

Dairy Financial Planning Model Questions

Confinement Dairy

Three years of IRS Schedule F statements (if you are a current dairy operation) and a current balance sheet are needed. Cash flow statements are welcomed as well.

1) Farm Description

Farm name: _____

Owner name(s): _____

Address: _____

Phone number: _____

Fax number: _____

E-mail: _____

Directions to the farm: _____

Farm business arrangements:

- Sole proprietor
- Partnership
- Corporation
- LLC
- Other (please describe): _____

Detail your insurance coverage for your dairy operation:

Farm acreage:

Acres owned _____

Acres rented _____

Current dairy herd size:

Milk cows (including dry cows) _____

Youngstock _____

Steers _____

What kind of milking facility do you have?

Swing Parlor

Herringbone Parlor

Parallel Parlor

Carousel

Other (please describe) _____

How many milking units and what is your capacity of your milking facility?

How do you keep your business/accounting records?

Quickbooks

Quicken

Other (please describe): _____

Frequency of milkings:

2 times per day

3 times per day

What breed is your milking herd?

Holstein Freisian

Jersey

Brown Swiss

Other (please describe) _____

Do you raise your own youngstock/replacements?

- Yes
- No, I sell all my calves and buy heifers back
- No, another farmer raises my youngstock

If your youngstock/replacements are raised off farm or sold, describe your current financial arrangements with contract grower/purchaser or how much the youngstock/replacements are sold for and how much heifers are being bought back for.

Are your youngstock housed in barns separate from mature cows?

- Yes
- No

Are your youngstock housed separately from other cattle until 6 months old?

- Yes
- No

Describe the housing of your youngstock, birth until calving:

Age Group*	Housing facility**

* For example, birth until weaning, or weaning until six months

** For example, individual hutches, greenhouse, freestall barn, or pasture

What kind of housing do you have for the lactating herd?

(If freestall housing, please specify length of stall and bedding used)

- Freestall barn with curtain sides
- Freestall barn, conventional steel sides
- Open front barn with loose housing
- Other (please describe): _____

Describe the housing of the dry cows:

Dry group*	Housing facility**

* For example: close-up group, or from three weeks before up until calving

** For example: freestall barn, or inside pen with straw bedding

Type of breeding program

- Artificial insemination
- Artificial insemination and natural service ("cleanup bull")
- Natural service

Feed Storage:

Silo type*	Crops Stored	Dimensions**	Storage Capacity

* For example, bag, bunker, oxygen-limiting, concrete stave

** (length x width x height) or (diameter x height)

How do you handle your manure?

- No appreciable storage
- Short-term storage, haul every few days
- Storage for 2-3 months
- Long-term storage (at least 6 months)
- Other (please describe): _____

How is the manure of the milking herd stored and applied on the farm?

- Solid
- Semi-solid
- Liquid
- In more than one form

What type of manure storage facility is used?

- Above ground tank
- Below ground tank
- Lagoon
- Oxidation ditch
- Pile (concrete pad, crushed rock)
- Bunker
- No storage, haul daily
- Other (please describe): _____

Does your operation currently have a Missouri operating permit?

- Mo-DNR General Permit
- Mo-DNR Site-Specific Permit
- No permit

2) Description of Proposed Project

In your own words, describe the proposed project(s) to your current dairy operation. Identify if you have multiple options that you would like to investigate.

Explain the timeline for your proposed project .
(Starting dates/year, finishing dates/year)

Detail any capital investments that will be needed to complete the project.
 (For example, additional freestall barn, silageage, parlor equipment, etc.)

Explain any short-term or long-term goals that your dairy operation has.
 (Operation growth, transition to another family member, etc.)

3) Cow Flow

In the following table, detail the following information for each of the next five years.

	Year 1	Year 2	Year 3	Year 4	Year 5
Target ending herd size					
Annual cull rate (%)					
Annual death loss (%)					
# of cows sold for dairy purposes					
Calving interval in months					
% of female calves sold each year					

How many replacements will you have? Year 1 _____ Year 2 _____

If you will purchase any additional cows, when will they enter the milking string?

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of purchased cows					
Which quarter will they enter the herd?					
Quarter 1 (%)					
Quarter 2 (%)					
Quarter 3 (%)					
Quarter 4 (%)					

4) Livestock Value

What is the value of your livestock?

	Market Value	Cull Value
Milking and dry cows (\$/head)		
12-24 months (\$/head)		
6-12 months (\$/head)		
2-6 months (\$/head)		
0-2 months (\$/head)		

If you sell breeding stock, what do they sell for? _____ (\$/head)

What do your bull calves sell for in your area? _____ (\$/head)

What do your heifer calves sell for in your area? _____ (\$/head)

5) Milk Production

What is your herd's milk production in the future?

	Year 1	Year 2	Year 3	Year 4	Year 5
Daily avg. lbs. per cow					
Rolling yearly herd avg.					

What are the average days dry for your herd? _____ (days)

6) Income

Who do you currently market your milk to? _____

Which federal order? _____

Typical component levels? _____

What are your expectations this year for crop grain sales? _____ (\$)

What are your expectations regarding government payments? _____ (\$)

What other farm income can you expect this year from custom harvesting, capital revolvment, cash rent, etc.? _____ (\$)

What off-farm income would you like to reflect in your cash flow? _____ (\$)

Have you or do you plan to sell any assets this year?

