



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

ITEM	QUANTITY	PRICE	TOTAL	YOUR BUDGET
RECEIPTS				
Dry Cow	1 /head	\$1,100 /head	\$1,100	_____
VARIABLE COSTS				
Feed				
Hay Equiv.	0.59 ton	70.00 /ton	41	_____
Corn	2.4 bu	2.62 /bu	6	_____
Soybean Meal 48%	22 lb	0.10 /lb	2	_____
Limestone	4 lb	0.05 /lb	0	_____
Salt, trace min, vits.	2 lb	0.20 /lb	0	_____
TOTAL FEED COSTS			50	_____
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	8%		1	_____
TOTAL OTHER VARIABLE COSTS			37	_____
TOTAL VARIABLE COSTS			87	_____
FIXED COSTS				
Milking cow	1 /head	1000 /head	1000	_____
Labor Charge	2.5 hours	10.50 /hour	26	_____
Interest & Insurance on Dry Cow ²			15	_____
Equipment Charge ³	\$95 /head		3	_____
Building Charge ⁴	\$270 /head		7	_____
Management Charge ⁵	5%		55	_____
TOTAL FIXED COSTS			1106	_____
TOTAL COSTS			1193	_____
RETURN ABOVE VARIABLE COSTS			1013	_____
RETURN ABOVE TOTAL COSTS			-93	_____
PER DAY COSTS ⁶				
FEED COSTS			0.84	_____
VARIABLE COSTS			1.45	_____
FIXED COSTS			1.77	_____
TOTAL COSTS			3.22	_____

- ¹ Interest on operating capital is calculated using 1/2 of feed costs and all other variable costs 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 is 0.43 percent per dollar of value. $\$1100 \times (8\% + 0.43\%) \times 2 \text{ months} = 15$
- ³ Equipment charge equals 17.6% of new equipment costs for a two-month period.
New equipment costs equal \$95 per dry cow. Equipment charge = $0.176 \times \$95 \times 2 \text{ months}$.
- ⁴ Building charge equals 14.7% of new building costs for a two-month period.
New building costs equal \$270 per dry cow. Building charge = $0.147 \times \$270 \times 2 \text{ months}$.
- ⁵ Management charge is 5% of receipts.
- ⁶ Per day costs do not include the cost of the milking cow.