

# **Production Costs in 2001 on Selected Wisconsin Grazing Dairy Farms**

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This data is unlikely to change but more explanation will be added to this page eventually.

Twenty-seven Wisconsin grazing dairy farms provided useable data in 2001 are summarized by AgFA in the following cost of production report.<sup>2,3</sup> These farms ranged in size from 24 to 138 cows with an average herd size of 62 cows averaging 15,644 lbs of milk sold at an average price of \$15.51/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>2001</u> | <u>2001</u> | <u>2001</u> |
|--|------------|-------------|-------------|-------------|
|  |            | Cost (tax)  | per Head    | per CWT EQ  |
| Total Income                                 |            | 174,856.45  | 2,807.52    | 14.94       |
| Expenses                                     |            | <u>2001</u> | <u>2001</u> | <u>2001</u> |
|  |            | Cost (tax)  | per Head    | per CWT EQ  |
| Basic Cost                                   |            |             |             |             |
| Cost of Items for Resale                     | 0.00       | 0.00        | 0.00        |             |
| Breeding Fees                                | 2,075.37   | 33.32       | 0.18        |             |
| Car and Truck Expenses                       | 637.31     | 10.23       | 0.05        |             |
| Chemicals                                    | 548.44     | 8.81        | 0.05        |             |
| Conservation Expenses                        | 0.00       | 0.00        | 0.00        |             |
| Custom Heifer Raising Expenses               | 0.00       | 0.00        | 0.00        |             |
| Custom Hire (Machine Work)                   | 3,467.74   | 55.68       | 0.30        |             |
| Feed Purchase                                | 33,371.79  | 535.82      | 2.85        |             |
| Fertilizer and Lime                          | 3,951.66   | 63.45       | 0.34        |             |
| Freight and Trucking                         | 602.42     | 9.67        | 0.05        |             |
| Gasoline, Fuel, and Oil                      | 2,483.85   | 39.88       | 0.21        |             |
| Farm Insurance                               | 2,156.30   | 34.62       | 0.18        |             |
| Rent/Lease Equipment                         | 694.37     | 11.15       | 0.06        |             |
| Rent/Lease Other                             | 3,481.67   | 55.90       | 0.30        |             |
| Repairs and Maintenance                      | 6,675.67   | 107.19      | 0.57        |             |
| Building and Fence Repairs                   | 1,509.83   | 24.24       | 0.13        |             |
| Machinery Repairs                            | 814.07     | 13.07       | 0.07        |             |
| Seeds and Plants Purchased                   | 2,121.91   | 34.07       | 0.18        |             |
| Supplies Purchased                           | 8,146.71   | 130.80      | 0.70        |             |
| Taxes - Other                                | 2,563.87   | 41.17       | 0.22        |             |
| Utilities                                    | 3,481.85   | 55.91       | 0.30        |             |
| Veterinary Fees and Medicine                 | 3,805.18   | 61.10       | 0.33        |             |
| Other Farm Expenses                          | 3,976.48   | 63.85       | 0.34        |             |
| Marketing & Hedging                          | 2,867.37   | 46.04       | 0.24        |             |
| Other Crop Expenses                          | 106.74     | 1.71        | 0.01        |             |
| Other Livestock Expenses                     | 306.20     | 4.92        | 0.03        |             |
| - Change in Prepaid Expenses                 | (1,389.19) | (22.30)     | (0.12)      |             |
| Change in Accounts Payable                   | 1,022.70   | 16.42       | 0.09        |             |
| Depreciation on Purchased Breeding Livestock | 416.67     | 6.69        | 0.04        |             |
| Total Basic Cost                             | 89,896.99  | 1,443.40    | 7.68        |             |

**Interest Cost**

|                            |                 |               |             |
|----------------------------|-----------------|---------------|-------------|
| Mortgage Interest          | 1,787.96        | 28.71         | 0.15        |
| Other Interest             | 5,898.56        | 94.71         | 0.50        |
| <b>Total Interest Cost</b> | <b>7,686.53</b> | <b>123.42</b> | <b>0.66</b> |

**Labor Cost**

|                                    |                  |               |             |
|------------------------------------|------------------|---------------|-------------|
| Employee Benefits - Dependents     | 588.70           | 9.45          | 0.05        |
| Employee Benefits - Non-Dependents | 415.74           | 6.68          | 0.04        |
| Labor Hired - Dependents           | 1,169.30         | 18.77         | 0.10        |
| Labor Hired - Non-Dependents       | 4,106.56         | 65.94         | 0.35        |
| Value of Unpaid Labor & Management | 33,042.59        | 530.54        | 2.82        |
| <b>Total Labor Cost</b>            | <b>39,322.89</b> | <b>631.37</b> | <b>3.36</b> |

**Depreciation & Equity Cost**

|   |                   |                 |              |
|---|-------------------|-----------------|--------------|
| Machinery, Equipment, Building Depreciation | 18,546.90         | 297.79          | 1.58         |
| Interest on Equity Capital                  | 17,595.55         | 282.52          | 1.58         |
| <b>Total Depreciation &amp; Equity Cost</b> | <b>36,142.44</b>  | <b>580.31</b>   | <b>3.09</b>  |
| <b>Total Expenses</b>                       | <b>173,142.44</b> | <b>2,778.50</b> | <b>14.79</b> |
| <b>Total Income - Total Expenses</b>        | <b>1,807.60</b>   | <b>29.02</b>    | <b>0.15</b>  |

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

|  |                  |               |             |
|--|------------------|---------------|-------------|
| Total Allocated Costs                          | 122,410.71       | 1965.44       | 10.46       |
| <b>Net Farm Income From Operations (NFIFO)</b> | <b>52,445.74</b> | <b>842.08</b> | <b>4.45</b> |
| Gain (Loss) on Sale of All Farm Capital Assets | 16.67            | 0.27          | 0.00        |
| <b>Net Farm Income (NFI)</b>                   | <b>52,462.41</b> | <b>842.34</b> | <b>4.48</b> |