

# COSTS AND RETURNS OF SAMPLE RANCHING BUSINESSES IN VARIOUS AREAS OF BRITISH COLUMBIA - 2024



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## **Background**

This study was made possible through a joint initiative between the BC Cattlemen’s Association and the BC Ministry of Agriculture and Food with funding through the Sustainable Canadian Agricultural Partnership, a joint federal-provincial-territorial initiative.

The following team was contracted to complete an update of the study: “2013 Costs and Returns of Sample Ranches in Various Areas of British Columbia.”

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Front cover photo taken by Cheryl Monical, 100 Mile House, BC.

## **Disclaimer**

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# Introduction

## Outline of Project and Objectives

Numerous factors, including environmental and geopolitical ones, are impacting the economic viability of the beef sector in BC, resulting in the need for current information on the costs and returns associated with ranching businesses in the province.

This project was initiated to update the information contained in the 2013 study: “Costs and Returns of Sample Ranching Businesses in Various Areas of British Columbia.” This revision was conducted using feedback from BC ranchers to review and update the cost and return data and production parameters in the 2013 study. A focus group approach was used to gather the data to complete this study. Focus group sessions were conducted for seven locations in British Columbia: Cranbrook, Vernon, Kamloops, Williams Lake, Vanderhoof, Dawson Creek and Vancouver Island. It should be noted that Vancouver Island was not included in the 2013 study, but was added to reflect the differences associated with ranching on the island.

The authors would like to thank the ranchers who contributed their valuable expertise and time to provide the information to complete the study. The authors would also like to thank the BC Cattlemen’s Association and staff from the BC Ministry of Agriculture and Food and Community Futures who helped organize the focus group sessions and provided valuable input and support into the study.

The Program objectives were:

1. To develop current baseline data for a representative ranch business in each region of BC which consists of:
  - An asset profile including deeded land base, size of cow herd, machinery complement, etc.
  - A financial profile of the ranch including an Income and Expense Statement, Net Worth Statement, and Cost of Production of the beef and forage operations.
  - A profile of production variables including calving percentage, weaning weights, prices, forage production etc.
2. To provide current and relevant cost of production information to ranchers to support more informed operational management decisions and future economic analysis work.
3. To make the information available to participating agencies for program planning, extension education and analysis.

## **Methodology of the Study**

To determine the profitability of ranching businesses, an integrated computer model was developed to process the information. In addition to the information provided by the ranchers, secondary sources were used to compile, supplement and verify data on input costs and revenues, production variables and the capital structure of typical ranches. The data was input into the computer model to generate the financial statements for the representative sample ranch. The model also produced the cost of production for the cow calf and forage enterprises for the sample ranch business. Ranchers who participated in the focus group sessions reviewed and provided feedback on the summary statements from the model. This feedback was incorporated into the final results of the study. The following outlines the focus group process.

### **The Focus Group Process to Determine Cost of Production Information**

The process which was used to verify costs of forage production and cow calf profits utilized focus groups of ranchers to provide information for a representative ranch in the area. The following is an outline of the process.

- The first step in the process was to review the parameters of the sample ranches developed in 2013 and establish a framework to update the ranch.
- The focus group looked at the 2013 information for the ranch including: the total number of deeded acres, number of cows, number of acres in forage production and the sources of forage to provide the required AUM's of grazing (i.e. Crown Range, Community Pasture, Rented private land, Ranch owned land). After completion, the information was updated to 2024.
- Producers provided information for the cow calf enterprise including prices, weaning weights calving percentage, etc. Forage cost information, including yields and prices in the establishment and full production years, and detailed costs associated with cow calf production were verified.
- Input costs like forage seed, fertilizer, chemicals (if used), fuel costs, etc. were verified and updated.
- A list of the machinery complement on the ranch was verified and current values were updated using information from machinery dealers in BC as well as on-line sources.
- The group confirmed all activities to determine fuel, repair and maintenance, and labour costs for each forage operation.

- Interest costs, land costs, and other overhead costs were updated.
- The information was input into the computer model to calculate and produce an Income and Expense Statement, Net worth Statement, and detailed costs related to the cow calf and hay enterprises on the sample ranch.
- The information was verified and the financial data was provided to the producers for comment and feedback.

The information was used to prepare a final report on the costs and returns of ranching businesses in various areas of British Columbia.

### **Developing Sample Ranches for the Study**

Sample ranches were developed in seven areas of British Columbia for the purposes of this 2024 study. These ranches are not meant to be average or typical ranches but rather ranches that one would regard as being a reasonable fit for the area in which they were designed. They need to be capable of accommodating the production parameters and economic data in a logical way without confounding encumbrances, and provide for the average, normal or typical characteristics associated with the area or region.

Lengthy dialogue was held during the process of designing the sample ranch. Some components of the discussions included:

1. An important requirement for the sample ranch was that the operation would not stand out as being a gross abnormality or clearly a near impossibility for a ranch located in that particular region. The ranch being designed was described as an example, as opposed to an average ranch, or a typical ranch for the area.
2. The sample ranch needed to be structured so that discussion participants could confidently attach appropriate production and economic parameters that were logical and defensible for the sample ranch.
3. While it was important that the scale of operation for the sample ranch be large enough to be a viable entity, it was recognized that some ranch operations may require a significant component of off farm income or other sources of revenue or capital depending on location, etc.
4. Beyond the above three requirements, it was desirable to construct a sample ranch that encompassed some of the significant geographic and climatic features typical to the zone or region in which the ranch was located (such as open native grasslands in the

Kamloops example vs. northern examples using native brush areas often mixed with openings of pastures seeded to domestic species).

5. A range in the size of operations represented by the sample ranches was not a requirement, however in the end, ranches ranged in size from 20 to 400 cows. A range of herd sizes exists within all of the regions in this study. Although it was not part of the original plan, being able to compare the costs and returns between cowherd sizes was useful. Comparative data on a per cow basis is shown on Table 39 and illustrates the impact of herd size on costs and net farm income. Especially on indirect costs.

The production and economic features represented by the sample ranches were excellent for the purpose of this study. The results of this study confirm the usefulness of the hypothetical sample ranch model technique.

This technique requires the careful selection and development of sample ranches and their respective production and economic parameters. The knowledge, experience and judgment of participants is key to the success of this process. The sample ranches represent the collective wisdom and experience of the participants who developed the scenarios.

The study provided the following information on each of the sample ranches.

- Ranch Description
- Ranch Basic Assumptions, Winter Feed and Animal Unit Months (AUM's) of Grazing Calculations
- Ranch Income and Expense Statement
- Ranch Net Worth Statement
- Costs of production of the forage enterprise

The financial situation of each sample ranch is outlined by the Ranch Income and Expense Statement and the Ranch Net Worth statement.

## **Ranch Income and Expense Statement**

The Income and Expense Statement of each sample ranch for the period January 1<sup>st</sup> to December 31<sup>st</sup>, 2024 speaks to the profitability of the ranch. The profitability of a business is shown on the Ranch Income and Expense Statement. Sometimes called a Profit and Loss (P&L) Statement, it summarizes the revenue and expenses of a business over a period of time, indicating net income or loss. It matches the revenue with the expenses incurred during the period. It is usually reported on an accrual basis with exception of agricultural businesses, which can report on the cash basis. Under the cash basis, revenues and expenses are reported in the period in which the related cash is received or dispersed.

Under the accrual basis, revenues and expenses are reported in the period in which they have been earned or incurred, regardless of when the cash is received or paid. Adjustments are made for changes in inventory, accounts payable and receivable. The Income and Expense Statement for the sample ranch in B.C. was reported on the accrual basis.

The gross profit shows the revenue generated from the ranch less livestock and crop purchases and marketing costs, and is adjusted for changes in inventory of cattle and crop sales. The production coefficients like weaning weights, calf prices, calving percentage, etc. are outlined in the Sample Ranch Basic Assumptions, Winter Feed and AUM Calculations Table. Direct costs are those costs that are directly related to items produced by the ranch business. Examples include fertilizer, feed, fuel and vet supplies. Indirect expenses are those items that cannot be directly related to production. Examples include taxes, accounting, interest and utilities. Total return over expenses is the gross profit minus direct and indirect expenses. Depreciation is deducted from this number to determine the Net Farm Income of the Ranch. No operator labour is included in the expenses section of these unincorporated businesses. Items which must be covered by the net farm income, include principal payments, operator labour, return to management, and equity.

## **Opportunity Costs**

A number of ranchers at the focus group meetings indicated that opportunity cost of capital invested in the ranch operation should be addressed.

Opportunity cost can be defined as the cost of income foregone if the capital is invested in the next best alternative. For example if the ranch is sold and the money received is invested in the next best alternative, the opportunity cost is the amount the investment would return. In most cases ranchers do not address opportunity costs until they plan to make major changes or they are

realistically considering selling the ranch.

Any decision that involves two or more options involves opportunity costs. The main use of opportunity cost is to evaluate specific investment alternatives. In many instances opportunity cost is expressed in non-monetary terms. Opportunity costs differ from the accounting costs that have been used in the cost and returns on the Income and Expense Statement. The accounting costs include actual cost and do not include forgone opportunities.

In the process of calculating opportunity cost, the appreciation of ranch assets over time should be considered. A complete analysis should examine the historic rate of appreciation in the capital asset over time, the reasons for the appreciation, and the likelihood that the asset would continue to appreciate at the historic rate, or even exceed the historic rate of return in the future. In many instances the increase in the value of the ranch assets over time may offset the opportunity cost. Opportunity cost was considered in the analysis of the forage enterprise, but was not included on the Ranch Income and Expense Statement.

### **Net Worth Statement**

The Ranch Net Worth Statement summarizes the net worth of a business at a point in time. The statement date for each sample ranch in the study is December 31<sup>st</sup>, 2024. Assets are valued at estimated fair market value and liabilities are subtracted from the asset values to estimate net worth of the business. Current Assets are those assets that can be converted to cash within one year or consumed in the production process within one year.

Examples of Current Assets include cash, feed, accounts receivable and market livestock. In most cases on the sample ranches, this consists of the hay inventory at year-end. Intermediate Assets are those assets that have a useful life of greater than one year and not more than 10 years. Examples include equipment and breeding livestock. The value of machinery is the fair market value for a compliment of machinery held by a typical ranch in the various areas of B.C. Fixed Assets are those assets that have a useful life of more than 10 years, and include items such as land, buildings and corrals. The values of fixed assets were determined by the focus group participants, the authors and other secondary sources.

Current Liabilities are liabilities that must be paid within one year. Examples include accounts and notes payable, operating loans and the principal. Intermediate Liabilities are liabilities that must be paid within 10 years. Examples include loans for livestock and equipment. Term Liabilities are liabilities of more than 10 years. Examples include mortgages and equipment loans of more than 10

years. Total liabilities of the typical ranch were estimated at \$2,000 per cow. The liabilities of the typical ranch are the amount of debt the focus group believed a cow could support.

### **Forage Enterprise Cost and Returns**

The hay cost of production table combines the costs and returns of the establishment and full production years. It is summarized on a per acre and per ton basis in the categories of direct costs, indirect costs and opportunity costs. The revenues and costs are weighted averages which reflect the different acreages in establishment and production.

*Total Revenue* of the hay enterprise consists of hay used for feed at market value and sales of hay not used for feed.

*Direct Costs* are those costs that are directly related to hay production. Examples include seed, fertilizer, repair and maintenance, fuel and hydro.

*Indirect Costs* are those costs that cannot be related directly to production. Items include depreciation on equipment and buildings and labour.

*Gross Operating Profit* is the total revenue less direct and indirect costs.

*Opportunity Cost* is the expected rate of return forgone by the bypassing of other potential investment activities for a given capital. The typical farm land ownership costs are accounted for by including the cost of renting land in the area.

*Total Economic Costs* includes direct costs, indirect costs and opportunity costs. The direct and indirect costs are incorporated into the ranch Income and Expense Statement.



# **Cranbrook Sample Ranch Description**

The sample ranch is located near Cranbrook, in the East Kootenay region of British Columbia. The ranch markets cattle in southern Alberta. The following summarizes the production parameters of the ranch.

## **Cow Herd**

The ranch has a herd of 200 cows. The cows commence calving on March 10<sup>th</sup>. Calves are sold in the fall (early November). The sale weights in 2024 for steer calves was 570 pounds and for heifers, 515 pounds. The average selling prices for the fall of 2024 were \$4.00 per pound for steers and \$3.90 per pound for heifers. The cow to bull ratio is 25 to one. The weaning percentage, expressed as the number of calves weaned as a percentage of cows overwintered, was 90%. The herd replacement rate is 15% with 85% of the heifer calves retained entering the herd. Therefore, 35 heifer calves are kept as replacements.

## **Winter Feeding**

Winter feeding begins December 1<sup>st</sup> and the last day of feeding is May 20<sup>th</sup> for a total feeding period of 171 days. The total winter feed requirement for the herd is 645 tons of hay. On a per cow basis the winter feed requirement is 3.22 tons per cow.

## **Winter Feed Production**

The ranch has 200 acres of hay land. Of this acreage 180 acres are in full production and 20 acres are in the establishment year. These hay stands are an alfalfa grass mix and the average yield is 3.5 tons per acre on the established stands and 2.5 tons on the new seeding. The total hay produced on the ranch is 680 tons. A total of 645 tons of hay are required for feeding the herd and the remaining 35 tons are sold. The hay land also provides aftermath grazing in the fall.

## **Grazing**

The ranch uses Crown Range, rented pasture and the home ranch to provide the grazing requirements for the herd. The grazing period is 195 and the Animal Unit Months (AUM's) of grazing required for the ranch is 1,558 AUM's.

## **Total Size of Ranch**

The ranch has a total of 700 acres of deeded land. Hay is produced on 200 acres.



