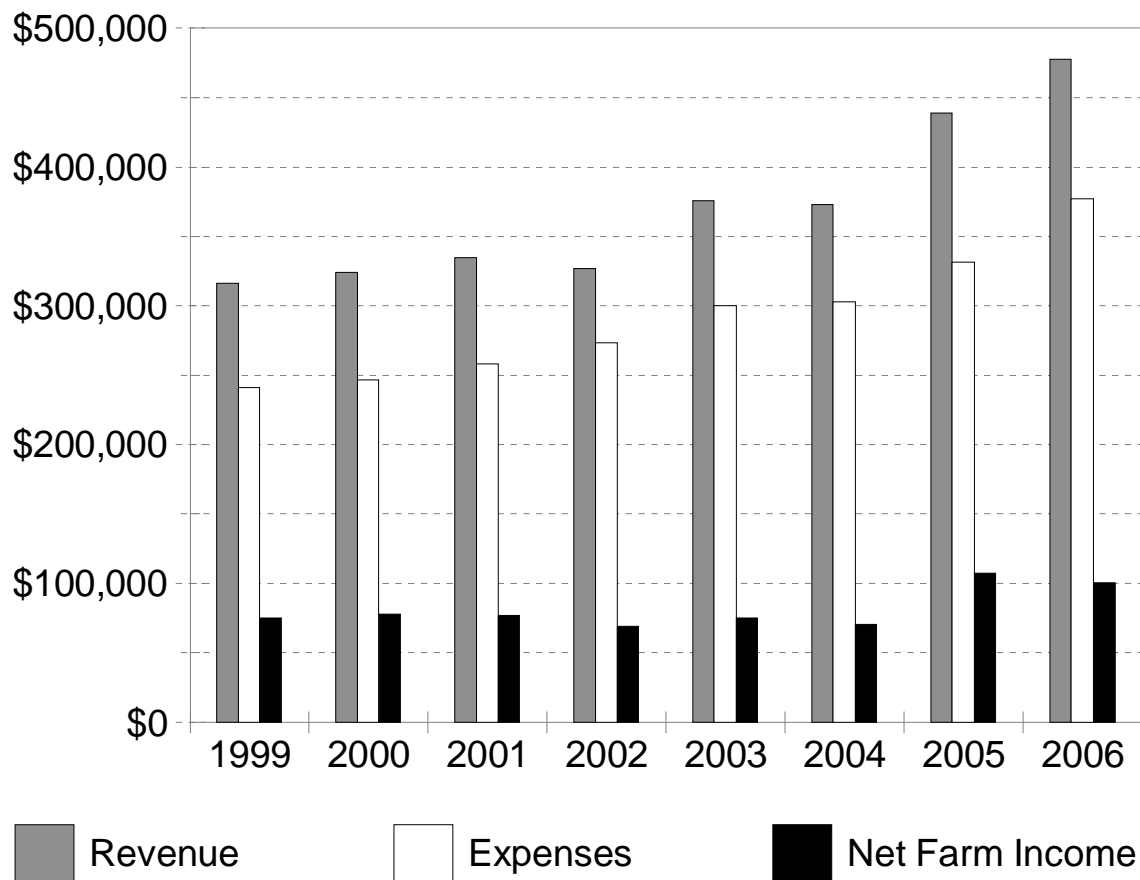


# Ontario Dairy Summary 2006



## **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 74 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@ontario.ca](mailto:ag.info@ontario.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) =  $\frac{\text{Total Expenses-Depreciation-Feed Purchased-Livestock Purchased}}{\text{Value of Farm Production}}$
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 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 2006

CROP	Beginning		Transfer		Ending	
	\$ per tonne	\$ per bushel	\$ per tonne	\$ per bushel	\$ per tonne	\$ per bushel
Oats	120	1.85	128	1.97	135	2.08
Barley	120	2.61	128	2.79	135	2.94
Soybeans	240	6.53	250	6.80	260	7.08
Shelled Corn	110	2.79	130	3.30	150	3.81
Mixed Grains	110	2.00	113	2.05	115	2.09
Feed Wheat	144	3.92	165	4.49	185	5.03
Hay	110		110		110	
Straw	90		90		90	
Corn Silage	30		33		35	
Haylage	55		55		55	
Grainlage	30		33		35	
Pasture			60			
Rough Pasture			25			

**SUMMARY OF ONTARIO DAIRY FARMS**

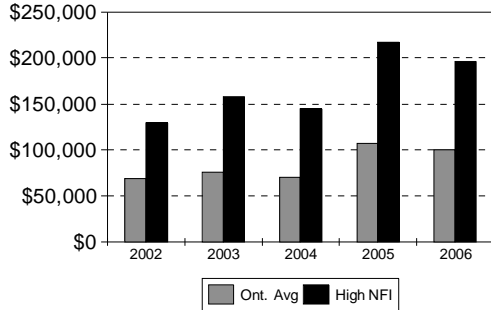
**5 Year Summary**

Years:            **2002**            **2003**            **2004**            **2005**            **2006**

