MINNESOTA FARM MANAGEMENT SERVICE NOTES

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## THE STATUS OF DAIRY PRODUCTION

Dairy Production has increased in the United States during the past year. This is indicated (1) by the increase in the number of cows on farms and (2) by an increase in the total milk product produced. The increase in cows amounts to 533,000 over the number on farms January 1, 1924. From 220 cows per thousand of population in 1920 the number has been increased to 228 in 1925. Production per cow is being slowly increased by more careful selection of breeding stock and thru the influence of cow testing associations in weeding out the poorer cows and by better feeding. Whether or not the increase in production per cow will be maintained in 1925 will depend largely on climatic conditions and relative feed prices.

Dairy production appears to be shifting westward into the butter producing states. High feed prices are discouraging some of the eastern dairymen. In six out of ten of the eastern states there has been a shrinkage in number of cows on farms. Two out of the ten have maintained their herds at the same point as in 1924, and in two there is a slight increase. In four of the principal western dairy production states the number of cows has been increased from two to five per cent over 1924. Advantages in feed prices and in economic production are undoubtedly factors in the shift. In round numbers there were 68,000 more cows in Minnesota on January 1, 1925, than on January 1, 1924.

Dairy Consumption has been increased by lower prices for dairy products during the fall and early winter and by continued buying ability of consuming classes due to regular employment at satisfactory wage levels. Business conditions at present indicate that consumers of dairy products will continue to buy in the usual quantity at prevailing prices. The foreign market situation is somewhat more favorable than a year ago, thus offering added encouragement to the dairy producer.

Conclusions. There need be no fear about moderately expanding the dairy business in regions favorable to the dairy industry. The probable increase in cows and in dairy production will be met by the probable increase in population and by increased use of dairy products so long as business and industrial conditions remain as at present. It is believed that with comparatively higher prices for beef stock many of the general purpose cattle raisers who have been milking some of the cows will go back to beef raising, thus reducing production somewhat, to the advantage of the dairyman. The dislike on the part of many for milking and for being tied to chore labor is likely to continue to be a factor in preventing the over-expansion of the dairy business.

A. B.

# DAIRY PRODUCTION COSTS IN 1924

## Factors of Cost - Per Cow Basis

| | Average amount | Range | Average | |
|---|---|---|---|---|
| Feed: | | | | |
| Grain - lbs. | 1505 | 80 - 2799 | 20.18 | |
| Hay( and fodder) lbs. | 2473 | 767 - 4147 | 18.35 | |
| Silage(incl. beet tops) lbs. | 9118 | 5468 - 18284 | 20.26 | |
| Pasture - days | 177 | 152 - 219 | 7.42 | |
| Total feed cost | | | | 66.21 |
| Labor: | | | | |
| Man labor - hours | 153 | | 32.13 | |
| Horse work - " | 4 | | .48 | |
| Total labor cost | | | | 32.61 |
| Other Costs: | | | | |
| Interest @ 6% | | | 5.79 | |
| Depreciation | | | 10.13 | |
| Equipment charge(separator, dairy utensils, etc.) | | | 4.50 | |
| Barn charge | | | 9.00 | |
| Misc. cash costs(veterinary services, medicine, etc.) | | | .42 | |
| Overhead | | | 5.25 | |
| Total Other Costs | | | | 35.09 |
| Total Expense | | | | 133.91 |
| Credits: | | | | |
| Calf | | | 5.66 | |
| Manure - 10 loads @ $1.00 | | | 10.00 | |
| Skimmilk - 56 cwt. @ 35¢ | | | 19.60 | |
| Total Credits | | | | 35.26 |
| Total cost of butterfat production | | | | 98.65 |

Average butterfat production per cow - 209 lbs. (range 147 - 285)
Average cost per pound of butterfat - $.47
Average cost per 100 lbs. 3.5 of milk - $1.98
Average net return per cow - $1.67 (range-$50.48 to + 38.01)

The above costs are based on cost accounts kept on 21 farms in Steele county in 1924. 367 cows were included in the study. These costs have been incurred under better than average conditions of butterfat production in Minnesota. They represent the accomplishment of dairymen of more than average experience and ability. Most of these farmers have kept complete farm accounts for several years. These accounts have pointed the way to more economical methods of production. In spite of a 20 per cent increase in the cost of feed grains and a decrease of 9½ per cent in the price of butterfat as compared with the previous year, these farmers were still able to get market price for all factors of production and a small margin to spare. Even in the face of this unfavorable turn in prices high producing cows were still able to return a fair profit. The six highest producing herds produced a net return of $14.30 per cow whereas the six lowest herds incurred a loss of $7.04 per cow. High production is an important factor in economical dairy production.

G.A.F.

## HOW MANY COWS TO KEEP

That the number of dairy cows to keep should be largely determined by the available farm labor is illustrated by the following dairy cost figures from a Steele County farm.

(Per Cow Basis)

| | | |
|---|---|---|
| Receipts: | | |
| Butterfat - 179 lbs. @ 47¢ per lb. | $84.13 | |
| Skimmilk - 4600 lbs. @ 34¢ per cwt. | 15.64 | |
| Appreciation | .21 | 99.98 |
| Expenses (except labor) | | 59.15 |
| Return for man labor per cow(168 hours) | | 40.83 |
| Return per hour | | .24 |

This farmer and his family milked an average herd of 25.5 cows. The total return for labor was $1036. Without a large dairy herd it would have been necessary for some members of this family to seek outside employment or to spend their time in partial idleness. The wage earned was 24 cents per hour but if there had been the usual depreciation of about $5.00 per cow instead of a slight appreciation the return per hour would have been reduced to 21 cents.

This case illustrates the fact that a herd producing 180 pounds of fat per cow on ordinary farm feeds may furnish a market for available labor at a moderate wage. The figures from other farms on the cost route show that there is a possibility of getting 40 to 50 cents per hour for labor from cows that will produce 250 to 300 pounds of fat annually. Thru a combination of feeding balanced rations according to production, breeding from sires of high producing strains for a period of years, and consistent weeding out of low producers by weighing and testing the product of each cow, the possibility of high returns is greatly increased. With a return of 40 to 50 cents per hour, there would have been a profit in keeping a 25 cow dairy on a farm even tho it was necessary to hire additional help. When it comes to providing a home job for a large family, the dairy cow has few rivals.

Another important consideration for profitable dairying is the available market for dairy products. In some instances a distance of thirty miles had made a difference of 10 cents per pound in the price of butterfat. This would lower the return 10 cents per hour, assuming feed prices to be the same in each locality.

In the cut-over sections shortage of roughage rather than shortage of labor is frequently the limiting factor. In such cases it is usually better to feed a few cows well on the available roughage and some purchased grain than to purchase hay at shipped in prices. One can then seek labor on other markets for any unoccupied hours.

W.L.C.