

MILK PRODUCTION: CASH COSTS and RETURNS, by REGION<sup>1/</sup>, 2001 - 2002

Item	United States		Heartland		Northern Crescent <sup>2/</sup>		Prairie Gateway		Eastern Uplands		Southern Seaboard		Fruitful Rim	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Dollars per Cwt														
Gross Value of Production:														
Milk	15.35	12.44	15.31	12.35	15.78	12.93	15.54	12.54	16.46	13.55	16.70	13.87	14.51	11.58
Cattle	1.12	1.02	1.54	1.42	1.24	1.14	0.90	0.80	1.40	1.25	1.52	1.38	0.76	0.70
Other Income <sup>3/</sup>	0.74	0.59	1.05	0.82	0.81	0.65	0.40	0.32	0.61	0.49	1.47	1.25	0.56	0.46
<b>Total, Gross Value of Production</b>	<b>17.21</b>	<b>14.05</b>	<b>17.90</b>	<b>14.59</b>	<b>17.83</b>	<b>14.72</b>	<b>16.84</b>	<b>13.66</b>	<b>18.47</b>	<b>15.29</b>	<b>19.69</b>	<b>16.50</b>	<b>15.83</b>	<b>12.74</b>
Operating Costs:														
Feed--														
Feed Grains	1.27	1.48	1.93	2.25	1.24	1.44	1.42	1.63	1.28	1.60	0.80	0.97	1.12	1.28
Hay and Straw	1.67	1.67	2.36	2.74	1.15	1.25	1.53	1.66	1.71	1.79	0.90	0.95	2.18	1.87
Complete Feed Mixes	1.50	1.56	0.94	0.90	1.14	1.22	1.50	1.34	2.93	2.85	3.05	3.09	1.73	1.88
Liquid Whey and Milk Replacer	0.05	0.07	0.07	0.10	0.07	0.09	0.05	0.08	0.09	0.12	0.02	0.03	0.03	0.04
Silage	1.03	0.97	0.83	0.78	1.20	0.99	2.09	2.08	0.78	0.72	0.99	0.94	0.68	0.81
Grazed Pasture and Cropland	0.08	0.08	0.13	0.13	0.07	0.07	0.03	0.03	0.27	0.26	0.11	0.11	0.03	0.03
Other Feed Items <sup>4/</sup>	1.12	1.21	1.57	1.65	1.07	1.24	1.00	0.96	2.64	3.00	1.20	1.21	0.82	0.84
<b>Total, Feed Costs</b>	<b>6.72</b>	<b>7.04</b>	<b>7.83</b>	<b>8.55</b>	<b>5.94</b>	<b>6.30</b>	<b>7.62</b>	<b>7.78</b>	<b>9.70</b>	<b>10.34</b>	<b>7.07</b>	<b>7.30</b>	<b>6.59</b>	<b>6.75</b>
Veterinary and Medicine	0.66	0.65	0.77	0.76	0.79	0.78	0.55	0.52	0.56	0.56	0.59	0.58	0.51	0.50
Bedding and Litter	0.16	0.16	0.23	0.22	0.24	0.23	0.02	0.02	0.10	0.10	0.11	0.11	0.07	0.07
Marketing	0.27	0.27	0.22	0.22	0.31	0.31	0.26	0.27	0.37	0.36	0.40	0.40	0.22	0.22
Custom Services	0.54	0.53	0.54	0.53	0.48	0.48	0.95	0.95	0.85	0.85	0.92	0.91	0.43	0.42
Fuel, Lube, and Electricity	0.47	0.44	0.52	0.47	0.53	0.50	0.36	0.33	0.53	0.49	0.50	0.46	0.37	0.37
Repairs	0.56	0.56	0.59	0.61	0.61	0.62	0.41	0.41	0.67	0.67	0.62	0.63	0.50	0.46
Other Operating Costs <sup>5/</sup>	0.01	0.01	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02
Interest on Operating Capital	0.16	0.08	0.18	0.10	0.15	0.08	0.17	0.09	0.22	0.11	0.17	0.09	0.15	0.07
<b>Total, Operating Costs</b>	<b>9.55</b>	<b>9.74</b>	<b>10.88</b>	<b>11.46</b>	<b>9.05</b>	<b>9.30</b>	<b>10.36</b>	<b>10.39</b>	<b>13.00</b>	<b>13.48</b>	<b>10.38</b>	<b>10.48</b>	<b>8.86</b>	<b>8.88</b>
Allocated Overhead:														
Hired Labor	1.19	1.25	0.79	0.81	1.21	1.28	1.28	1.34	1.04	1.09	1.71	1.74	1.24	1.28
Opportunity Cost of Unpaid Labor	3.58	3.64	5.68	5.79	5.15	5.20	0.51	0.52	6.47	6.61	2.54	2.77	1.01	0.99