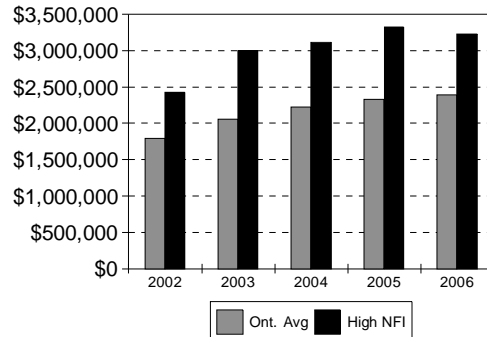
**Farm Income Statement**

Total Cash Revenue	\$326,509	\$367,149	\$367,301	\$431,713	\$460,257
Total Farm Revenue	342,501	375,683	373,184	438,700	477,491
Total Cash Expenses	\$236,647	\$262,655	\$271,523	\$283,938	\$329,200
Change in Current Payables	1,704	-60	-7,546	1,461	2,349
Depreciation	35,449	38,634	38,804	45,897	45,471
Total Farm Expenses	273,423	300,212	302,781	331,367	377,171
<b>NET FARM INCOME</b>	<b>\$69,078</b>	<b>\$75,471</b>	<b>\$70,403</b>	<b>\$107,333</b>	<b>\$100,320</b>

**Income**



**Equity**



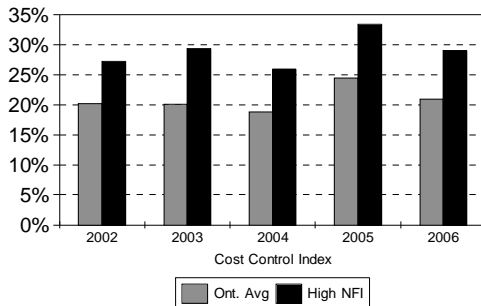
**Farm Balance Sheet (Year End)**

Total Assets	\$2,178,378	\$2,583,313	\$2,659,794	\$2,924,218	\$3,099,087
Total Liabilities	380,165	522,722	437,419	589,349	706,648
Equity in Farm Business	\$1,798,213	\$2,060,591	\$2,222,375	\$2,334,869	\$2,392,439
Percent Equity	82.6%	79.8%	83.6%	79.9%	77.2%
Net Capital Purchases (-Sales)	80,426	104,704	93,177	103,973	99,781
Net Withdrawals (-Contributions)	43,179	38,529	41,566	42,381	43,116

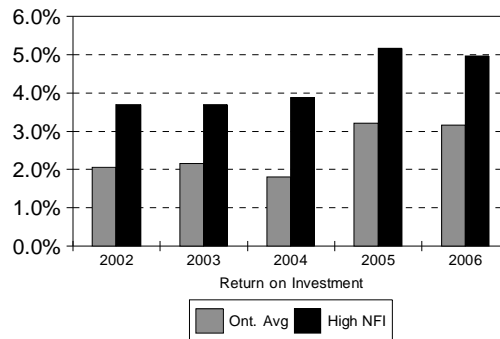
**Farm Business Analysis Section**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Return on Investment	2.1%	2.2%	1.8%	3.2%	3.2%
Capital Turnover VFP (years)	7.5	8.1	8.3	7.7	7.4
Cost Control Index	20.2%	20.1%	18.9%	24.5%	21.0%
Current Ratio :1	0.6	1.0	1.1	1.2	1.1
Working Capital	-\$63,588	-\$1,801	\$7,041	\$14,618	\$9,804
Debt Servicing Capacity	\$36,963	\$58,887	\$48,543	\$76,496	\$86,414
Term & Operating Interest Paid	\$25,687	\$31,556	\$28,798	\$36,209	\$43,944

**Cost Control**



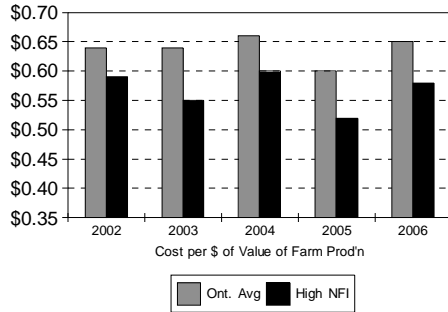
**R.O.I.**



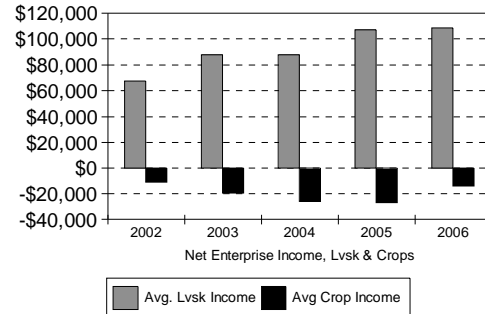
# SUMMARY OF ONTARIO DAIRY FARMS 5 Year Summary

