

Introduction to the Economics of Pasture-Based Dairying

The following series of minimalist, pasture-based dairy model farms (75-cow, 150-cow, 300-cow and 600-cow) was developed to help dairy producers understand the economics of these dairy systems. Each model is customized to reflect an operational system typical of a dairy farm and herd of four different sizes. These models were developed using assumptions, costs and benchmarking information from existing Missouri pasture-based dairies and from experts in the dairy industry. Data presented here reflect costs and conditions as of

October 2010. While these farms were customized specific to Missouri, they could be adapted to conditions elsewhere.

For each of the model farms, these publications present a farm description and discuss herd management, milk marketing, labor management, capital investments, and financial analysis and statements. Certain assumptions about herd makeup, dairy management and equipment apply to all of the model farms. For example, all farm land is assumed to be purchased at \$2,000 an acre, all herds are made up of 100 percent purchased crossbred dairy heifers, all dairies use parabone parlors with automatic take-offs, and all dairies have the same feed costs per cow per day. Differences among the models are determined by the size of the herd and by corresponding differences in management costs, capital investment, operating expenses and income.

Readers should be aware of the similarities and differences among the various model farms when using these publications.

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