

2018 Vermont Organic Dairy Cost of Production



N=28	Average	Minimum	Maximum
Farm Information			
Herd Size	85	26	300
Acres	365	14	1629
Acres per cow	4.31	0.54	5.43
Milk per cow (lbs/cow)	16100	9533	26124
Farm Income			
Milk Price (\$/CWT)	\$33.80	\$28.72	\$41
Gross Milk Income	\$464,281	\$96,542	\$1,558,973
Gross Cull, Calf, and Livestock Sales	\$13,944	\$0	\$59,625
Gross Crop Sales	\$4,721	\$0	\$41,781
Other Income**	\$19,502	\$0	\$96,742
Total Gross Income	\$502,399	\$102,976	\$1,642,917
Farm Expenses per CWT†			
Breeding Fees (\$/CWT)	\$0.32	\$0.00	\$0.89
Custom Hire, Machine, and land Rentals (\$/CWT)	\$2.03	\$0.00	\$6.31
Dairy Supplies (\$/CWT)	\$1.60	\$0.45	\$3.84
Farm Insurance (\$/CWT)	\$0.81	\$0.00	\$1.77
Fuel, Gas, and Oil (\$/CWT)	\$0.96	\$0.26	\$1.54
Hired Labor (\$/CWT)	\$3.71	\$0.27	\$8.08
Interest (Not Collected)	--	--	--
Property Taxes (\$/CWT)	\$0.50	\$0.00	\$1.79
Purchased Feed (\$/CWT)	\$10.13	\$5.18	\$16.92
Repairs (\$/CWT)	\$2.60	\$0.79	\$5.99
Seed and Fertilizer (\$/CWT)	\$0.43	\$0.00	\$1.81
Utilities (\$/CWT)	\$1.22	\$0.49	\$2.36
Veterinary & Medicine (\$/CWT)	\$0.33	\$0.00	\$1.67
Other (\$/CWT)	\$2.02	\$0.79	\$4.70
Total Cash Expense (\$/CWT)	\$26.67	\$20.72	\$36.56
Total Cash Expense (\$/cow)	\$4,612	\$2,506.44	\$6,950
Total Cash Expense (\$/farm)	\$390,516	\$68,110.00	\$1,258,803
Net			
Net Cash Income	\$111,884	(\$9,153.00)	\$438,429
Inventory Change**	(\$6,801)	(\$65,571.00)	\$61,579
Net Farm Income from Operations (NFIFO)	\$105,082	(\$22,561.00)	\$417,267
Net cash income is what is left for the farm to pay for loans (principal and interest), family living expenses, and capital investments. NFIFO is the net cash income, plus inventory changes			
Labor Efficiency			
Full Time Equivalents (FTEs)***	3.25	1.30	10.5
Cows per FTE	27	13	54
Milk Sold per FTE (CWT)	4340	1478	13864

†Expenses are expressed on a hundredweight equivalent basis which adjusts for dairy income other than milk (calves, crops, etc). This is calculated as total dairy sales divided over milk price.

*Other Income includes only dairy related income, i.e. ag program payments, cert. reimbursements, MPP payments, forage sales, etc

**Inventory change is the change in numbers and value of feed, livestock, machinery, equipment, and real estate from the beginning to the end of the year. All assets are valued on a fair market value (FMV) basis.

***Full time equivalent is 3000 hours per year of labor hours. Includes both paid and unpaid labor.

This report does not include information on loan payments (principal or interest), or family living expenses. Because this info was not collected, we did not calculate ROA (rate of return on assets) or OPM (operating profit margin). We will be collecting these numbers in 2019 to allow for a more in-depth analysis.

Thanks to participating farmers, as well as Vermont Agency of Agriculture, Food & Markets, Yankee Farm Credit, CROPP Cooperative, Green Mountain Feeds, Morrison's Custom Feeds, Upstate Niagara Cooperative, Farm Credit Northeast AgEnhancement, University of Vermont Extension, and the Vermont Housing & Conservation Board