Value of Farm Production Analysis	2002	2003	2004	2005	2006
Cost per Dollar of VFP	\$0.64	\$0.64	\$0.66	\$0.60	\$0.65
Value of Farm Production	\$292,121	\$319,284	\$320,524	\$380,360	\$421,154
(Adj Op. Cost - Int.)/VFP	55.4%	54.4%	56.9%	50.2%	54.9%
Depreciation / VFP	12.1%	12.1%	12.1%	12.1%	10.8%
Interest / VFP	8.8%	9.9%	9.0%	9.5%	10.4%
Net Farm Income / VFP	23.6%	23.6%	22.0%	28.2%	23.8%

**Cost Per Dollar**



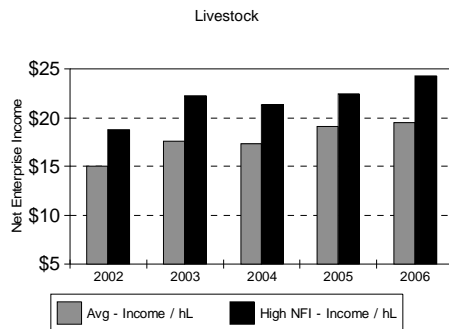
**Livestock & Crop Income**



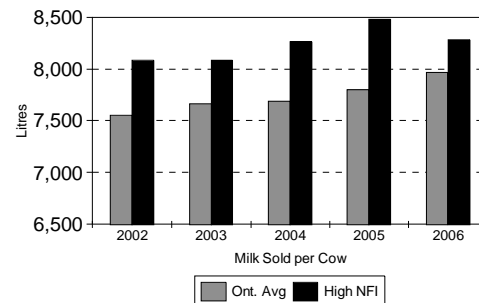
## Crop Enterprise Report

Tillable Acres	316	341	348	394	379
Debt per Tillable Acre	\$1,199	\$1,532	\$1,258	\$1,497	\$1,945
Machinery & Equip Repair / Acre	\$34.02	\$34.66	\$35.05	\$33.92	\$39.83
Val Of Enterprise Production / Acre	\$271.72	\$269.48	\$253.65	\$264.38	\$361.69
Variable Expenses / Acre	190.31	200.82	209.82	204.24	245.60
Depreciation / Acre	68.36	68.73	68.57	71.92	78.61
Fixed Expenses / Acre	117.02	124.64	119.51	128.53	152.76
Net Enterprise Income / Acre	-35.62	-55.97	-74.94	-68.39	-36.67
Total Crop Enterprise Income	-\$11,267	-\$19,114	-\$26,064	-\$26,925	-\$13,887

**Enterprise Income**



**Production**



## Livestock Enterprise Report

Value of Enterprise Prod'n / hL	\$66.02	\$67.16	\$66.74	\$70.52	\$73.06
Feed Cost / hL	23.69	23.35	23.22	23.46	22.92
Variable Expenses / hL	43.44	42.00	42.04	43.36	44.59
Depreciation / hL	3.06	3.02	2.94	3.13	3.03
Fixed Expenses / hL	7.55	7.57	7.37	8.05	8.94
Net Enterprise Income / hL	15.03	17.58	17.33	19.10	19.53
Total Livestock Enterprise Income	\$67,734	\$87,936	\$88,059	\$107,260	\$108,954
Average Number of Cows	59.7	65.3	66.1	72.0	70.0
Litres of Milk Sold	450,780	500,390	508,130	561,570	557,780
Milk Sold Per Cow	7,551	7,663	7,687	7,800	7,968
Avg Cows Per Person (Farm)	27.1	28.4	27.5	30.0	29.2
Value of Ent. Prod'n / Cow	\$4,985	\$5,146	\$5,130	\$5,500	\$5,822
Net Enterprise Income / Cow	\$1,135	\$1,347	\$1,332	\$1,490	\$1,556

