

# **DAIRY FARM BUSINESS SUMMARY**

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## **COLUMBIA - DUTCHESS COUNTIES 1980**

Stuart F. Smith

Department of Agricultural Economics  
New York State College of Agriculture and Life Sciences  
A Statutory College of the State University  
Cornell University, Ithaca, New York 14853

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COLUMBIA & DUTCHESS COUNTIES  
DAIRY FARM BUSINESS SUMMARY

INTRODUCTION

Dairy farmers in more than forty counties throughout the State submit records for summarization through Cooperative Extension's Farm Business Management Program. Each dairy farmer receives a report for the farm containing all the management information found in this publication. A compilation of the individual farm reports is published in ten regional summaries like this one and in one statewide summary. These publications are used not only by extension personnel and dairy farmers but also by many segments of the dairy industry to monitor the health of the milk production sector.

Primary objectives of the dairy farm business management program are to (1) assist farmers in developing and maintaining more complete farm business data for use in management decisions and (2) help farmers improve their management skills through appropriate use of farm record data and application of modern decision-making techniques. This report is prepared in workbook form for use in the systematic study of individual farm business operations. This booklet should also be useful to farmers in Columbia and Dutchess counties who are not enrolled in the business management project and to agribusiness firms.

The increasing size of the New York dairy farms and the dynamic nature of the economic environment within which they operate make farm incomes increasingly dependent upon the accuracy of management decisions. An assessment of past business performance combined with careful analysis of future economic conditions and goals of the farm business will greatly enhance the operator's profit potential.

With upward pressure on costs continuing into 1981, dairy farmers will need to place emphasis on operating the most efficient business possible. Two areas for continued emphasis are (1) dairy concentrate purchases and the total livestock feeding program, and (2) the crop production program. Dairy concentrate purchases are the largest single cash expense and with large increases in fuel and fertilizer costs, the cropping program warrants careful examination as well. By carefully proceeding through this workbook to determine business strengths and weaknesses and by carefully planning next year's business operations, a dairy farmer will be in a better position to manage the farm through the challenges of the 1980s.

Business records for 52 farms in Columbia and Dutchess counties are summarized in this publication.

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This publication was prepared by Stuart F. Smith, Department of Agricultural Economics, New York State College of Agriculture and Life Sciences. Records were collected and submitted by David Arnold, Columbia County Cooperative Extension Agent, David Tetor, Dutchess County Cooperative Extension Agent, and the Hudson Valley Farm Credit Association.

## Improvements In 1980 Dairy Farm Business Summary

Although there are no major changes in the format of this year's Dairy Farm Business Summary publication, there are several changes in the accounting procedures. These changes affect comparisons of 1980 data with farm business summaries from prior years.

The following accounting methods were used for the first time this year to more accurately separate the effect of inflation on farm inventories, from increases caused by greater quantity and/or improved quality of inventory items.

1. The fixed cost of maintaining machinery and equipment; depreciation is last year's regular income tax depreciation plus ten percent of machinery purchases in 1980. An increase in machinery market value that more than offsets the depreciation charge is machinery appreciation and is included in labor, management and ownership income of the farm business. Machinery appreciation is not included in the calculation of labor and management income but depreciation is included.
2. The change in livestock inventory is now divided into two parts. The change in herd market value attributed to a change in numbers and/or a definite change in herd quality, is the increase (or decrease) in livestock inventory that is included in labor and management income. The change in herd market value, caused by inflationary price increases, is excluded from labor and management income but is included in labor, management and ownership income.

Other new accounting procedures have been introduced to more accurately identify important farm resources and to obtain a better measure of forage production.

1. The number of operators now includes individuals who are integrally involved in the operation and management of the farm business in addition to the primary operator. Many farm spouses are included as part-time operators this year. The number of full-time operators per farm is total months of all operators' labor reported divided by 12.
2. The land available for crop production is called total tillable acres. Nontillable pasture, woodland and wasteland is included in the total land inventory. The reason for changing to tillable acres is to inventory the land resource available for production rather than only that currently in production.
3. Tons of dry matter has been adopted as an improved method of measuring forage harvested. It is more consistent and is more commonly used in dairy cattle nutrition than hay equivalent.

