

How to Compute Your Cost of Producing Milk — Worksheets

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How to Compute Your Cost of Producing Milk — Monthly Worksheet

Name of farm: _____ Name of operator: _____ Month: _____

	Your farm
Gross income	
1. (a) Pounds of milk sold for the month (from your milk check)	
(b) Divide (a) by 100 to get milk sales in cwt	
2. Gross milk price (\$/cwt)	
3. Compute gross milk sales by multiplying 1(b) by step 2	
4. Livestock sales related to dairy	
5. Capital revolvments and other dairy income	
6. Add lines 3, 4 and 5 for total gross receipts	
Variable expenses	
7. (a) Market value of purchased concentrates, alternative feeds, vitamins, minerals consumed	
(b) Market value of purchased forages consumed	
(c) Market value of home-raised grains consumed	
(d) Market value of home-raised haylage and silage consumed	
(e) Market value of home-raised hay consumed	
8. Estimate the monthly value of pasture consumed	
(a) Average number of head on pasture for the month	
(b) Monthly pasture charge	
(c) Multiply (a) by (b)	
9. Total 7(a) through 7(e) and 8(c) to compute the total value of feedstuffs consumed	
10. Estimate the true cost of labor for the dairy enterprise	
(a) Amount spent for hired labor for the month (including benefits)	
(b) Hours of unpaid family labor	
(c) Value of family labor	
(d) Multiply (b) and (c)	
(e) Value of your operator labor	
(f) Portion of time the labor force was used on the dairy enterprise	
(g) Add lines (a), (d) and (e) and multiply by (f)	
11. Milk check deductions	
12. Expenses for DHIA fees	
13. Expenses for artificial insemination	
14. Expenses for veterinary fees and medicine	
15. Expenses for dairy supplies; the portion of the following costs related to the dairy only	
16. Expenses for fuel and oil	
17. Utility bills	
18. Building repairs	
19. Machinery repairs	
20. Farm taxes	
21. Farm insurance	
22. Any legal and professional fees	
23. Car and truck expenses	
24. Other expenses	
25. (a) Interest payments	
(b) Portion of the interest payment that went for the dairy enterprise	
(c) Multiply (a) by (b)	
26. Ask accountant for estimate for annual depreciation expenses of dairy enterprise. Divide by step 12	
27. Estimate total operating expenses by adding steps 9, 10(g), 11 through 24, 25(c) and 26	
28. Estimate income over operating expenses by subtracting step 27 from step 6	

How to Compute Your Cost of Producing Milk — Annual Worksheet

Lines below refer to monthly worksheet	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.(a) Cwts of milk sold												
Income from operations												
3. Milk sales												
4. Livestock sales												
5. Other farm income												
6. Total gross receipts												
Operating expenses												
9. Dairy feed costs												
10.(g) Dairy labor (include benefits)												
11. Marketing fees												
12. DHIA fees												
13. Artificial insemination												
14. Veterinary fees and medicine												
15. Dairy supplies												
16. Fuel and oil												
17. Utilities												
18. Building repairs												
19. Machinery repairs												
20. Farm taxes												
21. Farm insurance												
22. Legal and professional fees												
23. Car and truck expenses												
24. Other dairy expenses												
25.(c) Interest payments												
26. Depreciation												
27. Total operating expenses												
28. Income over operating expenses												