**Table 2 – Income and Expense Statement – Cranbrook Sample Ranch**

<b>Income and Expense Statement</b>			
<b>Cranbrook</b>		<b>200 Cows</b>	
January 1 to December 31, 2024			
<b>Revenue</b>		<b>Total Ranch</b>	<b>Per Cow</b>
Cow Calf		393,283	1,966
Hay Sales		8,098	40
Other Income		0	0
Less:			
Bull Purchase		-30,000	-150
Feed Purchase		0	0
Marketing & Trucking		-12,057	-60
Inventory	Cow Calf	0	Crops
Change	0	0	0
<b>Gross Profit</b>		<b>359,324</b>	<b>1,797</b>
<b>Direct Expenses</b>			
Seed		2,240	11
Fertilizer		21,252	106
Herbicides/Pasture Chemicals		840	4
Bale Netting/Wrap/Twine/Tarp		447	2
Crop Insurance		0	0
Custom Work		3,300	17
Irrigation Power		7,000	35
Feed Supplement		0	0
Mineral and Salt		6,000	30
Grazing Fees		4,037	20
Private Pasture Fees		10,000	50
Trucking- Grazing		6,000	30
Livestock Supplies		3,000	15
Vet. & Medicine		8,000	40
Equipment Fuel & Lube		21,611	108
Equipment Repair		17,947	90
Other Enterprise Expense		0	0
<b>Total Direct Expenses</b>		<b>111,674</b>	<b>558</b>
<b>Contribution Margin</b>		<b>247,649</b>	<b>1,238</b>
<b>Indirect Expenses</b>			
Building & Fence Repair		7,000	35
Land Taxes		3,000	15
Shop Supplies/Small Tools		3,000	15
Hired Labour		24,000	120
Legal & Accounting		5,000	25
Insurance & Licences		15,000	75
Utilities		6,000	30
Misc.( Office,fees,subscrip.)		3,500	18
Operating Interest		2,345	12
Term Loan Interest		24,000	120
<b>Total Indirect Expense</b>		<b>92,845</b>	<b>464</b>
<b>TOTAL EXPENSES</b>		<b>204,519</b>	<b>1,023</b>
<b>NET RETURN OVER EXPENSE</b>		<b>154,804</b>	<b>774</b>
Depreciation - Equipment and Buildings		36,435	182
<b>NET FARM INCOME</b>		<b>118,369</b>	<b>592</b>

**Table 3 – Net Worth Statement – Cranbrook Sample Ranch**

**Net Worth - Cranbrook- Sample Ranch**  
December 31, 2024

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash		Operating Loan	
Accounts Receivable		Accounts Payable	
Supplies			
Hay	\$0		
<b>Total Current Assets</b>	<b>\$0</b>	<b>Total Current Liabilities</b>	<b>\$0</b>
<b>Intermediate Assets</b>		<b>Intermediate Liabilities</b>	
Cow Herd	\$819,500	Intermediate Loans	
Equipment	\$438,500		
Car			
Horses	\$6,000		
<b>Total Intermediate Assets</b>	<b>\$1,274,000</b>	<b>Total Intermediate Liabilities</b>	<b>\$0</b>
<b>Fixed Assets</b>		<b>Long Term Liabilities</b>	
Buildings and Corrals	\$68,000	Land Mortgage	\$400,000
House	\$600,000		
Other			
Land	\$5,200,000	<b>Total Long Term Liabilities</b>	<b>\$400,000</b>
<b>Total Fixed Assets</b>	<b>\$5,868,000</b>	<b>Total Liabilities</b>	<b>\$400,000</b>
<b>Total Assets</b>	<b>\$7,142,000</b>	<b>Total Equity</b>	<b>\$6,742,000</b>

**Table 4 – Forage Costs and Returns – Cranbrook Sample Ranch**

<b>Forage Costs and Returns Cranbrook - 2024</b>			
Average of Establishment and Production Years			
<b>Revenue</b>	<b>Yield (Tons/Ac)</b>	<b>Per Acre</b>	<b>Per Ton</b>
Barley Hay	2.50	\$375.00	\$150.00
1st Cut Hay	2.00	\$450.00	\$225.00
2nd Cut Hay	1.50	\$375.00	\$250.00
<b>Total *</b>	<b>3.40</b>	<b>\$780.00</b>	<b>\$229.41</b>
<b>Direct Costs</b>			
Seed		\$11.20	\$3.29
Fertilizer/Herbicides		\$107.46	\$31.25
Custom Work		\$16.50	\$4.85
Twine/Wrap		\$2.23	\$0.66
Irrigation		\$35.00	\$10.29
<b>Total Supplies and Materials</b>		<b>\$172.39</b>	<b>\$50.70</b>
Fuel and Lube Costs		\$52.39	\$15.41
Machine Repairs		\$64.44	\$18.95
<b>Total Direct Costs</b>		<b>\$289.22</b>	<b>\$85.07</b>
<b>Contribution Margin</b>		<b>\$490.78</b>	<b>\$144.35</b>
<b>Indirect Costs</b>			
Dep. (Bldgs. & Equip.) plus taxes		\$154.81	\$45.53
Labour		\$112.71	\$33.15
<b>Total Indirect Costs</b>		<b>\$267.52</b>	<b>\$78.68</b>
<b>Total Direct and Indirect Costs</b>		<b>\$556.74</b>	<b>\$163.75</b>
<b>Gross Operating Profit</b>		<b>\$223.26</b>	<b>\$65.66</b>
<b>Opportunity Costs</b>			
Interest on Direct Costs		\$10.12	\$2.98
Land Rental Cost		\$90.00	\$26.47
Interest on Bldgs. & Equip.		\$151.95	\$44.69
<b>Total Opportunity Costs</b>		<b>\$252.07</b>	<b>\$74.14</b>
<b>Total Economic Costs</b>		<b>\$808.82</b>	<b>\$237.89</b>
Total Acres Hay land	Acres	<b>200</b>	
Total Tons Produced	Tons	<b>680</b>	

*\*Average for all hay acres.*

**Table 5 – Summary of Hay Production Costs and Returns –Cranbrook Sample Ranch**

2024	SUMMARY OF HAY PRODUCTION COSTS AND RETURNS								Cranbrook	
Revenue	Est. Year 1				20 Acres		Full Pdn.		180 Acres	
	Yield	Price	Units	\$Per Ac	\$/Ton	Yield	Price	Units	\$Per Ac	\$/Ton
Barley Hay	2.50	150.00	Ton	375.00				Ton		
Alfalfa 1st Cut			Ton			2.0	225.00	Ton	450.00	
Alfalfa 2nd cut			Ton			1.5	250.00	Ton	375.00	
<b>Total Revenue</b>	2.50			<b>375</b>	<b>150</b>	3.5			<b>825</b>	<b>236</b>
<b>DIRECT COSTS</b>			Units					Units		
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac	
Seed: Alfalfa	10.0	6.00	lb.	60.00				lb.		
: Brome Grass	2.0	6.00	lb.	12.00				lb.		
: Timothy	4.0	5.00	lb.	20.00				lb.		
: Barley	50.0	0.40	lb.	20.00				lb.		
Fertilizer establishment	1.0	72.60	lb.	72.60		1.0	110.00	lb.	110.00	
Custom Fertilizer Applic.	1.0	15.00	acres	15.00		1.0	15.00	acres	15.00	
Herbicides	1.0	12.00	acres	12.00			12.00	acres		
Custom Herbicide Applic.	1.0	15.00	acres	15.00			15.00	acres		
Net Wrap	2.5	0.66	T.of Hay	1.64		3.5	0.66	T.of Hay	2.30	
Irrigation Power	1.0	35.00	\$/acre	35.00		1.0	35.00	\$/acre	35.00	
<b>Total Supplies and Materials</b>				<b>263</b>					<b>162</b>	
Fuel & Lube Costs				100.50					47.05	
Machine Repairs				87.69					61.85	
<b>TOTAL DIRECT COSTS</b>				<b>451</b>	<b>181</b>				<b>271</b>	<b>77</b>
<b>Contribution Margin</b>				<b>-76</b>	<b>-31</b>				<b>554</b>	<b>158</b>
<b>Indirect Costs</b>										
Dep. (Bldgs & Eq.) + taxes				154.81	61.93				154.81	44.23
Labour				139.71	55.88				109.71	31.34
<b>Total Indirect Costs</b>				<b>295</b>	<b>118</b>				<b>265</b>	<b>76</b>
<b>Total Direct and Indirect Costs</b>				<b>746</b>	<b>298</b>				<b>536</b>	<b>153</b>
<b>Gross Operating Profit</b>				<b>-371</b>	<b>-148</b>				<b>289</b>	<b>83</b>
<b>Opportunity Costs</b>										
Interest on Direct Costs				15.80	6.32				9.49	2.71
Land Rental Cost				90.00	36.00				90.00	25.71
Interest on Bldgs & Equip.				151.95	60.78				151.95	43.41
<b>Total Opportunity Costs</b>				<b>258</b>	<b>103</b>				<b>251</b>	<b>72</b>
<b>Total Economic Costs</b>				<b>1,004</b>	<b>401</b>				<b>787</b>	<b>225</b>

## **Vernon Sample Ranch Description**

The sample ranch is located near Vernon, in the Southern Interior of British Columbia. The ranch sells cattle at the BC Livestock Co-op in Kamloops. The following summarizes the production parameters of the ranch.

### **Cow Herd**

The ranch has a herd of 150 cows. The cows commence calving on February 15<sup>th</sup>. Calves are sold in the fall (mid-October). The sale weight in 2024 for steer calves was 650 pounds and for heifers, 600 pounds. The average selling prices for the fall of 2024 were \$3.88 per pound for steers and \$3.30 per pound for heifers. The cow to bull ratio is 25 to one. The weaning percentage, expressed as the number of calves weaned as a percentage of cows overwintered, was 90%. The herd replacement rate is 15% with 80% of the heifer calves retained entering the herd. Therefore, 29 heifer calves are kept as replacements.

### **Winter Feeding**

Winter feeding begins November 15<sup>th</sup> and the last day of feeding is May 14<sup>th</sup> for a total feeding period of 181 days. The total winter feeding requirement for the herd is 532 tons of hay. On a per cow basis the winter feed requirement is 3.54 tons per cow.

### **Winter Feed Production**

The ranch has 150 acres of hay land. Of this acreage 120 acres are in full production and 30 acres are in the establishment year. These hay stands are an alfalfa grass mix and the average yield is 4.5 tons per acre on the established stands and 2.0 tons on the new seeding. The total hay produced on the ranch is 600 tons. A total of 532 tons of hay are required for feeding the herd and the remaining 68 tons are sold. The hay land also provides aftermath grazing in the fall.

### **Grazing**

The ranch uses Crown Range for summer grazing. The grazing period is 185 days and the total Animal Unit Months (AUMs) of grazing required for the ranch is 1,124 AUMs. Some grazing is also provided on the ranch's deeded land.

### **Total Size of Ranch**

The ranch has a total of 300 deeded acres. Hay is produced on 150 acres.



**Table 7 – Income and Expense Statement – Vernon Sample Ranch**

**Income and Expense Statement**  
**Vernon                      150 Cows**  
 January 1 to December 31, 2024

<b>Revenue</b>	<b>Total Ranch</b>	<b>Per Cow</b>								
Cow Calf	311,616	2,077								
Hay Sales	16,734	112								
Other Income	0	0								
Less:    Bull Purchase	-20,000	-133								
Feed Purchase	0	0								
Marketing & Trucking	-7,884	-53								
Inventory	0	0								
Change	0	0								
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px;">Inventory</td> <td style="border: 1px solid black; padding: 2px;">Cow Calf</td> <td style="border: 1px solid black; padding: 2px;"></td> <td style="border: 1px solid black; padding: 2px;">Crops</td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">Change</td> <td style="border: 1px solid black; padding: 2px;">0</td> <td style="border: 1px solid black; padding: 2px;"></td> <td style="border: 1px solid black; padding: 2px;">0</td> </tr> </table>	Inventory	Cow Calf		Crops	Change	0		0	0	0
Inventory	Cow Calf		Crops							
Change	0		0							
<b>Gross Profit</b>	<b>300,466</b>	<b>2,003</b>								
<b>Direct Expenses</b>										
Seed	3,923	26								
Fertilizer	21,750	145								
Herbicides/Pasture Chemicals	660	4								
Bale Netting/Wrap/Twine/Tarp	3,188	21								
Crop Insurance	0	0								
Custom Work	4,500	30								
Irrigation Power	4,950	33								
Feed Supplement	3,450	23								
Mineral and Salt	4,200	28								
Grazing Fees	3,649	24								
Private Pasture Fees	0	0								
Trucking- Grazing	6,000	40								
Livestock Supplies	1,350	9								
Vet. & Medicine	12,000	80								
Equipment Fuel & Lube	21,518	143								
Equipment Repair	16,211	108								
Other Enterprise Expense	0	0								
<b>Total Direct Expenses</b>	<b>107,349</b>	<b>716</b>								
<b>Contribution Margin</b>	<b>193,117</b>	<b>1,287</b>								
<b>Indirect Expenses</b>										
Building & Fence Repair	7,500	50								
Land Taxes	2,500	17								
Shop Supplies/Small Tools	3,000	20								
Hired Labour	6,500	43								
Legal & Accounting	3,000	20								
Insurance & Licences	10,000	67								
Utilities	4,000	27								
Misc.( Office,fees,subscrip.)	4,000	27								
Operating Interest	2,254	15								
Term Loan Interest	18,000	120								
<b>Total Indirect Expense</b>	<b>60,754</b>	<b>405</b>								
<b>TOTAL EXPENSES</b>	<b>168,104</b>	<b>1,121</b>								
<b>NET RETURN OVER EXPENSE</b>	<b>132,362</b>	<b>882</b>								
Depreciation - Equipment and Buildings	44,020	293								
<b>NET FARM INCOME</b>	<b>88,342</b>	<b>589</b>								

**Table 8 – Net Worth Statement – Vernon Sample Ranch**

**Net Worth - Vernon Sample Ranch**  
December 31, 2024

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash		Operating Loan	
Account Receivable		Accounts Payable	
Supplies			
Hay	\$0		
<b>Total Current Assets</b>	<b>\$0</b>	<b>Total Current Liabilities</b>	<b>\$0</b>
<b>Intermediate Assets</b>		<b>Intermediate Liabilities</b>	
Cow Herd	\$705,600	Intermediate Loans	
Equipment	\$464,000		
Car			
Horses	\$0		
<b>Total Intermediate Assets</b>	<b>\$1,169,600</b>	<b>Total Intermediate Liabilities</b>	<b>\$0</b>
<b>Fixed Assets</b>		<b>Long Term Liabilities</b>	
Buildings and Corrals	\$50,000	Land Mortgage	\$300,000
House	\$250,000		
Other			
Land	\$4,200,000		
<b>Total Fixed Assets</b>	<b>\$4,500,000</b>	<b>Total Long Term Liabilities</b>	<b>\$300,000</b>
<b>Total Assets</b>	<b>\$5,669,600</b>	<b>Total Liabilities</b>	<b>\$300,000</b>
		<b>Total Equity</b>	<b>\$5,369,600</b>

