

# DAIRY CATTLE FARMING

## Cash Flow Estimate for a 50-Cow Farm

YEAR	0	1	2	3	4	5	6	7
<b>A. REVENUE</b>								
Milk		164,025	145,800	174,237	190,270	218,011	218,769	223,365
Cull Bulls		0	4,000	4,000	4,000	4,000	4,000	4,000
Cull Cows		0	0	8,465	9,243	12,709	12,753	13,021
Bull calves <12 mths		0	30,240	31,920	35,280	31,920	31,920	33,600
Heifers < 36 mths		0	0	0	0	22,680	2,700	3,000
<b>Total Revenue</b>		<b>164,025</b>	<b>180,040</b>	<b>218,621</b>	<b>238,794</b>	<b>289,321</b>	<b>270,142</b>	<b>276,987</b>
<b>B1. FIXED COST</b>								
1. Land Clearing, Preparation	25,500							
2. Pasture Planting	12,000	1,200	1,320	1,452	1,597	1,757	1,933	2,126
3. Stock Purchase								
Bulls		13,500	9,000	9,000	9,000	9,000	9,000	9,000
Female Breeders		200,000	0	40,000	0	0	0	0
4. Cattle Sheds, Yard & Store	25,000					2,500		
5. Fencing	29,394							
6. Milking Machines	20,000							
7. Waste Disposal, etc.	20,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
8. Miscelenous @ 5%	6,595	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total Fixed Cost</b>	<b>138,489</b>	<b>220,700</b>	<b>16,320</b>	<b>56,452</b>	<b>16,597</b>	<b>19,257</b>	<b>16,933</b>	<b>17,126</b>
<b>B2. OPERATING COST</b>								
1. Feed Purchases								
- Breeders		27,375	27,375	27,101	29,595	27,128	27,222	27,794
- Others		767	10,987	15,330	18,907	18,396	18,141	18,141
2. Minerals & Vitamins		1,018	1,786	2,102	2,459	2,334	2,318	2,338
3. Medicines		954	1,674	1,971	2,305	2,188	2,173	2,192
4. Other Administrative Expenses		6,360	6,678	7,012	7,362	7,731	8,117	8,523
5. Spares & Repairs		5,049	5,049	5,049	5,049	5,049	5,049	5,049
6. POL, Travel & Utilities		5,475	5,749	6,036	6,338	6,655	6,988	7,337
7. Detergents & Chemicals		1,200	1,260	1,323	1,389	1,459	1,532	1,608
8. Fertilizers, Seeds & Herb.		3,000	3,150	3,308	3,473	3,647	3,829	4,020
9. Artificial Breeding		3,000	3,000	2,970	3,243	2,973	2,983	3,046
10. Salaries & Benefits		34,800	36,540	38,367	40,285	42,300	44,415	46,635
11. Contingency @ 5%		4,450	5,162	5,528	6,020	5,993	6,138	6,334
<b>Total Operating Cost</b>		<b>93,447</b>	<b>108,410</b>	<b>116,098</b>	<b>126,427</b>	<b>125,851</b>	<b>128,904</b>	<b>133,018</b>
<b>TOTAL COST (B1+B2)</b>	<b>138,489</b>	<b>314,147</b>	<b>124,730</b>	<b>172,550</b>	<b>143,024</b>	<b>145,108</b>	<b>145,837</b>	<b>150,144</b>
<b>C. Surplus/Deficit (A-B)</b>	<b>(138,489)</b>	<b>(150,122)</b>	<b>55,310</b>	<b>46,071</b>	<b>95,770</b>	<b>144,213</b>	<b>124,305</b>	<b>126,843</b>
<b>Cummulative Surplus/Deficit</b>	<b>(138,489)</b>	<b>(288,611)</b>	<b>(233,301)</b>	<b>(187,229)</b>	<b>(91,460)</b>	<b>52,753</b>	<b>177,058</b>	<b>303,901</b>
<b>Financing</b>								
Amount Received	120,000	180,000						
Installments @ 4%	4,800	12,000	36,987	36,987	36,987	36,987	36,987	36,987
<b>TOTAL COST (Incl. Loan Repayment)</b>	<b>143,289</b>	<b>326,147</b>	<b>161,717</b>	<b>209,537</b>	<b>180,011</b>	<b>182,095</b>	<b>182,824</b>	<b>187,131</b>
<b>SURPLUS / DEFICIT</b>	<b>(23,289)</b>	<b>17,878</b>	<b>18,323</b>	<b>9,084</b>	<b>58,782</b>	<b>107,225</b>	<b>87,318</b>	<b>89,856</b>
<b>CUMMULATIVE DEFICIT</b>	<b>(23,289)</b>	<b>(5,411)</b>	<b>12,912</b>	<b>21,996</b>	<b>80,778</b>	<b>188,004</b>	<b>275,322</b>	<b>365,178</b>
<b>Total Investment</b>	<b>452,636</b>							
<b>FINANCIAL EVALUATION</b>								
			<u>Without Loan</u>	<u>With Loan</u>				
IRR =			<b>18%</b>	<b>101%</b>				
PAY-BACK PERIOD =			<b>5.6</b> Years	<b>2.9</b> Years				
Discount Factor (df)			<b>Net Present Value (NPV)</b>		<b>Benefit-Cost Ratio (BCR)</b>			
10%			<b>86,887</b>		<b>1.20</b>			
15%			<b>26,928</b>		<b>1.19</b>			