



ANNUAL REPORT 2023

A CO-OPERATIVE PROJECT OF:
Canadian Dairy Commission
Dairy Farmers of Ontario

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ACKNOWLEDGEMENT

This report is indebted to the 81 dairy producers who willingly participated in the Project during 2023. These people went to considerable effort and inconvenience to help the Project representatives collect and verify information. Without this excellent co-operation, this report would not be possible.

The Project representatives, whose job it was to collect, record, and verify all information, were vital to the Project. Their initiative, perseverance and positive attitude has provided the Project with high quality dairy farm data.

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FOREWORD

The Ontario Dairy Farm Accounting Project (ODFAP) is a co-operative project of Dairy Farmers of Ontario, and the Canadian Dairy Commission (CDC). The Project was initiated in 1976.

The objective of the Project is to develop and maintain a system of obtaining regular, representative and consistent farm production and management data which meets the farm database requirements of the Ontario dairy industry in the three areas of policy, research and extension. This is being achieved (1) by maintaining a sample of farms which represents typical Ontario dairy farm situations and which reflects different levels of technology, regional differences and other significant factors and, (2) through the development and maintenance of a data collection and information reporting system which will provide the participating agencies with the information which they require.

The ODFAP Annual Report is just one aspect of this Project. The Annual Report provides a summary of the information collected, but, by no means, portrays the wealth of information available for policy, research and extension uses. The project data, along with similar data from other provinces, is incorporated into the National Cost of Production formula, which is managed by the Canadian Dairy Commission. Likewise, project data is incorporated in the cost of production component of the National Pricing Formula for fluid and industrial milk classes. Cost of production has a 50% weighting in the formula, while the other 50% is from the change in Consumer Price Index (CPI).

PROJECT STAFF

Project Staff, responsible for collecting and verifying the study information for 2023 were:

Jessica Farlinger	Technician, East Region
John Ecclestone	Technician, South-West and Western Regions
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Individuals responsible for the final editing of the 2023 data and for the preparation of this report, include:

Kristin Benke	Director, Economics & Policy Development, Dairy Farmers of Ontario
Andrew Ryzebol	Project Manager, ODFAP

ONTARIO DAIRY FARM ACCOUNTING PROJECT RESULT 2023

The 2023 results for the 81 farms on the project are presented in the following tables.

Farm revenue and expenses are summarized in Table 1. Balance sheet information is summarized in Table 2. Physical characteristics are summarized in Table 3.

It should be noted that livestock and crop inventories are valued at an average of market values or prices at the beginning and end of the year for purposes of accruing the revenue value of inventory changes in the Farm Revenue and Expense Statement in Table 1. As such, the reported revenue items for inventory changes only reflect income changes associated with changes in the quantities of the related inventories held. They do not capture any change in value associated with market price changes during the year.

Revenue and expense information for the dairy enterprise is broken out in Tables 4 and 5. For purposes of these tables, the dairy enterprise is defined to consist of dairy cows, the raising of replacements and/or any related livestock borne of the dairy cow herd, and the supporting crop production associated with both.

Averages are presented in each table for all farms and for 3 sample groupings ranked on the basis of cost of production (COP): the 15 farms with the highest cost per hectolitre (bottom); the 15 farms with the lowest cost per hectolitre (top), and the remaining 51 farms (middle). The COP ranking is based on the assumptions and calculational procedures established for the national Cost of Production pricing formula for industrial milk.

