1979-1980 California Dairy Budgets

The intent of the 1979-1980 Dairy Budgets is to provide standardized operating input information for the different production regions in California in order to facilitate possible regional comparisons and analyses. To simplify future updating, the budgets are primarily comprised of data obtained from the Bureau of Milk Stabilization survey information for the months Mar.-Dec. (1979) and Jan.-Feb. (1980), unless otherwise stated. Not all items composing the pooled costs, such as marketing or miscellaneous expenses, were reported in the individual survey information. These representative costs for each region may be itemized by contacting the farm advisor. To be consistent, these budgets are regionalized in a manner similar to BMS's with the following herd sizes:

Humboldt-Del Norte 115
North Bay 200, 375
South Bay 150, 300
North Valley 125, 250, 400
South Valley 250, 400, 900
Southern California 250, 500, 900

Assumptions made in the budgets are as follows:

1. The 1979 annual average milk production (per cow) for each region was distributed evenly throughout the year.

2. The blend price of milk will be used, obtained by dividing total receipts F.O.B. to the plant by # of cwt. shipped for each region. Figures will be for straight (non F.C.) milk.

3. Income from heifer and bull calf sales was determined on 100% calving percentage, 50/50 ratio. Prices received were those reported through the BMS survey information.

4. An average monthly consumption rate (ton/hd) was determined for dry roughage, wet roughage and concentrates. Feed prices are the average reported $/ton figures.

5. Milker and hired labor wages are averages which include cash wage, prerequisites, and employment taxes. Family labor does not include employment taxes and is otherwise the same for each respective wage. Hours per cow was calculated as:

   = average total hours per month/total # cows  
   (as reported for each region)

6. Figures for taxes on milk production and insurance (fire and liability) are for 1979-1980 and are on a per cwt. basis.
7. The cost for replacement heifers is based on the following formula:

\[ \text{Cost} = (\text{purchase price of replacement} - \text{cull cow income}) \times \text{turnover rate} \]

The figure is equivalent to the accounting method of calculating depreciation of the herd + gain/loss on sale of cows. Turnover rate includes culls and mortality losses.

8. Marketing costs include pooling, fluid milk, dairy council, mkt'g. order, inspection fee, 1st and 2nd haul, association fees, and plant charges, if any. The figure is a straight average mkt'g. cost based on cwt. per cow, depending on the region.

9. Manure hauling costs are average figures determined by RMS.

10. Miscellaneous expense is the average general operating costs per cow which includes power, butane, telephone, DHIA, vet. & med., artificial insemination, salt & minerals, clipping, hoof trimming, and bedding, if any.

11. All other costs on the budget will be calculated by the generator, based on type of machinery and equipment used.