

Cost Considerations for Making Cheese in Tennessee

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The following projections were assembled during 2021 and 2022 as part of a small-scale milk processing project with the *Center for Profitable Agriculture*. Special appreciation is extended to Dr. Mark Morgan in the Department of Food Science for his prior work in evaluating the procedures and equipment needs for commercial cheese making and for his assistance with this project.

<u>Item</u>	<u>Amount</u>	<u>Price</u>	<u>Total Daily Cost, Revenue*</u>
Milk	8.60	\$0.25	\$181.51
Coloring	0.0010	\$0.75	\$0.06
Salt	0.0029	\$0.87	\$0.21
Calcium Chloride	0.0030	\$0.59	\$0.15
Starter Cultures	0.0012	\$2.33	\$0.24
Rennet	0.0030	\$2.53	\$0.65
Testing	1.0000	\$0.06	\$5.00
Utilities	1.0000	\$0.04	\$3.42
Cleaning Supplies	1	\$0.00	\$0.17
Packaging	1	\$0.03	\$2.30
Labels	1	\$0.04	\$3.41
Supplies	1	\$0.03	\$2.25
Waste and Wastewater treatment	1	\$0.00	\$0.09
Total Non-labor Operating			\$199.45
2 Workers 8 hours at \$15 per hour	0	\$15.00	\$240.00
Production Cost			\$439.45
Aging Cost (1% of Production Cost)			\$4.39
Marketing Cost			\$22.00
Total Operating Cost			\$465.85
Cheese produced (pounds) (adjusted for 3.5% loss)	82.16		
Price Per Pound	\$6.50		
Revenue	\$534.04		\$534.04
Daily Revenue Net of Operating Cost			\$68.19

	Annual Net Returns
Net Revenue Operating Assuming 200 days production	\$13,639
\$130,000 Loan, 10 year Annual Repayment at 5%	\$16,546
Net Annual Profit (16,432 pounds of annual production)	-\$2,908

\$130,000 loan based on the below:

99 Gallon Cheese Vat	\$18,000
5 ft Stainless Steel Drain Table and Middle Drain Shelf	\$2,600
Stainless Steel Lever Arm Press with 1 Arm	\$500
Powder Coated 25 lb Lever Press Weight	\$75
Sanitary Tube Pump	\$2,400
Vacuum packaging	\$2,160
Whey Bucket	\$100
Total	\$25,835
 Aging room other building rehab	 \$100,000

* Per pound times 85.14 pounds (assumed gross daily production)



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