



ANNUAL REPORT 2025

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

Released
August 2026

ACKNOWLEDGEMENT

This report is indebted to the 87 dairy producers who willingly participated in the Project during 2025. 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.

Table of Contents

	Page
Foreword	5
PROJECT RESULTS	7

List of Tables

Table 1	FARM REVENUE AND EXPENSES; 2025.	8
Table 2	FARM BALANCE SHEET; DECEMBER 31, 2025.	9
Table 3	BASIC FARM PRODUCTION PARAMETERS; 2025.	10
Table 4	DAIRY ENTERPRISE REVENUE AND EXPENSES; 2025, PER COW.	11
Table 5	DAIRY ENTERPRISE REVENUE AND EXPENSES; 2025, PER HL OF MILK SOLD.	12

List of Appendix and Appendix Tables

APPENDIX A	FARM REVENUE, EXPENSES, NET INCOME AND SAMPLE CHARACTERISTICS; 2016 to 2025.	13
Table A.1	FARM REVENUE, EXPENSES AND NET INCOME; 2016 TO 2025.	13
Table A.2	SAMPLE CHARACTERISTICS; 2016 TO 2025.	13
APPENDIX B	SAMPLE DESIGN AND CHARACTERISTICS	15
	B.1 Project Methodology	15
	B.2 Sample Selection	15
	B.3 Enrolment Procedure	17
	B.4 Labour Data Collection	17
Table B.1	SAMPLE COMPOSITION AND STRUCTURE; 2025.	16
APPENDIX C	ACCOUNTING PROCEDURES	18
	C.1 Account Structure	18
	C.2 On-Farm Recording	18
	C.3 Valuation of Fixed Assets	19
	C.4 Valuation of Livestock	19
	C.5 Valuation of Crops	19
	C.6 Allocation of Expenses	20
	C.7 Allocation of Home-grown Feed	22

Table C.1	LIVESTOCK INVENTORY VALUES; 2025.	19
Table C.2	CROP INVENTORY AND TRANSFER VALUES ON A PER TONNE BASIS; 2025.	20

Listing Of Graphs

Graph A.1	AVERAGE REVENUE, EXPENSES AND NET INCOME; 2016 to 2025.	14
-----------	--	----

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 2025 were:

Jessica Farlinger	Technician, East Region
John Ecclestone	Technician, South-West and Niagara Regions
Andrew Ryzebol	Technician, North-West and Central Regions

Individuals responsible for the final editing of the 2025 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 2025

The 2025 results for the 87 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 57 farms (middle). The COP ranking is based on the assumptions and calculational procedures established for the national Cost of Production pricing formula.

TABLE 1 FARM REVENUE AND EXPENSES; 2025

	Bottom 15	Middle 57	Top 15	All 87
REVENUE	\$	\$	\$	\$
Milk Sales	505,220	933,592	1,475,409	953,152
Cow & Bull Sales	39,054	76,936	146,195	82,346
Calf & Heifer Sales	21,324	36,253	79,193	41,083
Crop Sales	44,101	99,430	70,887	84,970
Other Farm Income	66,385	143,073	164,242	133,501
Total Cash Revenue	676,084	1,289,284	1,935,926	1,295,052
Inventory Change				
Dairy Enterprise	3,513	-2,303	-9,087	-2,470
Replacement Enterprise	-1,670	5,543	17,507	6,362
Other Livestock	613	2,772	-5,933	899
Feeds, Crops, Supplies	-10,756	-25,343	11,938	-16,400
Total Farm Revenue	667,784	1,269,953	1,950,351	1,283,443
EXPENSES				
Dairy Cow Enterprise				
Cow & Bull Purchases	6,843	5,687	5,970	5,935
Commercial Feed Purchases	90,108	153,117	207,469	151,412
Milk & Livestock Marketing	29,370	58,767	94,739	59,901
Breeding Fees	9,378	12,182	15,078	12,198
Stable & Milkhouse Supplies	20,611	19,669	26,661	20,955
Vet. and Drugs	15,677	22,689	27,708	22,346
Other Dairy Expenses ¹	13,189	24,619	43,368	25,881
Replacement Enterprise				
Cattle Purchases	30	1,168	1,008	944
Feed Purchases	14,045	25,134	26,055	23,431
Other Direct Heifer Expenses	1,816	3,071	2,846	2,816
Crop Enterprise				
Grains and Forages Purchases	15,930	31,285	28,506	28,158
Seed	20,366	30,768	33,886	29,234
Fertilizer	23,656	39,533	45,645	37,947
Sprays	6,297	10,410	9,496	9,543
Custom Work	23,508	42,590	50,113	40,597
Gas & Diesel Fuel	25,785	30,356	36,807	30,680
Machinery Repairs	42,971	51,624	62,593	52,023
Other Crop Expenses ²	3,607	4,925	7,160	5,106
Other Farm Expenses				
Direct Expenses Non-Dairy Livestock	1,150	10,958	8,006	8,758
Direct Expenses Other Crops	17,622	37,835	42,928	35,078
Wages & Salaries	50,497	69,070	149,777	79,783
Land Rent	10,800	11,492	27,776	14,181
Interest Paid	84,945	134,229	225,074	141,395
Real Estate Taxes	9,831	16,691	20,269	16,125
Telephone & Hydro	18,809	22,897	26,065	22,739
Insurance	16,745	20,489	25,593	20,724
Equipment & Building Repairs	29,719	41,322	54,177	41,597
Other General Cash Expenses ³	11,943	16,936	14,450	15,646
Total Cash Expenses	615,248	949,513	1,319,223	955,133
Building Depreciation	37,448	54,784	62,131	53,062
Machinery Depreciation	56,294	84,100	106,616	83,188
Total Farm Expenses	708,990	1,088,397	1,487,970	1,091,383
Net Farm Income	-41,206	181,556	462,381	192,060