**Table 9 – Forage Costs and Returns – Vernon Sample Ranch**

**Forage Costs and Returns Vernon - 2024**

Average of Establishment and Production Years

<b>Revenue</b>			
	<b>Yield (Tons/Ac)</b>	<b>Per Acre</b>	<b>Per Ton</b>
Oat Hay	2.00	\$400.00	\$200.00
1st Cut Hay	2.50	\$625.00	\$250.00
2nd Cut Hay	2.00	\$500.00	\$250.00
<b>Total *</b>	<b>4.00</b>	<b>\$980.00</b>	<b>\$245.00</b>
<b>Direct Costs</b>			
Seed		\$26.15	\$6.54
Fertilizer		\$145.00	\$36.25
Herbicides		\$4.40	\$1.10
Custom Work		\$30.00	\$7.50
Twine/Wrap		\$21.25	\$5.31
Irrigation		\$33.00	\$8.25
<b>Total Supplies and Materials</b>		<b>\$259.80</b>	<b>\$64.95</b>
Fuel and Lube Costs		\$79.94	\$19.99
Machine Repairs		\$81.08	\$20.27
<b>Total Direct Costs</b>		<b>\$420.83</b>	<b>\$105.21</b>
<b>Contribution Margin</b>		<b>\$559.17</b>	<b>\$139.79</b>
<b>Indirect Costs</b>			
Dep. (Bldgs. & Equip.) plus taxes		\$257.55	\$64.39
Labour		\$184.32	\$46.03
<b>Total Indirect Costs</b>		<b>\$441.87</b>	<b>\$110.47</b>
<b>Total Direct and Indirect Costs</b>		<b>\$862.70</b>	<b>\$215.68</b>
<b>Gross Operating Profit</b>		<b>\$117.30</b>	<b>\$29.32</b>
<b>Opportunity Costs</b>			
Interest on Direct Costs		\$14.73	\$3.68
Land Rental Cost		\$200.00	\$50.00
Interest on Bldgs. & Equip.		\$205.60	\$51.40
<b>Total Opportunity Costs</b>		<b>\$420.33</b>	<b>\$105.08</b>
<b>Total Economic Costs</b>		<b>\$1,283.03</b>	<b>\$320.76</b>
Total Acres Hay land	Acres	<b>150</b>	
Total Tons Produced	Tons	<b>600</b>	

\*Average for all hay acres.

**Table 10 – Summary of Hay Production Costs and Returns – Vernon Sample Ranch**

2024	SUMMARY OF HAY PRODUCTION COSTS AND RETURNS					Vernon				
Revenue	Est. Year 1		30 Acres			Full Pdn.		120 Acres		
	Yield	Price	Units	\$Per Ac	\$/Ton	Yield	Price	Units	\$Per Ac	\$/Ton
Oat Hay	2.00	200.00	Ton	400.00				Ton		
Alfalfa 1st Cut			Ton			2.5	250.0	Ton	625.00	
Alfalfa 2nd cut			Ton			2.0	250.0	Ton	500.00	
<b>Total Revenue</b>	2.00			<b>400</b>	<b>200</b>	4.5			<b>1,125</b>	<b>250</b>
<b>DIRECT COSTS</b>			Units					Units		
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac	
Seed: Alfalfa	15.0	5.85	lb.	87.75				lb.		
: Brome Grass		3.30	lb.					lb.		
: Orchard Grass	4.0	5.75	lb.	23.00				lb.		
: Oats	50.0	0.40	lb.	20.00				lb.		
Fertilizer establishment	250.0	0.50	lb.	125.00		300.0	0.50	lb.	150.00	
Fertilizer Full Production		0.45	lb.				0.45	lb.		
Custom Fertilizer Applic.	1.0	15.00	acres	15.00		2.0	15.00	acres	30.00	
Herbicides	1.0	22.00	acres	22.00			22.00	acres		
Custom Herbicide Applic.	1.0	15.00	acres	15.00			15.00	acres		
Bale Netting	2.0	3.00	per ton	6.00		4.5	3.00	per ton	13.50	
Bale Wrap (plastic)		11.56	\$/ton			1.0	11.56	\$/ton	11.56	
Irrigation Power	1.0	33.00	\$/acre	33.00		1.0	33.00	\$/acre	33.00	
<b>Total Supplies and Materials</b>				<b>347</b>					<b>238</b>	
Fuel & Lube Costs				133.06					66.66	
Machine Repairs				109.26					74.04	
<b>TOTAL DIRECT COSTS</b>				<b>589</b>	<b>295</b>				<b>379</b>	<b>84</b>
<b>Contribution Margin</b>				<b>-189</b>	<b>-95</b>				<b>746</b>	<b>166</b>
<b>Indirect Costs</b>										
Dep. (Bldgs & Eq.) + taxes				257.55	128.78				257.55	57.23
Labour				190.78	95.39				182.71	40.60
<b>Total Indirect Costs</b>				<b>448</b>	<b>224</b>				<b>440</b>	<b>98</b>
<b>Total Direct and Indirect Costs</b>				<b>1,037</b>	<b>519</b>				<b>819</b>	<b>182</b>
<b>Gross Operating Profit</b>				<b>-637</b>	<b>-319</b>				<b>306</b>	<b>68</b>
<b>Opportunity Costs</b>										
Interest on Direct Costs				20.62	10.31				13.26	2.95
Land Rental Cost				200.00	100.00				200.00	44.44
Interest on Bldgs & Equip.				205.60	102.80				205.60	45.69
<b>Total Opportunity Costs</b>				<b>426</b>	<b>213</b>				<b>419</b>	<b>93</b>
<b>Total Economic Costs</b>				<b>1,464</b>	<b>732</b>				<b>1,238</b>	<b>275</b>

## **Kamloops Ranch Description**

The sample ranch is located near Kamloops, in the Southern Interior of British Columbia. The ranch sells through the local auction market. The following summarizes the production parameters of the ranch.

### **Cow Herd**

The ranch has a herd of 400 cows. The cows commence calving on March 25<sup>th</sup>. Calves are sold in the fall (mid-October). The sale weight in 2024 for steer calves was 580 pounds and for heifers, 500 pounds. The average selling prices for the fall of 2024 were \$4.10 per pound for steers and \$3.70 per pound for heifers. The cow to bull ratio is 20 to one. The weaning percentage, expressed as the number of calves weaned as a percentage of cows overwintered, was 92%. The herd replacement rate is 15% with 85% of the heifer calves retained entering the herd. Therefore, 71 heifer calves are kept as replacements.

### **Winter Feeding**

Winter feeding begins December 18<sup>th</sup> and the last day of feeding is May 1<sup>st</sup> for a total feeding period of 135 days. The total winter feed requirement for the herd is 1,030 tons of hay. On a per cow basis the winter feed requirement is 2.58 tons per cow.

### **Winter Feed Production**

The ranch has 300 acres of hay land. Of this acreage, 240 acres are in full production and 60 acres are in the establishment year. These hay stands are an alfalfa grass mix and the average yield is 4.0 tons per acre on the established stands and 3.0 tons per acre on the new seeding. The total hay produced on the ranch is 1,140 tons. A total of 1,030 tons of hay are required for feeding the herd and the remaining 110 tons are sold. The hay land also provides aftermath grazing in the fall.

### **Grazing**

The ranch uses Crown Range and Private Pasture for summer grazing. Some grazing is also provided on deeded land. The grazing period is 231 days and the Annual Unit Months (AUM's) of grazing required is 3,767 AUM's.

### **Total Size of Ranch**

The ranch has a total of 2,000 acres of deeded land. Hay is produced on 300 acres.



**Table 12 – Income and Expense Statement – Kamloops Sample Ranch**

<b>Income and Expense Statement</b>			
<b>Kamloops</b>		<b>400 Cows</b>	
January 1 to December 31, 2024			
<b>Revenue</b>		<b>Total Ranch</b>	<b>Per Cow</b>
Cow Calf		824,652	2,062
Hay Sales		24,294	61
Other Income		0	0
Less:	Bull Purchase	-64,000	-160
	Feed Purchase	0	0
	Marketing & Trucking	-18,105	-45
Inventory	Cow Calf	0	0
Change	0	0	0
	Crops	0	0
	0	0	0
<b>Gross Profit</b>		<b>766,841</b>	<b>1,917</b>
<b>Direct Expenses</b>			
Seed		6,000	15
Fertilizer		43,500	109
Herbicides/Pasture Chemicals		1,820	5
Bale Netting/Wrap/Twine/Tarp		3,420	9
Crop Insurance		0	0
Custom Work		5,400	14
Irrigation Power		12,000	30
Feed Supplement		0	0
Mineral and Salt		12,000	30
Grazing Fees		10,900	27
Private Pasture Fees		18,680	47
Trucking- Grazing		8,000	20
Livestock Supplies		6,000	15
Vet. & Medicine		16,000	40
Equipment Fuel & Lube		42,418	106
Equipment Repair		30,125	75
Other Enterprise Expense		0	0
<b>Total Direct Expenses</b>		<b>216,263</b>	<b>541</b>
<b>Contribution Margin</b>		<b>550,578</b>	<b>1,376</b>
<b>Indirect Expenses</b>			
Building & Fence Repair		13,000	33
Land Taxes		5,000	13
Shop Supplies/Small Tools		8,000	20
Hired Labour		80,000	200
Legal & Accounting		5,000	13
Insurance & Licences		20,000	50
Utilities		8,000	20
Misc. ( Office,fees,subscrip.)		4,000	10
Operating Interest		4,542	11
Term Loan Interest		48,000	120
<b>Total Indirect Expense</b>		<b>195,542</b>	<b>489</b>
<b>TOTAL EXPENSES</b>		<b>411,805</b>	<b>1,030</b>
<b>NET RETURN OVER EXPENSE</b>		<b>355,036</b>	<b>888</b>
Depreciation - Equipment and Buildings		42,895	107
<b>NET FARM INCOME</b>		<b>312,142</b>	<b>780</b>

## Table 13 – Net Worth Statement – Kamloops Sample Ranch

### Net Worth - Kamloops Sample Ranch December 31, 2024

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash		Operating Loan	
Accounts Receivable		Accounts Payable	
Supplies			
Hay	\$0		
<b>Total Current Assets</b>	<b>\$0</b>	<b>Total Current Liabilities</b>	<b>\$0</b>
<b>Intermediate Assets</b>		<b>Intermediate Liabilities</b>	
Cow Herd	\$1,891,700	Intermediate Loans	
Equipment	\$449,000		
Car			
Horses	\$16,000		
<b>Total Intermediate Assets</b>	<b>\$2,356,700</b>	<b>Total Intermediate Liabilities</b>	<b>\$0</b>
<b>Fixed Assets</b>		<b>Long Term Liabilities</b>	
Buildings and Corrals	\$37,500	Land Mortgage	\$800,000
House	\$600,000		
Other			
Land	\$5,200,000		
<b>Total Fixed Assets</b>	<b>\$5,837,500</b>	<b>Total Long Term Liabilities</b>	<b>\$800,000</b>
<b>Total Assets</b>	<b>\$8,194,200</b>	<b>Total Liabilities</b>	<b>\$800,000</b>
		<b>Total Equity</b>	<b>\$7,394,200</b>

**Table 14 – Forage Costs and Returns – Kamloops Sample Ranch**

**Forage Costs and Returns Kamloops 2024**

Average of Establishment and Production Years

<b>Revenue</b>	<b>Yield (Tons/Ac)</b>	<b>Per Acre</b>	<b>Per Ton</b>
Barley Hay	3.00	\$450.00	\$150.00
1st Cut Hay	2.50	\$562.50	\$225.00
2nd Cut Hay	1.50	\$375.00	\$250.00
<b>Total *</b>	<b>3.80</b>	<b>\$840.00</b>	<b>\$221.05</b>
 <b>Direct Costs</b>			
Seed		\$20.00	\$5.26
Fertilizer		\$145.00	\$38.16
Herbicides		\$4.40	\$1.16
Custom Work		\$18.00	\$4.74
Twine/Wrap		\$11.40	\$3.00
Irrigation Power		\$40.00	\$10.53
<b>Total Supplies and Materials</b>		<b>\$238.80</b>	<b>\$62.84</b>
Fuel and Lube Costs		\$68.91	\$18.13
Machine Repairs		\$70.17	\$18.46
<b>Total Direct Costs</b>		<b>\$377.87</b>	<b>\$99.44</b>
<b>Contribution Margin</b>		<b>\$462.13</b>	<b>\$121.61</b>
 <b>Indirect Costs</b>			
Dep. (Bldgs. & Equip.) plus taxes		\$123.28	\$32.44
Labour		\$147.04	\$38.69
<b>Total Indirect Costs</b>		<b>\$270.31</b>	<b>\$71.13</b>
<b>Total Direct and Indirect Costs</b>		<b>\$648.18</b>	<b>\$170.57</b>
<b>Gross Operating Profit</b>		<b>\$191.82</b>	<b>\$50.48</b>
 <b>Opportunity Costs</b>			
Interest on Direct Costs		\$13.23	\$3.48
Land Rental Cost		\$100.00	\$26.32
Interest on Bldgs. & Equip.		\$97.30	\$25.61
<b>Total Opportunity Costs</b>		<b>\$210.53</b>	<b>\$55.40</b>
<b>Total Economic Costs</b>		<b>\$858.71</b>	<b>\$225.98</b>
 Total Acres Hay land	 Acres	 <b>300</b>	
Total Tons Produced	Tons	<b>1,140</b>	

\* Average for all hay acres.

