

## WHAT IS THE VALUE TO YOU?

The results rank your business in over 40 different measures and compares your progress in many more. Using your own numbers, the 'What-if' option allows you to see what the financial and profit impact would be if you made one or more changes to production or cost of production parameters. This type of information is invaluable in identifying opportunities for improved profit. It can easily translate into thousands of dollars!

**"Profit Profiler enables me to see how we compare to others. More importantly, it shows the strengths and weakness in my operation and where we need to improve. My banker finds the information very useful."**

*Wilf Strenzke, Mintvalley Fams Inc., Breslau, ON*

## WHAT DO YOU NEED TO PROVIDE?

The program has a list of 107 items needed from your financial, production and other farm records. The records needed are: your milk statement, income statement, balance sheet and cropping, production and labor records. If you have the data in the correct electronic format, the program can receive it directly. If not, a paper form is provided.

## WHAT DO YOU GET BACK?

Key reports include an overview of the business financial health, a breakdown of Cost of Production for Forages, Grains, Milk Cows, and Replacements and a comparison of your farm to your peer group for crop and livestock production parameters and farm investment. In addition, a graphic comparison shows your rank within your group for the 12 key benchmarks.

Reports with more details are available on request.

## PROJECTING CHANGES

The 'What if' feature is a very powerful decision making and planning tool. It allows you to see the financial impact of changing parameters such as number of cows, production parameters, reproduction efficiency, udder health, replacement management, or cost of production.

The program calculates the new cost of production based on these changes, your values, cost of new quota and provide a report which compares current profitability to estimated profit after changes are made.

## CONFIDENTIALITY IS KEY

All information is treated with extreme confidentiality with only approved DHI personnel having access to it. Reports are identified only by a user code which you will be given when you enroll. Any future correspondence will use only the user code.

CanWest DHI will publish comparison benchmarks from the results from time to time but at no time will an actual farm business be used as an example. Published material will contain an approved minimum number of farms in each group so as to render identifying any individual business impossible.

## VALUE

Using Profit Profiler to identify bottlenecks and financial opportunities in your business can generate tens of thousands of dollars in improvements to the bottom line.

This type of comprehensive financial analysis is not available elsewhere and would cost thousands dollars for you to do on your own.

## THE PROFIT PROFILER FEE

\$895.00 per year provides:

- Key reports
- Unlimited peer group comparisons and 'What if' reports upon request
- Assistance to gather information requested and to explain resulting reports.

To enroll, please contact Bill Grexton, Herd Management Services, at 1-800-549-4373 ext 254, or by email at [bgrexton@canwestdhi.com](mailto:bgrexton@canwestdhi.com).

*More information on Profit Profiler is available at [www.canwestdhi.com/profiler.htm](http://www.canwestdhi.com/profiler.htm)*

*The following companies have been certified to provide this service to their clients and may be contacted for details.*



1.877.625.4400



613.443.3830



1.800.267.7197



MEYERS NORRIS PENNY LLP  
1.877.500.0779



## Evaluation of Impact of Meeting Goals...

For Herd dnnnd01 for the year ending 7/31/2008

Comparing current performance to predicted performance

Crops	Current	Predicted	Change
Total Forage Cost	\$76,793	\$80,299	299
Total Cost of Grain Fed	\$61,377	\$61,377	151
Total Crop Sales	\$20,000	\$20,000	15

## Livestock

### Milk Cows

Milk Cow Pur. Feed Cost	Current	Predicted	Change
Milk Cow Pur. Feed Cost	\$10,000	\$10,000	100
Crop Cost attributed to Cows	\$10,000	\$10,000	79%
Total	\$10,000	\$10,000	9,545

Total	Current	Predicted	Change
Total	\$10,000	\$10,000	329
Change-Cow Var. Cost	0.89	0.89	0.90
Change-Crop Var. Cost	0.89	0.89	12
Change-Cow Var. Cost	0.89	0.89	12.0
Change-Crop Var. Cost	0.89	0.89	24.0
Change-Cow Var. Cost	0.89	0.89	0.89
Change-Crop Var. Cost	0.89	0.89	97%

Change-Cow Var. Cost	Current	Predicted	Change
Change-Cow Var. Cost	0.89	0.89	0.89
Change-Crop Var. Cost	0.89	0.89	97%

Change-Crop Var. Cost	Current	Predicted	Change
Change-Crop Var. Cost	0.89	0.89	0.89
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**COMPARE...  
PROJECT...  
MANAGE...**

**DEFINING PROFITABILITY  
OPPORTUNITIES  
FOR YOUR DAIRY BUSINESS**





## WHAT IS PROFIT PROFILER?

Profit Profiler is a financial and production analysis tool that benchmarks production, cost of production and labor measures which allows you to identify strengths and opportunities to improve your farm's profitability. It allows dairymen to measure how well they are doing in terms of production and financial measures compared to other dairies of similar size, production and geographic location.

Many times, expansion plans bog down because a realistic breakdown of the herd's current financial and profit picture is not available. Profit Profiler provides this based on the current production, cost and labor structure.

## PROFIT PROFILER ANSWERS THESE QUESTIONS:

- What are the strengths and opportunities to improve my business?
- How do I compare to other herds?
- How would my inventories, labor requirements, cropping, financial and profit picture be impacted with a proposed change?

