

Table 1. Revenue and expense categories and their associated drivers.

Item	Category explanation	Revenue/expense driver
Revenues		
Milk	Gross revenue from milk sales	Herd size, milk sold per cow, milk price
Cull cows	Gross revenue from cull cow sales	Culling rate, average weight of culled cows, cull cow price
Calves	Gross revenue from selling all bull and heifer calves at approximately one week of age	Average weight of calves, average annual death loss, calf price
Silage	Gross revenue from selling surplus corn silage	Acres grown, yield per acre, average consumption, storage and feeding losses, silage market price
Expenses		
Variable cash expenses		
Purchased commodities	Cost of all feeds not produced on the dairy	Herd size, ration composition, commodity prices
Silage	Cost of all purchased corn silage	Acres grown, yield per acre, average consumption, storage and feeding losses, silage market price
Labor	Cost of compensating all labor, including office and management staff	Number of employees, average hours worked per week, wage rate
Utilities	Electricity costs	Milk production, cost per cwt of milk produced
Vet & medicine	Cost of veterinary care, drugs, medicines, biologicals, etc.	Herd size, cost per cow
Breeding	Cost of semen	Herd size, services per conception, semen cost per unit
DHIA	DHIA production testing	Herd size, testing options, cost per cow
Hauling	Milk hauling costs	Milk production, cost per cwt
Coop dues	Membership dues for milk marketing coop	Milk production, cost per cwt
Advertising	Assessment for dairy product advertising programs	Milk production, cost per cwt
CCC	Government milk assessment	Milk production, cost per cwt
Repairs	Repair costs for all facilities and equipment	Herd size, cost per cow
Crops	All variable crop production and harvesting costs (e.g., seed, fertilizer, fuel, etc.)	Acres grown, per ton production and harvesting costs; harvesting, storage and feeding loss rate
Overhead	Supplies (e.g., soaps & cleaners, office supplies, etc.), fuel, oil, etc.	Herd size, per cow application rate
Fixed cash expenses		
Principal payments	Principal payments for capital expenditures and capital replacement	Capital expenditures, capital replacement, interest rates, and financing terms
Interest payments	Interest payments for capital expenditures and capital replacement	Capital expenditures, capital replacement, interest rates, and financing terms
Overhead	Accounting and other professional fees, travel, postage, other misc. fixed costs	Herd size, per cow application rate
Insurance	Insurance on real estate, facilities, equipment, and cattle	Herd size, per cow cost
Property tax	Property tax assessed by local government	Herd size, per cow cost