

Zwick Center for Food and Resource
Policy

Outreach Report No. 3

Maine Milk Cost of Production Estimates
for April, May, and June 2011

Prepared for the Connecticut Commissioner of Agriculture

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University of
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Maine monthly milk costs of production: April - June 2011

Item 1/	Apr	May	Jun
	Dollars per Hundredweight		
Operating costs			
Total feed costs	11.24	12.17	12.02
--Purchased feed	8.75	9.17	9.18
--Homegrown harvested feed	2.31	2.78	2.64
--Grazed feed	0.18	0.21	0.20
Veterinary and medicine	1.05	1.09	1.06
Bedding and litter	0.38	0.40	0.39
Marketing	0.35	0.35	0.35
Custom services	0.33	0.34	0.33
Fuel, lube, and electricity	1.13	1.18	1.11
Repairs	0.90	0.93	0.90
Other operating costs	0.01	0.01	0.01
Interest on operating capital	0.01	0.01	0.01
Total operating costs	15.40	16.47	16.19
Allocated overhead			
Hired labor	3.02	3.12	3.02
Opportunity cost of unpaid labor	5.47	5.65	5.47
Capital recovery of machinery and equipment	6.05	6.27	6.07
Opportunity cost of land (rental rate)	0.05	0.05	0.05
Taxes and insurance	0.56	0.58	0.56
General farm overhead	1.34	1.38	1.34
Total allocated overhead	16.48	17.05	16.50
Total	31.88	33.53	32.69
	All costs listed		

1/ Estimates may be adjusted based on revisions in monthly agricultural price indices and milk production estimates as provided by the USDA.

Source: Based on USDA's 2005 Agricultural Resource Management Survey of milk producers and updated using current USDA milk production per cow and production input indexes. See <http://www.ers.usda.gov/Data/CostsAndReturns/monthlymilkcosts.htm> for methodology.