1980 DAIRY FARM BUSINESS SUMMARY  
Average of 52 Columbia & Dutchess County Dairy Farms

<u>CAPITAL INVESTMENT</u>		<u>1/1/80</u>	<u>1/1/81</u>	<u>RECEIPTS</u>	
Livestock	\$106,556	\$111,070	Milk sales	\$170,898	
Feed & supplies	27,700	31,354	Crop sales	3,019	
Machinery & equip.	68,147	75,772	Dairy cattle sold	17,741	
Land & buildings	195,945	201,019	Calves & other livestock sales	3,016	
Total Investment	\$398,348	\$419,215	Refunds & payments	233	
<u>EXPENSES</u>			Machine work	588	
<u>Hired Labor</u>		\$ 17,773	Miscellaneous	1,828	
<u>Feed</u>			Total Cash Receipts	\$197,323	
Dairy concentrate		45,103	Increase in feed & supplies	3,654	
Hay & other		309	Livestock appreciation	4,619	
<u>Machinery</u>			Machinery appreciation	3,747	
Machine hire		1,572	Real Estate appreciation	6,582	
Machinery repair & auto (f.s.)		9,304	TOTAL FARM RECEIPTS	\$215,925	
Gas & oil		8,253	TOTAL FARM RECEIPTS		
<u>Livestock</u>			EXCLUDING APPRECIATION	\$200,977	
Replacement livestock		1,059	<u>FINANCIAL SUMMARY</u>		
Breeding fees		2,336	Cash Farm Receipts	\$197,323	
Veterinary & medicine		3,099	Cash Farm Expenses	159,731	
Milk mktg. (promo. & dues)		9,571	Net Cash Farm Income	\$ 37,592	
Other livestock expense		7,809	Total Farm Rcpts. Exc. Appr.	\$200,977	
<u>Crops</u>			Total Farm Expenses	206,622	
Fertilizer & lime		9,948	Labor & Management Income	\$- 5,645	
Seeds & plants		2,751	Number of operators	1.31	
Spray & other		2,392	Labor & Mgmt. Inc./Operator	\$- 4,309	
<u>Real Estate</u>			Total Farm Receipts	\$215,925	
Repairs		2,587	Total Farm Expenses Excluding		
Taxes		4,456	Interest on Equity Capital	178,217	
Insurance		4,546	Labor, Mgmt. & Ownership Inc.	\$ 37,708	
Rent		5,875	Labor, Mgmt. & Ownership		
<u>Other Cash Expenses</u>			Income per Operator	\$ 28,785	
Telephone (farm share)		530	Ret. on Eq. Cap. with Appr.	6.0%	
Electricity (farm share)		3,605	<u>BUSINESS FACTORS</u>		
Interest paid		12,775	Number of cows	86	
Miscellaneous		4,078	Number of heifers	70	
Total Cash Expenses		\$159,731	Total tillable acres	271	
<u>Noncash Items</u>			Worker equivalent	3.3	
Decrease in livestock inv.	\$	105	Pounds of milk sold per cow	14,700	
Expansion livestock		758	Tons hay crop D.M. per acre	2.6	
Machinery depreciation		11,842	Tons corn silage per acre	13.6	
Building depreciation		4,281	Cows per worker	26	
Unpaid labor @ \$500/mo.		1,500	Milk sold/worker, pounds	380,500	
Int. on equity cap. @ 9%		28,405	% purchased feed is of milk rec.	26%	
TOTAL FARM EXPENSES		\$206,622	% debt pymts. are of milk rec.	14%	
TOTAL FARM EXPENSES EXCLUDING			Ave. price per cwt. of milk	\$13.49	
INTEREST ON EQUITY CAPITAL		\$178,217	Farm capital per cow	\$4,932	
			Debt per cow	\$1,604	

