

# **Production Costs in 1997 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 1997.<sup>2,3</sup> These farms ranged in size from 25 to 132 cows with an average herd size of 57 cows averaging 15,769 lbs of milk sold at an average price of \$13.60/CWT sold.

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

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

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

<sup>3</sup> 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.

<b>Income</b>	<u>1997</u>	<u>1997</u>	<u>1997</u>
	Cost (tax)	per Head	per CWT EQ
<b>Total Income</b>	<b>151,000.00</b>	<b>2,663.88</b>	<b>13.34</b>
<b>Expenses</b>	<u>1997</u>	<u>1997</u>	<u>1997</u>
	Cost (tax)	per Head	per CWT EQ
<b>Basic Cost</b>			
Breeding Fees	1,427.84	25.19	0.13
Car and Truck Expenses	77.58	1.37	0.01
Chemicals	655.58	11.57	0.06
Custom Heifer Raising Expenses	18.95	0.33	0.00
Custom Hire (Machine Work)	2,852.42	50.32	0.25
Feed Purchase	34,273.95	604.65	3.03
Fertilizer and Lime	2,889.47	50.97	0.26
Freight and Trucking	2,434.58	42.95	0.22
Gasoline, Fuel, and Oil	2,319.00	40.91	0.20
Farm Insurance	2,278.26	40.19	0.20
Rent/Lease Equipment	633.26	11.17	0.06
Rent/Lease Other	1,957.84	34.54	0.17
Repairs and Maintenance	745.63	13.15	0.07
Building and Fence Repairs	5,852.11	103.24	0.52
Seeds and Plants Purchased	1,875.26	33.08	0.17
Supplies Purchased	5,645.26	99.59	0.50
Taxes - Other	2,781.84	49.08	0.25
Utilities	2,905.89	51.26	0.26
Veterinary Fees and Medicine	3,622.05	63.90	0.32
Other Farm Expenses	3,505.84	61.85	0.31
Marketing & Hedging	911.53	16.08	0.08
Other Crop Expenses	407.11	7.18	0.04
Other Livestock Expenses	848.58	14.97	0.07
- Change in Prepaid Expenses	291.32	5.14	0.03
Change in Accounts Payable	495.47	8.74	0.04
Depreciation on Purchased Breeding Livestock	495.00	8.73	0.04
<b>Total Basic Cost</b>	<b>82,201.63</b>	<b>1,450.17</b>	<b>7.26</b>

**Interest Cost**

Mortgage Interest	9,337.26	164.72	0.82
Other Interest	1,022.00	18.03	0.09
<b>Total Interest Cost</b>	<b>10,359.26</b>	<b>182.75</b>	<b>0.92</b>

**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	7,965.84	140.53	0.70
Value of Unpaid Labor & Management	26,721.32	471.41	2.36
<b>Total Labor Cost</b>	<b>34,687.16</b>	<b>611.94</b>	<b>3.06</b>

**Depreciation & Equity Cost**

Machinery, Equipment, Building Depreciation	11,277.84		1.00
Interest on Equity Capital	11,326.47	199.82	1.00
<b>Total Depreciation &amp; Equity Cost</b>	<b>22,604.31</b>	<b>398.78</b>	<b>2.00</b>

Total Expenses	<b>149,852.36</b>	<b>2,643.63</b>	<b>13.24</b>
Total Income - Total Expenses	<b>1,147.64</b>		<b>0.10</b>

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

Total Allocated Costs	111,804.58	1,972.41	9.88
<b>Net Farm Income From Operations (NFIFO)</b>	39,195.42	691.47	3.46
Gain (Loss) on Sale of All Farm Capital Assets	2,105.26	37.14	0.19
<b>Net Farm Income (NFI)</b>	<b>41,300.68</b>	<b>728.61</b>	<b>3.65</b>