



<b>Farm Characteristics</b>	<b>CA-AB6</b>
<b>Farm Description</b>	A cow-calf operation producing predominantly homegrown feed in one of the most productive agricultural regions of the prairies.
<b>Winter Feeding Ration (lbs/cow/day as fed)</b>	35 days of swath grazing followed by 117 days winter feed with hay (28 lb), straw (11 lb), grain (2 lb), mineral and salt (100 g)
<b>Retained Ownership/Replacement Ration (lb/head/day as fed)</b>	n/a
<b>Disclaimer:</b>	This benchmark is based on 3 farms of data; outliers were excluded as required

Environment	
Average Annual Temperature	1.5°C
Average Annual Precipitation (mm)	400–500 mm
Ecoregion	Aspen Parkland
Relief	Undulating to kettled
Stocking Rate (Animal Unit days per acre)	31
Fertilize Hay (yes/no)	Yes
Fertilize Pasture (yes/no)	No
Hay Yield (tonnes/acre)	1.74
Grassland Acres (owned+rented)	2415
Crop Acres (includes hay) (owned+rented)	298
Bush and other acres	0

Physical Performance Indicators	
Breed	Hereford, Angus
Cow:Bull Ratio	19:1
Bull Culling Rate (%)	4%
Mature Cow Weight (lb)	1,138
Heifer Retention for a steady herd (%)	9%
Cow Death Loss (%)	1.3%
Cow Culling Rate (%)	8.0%
Calves alive after 24hr/100 Cows exposed	96%
Calf Death Loss (%) 24 hr to weaning	5.0%
Calves weaned per 100 cows exposed	90
Total Liveweight Sold per Cow (lb)	551
Weaning Weight (lb)	535
205 day adjusted Weaning Weight (lb)	623
Average Daily Gain pre-weaning (lb)	2.55
Weaning Weight as % of Cow Weight	47%

Production System	
Herd size	152
Days on field feeding (e.g. swath grazing)	35
Days supplemented on pasture	0
Days on full winter feed	117
Calving Start date	April 04
Weaning date	October 21
Sale date	October 21
Retained ownership	Replacements
% of feed purchased	0.5%
% of land in annual crops	11%
Annual sales Retained Cattle (head)	N/A
Placement weight (lbs)	#N/A
Sale Weight (lbs)	N/A
Days on Feed	0

**Footnotes:**

Cost of Production: Cash Cost + Depreciation + Opportunity Costs

Cash Costs = Cash cost for purchased feed, fertiliser, seeds, fuel, maintenance, land rents, animal purchases, interest on liabilities, wages paid, veterinary costs plus medicine, water, insurance, accounting, etc (excl. Tax)

Depreciation = Linear depreciation on machinery and buildings, calculated on replacement values

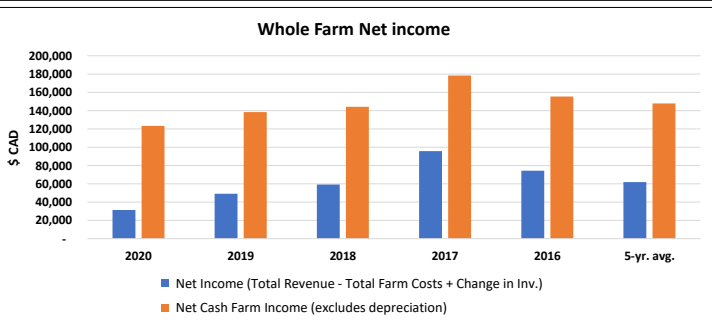
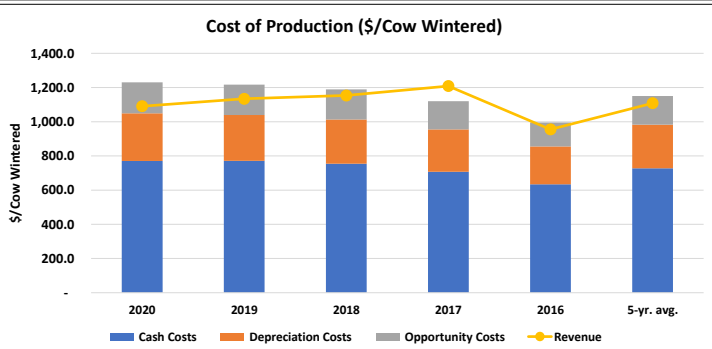
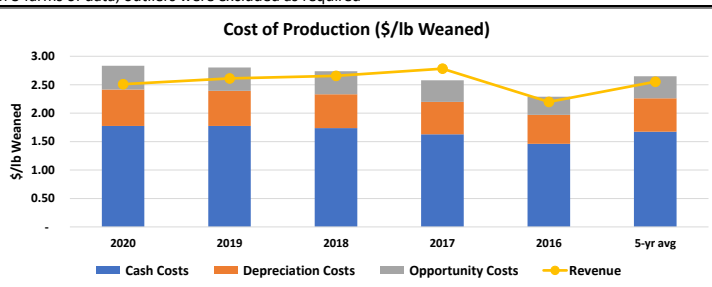
Opportunity Costs = Calculated cost for using own production factors like labour (family working hours \* wage for qualified local labour, land (own land \* regional land rents) and capital (non-land equity \* long-term government bonds interest rate)

