

Alabama Dairy Goat Budgets

Max W. Runge, Boyd Brady, Robert Spencer*

This information in this publication is intended to be used with the Alabama Dairy Goat Budget spreadsheet. This interactive spreadsheet for these budgets that can be found at: <http://www.ag.auburn.edu/agec/pubs/budgets/goats.html>

Alabama Interactive Dairy Goat Budget Terms and Assumptions

The Alabama Interactive Dairy Goat Budget requires input from the producer. Keep in mind that for most of these inputs, there isn't a right or wrong number.

Herd/Animal Characteristics

Enter the number of does in your operation.

Doe Size – average weight of your doe.

Number of Bucks

Buck Size – average weight of your buck

Milk Produced- average per doe per year in hundred pounds (CWT)

Market Prices

Enter price you expect to receive.

Milk Price is per hundred pounds.

Enter price per head. The price on a hundred weight (CWT.) basis is calculated from price per head and weight.

Prices for Breeding Buck and Breeding Does are prices that you paid for your breeding stock AND the price you would receive if you sold Kids for breeding purposes.

Marketing Assumptions

Enter the number of trips and mileage to the market.

It is assumed that most operations will have a pick up available but that it is not used exclusively for the dairy goat operation. Mileage cost is assumed to be \$1.50 per mile.

This should cover expenses for fuel, repair and maintenance for the truck and the livestock trailer costs.

It is assumed that the milk is sold at the farm with no transportation cost to the producer.

Cull Rates

Enter the appropriate number for your operation.

Buck cull rate is shown at 33%. (Buck is replaced every 3 years.)

A buck should be able to service 20 - 25 does.

If Artificial Insemination is used, put 0 for the number of bucks.

Doe cull rate is shown as 20%.

Fertility Rates

Enter the appropriate number for operation. These numbers will depend on a number of factors, including but not limited to feeding and nutrition, health program, breed and breeding management.

*Max Runge, Extension Economist, Boyd Brady, Extension Specialist – Dairy, Robert Spencer, Urban Extension Specialist with Alabama Cooperative Extension System

Mortality Rates

Enter the appropriate number for your operation.

Feeding

Individual feeding program will vary greatly. Enter the appropriate number and/or price for each item as it fits your operation.

Feed Prices

Enter the appropriate/expected price for each feed and pasture cost.

The pasture cost includes the cost to maintain and fertilize a pasture.

Budgets for Major Forage Crops in Alabama may be used as a guide if this amount is not known. In general annual variable costs are about \$200 per acre per year and fixed cost are approximately \$60 per acre per year. Fertilizer and lime make up the majority of the variable cost and the proration for establishing the permanent pasture cost makes up most of the fixed cost. It is assumed that the pastures are well established.

Note: Actual pasture cost could be much less if the pasture has been established for many years.

The cost may be higher if over seeding is used.

Salt and Mineral inputs are assumed to be \$22.50 per hundred pounds.

Housing

Some operations may not have any housing while others may have elaborate facilities. It is recommended that enough housing be provided to provide a warm dry area for does and kids in addition to a place for milking.

Health Cost/Procedures

Health programs for Dairy goat herds are very important. Buck and does should be dewormed 4 times a year with an approved dewormer for lactating does. Enterotoxemia C&D/T vaccination should be given once year to mature animals and kids twice.

Milking Equipment

Two milking units capable of milking 10 to 12 does each are assumed to be used.

Equipment/Supplies

This includes include feed bunks, water troughs, buckets, syringes etc.

Fencing and Corral

This may vary widely. If you are using fences that have been previously established, the cost will not be as great. Repairs need to be considered also. Milking equipment repairs are included in this section.

Land and Labor

Enter the appropriate number/price for each. Hired labor may be needed for larger herds. Estimates for labor vary, but an average of 15 to 25 hours per doe per year and bucks 10 to 15 hours per buck per year are typically required.

General Overhead

This will help cover miscellaneous cost such as utilities, telephone, postage, etc.

Financial

Enter the appropriate number/price for each.

Alabama Dairy Goat Budgets

This Alabama Dairy Goat budget is designed to assist in estimating the potential costs and returns for Alabama dairy goat operations. This budget is not a production or how to guide, but a planning and estimation tool.

Prices and costs are based on the best estimates available at the time the budget was prepared. Because of the wide variety of alternative inputs, locations, and production systems, it is important that producers develop their own budgets using the appropriate values.

Dairy Goat Budget Overview

The Dairy Goat budget is divided into 7 sections.

1. Herd Information – This includes the number and average weight of does and bucks in the operation. It also has the number of kids that are marketed (sold) and average weight of kids are sold.

The Milk Produced CWT/Doe/Year is the average for all milking does.

NOTE: The number of kids marketed is based on several factors. Conception rate, kidding rate, mortality rates and cull rates all affect the number of kids that are available to be sold.

The producer enters all this information on the Input Sheet except number of kids marketed. This number is calculated based on cull rates, fertility rates and mortality rates. It is assumed that doe replacements are produced from within the herd.

2. Gross Receipts - This is the amount that the producer receives from the sale of milk, market/breeding kids and any cull animals that are sold.
3. Variable Cost –These are out-of-pocket costs associated with producing milk and keeping the herd maintained. Some of the costs include hay, feed, pasture costs (fertilizer, lime, seed, etc.) medicine, marketing costs, transportation, etc. Land rent and labor are also included. It is assumed that labor will be provided by the producer. Larger producers may need to hire labor.
4. Income Above Variable Costs - This is Gross Receipts minus Total Variable Cost. This measurement allows the producer to determine if the out-of-pockets costs will be covered.
5. Fixed Costs - These costs are incurred whether you produce or not. These include depreciation, interest, insurance, property taxes etc. These costs may be difficult to allocate to a specific enterprise. Some of the fixed costs do not require a payment, such as depreciation but the assets that are depreciated must be replaced. Fixed cost includes a charge for land and general farm overhead. Even if the land is owned, there is a cost involved. This cost may be the opportunity to rent the land or just the property taxes.

6. Net Returns to Risks and Management - This figure is sometimes referred to as profit; however, it is more correct to call it a return to all resource costs except management. If the figure is positive, the producer will be rewarded for his management efforts and the entrepreneurial risk he has taken. This is the figure that management should use to make decisions and compare alternatives.

7. Capital Investments - This reflects the investments that are made in the enterprise that are capitalized over a number of years. Milking equipment, breeding livestock and buildings and equipment are included in this part of the budget.