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, 2025

NUMBER OF FARMS	Bottom 15	Middle 57	Top 15	All 87
A. WITH ASSETS AT MARKET VALUE	\$	\$	\$	\$
Machinery and Equipment	771,691	1,146,382	1,365,298	1,119,525
Personal Equipment	62,752	41,817	6,872	39,402
Land and Farm Buildings	4,702,713	6,915,967	10,236,250	7,106,834
Farm House & Personal Structures	214,066	313,200	343,325	301,302
Dairy Cows	165,207	258,959	387,440	264,947
Dairy Heifers	74,823	138,741	228,237	143,151
Other Livestock	1,400	16,659	51,667	20,064
Feed, Crops, Supplies, Inventory	116,479	141,312	227,327	151,861
Milk Quota	1,522,160	2,698,918	4,221,312	2,758,510
Total Assets	<u>7,631,291</u>	<u>11,671,955</u>	<u>17,067,728</u>	<u>11,905,596</u>
B. WITH ASSETS AT COST LESS DEPRECIATION¹				
Machinery and Equipment	481,660	762,506	908,834	739,313
Personal Equipment	92,410	42,067	7,092	44,716
Land and Farm Buildings	1,702,079	2,745,750	4,838,664	2,926,654
Farm House & Personal Structures	113,496	215,076	223,193	198,962
Dairy Cows	165,207	258,959	387,440	264,947
Dairy Heifers	74,823	138,741	228,237	143,151
Other Livestock	1,400	16,659	51,667	20,064
Feed, Crops, Supplies, Inventory	116,479	141,312	227,327	151,861
Milk Quota	882,001	1,582,737	2,813,304	1,674,087
Total Assets	<u>3,629,555</u>	<u>5,903,807</u>	<u>9,685,758</u>	<u>6,163,755</u>
C. LIABILITIES				
Operating & Short-Term Trade Credit	56,011	40,707	58,209	46,363
Intermediate & Long Term Loans	1,211,128	2,377,050	4,409,749	2,526,495
F.C.C. Loans	604,722	943,761	835,979	866,723
Total Liabilities	<u>1,871,861</u>	<u>3,361,518</u>	<u>5,303,937</u>	<u>3,439,581</u>
D. OWNER'S EQUITY				
(A) Assets At Market Value	<u>5,759,430</u>	<u>8,310,437</u>	<u>11,763,791</u>	<u>8,466,015</u>
(B) Fixed Assets at Cost	<u>1,757,694</u>	<u>2,542,289</u>	<u>4,381,821</u>	<u>2,724,174</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; 2025

NUMBER OF FARMS	Bottom 15	Middle 57	Top 15	All 87
Dairy Cows (hd)	65.7	91.5	135.2	94.6
Open Dairy Heifers, 6 months & older (hd)	16.5	26.9	41.6	27.6
Bred Dairy Heifers (hd)	19.1	28.3	45.2	29.6
Milk Sold/Farm (litres) ¹	474,408	945,713	1,520,048	963,477
Milk Sold/Cow (litres) ¹	7,630	10,281	11,143	9,973
Butterfat Test (kg/hl)	4.61	4.40	4.29	4.42
Person-Equivalents of Labour	2.5	2.6	2.8	2.6
Workable Land Farmed (hectares) ²	121	155	171	152
Average Age of Principal Operator	48.0	46.2	46.8	46.6

¹ Milk is expressed in terms of milk actually sold.

