

Milk production costs and returns per hundredweight sold, 2003 – 2004 ^{1/}

Item	United States		Heartland		Northern Crescent ^{2/}		Prairie Gateway		Eastern Uplands		Southern Seaboard		Fruitful Rim	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Gross Value Of Production:														
Milk	12.86	16.58	12.93	16.71	13.41	17.29	12.62	15.82	13.78	17.47	13.99	17.58	11.92	15.48
Cattle	1.17	1.35	1.65	1.87	1.28	1.47	0.88	1.06	1.41	1.66	1.48	1.78	0.81	0.93
Other Income ^{2/}	0.69	0.75	0.97	1.06	0.75	0.81	0.37	0.39	0.59	0.62	1.46	1.52	0.53	0.57
Total, Gross Value Of Production	14.72	18.68	15.55	19.64	15.44	19.57	13.87	17.27	15.78	19.75	16.93	20.88	13.26	16.98
Operating Costs:														
Feed--														
Feed Grains	1.51	1.28	2.35	1.77	1.49	1.19	1.65	1.44	1.54	1.22	0.92	0.82	1.28	1.28
Hay And Straw	1.67	1.71	2.54	2.40	1.35	1.36	1.76	1.47	1.92	1.66	0.96	0.86	1.77	2.09
Complete Feed Mixes	1.62	1.87	0.96	1.19	1.25	1.38	1.35	1.37	3.04	3.48	3.22	3.46	1.98	2.43
Liquid Whey And Milk Replacer	0.09	0.11	0.11	0.15	0.10	0.14	0.09	0.11	0.13	0.17	0.04	0.05	0.05	0.06
Silage	0.94	0.97	0.77	0.81	0.91	0.95	2.05	2.53	0.71	0.75	0.98	1.04	0.81	0.74
Grazed Pasture And Cropland	0.08	0.11	0.13	0.14	0.07	0.07	0.03	0.04	0.25	0.31	0.11	0.11	0.03	0.11
Other Feed Items ^{3/}	1.27	1.42	1.59	1.79	1.29	1.48	1.11	1.21	3.34	4.35	1.29	1.46	0.86	0.79
Total, Feed Costs	7.18	7.47	8.45	8.25	6.46	6.57	8.04	8.17	10.93	11.94	7.52	7.80	6.78	7.50
Veterinary And Medicine	0.68	0.69	0.78	0.79	0.81	0.82	0.53	0.52	0.57	0.57	0.61	0.62	0.51	0.52
Bedding And Litter	0.16	0.17	0.23	0.23	0.24	0.24	0.02	0.01	0.10	0.10	0.12	0.12	0.08	0.08
Marketing	0.28	0.28	0.22	0.22	0.32	0.32	0.27	0.28	0.36	0.36	0.41	0.41	0.23	0.23
Custom Services	0.55	0.55	0.54	0.55	0.49	0.49	0.98	0.99	0.88	0.87	0.93	0.94	0.43	0.43
Fuel, Lube, And Electricity	0.51	0.56	0.56	0.62	0.58	0.64	0.36	0.38	0.58	0.64	0.53	0.58	0.41	0.43
Repairs	0.57	0.57	0.60	0.64	0.64	0.65	0.41	0.38	0.70	0.71	0.64	0.62	0.46	0.45
Other Operating Costs ^{4/}	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	0.05	0.08	0.06	0.09	0.05	0.08	0.06	0.08	0.07	0.12	0.06	0.09	0.05	0.08
Total, Operating Cost	9.99	10.38	11.44	11.39	9.59	9.81	10.69	10.83	14.19	15.31	10.82	11.18	8.97	9.74
Allocated Overhead:														
Hired Labor	1.30	1.35	0.85	0.90	1.38	1.41	1.35	1.42	1.18	1.22	1.83	1.94	1.29	1.33
Opportunity Cost Of Unpaid Labor Capital Recovery Of Machinery And Equipment ^{5/}	3.75	3.78	5.90	5.92	5.29	5.27	0.49	0.47	6.93	7.00	2.83	2.87	1.00	1.03
Opportunity Cost Of Land (Rental Rate)	0.06	0.09	0.09	0.10	0.08	0.08	0.01	0.03	0.19	0.25	0.07	0.07	0.02	0.08
Taxes And Insurance	0.18	0.19	0.20	0.20	0.23	0.23	0.10	0.10	0.20	0.20	0.15	0.16	0.14	0.14
General Farm Overhead	0.52	0.54	0.61	0.61	0.66	0.67	0.36	0.36	0.56	0.57	0.57	0.59	0.33	0.34
Total, Allocated Overhead	9.23	9.45	12.36	12.69	11.93	12.05	3.33	3.37	13.40	13.72	8.49	8.56	4.90	5.02
Total Costs Listed	19.22	19.83	23.80	24.08	21.52	21.86	14.02	14.20	27.59	29.03	19.31	19.74	13.87	14.76
Value Of Production Less Total Costs Listed	-4.50	-1.15	-8.25	-4.44	-6.08	-2.29	-0.15	3.07	-11.81	-9.28	-2.38	1.14	-0.61	2.22
Value Of Production Less Operating Costs	4.73	8.30	4.11	8.25	5.85	9.76	3.18	6.44	1.59	4.44	6.11	9.70	4.29	7.24
Supporting Information:														
Milk Cows (Head Per Farm)	96	96	61	62	70	71	587	615	54	54	130	133	400	398
Output Per Cow (Pounds)	20,032	20,076	18,564	18,680	19,852	19,899	22,137	22,178	17,084	17,085	19,159	19,244	21,391	21,397
Milking Frequency More Than Twice Per Day (Percent Of Farms)	3.56	3.66	1.95	2.11	3.13	3.21	35.57	35.97	0.51	0.46	6.80	7.21	11.91	12.13
Homegrown Feed Cost (Percent Of Total Feed Cost) ^{6/}	34	34	59	59	49	48	4	4	34	34	23	24	13	13
Milk Cows Injected With Bst (Head Per Farm)	17	18	11	11	14	15	100	104	3	3	24	26	76	77

^{1/} Developed from survey base year, 2000.^{2/} 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.^{3/} Cotton seed meal, protein supplements, protein byproducts, vitamin or mineral supplements, nonprotein byproducts, alfalfa cubes or pellets, green chop, corn stalks, and antibiotics and other medicated additives.^{4/} Manure disposal fees, permits, and licenses, and odor control costs.^{5/} Machinery and equipment, and housing, manure handling, and feed storage structures, and dairy breeding herd.^{6/} Percent of feed cost from charge for homegrown feed. Homegrown feed items are charged at their market price to reflect the opportunity cost of using the feed items in milk productionSOURCE: *Milk Costs and Returns*, <http://www.ers.usda.gov/data/CostsAndReturns/data/Current/C-Milk.xls>, October 2005, Economics Research Service (ERS), USDA. Information Contact at ERS, USDA: Sarah Short at 202-694-5588 or sshort@ers.usda.gov