

Table 1

## Value-Added (Cow) Milk Production Estimated Costs and Returns

ITEM	DESCRIPTION	UNIT	QUANTITY	PRICE	TOTAL	PER COW	YOUR FARM
<b>REVENUE</b>							
Milk Sales	1 Year	Quart	255813	2.25	575,579	5,755.79	
Milk Sales	1 Year	1/2 Gal	127908	2.75	351,742	3,517.42	
Milk Sales	1 Year	Gal	63953	3.75	239,824	2,398.24	
Butter Sales	1 Year	Pound	36094	4.25	153,400	1,534.00	
<b>TOTAL REVENUE</b>					<b>1,320,544</b>	<b>13,205.44</b>	
<b>VARIABLE EXPENSES</b>							
Fluid Milk	100 Cows	cwt	165.00	18.00	297,000	2,970.00	
Vitamin A Palmitate		kg	77	60	4,605	46.05	
Vitamin D3		kg	77	200	15,349	153.49	
Cocoa		pound	600	4	2,398	23.98	
Sugar		pound	2398	1.26	3,022	30.22	
Starch		pound	199	5.48	1,091	10.91	
Salt		pound	199	1.27	253	2.53	
Carrageenan		pound	8	63.52	503	5.03	
Inhibitor testing		Test Kit	2	130	260	2.60	
Petri Film Testing		50 Pack	5	70	350	3.50	
Pasteurization Check		Test Kit	2	250	500	5.00	
Butter Fat, Luco Testing		Test Kit	2	150	300	3.00	
PH & Acidity Checking		50 Pack	5	20	100	1.00	
Direct Microscopic Slides		70 Pack	4	5	20	0.20	
Utilities		Month	12	2000	24,000	240.00	
Cleaning Supplies		Day	156	33.62	5,244	52.44	
Jugs-Quart		EA	255813	0.31	79,302	793.02	
Jugs-1/2 Gal		EA	127906	0.35	44,767	447.67	
Jugs-Gal		EA	63953	0.38	24,302	243.02	
Caps		EA	447672	0.03	13,430	134.30	
Labels		EA	483766	0.03	14,513	145.13	
Butter Packaging		EA	36094	0.02	722	7.22	
Cardboard Boxes		EA	46639	0.91	42,301	423.01	
Supplies		Month	12	1250	15,000	150.00	
Transportation		Month	12	20833	250,000	2,500.00	
Waste and Wastewater Treatment		Month	12	95	1,135	11.35	
Lot Improvements		Month	12	75	900	9.00	
Advertising/Marketing		Month	12	4167	50,000	500.00	
Product Loss/Samples		Month	12	3333	40,000	400.00	
Phone and Internet		Month	12	1000	12,000	120.00	
Credit Card Transaction Fees		Month	12	131	1,568	15.68	
FICA		Month	12	1075.59	12,907	129.07	
Insurance		Month	12	876.39	10,517	105.17	
Worker's Comp		Month	12	684.75	8,217	82.17	
Unemployment Taxes		Month	12	213.75	2,565	25.65	
Licenses, Permits and Fees		Month	12	25	300	3.00	
Secretarial/Bookkeeping/Accounting		Month	12	1667	20,000	200.00	
Legal Costs		Month	12	625	7,500	75.00	
<b>TOTAL VARIABLE EXPENSES</b>					<b>1,008,940</b>	<b>10,089.40</b>	
<b>RETURN ABOVE VARIABLE EXPENSES</b>					<b>313,604</b>	<b>3,136.04</b>	
<b>DEPRECIATION AND REPAIRS</b>							
Depreciation	Equipment				89,210	892.10	
Repairs	Equipment				27,715	277.15	
<b>TOTAL FIXED EXPENSES</b>					<b>116,925</b>	<b>1,169.25</b>	
<b>TOTAL VARIABLE &amp; FIXED EXPENSES</b>					<b>1,123,865</b>	<b>11,238.65</b>	
<b>RETURN TO LAND, LABOR, CAPITAL, MANAGEMENT, RISK</b>					<b>196,679</b>	<b>1,966.79</b>	
<b>INTEREST</b>							
Equipment					71,013	710.13	
<b>TOTAL INTEREST EXPENSE</b>					<b>71,013</b>	<b>710.13</b>	
<b>TOTAL VARIABLE, FIXED, INTEREST EXPENSE</b>					<b>1,194,878</b>	<b>11,948.78</b>	
<b>NET RETURN TO LAND, LABOR, MANAGEMENT, RISK</b>					<b>125,666</b>	<b>1,256.66</b>	
<b>LABOR EXPENSES</b>							
LABOR		hour	14872	10.00	148,720	1,487.20	
<b>TOTAL ALL EXPENSES</b>					<b>1,343,598</b>	<b>13,435.98</b>	
<b>RETURN TO LAND, MANAGEMENT, RISK</b>					<b>-23,054</b>	<b>-230.54</b>	