Whole Farm Profitability = Market returns (+ coupled payments) (+ decoupled payments) – whole-farm costs +/- changes in inventory +/- capital gains/losses.

Whole Farm Net Income = Whole farm profitability + depreciation + changes in inventory + capital gains/losses. Known as: 'Net farm income' (Agri Profits, 2018)

Revenue = sales of calves, cull cows, breeding stock, government payments and other revenue applicable to the specific enterprise

**NOTE: Feed costs are based on cost of production if homegrown.**



Whole Farm Overview Page

Overview							
Operation Maturity	Mature						
Herd Size	152		Beef Animals Sold from Retained Ownership		N/A		
Paid Labour (hours)	361						
Unpaid Labour (hours)	715						
Average wages - paid and unpaid (\$/hr)	12.02						
Revenue		2020	2019	2018	2017	2016	5-yr. avg.
<b>Market Revenue</b>	<b>5-yr avg</b>	<b>293,329</b>	<b>310,898</b>	<b>309,089</b>	<b>332,818</b>	<b>297,252</b>	<b>308,677</b>
Cow-Calf	48%	165,779	172,420	175,360	183,693	145,168	168,484
Cash Crops	40%	127,550	138,478	133,729	149,126	152,084	140,193
Retained Ownership	0%	-	-	-	-	-	-
<b>Government Payments</b>	<b>2%</b>	<b>5,835</b>	<b>5,835</b>	<b>5,835</b>	<b>5,835</b>	<b>5,835</b>	<b>5,835</b>
<b>Other Farm Revenue †</b>	<b>11%</b>	<b>37,368</b>	<b>37,370</b>	<b>37,370</b>	<b>37,375</b>	<b>37,372</b>	<b>37,371</b>
<b>Total Revenue</b>	<b>100%</b>	<b>336,532</b>	<b>354,102</b>	<b>352,293</b>	<b>376,028</b>	<b>340,459</b>	<b>351,883</b>
Change in Inventory		-	-	-	-	-	-
Expenses		2020	2019	2018	2017	2016	5-yr. avg.
<b>Depreciation</b>		<b>91,870</b>	<b>89,271</b>	<b>85,034</b>	<b>82,660</b>	<b>81,072</b>	<b>85,981</b>
Machinery		63,574	61,455	57,905	56,080	54,933	58,790
Buildings		28,297	27,815	27,128	26,580	26,139	27,192
<b>Overhead costs</b>		<b>13,165</b>	<b>13,051</b>	<b>12,654</b>	<b>12,034</b>	<b>11,763</b>	<b>12,533</b>
Land improvement		-	-	-	-	-	-
Machinery Maintenance		1,812	1,780	1,707	1,664	1,621	1,717
Buildings Maintenance		827	839	822	782	761	806
Contract labour		498	483	469	448	429	466
Diesel, Gasoline, Natural Gas		1,136	1,240	1,249	1,142	1,027	1,159
Electricity		443	434	398	247	292	363
Water		-	-	-	-	-	-
Farm insurance		1,675	1,625	1,554	1,488	1,460	1,561
Disability and accident insurance		-	-	-	-	-	-
Farm taxes and duties		63	61	58	56	55	58
Advisor costs		3,565	3,459	3,308	3,167	3,108	3,321