**Table 15 – Summary of Hay Production Costs and Returns – Kamloops Sample Ranch**

2024	SUMMARY OF HAY PRODUCTION COSTS AND RETURNS					Kamloops				
Revenue	Est. Year 1		60 Acres			Full Pdn.		240 Acres		
	Yield	Price	Units	\$Per Acre	\$/Ton	Yield	Price	Units	\$Per Acre	\$/Ton
Barley Hay	3.00	150.00	Ton	450.00				Ton		
Alfalfa 1st Cut			Ton			2.5	225.0	Ton	562.50	
Alfalfa 2nd cut			Ton			1.5	250.0	Ton	375.00	
<b>Total Revenue</b>	3.00			<b>450</b>	<b>150</b>	4.0			<b>938</b>	<b>234</b>
<b>DIRECT COSTS</b>			Units					Units		
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac	
Seed: Alfalfa	10.0	6.00	lb.	60.00				lb.		
: Brome Grass		6.00	lb.					lb.		
: Timothy	4.0	5.00	lb.	20.00				lb.		
: Barley	50.0	0.40	lb.	20.00				lb.		
Fertilizer establishment	250.0	0.50	lb.	125.00			0.50	lb.		
Fertilizer Full Production		0.50	lb.			300.0	0.50	lb.	150.00	
Custom Fertilizer Applic.	1.0	15.00	acres	15.00		1.0	15.00	acres	15.00	
Herbicides- Establishment	1.0	22.00	acres	22.00			22.00	acres		
Custom Herbicide Applic.	1.0	15.00	acres	15.00			15.00	acres		
Bale Netting	3.0	3.00	T.of Hay	9.00		4.0	3.00	T.of Hay	12.00	
Irrigation Power	1.0	40.00	\$/acre	40.00		1.0	40.00	\$/acre	40.00	
<b>Total Supplies and Materials</b>				<b>326</b>					<b>217</b>	
Fuel & Lube Costs				156.86					46.92	
Machine Repairs				116.71					58.53	
<b>TOTAL DIRECT COSTS</b>				<b>600</b>	<b>200</b>				<b>322</b>	<b>81</b>
<b>Contribution Margin</b>				<b>-150</b>	<b>-50</b>				<b>615</b>	<b>154</b>
<b>Indirect Costs</b>										
Dep. (Bldgs & Eq.) + taxes				123.28	41.09				123.28	30.82
Labour				209.66	69.89				131.38	32.84
<b>Total Indirect Costs</b>				<b>333</b>	<b>111</b>				<b>255</b>	<b>64</b>
<b>Total Direct and Indirect Costs</b>				<b>933</b>	<b>311</b>				<b>577</b>	<b>144</b>
<b>Gross Operating Profit</b>				<b>-483</b>	<b>-161</b>				<b>360</b>	<b>90</b>
<b>Opportunity Costs</b>										
Interest on Direct Costs				20.98	6.99				11.29	2.82
Land Rental Cost				100.00	33.33				100.00	25.00
Interest on Bldgs & Equip.				97.30	32.43				97.30	24.33
<b>Total Opportunity Costs</b>				<b>218</b>	<b>73</b>				<b>209</b>	<b>52</b>
<b>Total Economic Costs</b>				<b>1,151</b>	<b>384</b>				<b>786</b>	<b>196</b>

## **Williams Lake Ranch Description**

The sample ranch is located one hour from Williams Lake in central British Columbia. The ranch markets cattle at the sale yard in Williams Lake. The following summarizes the production parameters of the ranch.

### **Cow Herd**

The ranch has a herd of 200 cows. The cows commence calving on April 1<sup>st</sup>. Calves are sold in the fall (mid-October). The sale weight in 2024 for steers calves was 550 pounds and for heifers, 500 pounds. The average selling prices for the fall of 2024 were \$4.37 per pound for steers and \$4.00 per pound for heifers. The cow to bull ratio is 20 to one. The weaning percentage, expressed as the number of calves weaned as a percentage of cows overwintered, was 85 %. The herd replacement rate is 15% with 90% of the heifer calves retained entering the herd. Therefore, 33 heifer calves are kept as replacements.

### **Winter Feeding**

Winter feeding begins December 1<sup>st</sup> and the last day of feeding is May 16<sup>th</sup> for a total feeding period of 167 days. The total winter feed requirement for the herd is 663 tons of hay. On a per cow basis the winter feed requirement is 3.32 tons per cow.

### **Winter Feed Production**

The ranch has 250 acres of hay land. Of this acreage 100 acres is irrigated alfalfa and the remainder a dry land grass mix. The average yield is 4.0 tons per acre on the established irrigated stands and 2.0 tons per acre on the established dry land stands. Ten acres of the dry land hay and 15 acres of the irrigated hay are re-established each year. The total hay produced on the ranch is 650 tons. A total of 663 tons of hay are required for feeding the herd. Therefore, the ranch purchases 13 tons to meet their requirements. The hay land also provides aftermath grazing in the fall.

### **Grazing**

The ranch uses Crown Range for summer grazing, with some also provided on the Ranch's deeded land. The grazing period is 199 days and the ranch requires 1,610 Animal Unit Months (AUM's) of grazing.

### **Total Size of Ranch**

The ranch has a total of 1,200 acres of deeded land. Hay is produced on 250 acres.



**Table 17 – Income and Expense Statement – Williams Lake Sample Ranch**

<b>Income and Expense Statement</b>			
<b>Williams Lake</b>		<b>200 Cows</b>	
January 1 to December 31, 2024			
<b>Revenue</b>		<b>Total Ranch</b>	<b>Per Cow</b>
Cow Calf		402,582	2,013
Hay Sales		-3,273	-16
Other Income		0	0
Less:	Bull Purchase	-32,000	-160
	Feed Purchase	0	0
	Marketing & Trucking	-8,305	-42
Inventory	Cow Calf	0	0
Change	0	0	0
	Crops	0	0
	0	0	0
<b>Gross Profit</b>		<b>359,004</b>	<b>1,795</b>
<b>Direct Expenses</b>			
Seed		4,980	25
Fertilizer		20,252	101
Herbicides/Pasture Chemicals		0	0
Bale Netting/Wrap/Twine/Tarp		1,950	10
Crop Insurance		0	0
Custom Work		3,125	16
Irrigation Power		4,000	20
Feed Supplement		4,000	20
Mineral and Salt		2,000	10
Grazing Fees		3,846	19
Private Pasture Fees		0	0
Trucking- Grazing		0	0
Livestock Supplies		2,000	10
Vet. & Medicine		8,000	40
Equipment Fuel & Lube		26,237	131
Equipment Repair		14,809	74
Other Enterprise Expense		0	0
<b>Total Direct Expenses</b>		<b>95,199</b>	<b>476</b>
<b>Contribution Margin</b>		<b>263,805</b>	<b>1,319</b>
<b>Indirect Expenses</b>			
Building & Fence Repair		7,500	38
Land Taxes		2,400	12
Shop Supplies/Small Tools		8,000	40
Hired Labour		15,000	75
Legal & Accounting		5,000	25
Insurance & Licences		14,000	70
Utilities		5,000	25
Misc.( Office,fees,subscrip.)		4,000	20
Operating Interest		1,999	10
Term Loan Interest		24,000	120
<b>Total Indirect Expense</b>		<b>86,899</b>	<b>434</b>
<b>TOTAL EXPENSES</b>		<b>182,098</b>	<b>910</b>
<b>NET RETURN OVER EXPENSE</b>		<b>176,905</b>	<b>885</b>
Depreciation - Equipment and Buildings		35,345	177
<b>NET FARM INCOME</b>		<b>141,560</b>	<b>708</b>

**Table 18 – Net Worth Statement – Williams Lake Sample Ranch**

**Net Worth - Williams Lake Sample Ranch**

December 31, 2024

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash		Operating Loan	
Accounts Receivable			
Supplies		Accounts Payable	
Hay	\$0		
<b>Total Current Assets</b>	<b>\$0</b>	<b>Total Current Liabilities</b>	<b>\$0</b>
<b>Intermediate Assets</b>		<b>Intermediate Liabilities</b>	
Cow Herd	\$939,100	Intermediate Loans	
Equipment	\$438,500		
Car			
Horses	\$6,000		
<b>Total Intermediate Assets</b>	<b>\$1,383,600</b>	<b>Total Intermediate Liabilities</b>	<b>\$0</b>
<b>Fixed Assets</b>		<b>Long Term Liabilities</b>	
Buildings and Corrals	\$27,500		
House	\$300,000	Land Mortgage	\$400,000
Other			
Land	\$2,500,000		
<b>Total Fixed Assets</b>	<b>\$2,827,500</b>	<b>Total Long Term Liabilities</b>	<b>\$400,000</b>
<b>Total Assets</b>	<b>\$4,211,100</b>	<b>Total Liabilities</b>	<b>\$400,000</b>
		<b>Total Equity</b>	<b>\$3,811,100</b>

**Table 19 – Forage Costs and Returns Dryland –  
Williams Lake Sample Ranch**

**Forage Costs and Returns Dryland Williams Lake - 2024**

Average of Establishment and Production Years

<b>Revenue</b>	<b>Yield (Tons/Ac)</b>	<b>Per Acre</b>	<b>Per Ton</b>
Oat Hay	1.75	\$368.75	\$210.71
1st Cut Hay	2.00	\$450.00	\$225.00
2nd Cut Hay	0.00	\$0.00	\$0.00
<b>Total *</b>	<b>1.97</b>	<b>\$439.17</b>	<b>\$223.31</b>
<b>Direct Costs</b>			
Seed		\$17.60	\$8.95
Fertilizer		\$81.98	\$41.68
Herbicides		\$0.00	\$0.00
Custom Work		\$12.50	\$6.36
Twine/Wrap		\$5.90	\$3.00
<b>Total Supplies and Materials</b>		<b>\$117.98</b>	<b>\$59.99</b>
Fuel and Lube Costs		\$50.37	\$25.61
Machine Repairs		\$30.08	\$15.30
<b>Total Direct Costs</b>		<b>\$198.43</b>	<b>\$100.90</b>
<b>Contribution Margin</b>		<b>\$240.73</b>	<b>\$122.41</b>
<b>Indirect Costs</b>			
Dep. (Bldgs. & Equip.) plus taxes		\$118.83	\$60.42
Labour		\$28.92	\$14.71
<b>Total Indirect Costs</b>		<b>\$147.75</b>	<b>\$75.13</b>
<b>Total Direct and Indirect Costs</b>		<b>\$346.19</b>	<b>\$176.03</b>
<b>Gross Operating Profit</b>		<b>\$92.98</b>	<b>\$47.28</b>
<b>Opportunity Costs</b>			
Interest on Direct Costs		\$6.95	\$3.53
Land Rental Cost		\$38.00	\$19.32
Interest on Bldgs. & Equip.		\$111.84	\$56.87
<b>Total Opportunity Costs</b>		<b>\$156.79</b>	<b>\$79.72</b>
<b>Total Economic Costs</b>		<b>\$502.97</b>	<b>\$255.75</b>
Total Acres Hay land	Acres	<b>150</b>	
Total Tons Produced	Tons	<b>295</b>	

\* Average for all hay acres.

**Table 20 – Summary of Hay Production Costs and Returns Dryland –  
Williams Lake Sample Ranch**

2024	SUMMARY OF HAY PRODUCTION COSTS AND RETURNS										Williams Lake Dryland				
	Acres					Acres					Acres				
Revenue	Yield	Price	Units	\$Per Ac	\$/Ton	Yield	Price	Units	\$Per Ac	\$/Ton	Yield	Price	Units	\$Per Ac	\$/Ton
Oat Hay	2.0	200.00	Ton	400.00		1.5	225.00	Ton	337.50				Ton		
Alfalfa 1st Cut			Ton					Ton			2.0	225.00	Ton	450.00	
Alfalfa 2nd cut			Ton					Ton				115.00	Ton		
<b>Total Revenue</b>	<b>2.0</b>			<b>400</b>	<b>200</b>	<b>1.5</b>			<b>338</b>	<b>225</b>	<b>2.0</b>			<b>450</b>	<b>225</b>
<b>DIRECT COSTS</b>			Units					Units					Units		
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac	
Seed: Grass Mix		6.00	lb.			15.0	6.00	lb.	90.00				lb.		
: Brome Grass		6.00	lb.				6.00	lb.					lb.		
: Orchard Grass		6.00	lb.			4.0	6.00	lb.	24.00				lb.		
:Oats	100.0	1.00	lb.	100.00		50.0	1.00	lb.	50.00				lb.		
Fertilizer: 46-0-0	100.0	0.34	lb.	34.00		50.0	0.34	lb.	17.00		150.0	0.34	lb.	51.00	
0-0-60	20.0	0.27	lb.	5.40		30.0	0.27	lb.	8.10		40.0	0.27	lb.	10.80	
11-52-0		0.54	lb.			20.0	0.54	lb.	10.80		50.0	0.54	lb.	27.00	
Custom Fertilizer Applic.	1.0	12.50	acres	12.50		1.0	12.50	acres	12.50		1.0	12.50	acres	12.50	
Herbicides			acres					acres					acres		
Custom Herbicide Applic.		18.00	acres				18.00	acres				18.00	acres		
Twine	2.0	3.00	tons	6.00		1.5	3.00	tons	4.50		2.0	3.00	tons	6.00	
Irrigation Power			\$/acre					\$/acre					\$/acre		
<b>Total Supplies and Materials</b>				<b>158</b>					<b>217</b>					<b>107</b>	
Fuel & Lube Costs				76.32					67.44					47.07	
Machine Repairs				45.76					37.68					28.29	
<b>TOTAL DIRECT COSTS</b>				<b>280</b>	<b>140</b>				<b>322</b>	<b>215</b>				<b>183</b>	<b>91</b>
<b>Contribution Margin</b>				<b>120</b>	<b>60</b>				<b>15</b>	<b>10</b>				<b>267</b>	<b>134</b>
<b>Indirect Costs</b>															
Dep. (Bldgs & Eq.) + taxes				118.83	59.42				118.83	79.22				118.83	59.42
Labour				57.03	28.51				43.26	28.84				25.66	12.83
<b>Total Indirect Costs</b>				<b>176</b>	<b>88</b>				<b>162</b>	<b>108</b>				<b>144</b>	<b>72</b>
<b>Total Direct and Indirect Costs</b>				<b>456</b>	<b>228</b>				<b>484</b>	<b>323</b>				<b>327</b>	<b>164</b>
<b>Gross Operating Profit</b>				<b>-56</b>	<b>-28</b>				<b>-147</b>	<b>-98</b>				<b>123</b>	<b>61</b>
<b>Opportunity Costs</b>															
Interest on Direct Costs				9.80	4.90				11.27	7.51				6.39	3.20
Land Rental Cost				38.00	19.00									38.00	19.00
Interest on Bldgs & Equip.				111.84	55.92				111.84	74.56				111.84	55.92
<b>Total Opportunity Costs</b>				<b>160</b>	<b>80</b>				<b>123</b>	<b>82</b>				<b>156</b>	<b>78</b>
<b>Total Economic Costs</b>				<b>615</b>	<b>308</b>				<b>607</b>	<b>405</b>				<b>483</b>	<b>242</b>

