

MERCED COUNTY
 MANUFACTURING MILK PRODUCTION
 Cost Analysis Work Sheet

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Sample costs to produce manufacturing milk in Merced County. Costs are based on 2-1/2% of body weight of roughage consumed daily plus 7 lbs. of barley during the 305 day lactation period. Cows weigh 1200 lbs. and produce 11430 lbs. at 3.5% milk (400 lbs. of butterfat) with 35 cows in the herd. Family help provides all labor at no cash charge. Suitable barn allowed with 2 milking units and bulk milk tank. Replacements valued at \$325.00 each and cull cows at \$200.00. Herd is replaced at the rate of 2% death loss and 25% cull-out each year. Alfalfa hay valued at \$28.00 per ton, barley at \$55.00 per ton, rolled and sacked, and corn silage at \$8.00 per ton out of the silo. Silage is substituted for alfalfa hay on a 3 to 1 weight basis.

	Sample Costs		My Costs	
	Each cow per year	Per lb. butterfat	Each cow per year	Per lb. butterfat
CASH COSTS				
Alfalfa hay: 3.6 tons @ \$28.00	\$100.80			
Silage: 7.2 tons @ \$8.00	57.60			
Barley: 2135 lbs. @ \$55 ton	58.71			
Labor - all family labor no cash charge				
Replacement cost	37.75			
Breeding fee	7.00			
County taxes, insurance, licenses and registration fees	12.50			
Misc. costs, including veterinary, medicine, dairy supplies, repairs, testing, utilities and business expenses	32.00			
Total Cash Costs	306.36	77¢		
DEPRECIATION:				
Barn and equipment, \$4500.00 value 10 year life	12.86			
Total Depreciation	12.86	3¢		
INTEREST ON INVESTMENT @ 7% :				
Land: 3 acres @ \$500.00 - \$1500 total	3.00			
Cows: average value \$263.00	18.41			
Barn and Equipment 1/2 cost \$2250.00	4.50			
Total Interest on Investment	25.91	6¢		
TOTAL ALL COSTS EXCEPT LABOR	345.13	86¢		
Less Credit for Calf \$20.00 and Manure \$5.00	320.13	80¢		
NET COST OF PRODUCTION, EXCEPT LABOR, WITH 95% OF MILK SOLD		84¢		
Net Cost except labor, per cwt. of milk sold = \$2.95				