Accountant & legal fees		-	-	-	-	-	-
Phone & utilities		2,171	2,155	2,114	2,066	2,035	2,108
Other overhead costs		975	975	975	975	975	975
<b>Wages, rent and interest payments</b>		<b>68,685</b>	<b>71,172</b>	<b>67,781</b>	<b>63,685</b>	<b>53,237</b>	<b>64,912</b>
Paid Labour		8,645	8,387	8,021	7,679	7,536	8,054
Unpaid Labour		8,853	8,743	8,938	8,763	7,661	8,591
Total land rents		47,011	46,735	46,587	46,280	37,572	44,837
Total Interest on debt		13,029	16,051	13,173	9,726	8,128	12,021
<b>Cow-Calf</b>		<b>34,261</b>	<b>33,531</b>	<b>33,302</b>	<b>29,629</b>	<b>29,533</b>	<b>32,051</b>
Animal purchases		1,167	1,167	1,167	1,167	1,167	1,167
Purchased feed		7,875	7,561	8,435	5,979	6,266	7,223
Other fixed and var. costs *		25,219	24,803	23,700	22,483	22,100	23,661
<b>Retained Ownership</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Animal purchases		-	-	-	-	-	-
Purchased feed		-	-	-	-	-	-
Other fixed and var. costs *		-	-	-	-	-	-
<b>Crop and forage</b>		<b>97,133</b>	<b>97,918</b>	<b>94,368</b>	<b>92,306</b>	<b>90,572</b>	<b>94,459</b>
Seed		21,064	22,417	20,824	20,720	19,801	20,965
Fertilizer		26,642	27,566	26,874	26,583	27,252	26,984
Herbicide		10,191	9,733	9,543	9,371	9,245	9,617
Fungicide & Insecticide		-	-	-	-	-	-
Irrigation		-	-	-	-	-	-
Contract labour		33,132	32,143	31,184	29,823	28,553	30,967
Fuel costs (crop & forage)		-	-	-	-	-	-
Other crop and forage		6,103	6,059	5,943	5,809	5,720	5,927
<b>Total Farm Costs (excludes unpaid labour)</b>		<b>305,114</b>	<b>304,943</b>	<b>293,138</b>	<b>280,315</b>	<b>266,177</b>	<b>289,937</b>
Cash Costs (Total Farm Costs - Depreciation)		213,244	215,672	208,104	197,655	185,105	203,956
Depreciation & Opportunity Costs (including unpaid labour)		100,723	98,013	93,972	91,423	88,733	94,573
Total Economic Costs (cash, depr, opportunity)		313,967	313,685	302,076	289,078	273,838	298,529
Profits		2020	2019	2018	2017	2016	5-yr. avg.
<b>Net Income (Total Revenue - Total Farm Costs + Change in Inv.)</b>		<b>31,418</b>	<b>49,160</b>	<b>59,156</b>	<b>95,713</b>	<b>74,282</b>	<b>61,946</b>
<b>Net Cash Farm Income (excludes depreciation)</b>		<b>123,287</b>	<b>138,427</b>	<b>144,186</b>	<b>178,365</b>	<b>155,348</b>	<b>147,923</b>

† Other Farm Revenue includes: Other enterprises, capital gains and losses as well as calculated interest on savings based on the models previous year profits.

