

# **Production Costs in 1999 on Selected Wisconsin Grazing Dairy Farms**

By: Tom Kriegl<sup>1</sup>

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 1999.<sup>2,3</sup> These farms ranged in size from 21 to 140 cows with an average herd size of 71 cows averaging 15,481 lbs of milk sold at an average price of \$15.25/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.

Income	<u>1999</u>	<u>1999</u>	<u>1999</u>
	Cost (tax)	per Head	per CWT EQ
Total Income	<b>197,330.38</b>	<b>2,862.82</b>	<b>14.37</b>
Expenses	<u>1999</u>	<u>1999</u>	<u>1999</u>
	Cost (tax)	per Head	per CWT EQ
<b>Basic Cost</b>			
Breeding Fees	1,654.43	24.00	0.12
Car and Truck Expenses	144.38	2.09	0.01
Chemicals	581.90	8.44	0.04
Custom Heifer Raising Expenses	0.00	0.00	0.00
Custom Hire (Machine Work)	3,584.33	52.00	0.26
Feed Purchase	39,549.38	573.77	2.88
Fertilizer and Lime	4,675.76	67.83	0.34
Freight and Trucking	338.76	4.91	0.02
Gasoline, Fuel, and Oil	2,160.81	31.35	0.16
Farm Insurance	1,995.43	28.95	0.15
Rent/Lease Equipment	2,267.29	32.89	0.17
Rent/Lease Other	2,217.24	32.17	0.16
Repairs and Maintenance	4,492.67	65.18	0.33
Building and Fence Repairs	4,808.05	69.75	0.35
Seeds and Plants Purchased	1,273.95	18.48	0.09
Supplies Purchased	6,336.57	91.93	0.46
Taxes - Other	2,846.48	41.30	0.21
Utilities	3,537.33	51.32	0.26
Veterinary Fees and Medicine	4,398.29	63.81	0.32
Other Farm Expenses	4,728.95	68.61	0.34
Marketing & Hedging	3,394.81	49.25	0.25
Other Crop Expenses	569.10	8.26	0.04
Other Livestock Expenses	2,481.67	36.00	0.18
- Change in Prepaid Expenses	(304.95)	(4.42)	(0.02)
Change in Accounts Payable	(486.10)	(7.05)	(0.04)
Depreciation on Purchased Breeding Livestock	1,078.57	15.65	0.08
<b>Total Basic Cost</b>	<b>98,325.10</b>	<b>1,426.48</b>	<b>7.16</b>

## Interest Cost

Mortgage Interest	5,815.48	84.37	0.42
Other Interest	4,032.10	58.50	0.29
<b>Total Interest Cost</b>	<b>9,847.57</b>	<b>142.87</b>	<b>0.72</b>

## Labor Cost

Employee Benefits - Dependents	12.76	0.19	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	6,425.67	93.22	0.47
Value of Unpaid Labor & Management	31,594.33	458.36	2.30
<b>Total Labor Cost</b>	<b>38,032.76</b>	<b>551.77</b>	<b>2.77</b>

## Depreciation & Equity Cost

Machinery, Equipment, Building Depreciation	19,844.00	287.89	1.45
Interest on Equity Capital	11,235.42	163.00	0.82
<b>Total Depreciation &amp; Equity Cost</b>	<b>31,079.42</b>	<b>450.89</b>	<b>2.26</b>

<b>Total Expenses</b>	<b>177,284.85</b>	<b>2,572.01</b>	<b>12.91</b>
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<b>Total Income - Total Expenses</b>	<b>20,045.53</b>	<b>290.82</b>	<b>1.46</b>
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## Net Farm Income from Operations (NFIFO)

Total Allocated Costs	134,455.10	1,950.64	9.79
<b>Net Farm Income From Operations (NFIFO)</b>	<b>62,875.29</b>	<b>912.18</b>	<b>4.58</b>
Gain (Loss) on Sale of All Farm Capital Assets	0.00	0.00	0.00
<b>Net Farm Income (NFI)</b>	<b>62,875.29</b>	<b>912.18</b>	<b>4.58</b>