BENCHMARKS

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Don Rogers, vice-president of Pioneer Farm Credit, ACA, reported Farm Credit benchmarks for 1997. Essentially, their benchmarks are the average of their top 25% most profitable of Farm Credit's dairies. Florida DBAP's program also publishes the average of our top 25% most profitable dairies. For your business analysis, or just for your curiosity, we have compared the two lists of important data.

Of course, you will find that the size, scale and volume of the dairies represented are very much different. The DBAP top 25% group has more than 10 times the number of cows (1,428 to 137) and sell 8.7 times as much milk (24.3 million to 2.8 million pounds). DBAP participants have 22 more cows per worker and sell a quarter of a million pounds more milk per worker.

Costs of production were much higher for DBAP's group. Purchased feed per cow was 67% higher on DBAP dairies, $1,433 to $862. Feed was 43% of the milk check in DBAP and 30% in Farm Credit's group. DBAP's labor expense was slightly higher, 11.8% of total revenues compared to 9.6%, while debt per cow was considerably lower, $1,487 in DBAP to $2,274. Total costs of production were $17.63 to $14.70, a 19% difference. DBAP's average milk sales price, $17.17, was 23% higher than Farm Credit's $13.93.

Remarkably, margin per cwt. was very similar between the two groups. DBAP's top 25% had an average net farm income of $2.14 while the Farm Credit group averaged $1.97 per cwt.

Bench marking enables decision makers to identify areas of their dairy farm performance that need adjustment. A line by line basis provided opportunities to improve to make the business more profitable in the future. DBAP provides the opportunity to compare your dairy to the average or the top 25%. How do you stack up?