TABLE 1 FARM REVENUE AND EXPENSES; 2023

	Bottom 15	Middle 51	Top 15	All 81
REVENUE	\$	\$	\$	\$
Milk Sales	528,088	912,282	1,335,792	919,563
Cow & Bull Sales	7,005	15,002	78,970	25,367
Calf & Heifer Sales	7,386	11,291	19,941	12,170
Crop Sales	50,774	118,264	84,102	99,439
Other Farm Income	52,715	174,617	83,818	135,228
Total Cash Revenue	645,968	1,231,456	1,602,623	1,191,767
Inventory Change				
Dairy Enterprise	20	2,634	-5,280	685
Replacement Enterprise	-2,960	-3,995	1,653	-2,757
Other Livestock	7	1,746	-630	984
Feeds, Crops, Supplies	7,762	17,825	21,266	16,599
Total Farm Revenue	650,797	1,249,666	1,619,632	1,207,278
EXPENSES				
Dairy Cow Enterprise				
Cow & Bull Purchases	5,907	5,121	6,650	5,550
Commercial Feed Purchases	96,423	163,809	229,381	163,473
Milk & Livestock Marketing	31,616	56,789	84,867	57,327
Breeding Fees	11,112	11,015	13,721	11,534
Stable & Milkhouse Supplies	15,911	17,127	27,000	18,730
Vet. and Drugs	15,257	19,908	27,924	20,531
Other Dairy Expenses ¹	19,454	27,897	30,168	26,754
Replacement Enterprise				
Cattle Purchases	0	1,574	0	991
Feed Purchases	13,759	24,197	30,859	23,497
Other Direct Heifer Expenses	2,216	2,547	2,538	2,484
Crop Enterprise				
Grains and Forages Purchases	33,631	15,245	43,785	23,935
Seed	19,400	33,954	29,538	30,441
Fertilizer	20,182	49,629	41,937	42,752
Sprays	6,191	13,047	9,945	11,203
Custom Work	26,509	37,354	71,145	41,603
Gas & Diesel Fuel	25,982	39,313	31,579	35,412
Machinery Repairs	34,780	52,197	52,298	48,991
Other Crop Expenses ²	6,090	8,869	4,539	7,552
Other Farm Expenses				
Direct Expenses Non-Dairy Livestock	1,573	30,002	1,907	19,535
Direct Expenses Other Crops	19,528	46,262	18,682	36,204
Wages & Salaries	44,432	92,430	77,939	80,858
Land Rent	12,107	16,312	14,739	15,242
Interest Paid	84,634	130,328	142,298	124,083
Real Estate Taxes	10,431	15,812	14,428	14,559
Telephone & Hydro	17,468	20,589	24,756	20,783
Insurance	13,925	20,167	19,369	18,863
Equipment & Building Repairs	26,048	36,333	56,894	38,236
Other General Cash Expenses ³	13,468	15,247	14,793	14,834
Total Cash Expenses	628,034	1,003,074	1,123,679	955,957
Building Depreciation	46,783	53,583	57,534	53,055
Machinery Depreciation	55,456	75,005	81,879	72,658
Total Farm Expenses	730,273	1,131,662	1,263,092	1,081,670
Net Farm Income	-79,476	118,004	356,540	125,608

¹ Other Dairy Expense include registration/testing fees, building rent, straw & bedding, & livestock insurance for the dairy herd.

² Other Crop Expenses include crop insurance, seed cleaning, twine, propane for corn drying & miscellaneous crop expenses.

³ Other Overhead Expense includes hardware, car expenses and miscellaneous expense.

TABLE 2 **FARM BALANCE SHEET;**
DECEMBER 31, 2023

NUMBER OF FARMS	Bottom 15	Middle 51	Top 15	All 81
A. WITH ASSETS AT MARKET VALUE	\$	\$	\$	\$
Machinery and Equipment	763,543	1,066,311	878,999	975,556
Personal Equipment	27,371	7,650	6,672	11,121
Land and Farm Buildings	4,421,422	6,936,382	7,795,303	6,629,708
Farm House & Personal Structures	445,142	198,874	137,628	233,137
Dairy Cows	112,643	178,601	241,240	177,986
Dairy Heifers	54,043	90,299	130,307	90,994
Other Livestock	613	8,082	7,667	6,622
Feed, Crops, Supplies, Inventory	129,539	228,884	230,111	210,714
Milk Quota	1,580,048	2,763,360	3,940,976	2,762,305
Total Assets	<u>7,534,364</u>	<u>11,478,443</u>	<u>13,368,903</u>	<u>11,098,143</u>
B. WITH ASSETS AT COST LESS DEPRECIATION¹				
Machinery and Equipment	502,876	672,484	701,118	646,378
Personal Equipment	31,019	8,728	6,332	12,412
Land and Farm Buildings	1,913,967	2,636,593	3,237,989	2,614,143
Farm House & Personal Structures	265,664	109,812	92,295	135,430
Dairy Cows	112,643	178,601	241,240	177,986
Dairy Heifers	54,043	90,299	130,307	90,994
Other Livestock	613	8,082	7,667	6,622
Feed, Crops, Supplies, Inventory	129,539	228,884	230,111	210,714
Milk Quota	824,432	1,445,795	2,593,585	1,543,281
Total Assets	<u>3,834,796</u>	<u>5,379,278</u>	<u>7,240,644</u>	<u>5,437,960</u>
C. LIABILITIES				
Operating & Short-Term Trade Credit	73,332	202,017	33,096	146,904
Intermediate & Long Term Loans	1,046,745	2,258,065	2,786,408	2,131,588
F.C.C. Loans	955,341	653,225	1,015,250	776,214
Total Liabilities	<u>2,075,418</u>	<u>3,113,307</u>	<u>3,834,754</u>	<u>3,054,706</u>
D. OWNER'S EQUITY				
(A) Assets At Market Value	<u>5,458,946</u>	<u>8,365,136</u>	<u>9,534,149</u>	<u>8,043,437</u>
(B) Fixed Assets at Cost	<u>1,759,378</u>	<u>2,265,971</u>	<u>3,405,890</u>	<u>2,383,254</u>

¹ Depreciation was not subtracted from the cost of the farm house, land, milk quota, or personal equipment.