**Table 21 – Forage Costs and Returns Irrigated –  
Williams Lake Sample Ranch**

**Forage Costs and Returns Irrigated Williams Lake 2024**

Average of Establishment and Production Years

Revenue	Yield (Tons/Ac)	Per Acre	Per Ton
Oat Hay	2.50	\$525.00	\$210.00
1st Cut Hay	2.50	\$700.00	\$280.00
2nd Cut Hay	1.50	\$420.00	\$280.00
<b>Total *</b>	<b>3.55</b>	<b>\$941.50</b>	<b>\$265.21</b>
<b>Direct Costs</b>			
Seed		\$23.40	\$6.59
Fertilizer		\$79.55	\$22.41
Herbicides		\$0.00	\$0.00
Custom Work		\$12.50	\$3.52
Twine/Wrap		\$10.65	\$3.00
Irrigation		\$40.00	\$11.27
<b>Total Supplies and Materials</b>		<b>\$166.10</b>	<b>\$46.79</b>
Fuel and Lube Costs		\$76.95	\$21.67
Machine Repairs		\$67.52	\$19.02
<b>Total Direct Costs</b>		<b>\$310.56</b>	<b>\$87.48</b>
<b>Contribution Margin</b>		<b>\$630.94</b>	<b>\$177.73</b>
<b>Indirect Costs</b>			
Irrigation			
Dep. (Bldgs. & Equip.) plus taxes		\$118.83	\$33.47
Labour		\$86.30	\$24.31
<b>Total Indirect Costs</b>		<b>\$205.13</b>	<b>\$57.78</b>
<b>Total Direct and Indirect Costs</b>		<b>\$515.69</b>	<b>\$145.26</b>
<b>Gross Operating Profit</b>		<b>\$425.81</b>	<b>\$119.95</b>
<b>Opportunity Costs</b>			
Interest on Direct Costs		\$10.87	\$3.06
Land Rental Cost		\$100.00	\$28.17
Interest on Bldgs. & Equip.		\$111.84	\$31.50
<b>Total Opportunity Costs</b>		<b>\$222.71</b>	<b>\$62.74</b>
<b>Total Economic Costs</b>		<b>\$738.40</b>	<b>\$208.00</b>
Total Acres Hay land	Acres	<b>100</b>	
Total Tons Produced	Tons	<b>355</b>	

\*Average for all hay acres.

**Table 22 – Summary of Hay Production Costs and Returns Irrigated –  
Williams Lake Sample Ranch**

Revenue	2024 SUMMARY OF HAY PRODUCTION COSTS AND RETURNS Williams Lake- Irrigated														
	Est. Year 1					Est. Year 2					Full Pdn.				
	15 Acres		\$Per			15 Acres		\$Per			70 Acres		\$Per		
	Yield	Price	Units	Acres	\$/Ton	Yield	Price	Units	Acres	\$/Ton	Yield	Price	Units	Acres	\$/Ton
Oat Hay	3.00	200.00	Ton	600.00		2.0	225.00	Ton	450.00						
Alfalfa 1st Cut			Ton					Ton			2.5	280.00	Ton	700.00	
Alfalfa 2nd cut			Ton					Ton			1.5	280.00	Ton	420.00	
<b>Total Revenue</b>	<b>3.0</b>			<b>600</b>	<b>200</b>	<b>2.0</b>			<b>450</b>	<b>225</b>	<b>4.0</b>			<b>1,120</b>	<b>280</b>
<b>DIRECT COSTS</b>			Units					Units					Units		
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac	
Seed: Alfalfa		6.00	lb.			12.0	6.00	lb.	72.00				lb.		
: Brome Grass		6.00	lb.				6.00	lb.					lb.		
: Timothy		6.00	lb.			4.0	6.00	lb.	24.00				lb.		
: Oats	100.0	0.40	lb.	40.00		50.0	0.40	lb.	20.00				lb.		
Fertilizer: 46-0-0	100.0	0.34	lb.	34.00		50.0	0.34	lb.	17.00		150.0	0.34	lb.	51.00	
0-0-60	40.0	0.27	lb.	10.80		40.0	0.27	lb.	10.80		40.0	0.27	lb.	10.80	
11-52-0		0.54	lb.			50.0	0.54	lb.	27.00		50.0	0.54	lb.	27.00	
Custom Fertilizer Applic.	1.0	12.50	acres	12.50		1.0	12.50	acres	12.50		1.0	12.50	acres	12.50	
Herbicides			acres					acres					acres		
Custom Herbicide Applic.		18.00	acres				18.00	acres				18.00	acres		
Twine	3.0	3.00	T.of Hay	9.00		2.0	3.00	T.of Hay	6.00		4.0	3.00	T.of Hay	12.00	
Boron		3.50	\$/ton				3.50	\$/ton			1.0	3.50	\$/ton	3.50	
Irrigation Power	1.0	40.00	\$/acre	40.00		1.0	40.00	\$/acre	40.00		1.0	40.00	\$/acre	40.00	
Tarp			\$/ton			2.0		\$/ton					\$/ton		
<b>Total Supplies and Materials</b>				<b>146</b>					<b>229</b>					<b>157</b>	
Fuel & Lube Costs				117.45					47.77					74.52	
Machine Repairs				77.60					51.29					68.83	
<b>TOTAL DIRECT COSTS</b>				<b>341</b>	<b>114</b>				<b>328</b>	<b>164</b>				<b>300</b>	<b>75</b>
<b>Contribution Margin</b>				<b>259</b>	<b>86</b>				<b>122</b>	<b>61</b>				<b>820</b>	<b>205</b>
<b>Indirect Costs</b>															
Dep. (Bldgs & Eq.) + taxes				118.83	39.61				118.83	59.42				118.83	29.71
Labour				94.20	31.40				72.20	36.10				87.63	21.91
<b>Total Indirect Costs</b>				<b>213</b>	<b>71</b>				<b>191</b>	<b>95.51</b>				<b>206</b>	<b>51.61</b>
<b>Total Direct and Indirect Costs</b>				<b>554</b>	<b>185</b>				<b>519</b>	<b>259.70</b>				<b>507</b>	<b>127</b>
<b>Gross Operating Profit</b>				<b>46</b>	<b>15</b>				<b>-69</b>	<b>-35</b>				<b>613</b>	<b>153</b>
<b>Opportunity Costs</b>															
Interest on Direct Costs				11.95	3.98				11.49	5.75				10.51	2.63
Land Rental Cost				100.00	33.33									100.00	25.00
Interest on Bldgs & Equip.				111.84	37.28				111.84	55.92				111.84	27.96
<b>Total Opportunity Costs</b>				<b>224</b>	<b>75</b>				<b>123</b>	<b>62</b>				<b>222</b>	<b>56</b>
<b>Total Economic Costs</b>				<b>778</b>	<b>259</b>				<b>643</b>	<b>321</b>				<b>729</b>	<b>182</b>

## **Vanderhoof Ranch Description**

The sample ranch is located about an hour from Vanderhoof in central British Columbia. The ranch sells cattle through the sales yard in Vanderhoof. The following summarizes the production parameters of the ranch.

### **Cow Herd**

The ranch has a herd of 250 cows. The cows commence calving on April 8<sup>th</sup>. Calves are sold in the fall (mid-October) and the sale weight in 2024 for steers calves was 540 pounds and for heifers, 490 pounds. The average selling prices for the fall of 2024 were \$4.08 per pound for steers and \$3.75 per pound for heifers. The cow to bull ratio is 25 to one. The weaning percentage, expressed as the number of calves weaned as a percentage of cows overwintered, was 92%. The herd replacement rate is 15% with 75% of the heifer calves retained entering the herd. Therefore, 50 heifer calves are kept as replacements.

### **Winter Feeding**

Winter feeding begins November 16<sup>th</sup> and the last day of feeding is May 27<sup>th</sup> for a total feeding period of 193 days. The total winter feed requirement for the herd is 976 tons of hay. On a per cow basis the winter feed requirement is 3.90 tons per cow.

### **Winter Feed Production**

The ranch has 600 acres of hay land. Of this acreage 490 acres are established alfalfa grass mixed stands with an average yield of 2.6 tons per acre. Re-establishment is a two year process. Oats for green feed are seeded in the first year and yield 1.75 tons per acre. In the second year an alfalfa grass mix is seeded but not harvested. The total hay produced on the ranch is 1,370 tons. A total of 976 tons of hay are required for feeding the herd and the remaining 394 tons are sold. The hay land also provides aftermath grazing in the fall.

### **Grazing**

Grazing is provided on Community Pasture, private rented land and on the home ranch. The grazing season is 173 days and 1,762 Animal Unit Months (AUM's) of grazing are required.

### **Total Size of Ranch**

The ranch has a total of 1,200 acres of deeded land. Hay is produced on 600 acres.



**Table 24 – Income and Expense Statement – Vanderhoof Sample Ranch**

<b>Income and Expense Statement</b>			
<b>Vanderhoof 250 Cows</b>			
January 1 to December 31, 2024			
<b>Revenue</b>		<b>Total Ranch</b>	<b>Per Cow</b>
Cow Calf		488,864	1,955
Hay Sales		78,237	313
Other Income		0	0
Less:	Bull Purchase	-32,000	-128
	Feed Purchase	0	0
	Marketing & Trucking	-10,080	-40
Inventory	Cow Calf	0	0
Change	Crops	0	0
		0	0
<b>Gross Profit</b>		<b>525,021</b>	<b>2,100</b>
<b>Direct Expenses</b>			
Seed		6,050	24
Fertilizer		37,100	148
Herbicides/Pasture Chemicals		0	0
Bale Netting/Wrap/Twine/Tarp		4,111	16
Crop Insurance		0	0
Custom Work		4,800	19
Feed Supplement		0	0
Mineral and Salt		7,500	30
Grazing Fees		9,000	36
Private Pasture Fees		50,000	200
Trucking- Grazing		3,750	15
Livestock Supplies		3,500	14
Vet. & Medicine		10,000	40
Equipment Fuel & Lube		45,792	183
Equipment Repair		28,755	115
Other Enterprise Expense		0	0
<b>Total Direct Expenses</b>		<b>210,358</b>	<b>841</b>
<b>Contribution Margin</b>		<b>314,663</b>	<b>1,259</b>
<b>Indirect Expenses</b>			
Building & Fence Repair		9,000	36
Land Taxes		2,000	8
Shop Supplies/Small Tools		6,000	24
Hired Labour		20,000	80
Legal & Accounting		5,000	20
Insurance & Licences		18,000	72
Utilities		7,000	28
Misc.( Office,fees,subscrip.)		4,500	18
Operating Interest		4,418	18
Term Loan Interest		30,000	120
<b>Total Indirect Expense</b>		<b>105,918</b>	<b>424</b>
<b>TOTAL EXPENSES</b>		<b>316,276</b>	<b>1,265</b>
<b>NET RETURN OVER EXPENSE</b>		<b>208,745</b>	<b>835</b>
Depreciation - Equipment and Buildings		42,690	171
<b>NET FARM INCOME</b>		<b>166,055</b>	<b>664</b>

**Table 25 – Net Worth Statement – Vanderhoof Sample Ranch**

**Net Worth - Vanderhoof Sample Ranch**  
December 31, 2024

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash		Operating Loan	
Accounts Receivable		Accounts Payable	
Supplies			
Hay	\$0		
<b>Total Current Assets</b>	<b>\$0</b>	<b>Total Current Liabilities</b>	<b>\$0</b>
 <b>Intermediate Assets</b>		 <b>Intermediate Liabilities</b>	
Cow Herd	\$875,000	Intermediate Loans	
Equipment	\$436,000		
Car			
Horses	\$10,000		
<b>Total Intermediate Assets</b>	<b>\$1,321,000</b>	<b>Total Intermediate Liabilities</b>	<b>\$0</b>
 <b>Fixed Assets</b>		 <b>Long Term Liabilities</b>	
Buildings and Corrals	\$15,000	Land Mortgage	\$500,000
House	\$500,000		
Other			
Land	\$1,600,000		
<b>Total Fixed Assets</b>	<b>\$2,115,000</b>	<b>Total Long Term Liabilities</b>	<b>\$500,000</b>
<b>Total Assets</b>	<b>\$3,436,000</b>	<b>Total Liabilities</b>	<b>\$500,000</b>
		<b>Total Equity</b>	<b>\$2,936,000</b>

**Table 26 – Forage Costs and Returns – Vanderhoof Sample Ranch**

**Forage Costs and Returns Vanderhoof 2024**  
Average of Establishment and Production Years

<b>Revenue</b>	<b>Yield (Tons/Ac)</b>	<b>Per Acre</b>	<b>Per Ton</b>
Oat Hay	1.75	\$306.25	\$175.00
1st Cut Hay	2.60	\$520.00	\$200.00
2nd Cut Hay	0.00	\$0.00	\$0.00
<b>Total *</b>	<b>2.28</b>	<b>\$452.74</b>	<b>\$198.24</b>
 <b>Direct Costs</b>			
Seed		\$10.08	\$4.42
Fertilizer		\$61.83	\$27.08
Custom Work		\$8.00	\$3.50
Twine/Wrap		\$6.85	\$3.00
<b>Total Supplies and Materials</b>		<b>\$86.77</b>	<b>\$37.99</b>
Fuel and Lube Costs		\$55.09	\$24.12
Machine Repairs		\$39.06	\$17.10
<b>Total Direct Costs</b>		<b>\$180.91</b>	<b>\$79.22</b>
<b>Contribution Margin</b>		<b>\$271.83</b>	<b>\$119.03</b>
 <b>Indirect Costs</b>			
Dep. (Bldgs. & Equip.)plus taxes		\$59.41	\$26.02
Labour		\$65.70	\$28.77
<b>Total Indirect Costs</b>		<b>\$125.12</b>	<b>\$54.79</b>
<b>Total Direct and Indirect Costs</b>		<b>\$306.03</b>	<b>\$134.00</b>
<b>Gross Operating Profit</b>		<b>\$146.71</b>	<b>\$64.24</b>
 <b>Opportunity Costs</b>			
Interest on Direct Costs		\$5.34	\$2.34
Land Rental Cost		\$125.00	\$54.73
Interest on Bldgs. & Equip.		\$45.10	\$19.75
<b>Total Opportunity Costs</b>		<b>\$175.44</b>	<b>\$76.82</b>
<b>Total Economic Costs</b>		<b>\$481.47</b>	<b>\$210.82</b>
 Total Acres Hay land	 Acres	 <b>600</b>	
Total Tons Produced	Tons	<b>1,370</b>	

\*Average for all hay acres.

