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

## Income

Milk @ \$33.00/cwt ${ }^{1}$
Cull cows
Bull calves
Miscellaneous
Gross income
Variable Costs
Feed Costs ${ }^{2}$
Corn grain @
Protein (soym
Forage
Misc. feeds
Total feed cos

Veterinary care
Supplies
Utilities
Repairs ${ }^{3}$
Taxes ${ }^{3}$
Fuel-oil ${ }^{3}$
Bedding
Breeding
Marketing
Interest ${ }^{4}$
Hired labor
Miscellaneous
Total variable costs

## Fixed costs

Land @ \$2,500/acre ${ }^{5}$
Owner's labor
Building \& machinery
Cattle ${ }^{6}$
Total fixed costs
Total of All Costs
Return to management
Break-even selling price for variable costs per cwt
Break-even selling price for all costs per cwt
165 cwt

16,500 Ibs of milk per
cow annually
$\begin{array}{r}\$ 5,445.00 \\ 135.00 \\ 80.00 \\ 100.00 \\ \hline \$ 5,760.00\end{array}$
Your Farm
$\qquad$
\$

${ }^{1} 2006$ 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.

