

Production Costs in 1995 on Selected Wisconsin Grazing Dairy Farms

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The same nineteen Wisconsin grazing dairy farms provided useable data from 1995 to 1999 and are summarized by AgFA in the following cost of production report for 1995.^{2,3} These farms ranged in size from 25 to 104 cows with an average herd size of 50 cows averaging 17,043 lbs of milk sold at an average price of \$13.40/CWT sold.

Many other financial measures appear on the cost of production report on pages 2 and 3.

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² AgFA @ (Agriculture Financial Advisor) – <http://cdp.wisc.edu>

³ The Center for Dairy Profitability uses an active/real time database AgFA@) for collecting and analyzing data. The number of records may increase throughout the year.

Income		<u>1995</u>	<u>1995</u>	<u>1995</u>
		Cost (tax)	per Head	per CWT EQ
	Total Income	140,829.21	2,807.72	12.74
Expenses		<u>1995</u>	<u>1995</u>	<u>1995</u>
		Cost (tax)	per Head	per CWT EQ
Basic Cost				
	Breeding Fees	1,463.00	29.17	0.13
	Car and Truck Expenses	15.58	0.31	0.00
	Chemicals	335.00	6.68	0.03
	Custom Heifer Raising Expenses	0.00	0.00	0.00
	Custom Hire (Machine Work)	1,655.05	33.00	0.15
	Feed Purchase	29,758.42	593.29	2.69
	Fertilizer and Lime	3,193.63	63.67	0.29
	Freight and Trucking	2,292.16	45.70	0.21
	Gasoline, Fuel, and Oil	1,807.68	36.04	0.16
	Farm Insurance	1,886.74	37.62	0.17
	Rent/Lease Equipment	800.32	15.96	0.07
	Rent/Lease Other	1,494.00	29.79	0.14
	Repairs and Maintenance	356.32	7.10	0.03
	Building and Fence Repairs	5,726.42	114.17	0.52
	Seeds and Plants Purchased	1,289.37	25.71	0.12
	Supplies Purchased	4,271.74	85.17	0.39
	Taxes - Other	3,353.74	66.86	0.30
	Utilities	2,803.32	55.89	0.25
	Veterinary Fees and Medicine	3,625.05	72.27	0.33
	Other Farm Expenses	5,174.58	103.17	0.47
	Marketing & Hedging	783.58	15.62	0.07
	Other Crop Expenses	579.58	11.56	0.05
	Other Livestock Expenses	388.79	7.75	0.04
	- Change in Prepaid Expenses	(33.53)	(0.67)	(0.00)
	Change in Accounts Payable	(605.89)	(12.08)	(0.05)
	Depreciation on Purchased Breeding Livestock	2,312.89	46.11	0.21
	Total Basic Cost	74,727.53	1,489.85	6.76

Interest Cost

Mortgage Interest	6,405.32	127.70	0.58
Other Interest	<u>1,006.53</u>	<u>20.07</u>	<u>0.09</u>
Total Interest Cost	7,411.84	147.77	0.67

Labor Cost

Employee Benefits - Dependents	0.00	0.00	0.00
Employee Benefits - Non-Dependents	0.00	0.00	0.00
Labor Hired - Dependents	0.00	0.00	0.00
Labor Hired - Non-Dependents	8,051.00	160.51	0.73
Value of Unpaid Labor & Management	<u>21,332.95</u>	<u>425.32</u>	<u>1.93</u>
Total Labor Cost	29,383.95	585.83	2.66

Depreciation & Equity Cost

Machinery, Equipment, Building Depreciation	9,166.58	182.75	0.83
Interest on Equity Capital	<u>10,244.55</u>	<u>204.25</u>	<u>0.93</u>

Total Depreciation & Equity Cost	19,411.13	387.00	1.76
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Total Expenses	130,934.44	2,610.45	11.84
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Total Income - Total Expenses	9,894.77	197.27	0.90
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Net Farm Income from Operations (NFIFO) Summary

Total Allocated Costs	99,356.95	1980.8835	8.99
Net Farm Income From Operations (NFIFO)	41,472.26	826.83	3.75
Gain (Loss) on Sale of All Farm Capital Assets	<u>695.68</u>	<u>13.87</u>	<u>0.06</u>
Net Farm Income (NFI)	42,167.95	840.70	3.81