**SUMMARY OF ONTARIO DAIRY FARMS**

**FARM INCOME STATEMENT**

<b>REVENUE</b>	<b>Low 38 Farms</b>	<b>Avg 115 Farms</b>	<b>High 38 Farms</b>
Product sales-milk,subsidy	273,333	393,502	558,834
Market & Feeder Livestock	10,133	6,737	4,807
Breeding stock	3,763	4,956	5,774
Cull stock	6,071	8,031	11,485
Other livestock	90	4,297	12,828
Crop sales	26,725	32,952	38,081
Custom work	3,642	2,869	4,086
Other Farm Revenue	3,093	6,913	11,701
<b>TOTAL CASH REVENUE</b>	<b>\$326,850</b>	<b>\$460,257</b>	<b>\$647,596</b>
Change in Accounts Receivable	-1,104	372	762
Changes in Inventory	14,390	16,862	27,088
<b>TOTAL FARM REVENUE</b>	<b>\$340,136</b>	<b>\$477,491</b>	<b>\$675,446</b>
<b>EXPENSES</b>			
<b>VARIABLE EXPENSES</b>			
Livestock - Purchased Livestock	12,449	8,868	10,927
Pur.Feed-Conc., Grain & Forage	38,580	47,469	63,157
Animal Health & Breeding	11,982	16,172	20,638
Other (Lvsk Stabztn, Barn Sppls)	11,331	14,306	18,188
Crop Inputs - Seed & Plants	7,009	8,605	9,607
Fertilizer & Lime	9,720	11,328	14,771
Pesticides & Other Chemicals	3,670	5,422	7,577
Containers And Twine	1,288	1,648	1,536
Other (Stabztn, Insurance Etc.)	1,234	1,275	1,503
Marketing & Transportation Costs	18,486	26,183	37,737
Custom Work, Equipment Rent	9,822	13,314	17,033
Hired Labour	28,837	39,938	51,090
Machinery & Equipment- Fuel & Oil	11,791	15,435	19,842
Machinery & Equipment- Repairs	16,360	19,537	21,966
Motor Vehicle Expenses	2,262	3,072	3,399
Building, Fence Repairs	9,538	9,506	11,470
Heating Fuel	1,184	1,308	1,361
Electricity & Telephone	9,924	11,973	14,302
Accounting, Office Expenses	4,880	5,600	6,424
Interest (Operating)	2,074	2,653	3,459
Other Cash Operating Expenses	3,327	5,639	10,293
Change in Payables	15,815	2,349	-6,031
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$231,563</b>	<b>\$271,600</b>	<b>\$340,249</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$108,573</b>	<b>\$205,891</b>	<b>\$335,197</b>
<b>FIXED EXPENSES</b>			
Property Taxes,Fire & Liab. Ins	10,423	12,638	16,613
Lease & Rent Payments	5,115	6,020	7,557
Interest (Term)	31,347	41,291	59,132
Change in Interest Arrears	0	601	1,820
Depreciation	39,661	45,471	54,364
<b>TOTAL FIXED EXPENSES</b>	<b>86,546</b>	<b>106,021</b>	<b>139,486</b>
<b>TOTAL EXPENSES</b>	<b>318,109</b>	<b>377,621</b>	<b>479,735</b>
- Less Personal Share of Expenses	-753	-450	0
<b>TOTAL FARM EXPENSES</b>	<b>\$317,356</b>	<b>\$377,171</b>	<b>\$479,735</b>
<b>NET FARM INCOME</b>	<b>\$22,780</b>	<b>\$100,320</b>	<b>\$195,711</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 38 Farms</b>	<b>Avg 115 Farms</b>	<b>High 38 Farms</b>
<b>Current Assets:</b>			
Cash (On Hand And In Bank)	13,710	-933	-3,132
Accounts Receivable	20,683	30,629	44,789
Market & Feeder Livestock	10,067	5,875	4,441
Home-Grown Crops	62,635	76,931	103,012
Purchased Feed & Supplies	2,602	3,480	5,772
Other Current Assets	0	0	0
<b>..Total Current Assets</b>	<b>\$109,697</b>	<b>\$115,982</b>	<b>\$154,882</b>
<b>Long Term Assets</b>			
Breeding Livestock	77,856	103,701	142,388
Market Quota	1,145,006	1,626,286	2,308,187
Field Machinery	219,011	262,951	309,565
Barn Equipment	78,783	79,730	92,752
Farm Buildings	197,712	222,146	282,653
Land	491,861	669,877	898,071
Other Long Term Assets	18,648	18,414	19,218
<b>..Total Long Term Assets</b>	<b>\$2,228,877</b>	<b>\$2,983,105</b>	<b>\$4,052,834</b>
<b>TOTAL FARM ASSETS</b>	<b>\$2,338,574</b>	<b>\$3,099,087</b>	<b>\$4,207,716</b>
<b>LIABILITIES</b>			
Accounts Payable	27,798	25,013	30,148
Interest Arrears	0	663	2,006
Operating Credit	12,787	14,722	17,510
Current Portion Of Term Debt	47,640	65,780	91,610
<b>..Total Current Liabilities</b>	<b>\$88,225</b>	<b>\$106,178</b>	<b>\$141,274</b>
<b>Term Debt</b>	<b>447,363</b>	<b>600,470</b>	<b>834,675</b>
<b>TOTAL FARMLIABILITIES</b>	<b>\$535,588</b>	<b>\$706,648</b>	<b>\$975,949</b>
<b>EQUITY IN FARM BUSINESS</b>	<b>\$1,802,986</b>	<b>\$2,392,439</b>	<b>\$3,231,767</b>