1980 DAIRY FARM BUSINESS SUMMARY  
Average of 42 Owned Columbia & Dutchess County Dairy Farms

<u>CAPITAL INVESTMENT</u>		<u>1/1/80</u>	<u>1/1/81</u>	<u>RECEIPTS</u>	
Livestock		\$103,873	\$108,197	Milk sales	\$163,738
Feed & supplies		27,474	31,459	Crop sales	3,014
Machinery & equip.		68,418	75,482	Dairy cattle sold	17,784
Land & buildings		241,126	246,850	Calves & other livestock sales	3,113
Total Investment		\$440,891	\$461,988	Refunds & payments	148
				Machine work	728
				Miscellaneous	1,876
<u>EXPENSES</u>				Total Cash Receipts	\$190,401
Hired Labor			\$ 16,536	Increase in feed & supplies	3,985
Feed				Livestock appreciation	4,902
Dairy concentrate			41,463	Machinery appreciation	3,326
Hay & other			308	Real Estate appreciation	7,984
Machinery				TOTAL FARM RECEIPTS	\$210,598
Machine hire			1,647	TOTAL FARM RECEIPTS	
Machinery repair & auto (f.s.)			9,544	EXCLUDING APPRECIATION	\$194,386
Gas & oil			8,202		
Livestock				<u>FINANCIAL SUMMARY</u>	
Replacement livestock			696	Cash Farm Receipts	\$190,401
Breeding fees			2,208	Cash Farm Expenses	153,185
Veterinary & medicine			2,964	Net Cash Farm Income	\$ 37,216
Milk mktg. (promo. & dues)			9,034	Total Farm Rcpts. Exc. Appr.	\$194,386
Other livestock expense			6,961	Total Farm Expenses	203,224
Crops				Labor & Management Income	\$- 8,838
Fertilizer & lime			10,008	Number of operators	1.2
Seeds & plants			2,726	Labor & Mgmt. Inc./Operator	\$- 7,244
Spray & other			2,136	Total Farm Receipts	\$210,598
Real Estate				Total Farm Expenses Excluding	
Repairs			2,592	Interest on Equity Capital	172,910
Taxes			4,803	Labor, Mgmt. & Ownership Inc.	\$ 37,688
Insurance			4,583	Labor, Mgmt. & Ownership	
Rent			4,116	Income per Operator	\$ 30,892
Other Cash Expenses				Ret. on Eq. Cap. with Apprec.	6.0%
Telephone (farm share)			521	<u>BUSINESS FACTORS</u>	
Electricity (farm share)			3,477	Number of cows	82
Interest paid			14,451	Number of heifers	68
Miscellaneous			4,209	Total tillable acres	271
Total Cash Expenses			\$153,185	Worker equivalent	3.2
Noncash Items				Pounds of milk sold per cow	14,700
Decrease in livestock inv.	\$	578		Tons hay crop D.M. per acre	2.6
Expansion livestock		938		Tons corn silage per acre	13.4
Machinery depreciation		11,597		Cows per worker	26
Building depreciation		5,112		Milk sold/worker, pounds	382,100
Unpaid labor @ \$500/mo.		1,500		% purchased feed is of milk rec.	25%
Int. on equity cap. @ 9%		30,314		% debt pymts. are of milk rec.	17%
TOTAL FARM EXPENSES			\$203,224	Ave. price per cwt. of milk	\$13.52
TOTAL FARM EXPENSES EXCLUDING				Farm capital per cow	\$5,566
INTEREST ON EQUITY CAPITAL			\$172,910	Debt per cow	\$1,898

SUMMARY OF THE FARM BUSINESS

Knowledge about the availability of farm resources and their characteristics is fundamental to judging management performance. The table below gives some facts about the physical and capital resources of these farms. The farms are divided into three groups to allow for better comparisons.

Business Characteristics

Thirty-five of the 52 farms are individual proprietorships, 13 are partnerships and four are corporations. Forty-five of the herds are on DHIC, and three are on owner sampler. Sixty-seven percent of the farms have stanchion barns, 33 percent have free-stalls. Eighty-six percent of the conventional barns have pipelines or parlors. Seventy-two percent of the 18 milking parlors are herringbone systems.

