

## Raw Milk Micro Economics

*The power of thinking small.*

	Conventional Dairy	Small Direct Market Dairy
<b>Herd</b>	30 cows in confinement situation	15 cows on 20 acres crop & pasture land
<b>Feed</b>	200 acres to grow feed and related costs High protein high grain low forage % processed harvested feed	Organic grain - bedding - protein, some hay purchased locally
<b>Production</b>	Cows produce 195 hwts per year per cow (avg. 28 cows in milk)	Cows produce 120 hwts per year per cow (avg. 12 cows in milk) (40 lbs a day avg. 300 days milking)
<b>Total Production</b>	5,460 hwt total	1,440 hwt total
<b>Cost/ hwt Production</b>	\$15.75 cost/hwt  (national avg. debt load could raise to \$17.00 cost/hwt)	\$30.00 cost/hwt avg  (depending on debt load could be \$25 - \$35 hwt)  If all feed was purchased \$26.00 cost/hwt.
<b>Price</b>	\$13.50/hwt (2009 income avg.)	\$58.00/hwt equivalent for milk (cream butter included) (based on \$5.00 per gallon service fee national avg.)
<b>Gross Income</b>	\$73,810	\$83,520
<b>Cost of Production</b>	\$85,995	\$43,200
<b>Total Loss or Income</b>	<b>(\$12,285)</b> <b>(avg loss per head \$1.12/day)</b>	<b>\$40,320</b>
<b>Other Factors</b>	Increased vet bills. Decreased life span of cows.	Add 100 laying hens, 1,000 meat birds and 30 finished hogs minus cost of production = about \$7,000.00 income <b>Total income \$50,200</b> Add heifers for sale of two to three a year at \$2,000 each if management practices are good to excellent.