**MEASURES OF FINANCIAL STRENGTH**

...from the balance sheet at year end

Percent Equity	77.10%	77.20%	76.81%
Working Capital	\$21,472	\$9,804	\$13,608
Current Ratio    xx:1	1.24	1.09	1.10
Debt Structure	16.47%	15.03%	14.48%
Debt to Asset Ratio   xx:1	0.23	0.23	0.23
Debt to Equity Ratio   xx:1	0.30	0.30	0.30

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

<b>MEASURES OF PERFORMANCE EFFICIENCY</b>	<b>Low 38 Farms</b>	<b>Avg 115 Farms</b>	<b>High 38 Farms</b>
Capital Turnover(years)	8.09	7.36	7.00
Value of Farm Production	\$289,107	\$421,154	\$601,362
Cost per dollar of VFP	\$0.78	\$0.65	\$0.58
Cost Control Index	6.7%	21.0%	29.0%

**EXPENSES & NFI RELATIVE TO VFP**

(Adj.Prod. Cst.- Int) / VFP	66.8%	54.9%	48.0%
Depreciation / VFP	13.7%	10.8%	9.0%
Interest / VFP	11.6%	10.4%	10.4%
Net Income / VFP	7.9%	23.8%	32.5%
Interest & Principal / V.F.P.	46.8%	44.1%	43.5%

**MEASURES OF PROFITABILITY**

Net Farm Income	\$22,780	\$100,320	\$195,711
Return on Total Assets	2.40%	4.66%	6.14%
Return to Equity	1.26%	4.19%	6.06%
Return on Investment (at \$36000 per person)	0.40%	3.16%	4.96%
Return to Owners Labour (at 5.0% investment rate)	-\$60,728	-\$10,690	\$47,916

<b>Person Equivalents for the Farm</b>	2.1	2.4	2.8
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**DEBT SERVICING CAPACITY ANALYSIS**

<b>Cash Revenue minus Cash Expenses</b>	\$64,217	\$131,057	\$218,014
plus Interest Payment	33,421	43,944	62,591
plus Non-Farm Revenue	8,217	19,146	37,477
minus Owners Withdrawals & Income Tax	-27,857	-62,262	-107,997
<b>Cash Avail. for Debt Serv. and Cap. Purc.</b>	\$77,998	\$131,885	\$210,085
minus committed Interest & Principal *	-81,977	-113,058	-158,734
minus Reserve for Capital Purchases (Depreciation)	-39,661	-45,471	-54,364
<b>Available After Reserve to Service Additional Debt</b>	-\$43,640	-\$26,644	-\$3,013

**PHYSICAL SUMMARY FOR THE DAIRY ENTERPRISE**

Average Number of Cows	52.4	70.0	95.9
Total hectolitre Milk Sold	3,881	5,578	7,944
Milk Sold Per Cow (litres)	7,406	7,968	8,284
Milk Sold Per Person (Enterprise)	258,720	309,878	397,210
Milk Sold Per Person (Whole Farm)	184,800	232,408	283,721
Avg Cows/Person (Dairy Enterprise)	34.9	38.9	48.0
Average Somatic Cell Count	229,351	222,146	219,636
Calving Interval	13.81	13.69	13.41
Herd Turnover	32.9	34.2	31.4
Heifer Age at First Calving (Months)	26.69	26.51	26.15
Total Butterfat Sold (Kg)	15,230	22,016	31,377
Butterfat Sold per Cow (Kg)	291.0	311.7	328.4
Total Protein Sold (Kg)	12,878	18,442	26,127
Protein Sold per Cow (Kg)	245.4	261.7	273.6

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**

(PER COW BASIS)