Thirty-seven of the farmers in the summary keep Agrifax records. Seven are in the Cornell Electronic Record Program (CAMIS). The remainder use account books and other systems.

DESCRIPTION OF FARM RESOURCES  
Columbia & Dutchess County Dairy Farms, 1980

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
Average number of cows	_____	65	126	101
<u>Labor Force</u>				
Operator, months	_____	14	16	20
Family paid, months	_____	2	3	1
Family unpaid, months	_____	3	3	3
Hired, months	_____	15	26	22
Total Months	_____	34	48	46
Worker equiv. (years)	_____	2.8	4.0	3.8
Average age of operator	_____	47	46	38
<u>Land</u>				
Total acres owned	_____	261	326	11
Total tillable acres	_____	235	360	272
Tillable acres rented	_____	114	187	272
<u>Capital Investment 1/1/81</u>				
Livestock	\$ _____	\$ 85,794	\$164,204	\$123,141
Feed & supplies	_____	26,660	43,457	30,913
Machinery & equipment	_____	65,722	99,883	76,987
Land & buildings	_____	231,391	285,499	8,528*
TOTAL FARM INVENTORY	\$ _____	\$409,567	\$593,043	\$239,569

\* Lease hold improvements.

Receipts

Receipts from the business should be large enough to cover the operating and overhead costs and leave a return for the operator's labor and management. Here we look at sources and amounts of receipts for this group of farms.

FARM RECEIPTS  
Columbia & Dutchess County Dairy Farms, 1980

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
Milk sales	\$ _____	\$129,999	\$248,085	\$200,971
Crop sales	_____	2,201	5,044	3,044
Dairy cattle sold	_____	14,427	26,178	17,559
Calves & other livestock	_____	2,024	5,836	2,606
Gas tax refunds	_____	24	0	107
Government payments	_____	170	33	487
Work off farm	_____	0	0	0
Custom machine work	_____	906	285	0
Other	_____	1,771	2,138	1,629
Total Cash Receipts	\$ _____	\$151,522	\$287,599	\$226,403
Increase in livestock	_____	0	0	1,885
Increase in feed & supplies	_____	2,088	8,727	2,265
Livestock appreciation	_____	3,379	8,710	3,430
Machinery appreciation	_____	3,497	2,901	5,516
Real estate appreciation	_____	5,997	12,950	694
TOTAL FARM RECEIPTS	\$ _____	\$166,483	\$320,887	\$240,193
TOTAL FARM RECEIPTS EXCLUDING APPRECIATION	\$ _____	\$153,610	\$296,326	\$230,553

Total cash receipts increased six percent on the owned farms and 37 percent on the rented farms compared with 1979.

INCOME ANALYSIS  
Columbia & Dutchess County Dairy Farms, 1980

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
Average price/cwt. milk	\$ _____	\$ 13.56	\$ 13.46	\$ 13.39
Milk & cattle sales/cow	\$ _____	\$ 2,253	\$ 2,223	\$ 1,990
Total cash rec./worker	\$ _____	\$53,541	\$71,900	\$59,113

The average price of milk increased \$.66 per hundredweight sold for all 52 farms compared with the 1979 average.



Expenses

Classifying expenses into the categories on this page will help you identify those that need tighter control.

