

MARKET MILK PRODUCTION IN SAN JOAQUIN COUNTY  
COST ANALYSIS WORK SHEET 1983

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Costs are based on a herd of 400 cows weighing 1,400 lbs. each and producing an average of 16,500 lbs. milk, 625 lbs. fat, and testing 3.79%.

Cows are fed daily: 305 days = 30 lbs. corn silage, 15 lbs. alfalfa hay, and 25 lbs. concentrate; 45 days = 30 lbs. alfalfa hay or equivalent; 15 days = 10 lbs. concentrate and 30 lbs. alfalfa hay. The total amount fed per cow per year is 4.8 tons corn silage, 3.3 tons alfalfa hay or equivalent, and 4.1 tons concentrate including 5% waste. The dairy is a modern facility fully equipped with milking barn, holding corral, and free-stall housing.

Replacements are purchased at \$1,500, culls sold at \$600, and calves sold at \$100. The herd is replaced on the basis of 28% cull and 2% death loss each year.

Four milkers, feeder, and relief receive wages and benefits totaling \$1,700 per month. The owner's wages are calculated at \$1,200 per month.

The dairy is built on 20 acres with additional acreage for waste disposal and for the production of forage crops used to feed the dairy cows.

	SAMPLE COST			
	Total	Per Cow	Per Cwt	Your Cost
<b>Gross Receipts:</b>				
Milk				
66,000 cwt @ \$13.00 - .25 haul	\$841,500	\$2,104	\$12.75	\$
Calves - 400 @ \$100	40,000	100	.61	
<b>TOTAL GROSS RECEIPTS</b>	<b>\$881,500</b>	<b>\$2,204</b>	<b>\$13.36</b>	
<b>Feed Costs:</b>				
Alfalfa Hay - 1,339 T @ \$110/T	\$147,263	\$ 368	2.23	\$
Corn Silage - 1,922 T @ \$24/T	46,116	116	.70	
Concentrate - 1,633 T @ \$148/T	241,647	604	3.66	
<b>Total Feed Costs</b>	<b>\$435,026</b>	<b>\$1,088</b>	<b>\$ 6.59</b>	<b>\$</b>
<b>Labor Costs</b>	<b>\$ 96,000</b>	<b>\$ 240</b>	<b>\$ 1.45</b>	<b>\$</b>
<b>Other Costs:</b>				
Replacements	\$112,800	\$ 282	\$ 1.71	
Breeding Costs	12,000	30	.18	
DHIA	4,800	12	.07	
Veterinary & Medicine	18,000	45	.27	
Supplies	18,000	45	.27	
Taxes & Insurance	6,000	15	.09	
Manure Hauling-Fertilizer Value	0	0	0	
Tractor, Machinery, Equipment (fuel, lube, repairs)	12,000	30	.18	
Miscellaneous: Business telephone, power, butane, repair, mainten- ance, clipping, trimming, incid- ental cash costs, interest on operating capital, dues, assess- ments	24,000	60	.36	
<b>Total Other Costs</b>	<b>\$207,600</b>	<b>\$ 519</b>	<b>\$ 3.15</b>	<b>\$</b>
<b>TOTAL CASH COSTS</b>	<b>\$738,626</b>	<b>\$1,847</b>	<b>\$11.19</b>	<b>\$</b>

	SAMPLE COST			Your Cost
	Total	Per Cow	Per Cwt	
<b>Depreciation:</b>				
Milking barn, freestall, manure pit, bulk tank, hay barn, silage pit, dry cow corral, maternity pens, well, tractors, pickup, self-unloading wagon, shop--				
Estimated:				
Buildings - \$1,600/cow				
\$640,000 - 25 yr. life	\$ 25,600	\$ 64	\$ .39	\$
Equipment - \$400/cow				
\$160,000 - 10 yr. life	16,000	40	.24	
<b>Total Depreciation</b>	<b>\$ 41,600</b>	<b>\$ 104</b>	<b>\$ .63</b>	<b>\$</b>
<b>Interest on Investment @ 12%</b>				
Land - 20 A @ \$6,000/A =				
\$120,000 @ 12%	\$ 14,400	\$ 36	\$ .22	\$
Bldgs & Equipment - 50% of				
\$800,000 @ 12%	48,000	120	.73	
Cows - Based on \$1,050/cow @ 12%	50,400	126	.76	
Quota - Based on \$750/cow @ 12%	36,000	90	.55	
<b>Total Interest</b>	<b>\$148,800</b>	<b>\$ 372</b>	<b>\$ 2.25</b>	<b>\$</b>
<b>TOTAL ALL COSTS</b>	<b>\$929,026</b>	<b>\$2,323</b>	<b>\$14.08</b>	<b>\$</b>

INCOME ABOVE ALL COSTS WHEN PRICE OF MILK RANGES FROM \$12.00-\$14.00/CWT., THE YEARLY PRODUCTION PER COW VARIES FROM 15,500-17,500 LBS. AND ALL OTHER EXPENSES REMAIN THE SAME.

Price/Cwt	15,500	16,000	16,500	17,000	17,500
\$12.00	-160,526	-137,026	-113,526	- 90,026	- 66,526
\$12.50	-129,526	-105,026	- 80,526	- 56,026	- 31,526
\$13.00	- 98,526	- 73,026	- 47,526	- 22,026	3,474
\$13.50	- 67,526	- 41,026	- 14,526	11,974	38,474
\$14.00	- 36,526	- 9,026	18,474	45,974	73,474

**COST OF PRODUCING MILK/CWT**

	Feed	Labor	Total
California	\$6.52	\$1.42	\$14.01
Hutton	6.59	1.45	14.08