**Table 27 – Summary of Hay Production Costs and Returns – Vanderhoof Sample Ranch**

2024		SUMMARY OF HAY PRODUCTION COSTS AND RETURNS										Vanderhoof			
Revenue	Est. Year 1					Est. Year 2					Full Pdn.				
	Yield	Price	Units	\$Per Acre	\$/Ton	Yield	Price	Units	\$Per Acre	\$/Ton	Yield	Price	Units	\$Per Acre	\$/Ton
Oat hay	1.75	175.00	Ton	306.25				Ton							
Alfalfa 1st Cut			Ton					Ton			2.6	200.00	Ton	520.00	
Alfalfa 2nd cut			Ton					Ton				115.00	Ton		
<b>Total Revenue</b>	<b>1.8</b>			<b>306</b>	<b>175</b>						<b>2.6</b>			<b>520</b>	<b>200</b>
<b>DIRECT COSTS</b>			Units					Units					Units		
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac	
Seed: Alfalfa		6.00	lb.			12.0	6.00	lb.	72.00				lb.		
: Brome Grass		7.00	lb.			4.0	7.00	lb.	28.00				lb.		
: Timothy		1.00	lb.				1.00	lb.					lb.		
: Oats	50.0	0.20	lb.	10.00			0.20	lb.					lb.		
Fertilizer establishment	150.0	0.40	lb.	60.00		150.0	0.40	lb.	60.00			0.40	lb.		
Fertilizer full production		0.40	lb.			50.0	0.40	lb.	20.00		150.0	0.40	lb.	60.00	
Boron		1.00	lb.				1.00	lb.				1.00	lb.		
Custom Fertilizer Applic.	1.0	8.00	acres	8.00		1.0	8.00	acres	8.00		1.0	8.00	acres	8.00	
Herbicides			acres					acres					acres		
Custom Herbicide Applic.			acres					acres					acres		
Twine	1.8		T.of Hay			46.00	T.of Hay				2.6		T.of Hay		
Wrapping	1.8	3.00	\$/ton	5.25			3.00	\$/ton			2.6	3.00	\$/ton	7.80	
			\$/acre					\$/acre					\$/acre		
Tarp		1.50	\$/ton				1.50	\$/ton				1.50	\$/ton		
<b>Total Supplies and Materials</b>				<b>83</b>					<b>188</b>					<b>76</b>	
Fuel & Lube Costs				102.59					72.03					47.85	
Machine Repairs				62.40					48.80					35.34	
<b>TOTAL DIRECT COSTS</b>				<b>248</b>	<b>142</b>				<b>309</b>					<b>159</b>	<b>61</b>
<b>Contribution Margin</b>				<b>58</b>	<b>33</b>				<b>-309</b>					<b>361</b>	<b>139</b>
<b>Indirect Costs</b>															
Dep. (Bldgs & Eq.) + taxes				59.41	33.95									59.41	22.85
Labour				103.52	59.15			64.80						61.56	23.68
<b>Total Indirect Costs</b>				<b>163</b>	<b>93</b>			<b>65</b>						<b>121</b>	<b>46.53</b>
<b>Total Direct and Indirect Costs</b>				<b>411</b>	<b>235</b>			<b>374</b>						<b>280</b>	<b>108</b>
<b>Gross Operating Profit</b>				<b>-105</b>	<b>-60</b>			<b>-374</b>						<b>240</b>	<b>92</b>
<b>Opportunity Costs</b>															
Interest on Direct Costs				8.69	4.96									5.56	2.14
Land Rental Cost				125.00	71.43									125.00	48.08
Interest on Bldgs & Equip.				45.10	25.77									45.10	17.35
<b>Total Opportunity Costs</b>				<b>179</b>	<b>102</b>									<b>176</b>	<b>68</b>
<b>Total Economic Costs</b>				<b>590</b>	<b>337</b>			<b>374</b>						<b>456</b>	<b>175</b>

## **Dawson Creek Ranch Description**

The sample ranch is located near Dawson Creek in the Peace River region of British Columbia. The ranch markets cattle at the sales yard in Dawson Creek. The following summarizes the production parameters of the ranch.

### **Cow Herd**

The ranch has a herd of 200 cows. The cows commence calving on March 15<sup>th</sup>. Calves are sold in the fall (end of October). The sale weights in 2024 were 600 pounds for steer calves and 550 pounds for heifers. The average selling prices for the fall of 2024 were \$4.10 per pound for steers and \$3.70 per pound for heifers. The cow to bull ratio is 30 to one. The weaning percentage, expressed as the number of calves weaned as a percentage of cows overwintered, was 90%. The herd replacement rate is 15% with 80% of the heifer calves retained entered the herd. Therefore, 38 heifer calves are kept as replacements.

### **Winter Feeding**

Winter feeding begins October 15<sup>th</sup> and the last day of feeding is May 31<sup>st</sup> for a total feeding period of 229 days. The total winter feed requirement for the herd is 1,193 tons of hay. On a per cow basis the winter feed requirement is 5.96 tons per cow.

### **Winter Feed Production**

The ranch has 600 acres of hay land. Of this acreage, 450 acres are in full production. The green feed yields are 2.5 tons per acre. The average yield is 1.5 tons per acre on the established stands. The total hay produced on the ranch is 1,050 tons. A total of 1,193 tons of hay are required for feeding the herd. The ranch purchases 143 tons to meet the winter feed requirements of the herd.

### **Grazing**

The ranch uses Community Pasture, Crown Range and the ranch's deeded land for grazing. The grazing season is 137 days and the ranch requires 1,098 Animal Unit Months (AUM's) of grazing.

### **Total Size of Ranch**

The ranch has a total of 1,200 acres of deeded land. Hay is produced on 600 acres.



**Table 29 – Income and Expense Statement – Dawson Creek Sample Ranch**

<b>Income and Expense Statement</b>			
<b>Dawson Creek</b>		<b>200 Cows</b>	
January 1 to December 31, 2024			
<b>Revenue</b>		<b>Total Ranch</b>	<b>Per Cow</b>
Cow Calf		420,260	2,101
Hay Sales		-28,500	-143
Other Income		0	0
Less:	Bull Purchase	-24,000	-120
	Feed Purchase	0	0
	Marketing & Trucking	-10,480	-52
Inventory	Cow Calf		Crops
Change	0		0
<b>Gross Profit</b>		<b>357,280</b>	<b>1,786</b>
<b>Direct Expenses</b>			
Seed		13,800	69
Fertilizer		6,000	30
Herbicides/Pasture Chemicals		2,100	11
Bale Netting/Wrap/Twine/Tarp		3,150	16
Crop Insurance		0	0
Custom Work		2,700	14
Feed Supplement		0	0
Mineral and Salt		7,200	36
Grazing Fees		6,180	31
Private Pasture Fees		1,796	9
Trucking- Grazing		2,000	10
Livestock Supplies		4,000	20
Vet. & Medicine		12,600	63
Equipment Fuel & Lube		35,880	179
Equipment Repair		18,631	93
Other Enterprise Expense		0	0
<b>Total Direct Expenses</b>		<b>116,037</b>	<b>580</b>
<b>Contribution Margin</b>		<b>241,243</b>	<b>1,206</b>
<b>Indirect Expenses</b>			
Building & Fence Repair		10,000	50
Land Taxes		1,200	6
Shop Supplies/Small Tools		7,000	35
Hired Labour		20,000	100
Legal & Accounting		4,000	20
Insurance & Licences		16,000	80
Utilities		8,000	40
Misc.( Office,fees,subscrip.)		5,000	25
Operating Interest		2,437	12
Term Loan Interest		24,000	120
<b>Total Indirect Expense</b>		<b>97,637</b>	<b>488</b>
<b>TOTAL EXPENSES</b>		<b>213,674</b>	<b>1,068</b>
<b>NET RETURN OVER EXPENSE</b>		<b>143,606</b>	<b>718</b>
Depreciation - Equipment and Buildings		34,313	172
<b>NET FARM INCOME</b>		<b>109,293</b>	<b>546</b>

**Table 30 – Net Worth Statement – Dawson Creek Sample Ranch**

**Net Worth - Dawson Creek Sample Ranch**  
December 31, 2024

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash		Operating Loan	
Accounts Receivable			
Supplies		Accounts Payable	
Hay	\$0		
<b>Total Current Assets</b>	<b>\$0</b>	<b>Total Current Liabilities</b>	<b>\$0</b>
 <b>Intermediate Assets</b>		 <b>Intermediate Liabilities</b>	
Cow Herd	\$937,600	Intermediate Loans	
Equipment	\$371,000		
Car			
Horses	\$10,000		
<b>Total Intermediate Assets</b>	<b>\$1,318,600</b>	<b>Total Intermediate Liabilities</b>	<b>\$0</b>
 <b>Fixed Assets</b>		 <b>Long Term Liabilities</b>	
Buildings and Corrals	\$9,750		
House	\$400,000	Land Mortgage	\$400,000
Other			
Land	\$2,000,000		
<b>Total Fixed Assets</b>	<b>\$2,409,750</b>	<b>Total Long Term Liabilities</b>	<b>\$400,000</b>
<b>Total Assets</b>	<b>\$3,728,350</b>	<b>Total Liabilities</b>	<b>\$400,000</b>
		<b>Total Equity</b>	<b>\$3,328,350</b>

**Table 31 – Forage Costs and Returns – Dawson Creek Sample Ranch**

**Forage Costs and Returns Dawson Creek - 2024**

Average of Establishment and Production Years

<b>Revenue</b>	<b>Yield (Tons/Ac)</b>	<b>Per Acre</b>	<b>Per Ton</b>
Oat Hay	2.50	\$500.00	\$200.00
1st Cut Hay	1.50	\$300.00	\$200.00
2nd Cut Hay	0.00	\$0.00	\$0.00
<b>Total *</b>	<b>1.75</b>	<b>\$350.00</b>	<b>\$200.00</b>
 <b>Direct Costs</b>			
Seed		\$23.00	\$13.14
Fertilizer		\$10.00	\$5.71
Herbicides		\$3.50	\$2.00
Custom Work		\$4.50	\$2.57
Net/Wrap		\$5.25	\$3.00
<b>Total Supplies and Materials</b>		<b>\$46.25</b>	<b>\$26.43</b>
Fuel and Lube Costs		\$41.54	\$23.74
Machine Repairs		\$25.08	\$14.33
<b>Total Direct Costs</b>		<b>\$112.87</b>	<b>\$65.50</b>
<b>Contribution Margin</b>		<b>\$237.13</b>	<b>\$135.50</b>
 <b>Indirect Costs</b>			
Dep. (Bldgs. & Equip.) plus taxes		\$45.86	\$26.21
Labour		\$34.11	\$19.49
<b>Total Indirect Costs</b>		<b>\$79.97</b>	<b>\$45.70</b>
<b>Total Direct and Indirect Costs</b>		<b>\$192.84</b>	<b>\$110.20</b>
<b>Gross Operating Profit</b>		<b>\$157.16</b>	<b>\$89.80</b>
 <b>Opportunity Costs</b>			
Interest on Direct Costs		\$3.95	\$2.26
Land Rental Cost		\$40.00	\$22.86
Interest on Bldgs. & Equip.		\$38.08	\$21.76
<b>Total Opportunity Costs</b>		<b>\$82.03</b>	<b>\$46.87</b>
<b>Total Economic Costs</b>		<b>\$274.87</b>	<b>\$157.07</b>
 Total Acres Hay land	 Acres	 <b>600</b>	
Total Tons Produced	Tons	<b>1,050</b>	

\*Average for all hay acres.

**Table 32 – Summary of Hay Production Costs and Returns – Dawson Creek  
Sample Ranch**

SUMMARY OF HAY PRODUCTION COSTS AND RETURNS										Dawson Creek	
Revenue	Est. Year 1					150 Acres		Full Pdn.		450 Acres	
	Yield	Price	Units	\$Per		Yield	Price	Units	\$Per		
				Acre	\$/Ton				Acre	\$/Ton	
Oat Hay	2.50	200.00	Ton	500.00							
Alfalfa 1st Cut			Ton			1.5	200.00	Ton	300.00		
Alfalfa 2nd cut			Ton				115.00	Ton			
<b>Total Revenue</b>	2.50			<b>500</b>	<b>200</b>	1.5			<b>300</b>	<b>200</b>	
<b>DIRECT COSTS</b>			Units					Units			
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac		
Seed: Alfalfa	6.0	6.00	lb.	36.00				lb.			
: Brome Grass	3.0	4.00	lb.	12.00				lb.			
: Orchard Grass	1.0	4.00	lb.	4.00				lb.			
: Oats	100.0	0.40	lb.	40.00				lb.			
Fertilizer	100.0	0.40	lb.	40.00			0.40	lb.			
Custom Fertilizer Applic.	1.0	9.00	acres	9.00			9.00	acres			
Herbicides	1.0	14.00	acres	14.00			14.00	acres			
Custom Herbicide Applic.	1.0	9.00	acres	9.00			9.00	acres			
Net Wrap	2.5	3.00	T.of Hay	7.50		1.5	3.00	T.of Hay	4.50		
<b>Total Supplies and Materials</b>				<b>172</b>					<b>5</b>		
Fuel & Lube Costs				86.35					26.60		
Machine Repairs				45.07					18.42		
<b>TOTAL DIRECT COSTS</b>				<b>303</b>	<b>121</b>				<b>50</b>	<b>33</b>	
<b>Contribution Margin</b>				<b>197</b>	<b>79</b>				<b>250</b>	<b>167</b>	
<b>Indirect Costs</b>											
Dep. (Bldgs & Eq.) + taxes				45.86	18.34				45.86	30.57	
Labour				70.40	28.16				22.02	14.68	
<b>Total Indirect Costs</b>				<b>116</b>	<b>47</b>				<b>68</b>	<b>45</b>	
<b>Total Direct and Indirect Costs</b>				<b>419</b>	<b>168</b>				<b>117</b>	<b>78</b>	
<b>Gross Operating Profit</b>				<b>81</b>	<b>32</b>				<b>183</b>	<b>122</b>	
<b>Opportunity Costs</b>											
Interest on Direct Costs				10.60	4.24				1.73	1.16	
Land Rental Cost				40.00	16.00				40.00	26.67	
Interest on Bldgs & Equip.				38.08	15.23				38.08	25.38	
<b>Total Opportunity Costs</b>				<b>89</b>	<b>35</b>				<b>80</b>	<b>53</b>	
<b>Total Economic Costs</b>				<b>508</b>	<b>203</b>				<b>197</b>	<b>131</b>	

## **Vancouver Island Ranch Description**

The sample ranch is located near Courtenay in the central part of Vancouver Island in British Columbia. The ranch markets cattle at the Abbotsford Stock Yards. The following summarizes the production parameters of the ranch.

