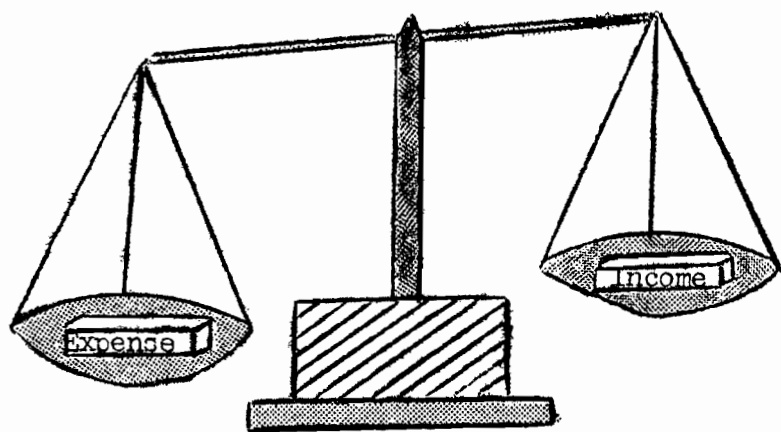


# MILK PRODUCTION COSTS



## Grade "A" Dairy

University of California,  
Agricultural Extension Service  
Santa Barbara County

COST OF PRODUCING MILK  
200 COW GRADE "A" DAIRY IN SANTA BARBARA COUNTY

by

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September 20, 1966

This cost analysis sheet lists sample costs for the average 200-cow grade "A" dairy in Santa Barbara County. 75% of the herd was in milk and 25% dry. The average cow weighed 1,350 pounds, produced 500 pounds of butterfat, of which 480 pounds or 96% was shipped to the processing plant. Approximately 4% was either spilled, consumed on the dairy, or dumped due to antibiotic treatment. Each cow was fed 36 pounds of dry alfalfa hay, or equivalent, and an average of 12 pounds of grain daily during the 305-day milking period. During the 60-day dry period, the amount of grain was reduced to 5 pounds daily.

All calves were sold as drop calves at \$10 each, and replacements purchased for \$325. Cull cows were sold for an average of \$200. The herd was replaced on the basis of 2% death loss and a 30% cull-out each year. Alfalfa hay was valued at \$35 per ton and concentrates at \$71 per ton; both delivered to the dairy.

Taxes were calculated at 25% of market value as assessed value, except for machinery which was valued at 85% of new cost as the basis for assessed value determination. An average current rate of \$7.75 per hundred was used to determine the actual tax value.

Although sales were not calculated, the blend price has averaged \$1.30 per pound of butterfat after hauling charges have been deducted.

Owner or operator labor costs are not included, nor is an allowance made for management. This study indicates what must be paid before the operator earns labor or management income.

**COST OF PRODUCING MILK**  
**200 COW GRADE "A" DAIRY IN SANTA BARBARA COUNTY**  
 September 20, 1966

	Each Cow Per Year	Per LB. B.F.	YOUR COST
<b>CASH EXPENSES:</b>			
Feed		.744	
Alfalfa hay-6.57 tons @ \$35	229.95		
Concentrates-2 tons @ \$71	142.00		
Labor		.198	
One working herdsman @ \$600	36.00		
One milker @ \$550	33.00		
One feeder and relief milker @ \$500	30.00		
General Expenses		.311	
Replacement cost-annual average	44.00		
Utilities	26.00		
Breeding	6.00		
Corral maintenance	10.00		
Taxes \$3,164.40	15.82		
Veterinary, medicine, DHIA, insurance, clipping, equipment repair, etc.	38.00		
Office, car, operating capital, etc.	15.75		
<b>TOTAL CASH EXPENSES</b>	<b>626.52</b>	<b>1.25</b>	
<b>NON-CASH EXPENSES:</b>			
Depreciation			
Milking barn, buildings, corrals - 50,000 (25 years)	10.00		
Dairy equipment - 20,000 (10 years)	10.00		
<b>TOTAL NON-CASH EXPENSES</b>	<b>20.00</b>	<b>.04</b>	
<b>INTEREST ON INVESTMENT @ 6%</b>			
Land: 9,600	2.88		
Cows: average value 262.50	15.75		
Bldgs. and corrals: half cost 25,000	7.50		
Equipment: half cost 10,000	3.00		
<b>TOTAL INTEREST ON INVESTMENT</b>	<b>29.13</b>	<b>.058</b>	
<b>TOTAL ALL COSTS OF PRODUCTION:</b>			
500 LBS. B.F.	675.65	1.35	
<b>LESS CREDIT FOR:</b>			
Calves @ 10.00	10.00		
Manure @ 5.00/cow	5.00		
<b>TOTAL CREDIT</b>	<b>15.00</b>		
<b>TOTAL EXPENSES FOR 480 LBS. B.F. SHIPPED</b>	<b>660.65</b>	<b>1.38</b>	

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