2025 VERMONT ORGANIC DAIRY COST OF PRODUCTION

All Farms Sample Size = 19

	Average	Min	Max
Farm Information			
Herd Size	80	53	176
Acres	365	76	899
Acres per cow	4.7	1.4	8.4
Fertilizer & seed expenses ($/cow)	$232	$0	$969
Fertilizer & seed expenses ($/acre)	$19	$0	$80
Purchased forage expense ($/cow)	$232	$0	$969
Purchased forage expense ($/acre)	$60	$0	$263
Milk Information			
Total milk sold (lbs/year)	1,137,656	470,512	3,547,902
Total milk sold (CWTs)	11,377	4,705	35,479
Total milk sold (CWT eq.)	13,099	5,192	37,760
Milk per cow (lbs/cow)	13,938	7,651	19,059
Milk per acre (lbs/acre)	3,572	1,569	11,274
Fat per cow (lbs/cow)	607	304	782
Fat per acre (lbs/acre)	147	-	440
Protein per cow (lbs/cow)	458	239	591
Protein per acre (lbs/acre)	116	53	338
Labor Efficiency			
Full Time Equivalents (FTEs)	2.8	1.7	4.2
Cows per FTE	30	15	82
Milk sold per FTE (CWT eq.)	4,761	2,297	15,597
Return to labor	$14,204	($172,864)	$249,004
Labor earnings per hour	$7.77	($23.05)	$62.87
Unpaid labor cost	$53,501	$48,706	$78,514
Unpaid labor (hours)	5,418	3,120	10,608
Farm Income			
Milk price ($/CWT)	$39.04	$34.95	$42.85
Gross milk income	$447,007	$170,924	$1,402,946
Gross cull, calf, and livestock sales	$35,452	$7,076	$95,387
Gross crop sales	$4,212	$0	$23,940
Other income	$34,329	$2,760	$114,373
Total gross income	$520,999	$207,304	$1,500,459
Farm Expenses ($/CWT eq.)			
Bedding	$1.26	$0.00	$4.04
Breeding Fees	$0.41	$0.00	$1.05
Custom Hire	$1.36	$0.00	$5.18
Machine Rentals	$0.03	$0.00	$0.26
Land Rental	$1.04	$0.00	$6.71
Supplies	$2.49	$0.91	$6.20
Farm Insurance	$1.18	$0.00	$2.54
Fuel, Gas, and Oil	$1.06	$0.47	$1.59
Hired Labor	$3.72	$0.00	$8.95
Interest*			
Property Taxes	$0.67	$0.00	$1.78
Purchased Forages	$1.39	$0.00	$5.75
Grain & Minerals	$10.64	$4.94	$14.52
Repairs	$2.77	$1.22	$6.82
Seed & Fertilizer	$0.48	$0.00	$2.57
Utilities	$1.48	$0.32	$2.77
Veterinary & Medicine	$0.48	$0.00	$1.10
Stop & Hauling	$0.37	$0.00	$1.07
Other	$1.03	$0.31	$2.39
Total Cash Expense ($/CWT eq.)	**$31.85**	**$24.50**	**$43.12**
Farm Expenses ($/cow)			
Bedding	$209	$0	$721
Breeding Fees	$70	$0	$212
Custom Hire	$204	$0	$849
Machine Rentals	$6	$0	$60
Land Rental	$147	$0	$919
Supplies	$392	$76	$984
Farm Insurance	$174	$0	$336
Fuel, Gas, and Oil	$165	$85	$256
Hired Labor	$620	$0	$1,866
Interest*			
Property Taxes	$109	$0	$297
Purchased Forages	$232	$0	$969
Grain & Minerals	$1,611	$392	$2,531

	Average	Min	Max
Repairs	$447	$126	$963
Seed & Fertilizer	$80	$0	$407
Utilities	$229	$53	$420
Veterinary & Medicine	$77	$0	$137
Stop & Hauling	$53	$0	$142
Other	$457	$84	$981
Total Cash Expense ($/cow)	**$5,097**	**$2,424**	**$7,363**
Farm Expenses ($/farm)			
Bedding	$17,739	$0	$90,150
Breeding Fees	$5,676	$0	$19,610
Custom Hire	$18,249	$0	$131,750
Machine Rentals	$342	$0	$3,562
Land Rental	$9,411	$0	$50,519
Supplies	$29,497	$4,704	$75,269
Farm Insurance	$13,132	$0	$27,045
Fuel, Gas, and Oil	$13,478	$4,518	$50,332
Hired Labor	$48,413	$0	$208,702
Interest*			
Property Taxes	$8,566	$0	$17,550
Purchased Forages	$21,031	$0	$170,477
Grain & Minerals	$137,932	$26,460	$409,761
Repairs	$35,619	$7,719	$82,863
Seed & Fertilizer	$6,227	$0	$31,170
Utilities	$18,082	$3,281	$56,500
Veterinary & Medicine	$6,037	$0	$13,320
Stop & Hauling	$4,409	$0	$13,411
Other	$14,518	$3,308	$27,719
Total Cash Expense ($/farm)	**$414,999**	**$149,083**	**$1,051,703**
Net			
Net Cash Income	$106,000	($23,463)	$470,373
Inventory Change^	($33,017)	($191,050)	$145,005
Inventory adjustments - Feed	($7,060)	($97,810)	$42,450
Supplies and other	$452	$0	$6,600
Breeding Livestock	($49)	($37,600)	$44,000
Income Change	($6,657)	($104,210)	$42,450
Prepaid Expenses	$0	$0	$0
Accounts Payable (+)	$0	$0	$0
Machinery & Equipment	$4,838	($71,250)	$94,980
Land and Buildings	$1,719	($45,000)	$115,000
Other Adjustments	($1,927)	($27,000)	$7,547
Expense Change	($4,630)	($102,555)	$143,250
Capital Purchases Minus Sales Adjustme	$30,991	$0	$117,000
4% Equity	$58,779	$10,353	$133,342
Unpaid labor cost	$53,501	$48,706	$78,514
Total Cost	$553,640	$222,618	$1,292,861
Total Cost ($/CWT eq.)	$43.87	$34.24	$66.91
Depreciation FM Value	$32,464	$4,693	$116,250
Capital Costs ($/cow)	$1,101	$294	$2,241
Capital Invested ($/cow)	$16,709	$4,726	$35,889
Net Farm Income from Operations (NFIF	$72,983	($84,538)	$373,617
Rate of Return on Assets (ROA)	1%	-16%	13%
Operating Profit Margin (OPM)	-1%	-50%	29%
Asset Turnover Ratio (ATR)	46%	12%	141%

* Full time equivalent is 3000 hours per year of labor hours. Includes both paid and unpaid labor.

** Other income includes state agricultural program payments, co-op distributions, and crop insurance proceeds. It does NOT include DMC program payments.

† CWT eq. represents a hundredweight equivalent to adjust for dairy income other than milk. It is calculated by taking the income from sales of crops, calves, and other dairy income and dividing that by the total milk price.

*** Other expenses include milk testing, accounting and legal fees, and certification fees.

⌖ NFIFO is gross cash income - total farm expense + inventory change + depreciation and other capital adjustments

^ Inventory change is the change in quantity and value of feed, livestock, machinery, equipment, and real estate from the beginning to the end of the year. All assets are valued on a fair market value (FMV) basis.

NOTE: The average, min, and max values are calculated horizontally by line item. This means that each column is made up of values from different farms, not the same farm. This also means that values will not sum to column totals.

NOTE: In 2025 we used $48,706 as an inflation-adjusted opportunity cost of the farmer's time