\* Other fixed and var. costs includes: veterinary, medicine, maintenance and spare parts, and other/miscellaneous



<b>Cow-Calf Enterprise (\$/Cow Wintered)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>5 yr. avg.</b>
Cows Wintered *	152	152	152	152	152	152
Average male and female calf price (\$/head)	1,204	1,253	1,274	1,327	1,014	1,214
<b>REVENUE</b>	-	-	-	-	-	-
Cow Calf	1,091	1,134	1,154	1,209	955	1,108
Cull animals and slaughter receipts	109	114	115	127	128	118
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	982	1,021	1,039	1,081	827	990
Government payments	-	-	-	-	-	-
Other returns	-	-	-	-	-	-
<b>Total Cow-Calf Revenue</b>	<b>1,091</b>	<b>1,134</b>	<b>1,154</b>	<b>1,209</b>	<b>955</b>	<b>1,108</b>
<b>VARIABLE COSTS</b>	-	-	-	-	-	-
Animal purchases	7.7	7.7	7.7	7.7	7.7	8
Feed (purchase feed, fertiliser, seed, pesticides)	119.7	120.0	123.0	106.2	108.0	115
Machinery (maintenance, depreciation, contractor)	310.0	297.9	286.7	273.6	246.8	283
Fuel, energy, lubricants, water	29.8	29.6	27.3	24.1	23.8	27
Vet & medicine	62.4	60.5	57.9	55.4	54.4	58
Other inputs cow calf enterprise	91.5	90.8	88.8	84.8	80.2	87
Labour						
Paid Labour	28.5	27.3	26.7	25.1	21.5	26
Unpaid Labour	58.2	55.8	54.6	51.2	43.9	53
<b>Total Variable Costs</b>	<b>707.9</b>	<b>689.5</b>	<b>672.6</b>	<b>628.0</b>	<b>586.3</b>	<b>657</b>
<b>CAPITAL COSTS</b>	-	-	-	-	-	-
Insurance, taxes	15.4	14.9	14.4	13.6	12.8	14
Buildings (maintenance, depreciation)	60.5	59.2	58.3	56.6	52.9	57
Land Cost	-	-	-	-	-	-
Rented Land	280.7	279.1	278.2	276.4	224.3	268
Own Land	43.0	41.5	40.7	39.0	34.2	40
Capital Costs	-	-	-	-	-	-
Liabilities	43.0	52.3	43.9	31.8	23.2	39
Own capital	80.3	80.8	81.0	74.7	61.3	76
<b>Total Capital Costs</b>	<b>522.9</b>	<b>527.7</b>	<b>516.4</b>	<b>492.0</b>	<b>408.7</b>	<b>494</b>
<b>COSTS</b>						
Cash Costs	770.7	771.3	754.4	707.8	634.5	728
Depreciation Costs	278.6	267.9	258.3	247.3	221.0	255
Opportunity Costs	181.5	178.1	176.3	164.9	139.5	168
<b>Total Production Costs</b>	<b>1,230.8</b>	<b>1,217.3</b>	<b>1,189.0</b>	<b>1,120.0</b>	<b>995.0</b>	<b>1,150</b>
<b>Profits</b>						
<b>Short-term profit (cash costs)</b>	<b>320.0</b>	<b>363.1</b>	<b>399.3</b>	<b>500.7</b>	<b>320.6</b>	<b>381</b>
<b>Medium-term profit (cash + depreciation)</b>	<b>41.4</b>	<b>95.2</b>	<b>141.0</b>	<b>253.4</b>	<b>99.5</b>	<b>126</b>
<b>Long-term profit (cash + depreciation + opportunity)</b>	<b>(140.1)</b>	<b>(82.9)</b>	<b>(35.3)</b>	<b>88.5</b>	<b>(40.0)</b>	<b>(42)</b>

\*Model Maintains a stable herd size

Costs and revenue are reported for a calendar (e.g. January to December). It reflects revenue and expenses that a producer experiences over that period. Producers who want a cash flow analysis typically use a calendar or agricultural year. This method is often preferred by lenders when getting evaluated for a line of credit or a loan. The model maintains a stable herd, retention rates were adjusted to ensure that.

#### Cash Costs

Cash costs are the outlays over the course of the year, including machine repairs, paid labour, costs of feed production, and purchased feed. CDN COP Network bases cash costs on actual costs of production. Agri Profit\$ uses the market value for some cash costs, including feed.

The cost of producing the feed on-farm and the purchased feed costs as used in that year to reflect the experience and situation of producers. Production inputs, land and any purchased feeds utilized that year are included.