FARM EXPENSES  
Columbia & Dutchess County Dairy Farms, 1980

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
<u>Hired Labor</u>	\$ _____	\$ 11,329	\$ 29,554	\$ 22,966
<u>Feed</u>				
Dairy concentrate	_____	31,219	67,074	60,388
Other feed	_____	431	0	311
<u>Machinery</u>				
Machine hire	_____	1,335	2,428	1,257
Machinery repairs	_____	7,414	14,770	8,075
Auto expense (farm share)	_____	22	43	221
Gas & oil	_____	7,124	10,897	8,469
<u>Livestock</u>				
Replacement livestock	_____	646	823	2,583
Breeding fees	_____	2,098	2,484	2,875
Veterinary & medicine	_____	2,446	4,259	3,670
Milk mktg. (promo. & dues)	_____	7,212	13,590	11,827
Other livestock expense	_____	5,583	10,408	11,368
<u>Crops</u>				
Fertilizer & lime	_____	9,135	12,192	9,695
Seeds & plants	_____	2,356	3,648	2,859
Spray, other crop expense	_____	1,759	3,077	3,471
<u>Real Estate</u>				
Land, building, fence rep.	_____	2,434	2,987	2,566
Taxes	_____	4,433	5,729	2,997
Insurance	_____	4,127	5,724	4,392
Rent	_____	3,195	6,418	13,265
<u>Other</u>				
Telephone (farm share)	_____	478	629	569
Electricity (farm share)	_____	2,940	4,822	4,143
Interest paid	_____	11,220	22,530	5,736
Miscellaneous	_____	3,303	6,475	3,524
Total Cash Expenses	\$ _____	\$122,239	\$230,561	\$187,227
<u>Noncash Items</u>				
Dec. in lvstk. &/or feed	\$ _____	\$ 33	\$ 1,941	\$ 0
Expansion livestock	_____	1,097	542	0
Machinery depreciation	_____	9,034	18,004	12,873
Building depreciation	_____	4,009	7,870	789
Unpaid labor @ \$500/mo.	_____	1,500	1,500	1,500
Int. on equity cap. @ 9%	_____	27,686	36,883	20,387
TOTAL FARM EXPENSES	\$ _____	\$165,598	\$297,301	\$222,776
TOTAL FARM EXPENSES EXCLUDING INTEREST ON EQUITY CAPITAL	\$ _____	\$137,912	\$260,418	\$202,389

Financial Summary of the Year's Business

The returns from a business measure the success of management.

MEASURES OF FARM BUSINESS PROFITABILITY  
Columbia & Dutchess County Dairy Farms, 1980

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
Cash Farm Receipts	\$ _____	\$151,522	\$287,599	\$226,403
Cash Farm Expenses	- _____	- 122,239	- 230,561	- 187,227
NET CASH FARM INCOME	\$ _____	\$ 29,283	\$ 57,038	\$ 39,176
Total Farm Receipts Excluding Appreciation	\$ _____	\$153,610	\$296,326	\$230,553
Total Farm Expenses	- _____	- 165,598	- 297,301	- 222,776
LABOR & MANAGEMENT INCOME	\$ _____	\$-11,988	\$- 975	\$ 7,777
Number of operators	+ _____	+ 1.18	+ 1.32	+ 1.70
LABOR & MGMT. INC./OPERATOR	\$ _____	\$-10,159	\$- 739	\$ 4,575
Total Farm Receipts	\$ _____	\$166,483	\$320,887	\$240,193
Total Farm Expenses Excluding Interest on Equity Capital	- _____	- 137,912	- 260,418	- 202,389
LABOR, MGMT. & OWNSH. INC./FARM	\$ _____	\$ 28,571	\$ 60,469	\$ 37,804
LABOR, MGMT. & OWNSH. INC./OP.	\$ _____	\$ 24,213	\$ 45,810	\$ 22,238
LABOR, MGMT. & OWNSH. INC./FARM	\$ _____	\$ 28,571	\$ 60,469	\$ 37,804
Value of Operator's Lab. & Mgmt.	- _____	- 16,447	- 20,025	- 23,820
Return on Equity Capital	\$ _____	\$ 12,124	\$ 40,444	\$ 13,984
Rate of Return on Equity Capital with Appreciation	_____ %	3.9%	9.9%	6.2%
Rate of Return on Equity Capital Excluding Appreciation	_____ %	- 0.2%	3.9%	1.9%

Net Cash Farm Income reflects cash available for family living, principle payments and to make capital purchases and other investments from cash.

Labor and Management Income is the return to the farm operator(s) for his or her efforts in operating the business after deducting all farm expenses including a nine percent charge for the use of equity capital. It is computed without the affect of livestock appreciation caused by higher cattle prices.

Labor, Management and Ownership Income measures total returns to the farm business by combining the growth in net worth due to appreciation, return on equity capital, and labor and management income.

