

WISCONSIN DAIRY DATA

Fact sheet series from the Center for Dairy Profitability

2005-02final

October 2005

Final Benchmarks – Dairy Cost of Production, 2004.

Below are the final benchmarks for the 2004 financial year. Since July we have added 80 farms for a total of 660 farm financial records.

The 2004 Cost of Production report is on a per farm, per head and per CWT EQ basis. Feed costs were \$878 per head and Vet & Medicine was \$128. Total Basic Cost was \$2,491 per head or \$9.57 per CWT EQ.

Item	Per Farm	Per Head	Per CWT EQ
Total Income	\$563,338	\$4,192	\$16.10
Feed Purchased	\$117,990	\$878	\$3.37
Repair Cost	\$25,590	\$192	\$0.73
Vet & Medicine	\$16,091	\$128	\$0.46
TOTAL Basic Cost	\$334,680	\$2,491	\$9.57

Interest paid was \$173 and Total labor costs were \$718 per cow. Total Costs were \$3,958 per cow or \$15.20 per CWT EQ.

Item	Per Farm	Per Head	Per CWT EQ
Interest Paid	\$23,248	\$174	\$0.66
Total Labor Cost	\$95,115	\$718	\$2.72
Total Depreciation	\$54,201	\$396	\$1.52
TOTAL Cost	\$531,800	\$3958	\$15.20

The report shows a total expense of \$15.20 to produce \$16.06 worth of income (US Average All Milk Price). This equates to a total income – total expenses of \$0.920 per cwt eq. This is the first year since 1999 that this number has been positive. The difference between “Total Income-Total Expense” and Net Farm Income is the Interest on Equity Capital and the Value of Unpaid Labor and Management plus gain or loss on the sale of farm Assets.

Item	Per Farm	Per Head	Per CWT EQ
Total Income-Total Expense	\$31,538	\$235	\$0.92
Net Farm Income	\$104,500	\$778	\$2.99



Cost of Production

Report Basis: Whole Farm, per Head, per Hundredweight Equivalent

Income	<u>2004</u> Economic	<u>2004</u> per Head	<u>2004</u> per CWT EQ
Total Income	<u>563,338.75</u>	<u>4,192.16</u>	<u>16.10</u>
Expenses	<u>2004</u> Economic	<u>2004</u> per Head	<u>2004</u> per CWT EQ
Basic Cost			
Cost of Items for Resale	117.45	0.87	0.00
Breeding Fees	6,374.15	47.43	0.18
Car and Truck Expenses	2,131.65	15.86	0.06
Chemicals	7,184.79	53.47	0.21
Conservation Expenses	6.68	0.05	0.00
Custom Heifer Raising Expenses	3,154.03	23.47	0.09
Custom Hire (Machine Work)	15,607.10	116.14	0.45
Feed Purchase	117,989.82	878.04	3.37
Fertilizer and Lime	11,891.59	88.49	0.34
Freight and Trucking	5,107.44	38.01	0.15
Gasoline, Fuel, and Oil	11,953.42	88.95	0.34
Farm Insurance	6,567.41	48.87	0.19
Rent/Lease Equipment	3,337.45	24.84	0.10
Rent/Lease Other	17,663.41	131.44	0.50
Repairs and Maintenance	3,048.78	22.69	0.09
Building and Fence Repairs	6,333.03	47.13	0.18
Machinery Repairs	16,209.16	120.62	0.46
Seeds and Plants Purchased	11,164.33	83.08	0.32
Storage and Warehousing	69.99	0.52	0.00
Supplies Purchased	14,402.15	107.18	0.41
Taxes - Other	5,389.64	40.11	0.15
Taxes - Payroll	200.23	1.49	0.01
Utilities	10,626.70	79.08	0.30
Veterinary Fees and Medicine	16,090.66	119.74	0.46
Other Farm Expenses	5,701.26	42.43	0.16
Marketing & Hedging	6,332.83	47.13	0.18
Other Crop Expenses	3,227.54	24.02	0.09
Other Livestock Expenses	21,777.09	162.06	0.62
- Change in Prepaid Expenses	(6,367.43)	(47.38)	(0.18)
Change in Accounts Payable	(1,519.93)	(11.31)	(0.04)
Selling Expense of Capital Items	0.00	0.00	0.00
Depreciation on Purchased Breeding Livestock	12,907.84	96.06	0.37
Total Basic Cost	<u>334,680.26</u>	<u>2,490.57</u>	<u>9.57</u>

Interest Cost

Mortgage Interest	9,343.82	69.53	0.27
Other Interest	13,903.88	103.47	0.40
Total Interest Cost	23,247.70	173.00	0.66

Labor Cost

Employee Benefits - Dependents	4,978.17	37.05	0.14
Employee Benefits - Non-Dependents	8,122.20	60.44	0.23
Labor Hired - Dependents	8,159.60	60.72	0.23
Labor Hired - Non-Dependents	41,232.39	306.84	1.18
Pension and Profit-Sharing Plans - Non-Dependents	25.64	0.19	0.00
Pension and Profit-Sharing Plans - Dependents	0.00	0.00	0.00
Value of Unpaid Labor & Management	32,597.32	242.58	0.93
Total Labor Cost	95,115.32	707.81	2.72

Depreciation & Equity Cost

Machinery, Equipment, Building Depreciation	40,293.16	299.85	1.15
Interest on Equity Capital	38,463.88	286.23	1.10
Total Depreciation & Equity Cost	78,757.04	586.08	2.25

Total Expenses	531,800.32	3,957.46	15.20
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Total Income - Total Expenses	31,538.43	234.70	0.90
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Net Farm Income from Operations (NFIFO) Summary

Total Allocated Costs	460,739.12	3,428.65	13.17
Net Farm Income From Operations (NFIFO)	102,599.63	763.51	2.93
Gain (Loss) on Sale of All Farm Capital Assets	1,900.21	14.14	0.05
Net Farm Income (NFI)	104,499.83	777.65	2.99