² One hectare = 2.47 acres.

TABLE 4 DAIRY ENTERPRISE REVENUE AND EXPENSES; 2025

- PER COW -

	Bottom 15	Middle 57	Top 15	All 87
REVENUE	\$	\$	\$	\$
Milk Sales	8,024.61	10,210.08	10,849.41	9,943.50
Quality Penalties & Levies	-4.66	0.00	0.00	-0.80
Cows & Bulls Sold	602.61	864.24	1,008.27	843.96
Other Dairy Livestock Sold	393.84	494.30	599.60	495.13
Dairy Livestock Inventory Change	47.44	29.20	47.23	35.45
Net Revenue	9,063.84	11,597.82	12,504.51	11,317.24
DIRECT DAIRY EXPENSES				
Dairy Ration	374.26	700.74	606.05	628.13
Protein Supplements	990.08	834.46	934.68	878.57
Salt & Minerals	41.06	32.07	24.10	32.25
Milk Replacer & Calf Ration	188.65	269.92	186.58	241.54
Other Purchased Feeds	6.88	40.94	32.75	33.65
Vet & Drugs	250.78	273.31	232.57	262.40
A.I. Fees	170.43	135.49	127.81	140.19
Stable & Milk House Supplies	320.07	238.12	221.97	249.46
Milk Transport & Licence Fees	452.16	620.14	673.61	600.40
Livestock Marketing	22.45	22.22	16.78	21.32
Other Dairy Expense ¹	242.15	330.79	347.63	318.41
Total Direct Expense	3,058.97	3,498.20	3,404.53	3,406.32
DAIRY SHARE OF CROP EXPENSES				
Bulk Grain & Forage Purchases	192.44	318.59	246.86	284.47
Seed	242.54	182.68	181.56	192.81
Fertilizers	242.04	249.55	222.61	243.61
Herbicides & Pesticides	72.74	55.05	49.12	57.08
Custom Work	321.22	320.96	264.65	311.30
Fuel & Lubricants	260.02	182.46	172.88	194.18
Field Machinery Repairs	440.63	278.91	316.57	313.29
Land Rent	117.06	72.60	131.08	90.35
Other Crop Expense ²	66.55	49.49	69.93	55.96
Total Crop Expense	1,955.24	1,710.29	1,655.26	1,743.05
Returns Over Direct & Crop Expenses	4,049.63	6,389.33	7,444.72	6,167.87
ALLOCATED INDIRECT & OVERHEAD EXPENSES				
Barn Equipment & Building Repairs	345.66	308.26	247.66	304.26
Hired Labour Expenses	549.82	467.56	633.61	510.37
Interest Expense	1,249.10	1,138.00	1,266.06	1,179.23
Insurance	250.17	163.96	152.37	176.82
Telephone & Hydro	237.26	180.14	154.82	185.62
Taxes	121.71	125.61	119.05	123.80
Other Overhead Expenses ³	153.99	123.10	89.29	122.60
Total Indirect & Overhead Expenses	2,907.71	2,506.63	2,662.86	2,602.70
Returns Over Expenses	1,141.92	3,882.70	4,781.86	3,565.17
DAIRY LIVESTOCK PURCHASES				
Cows & Bulls Purchased	125.26	69.12	91.01	82.57
Other Dairy Livestock Purchases	0.26	20.80	13.09	15.93
Total Dairy Livestock Purchases	125.52	89.92	104.10	98.50
Net Returns	1,016.40	3,792.78	4,677.76	3,466.67
TOTAL LABOUR REQUIRED (Hrs)⁴	115.88	82.68	60.41	84.56

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; 2025
- PER HL OF MILK SOLD -

