

COSTS AND RETURNS IN PRODUCING MILK
FOUR AREAS OF NEW YORK
1942-43

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In the 12-month period ended April 30, 1943, the average net cost of producing milk in four areas of New York was \$3.00 per hundredweight (table 1). The net cost amounted to \$3.15 in Orange County, \$2.80 in Chenango County, \$3.00 in Oneida County and \$3.15 in St. Lawrence County.

Feed costs averaged \$1.55 and man labor nearly \$1.00 per 100 pounds of milk. Feed costs were highest in Orange County where grain feeding was heaviest and lowest in Oneida County where pastures and meadows were the most productive.

Depreciation on cows averaged 19 cents per 100 pounds of milk. This item of cost was lowest in St. Lawrence County where unusually good cow sales were made during the period under study. Hauling milk amounted to 11 cents per hundredweight and other items of cost 4 to 6 cents.

The credits for calves and manure averaged 25 cents, which, subtracted from the gross cost, left a net cost of \$3.00 per 100 pounds of 3.7 per cent milk. The average price received for milk of that test was \$2.91.

Prices and Quantities

The average price of concentrates charged to the cows was \$47 per ton, hay \$11 per ton, and silage \$4.60 per ton (table 2). The average labor rate was 37 cents per hour. The labor rate was highest in Oneida County, where competition for farm workers by nearby industries in such cities as Utica and Rome was particularly keen.

The average consumption per cow of grain was 2,332 pounds, hay 2.4 tons and silage 4.7 tons. The pasture season averaged 158 days. Direct labor on cows amounted to 193 hours per cow.

Per 100 pounds of milk produced, the average amount of grain required was 33 pounds, hay 67 pounds, silage 127 pounds, and pasture 2.2 days. The labor requirement was 2.6 hours.

Estimated Cost of Producing Milk in 1943-44

An estimate based on probable economic conditions during the 1943-44 feeding season indicates an average year-round cost of producing milk in New York of approximately \$3.90 per hundredweight (table 3). This cost is based on \$65 per ton for a dairy ration, \$18 per ton for hay, and \$6 per ton for corn silage. A labor rate of 50 cents per hour was used (\$100 per month for help not boarded plus \$25 per month for farm privileges and 250 hours worked per month). The amount of the costs other than feed and labor minus the credits was assumed to be the same as found in the 1942-43 study.

A change of \$10 in wages per month causes a change of 10.4 cents in the cost per 100 pounds of milk, thus:

<u>Farm wages per month with privileges</u>	<u>Rate per hour</u>	<u>Cost per cwt. of milk</u>
\$125	50¢	\$3.92
135	54¢	4.02
145	58¢	4.13
155	62¢	4.23
165	66¢	4.35

Table 1
COSTS AND RETURNS IN PRODUCING MILK
IN 4 AREAS OF NEW YORK, 1942-43

Table 1 IN 4 AREAS OF NEW YORK, 1942-43					
	Cost per 100 pounds				Average*
Items	Orange	Chenango	Oneida	St. Lawrence	4 areas
COSTS					
Grain	\$0.88	\$0.79	\$0.66	\$0.78	\$0.76
Hay	0.56	0.33	0.34	0.41	0.38
Silage	0.20	0.28	0.32	0.31	0.29
Pasture	0.14	0.11	0.11	0.14	0.12
Total feed	<u>\$1.78</u>	<u>\$1.51</u>	<u>\$1.43</u>	<u>\$1.64</u>	<u>\$1.55</u>
Man labor**	0.85	0.86	1.03	1.08	0.98
Depreciation	0.22	0.24	0.21	0.10	0.19
Interest on cows	0.15	0.16	0.14	0.16	0.15
Hauling milk	0.11	0.09	0.12	0.11	0.11
Building use	0.06	0.05	0.06	0.06	0.06
Equipment use	0.05	0.04	0.05	0.04	0.04
Bull service	0.05	0.05	0.06	0.07	0.06
Bedding	0.02	0.04	0.05	0.05	0.04
Miscellaneous	0.06	0.06	0.06	0.09	0.07
Total costs	<u>\$3.35</u>	<u>\$3.10</u>	<u>\$3.21</u>	<u>\$3.40</u>	<u>\$3.25</u>
CREDITS					
Calves	0.10	0.15	0.11	0.15	0.13
Manure	0.10	0.15	0.10	0.10	0.12
Total credits	<u>\$0.20</u>	<u>\$0.30</u>	<u>\$0.21</u>	<u>\$0.25</u>	<u>\$0.25</u>
NET COST OF MILK PRODUCED***	3.15	2.80	3.00	3.15	3.00
PRICE RECEIVED FOR MILK***	3.28	2.91	2.89	2.82	2.91

* Weighted according to total milk production in the regions of the state represented.

** Except milk hauling.

*** Converted to 3.7 per cent test.

**FEED AND LABOR: PRICES PER UNIT AND AMOUNTS PER
COW AND PER 100 POUNDS OF MILK PRODUCED**

Table 2

Items	Orange	Chenango	Oneida	St. Lawrence	Average 4 areas
<u>Price per Unit</u>					
Grain, ton	\$45	\$43	\$47	\$51	\$47
Hay, ton	18	10	12	11	11
Silage, ton	4.94	4.27	4.71	4.72	4.60
Man labor, hour	0.34	0.35	0.42	0.37	0.37
<u>Amount per Cow</u>					
Grain, lbs.	2,777	2,659	2,020	2,164	2,332
Hay, tons	2.2	2.5	2.1	2.5	2.4
Silage, tons	2.8	4.7	4.9	4.6	4.7
Pasture, days	165	158	158	155	158
Man labor, hours	182	180	184	216	193
<u>Amount Per 100 Pounds of Milk</u>					
Grain, lbs.	39	37	28	31	33
Hay, lbs.	62	70	59	72	67
Silage, lbs.	80	130	136	130	127
Pasture, days	2.3	2.2	2.2	2.2	2.2
Man labor, hours	2.5	2.4	2.5	3.0	2.6

ESTIMATED COST OF PRODUCING MILK IN NEW YORK

Table 3

1943-44

Items	Average amounts to produce 100 lbs. of milk*	Price per unit	Cost per cwt. of milk produced
Grain	33 lbs.	\$65 per ton	\$1.07
Hay	67 "	18 " "	0.58
Silage	127 "	6 " "	0.38
Pasture	2.2 days		0.12
Labor	2.6 hours	0.50 per hr.	1.30
Other items minus credits			0.47
Net year-round cost			\$3.92

*Approximate requirements as found in the 1942-43 study.