TABLE 3 **BASIC FARM PRODUCTION PARAMETERS; 2023**

NUMBER OF FARMS	Bottom 15	Middle 51	Top 15	All 81
Dairy Cows (hd)	67.4	97.2	131.8	98.1
Open Dairy Heifers, 6 months & older (hd)	19.4	28.5	34.8	28.0
Bred Dairy Heifers (hd)	19.6	29.7	43.6	30.4
Milk Sold/Farm (litres) ¹	529,920	974,296	1,452,928	980,640
Milk Sold/Cow (litres) ¹	7,933	9,930	11,247	9,804
Butterfat Test (kg/hl)	4.30	4.31	4.18	4.28
Person-Equivalents of Labour	2.6	2.8	2.3	2.7
Workable Land Farmed (hectares) ²	106	185	139	162
Average Age of Principal Operator	47.2	48.7	45.3	47.8

¹ Milk is expressed in terms of milk actually sold.

² One hectare = 2.47 acres.

TABLE 4 DAIRY ENTERPRISE REVENUE AND EXPENSES; 2023
- PER COW -

	Bottom 15	Middle 51	Top 15	All 81
	\$	\$	\$	\$
REVENUE				
Milk Sales	7,964.01	9,321.67	10,337.95	9,258.45
Quality Penalties & Levies	-0.61	-2.42	-1.61	-1.93
Cows & Bulls Sold	101.46	137.66	414.88	182.30
Other Dairy Livestock Sold	99.15	136.53	138.18	129.92
Dairy Livestock Inventory Change	-8.01	-10.15	-28.00	-13.06
Net Revenue	8,156.00	9,583.29	10,861.40	9,555.68
DIRECT DAIRY EXPENSES				
Dairy Ration	395.28	749.64	680.68	671.25
Protein Supplements	867.72	853.64	1,016.81	886.46
Salt & Minerals	27.69	33.07	27.69	31.07
Milk Replacer & Calf Ration	200.38	245.18	179.92	224.80
Other Purchased Feeds	75.40	27.34	95.62	48.89
Vet & Drugs	242.13	227.08	238.96	232.07
A.I. Fees	169.16	117.50	114.29	126.48
Stable & Milk House Supplies	247.58	191.93	215.55	206.61
Milk Transport & Licence Fees	452.46	565.33	638.63	558.00
Livestock Marketing	22.37	14.72	14.33	16.06
Other Dairy Expense ¹	344.79	331.51	277.18	323.91
Total Direct Expense	3,044.96	3,356.94	3,499.66	3,325.60
DAIRY SHARE OF CROP EXPENSES				
Bulk Grain & Forage Purchases	468.77	152.32	431.26	262.58
Seed	206.05	210.28	141.83	196.82
Fertilizers	211.32	292.51	199.18	260.19
Herbicides & Pesticides	55.37	67.70	50.35	62.20
Custom Work	310.83	287.09	370.16	306.87
Fuel & Lubricants	276.46	222.27	151.76	219.25
Field Machinery Repairs	331.89	246.69	218.35	257.22
Land Rent	137.34	101.15	67.21	101.56
Other Crop Expense ²	77.49	57.89	20.78	54.65
Total Crop Expense	2,075.52	1,637.90	1,650.88	1,721.34
Returns Over Direct & Crop Expenses	3,035.52	4,588.45	5,710.86	4,508.74
ALLOCATED INDIRECT & OVERHEAD EXPENSES				
Barn Equipment & Building Repairs	287.68	272.94	263.73	273.97
Hired Labour Expenses	635.55	719.36	460.96	655.99
Interest Expense	1,061.54	960.34	924.58	972.46
Insurance	169.74	151.60	114.87	148.16
Telephone & Hydro	185.76	160.26	151.66	163.39
Taxes	116.48	106.90	77.42	103.22
Other Overhead Expenses ³	151.45	101.53	80.20	106.83
Total Indirect & Overhead Expenses	2,608.20	2,472.93	2,073.42	2,424.02
Returns Over Expenses	427.32	2,115.52	3,637.44	2,084.72
DAIRY LIVESTOCK PURCHASES				
Cows & Bulls Purchased	97.10	61.63	77.47	71.13
Other Dairy Livestock Purchases	0.00	21.13	0.00	13.31
Total Dairy Livestock Purchases	97.10	82.76	77.47	84.44
Net Returns	330.22	2,032.76	3,559.97	2,000.28
TOTAL LABOUR REQUIRED (Hrs)⁴	116.44	85.10	54.68	85.27

¹ Other Dairy Expense includes bedding materials, feed processing, expense, livestock testing and registration, livestock insurance, livestock promotion expense and building rent.

