

Table 1. Comparison of Individual 2007 Data and Comparison of 2007 and 2009 Averages

Millionaire Models 2007	Farm # 1	Farm # 2	Farm # 3	Farm # 4	Farm # 5	Average	Per Cow	Misc	Average	Per Cow
	Couple	Couple	Rented	C-Seasonal	Fr. & Son	2007	2007	2007	2009	2009
Productive Crop Acres	215	160	70	320	360	225.00	1.65		287.00	1.98
Average Number of Cows	152	121	90	155	165	136.60			144.80	
Total Assets on Farm	\$1,323,200	\$1,188,872	\$338,514	\$1,907,779	\$1,239,046	\$1,199,482	\$8,781		\$1,468,140	\$10,139
Non-farm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00		\$0	\$0.00
Family Living Expenses	\$45,000	\$30,000	\$24,000	\$45,000	\$60,000	\$40,800	\$298.68		\$38,000	\$262.43
Capital Purchases	\$26,500	\$46,775	\$14,800	\$100,845	\$118,000	\$61,384	\$449.37		\$5,875	\$40.57
Ending Cash Flow	\$192,474	\$99,847	\$60,220	\$145,885	\$74,805	\$114,646	Pre-Tax and Interest		\$36,740	
Ending Cash Flow Ratio	46.50%	30.06%	22.45%	34.50%	12.47%	29.20%			8.45%	
Milk Price	\$19.57	\$19.04	\$20.71	\$22.71	\$20.05	\$20.42			\$13.81	
Milk Hundred weight Equiv.	33,231	23,613	16,663	26,187	34,357	26,810	196.27	17,353	31,931	220.52
Milk Hundredweights	27,645	20,636	14,587	22,521	28,733	22,824	167.09	15,013	24,044	166.05
Milk Sales	\$541,013	\$392,840	\$302,092	\$511,540	\$576,011	\$464,699	\$3,402		\$334,875	\$2,313
Cull Cow Sales ~10-17%	\$7,650	\$9,354	\$6,623	\$5,168	\$21,794	\$10,118	\$74.07		\$12,405	\$85.67
Calf Sales	\$5,672	\$7,639	\$4,600	\$5,970	\$31,217	\$11,020	\$80.67		\$5,847	\$40.38
Crop Sales	\$0	\$0	\$0	\$1,800	\$0	\$360	\$2.64		\$40	\$0.28
Other Income	\$52,085	\$22,180	\$2,530	\$43,690	\$41,224	\$32,342	\$236.76		\$57,240	\$395.31
Total Cash Income	\$606,420	\$432,013	\$315,845	\$568,168	\$670,246	\$518,538	\$3,796	/cwt.eq.	\$410,407	\$2,834
Veterinary, Medicine	\$8,472	\$3,066	\$2,850	\$10,900	\$12,332	\$7,524	\$55.08	\$0.28	\$8,422	\$58.16
Dairy Supplies	\$21,100	\$16,301	\$12,176	\$15,686	\$18,815	\$16,816	\$123.10	\$0.63	\$15,356	\$106.05
Breeding Fees	\$650	\$1,000	\$1,388	\$3,878	\$5,030	\$2,389	\$17.49	\$0.09	\$2,099	\$14.49
Feed Purchased	\$189,715	\$140,506	\$130,849	\$98,591	\$183,366	\$148,605	\$1,087.89	\$5.54	\$131,391	\$907.39
Repairs	\$28,598	\$9,145	\$6,429	\$12,035	\$20,725	\$15,386	\$112.64	\$0.57	\$14,294	\$98.71
Seed, Chem, Fert	\$14,473	\$15,667	\$4,350	\$23,417	\$34,178	\$18,417	\$134.82	\$0.69	\$24,067	\$166.21
Fuel, Gas, and Oil	\$12,637	\$24,262	\$7,721	\$13,339	\$10,907	\$13,773	\$100.83	\$0.51	\$11,332	\$78.26
Utilities	\$8,290	\$4,308	\$5,137	\$8,331	\$7,900	\$6,793	\$49.73	\$0.25	\$8,268	\$57.10
Interest Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$0	\$0.00
Labor Hired	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$44,433	\$306.86
