

Iowa Dairy Cow Annual Budget- Freestall - January 2009
Large Breed Dairy Cow Including Replacements Producing
20,000 lbs. & 24,000 lbs. of Grade A Milk

I. RECEIPTS			\$\$ Value			\$\$ Value
1. Components:	200 cwt.			240 cwt.		
a. Butterfat	734 lbs.	1.0941 \$/lb.	\$803.07	880.8 lbs.	1.0941 \$/lb.	\$963.68
b. Protein	618 lbs.	1.9139 \$/lb.	\$1,182.79	741.6 lbs.	1.9139 \$/lb.	\$1,419.35
c. Other Solids	1146 lbs.	-0.0437 \$/lb.	(\$50.08)	1375.2 lbs.	-0.0437 \$/lb.	(\$60.10)
d. Producer Price Differential		1.07 \$/cwt.	\$214.00		1.07 \$/cwt.	\$256.80
e. Quality	260,000 SCC	0.00058 \$/thousand	\$0.150800	260,000 SCC	0.00058 \$/thousand	\$0.150800
f. Protein Premium		0 \$/lb.	\$0.00		0 \$/lb.	\$0.00
g. Volume		0.185 \$/cwt.	\$37.00		0.185 \$/cwt.	\$44.40
2. Capital Payout		0 \$/cwt.	\$0.00		0 \$/cwt.	\$0.00
3. Cull/cow (a)	0.36 head	\$450.00 per hd.	\$162.00	0.39 head	\$450.00 per hd.	\$175.50
4. Dairy calf	0.51 head	\$150.00 per hd.	\$76.50	0.52 head	\$150.00 per hd.	\$78.00
5. Replacement heifer calf	0.18 head	\$450.00 per hd.	\$81.00	0.21 head	\$450.00 per hd.	\$94.50
6. MILC payment		\$1.5135 \$/cwt.	\$302.70		\$1.5135	\$363.24
GROSS RECEIPTS			\$2,809.13			\$3,335.53
II. VARIABLE COSTS						
A. FEED COSTS (b)	<u>Price/Unit</u>	<u>Amount</u>	<u>\$\$ Value</u>	<u>Amount</u>		<u>\$\$ Value</u>
1. Corn equivalents	\$3.14 per bu.	104.38 bu.	\$327.75	112.91 bu.		\$354.54
2. Corn Silage	\$31.40 per ton	8.04 tons	\$252.46	7.99 tons		\$250.89
3. Hay equivalents	\$145.00 per ton	6.09 tons	\$883.05	6.03 tons		\$874.35
4. Salts and minerals	\$0.14 per lb.	241.97 lbs.	\$33.88	323.23 lbs.		\$45.25
5. Protein supplement	\$0.15 per lb.	1284.83 lbs.	\$194.65	1855.08 lbs.		\$281.04
6. Whole (linted) cottonseed	\$0.13 per lb.	724.5 lbs.	\$97.45	1361.25 lbs.		\$183.09
7. Fat	\$0.35 per lb.	26 lbs.	\$9.10	111 lbs.		\$38.85
8. Milk replacer, calf starter			\$65.00			\$44.00
9. Total Feed Costs			\$1,863.33			\$2,072.01
B. LIVESTOCK COSTS			<u>\$\$Value</u>			<u>\$\$Value</u>
1. Milk marketing per cwt.	\$0.30	200 cwt.	\$60.00	\$0.28	240 cwt.	\$66.00
2. Veterinary and Health			\$98.00			\$118.00
3. Fuel, utilities and repairs			\$100.00			\$110.00
4. DHIA & accounting			\$28.00			\$30.00
5. Breeding fees			\$35.00			\$43.00
6. Bedding, supplies and misc.			\$160.00			\$170.00
7. Total Livestock Cost			\$481.00			\$537.00
8. Operating Capital Interest	9%	3 months	\$52.75		3 months	\$58.70
9. Total Variable Costs			\$2,397.08			\$2,667.71
III. FIXED COSTS (c)						
1. Machinery, equipment, facilities			\$310.00			\$340.00
2. Interest & Ins. on Herd	7.50% annually		\$126.82			\$152.25
3. Death Loss	5% \$1,400		\$70.00	5% 1540		\$77.00
4. Total Fixed Cost			\$506.82			\$569.25
IV. TOTAL COST (except for labor and management)	<u>per cwt. (d)</u>		<u>per cow</u>	<u>per cwt. (d)</u>		<u>per cow</u>
	\$11.59		\$2,903.90	\$10.86		\$3,236.96
V. RETURNS	<u>per cwt. (d)</u>		<u>per cow</u>	<u>per cwt. (d)</u>		<u>per cow</u>
1. Gross receipts	\$12.77		\$2,809.13	\$12.74		\$3,335.53
2. Less variable costs	\$9.57		\$2,397.08	\$8.95		\$2,667.71
3. Returns above variable costs	\$1.64		\$412.05	\$2.24		\$667.82
4. Less fixed costs	\$2.02		\$506.82	\$1.91		\$569.25
5. Returns to labor & management	(\$0.38)		(\$94.77)	\$0.33		\$98.57
6. Less labor cost 45 hrs. @ \$12/hr.	\$2.16		\$540.00	\$1.81		\$540.00
7. Returns to management	(\$2.53)		(\$634.77)	(\$1.48)		(\$441.43)
VI. BREAK EVEN MILK PRICE (e)						
1. Budget break even per cwt.			\$15.6220			\$14.2873
2. Actual milk price received this month			\$10.9347			\$10.9345
3. Actual price received this month+MILC payment			\$12.4482			\$12.4480

(a) Cull cow income represents sales of dairy stock, a capital asset. This income is included to calculate production in terms of milk equivalents.

(b) A detailed explanation of the feed rations utilized is available upon request from the authors.

(c) Facilities budgeted here represent those needed for a 250 cow herd housed in a freestall and milked in a parlor.

(d) Milk equivalents are calculated by computing the adjusted gross receipts (gross receipts - death loss) then dividing by the total price per cwt. of milk.

(e) The break even milk price is the gross Grade A price per cwt. required in the receipts section, so the budget will cover total costs and labor.

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