

Financial Performance of Journey Dairy Graziers Getting Started Dairying *Comparing the New Graziers to Contemporary Established Graziers and other Wisconsin Dairies*

Background:

In 2014 the Dairy Grazing Apprenticeship (DGA) received funding from the NRCS Conservation Innovation Grants program (CIG) to support the project – Transferring Innovative Managed Grazing Skills to Beginning Wisconsin Dairy Producers. The objective of the project was: To use an apprenticeship model to train next-generation farmers in managed dairy grazing, an environmentally positive practice in which livestock are rotated through paddocks of high quality grasses and legumes that are allowed to rest and grow.

There were eight different deliverables associated with the grant, two of which had to do with the creation of some case examples, including financial performance, of four different types of transition/entry models that apprentices who have come out of the program and become journey graziers have used to start their own farms. While DGA still has this as a long term goal as the program continues to evolve beyond the grant, at this time only four different farms have gotten started. One of the new start-ups used a land contract to enter the business but was uncomfortable sharing their financial information. The remaining three farms were willing to share their information as long as we could assure them of some degree of anonymity. All three of the farms used the same type of transition approach: purchase their cow herd and a limited amount of equipment using a Farm Service Agency (FSA) Beginning Farmer Loan, and enter into a lease arrangement with an existing farm owner. This is a very common entry model used in Wisconsin so the numbers shared and the lessons learned will be very helpful in guiding others who choose this path.

Materials and Methods:

The methodology and software used for this project was the same for all three farms. At the end of each year that the Journey Graziers have been involved in this project, they shared their tax return information (Form 1040F) and any changes in the value of livestock, feed on hand and current asset and liability accounts providing an accrual adjustment to their cash accounting. These numbers were then entered into an Excel spreadsheet that created two reports; a Cost of Producing Milk per Hundredweight Equivalent (CWT EQ) created by University of Wisconsin Extension Economist Gary Frank (available at the UW-Madison Center for Dairy Profitability website – <http://cdp.wisc.edu>) (Spreadsheets 1-4) and a dairy enterprise budget that can be used to do financial projections using the Center for Farm Financial Management Finpack farm financial analysis and planning software (Table 1).

At the same time that we collected the data, each of the graziers were asked what challenges they faced in achieving their goals for the previous year and what they planned to do to change them.

An important part of the annual financial checkup has been comparing how these new graziers compared to their contemporaries in Wisconsin using data from the Agricultural Financial Advisor (AgFA) financial benchmarks at the University of Wisconsin. Each year farm financial advisors and tax preparers from around Wisconsin, as well as a number of other states, enter farm financial information into the UW-Madison Center for Dairy Profitability (CDP) online Agricultural Financial Advisor (AgFA) program, <https://cdp.wisc.edu/AgFA.htm>. From this data the CDP is able to develop financial benchmarks that anyone can access online. Users can choose from a wide variety of parameters in order to look at benchmarks for the types of farms, dairy or otherwise, they are interested in. In working with the new graziers we looked at three different benchmark reports (Spreadsheets 1-3). In Spreadsheet 1 we see the dairy farms in Wisconsin, from 2012-2015, that were from 1 to 300 cows. This included all dairy

farming systems over the four year period of time we were collecting the Journey Grazier's data. There were 1138 individual annual farm records over the 4 years (about 300 farm records per year) and their average herd size was 105 cows. The second benchmark (Spreadsheet 2) was for farms with the same parameters except we sorted for farms that said they used Management Intensive Rotational Grazing (MIRG) and were not organic. Since the number of farms reporting their financial information so far in 2015 was very low, for anonymity purposes the AgFA Benchmarks report wouldn't include 2015, however we did have 28 individual farm records for 2012-2014 (about 9 per year) that could be averaged together. The average herd size for the graziers in those three years was 84 cows. The final benchmark report (Spreadsheet 3) was the same as Spreadsheet 1 except it was for the years 2012-2014 so it could provide a comparison between all of the dairies in that size range for those years and the subset of MIRG dairies.