	Bottom 15	Middle 57	Top 15	All 87
	\$	\$	\$	\$
REVENUE				
Milk Sales	106.66	100.19	97.31	100.80
Quality Penalties & Levies	-0.07	0.00	0.00	-0.01
Cows & Bulls Sold	7.95	8.37	9.11	8.42
Other Dairy Livestock Sold	4.98	4.87	5.37	4.98
Dairy Livestock Inventory Change	0.54	0.30	0.54	0.38
Net Revenue	120.06	113.73	112.33	114.57
DIRECT DAIRY EXPENSES				
Dairy Ration	4.81	7.04	5.32	6.36
Protein Supplements	12.69	7.83	8.62	8.80
Salt & Minerals	0.65	0.33	0.21	0.36
Milk Replacer & Calf Ration	2.60	2.64	1.76	2.48
Other Purchased Feeds	0.08	0.39	0.30	0.32
Vet & Drugs	3.33	2.70	2.09	2.70
A.I. Fees	2.24	1.33	1.16	1.46
Stable & Milk House Supplies	4.21	2.34	2.02	2.61
Milk Transport & Licence Fees	5.90	6.02	6.04	6.01
Livestock Marketing	0.29	0.23	0.15	0.22
Other Dairy Expense ¹	3.24	3.23	3.01	3.19
Total Direct Expense	40.04	34.08	30.68	34.51
DAIRY SHARE OF CROP EXPENSES				
Bulk Grain & Forage Purchases	2.63	3.21	2.27	2.95
Seed	3.35	1.80	1.62	2.03
Fertilizers	3.36	2.47	1.95	2.53
Herbicides & Pesticides	0.95	0.54	0.43	0.59
Custom Work	4.20	3.11	2.32	3.16
Fuel & Lubricants	3.54	1.82	1.59	2.08
Field Machinery Repairs	5.94	2.78	2.89	3.34
Land Rent	1.61	0.76	1.15	0.97
Other Crop Expense ²	1.01	0.52	0.65	0.63
Total Crop Expense	26.59	17.01	14.87	18.28
Returns Over Direct & Crop Expenses	53.43	62.64	66.78	61.78
ALLOCATED INDIRECT & OVERHEAD EXPENSES				
Barn Equipment & Building Repairs	4.39	3.02	2.19	3.11
Hired Labour Expenses	7.01	4.48	5.64	5.11
Interest Expense	16.58	10.92	11.16	11.94
Insurance	3.31	1.58	1.35	1.84
Telephone & Hydro	3.02	1.77	1.39	1.92
Taxes	1.65	1.25	1.10	1.29
Other Overhead Expenses ³	2.03	1.20	0.81	1.28
Total Indirect & Overhead Expenses	37.99	24.22	23.64	26.49
Returns Over Expenses	15.44	38.42	43.14	35.29
DAIRY LIVESTOCK PURCHASES				
Cows & Bulls Purchased	1.57	0.74	0.83	0.90
Other Dairy Livestock Purchases	0.00	0.20	0.13	0.15
Total Dairy Livestock Purchases	1.57	0.94	0.96	1.05
Net Returns	13.87	37.48	42.18	34.24
TOTAL LABOUR REQUIRED (Hrs)⁴	1.54	0.82	0.55	0.90

