

Production Costs in 1998 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 1998.^{2,3} These farms ranged in size from 25 to 128.5 cows with an average herd size of 63 cows averaging 16,231 lbs of milk sold at an average price of \$15.72/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

	1998	1998	1998
	Cost (tax)	per Head	per CWT EQ
Total Income	189,152.21	2,984.96	15.43

Expenses

	1998	1998	1998
	Cost (tax)	per Head	per CWT EQ

Basic Cost

Breeding Fees	1,447.42	22.84	0.12
Car and Truck Expenses	39.79	0.63	0.00
Chemicals	547.63	8.64	0.04
Custom Heifer Raising Expenses	0.00	0.00	0.00
Custom Hire (Machine Work)	4,314.84	68.09	0.35
Feed Purchase	39,542.11	624.00	3.23
Fertilizer and Lime	4,458.58	70.36	0.36
Freight and Trucking	2,203.74	34.78	0.18
Gasoline, Fuel, and Oil	1,928.74	30.44	0.16
Farm Insurance	1,925.84	30.39	0.16
Rent/Lease Equipment	807.16	12.74	0.07
Rent/Lease Other	2,727.05	43.03	0.22
Repairs and Maintenance	2,241.32	35.37	0.18
Building and Fence Repairs	6,826.26	107.72	0.56
Seeds and Plants Purchased	1,794.95	28.33	0.15
Supplies Purchased	5,586.26	88.16	0.46
Taxes - Other	3,385.53	53.43	0.28
Utilities	3,110.53	49.09	0.25
Veterinary Fees and Medicine	4,016.84	63.39	0.33
Other Farm Expenses	4,965.26	78.36	0.41
Marketing & Hedging	1,462.74	23.08	0.12
Other Crop Expenses	565.79	8.93	0.05
Other Livestock Expenses	1,774.42	28.00	0.14
- Change in Prepaid Expenses	(5,186.89)	(81.85)	(0.42)
Change in Accounts Payable	(550.89)	(8.69)	(0.04)
Depreciation on Purchased Breeding Livestock	4,798.68	75.73	0.39
Total Basic Cost	94,733.68	1,494.97	7.73

Interest Cost

Mortgage Interest	7,325.95	115.61	0.60
Other Interest	2,906.11	45.86	0.24
Total Interest Cost	10,232.05	161.47	0.83

Labor Cost

Employee Benefits - Dependents	0.00	0.00	0.00
Employee Benefits - Non-Dependents	0.00	0.00	0.00
Labor Hired - Dependents	23.95	0.38	0.00
Labor Hired - Non-Dependents	7,279.26	114.87	0.59
Value of Unpaid Labor & Management	26,063.89	411.31	2.13
Total Labor Cost	33,367.11	526.56	2.72

Depreciation & Equity Cost

Machinery, Equipment, Building Depreciation	11,093.32	175.06	0.90
Interest on Equity Capital	11,288.87	178.15	0.92
Total Depreciation & Equity Cost	22,382.18	353.21	1.83

Total Expenses	160,715.03	2,536.20	13.11
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Total Income - Total Expenses	28,437.18	448.76	2.32
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Net Farm Income from Operations (NFIFO) Summary

Total Allocated Costs	123,362.26	1,946.75	10.06
Net Farm Income From Operations (NFIFO)	65,789.95	1,038.21	5.37
Gain (Loss) on Sale of All Farm Capital Assets	42.79	0.68	0.00
Net Farm Income (NFI)	65,832.74	1,038.89	5.37