² Other Crop Expense includes twine, seed cleaning, crop insurance and machine rentals.

³ Other Overhead Expense includes hardware, car expenses and miscellaneous expense.

⁴ Labour estimated based on the recorded hours from daily time sheets (see section B.4)

TABLE 5 DAIRY ENTERPRISE REVENUE AND EXPENSES; 2023
- PER HL OF MILK SOLD -

	Bottom 15	Middle 51	Top 15	All 81
	\$	\$	\$	\$
REVENUE				
Milk Sales	101.64	94.70	91.96	95.48
Quality Penalties & Levies	-0.01	-0.03	-0.02	-0.03
Cows & Bulls Sold	1.33	1.32	3.73	1.77
Other Dairy Livestock Sold	1.29	1.37	1.20	1.32
Dairy Livestock Inventory Change	-0.12	-0.05	-0.19	-0.09
Net Revenue	104.13	97.31	96.68	98.45
DIRECT DAIRY EXPENSES				
Dairy Ration	4.90	7.60	6.15	6.83
Protein Supplements	10.74	8.56	8.88	9.03
Salt & Minerals	0.34	0.38	0.24	0.35
Milk Replacer & Calf Ration	2.63	2.41	1.64	2.31
Other Purchased Feeds	0.94	0.27	0.87	0.50
Vet & Drugs	3.12	2.35	2.13	2.45
A.I. Fees	2.24	1.17	1.04	1.34
Stable & Milk House Supplies	3.08	1.97	1.95	2.17
Milk Transport & Licence Fees	5.69	5.69	5.68	5.69
Livestock Marketing	0.29	0.15	0.13	0.17
Other Dairy Expense ¹	4.41	3.32	2.50	3.37
Total Direct Expense	38.38	33.87	31.21	34.21
DAIRY SHARE OF CROP EXPENSES				
Bulk Grain & Forage Purchases	6.26	1.49	3.74	2.79
Seed	2.66	2.15	1.25	2.08
Fertilizers	2.64	3.02	1.74	2.71
Herbicides & Pesticides	0.69	0.67	0.43	0.63
Custom Work	4.02	2.83	3.21	3.12
Fuel & Lubricants	3.55	2.29	1.38	2.35
Field Machinery Repairs	4.29	2.48	2.00	2.73
Land Rent	1.82	1.02	0.59	1.09
Other Crop Expense ²	1.02	0.61	0.18	0.60
Total Crop Expense	26.95	16.56	14.52	18.10
Returns Over Direct & Crop Expenses	38.80	46.88	50.95	46.14
ALLOCATED INDIRECT & OVERHEAD EXPENSES				
Barn Equipment & Building Repairs	3.65	2.77	2.35	2.86
Hired Labour Expenses	7.68	7.18	4.04	6.69
Interest Expense	13.46	9.66	8.09	10.07
Insurance	2.21	1.55	1.00	1.57
Telephone & Hydro	2.36	1.65	1.36	1.73
Taxes	1.51	1.09	0.69	1.09
Other Overhead Expenses ³	1.93	1.04	0.72	1.15
Total Indirect & Overhead Expenses	32.80	24.94	18.25	25.16
Returns Over Expenses	6.00	21.94	32.70	20.98
DAIRY LIVESTOCK PURCHASES				
Cows & Bulls Purchased	1.21	0.69	0.75	0.80
Other Dairy Livestock Purchases	0.00	0.22	0.00	0.14
Total Dairy Livestock Purchases	1.21	0.91	0.75	0.94
Net Returns	4.79	21.03	31.95	20.04
TOTAL LABOUR REQUIRED (Hrs)⁴	1.51	0.88	0.50	0.93

¹ Other Dairy Expense includes bedding materials, feed processing, expense, livestock testing and registration, livestock insurance, livestock promotion expense and building rent.

² Other Crop Expense includes twine, seed cleaning, crop insurance and machine rentals.

³ Other Overhead Expense includes hardware, car expenses and miscellaneous expense.