Return on Equity Capital measures the rate of earnings the operator received for using owned capital in the business after deducting an estimated value for labor and management.

Farm Family Financial Situation

The financial situation is an important part of the farm business summary. It has a direct affect on current cash outflow and future capital investment decisions. A farmer may have a good labor income, but a high debt payment schedule may seriously restrict his management flexibility.

FARM FAMILY FINANCIAL SITUATION  
Columbia & Dutchess County Dairy Farms, January 1, 1981

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
<u>Assets</u>				
Livestock	\$ _____	\$ 85,794	\$164,204	\$123,141
Feed & supplies	_____	26,660	43,457	30,913
Machinery & equipment	_____	65,722	99,883	76,987
Land & buildings	_____	231,391	285,499	8,528
Co-op investment	_____	11,605	20,838	11,860
Accounts receivable	_____	11,486	21,965	17,711
Cash & checking accounts	_____	2,848	5,593	4,854
Total Farm Assets	\$ _____	\$435,506	\$641,439	\$273,994
Savings accounts	\$ _____	\$ 6,707	\$ 9,490	\$ 7,080
Cash value life insurance	_____	6,297	2,740	1,530
Stocks & bonds	_____	11,818	7,127	0
Nonfarm real estate	_____	517	0	8,200
Auto (personal share)	_____	550	233	100
All other	_____	1,804	3,440	1,045
Total Nonfarm Assets	\$ _____	\$ 27,693	\$ 23,030	\$ 17,955
TOTAL ASSETS	\$ _____	\$463,199	\$664,469	\$291,949
<u>Liabilities</u>				
Real estate mortgage	\$ _____	\$ 87,130	\$136,563	\$ 54
Liens on cattle & equipment	_____	30,951	76,144	38,380
Installment contracts	_____	1,714	1,639	0
Notes & other farm debt	_____	8,086	17,283	9,039
Total Farm Liabilities	\$ _____	\$127,881	\$231,629	\$ 47,473
Nonfarm Liabilities	_____	245	0	3,340
TOTAL LIABILITIES	\$ _____	\$128,126	\$231,629	\$ 50,813
Farm Net Worth (equity cap.)	\$ _____	\$307,625	\$409,810	\$226,521
Family Net Worth	\$ _____	\$335,073	\$432,840	\$241,136
Percent Equity	_____ %	72%	65%	83%

Farm Net Worth or equity capital is total farm assets less total farm liabilities. It is the amount of farm capital owned by the farm operator. Family net worth is total assets less total liabilities. Percent equity is family net worth divided by total assets.

Payment Ability is the most important consideration in determining if and how proposed investments should be financed. The farm business must produce enough cash income to meet operating expenses, to cover family or personal living expenses and to make debt payments. Cash purchases of capital items that normally take place during the year must also be included.

Payment ability is calculated in the following table. Interest paid and off-farm income are added to net cash farm income because planned or budgeted debt payments will include interest as well as principle. Estimate family living expenses for your farm to calculate cash available for debt payments and capital purchases made with cash. Compare cash available for debt payments and capital purchases with debt payments planned for 1981. Scheduled interest and principle payments for 1981 are the scheduled debt payments as of January 1981.

The average measures of debt commitment should not be used as goals or optimums. They only show the debt picture on these groups of farms.

FINANCIAL MEASURES & DEBT COMMITMENT  
Columbia & Dutchess County Dairy Farms, January 1, 1981

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
<u>Payment Ability</u>				
Net cash farm income	\$ _____	\$29,283	\$57,038	\$39,176
Add: Interest paid	_____	11,220	22,530	5,736
Off farm income	_____	1,653	2,105	8,277
CASH AVAILABLE FOR DEBT SERVICE & LIVING	\$ _____	\$42,156	\$81,673	\$53,189
Less: Family living expenses*	_____	16,326	22,987	23,846
CASH AVAILABLE FOR DEBT PAYMENT & CAPITAL PURCHASES	\$ _____	\$25,830	\$58,686	\$29,343
Scheduled interest & principle payments:				
Real estate mortgage	\$ _____	\$ 9,989	\$14,705	\$ 54
Cattle & equipment liens	_____	8,891	20,840	11,461
Installment contracts	_____	1,107	587	0
Notes & other	_____	2,217	5,217	352
TOTAL	\$ _____	\$22,204	\$41,349	\$11,867
<u>Measures of Debt Commitment</u>				
Farm debt per cow	\$ _____	\$ 1,881	\$ 1,899	\$ 527
Scheduled payments per cow	\$ _____	\$ 327	\$ 339	\$ 132
Payments as % of milk sales	_____ %	17%	17%	6%