### **Cow Herd**

The ranch has a herd of 20 cows. The cows commence calving on February 14<sup>th</sup>. Calves are sold in the fall (end of October). The sale weights in 2024 were 600 pounds for steer calves and 550 pounds for heifers. The average selling prices for the fall of 2024 were \$3.50 per pound for steers and \$3.50 per pound for heifers. The cow to bull ratio is 26 to one. The weaning percentage, expressed as the number of calves weaned as a percentage of cows overwintered, was 95%. The herd replacement rate is 20% with 80% of the heifer calves retained entered the herd. Therefore, 5 heifer calves are kept as replacements.

### **Winter Feeding**

Winter feeding begins October 15<sup>th</sup> and the last day of feeding is May 1<sup>st</sup> for a total feeding period of 199 days. The total winter feed requirement for the herd is 79.3 tons of hay. On a per cow basis the winter feed requirement is 3.96 tons per cow.

### **Winter Feed Production**

The ranch has 20 acres of hay land. Of this acreage, 18 acres are in full production with 2 acres re-established each year. These hay stands are seeded with a grass hay mix. The average yield is 1.5 tons per acre for the establishment year with 2 cuts of 3.0 and 1.5 tons per acre at full production. The total hay produced on the ranch is 84.0 tons. A total of 79.3 tons of hay are required for feeding the herd. The surplus of 4.7 tons is sold.

### **Grazing**

The ranch uses its owned land for grazing. The grazing period is 167 days and the Animal Unit Months (AUM"s) of grazing required is 141.

### **Total Size of Ranch**

The ranch has a total of 60 acres of deeded land. Hay is produced on 20 acres.

This sample ranch is significantly smaller than those in the other regions of BC, resulting in higher costs per cow. This is mainly due to the indirect costs and depreciation being spread out over fewer cows. It was acknowledged by producers in the focus group that small operations are usually not profitable and rely on other sources of income to be viable. Many small farms are supported by off farm income and also have integrated other enterprises such as field vegetables, agri-tourism, food processing and direct farm marketing to increase revenues.



**Table 34 – Income and Expense Statement – Vancouver Island Sample Ranch**

**Income and Expense Statement**  
**Vancouver Island      20 Cows**  
 January 1 to December 31, 2024

<b>Revenue</b>	<b>Total Ranch</b>	<b>Per Cow</b>
Cow Calf	40,653	2,033
Hay Sales	1,504	75
Other Income	0	0
Less:    Bull Purchase	-1,500	-75
Feed Purchase	0	0
Marketing & Trucking	-2,161	-108
Inventory Change	0	0
Cow Calf		
Crops	0	0
<b>Gross Profit</b>	<b>38,497</b>	<b>1,925</b>
<b>Direct Expenses</b>		
Seed	506	25
Fertilizer	3,200	160
Herbicides/Pasture Chemicals	0	0
Bale Netting/Wrap/Twine/Tarp	1,458	73
Crop Insurance	0	0
Custom Work	1,100	55
Feed Supplement	0	0
Mineral and Salt	320	16
Grazing Fees	0	0
Private Pasture Fees	0	0
Trucking- Crown Grazing	0	0
Livestock Supplies	200	10
Vet. & Medicine	1,600	80
Equipment Fuel & Lube	1,435	72
Equipment Repair	1,079	54
Other Enterprise Expense	0	0
<b>Total Direct Expenses</b>	<b>10,898</b>	<b>545</b>
<b>Contribution Margin</b>	<b>27,599</b>	<b>1,380</b>
<b>Indirect Expenses</b>		
Building & Fence Repair	5,000	250
Land Taxes	1,500	75
Shop Supplies/Small Tools	1,500	75
Labour	1,000	50
Legal & Accounting	800	40
Insurance & Licences	5,500	275
Utilities	4,000	200
Misc.( Office,fees,subscrip.)	1,500	75
Operating Interest	229	11
Term Loan Interest	2,400	120
<b>Total Indirect Expense</b>	<b>23,429</b>	<b>1,171</b>
<b>TOTAL EXPENSES</b>	<b>34,327</b>	<b>1,716</b>
<b>NET RETURN OVER EXPENSE</b>	<b>4,170</b>	<b>208</b>
Depreciation - Equipment and Buildings	13,980	699
<b>NET FARM INCOME</b>	<b>-9,810</b>	<b>-491</b>

**Table 35 – Net Worth Statement – Vancouver Island Sample Ranch**

**Net Worth – Vancouver Island Sample Ranch**  
December 31, 2024

<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash		Operating Loan	
Accounts Receivable			
Supplies		Accounts Payable	
Hay	\$0		
<b>Total Current Assets</b>	<b>\$0</b>	<b>Total Current Liabilities</b>	<b>\$0</b>
 <b>Intermediate Assets</b>		 <b>Intermediate Liabilities</b>	
Cow Herd	\$100,000	Intermediate Loans	
Equipment	\$154,400		
Car			
Horses	\$0		
<b>Total Intermediate Assets</b>	<b>\$254,400</b>	<b>Total Intermediate Liabilities</b>	<b>\$0</b>
 <b>Fixed Assets</b>		 <b>Long Term Liabilities</b>	
Buildings and Corrals	\$12,000		
House	\$500,000	Land Mortgage	\$40,000
Other			
Land	\$3,000,000		
<b>Total Fixed Assets</b>	<b>\$3,512,000</b>	<b>Total Long Term Liabilities</b>	<b>\$40,000</b>
<b>Total Assets</b>	<b>\$3,766,400</b>	<b>Total Liabilities</b>	<b>\$40,000</b>
		<b>Total Equity</b>	<b>\$3,726,400</b>

**Table 36 – Forage Costs and Returns – Vancouver Island Sample Ranch**

**Forage Costs and Returns Vancouver Island - 2024**

Average of Establishment and Production Years

<b>Revenue</b>	<b>Yield (Tons/Ac)</b>	<b>Per Acre</b>	<b>Per Ton</b>
Oat Hay	1.50	\$480.00	\$320.00
1st Cut Hay	3.00	\$960.00	\$320.00
2nd Cut Hay	1.50	\$480.00	\$320.00
<b>Total *</b>	<b>4.20</b>	<b>\$1,344.00</b>	<b>\$320.00</b>
<b>Direct Costs</b>			
Seed		\$25.32	\$6.03
Fertilizer		\$160.00	\$38.10
Custom Work		\$55.00	\$13.10
Net/Wrap		\$72.90	\$17.36
<b>Total Supplies and Materials</b>		<b>\$315.92</b>	<b>\$75.32</b>
Fuel and Lube Costs		\$47.86	\$11.40
Machine Repairs		\$43.62	\$10.39
<b>Total Direct Costs</b>		<b>\$407.40</b>	<b>\$97.00</b>
<b>Contribution Margin</b>		<b>\$936.60</b>	<b>\$223.00</b>
<b>Indirect Costs</b>			
Depreciation (Bldgs & Equip.)/Land Taxes		\$558.60	\$133.00
Labour		\$139.72	\$33.27
<b>Total Indirect Costs</b>		<b>\$698.32</b>	<b>\$166.27</b>
<b>Total Direct and Indirect Costs</b>		<b>\$1,105.72</b>	<b>\$263.27</b>
<b>Gross Operating Profit</b>		<b>\$238.28</b>	<b>\$56.73</b>
<b>Opportunity Costs</b>			
Interest on Direct Costs		\$14.26	\$3.40
Land Rental Cost		\$140.00	\$33.33
Interest on Bldgs. & Equip.		\$499.20	\$118.86
<b>Total Opportunity Costs</b>		<b>\$653.46</b>	<b>\$155.59</b>
<b>Total Economic Costs</b>		<b>\$1,759.18</b>	<b>\$418.85</b>
Total Acres Hay land	Acres	<b>20</b>	
Total Tons Produced	Tons	<b>84</b>	

\*Average for all hay acres.

**Table 37 – Summary of Hay Production Costs and Returns – Vancouver Island Sample Ranch**

2024	SUMMARY OF HAY PRODUCTION COSTS AND RETURNS					Vancouver Island				
Revenue	Est. Year 1		2 Acres			Full Pdn.		18 Acres		
	Yield	Price	Units	\$Per Ac	\$/Ton	Yield	Price	Units	\$Per Ac	\$/Ton
Oat Hay	1.50	320.00	Ton	480.00				Ton		
Hay 1st Cut			Ton			3.0	320.0	Ton	960.00	
Hay 2nd cut			Ton			1.5	320.0	Ton	480.00	
<b>Total Revenue</b>	1.50			<b>480</b>	<b>320</b>	4.5			<b>1,440</b>	<b>320</b>
<b>DIRECT COSTS</b>			Units					Units		
Supplies and Materials	Quant.	\$/ Unit	Used	\$/Ac		Quant.	\$/ Unit	Used	\$/Ac	
Seed: Hayland Mix	44.0	4.30	lb.	189.20				lb.		
: Oats	100.0	0.64	lb.	64.00				lb.		
Fertilizer Establishment	300.0	0.50	lb.	150.00			0.50	lb.		
Fertilizer Full Production		0.50	lb.			300.0	0.50	lb.	150.00	
Custom (Disc/Harrow/Seed)	1.0	300.00	acres	300.00			300.00	acres		
Custom Fertilizer	1.0	25.00	acres	25.00		1.0	25.00	acres	25.00	
Bale/Wrap	1.5	18.00	\$/acre	27.00		4.5	18.00	\$/acre	81.00	
<b>Total Supplies and Materials</b>				<b>855</b>					<b>256</b>	
Fuel & Lube Costs				26.24					50.27	
Machine Repairs				22.57					45.96	
<b>TOTAL DIRECT COSTS</b>				<b>904</b>	<b>603</b>				<b>352</b>	<b>78</b>
<b>Contribution Margin</b>				<b>-424</b>	<b>-283</b>				<b>1,088</b>	<b>242</b>
<b>Indirect Costs</b>										
Dep. (Bldgs & Eq.) + taxes				558.60	372.40				558.60	124.13
Labour				40.38	26.92				150.76	33.50
<b>Total Indirect Costs</b>				<b>599</b>	<b>399</b>				<b>709</b>	<b>158</b>
<b>Total Direct and Indirect Costs</b>				<b>1,503</b>	<b>1,002</b>				<b>1,062</b>	<b>236</b>
<b>Gross Operating Profit</b>				<b>-1,023</b>	<b>-682</b>				<b>378</b>	<b>84</b>
<b>Opportunity Costs</b>										
Interest on Direct Costs				31.64	21.09				12.33	2.74
Land Rental Cost				140.00	93.33				140.00	31.11
Interest on Bldgs & Equip.				499.20	332.80				499.20	110.93
<b>Total Opportunity Costs</b>				<b>671</b>	<b>447</b>				<b>652</b>	<b>145</b>
<b>Total Economic Costs</b>				<b>2,174</b>	<b>1,449</b>				<b>1,713</b>	<b>381</b>

## Summary Comments

- The focus group method worked well to develop and update the Sample Ranches and to determine specific costs and returns and ranch profitability. At all meetings, producers were very knowledgeable; had a good understanding of the production variables and financial components of the cow calf business, and were always open and instructive in their comments and observations.
- Ranchers seemed to agree with the process and were in agreement that it was important to have a production and financial description of the ranch to determine the ranch revenues and operating costs.
- Participants universally enjoyed the workshop, and appreciated the opportunity to be involved, and to participate in a meeting where they felt they learned something. They found it a positive educational experience
- The rancher participants were interested and most cooperative. They had an excellent grasp of the revenue and expenses on the ranch in general and the specifics of the costs of operating a grazing lease.
- At most of the meetings some participants mentioned that they were appreciative of the fact focus group leaders valued their information and that we were willing to listen.
- There was considerable variability in the size of the ranches developed and the costs involved. The size varied from 20 cows on Vancouver Island to 400 cows in Kamloops. Although not planned, it is worthwhile to have a range in the size of sample ranches.
- There was also a large variability in the net income per cow generated by the sample ranches. In all cases income was low relative to investment in the operation. We feel this points out that, although calf prices have strengthened in recent years, costs have increased as well resulting in net incomes that are still relatively low.
- The per pound prices received for calves did not vary much between areas, but producers indicated there was significant price variation between sale dates in the fall of 2024. However, due to significant differences in marketing weights, the income per calf varied significantly. The main cause of this difference was age of calves at sale.
- There was a significant range in winter feed requirements between the sample ranches.
- The Financial Statements of Sample Ranches provide ranchers and those not familiar with the ranching sector, valuable insights into the revenue, expense and net income structure of the industry. The example cow calf enterprises are not encumbered by extraneous factors. Per cow revenue and expenses can serve as useful benchmarks for ranches with characteristics similar to the assumptions used in the sample ranch.