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

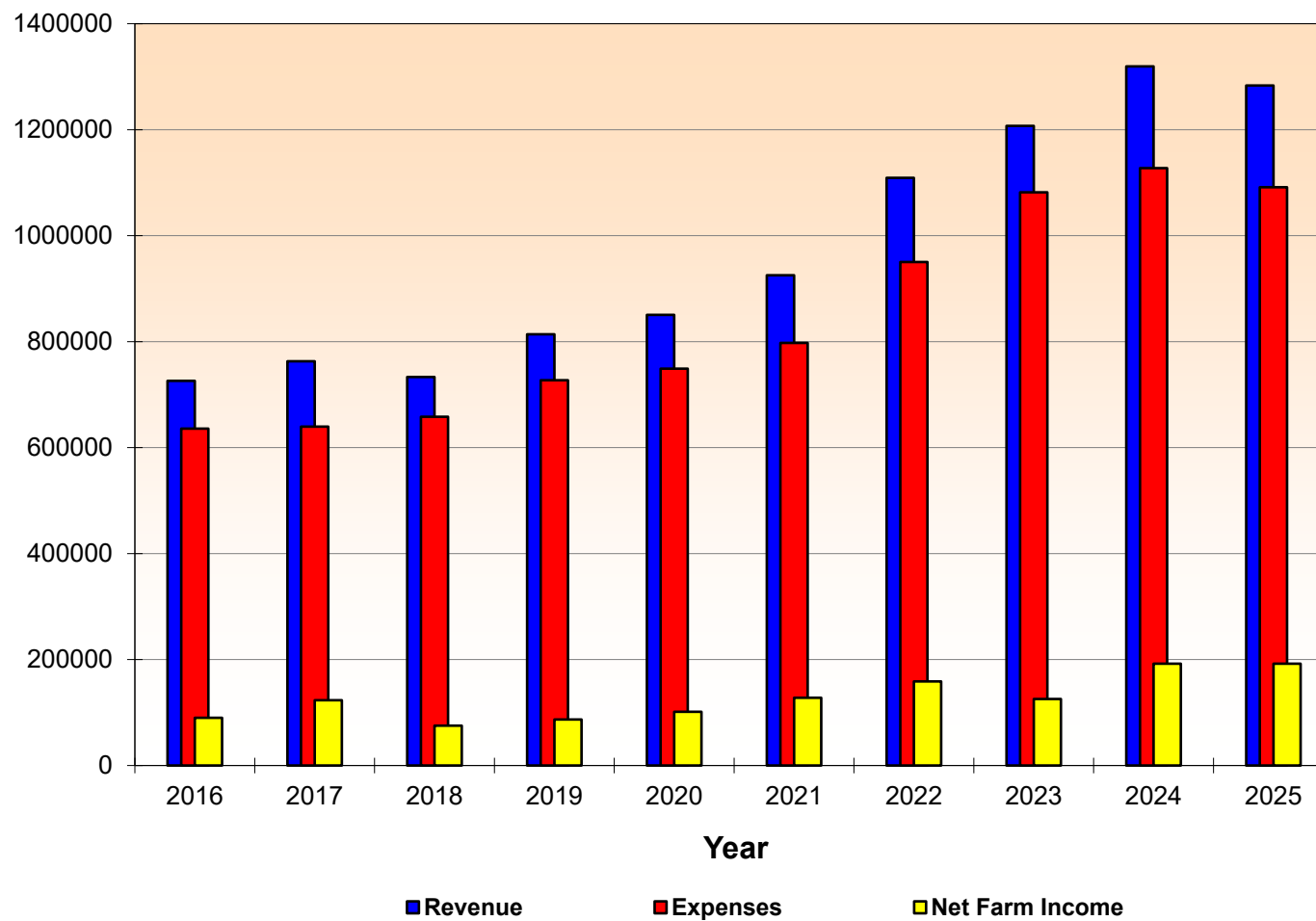
TABLE A.1 FARM REVENUE, EXPENSES AND NET INCOME; 2016 to 2025

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Farms	65	70	70	68	61	69	64	81	81	87
REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Milk Sales	582,158	611,897	577,595	659,678	676,123	705,065	826,396	919,563	964,436	953,152
Livestock Sales	43,632	38,685	34,593	32,467	41,073	15,899	22,726	37,537	98,810	123,429
Crop Sales	46,191	39,360	52,327	54,827	56,321	86,698	106,836	99,439	118,710	84,970
Other Farm Income	54,309	51,704	62,539	64,740	77,896	92,720	128,758	135,228	135,714	133,501
Total Cash Revenue	726,290	741,646	727,054	811,712	851,413	900,382	1,084,716	1,191,767	1,317,670	1,295,052
Inventory Change All Enterprises	-435	22,325	6,336	2,202	-999	24,951	24,343	15,511	1,829	-11,609
Total Farm Revenue	725,855	763,971	733,390	813,914	850,414	925,333	1,109,059	1,207,278	1,319,499	1,283,443
EXPENSES										
Dairy Cow Enterprise	190,817	205,044	201,331	212,015	215,722	230,253	275,462	303,899	304,386	298,628
Replacement Enterprise	19,977	20,475	20,456	22,477	22,151	23,448	23,686	26,972	25,882	27,191
Crops Enterprises	143,412	132,215	143,943	161,999	163,991	179,691	235,937	241,889	249,749	233,288
Other Farm Expenses	214,133	218,122	220,414	247,733	256,791	271,181	303,072	383,197	405,896	396,026
Total Cash Expenses	568,339	575,856	586,144	644,224	658,655	704,573	838,157	955,957	985,913	955,133
Building & Machinery Depreciation	67,402	64,781	72,077	82,942	90,719	92,894	112,248	125,713	141,530	136,250
Total Farm Expenses	635,741	640,637	658,221	727,166	749,374	797,467	950,405	1,081,670	1,127,443	1,091,383
NET FARM INCOME	90,114	123,334	75,169	86,748	101,040	127,866	158,654	125,608	192,056	192,060

