

# WISCONSIN DAIRY DATA

Fact sheet series from the Center for Dairy Profitability

2005-02

June 2005

## Preliminary Benchmarks – Dairy Cost of Production, 2004.

Below are preliminary benchmarks for the 2004 financial year and final benchmark data. Currently the 2004 financial year has 580 farm financial records complete. At the end of July 2005 when all records are complete we will provide you with a final 2004 Benchmark Report.

The 2004 Cost of Production report is on a per farm, per head and per CWT EQ basis. Feed costs were \$849 per head and Vet & Medicine was \$117. Total Basic Cost was \$2,448 per head or \$9.43 per CWT EQ.

Item	Per Farm	Per Head	Per CWT EQ
Total Income	\$507,560	\$4,181	\$16.10
Feed Purchased	\$103,029	\$849	\$3.27
Repair Cost	\$23,603	\$195	\$0.75
Vet & Medicine	\$14,208	\$117	\$0.45
TOTAL Basic Cost	\$297,182	\$2,448	\$9.43

Interest paid was \$163 and Total labor costs were \$721 per cow. Total Costs were \$3,942 per cow or \$15.18 per CWT EQ.

Item	Per Farm	Per Head	Per CWT EQ
Interest Paid	\$19,832	\$163	\$0.63
Total Labor Cost	\$86,476	\$721	\$2.74
Total Depreciation	\$48,160	\$397	\$1.53
TOTAL Cost	\$478,500	\$3,942	\$15.18

The report shows a total expense of \$15.18 to produce \$16.10 worth of income (US Average All Milk Price). This equates to a total income – total expenses of \$0.92 per cwt eq. This is the first year since 1999 that this number has been positive. The difference between “Total Income-Total Expense” and Net Farm Income is the Interest on Equity Capital and the Value of Unpaid Labor and Management plus gain or loss on the sale of farm Assets.

Item	Per Farm	Per Head	Per CWT EQ
Total Income-Total Expense	\$29,060	\$239	\$0.92
Net Farm Income	\$101,890	\$839	\$3.23



## Cost of Production

Report Basis: Whole Farm, per Head, per Hundredweight Equivalent

Income	<u>2004</u>	<u>2004</u>	<u>2004</u>
	Economic	per Head	per CWT EQ
Total Income	<b>507,559.88</b>	<b>4,181.03</b>	<b>16.10</b>
<b>Expenses</b>	<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2004</u></b>
	Economic	per Head	per CWT EQ
<b>Basic Cost</b>			
Cost of Items for Resale	74.01	0.61	0.00
Breeding Fees	5,735.69	47.25	0.18
Car and Truck Expenses	2,277.61	18.76	0.07
Chemicals	6,551.24	53.97	0.21
Conservation Expenses	0.33	0.00	0.00
Custom Heifer Raising Expenses	2,722.15	22.42	0.09
Custom Hire (Machine Work)	14,338.79	118.12	0.45
Feed Purchase	103,029.36	848.71	3.27
Fertilizer and Lime	11,376.61	93.71	0.36
Freight and Trucking	4,048.75	33.35	0.13
Gasoline, Fuel, and Oil	10,771.74	88.73	0.34
Farm Insurance	6,200.96	51.08	0.20
Rent/Lease Equipment	2,837.16	23.37	0.09
Rent/Lease Other	16,060.14	132.30	0.51
Repairs and Maintenance	3,123.89	25.73	0.10
Building and Fence Repairs	5,821.47	47.95	0.18
Machinery Repairs	14,684.81	120.97	0.47
Seeds and Plants Purchased	10,311.16	84.94	0.33
Storage and Warehousing	79.39	0.65	0.00
Supplies Purchased	13,763.82	113.38	0.44
Taxes - Other	5,061.22	41.69	0.16
Taxes - Payroll	222.06	1.83	0.01
Utilities	9,806.60	80.78	0.31
Veterinary Fees and Medicine	14,207.68	117.04	0.45
Other Farm Expenses	4,991.38	41.12	0.16
Marketing & Hedging	5,465.71	45.02	0.17
Other Crop Expenses	2,696.63	22.21	0.09
Other Livestock Expenses	17,512.38	144.26	0.56
- Change in Prepaid Expenses	(6,264.91)	(51.61)	(0.20)
Change in Accounts Payable	(1,518.32)	(12.51)	(0.05)
Depreciation on Purchased Breeding Livestock	11,192.93	92.20	0.36
<b>Total Basic Cost</b>	<b>297,182.44</b>	<b>2,448.04</b>	<b>9.43</b>

## Interest Cost

Mortgage Interest	8,816.55	72.63	0.28
Other Interest	11,015.48	90.74	0.35
<b>Total Interest Cost</b>	<b>19,832.03</b>	<b>163.37</b>	<b>0.63</b>

## Labor Cost

Employee Benefits - Dependents	5,221.27	43.01	0.17
Employee Benefits - Non-Dependents	6,479.06	53.37	0.21
Labor Hired - Dependents	7,535.18	62.07	0.24
Labor Hired - Non-Dependents	34,302.15	282.56	1.09
Pension and Profit-Sharing Plans - Non-Dependents	29.17	0.24	0.00
Value of Unpaid Labor & Management	32,909.51	271.09	1.04
<b>Total Labor Cost</b>	<b>86,476.35</b>	<b>712.35</b>	<b>2.74</b>

## Depreciation & Equity Cost

Machinery, Equipment, Building Depreciation	36,968.10	304.53	1.17
Interest on Equity Capital	38,040.97	313.36	1.21
<b>Total Depreciation &amp; Equity Cost</b>	<b>75,009.07</b>	<b>617.89</b>	<b>2.38</b>

<b>Total Expenses</b>	<b>478,499.89</b>	<b>3,941.65</b>	<b>15.18</b>
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<b>Total Income - Total Expenses</b>	<b>29,060.00</b>	<b>239.38</b>	<b>0.92</b>
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## Net Farm Income from Operations (NFIFO) Summary

Total Allocated Costs	407,549.41	3,357.19	12.93
<b>Net Farm Income From Operations (NFIFO)</b>	<b>100,010.48</b>	<b>823.84</b>	<b>3.17</b>
Gain (Loss) on Sale of All Farm Capital Assets	1,879.24	15.48	0.06
<b>Net Farm Income (NFI)</b>	<b>101,889.72</b>	<b>839.32</b>	<b>3.23</b>