Machinery _____ (\$)

Real Estate _____ (\$)

Other _____ (\$)

7) Existing Loans

What are your current loan obligations?

	Type of Loan/Description	Start Date on Loan	Amount Borrowed	Years of Loan	Interest Rate	Monthly, Quarterly or Annual	Payment Amount	Current Balance
1								
2								
3								
4								
5								

8) Feed Costs

What is your daily feed costs/cow/day for your milking group?

	Group 1	Group 2	Group 3	Group 4	Group 5
Percent of Cows					
Percent Refusal					
Feed Cost/Cow/Day					

What is your daily feed costs/cow/day for your dry cow group?

	Group 1	Group 2	Group 3
Percent of Cows			
Percent Refusal			
Feed Cost/Cow/Day			

What is the youngstock diets?

	12-24 months	6-12 months	2-6 months	0-2 months
Percent Refusal				
Feed Cost/Heifer/Day				

Crops Raised (Don't include grain cropland, only forage production)

Crop #1: Corn Silage	Year 1	Year 2	Year 3	Year 4	Year 5	
Acres planted						acres
Yield per acre						tons
Price/market value						\$/ton
Shrink						percent
Percent of crop that will be sold						percent

Crop #2: Wheatlage	Year 1	Year 2	Year 3	Year 4	Year 5	
Acres planted						acres
Yield per acre						tons
Price/market value						\$/ton
Shrink						percent
Percent of crop that will be sold						percent

Crop #3: Alfalfa Haylage	Year 1	Year 2	Year 3	Year 4	Year 5	
Acres planted						acres
Yield per acre						tons
Price/market value						\$/ton
Shrink						percent
Percent of crop that will be sold						percent

Crop #4: Alfalfa Hay	Year 1	Year 2	Year 3	Year 4	Year 5	
Acres planted						acres
Yield per acre						tons
Price/market value						\$/ton
Shrink						percent
Percent of crop that will be sold						percent

Crop #5: Grass Hay	Year 1	Year 2	Year 3	Year 4	Year 5	
Acres planted						acres
Yield per acre						tons
Price/market value						\$/ton
Shrink						percent
Percent of crop that will be sold						percent

Crop #6: (specify)	Year 1	Year 2	Year 3	Year 4	Year 5	
Acres planted						acres
Yield per acre						tons
Price/market value						\$/ton
Shrink						percent
Percent of crop that will be sold						percent

9) Other Expenses

How many full-time employees does your operation have? (family and hired) _____

How many part-time employees does your operation have? (family and hired) _____

Fill in the following information for the next five years.

	Year 1	Year 2	Year 3	Year 4	Year 5
How many hours of hired labor will you have?					
How many hours of unpaid family labor?					
Average hourly wage rate for hired labor?					
How much for salaried labor?					
Of the salaried labor, how many FTE's?					

What do you expect to spend yearly on seed? _____ (\$)

What do you expect to spend yearly on fertilizer and chemicals? _____ (\$)

What are your marketing costs (per cwt.)?

Examples

Federal assessment	_____ (\$/cwt.)	\$0.00 per cwt.
Advertising	_____ (\$/cwt.)	\$0.15 per cwt.
Coop fee	_____ (\$/cwt.)	\$0.00 per cwt.
Hauling	_____ (\$/cwt.)	\$0.55 per cwt.

What are your annual "dairy only" costs (per cow)?

Examples

DHI testing	_____ (\$)	\$20 per cow
Artificial insemination	_____ (\$)	\$15 per cow
Veterinarian	_____ (\$)	\$21 per cow
Medicine	_____ (\$)	\$19 per cow
Farm supplies	_____ (\$)	\$58 per cow
Fuel and oil	_____ (\$)	\$14 per cow
Utilities	_____ (\$)	\$40 per cow

What are your annual costs for the following list?

Non-dairy farm supplies	_____ (\$)
Non-dairy fuel and oil	_____ (\$)
Non-dairy utilities	_____ (\$)
Building repairs	_____ (\$)

Machinery & equipment repairs _____ (\$)

Rent _____ (\$)

Taxes (real estate and personal prop.) _____ (\$)

Farm insurance _____ (\$)

Legal & professional fees _____ (\$)

Custom hire _____ (\$)

Car and truck costs _____ (\$)

Contract heifer rearing _____ (\$)

Other expenses _____ (\$)

10) Miscellaneous Questions

How much do you expect to spend for capital purchases each year?

	Year 1	Year 2	Year 3	Year 4	Year 5
Machinery & Equipment					
Buildings					
Land Purchases					

What do you expect to spend on family living expenses? _____ (\$)

What do you expect to spend this year for state and federal income taxes and self employment taxes? _____ (\$)

What other expenses can you think of? (specify) _____ (\$)

What ongoing depreciation will you have from existing assets?

	Year 1	Year 2	Year 3	Year 4	Year 5
Machinery & Equipment					
Buildings					
Other					

List your expected capital contributions, personal draws and cash investments (non-farm real estate) expected during each year.

	Year 1	Year 2	Year 3	Year 4	Year 5
Capital Contributions					
Personal Draws					
Cash Investments					