

TABLE 1	Sample Partial Budget for a Robotic Dairy Farm*	
Budget item	Amount	Comments
Increased income		
8% increase in milk production	\$85,410	From 2x per day to 2.7x
2% increase in milk management	\$21,353	DIM reduction
Subtotal	\$106,763	
Cost reductions		
Labor	\$72,270	\$1 per cwt
Reproduction	\$1,800	0.5 fewer breedings per cow at \$15 each
Replacement	\$2,470	1% drop in cull rate
Herd management software	\$5,650	Included in robotic system
Subtotal	\$82,190	
Increased costs		
Rations	\$72,708	Pellet cost + DMI checkoff
Maintenance	\$30,000	\$7,500 per robot, including consumables
Interest	\$6,046	10-year amortization on \$200K per robot at 5.5% interest
Depreciation	\$72,000	10-year straight line with 10% salvage value
Insurance	\$2,000	Increase in asset values
Utilities	\$2,000	Higher electricity costs from operating robots
Subtotal	\$184,754	
Reduction or elimination of income		
Cull cow sales	\$1,833	1% drop in cull rate
Subtotal	\$1,833	
Net impact per year	\$2,366	Other considerations worth examining include udder health improvement, quality of life and barn design (including less time spent in the holding area, fewer stalls required, reduced bunk space per cow)

* Data compiled from actual results of BMO Harris Bank clients who have implemented robotic milking systems. Numbers are based on a 75-cow dairy operation shipping 75 pounds of milk per cow per day, milked twice a day. Also assumes the barn is a four-robot facility with 240 cows milking (282 total). All milk prices based on \$16.25 per cwt.