Since the Journey Graziers did not want their personal information shared but were willing to share data that might be useful to others, all the years and farms were added together and their averages used. While this method masks the differences between farms and years that may provide some useful "lessons learned" information, it does smooth out those differences and still provides some good starting points for others to use in creating start-up budgets. Also, because of we are only dealing with three farms in the very early stages of their development, it was decided not to include the interest and depreciation costs for the Journey graziers in the calculations. As will be discussed in the notes that follow, keeping out these numbers does not interfere with calculating their basic cost of production.

Notes on the Cost of Producing Milk per Hundredweight Equivalent (CWT EQ) spreadsheet and comparison table:

- The per CWT EQ used as the divisor in the calculations is made up of all of the income on the dairy farms, including cull cows, calves, other income and any accrual adjustments for feed and livestock inventory over the years in question. The spreadsheet was originally developed to help dairy farmers determine how to contract the sale of their milk on farms that get nearly all of their income from the dairy herd. As the developer, Gary Frank notes in his description of the methodology, "The most meaningful divisor when calculating cost of milk production on a dairy-crop is an output (income) equivalent unit. This measure is calculated by summing the income from the sale of all products produced on the farm and then dividing by the price of milk. The resulting value is the milk production (hundredweight) required to generate an equivalent income. That is, if the farm produced only milk, how much milk would it have had to produce in order to have an identical income?" Frank goes on to note that "This method does not generate satisfactory results when cropping enterprises income exceeds 20 percent of total income." None of the farms used in any of our benchmarks or on the Journeyman Graziers farms exceeded the 20 percent level.
- The Basic Cost per CWT EQ does not include depreciation and interest; those are added back in for the Total Allocated Costs calculation. The Basic Cost per CWT EQ amount is the base cost to meet all of the current direct costs of producing milk on the farm.
- Very few dairy farms in Wisconsin keep track of financial information related to their youngstock so all costs (vet, feed, etc.) are counted against the dairy cow and income is entered as supplemental income.

Results and Discussion:

Financial Comparisons in Table 1 –

- In the income per cow items, the most noticeable difference between the Journeyman Graziers and both the conventional dairy farms and the MIRG dairies are in milk production. The startup graziers produced 13266 pounds of milk per cow, over 2000 pounds less established graziers and about 9000 pounds less than the benchmark dairies in Wisconsin. All three of the new graziers were milking year round but are generally referred to as spring modified seasonal herds, with about two thirds freshening in the spring. The level they were producing at would be more typical of a fully spring seasonal herd. All had originally budgeted to be closer to 15,000 pounds in production.

- On the expense side, on a per cow basis, their direct production costs were very similar to both the conventional and MIRG dairies and are very close to what all of them had originally budgeted when they got started. It is when we move to a per CWT EQ basis that the differences show up.
- On a per CWT EQ basis, the Basic Cost to produce a CWT EQ of milk was \$17.16 for the start-up dairies, which was \$4.53 more than the Wisconsin benchmark dairies and \$2.71 more than the established MIRG dairies. After meeting those basic costs they only had \$440 per cow left over to meet all of their other financial obligations.
- On their greatest single cost per CWT EQ, purchased feed, the Journeymen Graziers were actually not all that far off from the established MIRG dairies, \$7.99 versus \$7.04; but they were \$3.71 higher than the benchmark dairies.
- While there are lots of other differences that can be seen from the various spreadsheets, the only other one to be noted at this time is the Rent or Lease for Land & Buildings. As would be expected, these Journey Graziers are leasing their farms so that item would be expected to be higher than other farms on a per CWT EQ basis. In our study the new leasing dairy farmers were paying about a dollar more per CWT EQ than established MIRG Dairies and about double what conventional dairies were paying.
- It should be noted in the Bedding line item of the Per Cow Enterprise Budget for Finpack Planning, there is no amount shown for bedding for any of the benchmark dairies, . That line item was not included in the AgFA reports while the Journey Graziers were keeping track of it. It can be a large cost so others who use this data may want to keep track of it.
- In looking at the numbers in Table 1, if the Journeymen Graziers could have hit their production targets they would have been able to have achieved very similar financial results to the established MIRG dairies.