Rent, Lease and Hire	\$0	\$3,309	\$17,485	\$11,185	\$38,295	\$14,055	\$102.89	\$0.52	\$26,870	\$185.57
Property Taxes	\$5,912	\$4,435	\$0	\$7,692	\$2,464	\$4,101	\$30.02	\$0.15	\$5,328	\$36.80
Farm Insurance	\$5,843	\$4,913	\$1,020	\$7,535	\$6,962	\$5,255	\$38.47	\$0.20	\$5,551	\$38.34
Other Cash Expense	\$11,358	\$8,479	\$7,449	\$17,530	\$39,817	\$16,927	\$123.91	\$0.63	\$17,736	\$122.48
Total Cash Expense	\$307,048	\$235,391	\$196,854	\$230,119	\$380,791	\$270,041	\$1,977	\$10.07	\$315,147	\$2,176
Net Cash Income	\$299,372	\$196,622	\$118,991	\$338,049	\$289,455	\$248,498	\$1,819	\$9.27	\$95,261	\$658
Inventory Change	\$33,850	\$65,290	\$44,235	\$72,624	(\$19,693)	\$39,261	\$287.42	\$1.46	\$17,017	\$117.52
Net Farm Income	\$333,222	\$261,912	\$163,226	\$410,673	\$269,762	\$287,759	\$2,107	\$10.73	\$112,278	\$775
<u>Equity @ 6%</u>	\$77,581	\$67,970	\$18,817	\$109,660	\$71,620	\$69,130	\$506	\$2.58	\$71,922	\$497
Return to Labor	\$255,641	\$193,942	\$144,409	\$301,013	\$198,142	\$218,629	\$1,601	\$8.15	\$40,356	\$279
Inventory Adjustments--Feed	\$25,300	(\$1,500)	(\$265)	\$5,345	\$15,575	\$8,891	\$65.09	\$0.33	\$2,711	\$18.72
Supplies and Other	\$0	\$0	\$0	\$0	\$1,325	\$265	\$1.94	\$0.01	\$5,053	\$34.89
Breeding Livestock	\$18,600	\$19,000	\$29,500	\$21,300	\$600	\$17,800	\$130.31	\$0.66	\$30,580	\$211.19
Income Change	\$43,900	\$17,500	\$29,235	\$26,645	\$17,500	\$26,956	\$197.34	\$1.01	\$38,317	\$264.62
Prepaid Expenses	\$2,000	\$65,488	\$20,000	\$46,581	\$7,287	\$28,271	\$206.96	\$1.05	-\$3,201	-\$22.10
Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$0	\$0.00
Machinery & Equipment	\$14,450	\$23,030	\$11,800	\$70,125	\$4,225	\$24,726	\$181.01	\$0.92	-\$9,283	-\$64.11
Land and Buildings	\$0	\$6,047	(\$2,000)	\$18,500	\$60,500	\$16,609	\$121.59	\$0.62	-\$3,240	-\$22.38
Other Adjustments	\$0	\$0	\$0	\$11,000	\$4,445	\$3,089	\$22.61	\$0.12	\$1,699	\$11.73
Expense Change	(\$16,450)	(\$94,565)	(\$29,800)	(\$146,206)	\$76,457	-\$42,113	-\$308.29	-\$1.57	\$14,024	\$96.85
Capital Purchases Minus Sales Adj.	\$26,500	\$46,775	\$14,800	\$100,227	\$113,650	\$60,390	\$442.10	\$2.25	\$7,275	\$50.24
Depreciation COST	\$50,000	\$50,000	\$20,000	\$50,000	\$30,000	\$40,000	\$292.83	\$1.49	\$0	\$0.00
Depreciation FM Value	\$12,000	\$16,500	\$3,000	\$25,550	\$25,500	\$16,510	\$120.86	\$0.62	\$20,540	\$141.85
Unpaid Labor Cost	\$60,000	\$45,000	\$30,000	\$65,000	\$70,000	\$54,000	\$395.31	\$2.01	\$42,000	\$290.06
Unpaid Labor Hours	6,000	4,500	3,000	6,750	7,000	5,450	40 hrs/cow		2,960	20
Labor Full Time Equivalents	2.00	1.50	1.00	2.25	2.33	1.82	Total Labor		2.54	
Labor Earnings Per Hour	\$42.61	\$43.10	\$48.14	\$44.59	\$28.31	\$41.35			\$14.30	

