Planning and Setting up a Dairy Farm

Planning points

Location, Land, Capital ,Breed type, Farm size, Marketing of milk, Communication, Feeds, Production of green fodder, Source of drinking water, Farm Labour, Housing, Breeding programme, Health care etc.

Setting up a dairy farm

1. **Farm size: 20 cows** – Type of animals and number of cattle
   Milking cows - 12 (60%)
   Dry cows - 8 (40%)
   Calves - 12
2. **Object of farm: Milk production.**
3. **Expenditure (Investment):**

   A. Capital or fixed expenditure
   B. Recurring or variable Expenditure

A. Analysis of capital expenditure

a) Land: (own or purchage)
   i) Farmstead area: 1.0 acre Tk.....
   ii) Fodder land: 8 acre Tk.....
b) Infrastructure Development
   i) Shed for 20 cows: Tk.....
   (3.5 sq. m/cow, 2500/- per sq. m)
   ii) Shed for 12 calves: Tk.....
   (2.0 sq. m/cow, 2500/- per sq. m)
   iv)Office room, store room, feed godown, maternity barn, manure pit et
: (50.0 sq. m, 2500/- per sq. m)----------TK----------
c) Purchase value of 20 cows: Tk.....
   (45000/- per cow)
d) Cost of vehicles, equipment, utensils and furniture etc. Tk.....

Total capital expenditure = a+b+c+d = Tk.....

B. Analysis of recurring expenditure:

a) Salary of stuffs:
   i) Labour - 4, yearly Tk.....
   ii) Manager-1, yearly Tk.....

b) Feed cost:
   i) Cost of concentrate feeds: Tk.....
   For 12 milking cows: 12x365x4kgx20/-
   For 8 dry cows: 8x365x1.5kgx20/-
   For 12 calves: 12x365x1kgx20/-
   ii) Cost of roughage feeds: Tk.....
   Green roughage-
   For 12 cows: 12x365x12kgx2.0/-
   For 8 dry cows: 8x365x8kgx2.0/-
   For 12 calves: 12x365x4kgx2.0/-
   Dry roughage-

For 12 cows: 12x365x4kgx1.0/-
For 8 dry cows: 8x365x5kgx1.0/-
For 12 calves: 12x365x0.5kgx1.0/-

c) Electricity and transport per year: Tk.....

d) Premix, vaccine, medicine and doctors fee (yearly): Tk.....

Total recurring expenditure = a+b+c+d = Tk.....

4. Analysis of depreciation cost: Tk.....

a) 2% on constructed buildings
b) 10% on vehicles, equipment, utensils and furniture
c) 12% on capital expenditure and recurring expenditure
d) Maintenance cost 5% on furniture and equipments

Total depreciation cost = a+b+c = Tk.....

5. Total expenditure per year: Recurring expenditure + Total depreciation cost

6. Source of income:

Years	Sources	Taka
1st	Milk production Cowdung	12 (milking)x365x8litrex45/- 20 (cows) x 4x 2000/- (4 ton/yr/cow)
Total		do
2nd	Milk production Cowdung Sale of 12 calves	12x365x8litrex45/- 20x4x2000/-(4 ton/yr/cow) 12 (calves)x 10000/-
Total		do
3rd	Milk production Cowdung Sale of 12calves	12x365x8litrex45/- 20x4x2000/-(4 ton/yr/cow) 12x10000/-
Total		do
4th	Milk production Cowdung Sale of 12calves	12x365x8litrex45/- 20x4x2000/-(4 ton/yr/cow) 12x10000/-
Total		do
5th	Milk production Cowdung Sale of 12 calves	12x365x8litrex45/- 20x4x2000/-(4 ton/yr/cow) 12x10000/-
Total		do
6th	Milk production Cowdung Sale of 12 calves	12x365x8litrex45/- 20x4x2000/-(4 ton/yr/cow) 12x10000/-
Total		do
7th	Milk production Cow dung Sale of 12 calves	12x365x8litrex45/- 20x4x2000/-(4 ton/yr/cow) 12x10000/-
Total		do
After 7yrs	Sale of old 20 cows	20x25000/-
Grand Total		do

7. Net profit = Total income – (Total expenditure/yr x 7)