



2003 DRY COW PRODUCTION BUDGET -- LARGE BREED
60 Day Dry Period
Grass Hay Ration

ITEM	QUANTITY	PRICE	TOTAL	YOUR BUDGET
RECEIPTS				
Dry Cow	1 head	\$1,200 /head	\$1,200	_____
VARIABLE COSTS				
Feed				
Hay Equiv.	0.84 ton	70.00 /ton	59	_____
Corn	3.6 bu	2.62 /bu	9	_____
Soybean Meal 48%	33 lb	0.10 /lb	3	_____
Limestone	9 lb	0.05 /lb	0	_____
Salt, trace min, vits.	3 lb	0.20 /lb	1	_____
TOTAL FEED COSTS			73	_____
Other Variable Costs				
Veterinary and Medicine			2	_____
Utilities			2	_____
Bedding	0.50 ton	60 /ton	30	_____
Misc. and Supplies			2	_____
Interest on Operating Capital ¹			1	_____
TOTAL OTHER VARIABLE COSTS			37	_____
TOTAL VARIABLE COSTS			110	_____
FIXED COSTS				
Milking cow	1 head	1100 /head	1100	_____
Labor Charge	2.5 hours	10.50 /hour	26	_____
Interest & Insurance on Dry Cow ²			19	_____
Equipment Charge ³	\$100 /head		3	_____
Building Charge ⁴	\$300 /head		7	_____
Management Charge ⁵	5%		60	_____
TOTAL FIXED COSTS			1215	_____
TOTAL COSTS			1325	_____
RETURN ABOVE VARIABLE COSTS			1090	_____
RETURN ABOVE TOTAL COSTS			(125)	_____
PER DAY COSTS ⁰				
FEED COSTS			1.21	_____
VARIABLE COSTS			1.83	_____
FIXED COSTS			1.92	_____
TOTAL COSTS			3.75	_____

- ¹ Interest on operating capital is calculated using 1/2 of feed costs and all other variable costs at a 8% interest rate for 2 months.
- ² Interest is based on a 8 percent interest rate and the market value of the dry cow. The rate for insurance costs is 0.43 percent per dollar of value. $\$1200 \times (8\% + 0.43\%) \times 2 \text{ months} = 19$.
- ³ Equipment charge equals 17.6% of new equipment costs for a two-month period.
New equipment costs equal \$100 per dry cow. Equipment charge = $0.176 \times \$100 \times 2 \text{ months}$.
- ⁴ Building charge equals 14.7% of new building costs for a two-month period.
New building costs equal \$300 per dry cow. Building charge = $0.147 \times \$300 \times 2 \text{ months}$.
- ⁵ Management charge is 5 percent of receipts.
- ⁶ Per day costs do not include the cost of the milking cow.