

Cow-Calf Enterprise Comparison

For its analysis of the differences in the 1975 calf production costs between Canada and the United States, the Committee adopted the methodology employed by the Agricultural Stabilization Board for the calculation of stabilization payments. These calculations are based on cash costs which include: winter feed costs, hired labour, interest on operating capital and other cash costs. As the Agricultural Stabilization Board data is an average for all of Canada, information on cow-calf costs were also obtained from Alberta Agriculture and Saskatchewan Department of Agriculture. This Canadian data was then compared with information from a United States Department of Agriculture study of five regions, which gives a very representative average figure for American producers.

TABLE XI
Cost Comparisons of a Cow-Calf Enterprise 1975 Cash Cost Basis

	Canada ¹ \$/calf Canadian Average	United States ² \$/cow (Can \$) ³ United States Average
Winter Feed Costs	101.21	45.99
Hired Labor	.27	.27
Interest Operating Capital	7.38	5.02
Other Cash Costs ⁴	32.40	28.57
\$/cow		79.85
\$/calf (85% calf crop)	141.76	93.90
\$/cwt of calf produced (450 lb calf)	31.50	20.86 ⁵
Difference Canada vs. United States		10.64

Sources:

¹Agriculture Canada, Estimation of Costs of Production for Cow-Calf Program, Economics Branch, Ottawa, 1977

²U.S.D.A.—*Estimated Production and Expenses for Beef Cow-Calf Enterprises in Five Regions of the U.S.*, Livestock and Meat Situation, August, Washington, D.C., 1976

³Bank of Canada Review, Ottawa, July 1977 (1975 Average rate) (1.017)

⁴Other cash costs include:

- veterinary & medicine
- minerals
- taxes
- machine operation
- utilities
- bedding
- building and fence repairs

⁵Table I—Appendix D, page 100.