

MILK: Production Costs and Returns, Per Cwt Sold, 2005-2006 1/

Item	Heartland 2/		Northern Crescent 3/	
	2005	2006	2005	2006
	Dollars per Cwt.			
Gross value of production				
Milk	15.24	13.15	15.94	13.63
Cattle	1.55	1.43	1.25	1.14
Other income 4/	0.50	0.52	0.51	0.54
Total gross value of production	17.29	15.10	17.70	15.31
Operating costs				
Feed				
Purchased feed	3.85	4.01	3.85	4.31
Homegrown harvested feed	3.47	3.50	4.45	3.89
Grazed feed	0.10	0.09	0.10	0.09
Total feed costs	7.42	7.60	8.40	8.29
Other				
Veterinary and medicine	1.01	1.06	0.92	0.97
Bedding and litter	0.30	0.31	0.34	0.36
Marketing	0.25	0.26	0.23	0.24
Custom services	0.42	0.46	0.43	0.46
Fuel, lube, and electricity	0.59	0.64	0.65	0.71
Repairs	0.67	0.70	0.68	0.71
Other operating costs 5/	0.00	0.00	0.00	0.00
Interest on operating capital	0.18	0.26	0.20	0.28
Total operating costs	10.84	11.29	11.85	12.02
Allocated overhead				
Hired labor	1.26	1.35	1.43	1.53
Opportunity cost of unpaid labor	3.44	3.32	3.42	3.36
Capital recovery of machinery and equipment 6/	3.80	3.91	3.27	3.42
Opportunity cost of land (rental rate)	0.05	0.05	0.03	0.03
Taxes and insurance	0.20	0.21	0.28	0.29
General farm overhead	0.60	0.60	0.73	0.75
Total allocated overhead	9.35	9.44	9.16	9.38
Total cost listed	20.19	20.73	21.01	21.40
Value of production less total costs listed	-2.90	-5.63	-3.31	-6.09
Value of production less operating costs	6.45	3.81	5.85	3.29
Supporting information				
Milk cows (head per farm)	100	105	101	104
Output per cow (pounds)	18,504	18,662	19,250	19,353
Milk frequency greater than twice per day (percent of farms)	2.86	3.33	8.20	8.48
Milk cows injected with BST (head per farm)	21	23	20	21

1/ Developed from survey base year, 2005.

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/ Costs for third party organic certification.

6/ 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/)