Lessons Learned:

- The numbers that are reported here are combined so they mask many of the difference between the farms. All three of the Journey Graziers faced different challenges when it has come to getting the financial performance that they would have liked to have had. The biggest challenge facing these newcomers were the facilities they had to work with:
 - One of the new farmers took on a farm that had a good grazing system laid out but it was new and the sward had not matured to a point where it was dependable, which meant feed costs were higher than expected in the beginning. The other challenge they faced was having an undersized parlor which meant the cows were standing and waiting to be milked rather than grazing or relaxing and ruminating so feed utilization was below what was hoped for.
 - Another Journeyman started grazing on pastures and lanes that were poorly developed so keeping good feed in front of the cows was a challenge. During their startup phase feed prices were quite high and they weren't able to get the quality of forages that they would have liked.
 - The third new grazier has actually been right on track for production and feed costs because he took over an established grazing farm that was sized and priced for the size herd that he was able to buy and get started with.
- While all three of these Journey Graziers mentioned a variety of small items that they wish they would have done differently at the start of their farming career, the one thing that stood out was the importance of getting going with a farm that is set up for grazing, and if it isn't, to set a rental amount that reflects the less than ideal production levels they will have to live with and/or the increased feed and labor costs.
- Two of the new graziers had made land and building investments prior to working with the apprenticeship that made it more difficult for them to adapt. While they did not say that they regretted those decisions, it did make it more challenging as they looked at options in moving forward.
- Unless the new grazier is taking over an established grazing dairy, complete with cows, it's important to err on the conservative side when making production and feed cost estimates, especially in the first 2-3 years.
- Mentor-Master support is very important for the Journey Graziers in that first year on their own. There are many little things that come up and having a network to tap into is extremely important. If that is lacking, it makes it much more challenging.

Spreadsheet 1: Benchmark Conventional Dairy Farms in Wisconsin – 2012-2015

Cost of Producing Milk

per

Hundredweight Equivalent (CWT EQ)

Name: **2012-15 Wis AgFA Farms, 1-300 Cows**

Average Number of Cows in Herd **105**

Total Schedule F Income \$572,640
 Form 4797 Income \$33,460
 Change in Feed Inventories \$7,883
 Change in Breeding Livestock Inv. \$1,400
 Chg in Other Current Assets \$75
 Total Farm Income \$615,458

Average Milk Price \$20.05
 Total Schedule F Expenses \$539,456
 Change in Accouts Payable \$248
 Change in Prepaid Expenses (\$1,067)
 Total Allocated Costs \$538,637

Total Interest Paid \$19,395
 Wages & Benefits Paid \$50,451
 Depreciation Claimed \$81,103

Schedule F input form and footnotes are below.

BASIC COST per CWT EQ
\$12.63

Avg Basic Cost 2012-15, 1138 WI farm records, 10 to 300 cows = \$12.63

Total \$'s available for non-basic costs	\$227,770	per cow
		\$ 2,169
Total Allocated Costs per CWT EQ		Goal=\$1,200
	\$17.55	
Total \$'s available for all unallocated costs	\$76,821	

Opportunity Cost of operator and operator family's labor and management \$39,132
 Dollars of Wages and Benefits shown on Schedule F that were paid to family members \$10,615

Total Allocated plus unpaid labor and management costs per CWT EQ	\$18.48
---	---------

Income (From Schedule F)

1 Sales of livestock and other items you bought for resale	\$835
2 Cost or other basis of livestock and other items reported on line 1	\$0
3 Subtract line 2 from line 1	\$835
4 Sales of livestock, produce, grains, and other products you raised	\$538,597
5a Total cooperative distributions	\$4,858
6a Agricultural program payments	\$10,847
7 Commodity Credit Corporation (CCC) Loans	\$0
8 Crop insurance proceeds and certain disaster payments	\$4,287
9 Custom hire (machine work) income	\$5,902
10 Other income, including Federal and state gasoline or fule tax credit or refund	\$7,314
11 Gross Income. Add amounts in the right column for lines 3 through 10	\$572,640

Expense (From Schedule F)

