

DY-VS-91-2

MARKET MILK PRODUCTION  
 IN THE SOUTH SAN JOAQUIN VALLEY  
 COST ANALYSIS WORKSHEET FOR 1991

Costs are based on a herd of 700 cows weighing 1400 pounds each, and producing an average of 700 pounds of butterfat per year from 19,000 pounds of milk testing 3.7% fat. Cows are fed : 305 days @ 25 pounds concentrate + 30 pounds of alfalfa hay or hay equivalent daily; and for the first 45 days during the dry period; 33 pounds of hay equivalent and for the last 15 days before freshening, 5 pounds of concentrate and 28 pounds of hay equivalent daily. The total amount fed per cow per year is 3.85 tons of concentrate and 5.8 tons of hay or equivalent including 5% waste. The dairy is a modern facility fully equipped with milking barn, covered holding corral, and dry lot corrals with feed mangers, and with adequate slope and shades. All costs are calculated at current replacement value.

Replacements are purchased at \$1250 each, cull cows are sold at \$600 and all calves are sold. The herd is replaced on the basis of 27% cull-out and 2% death loss per year.

Four milkers received wages and other benefits totaling \$1650/month each, one laborer \$1200/month, and one herdsman \$2500/month.

The dairy setup is built on 40 acres of land, with additional acreage for waste disposal and for the production of forage crops used to feed the dairy herd.

	EACH COW PER YEAR	SAMPLE COSTS TOTAL HERD COST	PER CWT MILK	YOUR COSTS
CASH COSTS:	-\$-	-\$-	-\$-	
FEED:				
ALFALFA HAY - 5.8 TONS/COW @ \$125	725.00	507500.00	3.82	
CONCENTRATES - 3.85 TONS @ \$140	539.00	377300.00	2.84	
LABOR: INCLUDES WORKMAN'S COMP.				
4 MILKERS @ \$1650/MONTH EACH	113.14	79200.00	.60	
1 LABORER @ \$1200/MONTH	20.57	14400.00	.11	
1 HERDSMAN @ \$2500/MONTH	42.86	30000.00	.23	
REPLACEMENTS: NET COSTS/COW	173.50	121450.00	.91	
BREEDING COSTS: \$25.00/COW	25.00	17500.00	.13	
TAXES AND INSURANCE	40.00	28000.00	.21	
PRODUCTION TESTING	12.00	8400.00	.06	
DUES AND ASSESSMENTS	30.00	21000.00	.16	
VETERINARY AND MEDICINE	30.00	21000.00	.16	
SUPPLIES	45.00	31500.00	.24	
MISC: INCLUDES BUSINESS AND OTHER COSTS, REPAIRS, AND MAINTENANCE, CLIPPING, ETC.	130.00	91000.00	.68	
TOTAL CASH COSTS	1926.07	1348250.00	10.14	

	SAMPLE COSTS			YOUR
	EACH COW	TOTAL HERD	PER CWT	COSTS
	PER YEAR	COST	MILK	
DEPRECIATION:	-\$-	-\$-	-\$-	
MILKING BARN, HOMES, CORRALS MANGERS, LAND IMPROVEMENTS, ETC. \$600,000 - 25 YEAR LIFE	34.29	24000.00	.18	
EQUIPMENT \$250,000 - 10 YR LIFE	35.71	25000.00	.19	
TOTAL DEPRECIATION	70.00	49000.00	.37	
INTEREST ON INVESTMENT @ 10.0% *				
LAND: 40 ACRES @ \$3000/ACRE	17.14	12000.00	.09	
BUILDINGS AND CORRALS 50% OF 600,000	42.86	30000.00	.23	
EQUIPMENT: 50% OF \$250,000	17.86	12500.00	.09	
COWS @ \$1250 EACH	125.00	87500.00	.66	
TOTAL INTEREST ON INVESTMENT	202.86	142000.00	1.07	
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* 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.				
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TOTAL OF ALL COSTS OF PRODUCTION	2198.93	1539250.00	11.57	
LESS CREDIT FOR CALVES @ \$100	95.00	66500.00	.50	
NET COST WITH 100% OF MILK SOLD	2103.93	1472750.00	11.07	
NET COST WITH 95% OF MILK SOLD	2230.16		11.74	

MILK YIELD/COW            19000  
COWS IN HERD                700  
CWTS YOU SHIP/YR.        133000

THIS COST ANALYSIS WORK-SHEET WAS DEVELOPED BY:

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