<b>REVENUE</b>	<b>Low 38 Farms</b>	<b>Avg 115 Farms</b>	<b>High 38 Farms</b>
Product Sales	\$5,217.84	\$5,622.54	\$5,827.26
Market Livestock	15.86	15.69	12.75
Feeder Livestock	10.10	8.93	5.87
Breeding Livestock	71.81	70.71	60.21
Cull Stock	115.86	114.01	119.76
Other Livestock Enterprise Sales	0.38	0.10	0.00
- Livestock Purchased	-93.15	-67.89	-74.22
+ Inventory Change	97.16	51.84	67.02
+ Change in Receivables	-21.07	5.57	8.49
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$5,414.79</b>	<b>\$5,821.51</b>	<b>\$6,027.13</b>
<b>VARIABLE EXPENSES</b>			
<b>Livestock Expenses:</b>			
Purchased feed & grain	652.50	626.96	631.03
Purchased forages	5.99	3.77	1.53
Home-grown grains transferred	256.93	278.01	254.44
Home-grown forages transferred	922.73	917.61	941.19
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<b>Total Feed Cost</b>	<b>\$1,838.15</b>	<b>\$1,826.35</b>	<b>\$1,828.19</b>
Animal Health & Breeding	227.02	230.47	215.20
Other (Stabilization, Supplies)	203.80	193.14	181.22
Marketing, Transportation	347.46	362.70	375.78
Custom Work, Equipment Rent	47.94	53.29	45.55
Hired Labour	353.36	364.27	328.77
Machinery & Equip.- Fuel & Oil	21.18	52.51	61.05
Machinery & Equipment- Repair	85.21	70.71	57.39
Motor Vehicle Expenses	16.41	15.79	13.31
Building, Fence Repairs	155.86	114.77	100.15
Heating Fuel	3.63	3.73	3.16
Electricity & Telephone	148.84	132.30	114.01
Accounting, Office Expenses	60.84	52.21	42.67
Interest - Operating	15.00	15.77	15.61
Other Cash Variable Expenses	44.41	31.31	20.99
Change in Payables	301.81	33.56	-62.89
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$3,870.91</b>	<b>\$3,552.89</b>	<b>\$3,340.17</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$1,543.88</b>	<b>\$2,268.62</b>	<b>\$2,686.97</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	137.60	123.14	117.18
Lease & Rent Payments	26.15	14.83	10.86
Interest - Term	359.16	332.93	335.83
Depreciation	303.09	241.59	213.98
<b>TOTAL FIXED EXPENSES</b>	<b>825.99</b>	<b>712.49</b>	<b>677.85</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$4,696.91</b>	<b>\$4,265.38</b>	<b>\$4,018.02</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$717.88</b>	<b>\$1,556.14</b>	<b>\$2,009.11</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**DAIRY ENTERPRISE REPORT**  
(PER HECTOLITRE BASIS)

<b>REVENUE</b>	<b>Low 38 Farms</b>	<b>Avg 115 Farms</b>	<b>High 38 Farms</b>
Product Sales	\$70.45	\$70.56	\$70.34
Market Livestock	0.21	0.20	0.15
Feeder Livestock	0.14	0.11	0.07
Breeding Livestock	0.97	0.89	0.73
Cull Stock	1.56	1.43	1.45
Other Livestock Enterprise Sales	0.01	0.00	0.00
- Livestock Purchased	-1.26	-0.85	-0.90
+ Inventory Change	1.31	0.65	0.81
+ Change in Receivables	-0.28	0.07	0.10
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$73.11</b>	<b>\$73.06</b>	<b>\$72.76</b>
<b>VARIABLE EXPENSES</b>			
Livestock Expenses:			
Purchased feed & grain	8.81	7.87	7.62
Purchased forages	0.08	0.05	0.02
Home-grown grains transferred	3.47	3.49	3.07
Home-grown forages transferred	12.46	11.52	11.36
<b>Total Feed Cost</b>	<b>\$24.82</b>	<b>\$22.92</b>	<b>\$22.07</b>
Animal Health & Breeding	3.07	2.89	2.60
Other (Stabilization, Supplies)	2.75	2.42	2.19
Marketing, Transportation	4.69	4.55	4.54
Custom Work, Equipment Rent	0.65	0.67	0.55
Hired Labour	4.77	4.57	3.97
Machinery & Equip.- Fuel & Oil	0.29	0.66	0.74
Machinery & Equipment- Repair	1.15	0.89	0.69
Motor Vehicle Expenses	0.22	0.20	0.16
Building, Fence Repairs	2.10	1.44	1.21
Heating Fuel	0.05	0.05	0.04
Electricity & Telephone	2.01	1.66	1.38
Accounting, Office Expenses	0.82	0.66	0.52
Interest - Operating	0.20	0.20	0.19
Other Cash Variable Expenses	0.60	0.39	0.25
Change in Payables	4.08	0.42	-0.76
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$52.27</b>	<b>\$44.59</b>	<b>\$40.32</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$20.85</b>	<b>\$28.47</b>	<b>\$32.44</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	1.86	1.55	1.41
Lease & Rent Payments	0.35	0.19	0.13
Interest - Term	4.85	4.18	4.05
Depreciation	4.09	3.03	2.58
<b>TOTAL FIXED EXPENSES</b>	<b>11.15</b>	<b>8.94</b>	<b>8.18</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$63.42</b>	<b>\$53.53</b>	<b>\$48.50</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$9.69</b>	<b>\$19.53</b>	<b>\$24.25</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

