
Example 1. Organic Dairy Budget - 16,500 lbs of milk per cow annually

Income	16,500 lbs of milk per cow annually		Your Farm
Milk @ \$33.00/cwt ¹	165 cwt	\$5,445.00	\$ _____
Cull cows		135.00	_____
Bull calves		80.00	_____
Miscellaneous		100.00	_____
Gross income		<u>\$5,760.00</u>	<u>\$ _____</u>
Variable Costs			
Feed Costs ²			
Corn grain @ \$7.40/bu	80 bu	\$592.00	\$ _____
Protein (soymeal) @ \$0.35/lb	1,000 lbs	350.00	_____
Forage		800.00	_____
Misc. feeds		225.00	_____
Total feed costs		<u>\$1,967.00</u>	<u>\$ _____</u>
Veterinary care		\$40.00	\$ _____
Supplies		180.00	_____
Utilities		80.00	_____
Repairs ³		140.00	_____
Taxes ³		75.00	_____
Fuel-oil ³		50.00	_____
Bedding		50.00	_____
Breeding		35.00	_____
Marketing		0.00	_____
Interest ⁴		226.59	_____
Hired labor		120.00	_____
Miscellaneous		85.00	_____
Total variable costs		<u>\$3,048.59</u>	<u>\$ _____</u>
Fixed costs			
Land @ \$2,500/acre ⁵	3 acres/cow	\$300.00	\$ _____
Owner's labor		360.00	_____
Building & machinery		125.00	_____
Cattle ⁶		500.00	_____
Total fixed costs		<u>\$1,285.00</u>	<u>\$ _____</u>
Total of All Costs		<u>\$4,333.59</u>	<u>\$ _____</u>
Return to management		\$1,426.41	\$ _____
Break-even selling price for variable costs per cwt		\$16.57	\$ _____
Break-even selling price for all costs per cwt		\$24.36	\$ _____

¹ 2006 Milk price

² Feed is priced at expected organic market prices.

³ Repairs, taxes and fuel and oil include costs of feed production on farm. Reduce these amounts by about \$81 per cow if feed is purchased.

⁴ Interest paid to lenders will vary by individual situation. Use expected interest cost in planning.

⁵ Land ownership charge is 4% annually for the total value of pasture and cropland owned and utilized by the dairy farm for dairy herd feed. This fee would be reduced if significant amounts of feed are purchased.

⁶ Cow ownership charge is based on 5 lactations per cow and reflects the current market cost of purchased cows.