***Please note:**

1) In 2007 data, paid labor was combined with unpaid labor for both costs and hours listed. In 2009, paid labor was expensed in cash expenses. Thus, Labor Earnings per Hour in 2007 is an earnings rate for all labor, paid and unpaid. In 2009, since unpaid labor is already paid in cash expenses, the labor earnings per hour is only for the unpaid labor.

2) There is no interest expense listed in the cash expenses for the individual farms for reasons of confidentiality. Thus, an equity charge was listed against all the assets, whether owned or borrowed. This means the total cash cost and net farm income is off by the amount of interest paid but the monies for interest are in the equity charge so these costs are included in the total costs of milk production and return to labor.

Table 2. Comparison of Individual 2007 Data and Comparison of 2007 and 2009 Averages
(continuation from Table 1.)

Millionaire Models 2007	Farm # 1	Farm # 2	Farm # 3	Farm # 4	Farm # 5	Average	Per Cow	Misc	Average	Per Cow
	Couple	Couple	Rented	C-Seasonal	Fr. & Son	2007	2007	2007	2009	2009
Gross Income per Cwt. Eq.	\$19.57	\$19.04	\$20.71	\$22.71	\$20.05	\$20.42			\$13.81	
Gross Expense per Cwt. Eq.	\$13.68	\$12.73	\$13.84	\$13.70	\$16.31	\$14.05			\$13.95	
Net Income per cwt.	\$5.89	\$6.31	\$6.87	\$9.01	\$3.74	\$6.36			-\$0.14	
Cash Income--	\$606,420	\$432,013	\$315,845	\$568,168	\$670,246	\$518,538	\$3,796		\$410,407	\$2,834
Adjusted Income	\$43,900	\$17,500	\$29,235	\$26,645	\$18,500	\$27,156	\$199		\$38,317	\$265
Total Income	\$650,320	\$449,513	\$345,080	\$594,813	\$688,746	\$545,694	\$3,995		\$448,724	\$3,099
Cash Costs	\$307,048	\$235,391	\$196,854	\$230,119	\$380,791	\$270,041	\$1,977		\$315,147	\$2,176
Adjusted Costs	\$10,050	(\$47,790)	(\$15,000)	(\$45,979)	\$37,193	-\$12,305	-\$90		\$21,300	\$147
Overhead Costs	\$137,581	\$112,970	\$48,817	\$174,660	\$141,620	\$123,130	\$901		\$113,922	\$787
Total Costs	\$454,679	\$300,571	\$230,671	\$358,800	\$559,604	\$380,865	\$2,788		\$450,368	\$3,110
RETURN OVER COSTS	\$195,641	\$148,942	\$114,409	\$236,013	\$128,142	\$164,629	\$1,205		-\$1,644	-\$11
Adj. Gross Return per FTE Labor.....	\$325,160	\$299,675	\$345,080	\$264,361	\$294,748	\$305,805			\$178,300	
Return to All Labor per FTE Labor.....	\$127,821	\$129,294	\$144,409	\$133,784	\$84,918	\$124,045			\$32,397	
Number of Cows per FTE Labor.....	76	81	90	69	71	77			59	
Cwts. of Milk Sold per FTE Labor.....	13,823	13,757	14,587	10,009	12,314	12,898			9,912	
Pounds of Milk Sold per Cow.....	18,188	17,054	16,208	14,530	17,414	16,679			16,763	
Productive Crop Acres per Cow.....	1.41	1.32	0.78	2.10	2.18	1.56			1.84	
Capital Cost per Cow.....	\$589	\$698	\$242	\$872	\$589	\$598			\$594	