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

<b>REVENUE</b>	<b>Low 38 Farms</b>	<b>Avg 115 Farms</b>	<b>High 38 Farms</b>
Product Sales	\$17.95	\$17.88	\$17.81
Market Livestock	0.05	0.05	0.04
Feeder Livestock	0.03	0.03	0.02
Breeding Livestock	0.25	0.22	0.18
Cull Stock	0.40	0.36	0.37
Other Livestock Enterprise Sales	0.00	0.00	0.00
- Livestock Purchased	-0.32	-0.22	-0.23
+ Inventory Change	0.33	0.16	0.20
+ Change in Receivables	-0.07	0.02	0.03
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$18.63</b>	<b>\$18.51</b>	<b>\$18.42</b>
<b>VARIABLE EXPENSES</b>			
Livestock Expenses:			
Purchased feed & grain	2.24	1.99	1.93
Purchased forages	0.02	0.01	0.00
Home-grown grains transferred	0.88	0.88	0.78
Home-grown forages transferred	3.17	2.92	2.88
<b>Total Feed Cost</b>	<b>\$6.32</b>	<b>\$5.81</b>	<b>\$5.59</b>
Animal Health & Breeding	0.78	0.73	0.66
Other (Stabilization, Supplies)	0.70	0.61	0.55
Marketing, Transportation	1.20	1.15	1.15
Custom Work, Equipment Rent	0.16	0.17	0.14
Hired Labour	1.22	1.16	1.00
Machinery & Equip.- Fuel & Oil	0.07	0.17	0.19
Machinery & Equipment- Repair	0.29	0.22	0.18
Motor Vehicle Expenses	0.06	0.05	0.04
Building, Fence Repairs	0.54	0.36	0.31
Heating Fuel	0.01	0.01	0.01
Electricity & Telephone	0.51	0.42	0.35
Accounting, Office Expenses	0.21	0.17	0.13
Interest - Operating	0.05	0.05	0.05
Other Cash Variable Expenses	0.15	0.10	0.06
Change in Payables	1.04	0.11	-0.19
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$13.32</b>	<b>\$11.30</b>	<b>\$10.21</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$5.31</b>	<b>\$7.21</b>	<b>\$8.21</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	0.47	0.39	0.36
Lease & Rent Payments	0.09	0.05	0.03
Interest - Term	1.24	1.06	1.03
Depreciation	1.04	0.77	0.65
<b>TOTAL FIXED EXPENSES</b>	<b>2.84</b>	<b>2.27</b>	<b>2.07</b>
<b>TOTAL ENTERPRISE EXPENSES</b>	<b>\$16.16</b>	<b>\$13.56</b>	<b>\$12.28</b>
<b>NET ENTERPRISE INCOME</b>	<b>\$2.47</b>	<b>\$4.95</b>	<b>\$6.14</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**CROP ENTERPRISE REPORT**

(PER TILLABLE ACRE BASIS)

<b>REVENUE</b>	<b>Low 38 Farms</b>	<b>Avg 115 Farms</b>	<b>High 38 Farms</b>
Wheat	\$7.77	\$13.78	\$18.24
Spring Grains	5.74	7.33	11.34
Grain Corn	38.30	27.92	19.31
Soybeans	20.17	18.03	10.10
Forage	5.24	7.99	9.17
Fruits	0.00	0.00	0.00
Vegetables	0.00	1.40	2.46
Homegrown Seed	0.00	1.17	0.00
Other Crop Sales & Custom Work	1.95	1.90	2.01
Crop Insurance	0.29	4.95	7.91
Crop Stabilization	5.86	6.39	7.16
Value grains fed to livestock	43.06	53.88	56.20
Value forages fed to livestock	154.38	179.57	207.88
+ Inventory change	38.41	37.43	45.06
+ Change in receivables	0.00	-0.05	-0.12
<b>VALUE OF ENTERPRISE PRODUCTION</b>	<b>\$321.17</b>	<b>\$361.69</b>	<b>\$396.72</b>
<b>EXPENSES</b>			
<b>VARIABLE EXPENSES</b>			
Seed & Plants	22.38	23.69	22.13
Fertilizer & Lime	31.03	31.18	34.02
Pesticides & Other Chemicals	11.72	14.92	17.45
Containers And Twine	4.11	4.54	3.54
Other (Stabztn, Insurance Etc.)	3.94	3.51	3.46
Marketing & Transportation	0.89	2.19	3.92
Custom Work, Equipment Rent	23.24	26.35	29.17
Hired Labour	32.95	37.20	38.62
Machinery & Equip - Fuel & Oil	33.87	32.06	31.60
Machinery & Equipment- Repair	37.53	39.83	37.43
Motor Vehicle Expenses	3.88	4.52	3.83
Building, Fence Repairs	4.38	4.05	4.30
Heating Fuel	1.90	2.02	1.89
Electricity & Telephone	6.70	7.19	7.11
Accounting, Office Expenses	5.40	5.21	5.01
Interest (Operating)	4.11	4.16	4.26
Other Variable Cash Expenses	3.19	2.99	2.61
Change in Payables	0.00	0.00	0.00
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$231.23</b>	<b>\$245.60</b>	<b>\$250.34</b>
<b>CONTRIBUTION MARGIN</b>	<b>\$89.94</b>	<b>\$116.09</b>	<b>\$146.38</b>
<b>FIXED EXPENSES</b>			
Property Taxes, Fire & Liab. Ins	10.19	10.95	12.14
Lease & Rent Payments	11.87	13.69	15.01
Interest (Term)	40.00	49.51	62.01
Depreciation	75.93	78.61	77.95
<b>TOTAL FIXED EXPENSES</b>	<b>\$137.99</b>	<b>\$152.76</b>	<b>\$167.10</b>
<b>TOTAL EXPENSES</b>	<b>\$369.22</b>	<b>\$398.36</b>	<b>\$417.44</b>
<b>NET ENTERPRISE INCOME</b>	<b>-\$48.05</b>	<b>-\$36.67</b>	<b>-\$20.72</b>

