

Production Costs in 2005 on Selected Wisconsin Grazing Dairy Farms

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Forty-one Wisconsin grazing dairy farms provided useable data in 2005 are summarized by AgFA in the following cost of production report.^{2 3} These farms ranged in size from 24 to 150 cows with an average herd size of 68 cows averaging 16,700 lbs of milk sold at an average price of \$16.86/CWT sold.

As with most dairy farmers in the state and country, 2005 was a profitable year in terms of NFIFO/cow and NFIFO/CWT EQ. Income exceeded total expenses by \$0.23/CWT EQ for the average summarized Wisconsin grazing dairy herd in 2005. 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		<u>2005</u>	<u>2005</u>	<u>2005</u>
		Cost (tax)	per Head	per CWT EQ
	Total Income	234,953.64	3,461.35	15.14
Expenses		<u>2005</u>	<u>2005</u>	<u>2005</u>
		Cost (tax)	per Head	per CWT EQ
Basic Cost				
	Cost of Items for Resale	230.00	3.39	0.01
	Breeding Fees	2,473.18	36.43	0.16
	Car and Truck Expenses	1,619.17	23.85	0.10
	Chemicals	1,214.68	17.89	0.08
	Conservation Expenses	34.15	0.50	0.00
	Custom Heifer Raising Expenses	1,075.44	15.84	0.07
	Custom Hire (Machine Work)	6,644.21	97.88	0.43
	Feed Purchase	46,358.83	682.96	2.99
	Fertilizer and Lime	3,946.22	58.14	0.25
	Freight and Trucking	1,981.26	29.19	0.13
	Gasoline, Fuel, and Oil	6,198.41	91.32	0.40
	Farm Insurance	3,306.31	48.71	0.21
	Rent/Lease Equipment	1,063.39	15.67	0.07
	Rent/Lease Other	5,261.34	77.51	0.34
	Repairs and Maintenance	7,932.83	116.87	0.51
	Building and Fence Repairs	2,080.41	30.65	0.13
	Machinery Repairs	1,276.80	18.81	0.08
	Seeds and Plants Purchased	3,319.36	48.90	0.21
	Storage and Warehousing	33.84	0.50	0.00
	Supplies Purchased	9,885.91	145.64	0.64
	Taxes - Other	3,552.29	52.33	0.23
	Taxes - Payroll	0.00	0.00	0.00
	Utilities	5,357.69	78.93	0.35
	Veterinary Fees and Medicine	4,813.04	70.91	0.31
	Other Farm Expenses	3,815.90	56.22	0.25
	Marketing & Hedging	2,963.13	43.65	0.19
	Other Crop Expenses	542.46	7.99	0.03
	Other Livestock Expenses	2,542.32	37.45	0.16
	- Change in Prepaid Expenses	1,017.14	14.98	0.07
	Change in Accounts Payable	(708.73)	(10.44)	(0.05)
	Selling Expense of Capital Items	0.76	0.01	0.00
	Depreciation on Purchased Breeding Livestock	2,191.76	32.29	0.14
	Total Basic Cost	132,023.50	1,944.98	8.51

Interest Cost

Mortgage Interest	5,869.37	86.47	0.38
Other Interest	3,621.20	53.35	0.23
Total Interest Cost	9,490.56	139.82	0.61

Labor Cost

Employee Benefits - Dependents	0.00	0.00	0.00
Employee Benefits - Non-Dependents	655.97	9.66	0.04
Labor Hired - Dependents	39.02	0.57	0.00
Labor Hired - Non-Dependents	8,022.71	118.19	0.52
Pension and Profit-Sharing Plans - Non-Dependents	0.00	0.00	0.00
Pension and Profit-Sharing Plans - Dependents	0.00	0.00	0.00
Value of Unpaid Labor & Management	32,860.02	484.10	2.12
Total Labor Cost	41,577.73	612.52	2.68

Depreciation & Equity Cost

Machinery, Equipment, Building Depreciation	30,414.37	448.07	1.96
Interest on Equity Capital	17,882.04	263.44	1.15

Total Depreciation & Equity Cost	48,296.41	711.50	3.11
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Total Expenses	231,388.20	3,408.82	14.91
Total Income - Total Expenses	3,565.44	52.53	0.23

Net Farm Income from Operations (NFIFO) Summary

Total Allocated Costs	180,646.13	2,661.29	11.64
Net Farm Income From Operations (NFIFO)	54,307.51	800.06	3.50
Gain (Loss) on Sale of All Farm Capital Assets	1,509.73	22.24	0.10
Net Farm Income (NFI)	55,817.24	822.30	3.60