

MILK: Production Costs and Returns, per cwt sold, 2004-2005 1/

Item	Heartland 2/		Northern Crescent 3/	
	2004	2005	2004	2005
	Dollars per Cwt.			
Gross value of production				
Milk	16.71	15.81	17.29	16.24
Cattle	1.87	1.92	1.47	1.51
Other income 4/	1.06	1.19	0.81	0.93
Total gross value of production	19.64	18.92	19.57	18.68
Operating costs				
Feed				
Feed grains	1.77	1.71	1.19	1.13
Hay and straw	2.40	2.47	1.36	1.50
Complete feed mixes	1.19	1.01	1.38	1.25
Liquid whey and milk replacer	0.15	0.14	0.14	0.13
Silage	0.81	0.94	0.95	2.30
Grazed pasture and cropland	0.14	0.15	0.07	0.07
Other feed item 5/	1.79	1.80	1.48	1.22
Total feed costs	8.25	8.22	6.57	7.60
Other				
Veterinary and medicine	0.79	0.84	0.82	0.86
Bedding and litter	0.23	0.24	0.24	0.26
Marketing	0.22	0.23	0.32	0.34
Custom service	0.55	0.58	0.49	0.52
Fuel, lube, and electricity	0.62	0.92	0.64	0.92
Repairs	0.64	0.71	0.65	0.72
Other operating costs 6/	0.00	0.00	0.00	0.00
Interest on operating capital	0.09	0.20	0.08	0.19
Total operating costs	11.39	11.94	9.81	11.41
Allocated overhead				
Hired labor	0.90	0.91	1.41	1.43
Opportunity cost of unpaid labor	5.92	6.05	5.27	5.26
Capital recovery of machinery and equipment 7/	4.96	5.45	4.39	4.80
Opportunity cost of land (rental rate)	0.10	0.10	0.08	0.08
Taxes and insurance	0.20	0.21	0.23	0.24
General farm overhead	0.61	0.65	0.67	0.71
Total allocated overhead	12.69	13.37	12.05	12.52
 Total cost listed	 24.08	 25.31	 21.86	 23.93
Value of production less total costs listed	-4.44	-6.39	-2.29	-5.25
Value of production less operating costs	8.25	6.98	9.76	7.27
Supporting information				
Milk cows (head per farm)	62	62	71	72
Output per cow (pounds)	18,680	18,628	19,899	19,946
Milk frequency greater than twice per day (percent of farms)	2.11	2.01	3.21	3.37
Homegrown feed cost (percent of total feed cost)	59	59	48	48
Milk cows injected with BST (head per farm)	11	11	15	15

1/ Developed from survey base year, 2000.

2/ The Heartland Region includes MN Agricultural Statistics Districts (ASD) 4, 7, 8 and 9, SD ASD 6 and 9, NE ASD 3 and 6, IA, MO ASD 1, 2, 3, 4, 5 and 9, IL, IN, KY ASD 1 and 2, and Ohio ASD 1, 4, 5, 7 and 8.

3/ Northern Crescent Region includes New England, New York ASD 1, 2, 3, 5, 6, 8 and 9, Ohio ASD 2 and 3, MI, WI and MN ASD 2, 3, 5 and 6.

4/ Income from renting or leading dairy stock to other operations; renting space to other dairy operations; co-op patronage dividends associated with the dairy; assessment rebates, refunds, and other dairy related resources; and manure production.

5/ Cotton seed meal, protein supplements, protein byproducts, vitamin or mineral supplements, non-protein byproducts, alfalfa cubes or pellets, green chop, corn stalks, and antibiotics and other medicated additives.

6/ Manure disposal fees, permits, licenses, and odor control costs.

7/ Machinery and equipment, and housing, manure handling, and feed storage structures, and dairy breeding herd.

Source: Economic Research Service, United States Department of Agriculture, Washington, D.C.

Internet Web Site (www.ers.usda.gov/data/)