\* Estimated at \$8,700 per family, (assuming one family for each farm operator), plus four percent of cash farm receipts.

SELECTED BUSINESS FACTORS BY HERD SIZE  
Columbia & Dutchess County Dairy Farms, 1980

Item	My Farm	30 Owners less than 100 cows	12 Owners 100 cows and more	10 Farm Renters
<u>Size of Business</u>				
Number of cows	_____	65	126	101
Number of heifers	_____	54	102	82
Pounds of milk sold	_____	958,500	1,843,400	1,501,200
Worker equivalent	_____	2.8	4.0	3.8
Total tillable acres	_____	235	360	272
<u>Rates of Production</u>				
Pounds milk sold per cow	_____	14,700	14,600	14,800
Tons hay crop D.M. per acre	_____	2.6	2.6	2.3
Tons corn silage per acre	_____	12.3	15.2	13.9
<u>Labor Efficiency</u>				
Cows per worker	_____	23	32	26
Pounds milk sold/worker	_____	338,600	460,800	391,900
<u>Feed Costs</u>				
Feed purchased per cow	\$ _____	\$480	\$532	\$598
Crop expense per cow	\$ _____	\$204	\$150	\$159
Purchased conc./cwt. milk	\$ _____	\$3.26	\$3.64	\$4.02
% pur. feed of milk receipts	_____ %	24%	27%	30%
Tons hay equivalent per cow	_____	8.2	8.0	7.6
Tillable acres per cow	_____	2.6	2.9	2.7
Lime & fert./tillable acre	\$ _____	\$39	\$34	\$36
Heifers as percent of cows	_____ %	83%	81%	81%
<u>Labor &amp; Machinery Costs</u>				
Machinery cost per cow	\$ _____	\$470	\$435	\$370
Machinery cost/cwt. milk	\$ _____	\$3.19	\$2.97	\$2.49
Labor costs per cow	\$ _____	\$359	\$342	\$391
Labor costs per cwt. milk	\$ _____	\$2.43	\$2.34	\$2.63
<u>Other Costs</u>				
Veterinary & medicine/cow	\$ _____	\$37.63	\$33.80	\$36.34
Real estate expense per cow	\$ _____	\$218	\$166	\$230
<u>Capital Efficiency</u>				
Farm capital per cow	\$ _____	\$6,023	\$4,861	\$2,372
Land & buildings per cow	\$ _____	\$3,403	\$2,340	\$84
Machinery investment per cow	\$ _____	\$967	\$819	\$762
Capital turnover (years)	_____	2.5	1.8	1.0

CASH FLOW PLANNING & ANALYSIS  
 52 Columbia & Dutchess County Dairy Farms, 1980  
 Average: 86 cows, 14,700 lbs. milk per cow, \$13.49 per cwt.

