

## DEVELOPING GOALS FOR YOUR DAIRY BUSINESS

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We never plan to fail, we just fail to plan! Developing goals give us something to work toward, even if conditions change. The top performers in DBAP, dairy business analysis program, in 1995 averaged \$14.60 in accrual cash operating costs in a difficult year when average costs were \$16.51. The average revenues were \$16.76 on the 27 dairies that participated in the business analysis program. More dairies would certainly improve the reliability and accuracy.

### Developing goals...performance of the top 25th percentile of 27 dairies in 1995 on the accrual operating costs of producing milk

Operating costs	Accrual cost per cwt.	% of total revs	your dairy
Personnel	\$2.50	15.3%	
Feed	\$6.87	42.2%	
Crops	\$.22	1.3%	
Equipment	\$.74	4.6%	
Livestock	\$1.06	6.5%	
Marketing	\$1.13	7.0%	
Real estate	\$.36	2.2%	
Other (ins, int, etc)	\$1.75	10.7%	
Total	\$14.60	89.8%	

Note that these are operating expenses, not total expenses. Other costs are interest, insurance, miscellaneous, etc. Not included are depreciation, principle payments on liabilities or any operator withdrawals or family living expenses.

What are your goals?