

Dairy Financial Planning Model Questions

Pasture Based 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 _____

Grazing system design:

Stocking rate _____ (cows per acre)

Paddocks in system _____ (number of paddocks)

Average paddock size _____ (acres)

Forages Used

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): _____

What breed is your milking herd?

- Crossbreds
- 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.

Seasonal calving will be used in this dairy system

- Yes
- No

Type of breeding program

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

Will a manure storage system be used? If so, 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, parlor equipment, land, 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
Purchased concentrates					
Purchased hay					
Feed Cost/Cow/Day					

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

	Group 1	Group 2	Group 3
Purchased concentrates			
Purchased hay			
Feed Cost/Cow/Day			

What are the youngstock diets?

	12-24 months	6-12 months	2-6 months	0-2 months
Purchased concentrates				
Purchased hay				
Feed Cost/Cow/Day				

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

Crop #1: Corn Silage

Acres planted
Yield per acre
Price/market value
Shrink
Percent of crop that will be sold

Year 1	Year 2	Year 3	Year 4	Year 5

acres
tons
\$/ton
percent
percent

Crop #2: Wheatlage

Acres planted
Yield per acre
Price/market value
Shrink
Percent of crop that will be sold

Year 1	Year 2	Year 3	Year 4	Year 5

acres
tons
\$/ton
percent
percent

Crop #3: Alfalfa Haylage

Acres planted
Yield per acre
Price/market value
Shrink
Percent of crop that will be sold

Year 1	Year 2	Year 3	Year 4	Year 5

acres
tons
\$/ton
percent
percent

Crop #4: Alfalfa Hay

Acres planted
Yield per acre
Price/market value
Shrink
Percent of crop that will be sold

Year 1	Year 2	Year 3	Year 4	Year 5

acres
tons
\$/ton
percent
percent

Crop #5: Grass Hay

Acres planted
Yield per acre
Price/market value
Shrink
Percent of crop that will be sold

Year 1	Year 2	Year 3	Year 4	Year 5

acres
tons
\$/ton
percent
percent

Crop #6: (specify)

Acres planted
Yield per acre
Price/market value
Shrink
Percent of crop that will be sold

Year 1	Year 2	Year 3	Year 4	Year 5

acres
tons
\$/ton
percent
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 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 expenses for the following categories (per cow)?

Examples

DHI testing	_____ (\$)	\$20 per cow
Semen/Breeding	_____ (\$)	\$15 per cow
Vet/Medicine	_____ (\$)	\$50 per cow
Parlor Supplies	_____ (\$)	\$45 per cow
Utilities	_____ (\$)	\$40 per cow

What are your annual cow expenses for the following categories?

Rent	_____ (\$)
Real Estate and Personal Property Taxes	_____ (\$)
Repairs/Truck/Fuel	_____ (\$)
Insurance	_____ (\$)
Other expenses	_____ (\$)

What are your annual forage expenses for the following categories?

Rent _____ (\$)
 Fertilizer _____ (\$)
 Seed/Spray _____ (\$)
 Custom Hire _____ (\$)
 Fuel _____ (\$)
 Real Estate and Personal Property Taxes _____ (\$)
 Fence/Water _____ (\$)
 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					