

Economic Considerations *for a* Dairy Goat Operation

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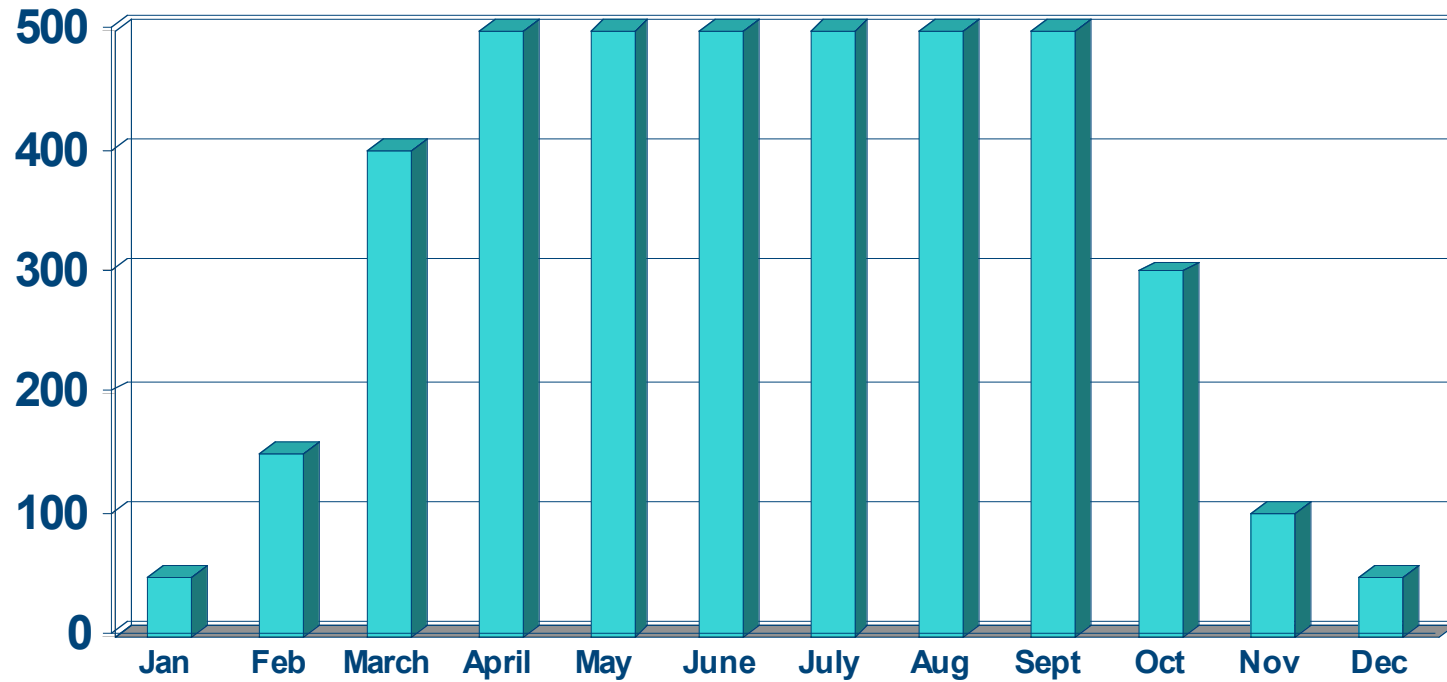
Dairy Goat Study Assumptions

- 500 goat dairy herd
- Milk produced for the cheese market
- 5 acres of owned land
- 50 acres of pasture
- Buildings – milk parlor, shelters, and storage

