

COMMERCIAL DAIRY PRODUCTION
in
Riverside County 1976

Riverside County is located in the most specialized and highly developed dairy area in the nation. Competition for use of land for the production of high value crops, or for residential or urban development prohibits most of the dairymen from growing their own feed. Cows are kept in dry-lot corrals with all of their feed hauled to their mangers. Because of the high land values most dairymen have only 20 to 40 acres of land in their dairy. Very few heifers are raised on these dairies because of space limitations and high feed costs. Most replacement animals are either purchased as springing heifers or cows, or they are grown out for the dairyman by other people. Operations that specialize in growing out replacement heifers for the dairymen on a contract basis are located outside the local area.

MANAGEMENT: Local herds range in size from 100 to 6,000 cows and average over 500 cows. The majority of dairies milk between 300 and 700 animals. Approximately one-third of the dairies are on rented facilities although the dairyman owns the milking equipment. Average production per cow varies from 13,000 to 20,000 lbs of whole milk and 450 to 800 lbs of butterfat annually. Under these conditions of high production, the culling rate is high and the average productive life of a cow would be about 3 lactations. Mortality in the milking herd varies from 2 to 6%. Some herds are still milked in stanchion barns although all new dairies are parlors and many of the stanchion barns have been converted to parlors. Most new and remodeled parlors are highly automated with automatic detachers, claw washup systems, crowd gates, etc. Because of the mild climate cows do not require housing but shades are desirable for maintaining maximum production during the warm weather months.

LABOR: There is a large pool of qualified milkers and other laborers available in the local area. Good milkers may receive up to \$1400 per month in wages and benefits under union contracts. One man can milk up to 135 cows in a flat barn and up to 500 cows in a fully automated parlor in a 10 hour day. Total labor for clean up of barn and equipment, feeding and care of cows, and a good herd health and breeding program plus milking will require approximately 30 man hours per cow per year.

FEED: Only about 10% of the dairy feed is produced in the local area. Corn silage plus alfalfa, barley, oats and sudan grass for green chop and occasionally for silage is available in limited amounts and is used by part of the dairymen. All of the alfalfa hay is imported with most of it produced in either the Imperial, Antelope or Southern San Joaquin valleys. All of the concentrates are also imported from grain producing states. Some by-product feeds are also available locally and are widely used. Most concentrate mixes are formulated by commercial feed supply companies who deliver the mixed concentrate rations to the dairies on a regular basis. Some of the larger dairies are purchasing mixer wagons and other specialized feeding equipment and the commodities and are mixing their own concentrate rations. Most individual cows are fed 25 to 40 lbs of alfalfa hay equivalent and 15 to 30 lbs of concentrates daily depending on their production.

MARKETING: Most all of the milk produced by commercial dairies in Riverside County is sold to processing plants located in the Los Angeles area. There are a few Producer-Distributor dairies who process and market their own milk. Approximately 85% of the milk produced locally is sold as Class I. Milk is marketed under a statewide pool with base and quota owned by each dairyman and may be bought and sold. Prices paid producers for milk are established by the California Department of Food and Agriculture following a public hearing process.

EXAMPLE EXPENSES PER COW PER YEAR*

<u>Feed Costs:</u>	<u>Total Herd</u>	<u>Per Cow</u>	<u>Percent of Total Costs</u>
Hay or equivalent- 5.6 tons @ \$85=	\$238,000	\$ 476.00	
Concentrates - 3.5 tons @\$130=	227,500	455.00	
Total Feed Costs	465,500	931.00	61.3%
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<u>Labor:</u>			
Hired labor - 30 hours @ \$4.67	\$70,000	140.00	9.2%
Total Labor Costs	70,000	140.00	
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<u>Operation and Maintenance</u>			
Breeding & Veterinary	\$ 6,000	12.00	
State & Ass'n Charges	13,750	27.50	
Repairs & Maint.	10,500	21.00	
Insurance & Taxes	18,750	37.50	
Utilities	10,000	20.00	
Supplies & equipment	15,000	30.00	
Hauling - 16,000 lbs @ 23.0 ¢/cwt=	18,500	37.00	
Miscellaneous cash	10,500	21.00	
Total Operation and Maintenance	103,000	206.00	13.6%
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<u>Replacements:</u>			
Herd depreciation plus the gain or loss from sale of culls (30% turnover @ \$300 per cow)	\$45,000	90.00	5.9%
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TOTAL CASH COSTS PER COW PER YEAR	683,500	\$1,367.00	
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Depreciation	\$16,750	\$ 33.50	
Interest on Investment @ 9%	58,750	117.50	
Total Depreciation & Interest	75,500	\$ 151.00	10.0%
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TOTAL ALL COSTS PER YEAR	759,000	\$1,518.00	100.0%
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<u>CAPITAL INVESTMENT PER COW*</u>			
Land, grading, fences - 35 acres @ \$6,000 =	\$210,000	\$ 420.00	26.2%
Wells, pumps, irrigation lines	35,000	70.00	4.4%
Milking Plant & equipment	120,000	240.00	15.0%
Corrals & Pens	65,000	130.00	8.1%
Hay & machinery sheds	20,000	40.00	2.5%
Paving	24,000	48.00	3.0%
Feed wagons, tractors, pick-up	27,000	54.00	3.4%
Cows - 500 @575	300,000	600.00	37.4%
TOTAL CAPITAL INVESTMENT	\$801,000	\$1602.00	100.0%

* Based on a well-managed herd of 500 cows in the Corona-Chino area

COOPERATIVE EXTENSION
21150 Box Springs Road
Riverside, CA 92507

SEB/lf