		Your cost Per Cwt Eq	*** Not correct if all income has not been entered.*** AgFA 2012-15		Your cost Per Cwt Eq	AgFA 2012-15
12 Car and truck expenses	\$2,621	\$0.09	\$0.09	24 Labor hired	\$39,027	\$1.27
13 Chemicals	\$9,097	\$0.30	\$0.30	25 Pension and profit sharing	\$64	\$0.00
14 Conservation expenses	\$581	\$0.02	\$0.02	26a Rent or lease (equipment)	\$1,759	\$0.06
15 Custom hire (machine work)	\$20,525	\$0.67	\$0.67	26b Rent or lease (other)	\$19,856	\$0.65
16 Total Depreciation	\$81,103	\$2.64	\$2.64	27 Repairs and maintenance	\$33,271	\$1.08
16A Lstock Depreciation	\$7,270	\$0.24	\$0.24	28 Seeds and plants purchas	\$22,276	\$0.73
17 Employee benefit programs	\$11,360	\$0.37	\$0.37	29 Storage and warehousing	\$20	\$0.00
18 Feed purchased	\$131,232	\$4.28	\$4.28	30 Supplies purchased	\$17,244	\$0.56
19 Fertilizers and lime	\$25,702	\$0.84	\$0.84	31 Taxes	\$5,368	\$0.17
20 Freight and trucking	\$5,333	\$0.17	\$0.17	32 Utilities	\$13,826	\$0.45
21 Gasoline, fuel, and oil	\$21,198	\$0.69	\$0.69	33 Veterinary, breeding, and i	\$20,340	\$0.66
22 Insurance (other than health)	\$8,703	\$0.28	\$0.28	34 Other expenses	\$29,555	\$0.96
23a Mortgage interest	\$9,316	\$0.30	\$0.30			
23b Other interest	\$10,079	\$0.33	\$0.33			

35 Total expenses. Add lines 12 through 34 \$539,456
 36 Net farm profit or (loss). Subtract line 35 from line 11 \$33,184

Spreadsheet 2:
Benchmark Non-Organic Management Intensive Rotational Grazing Farms
in Wisconsin 2012-2014

Cost of Producing Milk

per

Hundredweight Equivalent (CWT EQ)

Name: 2012-14: 28 Non-Organic MIRG Dairies

Average Number of Cows in Herd **84**

BASIC COST per CWT EQ
\$14.45

Avg Basic Cost 2012-14, 943 WI farm records, 10 to 300 cows = \$13.17

Total Schedule F Income	\$320,324
Form 4797 Income	\$20,516
Change in Feed Inventories	\$12,265
Change in Breeding Livestock Inv.	(\$4,384)
Chg in Other Current Assets	(\$160)
Total Farm Income	\$348,561

Total \$'s available for non-basic costs	\$125,323	per cow	\$ 1,492
Total Allocated Costs per CWT EQ	\$18.47	Goal=\$1,200	
Total \$'s available for all unallocated costs	\$63,073		

Average Milk Price	\$22.56
Total Schedule F Expenses	\$286,861
Change in Accouts Payable	(\$658)
Change in Prepaid Expenses	(\$715)
Total Allocated Costs	\$285,488

Opportunity Cost of operator and operator family's labor and management **\$39,132**

Dollars of Wages and Benefits shown on Schedule F that were paid to family members **\$0**

Total Allocated plus unpaid labor and management costs per CWT EQ	\$21.01
---	----------------

Total Interest Paid	\$12,556
Wages & Benefits Paid	\$17,237
Depreciation Claimed	\$32,457

Schedule F input form and footnotes are below.

Income (From Schedule F)

1 Sales of livestock and other items you bought for resale	\$0
2 Cost or other basis of livestock and other items reported on line 1	\$0
3 Subtract line 2 from line 1	\$0
4 Sales of livestock, produce, grains, and other products you raised.	\$306,883
5a Total cooperative distributions.	\$2,170
6a Agricultural program payments.	\$7,146
7 Commodity Credit Corporation (CCC) Loans.	\$0
8 Crop insurance proceeds and certain disaster payments.	\$1,296
9 Custom hire (machine work) income.	\$1,132
10 Other income, including Federal and state gasoline or fule tax credit or refund.	\$1,697
11 Gross Income. Add amounts in the right column for lines 3 through 10.	\$320,324