Rations for each type of animal and inventories are used to calculate total feed requirements. Any shortfall in production are assumed to be purchased at market value. Feed rations and yields are provided "as fed" to balance the model. Below are the included costs for feed production:

**Feed:** Calculated as feed cost (purchase feed + fertilizer, seed and pesticides for own feed production) + machinery cost (machinery maintenance + depreciation + contractor) + fuel, energy, lubricants and water + land cost (land rents paid + opportunity cost own land)

**Land:** separated into owned and rented land, includes both crop and pastureland. Land costs = Rents paid + calculated land rents for own land (opportunity cost).

By using the cost of land, the advantage that mature operations have is clearly shown as their cost structure is lower when land has been fully paid off.

#### Allocation

Generic allocation uses percent revenues from each commodity to cover overheads and utilizes accounting data for the overhead costs. This takes the approach that overheads and fixed costs will be covered by something grown on the farm and recognizes that there are commodity price cycles where grains and livestock tend to be opposite. It is not so much concerned about each enterprise paying their way as that all overheads are covered by the mix of commodities grown. It should be recognized that as commodity prices fluctuate and revenues to each enterprise fluctuate, the shifting shares will change the cost structure for each enterprise from year to year.

#### Depreciation

Depreciation on buildings and machinery is a non-cash cost that reveals the ability of the farm to continue operating if an asset needs replacement.

Differences in depreciation costs between AgriProfit\$ and the CDN COP Network primarily comes from the use of specific (AgriProfit\$) versus generic (CDN COP Network) allocation. Where generic allocation results in machinery depreciation used for feed production to show up in the cow-calf enterprise as that is where revenue is generated. In contrast, specific allocation removes that cost and since feed is treated at market value, machinery depreciation for feed production is treated as a cash cost. This results in the CDN COP Network typically having lower cash costs and higher depreciation costs than what is reported in AgriProfit\$.

#### Opportunity Costs

Opportunity costs are the non-cash costs that reveal the opportunity of using different resources. These costs can include Unpaid labour, renting out land, the opportunity of selling or buying feed production, and return to own capital.

**Land:** The Opportunity costs of land are the rents for new contracts if the farm rents out owned land. It reflects the future cost of renting land. If the producers' profits of utilizing the land outweigh the profits of renting the land, utilizing owned land for production should be preferred and vice-versa.

**Labour:** The opportunity costs of labour are the calculated wage for family labour, either off-farm salary or farm manager salary. It is important to note that the opportunity cost of labour reflects the income you can receive for the same type of labour.

**Capital:** The opportunity cost of capital is the interest rate for long-term government bonds multiplied by the equity without land (values of machines, buildings, livestock, circulating capital, less total loans). If the producers' return on capital through farm and ranch production of an enterprise is greater than investing elsewhere then, continuous production should be preferred.

#### Unit Reported

Often cow-calf COP is expressed as dollars per cow wintered (\$/cow wintered) which adjusts the calf price per head for the number of calves sold per 100 cows. When evaluating overall cost structure to identify areas for improvement, or comparing to a benchmark, this is sufficient.

However, a per unit cost provides producers with their break-even cost, allowing them to compare with posted market prices for their calves' average weight category. This break-even price will depend on the percentage of calves weaned that year from the cow herd. The higher percent weaned, the lower per pound the break-even price will be.