TABLE A.2 SAMPLE CHARACTERISTICS; 2016 to 2025

Data Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Farms	65	70	70	68	61	69	64	81	81	87
Herd Size (head)	82.7	82.2	84	90	89.6	90	96.1	98.1	98.2	94.6
Milk Sales (litres)	769,113	787,315	773,580	829,257	843,988	879,256	922,526	980,640	987,536	963,477
Milk Sales Per Cow (litres)	8,890	9,093	8,942	9,016	9,181	9,416	9,477	9,804	9,837	9,973
Tillable Hectares	135	128	132	135	146	154	168	162	162	152
Total Person Equivalents	2.4	2.5	2.5	2.6	2.5	2.5	2.6	2.7	2.7	2.6
Age of Principal Operator	52.2	51.7	50.7	50.6	50.1	49.6	49.0	47.8	47.7	46.6

- 14 -
**AVERAGE REVENUE, EXPENSES
AND NET FARM INCOME;
2016 TO 2025.**



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 2025 sample is composed of five sub-samples of dairy farms. The first sub-sample consists of 16 farms which was recruited in late 2020 and enrolled in the Project for 2021. The second sub-sample consists of 11 farms recruited in late 2021 for enrolment in 2022. The third sub-sample of 32 farms was recruited in late 2022 for enrolment in 2023. The fourth sub-sample of 11 farms was recruited in late 2023 for enrolment in 2024. The fifth and final sub-sample of 17 farms was recruited in late 2024 for enrolment in 2025.

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 87 farms on which this report is based are summarized in Table B.1.

TABLE B.1 SAMPLE COMPOSITION AND STRUCTURE; 2025.

Participation by Year of Initial Enrolment

REGION	2021	2022	2023	2024	2025	TOTAL
01			3			3
02		1	2	1	1	5
03	1					1
04	2		3			5
05	1		2		3	6
06	1	1	1	1		4
07		1	5			6
08	1	1	3	1	3	9
09	2		3	1	2	8
10		1	2	1		4
11	3		3	3	2	11
12		2	4	2	4	12
13	3	1	1	1	2	8
14	2	3				5
TOTAL	16	11	32	11	17	87

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.

[illegible]

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 2025 is as follows:

(i) Beef & Veal	33
(ii) Sheep	2
(iii) Swine	1
(iv) Poultry	2
(v) Other Crops	54

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 2025, are as indicated in Table C.1.

TABLE C.1 **LIVESTOCK INVENTORY VALUES; 2025.**

Description	Under 7,750 Litres/Cow/Year		Over 7,750 Litres/Cow/Year	
	Beginning (\$)	Ending (\$)	Beginning (\$)	Ending (\$)
Cows	2150	2150	2900	2900
Bred Heifers	1850	1850	2650	2650
Open Heifers	1400	1400	1950	1950
Heifer Calves	300	300	450	450
Bull Calves	500	800	500	800

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 2025 AgriStability Fair Market Values list. Forage values are based on the equivalent feed value of grain corn. Values for 2025 are as indicated in Table C.2.

TABLE C.2 CROP INVENTORY AND TRANSFER VALUES; 2025.
- Per Tonne Basis -

Values used for	Inventory Valuation		Transfer Value
	Beginning	Ending	
	\$	\$	\$
Home-grown Feed:			
Wheat	246.00	244.00	245.00
Barley	272.00	250.00	261.00
Oats	283.00	287.00	285.00
Mixed Grain	250.00	210.00	230.00
Grain Corn	216.00	240.00	228.00
Hay	192.00	184.00	188.00
Haylage @ 45% DM	90.50	87.00	88.75
Grainlage	51.50	52.50	52.00
Corn Silage	43.00	48.00	45.50
Straw	205.00	198.00	201.50

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.