



## Frequently Asked Questions

Based on the January 6, 2022 Results Webinar

### 1. Where can I find the results and analysis from the Canadian Cow-calf Cost of Production Network data collection sessions?

Results from the focus group discussions about cost of production for individual cow-calf farms were aggregated into benchmark farms and are available at:

<https://www.canfax.ca/COPResults.aspx>

Case studies, fact sheets and more are available at <https://www.canfax.ca/COPAnalysis.aspx>

### 2. How were focus group respondents' individual farm data aggregated into one farm?

One goal of the Canadian Cow-calf Cost of Production Network is to provide representative benchmark farms across Canada that consider varying production practices, resources, challenges, and opportunities that are specific to a location. Producers were grouped according to similarities in production systems (i.e. type of winter feed, calving date, weaning date, herd size, and eco-region) based on information provided in the sign-up survey.

Data from individual farms participating in the network were aggregated into benchmark farms based on the average for each data point discussed by the group, with outliers addressed accordingly. More information is available at: <https://www.beefresearch.ca/blog/a-new-approach-to-cost-of-production-benchmarking>

In general, these were the operations in each focus group for data collection. The exception being the Alberta farms, the dairy-beef groups and two Maritimes cow-calf farms which were merged. The Alberta farms were re-grouped after the AgriProfit\$ data was submitted and therefore, had different groupings than the focus groups.

### 3. How were the farm locations identified in the map?

Benchmark farms were grouped by production system criteria when they signed up. Farms located in similar ecoregions, where possible, were kept together to create a benchmark farm. The points on the map are a mid-point (within the same soil zone) from the postal codes of the contributing operations. With 28 farms completed, and a total of 56 planned, the goal is to obtain coverage across Canada for the many eco-regions that exist.

### 4. With respect to the results, why does it appear that Eastern Canada have higher calf death loss than Western Canada, but weaned more calves per 100 cows?

Eastern Canada has higher conception rates and a higher number of calves alive after 24 hours per 100 cows. These factors offset the impact of higher calf death loss (24 hours after birth to weaning) and resulted in more calves weaned per 100 cows than Western Canada.

### 5. How were the benefits and costs modelled for the future farm scenario in which the grazing season was extended through rotational grazing?

The benefits include reduced winter feed cost, reduced labour cost for winter feeding, and additional revenue from selling surplus forage production.

Costs accounted for additional weekly labour for rotating animals in different grazing areas, up front investments in portable electric fencing, and depreciation of the fencing system.

Cattle and grain prices and crop yields were kept constant with the 2020 baseline and results were modeled going out five years. Consequently, the model assumes that debt is being paid off and not added to. Therefore, capital costs tend to decline in all scenarios.

### 6. Are the different farming mindsets regarding goals and risk tolerance correlated with the age of the respondent?

Demographic data were not collected from COP Network participants so correlations between goals, risk tolerance and demographic information (e.g. age, gender) were not calculated. The goal of the mindset survey was to complement economic data collection, recognizing that while some practices on-farm may prove more profitable on paper, they may not be practical for every producer when goals and risk tolerance are so varied between individuals.

### 7. With so much uncertainty reported by network respondents around monetizing ecosystem services in Canada, how do ranchers obtain payments for ecosystem services?

While still in its infancy, several programs are emerging to monetize ecosystem services in Canada. For example, [reverse auctions used to incentivize wetland restoration in Saskatchewan](#), [Alberta's Agriculture Carbon offset program](#), the [Federal Ecological Gifts program](#), and [Nature Conservancy of Canada's conservation agreements](#) (Pogue et al., 2020).

[Alternative Land Use Services \(ALUS\)](#) is a community-developed and farmer delivered program aimed at maintaining ecosystem services on agricultural lands. Other examples would include commercial or recreation hunting, and on-farm tours.

#### 8. How were land costs accounted for in the benchmark farms?

Land costs are accounted for as total of rents paid (cash cost) and calculated land rents on owned land (opportunity cost).

Opportunity cost on land are land rents for new contracts in case the farm would rent out its own land. They reflect the cost of having to rent the land.

The COP network uses specific terms and calculations, please refer to the [glossary](#) or [COP Calculation Choices Fact Sheet](#)

Crown land is excluded from grassland rental cost and counted as fixed cost. Crown land area is reported as rented grassland.

#### 9. How were crop residues valued in the benchmark farms?

For residues like straw, the cost of baling is allocated to the cattle enterprise, but not the other production cost like seeding, fertilizer, etc. which are allocated to crop production.

For aftermath grazing in the crop field, no crop production cost is allocated to the cattle enterprise.

When a grain such as barley is used for feed and is sold as a cash crop, a portion of crop production costs (seed, fertilizer, contract labour, etc.) are allocated to the cattle enterprise based on the amount used for feed.