<b>Cow-Calf Enterprise (\$/lb Weaned)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>5 yr. avg.</b>
<b>Pounds Weaned</b>	66,039	66,039	66,039	66,039	66,039	66,039
Average male and female weaning weight (lbs)	535	535	535	535	535	
Average male and female calf price at weaning (\$/lb)	2.25	2.34	2.38	2.48	1.90	2.27
<b>REVENUE</b>						
Cow Calf Operation	2.51	2.61	2.66	2.78	2.20	2.55
Cull animals and slaughter receipts	0.25	0.26	0.26	0.29	0.29	0.27
Breeding livestock receipts	-	-	-	-	-	-
Calf Sales and transfer to retained ownership enterprise	2.26	2.35	2.39	2.49	1.90	2.28
Government payments	-	-	-	-	-	-
Other returns	-	-	-	-	-	-
<b>Total Cow-Calf Revenue</b>	<b>2.51</b>	<b>2.61</b>	<b>2.66</b>	<b>2.78</b>	<b>2.20</b>	<b>2.55</b>
<b>VARIABLE COSTS</b>						
Animal purchases	0.02	0.02	0.02	0.02	0.02	0.02
Feed (purchase feed, fertiliser, seed, pesticides)	0.28	0.28	0.28	0.24	0.25	0.27
Machinery (maintenance, depreciation, contractor)	0.71	0.69	0.66	0.63	0.57	0.65
Fuel, energy, lubricants, water	0.07	0.07	0.06	0.06	0.05	0.06
Vet & medicine	0.14	0.14	0.13	0.13	0.13	0.13
Other inputs cow calf enterprise	0.21	0.21	0.20	0.20	0.18	0.20
Labour						
Paid Labour	0.07	0.06	0.06	0.06	0.05	0.06
Unpaid Labour	0.13	0.13	0.13	0.12	0.10	0.12
<b>Total Variable Costs</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>	<b>1.5</b>
<b>CAPITAL COSTS</b>						
Insurance, taxes	0.04	0.03	0.03	0.03	0.03	0.03
Buildings (maintenance, depreciation)	0.14	0.14	0.13	0.13	0.12	0.13
Land Cost						
Rented Land	0.65	0.64	0.64	0.64	0.52	0.62
Owned Land	0.10	0.10	0.09	0.09	0.08	0.09
Capital Costs						
Liabilities	0.10	0.12	0.10	0.07	0.05	0.09
Own capital	0.18	0.19	0.19	0.17	0.14	0.17
<b>Total Capital Costs</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>0.9</b>	<b>1.1</b>
<b>COSTS</b>						
Cash Costs	1.77	1.78	1.74	1.63	1.46	1.68
Depreciation Costs	0.64	0.62	0.59	0.57	0.51	0.59
Opportunity Costs	0.42	0.41	0.41	0.38	0.32	0.39
<b>Total Production Costs</b>	<b>2.83</b>	<b>2.80</b>	<b>2.74</b>	<b>2.58</b>	<b>2.29</b>	<b>2.65</b>
<b>Profits</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>5-yr. avg.</b>
<b>Short-term profit (cash costs)</b>	0.74	0.84	0.92	1.15	0.74	0.88
<b>Medium-term profit (cash + depreciation)</b>	0.10	0.22	0.32	0.58	0.23	0.29
<b>Long-term profit (cash + depreciation + opportunity)</b>	(0.32)	(0.19)	(0.08)	0.20	(0.09)	(0.10)

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Opportunity costs are the non-cash costs that reveal the opportunity of using different resources. These costs can include Unpaid labour, renting out land, the opportunity of selling or buying feed production, and return to own capital.

**Land:** The Opportunity costs of land are the rents for new contracts if the farm rents out owned land. It reflects the future cost of renting land. If the producers' profits of utilizing the land outweigh the profits of renting the land, utilizing owned land for production should be preferred and vice-versa.

**Labour:** The opportunity costs of labour are the calculated wage for family labour, either off-farm salary or farm manager salary. It is important to note that the opportunity cost of labour reflects the income you can receive for the same type of labour.

**Capital:** The opportunity cost of capital is the interest rate for long-term government bonds multiplied by the equity without land (values of machines, buildings, livestock, circulating capital, less total loans). If the producers' return on capital through farm and ranch production of an enterprise is greater than investing elsewhere then, continuous production should be preferred.

#### Unit Reported

Often cow-calf COP is expressed as dollars per cow wintered (\$/cow wintered) which adjusts the calf price per head for the number of calves sold per 100 cows. When evaluating overall cost structure to identify areas for improvement, or comparing to a benchmark, this is sufficient.

However, a per unit cost provides producers with their break-even cost, allowing them to compare with posted market prices for their calves' average weight category. This break-even price will depend on the percentage of calves weaned that year from the cow herd. The higher percent weaned, the lower per pound the break-even price will be.

