

# WISCONSIN DAIRY DATA

Fact sheet series from the Center for Dairy Profitability

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2006-02

August 2006

## Benchmarks – Dairy Cost of Production, 2005

Below are the final benchmarks for the 2005 financial year. There is a total of 617 farm financial records.

The 2005 Cost of Production report is on a per farm, per head and per CWT EQ basis. Feed costs were \$842 per head and Vet & Medicine was \$123. Total Basic Cost was \$2,595 per head or \$9.10 per CWT EQ.

Item	Per Farm	Per Head	Per CWT EQ
Total Income	\$573,055	\$4,314	\$15.13
Feed Purchased	\$111,786	\$842	\$2.95
Repair Cost	\$29,610	\$223	\$0.78
Vet & Medicine	\$16,399	\$123	\$0.43
TOTAL Basic Cost	\$344,714	\$2,594	\$9.10

Interest paid was \$187 and Total labor costs were \$741 per cow. Total Costs were \$4,165 per cow or \$14.61 per CWT EQ.

Item	Per Farm	Per Head	Per CWT EQ
Interest Paid	\$24,848	\$187	\$0.66
Total Labor Cost	\$98,405	\$741	\$2.60
Total Depreciation	\$56,898	\$436	\$1.53
TOTAL Cost	\$553,386	\$4,165	\$14.61

The report shows a total expense of \$14.61 to produce \$15.14 worth of income (US Average All Milk Price). This equates to a total income – total expenses of \$0.52 per CWT EQ. This is the second year since 1999 that this number has been positive, however much lower than 2004 at \$0.90. The difference between “Total Income-Total Expense” and “Net Farm Income” is Interest on Equity Capital, 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	\$19,669	\$148	\$0.52
Net Farm Income	\$95,783	\$721	\$2.53

## Cost of Production

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

Income	<u>2005</u>	<u>2005</u>	<u>2005</u>
	Economic	per Head	per CWT EQ
<b>Total Income</b>	<b>573,055.38</b>	<b>4,313.53</b>	<b>15.13</b>
Expenses	<u>2005</u>	<u>2005</u>	<u>2005</u>
	Economic	per Head	per CWT EQ
<b>Basic Cost</b>			
Cost of Items for Resale	237.36	1.79	0.01
Breeding Fees	6,474.35	48.73	0.17
Car and Truck Expenses	2,204.30	16.59	0.06
Chemicals	7,354.04	55.36	0.19
Conservation Expenses	6.44	0.05	0.00
Custom Heifer Raising Expenses	1,932.02	14.54	0.05
Custom Hire (Machine Work)	16,447.73	123.81	0.43
Feed Purchase	111,786.93	841.45	2.95
Fertilizer and Lime	12,635.39	95.11	0.33
Freight and Trucking	5,540.05	41.70	0.15
Gasoline, Fuel, and Oil	16,099.70	121.19	0.43
Farm Insurance	6,747.13	50.79	0.18
Rent/Lease Equipment	2,697.01	20.30	0.07
Rent/Lease Other	18,601.12	140.02	0.49
Repairs and Maintenance	2,789.14	20.99	0.07
Building and Fence Repairs	6,926.85	52.14	0.18
Machinery Repairs	16,676.18	125.53	0.44
Seeds and Plants Purchased	12,915.18	97.22	0.34
Storage and Warehousing	19.37	0.15	0.00
Supplies Purchased	15,351.22	115.55	0.41
Taxes - Other	5,192.32	39.08	0.14
Taxes - Payroll	121.94	0.92	0.00
Utilities	11,214.25	84.41	0.30
Veterinary Fees and Medicine	16,399.36	123.44	0.43
Other Farm Expenses	5,109.89	38.46	0.13
Marketing & Hedging	5,291.94	39.83	0.14
Other Crop Expenses	3,523.95	26.53	0.09
Other Livestock Expenses	23,685.83	178.29	0.63
- Change in Prepaid Expenses	(2,811.27)	(21.16)	(0.07)
Change in Accounts Payable	(344.45)	(2.59)	(0.01)
Selling Expense of Capital Items	0.05	0.00	0.00
Depreciation on Purchased Breeding Livestock	13,889.39	104.55	0.37
<b>Total Basic Cost</b>	<b>344,714.72</b>	<b>2,594.75</b>	<b>9.10</b>

**Interest Cost**

Mortgage Interest	11,771.75	88.61	0.31
Other Interest	13,076.63	98.43	0.35
<b>Total Interest Cost</b>	<b>24,848.38</b>	<b>187.04</b>	<b>0.66</b>

**Labor Cost**

Employee Benefits - Dependents	5,286.90	39.80	0.14
Employee Benefits - Non-Dependents	8,425.20	63.42	0.22
Labor Hired - Dependents	8,928.98	67.21	0.24
Labor Hired - Non-Dependents	41,658.14	313.57	1.10
Pension and Profit-Sharing Plans - Non-Dependents	24.42	0.18	0.00
Pension and Profit-Sharing Plans - Dependents	0.00	0.00	0.00
Value of Unpaid Labor & Management	34,081.31	256.54	0.90
<b>Total Labor Cost</b>	<b>98,404.95</b>	<b>740.72</b>	<b>2.60</b>

**Depreciation & Equity Cost**

Machinery, Equipment, Building Depreciation	43,998.07	331.18	1.16
Interest on Equity Capital	41,420.06	311.78	1.09
<b>Total Depreciation &amp; Equity Cost</b>	<b>85,418.13</b>	<b>642.96</b>	<b>2.26</b>

**Total Expenses** **553,386.18** **4,165.48** **14.61**

**Total Income - Total Expenses** **19,669.20** **148.05** **0.52**

**Net Farm Income from Operations (NFIFO) Summary**

Total Allocated Costs	477,884.81	3,597.16	12.62
<b>Net Farm Income From Operations (NFIFO)</b>	<b>95,170.57</b>	<b>716.37</b>	<b>2.51</b>
Gain (Loss) on Sale of All Farm Capital Assets	612.26	4.61	0.02
<b>Net Farm Income (NFI)</b>	<b>95,782.83</b>	<b>720.98</b>	<b>2.53</b>