**Table 38 – 2024 Total Ranch Income and Expense Statement**

	Cranbrook		Vernon	Kamloops	Williams Lake	Vanderhoof	Dawson Creek	Vancouver Island
<b>Revenue</b>	<b>200 Cows</b>	<b>150 Cows</b>	<b>400 Cows</b>	<b>200 Cows</b>	<b>250 Cows</b>	<b>200 Cows</b>	<b>20 Cows</b>	
Cow Calf	393,283	311,616	824,652	402,582	488,864	420,260	40,653	
Hay Sales	8,098	16,734	24,294	(3,273)	78,237	(28,500)	1,504	
Other Income	0	0	0	0	0	0	0	
Less: Bull Purchase	(30,000)	(20,000)	(64,000)	(32,000)	(32,000)	(24,000)	(1,500)	
Marketing & Trucking	(12,057)	(7,884)	(18,105)	(8,305)	(10,080)	(10,480)	(2,161)	
Inventory Change	0	0	0	0	0	0	0	
<b>Gross Profit</b>	<b>359,324</b>	<b>300,466</b>	<b>766,841</b>	<b>359,004</b>	<b>525,021</b>	<b>357,280</b>	<b>38,497</b>	
<b>Direct Expenses</b>								
Seed	2,240	3,923	6,000	4,980	6,050	13,800	506	
Fertilizer	21,252	21,750	43,500	20,252	37,100	6,000	3,200	
Herbicides/Pasture Chemicals	840	660	1,820	0	0	2,100	0	
Bale Netting/Wrap/Twine/Tarp	447	3,188	3,420	1,950	4,111	3,150	1,458	
Crop Insurance	0	0	0	0	0	0	0	
Custom Work	3,300	4,500	5,400	3,125	4,800	2,700	1,100	
Irrigation Power	7,000	4,950	12,000	4,000	0	0	0	
Feed Supplement	0	3,450	0	4,000	0	0	0	
Mineral and Salt	6,000	4,200	12,000	2,000	7,500	7,200	320	
Grazing Fees	4,037	3,649	10,900	3,846	9,000	6,180	0	
Private Pasture Fees	10,000	0	18,680	0	50,000	1,796	0	
Trucking to Grazing	6,000	6,000	8,000	0	3,750	2,000	0	
Livestock Supplies	3,000	1,350	6,000	2,000	3,500	4,000	200	
Vet & Medicine	8,000	12,000	16,000	8,000	10,000	12,600	1,600	
Equipment Fuel & Lube	21,611	21,518	42,418	26,237	45,792	35,880	1,435	
Equipment Repair	17,947	16,211	30,125	14,809	28,755	18,631	1,079	
Other Enterprise Expenses	0	0	0	0	0	0	0	
<b>Total Direct Expenses</b>	<b>111,674</b>	<b>107,349</b>	<b>216,263</b>	<b>95,199</b>	<b>210,358</b>	<b>116,037</b>	<b>10,898</b>	
<b>Contribution Margin</b>	<b>247,649</b>	<b>193,117</b>	<b>550,578</b>	<b>263,805</b>	<b>314,663</b>	<b>241,243</b>	<b>27,599</b>	
<b>Indirect Expenses</b>								
Building & Fence Repair	7,000	7,500	13,000	7,500	9,000	10,000	5,000	
Land Taxes	3,000	2,500	5,000	2,400	2,000	1,200	1,500	
Shop Supplies/Small tools	3,000	3,000	8,000	8,000	6,000	7,000	1,500	
Hired Labour	24,000	6,500	80,000	15,000	20,000	20,000	1,000	
Legal & Accounting	5,000	3,000	5,000	5,000	5,000	4,000	800	
Insurance & Licences	15,000	10,000	20,000	14,000	18,000	16,000	5,500	
Utilities (heat, bldg. hydro, etc.)	6,000	4,000	8,000	5,000	7,000	8,000	4,000	
Misc. (Office, fees, Tele.)	3,500	4,000	4,000	4,000	4,500	5,000	1,500	
Operating Interest	2,345	2,254	4,542	1,999	4,418	2,437	229	
Term Loan Interest	24,000	18,000	48,000	24,000	30,000	24,000	2,400	
<b>Total Indirect Expense</b>	<b>92,845</b>	<b>60,754</b>	<b>195,542</b>	<b>86,899</b>	<b>105,918</b>	<b>97,637</b>	<b>23,429</b>	
<b>Total Expenses</b>	<b>204,519</b>	<b>168,104</b>	<b>411,805</b>	<b>182,098</b>	<b>316,276</b>	<b>213,674</b>	<b>34,327</b>	
<b>Net Return Over Expenses</b>	<b>154,804</b>	<b>132,362</b>	<b>355,036</b>	<b>176,905</b>	<b>208,745</b>	<b>143,606</b>	<b>4,170</b>	
Depreciation	(36,435)	(44,020)	(42,895)	(35,345)	(42,690)	(34,313)	(13,980)	
<b>Net Farm Income</b>	<b>118,369</b>	<b>88,342</b>	<b>312,142</b>	<b>141,560</b>	<b>166,055</b>	<b>109,293</b>	<b>(9,810)</b>	

**Table 39 – 2024 Per Cow Income and Expense Statement**

	Cranbrook		Vernon Kamloops		Williams Lake	Vanderhoof		Dawson Creek	Vancouver Island
<b>Revenue</b>	<b>200 Cows</b>	<b>150 Cows</b>	<b>400 Cows</b>	<b>200 Cows</b>	<b>250 Cows</b>	<b>200 Cows</b>	<b>20 Cows</b>		
Cow Calf	1,966	2,077	2,062	2,013	1,955	2,101	2,033		
Hay Sales	40	112	61	(16)	313	(143)	75		
Other Income	0	0	0	0	0	0	0		
Less: Bull Purchase	(150)	(133)	(160)	(160)	(128)	(120)	(75)		
Marketing & Trucking	(60)	(53)	(45)	(42)	(40)	(52)	(108)		
Inventory Change	0	0	0	0	0	0	0		
<b>Gross Profit</b>	<b>1,797</b>	<b>2,003</b>	<b>1,917</b>	<b>1,795</b>	<b>2,100</b>	<b>1,786</b>	<b>1,925</b>		
<b>Direct Expenses</b>									
Seed	11	26	15	25	24	69	25		
Fertilizer	106	145	109	101	148	30	160		
Herbicides/Pasture Chemicals	4	4	5	0	0	11	0		
Bale Netting/Wrap/Twine/Tarp	2	21	9	10	16	16	73		
Crop Insurance	0	0	0	0	0	0	0		
Custom Work	17	30	14	16	19	14	55		
Irrigation Power	35	33	30	20	0	0	0		
Feed Supplement	0	23	0	20	0	0	0		
Mineral and Salt	30	28	30	10	30	36	16		
Grazing Fees	20	24	27	19	36	31	0		
Private Pasture Fees	50	0	47	0	200	9	0		
Trucking to Grazing	30	40	20	0	15	10	0		
Livestock Supplies	15	9	15	10	14	20	10		
Vet & Medicine	40	80	40	40	40	63	80		
Equipment Fuel & Lube	108	143	106	131	183	179	72		
Equipment Repair	90	108	75	74	115	93	54		
Other Enterprise Expenses	0	0	0	0	0	0	0		
<b>Total Direct Expenses</b>	<b>558</b>	<b>716</b>	<b>541</b>	<b>476</b>	<b>841</b>	<b>580</b>	<b>545</b>		
<b>Contribution Margin</b>	<b>1,238</b>	<b>1,287</b>	<b>1,376</b>	<b>1,319</b>	<b>1,259</b>	<b>1,206</b>	<b>1,380</b>		
<b>Indirect Expenses</b>									
Building & Fence Repair	35	50	33	38	36	50	250		
Land Taxes	15	17	13	12	8	6	75		
Shop Supplies/Small tools	15	20	20	40	24	35	75		
Hired Labour	120	43	200	75	80	100	50		
Legal & Accounting	25	20	13	25	20	20	40		
Insurance & Licences	75	67	50	70	72	80	275		
Utilities (heat, bldg. hydro, etc.)	30	27	20	25	28	40	200		
Misc. (Office, fees, phone)	18	27	10	20	18	25	75		
Operating Interest	12	15	11	10	18	12	11		
Term Loan Interest	120	120	120	120	120	120	120		
<b>Total Indirect Expenses</b>	<b>464</b>	<b>405</b>	<b>489</b>	<b>434</b>	<b>424</b>	<b>488</b>	<b>1,171</b>		
<b>Total Expenses</b>	<b>1,023</b>	<b>1,121</b>	<b>1,030</b>	<b>910</b>	<b>1,265</b>	<b>1,068</b>	<b>1,716</b>		
<b>Net Return Over Expenses</b>	<b>774</b>	<b>882</b>	<b>888</b>	<b>885</b>	<b>835</b>	<b>718</b>	<b>208</b>		
Depreciation	(182)	(293)	(107)	(177)	(171)	(172)	(699)		
<b>Net Farm Income</b>	<b>592</b>	<b>589</b>	<b>780</b>	<b>708</b>	<b>664</b>	<b>546</b>	<b>(491)</b>		

**Table 40 – 2024 Assumptions, Production and Financial Factors**

	<b>Cranbrook</b>	<b>Vernon</b>	<b>Kamloops</b>	<b>Williams Lake</b>	<b>Vanderhoof</b>	<b>Dawson Creek</b>	<b>Vancouver Island</b>
Number of Cows Overwintered	200	150	400	200	250	200	20
Total Deeded Acres	700	300	2,000	1,200	1,200	1,200	60
Total Forage Acres	200	150	300	250	600	600	20
Acres in Establishment	20	30	60	50	110	150	2
Hay Yields (Tons/Acre)	3.40	4.00	3.80	2.40	2.28	1.75	4.20
Direct Hay Cost/ton	\$85	\$105	\$99	\$94	\$79	\$65	\$97
Direct & Indirect Hay Costs/ton	\$164	\$216	\$171	\$161	\$134	\$110	\$263
Weaning Percentage	90%	90%	92%	85%	92%	90%	95%
Sale Weight :Steer calves	570	650	580	550	540	600	600
: Heifer calves	515	600	500	500	490	550	550
Sale Price :Steer calves	\$4.00	\$3.88	\$4.10	\$4.37	\$4.08	\$4.10	\$3.50
: Heifer calves	\$3.90	\$3.30	\$3.70	\$4.00	\$3.75	\$3.70	\$3.50
Pounds of Calf Weaned per Cow	488	597	497	446	474	518	548
Gross Profit per Cow	\$1,797	\$2,003	\$1,917	\$1,795	\$2,100	\$1,786	\$1,925
Gross Profit for the Ranch	\$359,324	\$300,466	\$766,841	\$359,004	\$525,021	\$357,280	\$38,497
Total Direct Expenses	\$111,674	\$107,349	\$216,263	\$95,199	\$210,358	\$116,037	\$10,898
Contribution Margin	\$247,649	\$193,117	\$550,578	\$263,805	\$314,663	\$241,243	\$27,599
Total Indirect Expenses	\$92,845	\$60,754	\$195,542	\$86,899	\$105,918	\$97,637	\$23,429
Total Expenses	\$204,519	\$168,104	\$415,980	\$182,098	\$316,276	\$213,674	\$34,327
Net Farm Income	\$118,369	\$88,342	\$312,142	\$141,560	\$166,055	\$109,293	(\$9,810)
Total Ranch Assets	\$7,142,000	\$5,669,600	\$8,194,200	\$4,211,100	\$3,436,000	\$3,728,350	\$3,766,030
Total Ranch Liabilities	\$400,000	\$300,000	\$800,000	\$400,000	\$500,000	\$400,000	\$40,000
Total Ranch Equity	\$6,742,000	\$5,369,600	\$7,394,200	\$3,811,100	\$2,936,000	\$3,328,350	\$3,726,400

## Questions and Feedback

The participants were asked to list some of the decisions they felt ranchers were presently trying to make. The following is list of all responses. No attempt was made to delete duplications:

1. Is it more profitable to buy bred heifers versus retaining your own heifers?
2. How long should I finance any cow purchases?
3. Should I consider retaining some calves to sell as 'grassers' in the spring or to put back on grass and sell as yearlings?
4. Should I buy or produce my hay requirements?
5. Can I manage my grazing to reduce the length of the winter feeding period?
6. Are there ways to reduce the fertilizer costs including alternative nutrient sources?
7. What are the comparative costs of operating different irrigation systems (e.g. pivots versus wheel lines).
8. Can I make money custom grazing other producer's cattle?
9. What are the 'real' costs of running cattle on Crown Range?
10. How often should I renovate hayfields?
11. Should I graze all my forage land and purchase my winter feed requirements?
12. Should I sell the cow herd and move to a program where I purchase calves in the fall and intensively graze my fields the following summer.
13. Should I buy calves in the spring and graze them on my land over summer and sell as yearlings in the fall?
14. Should I put up hay and custom feed other producer's cattle?
15. Should I use my forage land to custom graze other producer's cattle?
16. Should I convert my hay fields to irrigated pastures and purchase my winter feed requirements?
17. Is swath grazing a viable option to consider to reduce feeding costs?
18. Should I only produce hay and sell to other producers?
19. Should I rent the land I need rather than owning it?
20. Should I rent my land to other producers?
21. Can I minimize the number of acres of forage I need to renovate by improved harvesting and nutrient management?
22. Should I buy hay or put up my own?
23. Can I manage my grazing so that I can reduce the hay I have to feed?

24. Is it cost effective to spread stockpiled manure?
25. How much can I afford to pay for cows?
26. Is expanding the cow herd a good idea at this time?
27. If I decide to expand my herd should I be buying cows or retaining more of my heifer calves?
28. What are the costs of keeping a bull?
29. Many producers in this area are looking at hay production for the export market so analyzing the costs of producing hay is very important.

**The following ten observations were not presented as questions, but in each case an analysis would likely be useful when making the change.**

1. Make the ranch operate as a profitable business. Make decisions based on good business practices.
2. Operate the ranch with separate business units for cattle and haying. Do not have one business unit subsidizing the other.
3. From a business model, look at purchasing hay and reducing equipment requirements (do not ignore the real costs of putting up hay).
4. Work with Mother Nature, calve in late May and June, bale graze, and use intensive cell grazing.
5. Use cattle size that fit your area and climate.
6. Move away from performance on calves and focus on number of live calves sold.
7. Look at what the market wants and provide it (e.g. consistent size, proper breed crosses etc.)
8. With the apparent lack of available Crown Land for expansion producers need to investigate different opportunities to increase cow numbers.
9. Is our focus on Crown Range limiting our imagination?
10. We need to encourage producers to spend time analyzing their financial situation.

**We also asked producers what they felt might be the best way to work with producers attempting to make management decisions.**

1. I think a computer sheet listing the various expense categories that individual producers could input their own numbers and come up with costs for their own operation would be useful.
2. I think workshops are probably the best for getting the decision making tools out there.
3. Most producers are not all that familiar with using computer programs so that has to be taken into consideration.
4. Interactive workshops are the best way to get producers to explore decisions.
5. I feel that workshops are probably the best for getting the decision making tools out there. The group discussion is the best way to explore all the pros and cons of each scenario.