Item	Average Per Cow	My Farm		cows
		Per Cow	Total	Goal
<u>CASH RECEIPTS</u>				
Milk sales	\$1,987	\$ _____	\$ _____	\$ _____
Crop sales	35	_____	_____	_____
Dairy cattle	206	_____	_____	_____
Calves & other livestock	35	_____	_____	_____
Other	31	_____	_____	_____
Total Cash Receipts	\$2,294	\$ _____	\$ _____	\$ _____
<u>CASH EXPENSES</u>				
Hired labor	\$ 207	\$ _____	\$ _____	\$ _____
Dairy concentrate	524	_____	_____	_____
Hay & other	4	_____	_____	_____
Machine hire	18	_____	_____	_____
Machine repair & auto expense	108	_____	_____	_____
Gas & oil	96	_____	_____	_____
Breeding fees	27	_____	_____	_____
Vet & medicine	36	_____	_____	_____
Milk marketing (ADA, dues, hauling)	111	_____	_____	_____
Other livestock expense	91	_____	_____	_____
Fertilizer & lime	116	_____	_____	_____
Seeds & plants	32	_____	_____	_____
Spray & other	28	_____	_____	_____
Land, bldg., fence repair (owner)	32	_____	_____	_____
Taxes (owner)	59	_____	_____	_____
Insurance (owner)	56	_____	_____	_____
Rent (owner)	50	_____	_____	_____
Telephone (farm share)	6	_____	_____	_____
Electricity (farm share)	42	_____	_____	_____
Miscellaneous	47	_____	_____	_____
Total Cash Expenses <sup>1/</sup>	\$1,690	\$ _____	\$ _____	\$ _____
Total Cash Receipts	\$2,294	\$ _____	\$ _____	\$ _____
Total Cash Expenses <sup>1/</sup>	- 1,690	- _____	- _____	- _____
Net Cash Flow	\$ 604	\$ _____	\$ _____	\$ _____
Cash Family Living Expense <sup>2/</sup>	- 193	- _____	- _____	- _____
Amount Left for Debt Service &				
Capital Investment	\$ 411	\$ _____	\$ _____	\$ _____
Scheduled Debt Service	- 290	- _____	- _____	- _____
Available for Capital Investment	\$ 121	\$ _____	\$ _____	\$ _____
Planned Cattle Purchase		_____	_____	_____
Planned Equipment Purchase		_____	_____	_____
Borrowed Funds Needed <sup>3/</sup>		\$ _____	\$ _____	\$ _____

<sup>1/</sup> Interest paid excluded from cash expenses since part of Scheduled Debt Service. Purchased livestock are also excluded.

<sup>2/</sup> Estimated at \$8,700 per family and four percent of cash farm receipts.

<sup>3/</sup> May be replaced by equity capital.

PROGRESS OF THE FARM BUSINESS

Comparing your business with that of other farmers is one part of a business checkup. It is equally important to compare your current year's business with that of earlier years to show the progress you are making, and to plan ahead, by setting business targets or goals.

Item	1978	1979	1980	1981 Goal
<u>Size of Business</u>				
Number of cows	_____	_____	_____	_____
Number of heifers	_____	_____	_____	_____
Pounds of milk sold	_____	_____	_____	_____
Worker equivalent	_____	_____	_____	_____
Total tillable acres	_____	_____	_____	_____
<u>Rates of Production</u>				
Lbs. milk sold per cow	_____	_____	_____	_____
Tons hay D.M. per acre	_____	_____	_____	_____
Tons corn silage/acre	_____	_____	_____	_____
<u>Labor Efficiency</u>				
Cows per worker	_____	_____	_____	_____
Lbs. milk sold per worker	_____	_____	_____	_____
<u>Cost Control</u>				
Purch. feed as % of milk sold	\$ _____	\$ _____	\$ _____	\$ _____
Feed & crop exp./cwt. milk	\$ _____	\$ _____	\$ _____	\$ _____
Labor & mach. cost/cow	\$ _____	\$ _____	\$ _____	\$ _____
<u>Capital Efficiency</u>				
Farm capital per cow	\$ _____	\$ _____	\$ _____	\$ _____
Capital turnover	\$ _____	\$ _____	\$ _____	\$ _____
<u>Price</u>				
Price per cwt. milk	\$ _____	\$ _____	\$ _____	\$ _____
<u>Financial Summary</u>				
Net cash farm income	\$ _____	\$ _____	\$ _____	\$ _____
Labor & mgt. inc./oper.	\$ _____	\$ _____	\$ _____	\$ _____
Farm net worth	\$ _____	\$ _____	\$ _____	\$ _____
Rate of return on equity	_____ %	_____ %	_____ %	_____ %
Percent equity	_____ %	_____ %	_____ %	_____ %
Farm debt per cow	_____	_____	_____	_____