All Labor Costs per Cow.....	\$395	\$372	\$333	\$419	\$424	\$389			\$593	
Fixed Cost per Cow (DIRTI)	\$855	\$851	\$325	\$1,048	\$771	\$770			\$759	
Capital Invested per Cow.....	\$7,869	\$8,436	\$3,135	\$11,110	\$6,808	\$7,472			\$8,848	
Net Farm Income per Crop Acre.....	\$1,550	\$1,637	\$2,332	\$1,283	\$749	\$1,510			\$435	
Lbs. Milk Produced per Crop Acre.....	12,858	12,897	20,838	7,038	7,981	12,323			12,437	
Adj. Gross Cash Income/Crop Acre.....	\$3,025	\$2,809	\$4,930	\$1,859	\$1,910	\$2,907			\$2,107	
Machinery Investment/Crop Acre.....	\$761	\$1,334	\$541	\$908	\$591	\$827			\$848	
Fuel, Gas and Oil Cost/Crop Acre.....	\$59	\$152	\$110	\$42	\$30	\$79			\$51	
Repair Cost per Crop Acre.....	\$133	\$57	\$92	\$38	\$58	\$76			\$59	
Fert/Chem/Seed Cost/Crop Acre.....	\$67	\$98	\$62	\$73	\$95	\$79			\$75	
Livestock over Total Investment	26%	21%	72%	15%	24%	31.72%			30.7%	
Cash Exp./Cash Inc.w/o Labor&Int.....	51%	54%	62%	41%	57%	52.99%			67.7%	
All Labor as Percent of Total Costs.....	13%	15%	13%	18%	13%	14.40%	Model Graziers generated by DAIRY TRANS 4.0 563-583-6496		19.3%	
Fixed Cost as Percent of Total Cost.....	29%	34%	13%	45%	23%	28.80%			24.2%	
**Net Farm Income From Operatio	\$333,222	\$261,912	\$163,226	\$410,673	\$269,762	\$287,759			\$112,278	
**Rate of Return on Assets.....	21.13%	19.15%	42.48%	18.91%	16.74%	23.68%			3.40%	
**Rate of Return on Equity.....	21.13%	19.15%	42.48%	18.91%	16.74%	23.68%			3.45%	
**Operating Profit Margin.....	42.01%	48.25%	38.61%	58.11%	29.05%	43.21%			13.62%	
**Asset Turnover Ratio.....	50%	40%	110%	33%	58%	58.20%	Model Graziers 2008 by Larry F. Tranel Dairy Field Specialist		39.38%	
**Operating Expense Ratio.....	47%	38%	52%	27%	57%	44.20%			72.30%	
**Depreciation Expense Ratio.....	2%	4%	1%	4%	4%	2.88%			3.88%	
**Net Farm Income Ratio.....	51%	58%	47%	69%	39%	52.80%	e- tranel@iastate.edu		23.80%	
Estimated % Interest Paid	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%			5.00%	
Dairy TRANS Profit Status is.....	SUPERB!	SUPERB!	SUPERB!	SUPERB!	SUPERB!	SUPERB!			OK	
Dairy TRANS Performance Rating	130.00%	121.00%	191.00%	115.00%	113.00%	134.00%			56.20%	

Please note: The rates of return to equity and rates of return to assets are equal because in order to keep confidentiality of participants debt levels, interest charges are not included in cash expenses but included as an equity charge of 6% in 2007 and 5% in 2009.



The Millionaire Model Dairy Farm Project was designed by Dr. Larry Tranel, ISU Extension Dairy Specialist, NE/SE Iowa.

Thanks to the Leopold Center at ISU for their support of this project and the dairy producers who have so graciously shared their financial data for others to learn from.

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