Table 1 Value-Added Equipment and Labor for (Cow) Milk and Yogurt Budgets

ITEM	COST (\$)	INTEREST RATE (%)	LIFE (YEARS)	DEPREC. (\$/YEAR)	INTEREST (\$/YEAR)	REPAIRS (\$/YEAR)	TOTAL (\$/YEAR)
<i>Equipment &amp; Buildings</i>							
Dairy Processing Facility	1500000	6.00	50	30000.00	45000.00	7500.00	82500.00
600 Gal Pasteurizer	35000	6.00	15	2333.33	1050.00	700.00	4083.33
600 Gal Pasteurizer	35000	6.00	15	2333.33	1050.00	700.00	4083.33
500 Gal Pasteurizer	30000	6.00	15	2000.00	900.00	600.00	3500.00
300 Gal Pasteurizer	25000	6.00	15	1666.67	750.00	500.00	2916.67
300 Gal Pasteurizer	25000	6.00	15	1666.67	750.00	500.00	2916.67
50 Gal Pasteurizer	20000	6.00	15	1333.33	600.00	400.00	2333.33
200 Gal Self-Refig Farm Tank	3000	6.00	15	200.00	90.00	60.00	350.00
800 Gal Tank	2500	6.00	30	83.33	75.00	25.00	183.33
800 Gal Tank	2500	6.00	30	83.33	75.00	25.00	183.33
500 Gal Mix Tank	12000	6.00	30	400.00	360.00	120.00	880.00
300 Gal Mix Tank	10000	6.00	30	333.33	300.00	100.00	733.33
Jug Filler	35000	6.00	15	2333.33	1050.00	700.00	4083.33
Separator	50000	6.00	15	3333.33	1500.00	1000.00	5833.33
Homogenizer	40000	6.00	15	2666.67	1200.00	800.00	4666.67
CIP System	30000	6.00	15	2000.00	900.00	600.00	3500.00
CIP System	30000	6.00	15	2000.00	900.00	600.00	3500.00
Plate Heat Exchanger	20000	6.00	15	1333.33	600.00	400.00	2333.33
Boiler	60000	6.00	15	4000.00	1800.00	1200.00	7000.00
Boiler	60000	6.00	15	4000.00	1800.00	1200.00	7000.00
Chilled Water Tank	60000	6.00	15	4000.00	1800.00	1200.00	7000.00
Conveyor	15000	6.00	15	1000.00	450.00	300.00	1750.00
Piping and Valves	50000	6.00	10	5000.00	1500.00	2500.00	9000.00
Storage Cooler	20000	6.00	10	2000.00	800.00	1000.00	3800.00
Butter Churn	15000	6.00	15	1000.00	450.00	300.00	1750.00
Commercial Hot Water Heater	6000	6.00	15	400.00	180.00	120.00	700.00
Commercial Hot Water Heater	6000	6.00	15	400.00	180.00	120.00	700.00
Air Compressor	1300	6.00	10	130.00	39.00	65.00	234.00
Air Compressor	1300	6.00	10	130.00	39.00	65.00	234.00
3' X 10' COP Vat	3000	6.00	30	100.00	90.00	30.00	220.00
3' X 10' COP Vat	3000	6.00	30	100.00	90.00	30.00	220.00
3' X 8' COP Vat	2500	6.00	30	83.33	75.00	25.00	183.33
1500 Gallon Raw Milk Tank	22500	6.00	30	750.00	675.00	225.00	1650.00
1500 Gallon Raw Milk Tank	22500	6.00	30	750.00	675.00	225.00	1650.00
500 Gallon Pasteurized Farm Bulk Tank Refridgerated	7500	6.00	15	500.00	225.00	150.00	875.00
500 Gallon Pasteurized Farm Bulk Tank Refridgerated	7500	6.00	15	500.00	225.00	150.00	875.00
800 Gallon Pasteurized Farm Bulk Tank Refridgerated	12000	6.00	15	800.00	360.00	240.00	1400.00
800 Gallon Pasteurized Farm Bulk Tank Refridgerated	12000	6.00	15	800.00	360.00	240.00	1400.00
Lab Equipment*	15000	6.00	10	1500.00	450.00	750.00	2700.00
Office Equipment and Furniture	10000	6.00	15	666.67	300.00	200.00	1166.67
Delivery Truck	30000	6.00	10	3000.00	900.00	1500.00	5400.00
1000 Gal Bulk Tank-Refrig	15000	6.00	15	1000.00	450.00	300.00	1750.00
Trailer	5000	6.00	10	500.00	150.00	250.00	900.00
<b>TOTAL EQUIPMENT AND BUILDINGS</b>	<b>2367100</b>			<b>89210.00</b>	<b>71013.00</b>	<b>27715.00</b>	<b>187938.00</b>
<b>LABOR EXPENSES</b>							
LABOR			hour	14872	10.00		148720.00

\*includes equipment for inhibitor testing, petri film testing, pasteurization check, butter fat and luco testing, ph and acidity checking, and direct microscopic slides.

Loan Repayment  
 Facility 40 yrs 6.0% (\$99,692.30)  
 Equipment 20 yrs 6.0% (\$75,597.73)  
 Total Loan Repayment (\$175,290.03)