

COST OF MILK PRODUCTION

Milk output is a function of age, lactation number, calving month, feeding practices, etc. Due to these variables milk production per day varies over time.

Since an animal may be wet/dry over a certain period, one should estimate the total milking months and total milk production.

Cost per Kg of milk can be derived by dividing the cost of total milking period by the total milk produced during that period.

COST OF BEEF PRODUCTION

An identical procedure can be used for estimating cost of various items for the purpose of beef production as discussed for milch animals. The only exception is that of depreciation cost. Weight gain during the year can be estimated using the following formula:

$$WG = WY_2 - WY_1$$

Where

WG = Weight gained during the year in Kgs,

WY₁ = Weight of the animal in the beginning of the year in Kgs and

WY₂ = Weight of the animal at the end of the year in Kgs.

Gain in weight during the year can be used to estimate the carcass weight. It is assumed that the percentage of dressed meat is 54.8. Cost per kg of beef is equal to the total cost divided by the total dressed weight. Cost of production of per kg of buffalo milk and beef in the Punjab for a year is presented in Tables 4.1 and 4.2, respectively.

Table 4.1: Cost of production per kg of buffalo milk.

Items of Cost	Amount (Rs.)	Percentage of total
Family and permanent hired labour	1.83	12.99
Casual hired labour	-	-
Concentrate:		
i) Cotton seed cake	1.66	11.79
ii) Others	-	-
Fodder:		
i) Kharif Fodder	1.03	7.31
ii) Rabi Fodder	3.02	21.45
iii) Rabi others	0.29	2.06
iv) Dry Fodder	0.40	2.84
Interest cost on animal	0.42	2.98
Depreciation cost of animal	3.47	24.64
Interest and depreciation cost on animal sheds	0.32	2.28
Interest on open space	0.10	0.72
Implement cost	0.22	1.56
Miscellaneous cost	0.40	2.84
Value of milk fed to calves	0.92	6.53
Total cost	14.08	100.00
Income from FYM	0.44	-
Net cost	13.64	-
Price/Kg.	10.12	-
Net return/Kg.	-3.52	-

Table 4.2 Cost of production of hieffer of buffalo.

Item of Cost	Overall	
	Rs./Kg	%age
Labour	11.02	32.17
Fodder:		
i) Kharif Fodder	2.72	7.94
ii) Rabi Fodder	4.68	13.66
iii) Rabi others	1.42	4.14
iv) Dry Fodder	2.09	6.10
Interest on animal value	2.60	7.59
Interest and Depreciation cost on animal sheds	3.67	10.72
Interest cost on open space	1.56	4.55
Implement cost	3.24	9.45
Miscellaneous cost	1.26	3.68
Total cost	34.26	100.00
Income from FYM	2.64	-
Net cost per Kg. at Farm Level	31.62	-