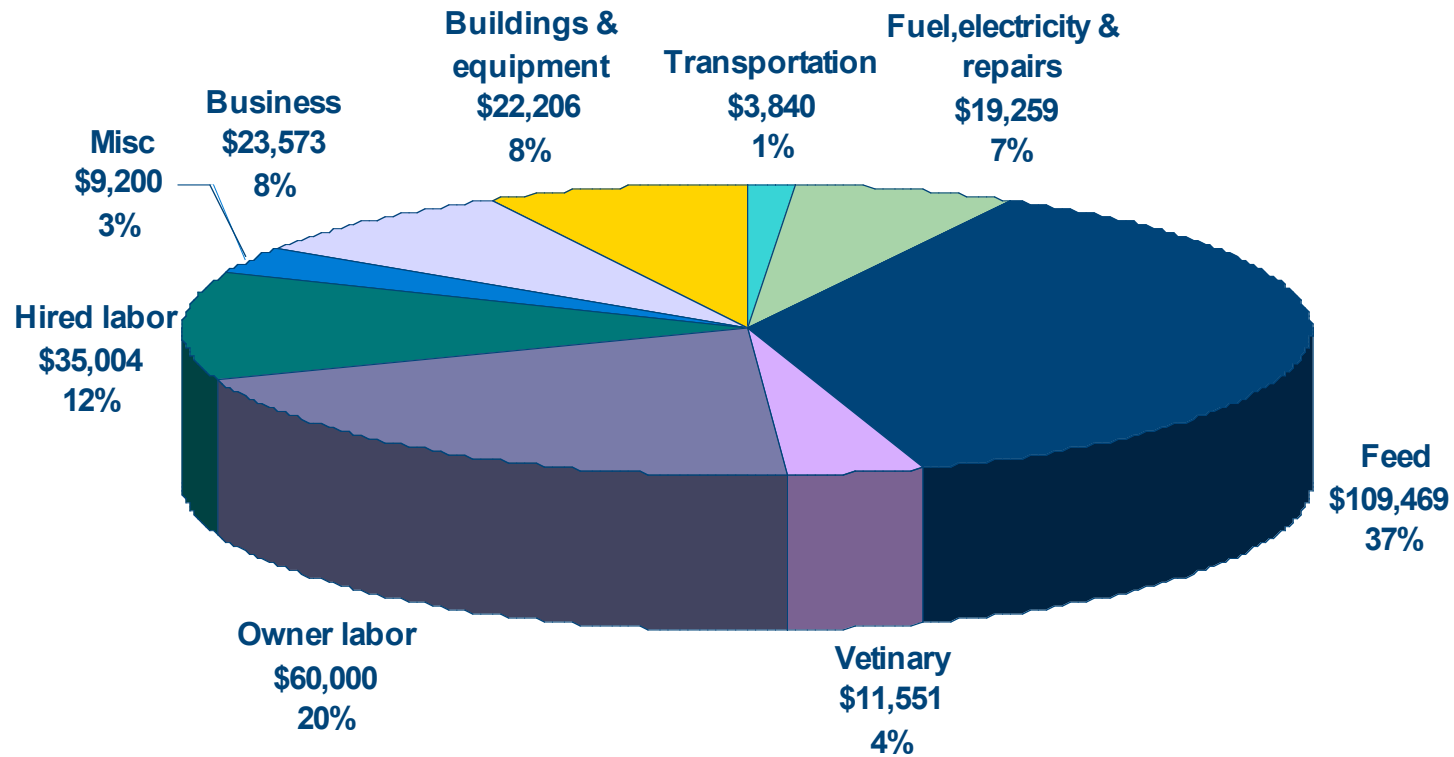
Herd Assumptions

- 500 goat dairy herd
 - 100 does culled and sold
 - 800 kids born per year
 - 630 kids sold
 - 40 kids mortality
- = 130 replacement does
- 30 replacement does sold
- = 100 replacement does remain in the herd

