Kentucky Farm Business Management Program

UK COOPERATIVE EXTENSION SERVICE
University of Kentucky – College of Agriculture

ECONOMIC MANAGEMENT ANALYSIS
AVERAGE KENTUCKY DAIRY FARM
For Year Ending December 31, 2010
Preliminary Comparison by Herd Size

4/4/2011

FARM RETURNS AND COSTS	Operator Totals				Per Cow		
	< 100	100-199	200 +		< 100	100-199	200 +
FARM RETURNS							
Crop Returns	205,018	435,975	791,139		2,813.97	3,478.52	3,910.16
Livestock Returns Above Feed	117,798	233,723	894,399		1,616.84	1,864.81	4,420.52
Custom Work	163	2,401	19		2.24	19.16	0.09
Other Farm Receipts	6,531	20,038	15,550		89.64	159.87	76.86
Tobacco Receipts	-286	1	9,624		-3.93	0.01	47.57
GROSS FARM RETURNS	**329,224**	**692,137**	**1,710,731**		**4,518.77**	**5,522.37**	**8,455.19**
FARM COSTS							
Soil Fertility	27,167	67,466	85,468		372.88	538.29	130.10
Pesticides	8,646	21,094	23,277		118.68	168.30	98.11
Seed	20,953	57,812	39,881		287.58	461.27	62.57
Crop Total	**56,766**	**146,372**	**148,627**		**779.14**	**1,167.86**	**290.78**
Utilities	16,385	23,534	57,125		224.89	187.77	204.39
Machinery Repairs	16,644	42,188	91,585		228.45	336.60	80.49
Machine Hire and Lease	18,006	40,266	144,609		247.15	321.27	-11.75
Fuel & Oil	11,333	32,548	72,259		155.55	259.69	103.27
Light Vehicle	65	0	0		0.89	0.00	0.00
Machinery Depreciation	25,583	48,737	71,190		351.14	388.86	130.77
Power & Equipment Total	**88,017**	**187,273**	**436,767**		**1,208.07**	**1,494.20**	**507.17**
Drying	450	0	0		6.18	0.00	0.00
Storage	466	498	6,074		6.40	3.97	-12.16
Building Repair & Rent	6,158	9,777	14,538		84.52	78.01	84.59
Building Depreciation	11,657	16,800	26,641		160.00	134.04	58.68
Building Total	**18,731**	**27,075**	**47,254**		**257.10**	**216.02**	**131.11**
				Paid Hours/Cow	41.60	36.51	20.96
	< 100	100-199	200 +	Avg. Wage $/Hr	$11.79	$11.74	$9.55
Labor Unpaid	14.6	19.3	22.5	40,144	60,610	61,988	551.00	483.59	277.67
Labor Paid	14.4	30.0	77.9	35,380	51,749	223,034	485.61	412.89	237.61
Labor Total	**29.0**	**49.3**	**100.4**	**75,525**	**112,359**	**285,022**	**1,036.61**	**896.48**	**515.28**
Vet, Medicine, & Livestock Supply				20,706	35,268	119,238	284.20	281.40	-21.09
Insurance				6,359	13,329	20,729	87.28	106.35	29.38
Miscellaneous				3,328	6,605	27,510	45.68	52.70	-21.78
Interest Charge Nonland @ 7.00%				29,539	58,546	136,898	405.44	467.13	94.97
Other Costs Total				**59,932**	**113,748**	**304,373**	**822.60**	**907.57**	**81.49**
Interest Charge @4.00%				24,493	42,300	82,819	336.17	337.50	43.31
Taxes				2,185	3,356	4,949	29.99	26.78	24.79
Cash Rent				13,141	43,410	32,940	180.36	346.36	115.21
Leasing Cost				0	0	0	0.00	0.00	0.00
Land Cost				**39,818**	**89,066**	**120,708**	**546.53**	**710.63**	**183.32**
TOTAL NON-FEED COSTS				**338,789**	**675,892**	**1,342,750**	**4,650.04**	**5,392.75**	**1,709.16**
Gain (Loss) on Mach & Build Sales Less Amortization				339	136	-773	4.66	1.08	-3.82
MANAGEMENT RETURNS				**-9,225**	**16,381**	**367,209**	**-126.62**	**130.70**	**6,742.21**

ECONOMIC RETURN ANALYSIS	< 100	100-199	200 +				
Net Farm Income	70,021	138,779	578,033	Number of Cows	72.9	125.3	499.5
Interest on Equity Capital	39,102	61,788	148,837	Total Acres	501	868	1,387
Unpaid Family Labor	8,659	11,020	0	Tillable Acres	396	770	1,088
Operator(s) Labor & Mgmt Income	22,260	65,970	429,195	Opr Acres	386	764	1,088
Unpaid Operator Labor	31,486	49,590	61,988	Owned Acres	179	343	688
Management Returns	-9,226	16,381	367,208	Share Rent Acres	43	14	0
Net Farm Income Per Operator	69,931	79,157	277,554	Rented Acres	173	413	400
Labor & Mgt Income Per Operator	23,868	28,707	197,066	Number in Average	7	6	4
Production Per $1 Non-Feed Cost	0.91	0.98	1.23	Lbs Milk Produced/Cow	15,136	17,001	18,592
Farm Production Per Man Year	133,202	192,835	197,339	Avg Price of Milk	138.52	19.91	77.83
				Cash Interest Paid	16,630	36,715	67,851