

MARKET MILK PRODUCTION
 IN THE SOUTH SAN JOAQUIN VALLEY
 COST ANALYSIS WORK SHEET FOR 1984

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 \$1200 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.

TWO 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			
	EACH COW PER YEAR	TOTAL HERD COST	PER CWT. MILK	YOUR COSTS
CASH COSTS:	-\$-	-\$-	-\$-	
FEED:				
ALFALFA HAY - 5.7 TONS/COW @\$120	684.00	307800.00	4.29	
CONCENTRATES - 3.23 TONS @\$160	516.80	232560.00	3.23	
LABOR:				
2 MILKERS @ \$1600/MONTH EACH	85.33	38400.00	.53	
1 LABORER @ \$1000/MONTH	26.67	12000.00	.17	
REPLACEMENTS: NET COSTS/COW	213.00	95850.00	1.33	
BREEDING COSTS: \$15.00/COW	15.00	6750.00	.09	
TAXES AND INSURANCE	33.00	14850.00	.21	
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	.22	
MISC: INCLUDES BUSINESS AND OTHER COSTS, REPAIRS, AND MAINTENANCE, CLIPPING, ETC.	64.00	28800.00	.40	
TOTAL CASH COSTS	1717.80	773010.00	10.74	

	SAMPLE COSTS			
	EACH COW PER YEAR	TOTAL HERD COST	PER CWT. MILK	YOUR COSTS
DEPRECIATION:	-\$-	-\$-	-\$-	
MILKING BARN, HOMES, CORRALS MANGERS, LAND IMPROVEMENTS, ETC. \$570,000 - 25 YEAR LIFE	50.67	22800.00	.32	
EQUIPMENT \$280,000 - 10 YR LIFE	62.22	28000.00	.39	
TOTAL DEPRECIATION	112.89	50800.00	.71	
INTEREST ON INVESTMENT @12.5% *				INTEREST
LAND: 20 ACRES @ 5.000/AC.	27.78	12500.00	.17	ACRES
BUILDINGS AND CORRALS 50% OF 467,000	64.86	29197.50	.41	\$/BUIL
EQUIPMENT: 50% OF \$280,000	38.89	17500.00	.24	\$/EQUIP
COWS - \$900 EACH	112.50	50625.00	.70	\$/COW
TOTAL INTEREST ON INVESTMENT	244.03	109812.50	1.53	
THIS RATE ON THE TOTAL AMOUNT IS USED ON THE ASSUMPTION THAT THE OWNER HAS A SUBSTANTIAL EQUITY IN THE BUSINESS, SO THE TOTAL DEBTNESS IS CONSIDERABLY LESS THAN THE TOTAL VALUE.				
TOTAL OF ALL COSTS OF PRODUCTION	2074.72	933622.50	12.97	
LESS CREDIT FOR CALVES @ \$60	57.00	25650.00	.36	\$/CALF
NET COST WITH 100% OF MILK SOLD	2017.72	907972.50	12.61	
NET COST WITH 95% OF MILK SOLD	2138.78		13.37	: NOT

COWS IN HERD 450
WTS YOU SHIP/YR. 72000

THIS COST ANALYSIS WORK-SHEET WAS DEVELOPED BY:

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