⁴ Labour estimated based on the recorded hours from daily time sheets (see section B.4)

APPENDIX A

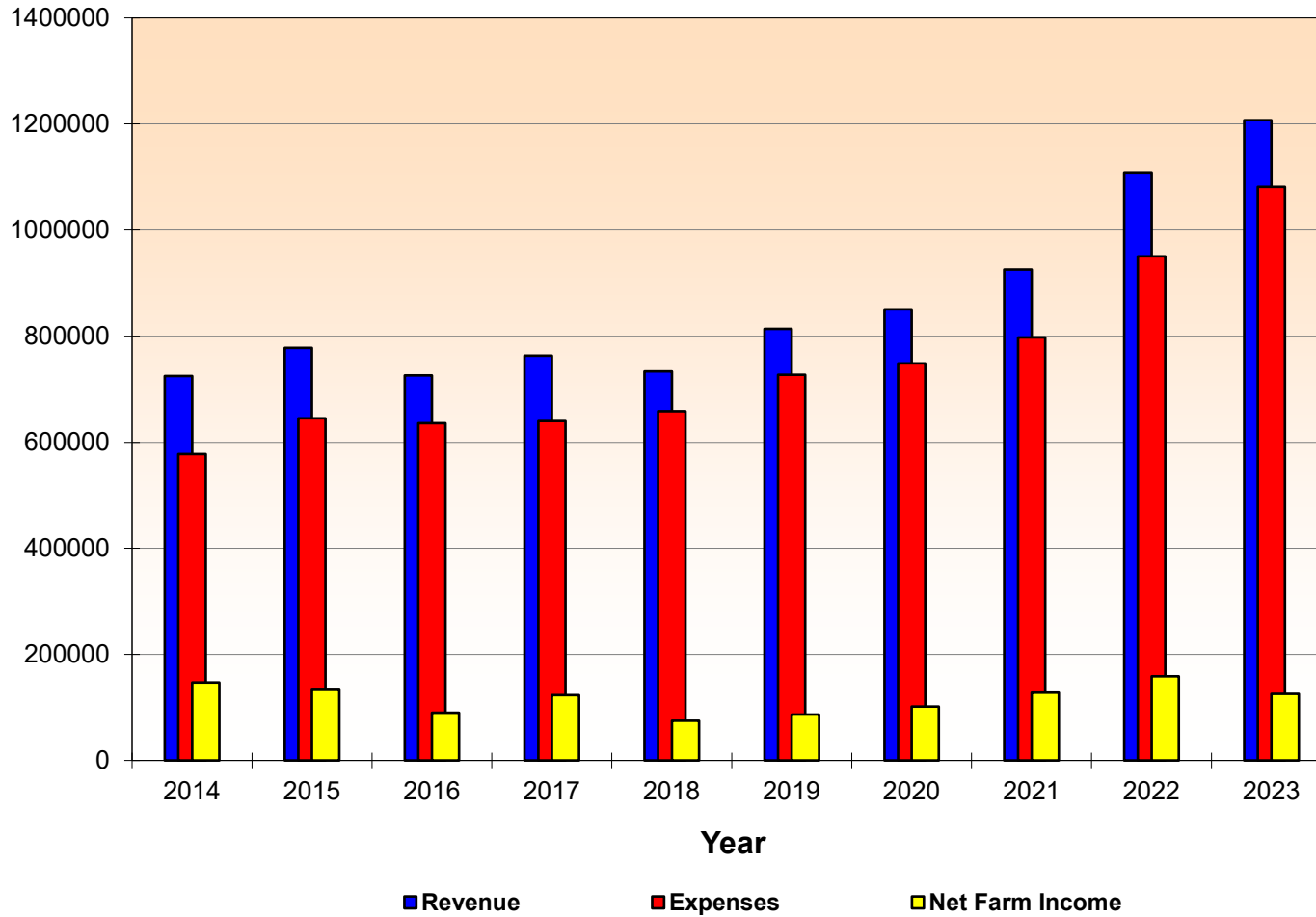
TABLE A.1 FARM REVENUE, EXPENSES AND NET INCOME; 2014 to 2023

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of Farms	65	71	65	70	70	68	61	69	64	81
REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Milk Sales	589,229	612,963	582,158	611,897	577,595	659,678	676,123	705,065	826,396	919,563
Livestock Sales	49,754	60,371	43,632	38,685	34,593	32,467	41,073	15,899	22,726	37,537
Crop Sales	38,297	49,702	46,191	39,360	52,327	54,827	56,321	86,698	106,836	99,439
Other Farm Income	49,868	46,307	54,309	51,704	62,539	64,740	77,896	92,720	128,758	135,228
Total Cash Revenue	727,148	769,343	726,290	741,646	727,054	811,712	851,413	900,382	1,084,716	1,191,767
Inventory Change All Enterprises	-2,579	8,515	-435	22,325	6,336	2,202	-999	24,951	24,343	15,511
Total Farm Revenue	724,569	777,858	725,855	763,971	733,390	813,914	850,414	925,333	1,109,059	1,207,278
EXPENSES										
Dairy Cow Enterprise	173,764	194,336	190,817	205,044	201,331	212,015	215,722	230,253	275,462	303,899
Replacement Enterprise	18,226	21,060	19,977	20,475	20,456	22,477	22,151	23,448	23,686	26,972
Crops Enterprises	119,687	138,877	143,412	132,215	143,943	161,999	163,991	179,691	235,937	241,889
Other Farm Expenses	208,835	227,223	214,133	218,122	220,414	247,733	256,791	271,181	303,072	383,197
Total Cash Expenses	520,512	581,496	568,339	575,856	586,144	644,224	658,655	704,573	838,157	955,957
Building & Machinery Depreciation	57,150	63,483	67,402	64,781	72,077	82,942	90,719	92,894	112,248	125,713
Total Farm Expenses	577,662	644,979	635,741	640,637	658,221	727,166	749,374	797,467	950,405	1,081,670
NET FARM INCOME	146,907	132,879	90,114	123,334	75,169	86,748	101,040	127,866	158,654	125,608