Expense (From Schedule F)	Your cost Per Cwt Eq	*** Not correct if all income has not been entered. *** AgFA 2012-14	Your cost Per Cwt Eq	AgFA 2012-14
12 Car and truck expenses.	\$2,701	\$0.17	\$13,830	\$0.89
13 Chemicals.	\$1,975	\$0.13	\$0	\$0.00
14 Conservation expenses.	\$0	\$0.00	\$1,004	\$0.06
15 Custom hire (machine work).	\$14,802	\$0.96	\$5,735	\$0.37
16 Total Depreciation.	\$32,457	\$2.10	\$14,447	\$0.93
16A Lstock Depreciation	\$2,449	\$0.16	\$6,379	\$0.41
17 Employee benefit programs.	\$3,407	\$0.22	\$127	\$0.01
18 Feed purchased.	\$108,861	\$7.04	\$13,364	\$0.86
19 Fertilizers and lime.	\$6,867	\$0.44	\$3,803	\$0.25
20 Freight and trucking.	\$2,435	\$0.16	\$7,736	\$0.50
21 Gasoline, fuel, and oil.	\$12,794	\$0.83	\$8,201	\$0.53
22 Insurance (other than health)	\$4,375	\$0.28	\$9,005	\$0.58
23a Mortgage interest.	\$9,187	\$0.59		
23b Other interest.	\$3,369	\$0.22		
35 Total expenses. Add lines 12 through 34.			\$286,861	
36 Net farm profit or (loss). Subtract line 35 from line 11.			\$33,463	

Spreadsheet 3: Benchmark Conventional Dairy Farms in Wisconsin – 2012-2014

Cost of Producing Milk

per
Hundredweight Equivalent (CWT EQ)

Name: 2012-14 Wis AgFA Farms, 1-300 Cows

Average Number of Cows in Herd 104

Total Schedule F Income	\$580,866
Form 4797 Income	\$32,028
Change in Feed Inventories	\$4,747
Change in Breeding Livestock Inv.	\$2,833
Chg in Other Current Assets	\$1,047
Total Farm Income	\$621,521

Average Milk Price	\$21.16
Total Schedule F Expenses	\$543,443
Change in Accouts Payable	(\$14)
Change in Prepaid Expenses	(\$3,459)
Total Allocated Costs	\$539,970

Total Interest Paid	\$19,705
Wages & Benefits Paid	\$51,530
Depreciation Claimed	\$81,834

Schedule F input form and footnotes are below.

BASIC COST per CWT EQ
\$13.17

Avg Basic Cost 2012-14, 943 WI farm records, 10 to 300 cows = \$13.17

Total \$'s available for non-basic costs	\$234,620	per cow	\$ 2,256
Total Allocated Costs per CWT EQ	\$18.39	Goal=\$1,200	
Total \$'s available for all unallocated costs	\$81,551		

Opportunity Cost of operator and operator family's labor and management **\$39,132**
Dollars of Wages and Benefits shown on Schedule F that were paid to family members **\$11,989**

Total Allocated plus unpaid labor and management costs per CWT EQ	\$19.31
---	----------------

Income (From Schedule F)

1 Sales of livestock and other items you bought for resale	\$888	
2 Cost or other basis of livestock and other items reported on line 1	\$0	
3 Subtract line 2 from line 1		\$888
4 Sales of livestock, produce, grains, and other products you raised	\$548,321	
5a Total cooperative distributions	\$4,501	
6a Agricultural program payments	\$10,737	
7 Commodity Credit Corporation (CCC) Loans	\$0	
8 Crop insurance proceeds and certain disaster payments	\$3,753	
9 Custom hire (machine work) income	\$6,436	
10 Other income, including Federal and state gasoline or fule tax credit or refund	\$6,230	
11 Gross Income. Add amounts in the right column for lines 3 through 10		\$580,866

