other Crop	1.7	6.7	3.9	3.4	16.5	4.9	7.9	41.4	5.2
Corn silage	16.8	216.6	12.9	21.3	277.7	13.0	29.5	389.4	13.2
Hay	164.1	174.0	2.3	182.6	163.1	2.6	246.2	188.5	2.6
Haylage	xxx.x	423.1		xxx.x	608.3		xxx.x	904.1	
Tillable pasture	23.6			18.1			13.5		
Rough pasture	46.2			30.7			29.6		
Non Crop Land	74.8			84.1			95.6		
Total Acres	444.3			462.4			566.8		
Tillable Acres reported	323.3			347.6			441.6		
Calculated Tillable Acres	323.3			347.6			441.6		

**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	133	2	1	148	2	1	192
Spring grains	55	6,204	114	74	8,339	126	97	11,006	121
Grain corn	55	6,105	112	64	7,082	107	72	8,003	88
Soybeans	5	1,396	26	3	980	15	4	1,099	12
Straw	32	2,393	44	35	2,655	40	41	3,083	34
Other Crop	1	79	1	2	271	4	2	192	2
Other Crop	15	888	16	19	1,146	17	37	2,214	24
Corn silage	194	5,432	100	257	7,196	109	360	10,080	111
Hay	164	16,072	295	139	13,651	207	147	14,435	159
Haylage	457	21,941	403	588	28,243	427	836	40,104	443
Tillable pasture	12	744	14	15	870	13	13	774	9
Rough pasture	23	565	10	19	480	7	25	620	7
<b>Total</b>		<b>61,951</b>	<b>1,137</b>		<b>71,062</b>	<b>1,075</b>		<b>91,803</b>	<b>1,013</b>

**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	134	1	147	4	158
Feeder & Market Livestock		39		37		23
Breeding Stock		2,089		2,091		2,130
Market quota	0	18,779	0	20,973	0	22,830
Machinery & Equipment	649	1,079	631	1,098	567	1,003
Land & Farm buildings	1,439	2,131	1,671	2,315	1,636	2,270
Enterprise Assets/Unit	2,221	24,446	2,451	26,893	2,360	28,684
Total Enterprise Assets	718089	1332286	852026	1777657	1042362	2598784
<b>Debt per Acre &amp; per Cow</b>	<b>1,135</b>	<b>6,734</b>	<b>1,258</b>	<b>6,618</b>	<b>1,284</b>	<b>6,258</b>