

Nebraska 70 Head Goat Enterprise Budget

Background

Members of the Nebraska Meat Goat Producers and the Nebraska Sheep and Goat Producers Association provided input into figures and design of a goat enterprise budget template using Excel. It was determined that a typical size goat herd is one with 70 does and two bucks. The producers contributing information for this project indicated that most feed all of the kids raised and sell them finished. For the purpose of this budget example, nearly a third of the kids are sold at weaning with the rest fed and sold finished for goat meat. *Chart 1: Meat goat production flowchart.*

Producers raising goats often operate diversified farms or ranches with other crop and/or livestock enterprises, however some producers have off-farm jobs and raise their goats on small acreages with goats as their key enterprise.

This budget and template should be used as a guide. Individual producers can utilize the budget template and enter information that reflects their estimated revenue and expenses and the numbers of goats cared for and raised in their operation.

Livestock Management Practices

Goat kidding time for most herds across much of Nebraska is in the spring. Kidding rates run 150% (1.5 kids per each doe), considering does often birth twins. Kid death loss before weaning is figured at 11%. Post-weaning death rate is projected at 3% based on producer input. In this example budget, 66 kids are fed a finishing ration, growing them over a 75-day time period from 45 pounds at weaning to 80 pounds. The finishing ration used in this budget includes corn, prairie hay, and a 37% protein supplement.

Producers report a mix of practices in the area of either keeping their own does as replacements or buying does for replacements. In this budget, all replacement does are purchased. The 70 head herd includes a 7% death loss for the breeding does* and a

cull rate of 7%, with 10 replacement does purchased each year.

Machinery, Equipment and Facilities

Basic equipment utilized for a goat flock would typically include a stock trailer, portable chute, panels, and a pickup. Facilities may include a barn, or a pole shed.

The total value of the machinery and equipment that pertains to use in the meat goat operation is entered into the 'Production Parameters' worksheet of the budget. If a vehicle is used for other enterprises in the farm or ranch business, with 30% use for the goat operation, 30% of its current and future value should be entered into the budget program. If equipment is used 100% of the time for the goat enterprise, then 100% of its current and future value should be included in this budget. The depreciation cost and opportunity cost of ownership are figured in the 'Expenses – Fixed' worksheet. Annual repair expenses on fencing and equipment that can be attributed to the goat enterprise are entered in the 'Expenses – Variable' worksheet.

Animal Purchases, Feed and Variable Expenses

With any livestock enterprise, feed costs are a major expense and should be carefully estimated. Prices for the various feed items entered in the 'Production Parameters' worksheet of the goat budget template carry over to the feed expense section where quantity fed per animal amounts are entered. It is important to note that feed and hay raised on owned ground, along with the utilization of pasture ground should be considered separate enterprises. Therefore, in this representative budget, feed and hay are included as cash feed expenses, valued at current market or rental value. Producers may enter an opportunity cost or cash rental rate for their land use for the goat enterprise or figure animal unit months (AUM) values to include the value or cost of pasture for the goats.

In the representative goat budget, pasture costs are included in feed expense, where one AUM is valued at \$43. Each doe would utilize .17 AU per month or .85 AUMs total for the year. In the west central area of Nebraska, we figured one acre equals 0.7 AUMs, therefore, each doe would utilize 1.2 acres over 5 months on pasture or 84 acres total for the does. The bucks would each utilize 1.4 acres for the year or 2.8 acres for the two.

In the variable expenses worksheet, some expenses are entered per animal, then the total is calculated in the worksheet and for other expense items such as repairs, a total expense is requested. Keep in mind that expenses entered in this section should be expenses that can be allocated directly to the goat enterprise, which may be a percentage of a total expense amount for the entire farm or ranch business. Expenses such as general liability insurance, accounting, and vehicles for example, not specific to the goat enterprise, should be allocated by percentage and entered in the fixed expense worksheet as overhead.

Revenue and Breakeven Prices

The meat goat budget template provides an estimated breakeven price for producers and a projected net revenue (or loss) based on current prices for kids, while also taking into consideration feed and other expenses relating to a goat enterprise. The 70 head goat herd budget projects \$1,130 net revenue or \$16.15 net return per doe as summarized in the 'Summary Budget' worksheet. In this budget, the breakeven sale price calculations are all below breakeven price.

**USDA National Animal Health Monitoring System, 2009 Study.*

Goat Enterprise Budget Template and Budget Narrative Developed by:

Daniel Gertner, Graduate Student, Department of Agricultural Economics, University of Nebraska – Lincoln

Glennis McClure, Extension Educator, Department of Agricultural Economics, University of Nebraska - Lincoln

Randy Sander, Extension Educator, University of Nebraska -Lincoln

Elliott Dennis, PhD, Department of Agricultural Economics, University of Nebraska – Lincoln



Chart 1: Meat goat production flowchart, 70 does

