

February 7<sup>th</sup>, 2020

Progress Report #1



# **2019 Preliminary Progress Report**

**Selected Financial and Production Factors**

**Average All Farms**

**Dairy Farm Business Summary**

**New York State**

**34 Farms**

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**PROGRESS OF THE FARM BUSINESS**  
Same 34 New York Dairy Farms, 2018 & 2019, DFBS

SELECTED FACTORS	Average of 34 Farms		Percent Change
	2018	2019	
<b><i>Size of Business</i></b>			
Average number of cows	958	994	4%
Average number of heifers	823	837	2%
Milk sold, pounds	24,796,895	26,116,930	5%
Worker equivalent	19.7	20.2	2%
Total tillable acres	1,856	1,909	3%
<b><i>Rates of Production</i></b>			
Milk sold per cow, pounds	25,898	26,268	1%
Hay DM per acre, tons	3.3	3.1	-6%
Corn silage per acre, tons	18	18.3	2%
<b><i>Labor Efficiency</i></b>			
Cows per worker	48.6	49.2	1%
Milk sold per worker, pounds	1,258,087	1,292,917	3%
<b><i>Cost Control and Milk Price</i></b>			
Grain & concentrate per cwt. milk	\$6.01	\$5.80	-3%
Net milk income over purchased grain & conc. per cow	\$2,550	\$3,188	25%
Dairy feed & crop expense per cwt. milk	\$7.29	\$6.96	-5%
Labor and machinery costs per cow	\$1,698	\$1,721	1%
Hired labor costs per cwt. milk	\$2.97	\$2.95	-1%
Hired labor costs per worker equivalent	\$42,719	\$43,406	2%
Operating cost of producing milk per cwt.	\$15.41	\$15.45	0%
Purchased input cost of producing milk per cwt.	\$17.26	\$17.22	0%
Total cost of producing milk per cwt.	\$19.45	\$19.34	-1%
Net milk price	\$16.24	\$18.38	13%
<b><i>Capital Efficiency (average for year)</i></b>			
Farm capital per cow	\$12,100	\$11,790	-3%
Machinery and equipment per cow	\$1,849	\$1,783	-4%
Asset turnover ratio	0.4	0.51	28%
<b><i>Profitability</i></b>			
Net farm income without appreciation	\$38,797	\$614,519	1484%
Net farm income without appreciation per cow	\$41	\$618	1407%
Net farm income with appreciation	-\$148,611	\$965,531	750%
Net farm income with appreciation per cow	-\$155	\$971	726%
Labor & management income per operator/manager	-\$151,827	\$115,103	176%
Rate return on equity capital with appreciation	-4.5%	10.7%	338%
Rate return on equity capital without appreciation	-1.9%	5.8%	403%
Rate return on all capital with appreciation	-1.1%	8.5%	873%
Rate return on all capital without appreciation	0.5%	5.5%	904%
<b><i>Financial Summary (based on market value, excluding deferred taxes)</i></b>			
Farm net worth, end year	\$6,964,386	\$7,618,050	9%
Debt to asset ratio	0.39	0.37	-5%
Farm debt per cow	\$4,678	\$4,292	-8%
Debt coverage ratio	0.51	1.73	239%

\*Farm participating both years

## RECEIPTS & EXPENSES PER COW AND PER HUNDREDWEIGHT

Same 34 New York Dairy Farms, 2018 & 2019, DFBS

Item	2018		2019		% Change Per Cwt.
	Per Cow	Per Cwt.	Per Cow	Per Cwt.	
Average number of cows	958		994		4%
Cwt. of milk sold		247,969		261,169	5%
ACCRUAL OPERATING RECEIPTS					
Milk	\$4,512	\$17.42	\$5,141	\$19.57	12%
Dairy cattle	\$277	\$1.07	\$295	\$1.12	5%
Dairy calves	\$29	\$0.11	\$18	\$0.07	-36%
Other livestock	\$41	\$0.16	\$14	\$0.05	-69%
Crops	\$47	\$0.18	-\$3	-\$0.01	-106%
Miscellaneous receipts	<u>\$142</u>	<u>\$0.55</u>	<u>\$184</u>	<u>\$0.70</u>	27%
Total Operating Receipts	\$5,048	\$19.49	\$5,648	\$21.50	10%
ACCRUAL OPERATING EXPENSES					
Hired labor	\$770	\$2.97	\$775	\$2.95	-1%
Dairy grain & concentrate	\$1,555	\$6.01	\$1,523	\$5.80	-3%
Dairy roughage	\$70	\$0.27	\$60	\$0.23	-15%
Nondairy feed	\$1	\$0.00	\$0	\$0.00	NA
Professional nutritional services	\$0	\$0.00	\$1	\$0.00	NA
Machine hire, rent & lease	\$117	\$0.45	\$132	\$0.50	11%
Machine repair & vehicle expense	\$223	\$0.86	\$252	\$0.96	12%
Fuel, oil & grease	\$153	\$0.59	\$138	\$0.52	-12%
Replacement livestock	\$2	\$0.01	\$4	\$0.02	100%
Breeding	\$54	\$0.21	\$48	\$0.18	-14%
Veterinary & medicine	\$151	\$0.58	\$158	\$0.60	3%
Milk marketing	\$307	\$1.18	\$312	\$1.19	1%
Bedding	\$82	\$0.32	\$88	\$0.34	6%
Milking supplies	\$67	\$0.26	\$73	\$0.28	8%
Cattle lease	\$0	\$0.00	\$0	\$0.00	NA
Custom boarding	\$60	\$0.23	\$64	\$0.24	4%
BST expense	\$0	\$0.00	\$0	\$0.00	NA
Livestock professional fees	\$13	\$0.05	\$17	\$0.07	40%
Other livestock expense	\$38	\$0.15	\$41	\$0.16	7%
Fertilizer & lime	\$93	\$0.36	\$83	\$0.32	-11%
Seeds & plants	\$108	\$0.42	\$102	\$0.39	-7%
Spray & other crop expense	\$54	\$0.21	\$53	\$0.20	-5%
Crop professional fees	\$6	\$0.02	\$7	\$0.03	50%
Land, building & fence repair	\$61	\$0.23	\$69	\$0.26	13%
Taxes	\$65	\$0.25	\$69	\$0.26	4%
Real estate rent & lease	\$77	\$0.30	\$70	\$0.27	-10%
Insurance	\$48	\$0.19	\$51	\$0.19	0%
Utilities	\$80	\$0.31	\$79	\$0.30	-3%
Interest paid	\$212	\$0.82	\$222	\$0.85	4%
Other professional fees	\$28	\$0.11	-\$1	\$0.11	0%
Miscellaneous	<u>\$21</u>	<u>\$0.08</u>	<u>\$24</u>	<u>\$0.09</u>	13%
Total Operating Expenses	\$4,519	\$17.45	\$4,546	\$17.31	-1%
Expansion livestock	\$10	\$0.04	\$18	\$0.07	75%
Extraordinary expenses	\$4	\$0.02	\$0	\$0.00	-100%
Machinery depreciation	\$244	\$0.94	\$238	\$0.91	-3%
Real estate depreciation	<u>\$230</u>	<u>\$0.89</u>	<u>\$228</u>	<u>\$0.87</u>	-2%
Total Expenses	\$5,007	\$19.34	\$5,030	\$19.16	-1%
Net Farm Income w/o Appreciation	\$41	\$0.16	\$618	\$2.35	1369%



