



**2003 DAIRY HEIFER PRODUCTION BUDGET -- SMALL BREED
BIRTH TO FRESHENING (24 Months)**

ITEM	QUANTITY	PRICE	----- Breakdown by Month -----				TOTAL	YOUR BUDGET
			1 to 2	3 to 12	13 to 23	24		
RECEIPTS								
Bred Heifer	1	\$1,150 /head					\$1,150	_____
VARIABLE COSTS								
Feed ¹								
Hay Equiv.	2.5 ton	120 /ton	18	111	156	15	300	_____
Corn Silage	4.3 ton	24.45 /ton	0	42	58	5	105	_____
Corn	31 bu	2.62 /bu	2	32	44	4	81	_____
Soybean Meal 48%	338 lb	0.10 /lb	2	13	17	2	34	_____
Salt	38 lb	0.12 /lb	0	2	2	1	5	_____
Dical Phosphate	38 lb	0.20 /lb	0	3	3	0	8	_____
Milk Replacer	30 lb	0.85 /lb	26	0	0	0	26	_____
TOTAL FEED COSTS			47	203	280	27 0	558	_____
Other Variable Costs								
Veterinary and Medicine			8	4	9	1	22	_____
Breeding and Registration			0	0	25	0	25	_____
Utilities			2	6	7	1	15	_____
Bedding	1 ton	60 /ton	6	24	24	6	60	_____
Misc. and Supplies			2	7	8	1	17	_____
Interest on Operating Capital ²		8%	9	24	14	0	48	_____
TOTAL OTHER VARIABLE COSTS			26	66	86	9	187	_____
TOTAL VARIABLE COSTS			74	269	366	36	745	_____
FIXED COSTS								
Heifer Calf ³	1.1 head	125 /head	138	0	0	0	138	_____
Labor Charge	25 hours	10.50 /hour	53	84	100	26	263	_____
Interest & Insurance on Heifer ⁴			2	11	14	1	28	_____
Equipment Charge ⁵	\$100 /head		3	15	16	1	35	_____
Building Charge ⁶	\$300 /head		7	37	41	4	88	_____
Management Charge ⁷		5%	5	24	26	2	58	_____
TOTAL FIXED COSTS			206	171	197	35	609	_____
TOTAL COSTS			280	439	563	71	1354	_____
RETURN ABOVE VARIABLE COSTS							405	_____
RETURN ABOVE TOTAL COSTS							(204)	_____
PER DAY COSTS ⁸								
			----- Costs Per Day -----					
FEED COSTS			0.78	0.67	0.83	0.90	0.76	_____
VARIABLE COSTS			1.21	0.88	1.09	1.19	1.02	_____
FIXED COSTS			1.13	0.56	0.59	1.14	0.64	_____
TOTAL COSTS			2.34	1.44	1.68	2.33	1.66	_____

- ¹ Corn silage priced at cost of production (\$19.45/ton) + \$5 handling charge. Corn priced at cost of production. Costs of production can be found in the Ohio Crop Enterprise Budgets.
- ² Interest on operating capital is based on a 8 percent interest rate. Interest costs for each period are calculated on all variable costs during that period. For the 1 to 2 month breakdown, interest costs are calculated for 23 months. The 23 months represents the average time that costs incurred during the 1 to 2 month must be held before the heifer freshens. For the 1 to 2 month period, interest costs equal \$9 (\$65 of variable costs during the period x 0.08 interest rate / 12 months x 23 months). Interest costs are calculated for 23, 16, 6, and 1 months for the 1 to 2, 3 to 12, 13 to 23, and 24 month breakdowns, respectively.
- ³ Based on a 10% death loss on heifers, therefore purchases of 1.1 heifers account for this death loss.
- ⁴ Interest is based on a 8 percent interest rate and the purchase price of the heifer. For the 1-2 month period, interest costs equal \$138 x 0.08 interest rate / 12 months x 2 months. Interest costs for the remaining periods are based on the purchase price plus interest and insurance costs of previous periods. The rate for insurance costs is 0.43 percent per dollar of value. Values per period are \$135, \$400, \$800, and \$1,000 for the 1 to 2, 3 to 12, 13 to 23, and 24 month periods, respectively.
- ⁵ Equipment charge equals 17.6% of new equipment costs for a two-year period. New equipment costs equal \$100 per heifer. Equipment charge = $0.176 \times \$100 \times 2$.
- ⁶ Building charge equals 14.7% of new building costs for a two-year period. New building costs equal \$300 per heifer. Building charge = $0.147 \times \$300 \times 2$.
- ⁷ Management charge is 5 percent of receipts.
- ⁸ Per day costs do not include the cost of the heifer calf.