

# Evaluation of Impact of Meeting Goals...



02-Sep-10

For Herd **DNND01**  
Comparing current pe

**WHAT IF - uses the herd's costs to predict the financial impact if certain physical goals are reached**

urchased

Crops	Current	Predicted	Diff	<b>Example Only</b>	Current	Predicted	Diff
Total Forage Cost	\$80,268	\$80,087	(\$181)	# Forage Acres Fed	290	289	-1
Total Cost of Grain Fed	\$63,090	\$67,672	\$4,582	# Grain Acres Fed	140	150	10
Total Crop Sales	\$20,519	\$14,948	(\$5,571)	# Crop Acres to sell	35	25	-10

Adjustment in cost to grow cash crop is (\$4,282) Diff. in crop cost because of change of crops = \$119

## Livestock

### Summary of Proposed Changes

### Milk Cows

Milk Cow Pur. Feed Cost	\$62,852	\$68,471	
Crop Cost attributed to Milk Cows	\$107,289	\$116,133	
Total Milk Cow Feed Cost	\$170,141	\$184,604	\$14,463
<b>Total Milk Cow Cost</b>	<b>\$328,463</b>	<b>\$348,183</b>	<b>\$19,719</b>
% of Milk Rev	57.9%	57.1%	
<b>Total Milk Sold - HL</b>	<b>8,105</b>	<b>8,532</b>	
KG Milk Sold per cow	8,788	8,788	0
Annual Cost /HL	\$40.53	\$40.81	\$0.29
<b>Total Fat Sold - kg</b>	<b>31,611</b>	<b>33,275</b>	
Annual Cost /kg Fat	\$10.39	\$10.46	\$0.07

	Current	Goal	Net Impact
# Milking Cows	95	100	\$26,057
1st Lact Prodn	80%	80%	\$0
kg Milk /Cow (305D)	9,545	9,545	\$0
kg Fat Sold /Cow /Yr	333	333	\$0
Protein:Fat Ratio	0.84	0.90	\$7,093
# Cows >4.0 LS	18	12	\$518
Avg Pregnancy Rate	13.0	13.0	\$0
Age at 1st Calving	26.7	24.0	\$8,494
Replacements / Cow	0.89	0.89	\$0
Change-Cost / Heifer		95%	\$3,891
Change-Cow Var. Cost		100%	\$0
Change-Crop Var. Cost		100%	\$0
Change - Milk Price		100%	\$0
Change - Interest Rate		150%	\$26,750

The new ratio exceeded the SNF limit of 2.35 - Some of the Protein produced was not paid for.

### Replacements

Replacement Pur. Feed Cost	\$15,498	\$14,412	
Crop Cost attributed to Repl'ts	\$31,332	\$25,545	
<b>Total Replacement Cost</b>	<b>\$77,818</b>	<b>\$68,977</b>	<b>(\$8,841)</b>
# Replacements	85	79	
Annual Cost /Replacement	\$916	\$874	(\$41)

### Labor (based on 2 persons working in 'Dairy')

# Kg Fat Sold /Person	15,806	16,637	832
Milk Revenue /Person	\$283,844	\$305,099	\$21,255

## Overall

<b>Livestock+Milk Revenue</b>	<b>\$596,542</b>	<b>\$642,872</b>	\$46,330
Lvstk+Milk Revenue /HL	\$73.60	\$75.35	
Lvstk+Milk Revenue /kg Fat	\$18.87	\$19.32	
<b>Total Livestock Cost</b>	<b>\$406,282</b>	<b>\$417,160</b>	\$10,878
**Total Livestock Cost /HL	\$50.13	\$48.90	
**Total L'vstk Cost /kg Fat	\$12.85	\$12.54	
**(before Int, Princ, Dep and Mangt Drawings)			
<b>* Return Over Cost</b>	<b>\$190,260</b>	<b>\$225,713</b>	\$35,452
* Return Over Cost /HL	\$23.47	\$26.46	\$2.98
* Ret'n Over Cost /kg Fat	\$6.02	\$6.78	\$0.76
*(available for Int, Princ, Dep and Mangt Drawings)			

<b>Total Farm Revenue</b>	<b>\$630,113</b>	<b>\$670,872</b>	\$40,759
Total Revenue /HL	\$77.74	\$78.63	
Total Revenue /kg Fat	\$19.93	\$20.16	
<b>**Total Farm Cost</b>	<b>\$442,227</b>	<b>\$470,991</b>	\$28,764
**Total Cost /HL	\$54.56	\$55.21	
**Total Cost /kg Fat	\$13.99	\$14.15	
**(before Int, Princ and Mangt Drawings - incl Dep.)			
<b>* Return Over Cost</b>	<b>\$187,886</b>	<b>\$199,881</b>	\$11,995
*Return Over Cost /HL	\$23.18	\$23.43	\$0.25
*Ret'n Over Cost /kg Fat	\$5.94	\$6.01	\$0.06
*(available for Int, Princ and Mangt Drawings)			

**Cash available - P + I Pymts \$209,636 \$221,631**

Note: Est. Depreciation (\$31750) and Inventory change (\$14400) make part of this total. Interest + Principle Pymts (projected to increase from \$112250 to \$136451) need to be paid from this amount.

**Debt Service /kg Fat \$3.55 \$4.10 \$0.55**  
**Net /kg Fat (for Mang't + Profit) \$2.39 \$1.91 (\$0.49)**  
Total = \$75,636 \$63,430

Projection based on proposed changes (new debt of \$100000 @ 6% ,20 yr), est. revenue + expenses from the additional prod'n AND quota purchase of 4.6 kg at \$25000 @ 6% for 10 yrs to cover additional prod'n.



Profit Profiler Report - 4 - What if Goals are Met?

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