Expense (From Schedule F)	Your cost *** Not correct if all income has not been entered.***			Your cost		
	Per Cwt Eq	AgFA 2012-14	Per Cwt Eq	AgFA 2012-14	Per Cwt Eq	AgFA 2012-14
12 Car and truck expenses	\$2,655	\$0.09	\$0.09	\$39,604	\$1.35	\$1.35
13 Chemicals	\$8,805	\$0.30	\$0.30	\$54	\$0.00	\$0.00
14 Conservation expenses	\$815	\$0.03	\$0.03	\$1,698	\$0.06	\$0.06
15 Custom hire (machine work)	\$20,505	\$0.70	\$0.70	\$18,847	\$0.64	\$0.64
16 Total Depreciation	\$81,834	\$2.79	\$2.79	\$32,289	\$1.10	\$1.10
16A Lstock Depreciation	\$7,650	\$0.26	\$0.26	\$22,179	\$0.76	\$0.76
17 Employee benefit programs	\$11,872	\$0.40	\$0.40	\$17	\$0.00	\$0.00
18 Feed purchased	\$134,098	\$4.57	\$4.57	\$17,737	\$0.60	\$0.60
19 Fertilizers and lime	\$25,969	\$0.88	\$0.88	\$5,433	\$0.19	\$0.19
20 Freight and trucking	\$5,317	\$0.18	\$0.18	\$13,736	\$0.47	\$0.47
21 Gasoline, fuel, and oil	\$22,700	\$0.77	\$0.77	\$20,110	\$0.68	\$0.68
22 Insurance (other than health)	\$8,472	\$0.29	\$0.29	\$28,992	\$0.99	\$0.99
23a Mortgage interest	\$9,393	\$0.32	\$0.32			
23b Other interest	\$10,312	\$0.35	\$0.35			
24 Labor hired						
25 Pension and profit sharing						
26a Rent or lease (equipment)						
26b Rent or lease (other)						
27 Repairs and maintenance						
28 Seeds and plants purchas						
29 Storage and warehousing						
30 Supplies purchased						
31 Taxes						
32 Utilities						
33 Veterinary, breeding, and r						
34 Other expenses						
35 Total expenses. Add lines 12 through 34				\$543,443		
36 Net farm profit or (loss). Subtract line 35 from line 11				\$37,423		

Spreadsheet 4: Journey Dairy Graziers Financial Performance – 2012-2015

Cost of Producing Milk

per

Hundredweight Equivalent (CWT EQ)

Name: **Journeymen Graziers**

Average Number of Cows in Herd **62**

Total Schedule F Income \$173,076
 Form 4797 Income \$11,867
 Change in Feed Inventories \$5,352
 Change in Breeding Livestock Inv. \$4,759
 Chg in Other Current Assets \$268
 Total Farm Income \$195,322

Average Milk Price \$19.96
 Total Schedule F Expenses \$175,175
 Change in Accouts Payable \$1,396
 Change in Prepaid Expenses (\$11)
 Total Allocated Costs \$176,582

Total Interest Paid \$0
 Wages & Benefits Paid \$8,686
 Depreciation Claimed \$0

Schedule F input form and footnotes are below.

BASIC COST per CWT EQ
\$17.16

Avg Basic Cost 2012-15, 1138 WI farm records, 10 to 300 cows = \$12.63

Total \$'s available for non-basic costs	\$27,426	per cow \$ 440
Total Allocated Costs per CWT EQ		Goal=\$1,200
	\$18.04	
Total \$'s available for all unallocated costs	\$18,740	

Opportunity Cost of operator and operator family's labor and management **\$39,132**
 Dollars of Wages and Benefits shown on Schedule F that were paid to family members **\$0**

Total Allocated plus unpaid labor and management costs per CWT EQ	\$22.04
--	----------------

Income (From Schedule F)

1 Sales of livestock and other items you bought for resale	\$164	
2 Cost or other basis of livestock and other items reported on line 1	\$0	
3 Subtract line 2 from line 1		\$164
4 Sales of livestock, produce, grains, and other products you raised.	\$170,772	
5a Total cooperative distributions.		\$42
6a Agricultural program payments.		\$1,600
7 Commodity Credit Corporation (CCC) Loans.		\$0
8 Crop insurance proceeds and certain disaster payments.		\$0
9 Custom hire (machine work) income.		\$0
10 Other income, including Federal and state gasoline or fule tax credit or refund.	\$499	
11 Gross Income. Add amounts in the right column for lines 3 through 10.		\$173,076