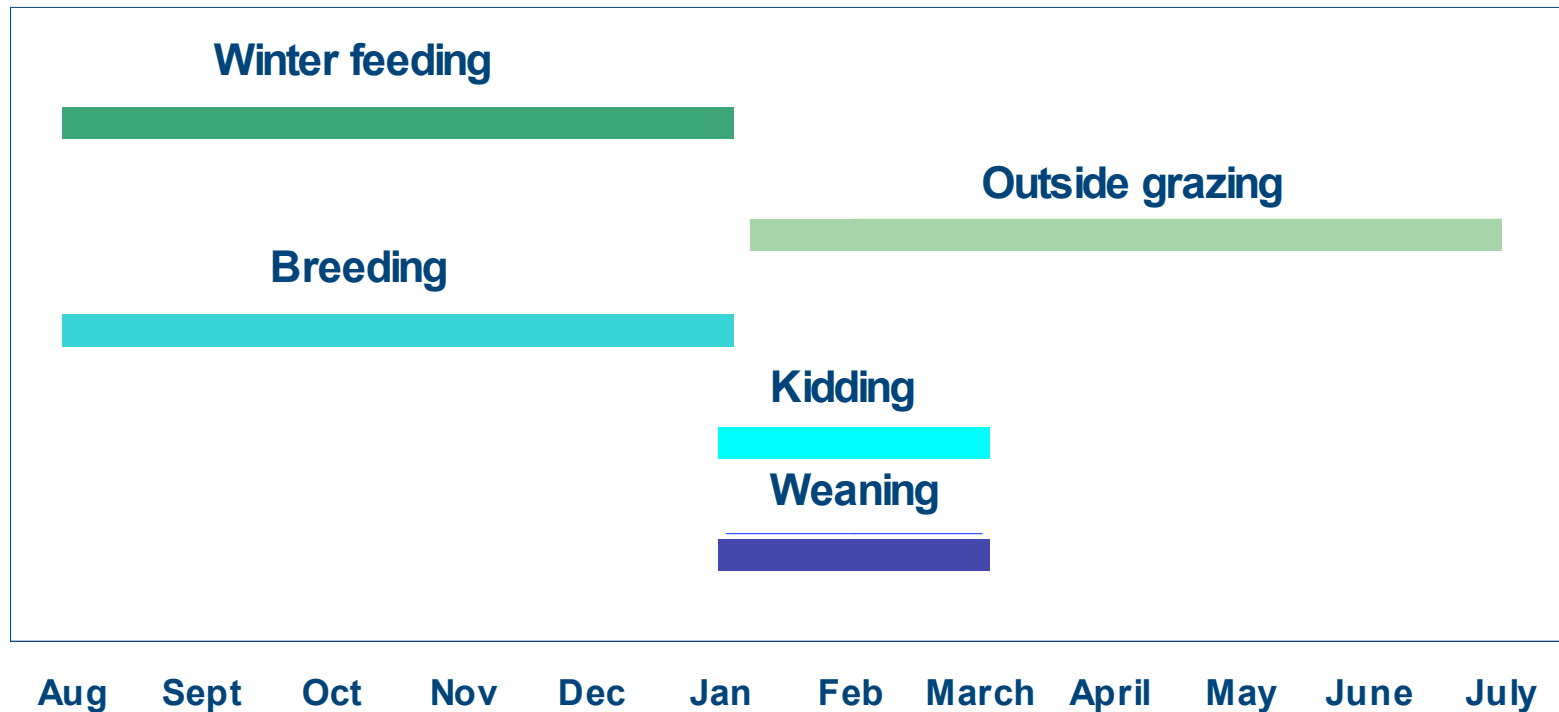
Does Milking Each Month



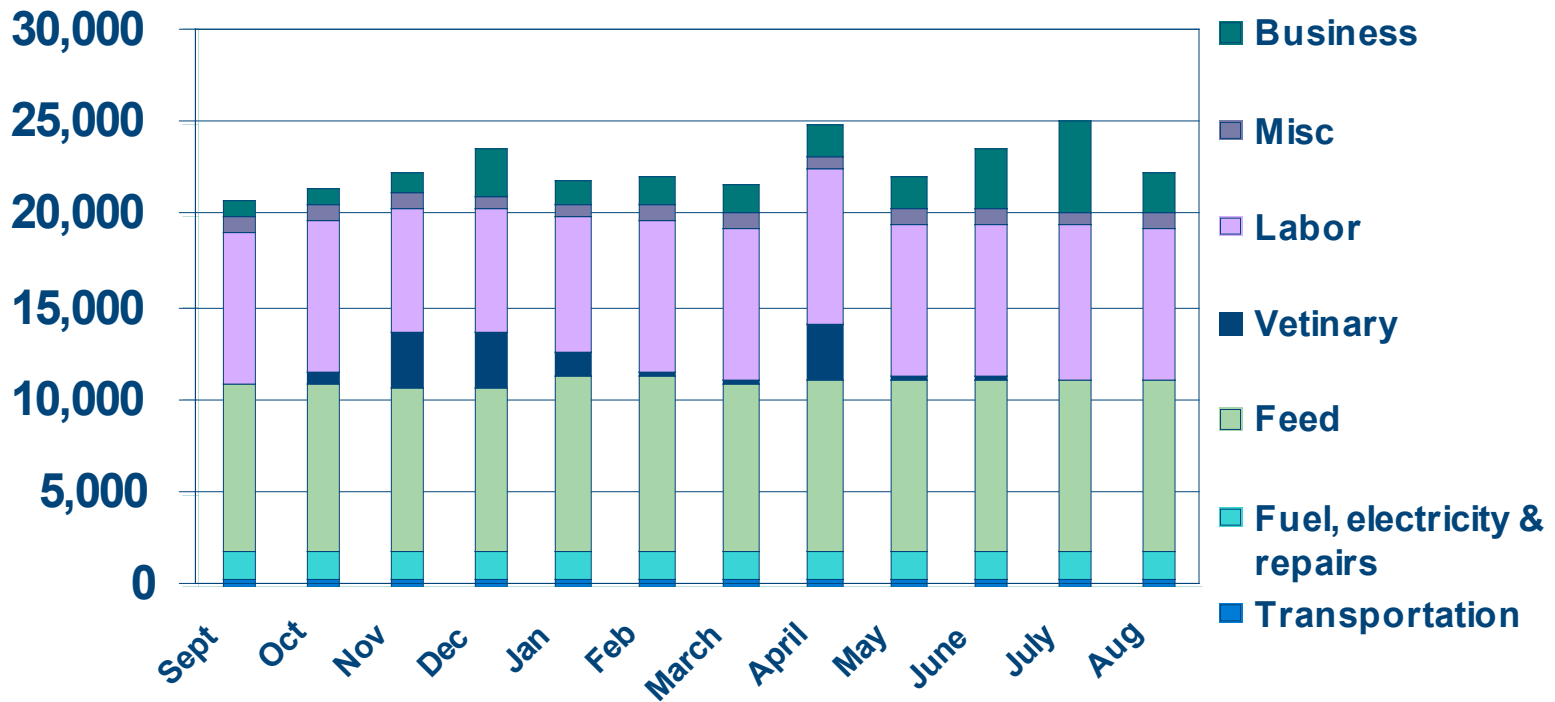
Annual Expenses - \$294,000



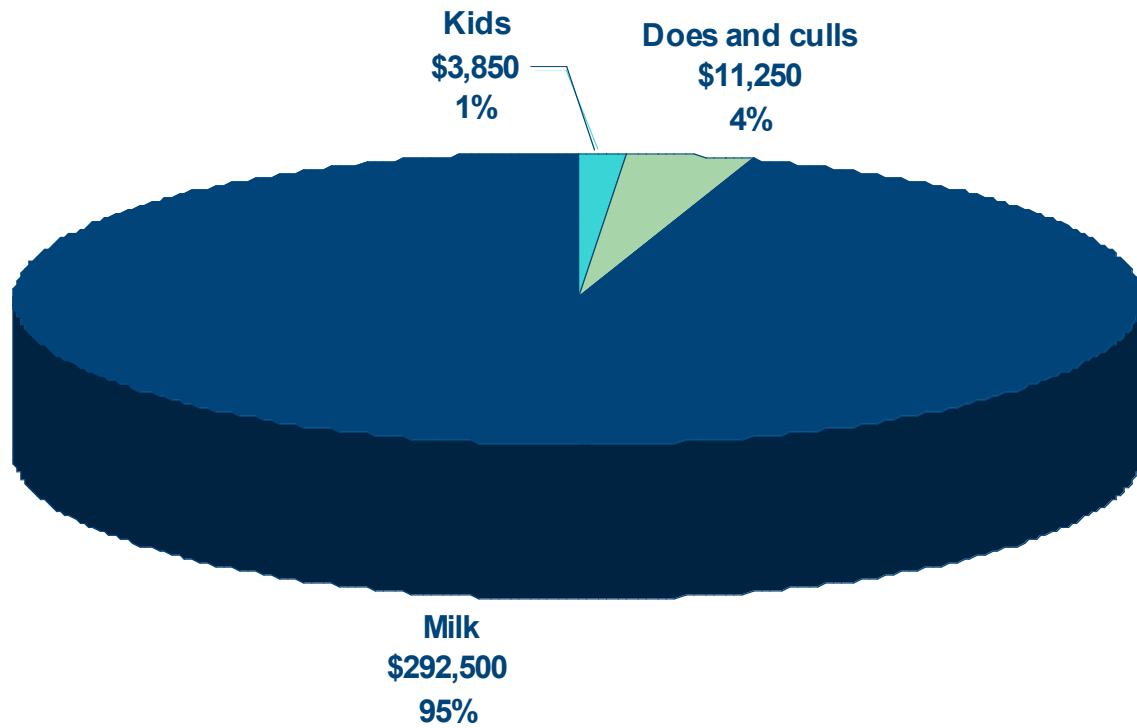
Timing of major operations



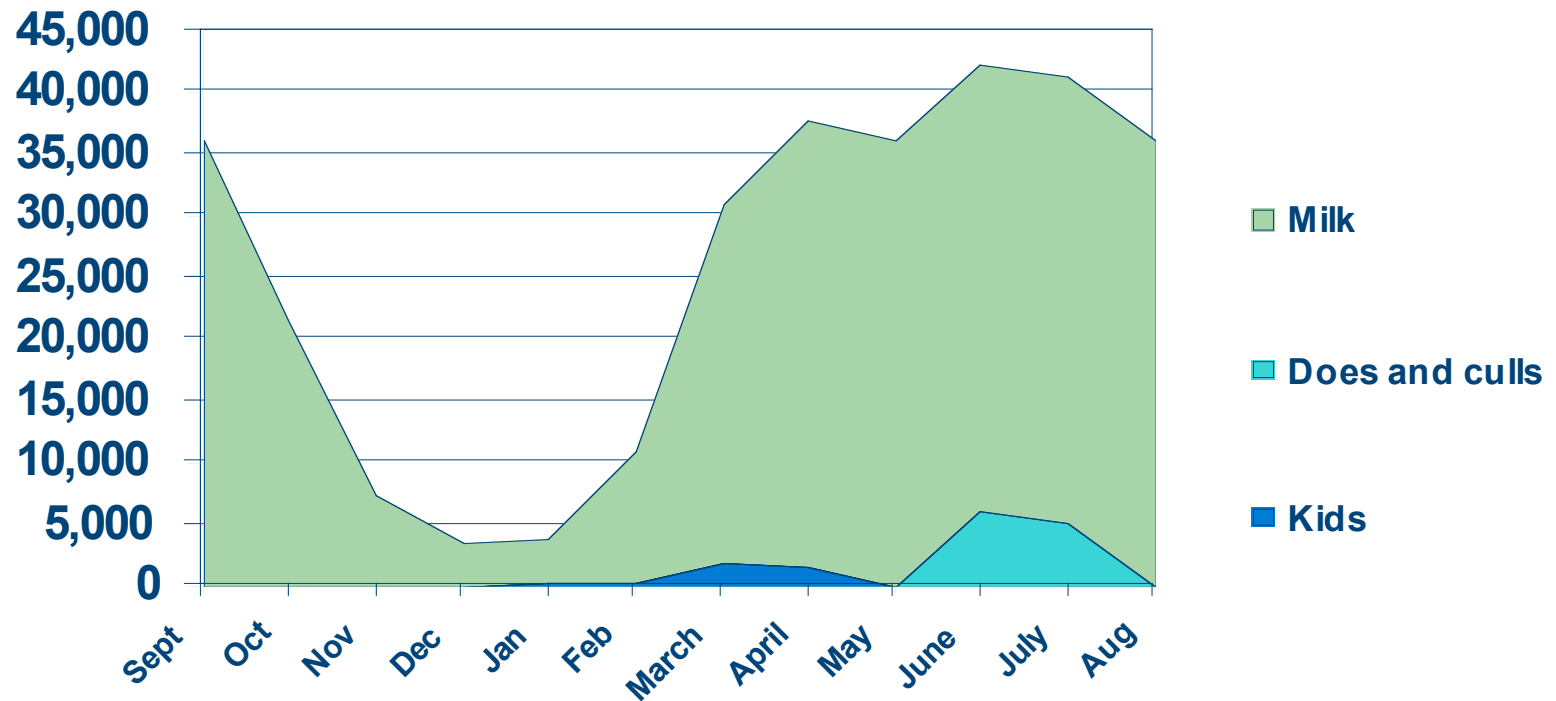
Monthly Cash Expenses



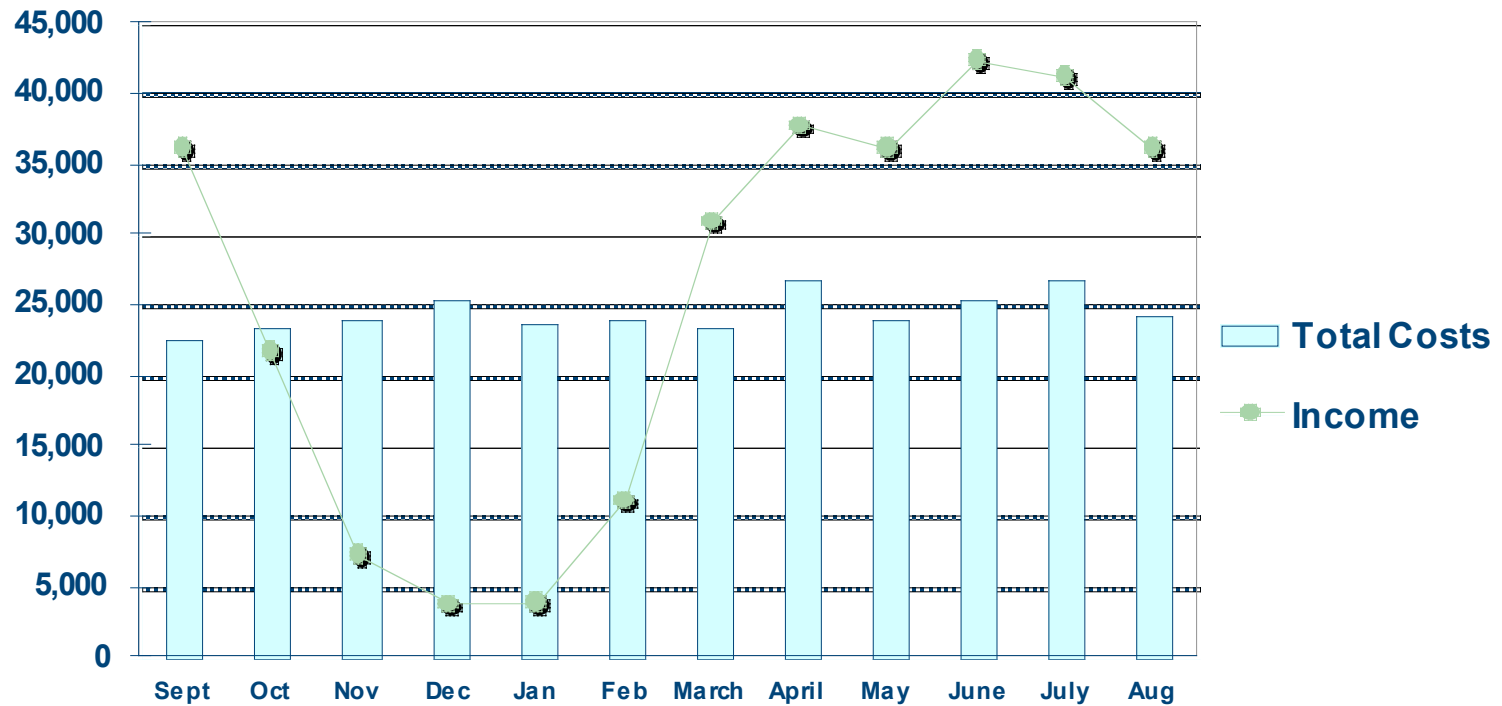
Annual Income - \$307,600



Monthly Income



Monthly Cash Flow



Capital Investment for 500 Goat Dairy

	Purchase Price	Capital Recovery*
Milking parlor	\$141,000	\$9,292
Shelter & storage	\$49,050	\$3,232
Corrals & fences	\$8,000	\$571
Trailer	\$6,930	\$573
Tractor & loader	\$20,000	\$4,060
Pickups (2)	\$49,000	\$6,659
Total	\$273,980	\$24,387

* Equal to annual payment on an investment loan

Business planning

- Inventory resources
- Identify alternative enterprises
- Establish short term and long term goals

Inventory resources

- Land
- Equipment
- Buildings
- Operating capital
- Investment capital
- Labor

Identify alternative enterprises

- Crop
- Livestock
- Custom operations
- Off farm income

Business goals

- Farm characteristics – size, growth
- Income level
- Income stability/ risk
- Management intensity
- Lifestyle/ job satisfaction
- Retirement
- Goals of workers

Key factors controlled by the manager

- Efficiency (milk production per goat or \$/lb. milk)
- Volume (number of goats)
- Combination of enterprises (grow your own feed)
- Production system (feed mix, milking parlor)
- Buying and selling (price of animals sold)
- Labor productivity
- Debt level

Measures of success

- Annual net income
- Variation in annual net income
- Monthly cash flow
- Equity level (assets minus debts)



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