Capital Recovery of Machinery and Equipment <sup>6/</sup>	3.42	3.38	4.67	4.73	4.22	4.22	1.11	1.09	4.34	4.36	2.97	3.06	2.29	2.12
Opportunity Cost of Land (Rental Rate)	0.06	0.06	0.09	0.09	0.08	0.08	0.01	0.01	0.21	0.19	0.07	0.07	0.02	0.02
Taxes and Insurance	0.18	0.18	0.20	0.19	0.22	0.22	0.09	0.09	0.20	0.19	0.15	0.15	0.14	0.14
General Farm Overhead	0.50	0.51	0.58	0.60	0.63	0.64	0.36	0.35	0.53	0.54	0.54	0.56	0.33	0.34
<b>Total, Allocated Overhead</b>	<b>8.93</b>	<b>9.02</b>	<b>12.01</b>	<b>12.21</b>	<b>11.51</b>	<b>11.64</b>	<b>3.36</b>	<b>3.40</b>	<b>12.79</b>	<b>12.98</b>	<b>7.98</b>	<b>8.35</b>	<b>5.03</b>	<b>4.89</b>
<b>Total, Costs Listed</b>	<b>18.48</b>	<b>18.76</b>	<b>22.89</b>	<b>23.67</b>	<b>20.56</b>	<b>20.94</b>	<b>13.72</b>	<b>13.79</b>	<b>25.79</b>	<b>26.46</b>	<b>18.36</b>	<b>18.83</b>	<b>13.89</b>	<b>13.77</b>
Value of Production Less Total Costs Listed														
	-1.27	-4.71	-4.99	-9.08	-2.73	-6.22	3.12	-0.13	-7.32	-11.17	1.33	-2.33	1.94	-1.03
Value of Production Less Operating Costs														
	7.66	4.31	7.02	3.13	8.78	5.42	6.48	3.27	5.47	1.81	9.31	6.02	6.97	3.86
Supporting Information:														
Milk Cows (Head per Farm)	95	97	59	60	68	70	528	560	53	54	133	130	403	405
Output per Cow (Pounds)	19,995	20,026	18,544	18,479	19,806	19,890	22,040	22,090	16,997	17,076	19,098	19,100	21,319	21,306
Milking Frequency Greater Than Twice per Day (Percent of Farms)	3.49	3.57	1.76	1.87	2.98	3.15	34.52	34.53	0.45	0.40	7.16	6.65	12.10	11.85
Homegrown Feed Cost (Percent of Total Feed Cost)	34	34	60	60	49	49	4	4	34	34	23	23	13	13
Milk Cows Injected with bST (Head per Farm)	17	18	10	10	14	14	96	98	3	3	25	24	80	80

<sup>1/</sup> In 2002, the Economic Research Service (ERS) modified the publication format to include Farm Resource Regions which depict geographic specialization in production of United States commodities instead of political boundaries, such as State borders. For regional definitions, see the following website <http://www.ers.usda.gov>. Developed from survey base year, 2000.

<sup>2/</sup> Northern Crescent Region includes New England, New York, Michigan, Wisconsin, and portions of Minnesota, Ohio, Pennsylvania, and Maryland.

<sup>3/</sup> Income from renting or leasing 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 the fertilizer value of manure production.

<sup>4/</sup> Cotton seed meal, protein supplements, protein by-products, vitamin or mineral supplements, non-protein by-products, alfalfa cubes or pellets, green chop, corn stalks, antibiotics, and other medicated additives.

<sup>5/</sup> Manure disposal fees, permits, licenses, and odor control costs.

<sup>6/</sup> Machinery and equipment, and housing, manure handling, feed storage structures, and dairy breeding herd.