

COST ANALYSIS WORKSHEET

GRADE "A" DRYLOT DAIRY - FRESNO CO. - 1961

Based on cows weighing 1400 lbs., producing 12,500 lbs. of 3.6% milk (450 lbs. of butterfat) annually, with 97% of the production sold. Cows are fed 7 lbs. of concentrates daily for 305 days, 2 lbs. daily for 60 days while dry, and 37.5 lbs. of roughage, allowing for 7% wastage. The dairy setup is a 210 cow herd milked in a double 4-stall elevated parlor barn, equipped with a pipeline milker and a bulk tank. All costs are at current replacement values. Two milkers receive wages and other benefits totaling \$450.00 each per month; one laborer at \$250.00 per month. Replacements are purchased at \$275.00 each. The herd is replaced on the basis of 1½% death loss and 25% cull-out each year. Alfalfa hay is valued at \$26 per ton and concentrates at \$65.00 per ton. Total investment is \$108,445.00.

	EACH COW PER YEAR	PER LB. B.F.	YOUR COSTS
CASH COSTS:			
Feed:			
Alfalfa hay 6,835 tons @ \$26	\$177.71		
Concentrate 2255 lbs. @ \$65 per ton	73.26		
Labor:			
2 milkers @ \$450/mo. - \$51.43			
1 additional labor \$250/mo. - \$14.29	65.72		
Replacement cost (annual average)	30.00		
Breeding fee	7.00		
County taxes	7.10		
Miscellaneous cost includes: vet., registration, repairs, testing, dairy supplies, utilities, cow clipping, licenses, insurance on dairy buildings, etc.	38.00		
Total Cash Costs	\$398.79	\$.89	
DEPRECIATION:			
Milk barn, equip, holding corrals - orig. cost (\$28,570)	8.86		
Hay storage, drylot corrals (\$17,125)	5.26		
Total Depreciation	\$ 14.12	\$.03	
TOTAL CASH AND DEPRECIATION	\$412.91	\$.92	
INTEREST ON INVESTMENT @ 6%:			
Land 10 ac. @ \$500 (\$5000)	1.43		
Cows @ \$275 (\$57,750)	16.50		
Bldgs, corrals, equip (\$45,695) @ ½ cost	6.53		
Total Interest Cost	\$ 24.46	\$.05	
TOTAL ALL COSTS OF PRODUCTION	\$437.37	\$.97	
Less credit for calf \$10 & manure \$10 = net cost	417.37		
Net cost with 97% of production sold	3.44 per cwt, milk		
Net cost with 97% of production sold	.96 per lb. B.F.		

Cooperative Extension Work in Agriculture and Home Economics, U. S. Department of Agriculture, University of California and County of Fresno Cooperating.

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GRADE "A" DRYLOT DAIRY IN FRESNO COUNTY

by

E. A. Yeary, Farm Advisor; C. M. Lawrence, Extension Assistant

Dairying at the present time is a highly competitive business. A thorough knowledge of the costs involved in production is essential if the enterprise is to be successful. This cost analysis sheet gives sample costs of production when better than average management practices are followed. It is for use as a guide in analyzing production practices on an individual dairy.

No allowance for the cost of management was included.

The ration used is based upon roughage consumed per day at $2\frac{1}{2}\%$ of body weight or 37.5 lbs. of alfalfa hay allowing for 7% wastage. Concentrates are figured at an average of 7 lbs. during the 305-day milking period. Two lbs. of concentrates daily were allowed during the dry period. High levels of roughage consumption would make a dry cow grain ration unnecessary.

Feeds costs can be reduced approximately \$30 to \$35 per cow at the 450 lb. B.F. level if the daily rate of roughage intake is increased from 2 to 3% of body weight. This practice requires excellent quality alfalfa hay. Feeding more than twice a day may be necessary. Heifers accustomed to high roughage levels while growing are more likely to continue with high levels at maturity.

Alfalfa hay was valued at 50.7% T.D.N. in all calculations. Good quality hay will exceed this value. Hay having the palatability to be eaten at high levels may contain 55% T.D.N. or more.

All the milk produced is not available for sale even when no calves are raised. Losses are found daily in the milk lines and bulk tank. Housemilk, spillage, and antibiotic treatment of cows will add to this loss. These costs per lb. B.F. or cwt. of milk were calculated assuming a 3% loss of production.

These costs assume a period of stability. During a herd-building program, in numbers or in production per cow, the costs may range 20% higher than those shown. Higher feeding levels, increased replacement costs and more veterinary expenses would be the main differences. A herd being sharply reduced in numbers may have as much as 20% lower costs. This is caused by the lower replacement costs and the reduced number of dry cows.

The following costs were calculated assuming that 97% of the cows production is sold, and with credit for calf and manure values:

COSTS WITH VARYING ROUGHAGE INTAKE LEVELS FOR 12,500 LBS. MILK, 450 LBS. B.F.

% Body Wt. Roughage intake	2%	$2\frac{1}{2}\%$	3%
Net Cost Per Cow	\$433.36	\$417.37	\$399.62
" " " Cwt. sold	3.57	3.44	3.30
" " " Lb. B.F. sold	.99	.96	.92

COST AT VARYING PRODUCTION LEVELS WITH $2\frac{1}{2}\%$ ROUGHAGE INTAKE

Herd Av. B.F. Lbs.	400 lbs	450 lbs	500 lbs	550 lbs	600 lbs
Net Cost Per Cow	\$397.51	\$417.37	\$437.22	\$457.05	\$476.87
" " " Cwt. sold	3.69	3.44	3.25	3.08	2.95
" " " Lb. B.F. sold	1.02	.96	.90	.86	.82