TABLE A.2 SAMPLE CHARACTERISTICS; 2014 to 2023

Data Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of Farms	65	71	65	70	70	68	61	69	64	81
Herd Size (head)	80.7	85.6	82.7	82.2	84	90	89.6	90	96.1	98.1
Milk Sales (litres)	714,021	784,547	769,113	787,315	773,580	829,257	843,988	879,256	922,526	980,640
Milk Sales Per Cow (litres)	8,356	8,583	8,890	9,093	8,942	9,016	9,181	9,416	9,477	9,804
Tillable Hectares	140	151	135	128	132	135	146	154	168	162
Total Person Equivalents	2.3	2.3	2.4	2.5	2.5	2.6	2.5	2.5	2.6	2.7
Age of Principal Operator	51.7	51.9	52.2	51.7	50.7	50.6	50.1	49.6	49.0	47.8

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**AVERAGE REVENUE, EXPENSES
AND NET FARM INCOME;
2014 TO 2023.**



APPENDIX B

SAMPLE DESIGN AND CHARACTERISTICS

B.1 Project Methodology

To provide uniformity of data collection, Project representatives are assigned to do on-farm recording of financial transactions. Farms are visited, on average, three to four times a year, to record financial transactions and collect relevant production information. Various techniques are used to solicit data due to the many differences in farm types and the level of organization.

B.2 Sample Selection

The project sample is based on a regionally stratified random sample of farms. The sample was selected from the files of Dairy Farmers of Ontario (DFO).

The 2023 sample is composed of five sub-samples of dairy farms. The first sub-sample consists of 8 farms which was recruited in late 2018 and enrolled in the Project for 2019. The second sub-sample consists of 9 farms recruited in late 2019 for enrolment in 2020. The third sub-sample of 16 farms was recruited in late 2020 for enrolment in 2021. The fourth sub-sample of 12 farms was recruited in late 2021 for enrolment in 2022. The fifth and final sub-sample of 36 farms was recruited in late 2022 for enrolment in 2023.

All five sub-samples were randomly selected on the basis of region. That is, the number of farms selected within a region for each sub-sample reflected the proportion of the farms present in the population for that region at the time the sub-sample was drawn. The 14 ODFAP regions match the DFO Field Supervisor Representative zones, allowing for a more streamlined recruiting process.

The counties¹ included in each region of the sampling grid area are:

- Region 1 Glengarry, Prescott
- Region 2 Russell, Stormont, Dundas, Carleton
- Region 3 Grenville, Leeds, Carleton, Dundas
- Region 4 Lennox & Addington, Frontenac, Lanark, Renfrew, Carleton
- Region 5 Hastings, Northumberland, Peterborough, Prince Edward
- Region 6 York, Peel, Durham, Simcoe, City of Kawartha Lakes
- Region 7 Brant, Haldimand, Niagara, Norfolk, Halton, Waterloo, Wentworth, Oxford, Wellington
- Region 8 Oxford
- Region 9 Middlesex, Elgin, Lambton, Essex-Kent
- Region 10 Perth, Huron
- Region 11 Perth, Wellington
- Region 12 Waterloo, Wellington
- Region 13 Bruce, Huron
- Region 14 Dufferin, Grey, Wellington

¹ Counties are as they were defined prior to amalgamation under regional government.

The sample is based on a five year rotation. Each year the new sample is based on the existing population within each of 14 regions. Any producer that had participated in the project within the past 3 years was excluded from the sample selection process.

The sample composition and structure for the 81 farms on which this report is based are summarized in Table B.1.

TABLE B.1 SAMPLE COMPOSITION AND STRUCTURE; 2023.