**SUMMARY OF ONTARIO DAIRY FARMS**

**CROPS GROWN AND FED REPORT**

**CROP ACRES AND YIELDS**

CROP	Low 38 Farms			Avg 115 Farms			High 38 Farms		
	Acres Grown	Total Yield	Yield per Acre	Acres Grown	Total Yield	Yield per Acre	Acres Grown	Total Yield	Yield per Acre
Wheat	12.9	22.8	1.8	20.2	35.4	1.8	30.1	53.0	1.8
Spring grains	53.9	72.6	1.3	62.6	90.2	1.4	78.6	102.7	1.3
Grain corn	29.4	113.8	3.9	40.0	148.1	3.7	47.0	170.6	3.6
Soybeans	20.3	27.3	1.3	25.0	32.1	1.3	24.4	27.9	1.1
Straw	xxx.x	29.1		xxx.x	40.1		xxx.x	55.5	
Other Crop	3.8	3.4	0.9	2.5	1.7	0.7	3.3	1.5	0.5
Other Crop	3.4	8.6	2.5	2.7	7.6	2.8	4.5	13.3	3.0
Corn silage	16.0	268.7	16.8	26.4	435.2	16.5	40.1	679.7	17.0
Hay	153.9	146.2	2.8	184.5	200.5	3.1	221.3	249.3	3.4
Haylage	xxx.x	462.9		xxx.x	614.4		xxx.x	875.6	
Tillable pasture	19.6			14.9			10.5		
Rough pasture	12.7			13.3			8.5		
Non Crop Land	95.1			66.1			57.2		
Total Acres	421.0			458.1			525.6		
Tillable Acres reported	313.2			378.7			459.8		

**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	4	594	11	1	198	3	0	0	0
Spring grains	48	5,458	104	69	7,774	111	83	9,413	98
Grain corn	41	5,343	102	74	9,594	137	103	13,338	139
Soybeans	8	1,925	37	7	1,850	26	7	1,650	17
Straw	26	2,304	44	38	3,447	49	49	4,446	46
Other Crop	1	143	3	0	44	1	0	0	0
Other Crop	12	714	14	9	528	8	11	642	7
Corn silage	216	7,128	136	382	12,606	180	602	19,866	207
Hay	122	13,431	256	138	15,191	217	166	18,249	190
Haylage	431	23,722	453	574	31,581	451	843	46,376	484
Tillable pasture	13	780	15	11	660	9	9	516	5
Rough pasture	11	273	5	9	220	3	7	165	2
Total		61,814	1,180		83,693	1,196		114,661	1,196

**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	200	3	212	5	237
Feeder & Market Livestock		192		84		46
Breeding Stock		1,486		1,481		1,485
Market quota	0	21,851	0	23,233	0	24,069
Machinery & Equipment	699	1,503	724	1,139	713	967
Land & Farm buildings	1,697	3,019	1,967	2,533	2,201	2,345
Enterprise Assets/Unit	2,596	28,449	2,904	28,911	3,152	29,383
Total Enterprise Assets	813049	1490733	1054863	2023784	1368652	2817814
<b>Debt per Acre &amp; per Cow</b>	<b>1,710</b>	<b>10,221</b>	<b>1,945</b>	<b>10,095</b>	<b>2,248</b>	<b>10,177</b>