

Production Costs in 1996 on Selected Wisconsin Grazing Dairy Farms

By: Tom Kriegl¹

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 1996.^{2,3} These farms ranged in size from 25 to 130 cows with an average herd size of 56 cows averaging 15,769 lbs of milk sold at an average price of \$15.08/CWT sold.

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

¹ Center for Dairy Profitability, University of Wisconsin-Madison/Extension.

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>1996</u>	<u>1996</u>	<u>1996</u>
		Cost (tax)	per Head	per CWT EQ
	Total Income	153,007.76	2,760.82	14.88
Expenses		<u>1996</u>	<u>1996</u>	<u>1996</u>
		Cost (tax)	per Head	per CWT EQ
Basic Cost				
	Cost of Items for Resale	0.00	0.00	0.00
	Breeding Fees	1,686.63	30.43	0.16
	Car and Truck Expenses	147.05	2.65	0.01
	Chemicals	606.16	10.94	0.06
	Conservation Expenses	0.00	0.00	0.00
	Custom Heifer Raising Expenses	0.00	0.00	0.00
	Custom Hire (Machine Work)	2,712.63	48.95	0.26
	Feed Purchase	35,422.53	639.15	3.44
	Fertilizer and Lime	3,574.95	64.51	0.35
	Freight and Trucking	1,874.16	33.82	0.18
	Gasoline, Fuel, and Oil	2,042.05	36.85	0.20
	Farm Insurance	2,117.00	38.20	0.21
	Rent/Lease Equipment	936.11	16.89	0.09
	Rent/Lease Other	2,473.79	44.64	0.24
	Repairs and Maintenance	997.42	18.00	0.10
	Building and Fence Repairs	5,068.84	91.46	0.49
	Machinery Repairs	178.63	3.22	0.02
	Seeds and Plants Purchased	1,895.11	34.19	0.18
	Supplies Purchased	5,975.37	107.82	0.58
	Taxes - Other	3,751.58	67.69	0.36
	Utilities	2,775.47	50.08	0.27
	Veterinary Fees and Medicine	3,429.05	61.87	0.33
	Other Farm Expenses	2,069.26	37.34	0.20
	Marketing & Hedging	881.53	15.91	0.09
	Other Crop Expenses	354.11	6.39	0.03
	Other Livestock Expenses	530.63	9.57	0.05
	- Change in Prepaid Expenses	(1,148.53)	(20.72)	(0.11)
	Change in Accounts Payable	(826.68)	(14.92)	(0.08)
	Depreciation on Purchased Breeding Livestock	2,510.00	45.29	0.24
	Total Basic Cost	82,034.84	1,480.21	7.98

Interest Cost

Mortgage Interest	7,074.21	127.64	0.69
Other Interest	1,631.95	29.45	0.16
Total Interest Cost	8,706.16	157.09	0.85

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	8,650.32	156.08	0.84
Value of Unpaid Labor & Management	24,797.74	447.44	2.41
Total Labor Cost	33,448.05	603.53	3.25

Depreciation & Equity Cost

Machinery, Equipment, Building Depreciation	10,211.84	184.26	0.99
Interest on Equity Capital	11,083.17	199.98	1.08

Total Depreciation & Equity Cost	21,295.02	384.24	2.07
---	------------------	---------------	-------------

Total Expenses	145,484.07	2,625.07	14.15
-----------------------	-------------------	-----------------	--------------

Total Income - Total Expenses	7,523.69	135.76	0.73
--------------------------------------	-----------------	---------------	-------------

Net Farm Income from Operations (NFIFO) Summary

Total Allocated Costs	109,603.16	1977.644824	10.66
-----------------------	------------	-------------	-------

Net Farm Income From Operations (NFIFO)	43,404.61	783.18	4.22
--	------------------	---------------	-------------

Gain (Loss) on Sale of All Farm Capital Assets	634.05	11.44	0.06
--	--------	-------	------

Net Farm Income (NFI)	44,038.66	794.62	4.28
------------------------------	------------------	---------------	-------------