## Farm Business Chart

The Farm Business Chart is a tool which can be used in analyzing your business. Compare your business by drawing a line through or near the figure in each column, which represents your current level of performance. The five figures in each column represents the average of each 20 percent or quintile of farms included in the summary. Use this information to identify business areas where more challenging goals are needed.

### FARM BUSINESS CHART FOR FARM MANAGEMENT COOPERATORS

34 New York Dairy Farms, 2019, DFBS

Size of Business			Rates of Production			Labor Efficiency	
Worker Equivalents	No. of Cows	Pounds Milk Sold	Pounds Milk Sold Per Cow	Tons Hay Crop DM/Acre	Tons Corn Silage per Acre	Cows Per Worker	Pounds Milk Sold Per Worker
(14)*	(12)	(12)	(12)	(11)	(11)	(14)	(14)
43.7	2,240	61,900,195	28,897	4.2	22.7	67.8	1,633,751
25.3	1,232	33,338,530	27,255	3.6	20.1	53.1	1,367,722
17.9	848	21,303,916	26,292	3.2	18.7	48.9	1,233,742
11.2	538	12,948,510	25,477	2.5	17.6	42.6	1,056,214
6.3	291	6,205,394	19,326	2.0	13.1	35.1	861,511

Cost Control							
Grain Bought per Cow	Grain Bought per Cwt.	% Grain is of Milk Receipts	Machinery Costs per Cow	Labor & Machinery Costs/Cow	Feed & Crop Expenses per Cow	Feed & Crop Expenses per Cwt. Milk	Hired Labor Cost per Wkr. Equivalent
(12)	(12)	(12)	(14)	(14)	(12)	(12)	(14)
\$973	\$4.65	23	\$605	\$1,308	\$1,303	\$5.92	\$35,248
\$1,348	\$5.25	27	\$799	\$1,639	\$1,655	\$6.70	\$40,046
\$1,478	\$5.69	29	\$895	\$1,844	\$1,802	\$7.16	\$43,071
\$1,658	\$6.20	32	\$972	\$1,956	\$2,013	\$7.49	\$45,710
\$1,903	\$6.97	35	\$1,187	\$2,247	\$2,282	\$8.48	\$49,730

Value of Production			Profitability				
Milk Receipts Per Cow	Milk Receipts Per Cwt.	Opr. Cost Milk Production per Cwt.	Total Cost Milk Production Per Cwt.	% Rate of Return on All Capital w/o Apprec.	Net Farm Income Without Apprec.	Labor & Management Income per Operator	Change in Net Worth with Apprec.
(12)	(12)	(12)	(12)	(4)	(4)	(4)	(8)
\$5,763	\$21.94	\$13.60	\$17.79	8.6	\$1,741,734	\$407,379	\$1,824,990
\$5,411	\$20.08	\$14.82	\$18.94	6.7	\$701,631	\$173,734	\$824,079
\$5,106	\$19.73	\$15.25	\$19.99	5.2	\$467,992	\$85,223	\$565,849
\$4,951	\$19.25	\$16.44	\$20.98	3.6	\$261,219	\$23,579	\$302,651
\$3,954	\$18.74	\$18.66	\$23.70	0.5	\$61,048	-\$103,719	-\$17,392

Financial Efficiency							
Investment per Cow	Machinery Investment per Cow	Asset Turnover Ratio	Operating Expense Ratio	Debt Coverage Ratio	Planned Debt Payments per Cow	Percent Equity	Working Capital as % of Opr. Expense
(14)	(14)	(14)	(14)	(10)	(12)	(7)	(7)
\$8,214	\$912	0.70	0.70	5.58	\$121	94	59
\$10,637	\$1,425	0.58	0.74	2.52	\$396	77	33
\$12,159	\$1,984	0.50	0.76	1.51	\$640	65	24
\$13,729	\$2,484	0.44	0.80	1.05	\$827	53	11
\$17,668	\$3,409	0.34	0.86	0.55	\$1,067	41	-17

\*Page number of the participant's DFBS where the factor is located.