Participation by Year of Initial Enrolment

REGION	2019	2020	2021	2022	2023	TOTAL
01				1	4	5
02				1	4	5
03		1	1			2
04	1		2		3	6
05	1	1	1		2	5
06		1	1	1	1	4
07	1	1		1	5	8
08	1	2	1	1	3	8
09	1	1	2		3	7
10	1	1		1	2	5
11	1		3		3	7
12				2	5	7
13		1	3	1	1	6
14	1		2	3		6
TOTAL	8	9	16	12	36	81

B.3 Enrolment Procedure

Farms selected for enrolment were initially contacted and recruited by a DFO Field Services Representative. A serious attempt was made to handle all contacts in the same manner and to give essentially the same message in all cases. In discussions with the farmers, and in seeking their co-operation, it was emphasized that the confidentiality of individual records would be respected, that there were benefits to the industry and to the individual and that we were seeking their co-operation. It was also stressed that the data collection visits would occur at the convenience of the producer.

B.4 Labour Data Collection

Labour data for the project is collected using daily time sheets. Producers are asked to complete the time sheets for their first year on the project. Sheets are completed for all individuals contributing labour to the farm. Completion of the time sheets in the second and subsequent years on the project is encouraged, but not mandatory, unless changes have occurred which would significantly alter the labour requirements for the operation.

Employees please fill in the section below:

Name:		FARM #							YEAR							MONTH	PAY	STAT	YEAR BORN							EFFICIENCY	EMPLOYEE NAME							Total Hours
Month:		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
Year Born:																																		
WORK IN THE BARN	DAIRY COWS AND BULLS • Herd management, milking equipment maintenance, milking, feeding, health care, etc.																																	
	DAIRY REPLACEMENTS • Feeding, health care, management, etc.																																	
	OTHER LIVESTOCK: BEEF, SWINE ETC. • Feeding, health care, management, etc. <i>Indicate type of livestock:</i> _____																																	
	COMMON LIVESTOCK WORK • Main dairy barn, stable maintenance & cleaning, preparing rations, silo unloader, building repair.																																	
MAINTENANCE & REPAIRS	FIELD MACHINERY • Maintenance and repairing of field machinery.																																	
	OTHER BUILDINGS • Maintenance and repairing of other farm buildings other than main dairy barn.																																	
	BARNYARD AND FENCES • Maintenance and repairing of barnyard and farm fences.																																	
	LAND • Stone picking, farm lanes, snow removal, ponds. ADMINISTRATION AND MANAGEMENT • Bookkeeping, meetings, errands, professional reading, agricultural courses, banking.																																	
FIELD WORK	HAY AND HAYLAGE • Plowing, tillage, fertilizing, spraying, planting, spreading manure, harvesting, etc.																																	
	SMALL GRAINS, WINTER WHEAT, STRAW • Plowing, tillage, fertilizing, spraying, planting, spreading manure, harvesting, etc.																																	
	CORN GRAIN AND CORN SILAGE • Plowing, tillage, fertilizing, spraying, planting, spreading manure, harvesting, etc. SOYBEANS, OTHER CROPS, MAPLE SYRUP • Plowing, tillage, fertilizing, spraying, planting, spreading manure, harvesting, etc. crop: _____																																	
OTHER	CONSTRUCTION, LAND CLEARING • Building construction, tree removal, etc.																																	
	CUSTOM HIRE FOR OTHERS • Farm related work performed for others but not part of your own farming operation.																																	

PLEASE DO NOT WRITE IN SHADED AREAS

APPENDIX C

ACCOUNTING PROCEDURES

C.1 Account Structure

A computerized accounting program is used as the data collection vehicle for the Project. The computer program permits separating information into enterprises or profit centres and accounts or cost centres. Six basic enterprises are being registered:

- (i) general farm
- (ii) dairy herd
- (iii) replacement
- (iv) small grain
- (v) corn/corn silage
- (vi) hay/haylage/pasture

The general farm account includes any other crop or type of livestock. Specialized enterprises are not registered. One overhead cost account is registered.

The number of farms which had other livestock or crops activity in the general farm account in 2023 is as follows:

(i) Beef & Veal	28
(ii) Sheep	2
(iii) Swine	1
(iv) Poultry	1
(v) Other Crops	48

C.2 On-Farm Recording

Project representatives work within very specific guidelines in order to get as much uniformity as possible. As a general rule, the recording methods required for filing tax returns are used. All income and expense items are recorded on an accrual basis. A complete list of items recorded and the recording procedure can be obtained from the Project Manager.

C.3 Valuation of Fixed Assets

All fixed assets (land, buildings, houses, machinery, and intangibles) are recorded at both original cost and estimated current market value.

Depreciation is recorded using a diminishing balance rate: 5% for buildings and structures, 10% for farm machinery and 15% motorized equipment and machinery. The assumption is made that the equipment will reach its salvage value when it is worth 20 percent of its original cost.

C.4 Valuation of Livestock

Dairy livestock is valued according to three different quality categories. Beginning and ending inventory values, used for 2023, are as indicated in Table C.1.

TABLE C.1 LIVESTOCK INVENTORY VALUES; 2023.