## HOW DOES PROFIT PROFILER WORK?

You need to provide financial and physical information. The program will calculate over 150 benchmarks for your business, compare it to the average of similar dairy herds as well as rank your business in key measures compared to the group.

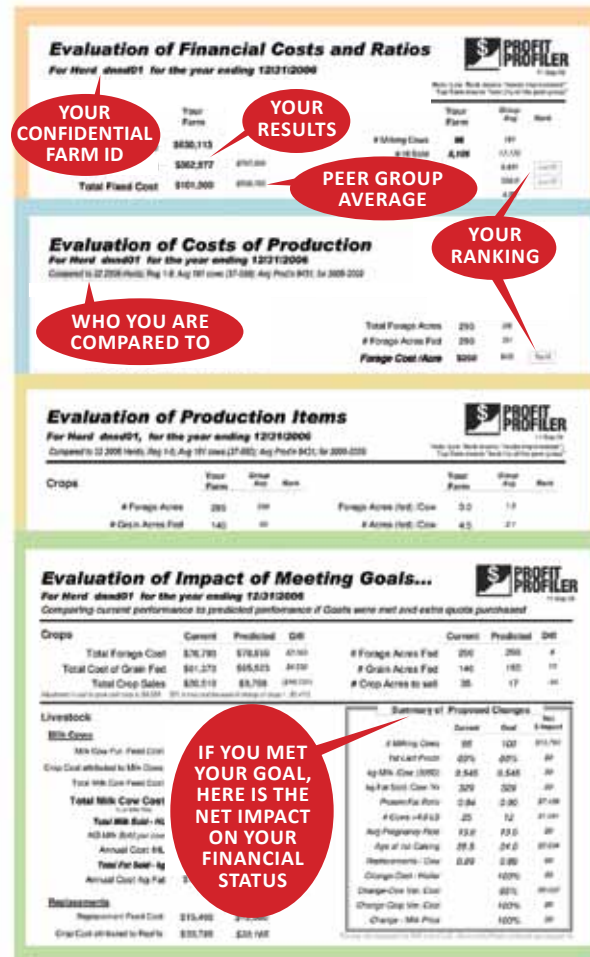
The benchmarks combine financial, cropping, labor and production results to show strengths and opportunities in costs and production of:

- Forages
- Grains
- Milk and Components
- Replacements
- Labor

The ability to see your strengths and opportunities for improvement comes from comparing yourself to other progressive dairies.

## SAMPLE REPORTS

The reports give you three viewpoints: **Business Overview** which compares the total farm business; closer look at the **Cost of Production** of the four enterprises; and a comparison of **Production and Investment** measures.



The fourth report (the "What if" report), allows you to see the financial impact of making changes USING YOUR OWN COST AND PRODUCTION PARAMETERS, before committing to expensive but ill-advised ventures.

**"We see value in Profit Profiler because it will teach dairyman the relationship between production changes and profit which equals dollars in their pocket."**

Scott Dickerson, Director Intensive Livestock, Meyers Norris Penny LLP, Red Deer, AB

## SOME RESULTS

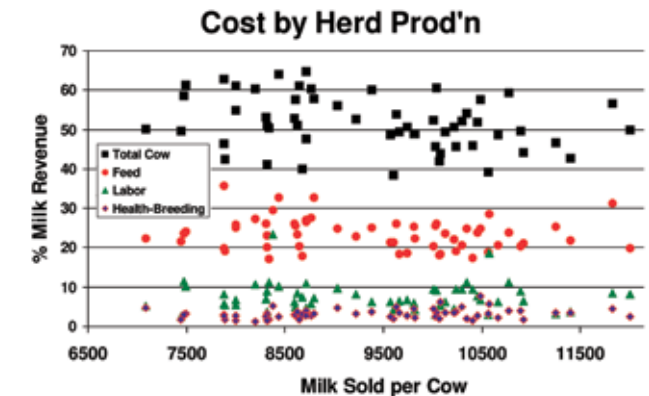
Profit Profiler considers EVERY cost that is associated with the expense of an enterprise. For example, on many farms more fuel is used around the barns than in the fields. That expense belongs to the livestock enterprise – and in Profit Profiler, it is.

Here are some results from the first year of the program.

	2008 (31 herds)	25 - 90th PCTL
Number of Cows.....	184.....	85 - 408
Avg Milk Sold/Cow .....	9,421.....	8,378 - 10,895
Total Cow Costs .....	52.6%.....	44 - 57%
Variable Costs .....	44.4%.....	37 - 48%
Purchased Feed .....	13.7%.....	9.6 - 16.1%
Home Grown Feed .....	10.5%.....	7.4 - 12.3%
Labor .....	7.5%.....	4.3 - 9.4%
Health & Breeding .....	3.4%.....	1.7 - 4.2%
Other Dairy Expenses .....	3.1%.....	1.8 - 3.3%
Fuel & Machinery .....	2.2%.....	0.4 - 3.0%

Expenses are expressed as a % of milk revenue

The table above shows the average cost for each of these cow expenses plus the range of 65% of the dairies involved. Note how much range there is in some of the results. In particular, the range in total cow related costs is 12% of the milk revenue. For a 100 cow herd, that means some people are paying \$72,000 per year more than other dairies.



The graph above shows the key costs as a % of milk revenue when compared by milk production. Note that the trend is lower overall costs with higher production.

Many more valuable comparisons are available to those dairymen who complete the analysis.