

MARKET MILK PRODUCTION  
IN THE SOUTH SAN JOAQUIN VALLEY  
COST ANALYSIS WORK SHEET FOR 1985

COSTS ARE BASED ON A HERD OF 450 COWS WEIGHING 1400 POUNDS EACH, AND PRODUCING AN AVERAGE OF 560 POUNDS OF BUTTERFAT PER YEAR FROM 16,000 POUNDS OF MILK TESTING 3.5% FAT. COWS ARE FED : 305 DAYS @ 20 POUNDS CONCENTRATE + 30 POUNDS OF ALFALFA HAY OR HAY EQUIVALENT DAILY; AND FOR 60 DAYS DURING THE DRY PERIOD; 28 POUNDS OF HAY EQUIVALENT AND FOR THE LAST 15 DAYS BEFORE FRESHENING, 4 POUNDS OF CONCENTRATE DAILY. THE TOTAL AMOUNT FED PER COW PER YEAR IS 3.23 TONS OF CONCENTRATE AND 5.7 TONS OF HAY OR EQUIVALENT INCLUDING 5% WASTE. THE DAIRY IS A MODERN FACILITY FULLY EQUIPPED WITH MILKING BARN, COVERED HOLDING CORRAL, AND DRYLOT CORRALS WITH FEED MANGER WITH ADEQUATE SLOPE AND SHADES. ALL COSTS ARE CALCULATED AT CURRENT REPLACEMENT VALUE.

REPLACEMENTS ARE PURCHASED AT \$1075 EACH, CULL COWS ARE SOLD AT \$500 AND ALL CALVES ARE SOLD. THE HERD IS REPLACED ON THE BASIS OF 27% CULL-OUT AND 2% DEATH LOSS PER YEAR.

THREE MILKERS RECEIVED WAGES AND OTHER BENEFITS TOTALING \$1600 EACH PER MONTH, AND ONE LABORER \$1000 PER MONTH.

THE DAIRY SETUP IS BUILT ON 20 ACRES OF LAND, WITH ADDITIONAL ACREAGE FOR WASTE DISPOSAL AND FOR THE PRODUCTION OF FORAGE CROPS USED TO FEED THE DAIRY HERD.

	SAMPLE COSTS			YOUR COSTS
	EACH COW PER YEAR	TOTAL HERD COST	PER CWT. MILK	
CASH COSTS:	--\$--	--\$--	--\$--	
FEED:				
ALFALFA HAY - 5.7 TONS/COW @\$120	684.00	307800.00	4.15	
CONCENTRATES - 3.23 TONS @\$160	516.80	232560.00	3.13	
LABOR:				
3 MILKERS @ \$1650/MONTH EACH	132.00	59400.00	.80	
1 LABORER @ \$1000/MONTH	26.67	12000.00	.16	
REPLACEMENTS: NET COSTS/COW	176.75	79537.50	1.07	
BREEDING COSTS: \$22.00/COW	22.00	9900.00	.13	
TAXES AND INSURANCE	33.00	14850.00	.20	
PRODUCTION TESTING	11.00	4950.00	.07	
DUES AND ASSESSMENTS	11.00	4950.00	.07	
VETERINARY AND MEDICINE	23.00	10350.00	.14	
SUPPLIES	35.00	15750.00	.21	
MISC: INCLUDES BUSINESS AND OTHER COSTS, REPAIRS, AND MAINTENANCE, CLIPPING, ETC.	64.00	28800.00	.39	
<b>TOTAL CASH COSTS</b>	<b>1735.22</b>	<b>780847.50</b>	<b>10.52</b>	

OVER

	SAMPLE COSTS			YOUR
	EACH COW	TOTAL HERD	PER CWT.	COSTS
	PER YEAR	COST	MILK	
DEPRECIATION:	-\$-	-\$-	-\$-	
MILKING BARN, HOMES, CORRALS MANGERS, LAND IMPROVEMENTS, ETC. \$570,000 - 25 YEAR LIFE	50.67	22800.00	.31	
EQUIPMENT \$280,000 - 10 YR LIFE	62.22	28000.00	.38	
<b>TOTAL DEPRECIATION</b>	<b>112.89</b>	<b>50800.00</b>	<b>.68</b>	
INTEREST ON INVESTMENT @12.5% *				
LAND: 20 ACRES @ 5,000/AC. BUILDINGS AND CORRALS 50% OF 467,000	27.78	12500.00	.17	
EQUIPMENT: 50% OF \$280,000	64.86	29187.50	.39	
COWS - \$900 EACH	38.89	17500.00	.24	
	112.50	50625.00	.68	
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>244.03</b>	<b>109812.50</b>	<b>1.48</b>	
* THIS RATE ON THE TOTAL AMOUNT IS USED ON THE ASSUMPTION THAT THE OWNER HAS A SUBSTANTIAL EQUITY IN THE BUSINESS, SO THE TOTAL INDEBTNESS IS CONSIDERABLY LESS THAN THE TOTAL VALUE.				
<b>TOTAL OF ALL COSTS OF PRODUCTION</b>	<b>2092.13</b>	<b>941460.00</b>	<b>12.68</b>	
<b>LESS CREDIT FOR CALVES @ \$60</b>	<b>57.00</b>	<b>25650.00</b>	<b>.35</b>	
<b>NET COST WITH 100% OF MILK SOLD</b>	<b>2035.13</b>	<b>915810.00</b>	<b>12.33</b>	
<b>NET COST WITH 95% OF MILK SOLD</b>	<b>2157.24</b>		<b>13.07</b>	

MILK YIELD/ COW      16500  
COWS IN HERD        450  
CWTS YOU SHIP/YR.   74250

THIS COST ANALYSIS WORK-SHEET WAS DEVELOPED BY:

LARRY S. COLLAR  
KINGS COUNTY

THOMAS A. SHULTZ  
TULARE COUNTY

THE UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION

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AGRICULTURAL BUILDING, COUNTY CIVIC CENTER, WOODLAND AND WEST MAIN STREETS, VISALIA, CALIFORNIA 93291 - TELEPHONE (209) 733-6363  
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