Description	Under 7,750 Litres/Cow/Year		Over 7,750 Litres/Cow/Year	
	Beginning (\$)	Ending (\$)	Beginning (\$)	Ending (\$)
Cows	1400	1400	1850	1850
Bred Heifers	1200	1200	1700	1700
Open Heifers	900	900	1250	1250
Heifer Calves	200	200	300	300
Bull Calves	100	100	100	100

Note: Information in the table is based on current auction market value as collected by Project representatives. Beef, swine and poultry were valued at current market value.

C.5 Valuation of Crops

Grain values are based on estimates obtained from Agricorp 2023 AgriStability Fair Market Values list. Forage values are based on the equivalent feed value of grain corn. Values for 2023 are as indicated in Table C.2.

TABLE C.2 CROP INVENTORY AND TRANSFER VALUES; 2023.
 - Per Tonne Basis -

Values used for	Inventory Valuation		Transfer Value
	Beginning	Ending	
	\$	\$	\$
Home-grown Feed:			
Wheat (Feed)	336.00	271.00	303.50
Barley	360.00	334.00	347.00
Oats	378.00	342.00	360.00
Mixed Grain	372.00	311.00	341.50
Grain Corn	313.00	216.00	264.50
Hay	202.00	204.00	203.00
Haylage @ 45% DM	95.00	96.00	95.50
Oatlage/Barlage	71.00	64.00	67.50
Corn Silage	62.00	43.00	52.50
Straw	206.00	208.00	207.00

C.6 Allocation of Expenses

Direct expense items, such as seed and fertilizer, pose no problem with respect to allocation as their use is generally confined to a single farm enterprise.

Indirect and overhead expenses are more difficult to allocate as they are normally used in more than one enterprise. These expenses are allocated on the basis of the following guidelines.

(a) Building Depreciation

Allocated to livestock enterprises according to the building space used. If the buildings used for certain types of enterprises are obviously depreciating at a higher rate than others, the allocation is accordingly adjusted.

(b) Machinery Depreciation

Allocated according to use as defined on the basis of the classification of individual machinery and equipment items.

(c) Heating Fuels

Normally all personal use unless auxiliary heating is required for certain livestock enterprises (e.g. broilers).

(d) Barn Equipment Repair

Normally about 80 percent to the cows, 20 percent to heifers (milking equipment milk tank, stable cleaners, etc. are used mainly for the dairy enterprise). If other livestock enterprises are on the farm, costs are allocated according to use.

(e) Building Repair (*building repair, fence repair, hardware*)

Normally about 80 percent cows, 20 percent heifers if housed in the same type of facilities.

(f) Gas, Diesel (*gas, diesel, oil, grease*)

Allocated to crops on the basis of hectares or use. Gasoline for personal use is being recorded directly, and not allocated.

(g) Field Machinery (*equipment repair*)

Allocated according to hectares or use.

(h) Machinery Miscellaneous Expenses (*hardware, tools, machine insurance, licence, rent*)

Allocated according to hectares or use.

(i) House Repairs and Maintenance

Almost always 100 percent personal.

(j) Labour (*wages, EI, CPP, WSIB, EHT*)

According to use.

(k) Interest (*interest, life insurance premium*)

Allocation of short term interest is based on the percentage that the direct expense for each enterprise represents of the total direct expense for the farm. Intermediate and long term interest including life insurance premium is allocated 50 percent to the livestock enterprises based on the percentage overhead allocated, and 50 percent to crops according to hectares.

(l) Farm Insurance (*fire, liability, accident*)

Allocated to livestock.

(m) Car (*car insurance, maintenance*)

Normally 70 percent personal, 15 percent livestock, 15 percent crops.

(n) Hydro

Normally, if highly mechanized, 10 percent personal, 90 percent livestock. If low mechanization, 30 percent personal, 70 percent livestock.

(o) Water

Allocated to livestock.

(p) Telephone

Normally 50 percent personal, 25 percent livestock, 25 percent crops.

(q) Real Estate Taxes

Approximately half land, half buildings, allocated 10 percent to personal use for the house, pro-rated 40 percent to livestock according to animal units, 50 percent to crops according to hectares of each crop.

(r) Other Overhead Expenses (*Fees, accounting, legal, office supplies, advertising, etc.*)

50 percent livestock, 50 percent crops.

C.7 Allocation of Home-grown Feed

All home-grown feed is allocated to the various livestock enterprises based on information supplied by the farmer. In order to check for accuracy, an edit is carried out at the end of the year. This involves checking the estimated feed consumption

(Beginning Inventory + Production + Purchases - Sales - Ending Inventory)

for each farm to make sure that it is in line with accepted industry benchmarks for feed consumption. If feed consumption is not close to the benchmarks, the crop yields and other related information are double-checked to clarify the discrepancy.