Expense (From Schedule F)	Your cost Per Cwt Eq	*** Not correct if all income has not been entered. *** AgFA 2012-15		Your cost Per Cwt Eq	AgFA 2012-15
12 Car and truck expenses.	\$1,237	\$0.13	\$0.09	24 Labor hired.	\$8,686
13 Chemicals.	\$1,922	\$0.20	\$0.30	25 Pension and profit sharing	\$0
14 Conservation expenses.	\$705	\$0.07	\$0.03	26a Rent or lease (equipment).	\$1,327
15 Custom hire (machine work).	\$14,254	\$1.46	\$0.70	26b Rent or lease (other).	\$12,780
16 Total Depreciation.	\$0	\$0.00	\$2.79	27 Repairs and maintenance.	\$6,769
16A Lstock Depreciation	\$0	\$0.00	\$0.26	28 Seeds and plants purchas	\$2,620
17 Employee benefit programs.	\$0	\$0.00	\$0.40	29 Storage and warehousing.	\$0
18 Feed purchased.	\$78,197	\$7.99	\$4.57	30 Supplies purchased.	\$8,122
19 Fertilizers and lime.	\$2,533	\$0.26	\$0.88	31 Taxes.	\$4,367
20 Freight and trucking.	\$869	\$0.09	\$0.18	32 Utilities.	\$6,201
21 Gasoline, fuel, and oil.	\$6,997	\$0.71	\$0.77	33 Veterinary, breeding, and i	\$8,515
22 Insurance (other than health)	\$1,629	\$0.17	\$0.29	34 Other expenses.	\$7,445
23a Mortgage interest.	\$0	\$0.00	\$0.32		
23b Other interest.	\$0	\$0.00	\$0.35		
				35 Total expenses. Add lines 12 through 34.	\$175,175
				36 Net farm profit or (loss). Subtract line 35 from line 11.	(\$2,098)

Table 1: Comparison of Journey Dairy Graziers with Wisconsin Benchmark Dairies

PER COW ENTERPRISE BUDGET FOR FINPACK PLANNING					
Journeyman Graziers		2012-15 AgFA WI Dairy Farms		2012-14 AgFA WI Non-Org MIRG Farms	
Number of cows	62	105		84	
Income Per Cow					
Quantity - Pounds milk	13266	22294		15566	
Price (cwt)	\$19.96	\$20.05		\$22.56	
Product	\$2,647.60	\$4,470.49		\$3,511.21	
Cull	\$190.38	\$318.67		\$244.24	
Miscellaneous	\$92.06	\$148.59		\$124.68	
Total Income:	\$2,930.03	\$4,937.75		\$3,880.13	
Expenses Per Cow					
Purchased feed	\$1,254.50	\$1,249.83		\$1,295.96	
Breeding fees	\$35.83	\$69.98		\$41.44	
Veterinary	\$100.76	\$124.04		\$56.19	
Supplies	\$68.29	\$65.70		\$63.64	
Marketing	\$26.02	\$38.37		\$30.15	
Bedding	\$20.31	\$0.00		\$0.00	
Total Expenses:	\$1,505.73	\$1,547.92		\$1,487.38	
Net Income:	\$1,424.31	\$3,389.83		\$2,392.75	
Total Crop Acres per Cow:	2.19	3.47		2.74	
Pasture Acres per Cow:	1.43	0.50		1.26	
PER HUNDRED WEIGHT EQUIVALENTS COMPARISON					
Basic Cost	\$ 17.16	\$ 12.63		\$ 14.45	
\$'s Available for non Basic Costs	\$ 440	\$ 2,169.00		\$ 1,492.00	
Purchased Feed	\$ 7.99	\$ 4.28		\$ 7.04	
Rent Or Lease - Equipment	\$ 0.14	\$ 0.06		\$ 0.06	
Rent Or Lease - Land & Bldgs	\$ 1.31	\$ 0.65		\$ 0.37	