

## BEEF COSTS OF PRODUCTION, DECEMBER 1981

## HUMBOLDT COUNTY - INTERMEDIATE AREA

The ranch is 3,000 acres of range land rented by the operator. \*Included are sufficient hay storage, equipment storage, feed barns and corrals to handle a 200-cow unit plus replacements. Costs of the improvements are lower than current replacement costs. Livestock is valued at market price. Cows weight 1,000 lbs., bulls 1,600 lbs., cull yearling heifers 575 lbs., steer calves 500 lbs., and heifer calves 425 lbs. Calf crop at weaning is 85% with 20% of the females held for replacement and 5% of those culled as yearlings. Death loss is 4% on the breeding herd. Labor includes owner-operator, unpaid family help and part-time paid help of \$2,200 per year. Total investment for the renter-operator is \$191,800.

\*Although most of the ranches are owned, it was difficult to place a value on the land. Rental rates were easier to obtain, so we used these rates in the study.

| <u>INVESTMENT</u>                             | <u>TOTAL RANCH</u>         | <u>PER COW</u>            | <u>YOUR COSTS</u> |
|---|----------------------------|---------------------------|-------------------|
| Equipment                                     | \$ 58,800                  |                           |                   |
| Cows 200 @ \$ 500                             | 100,000                    |                           |                   |
| Yearlings 40 @ \$ 400                         | 16,000                     |                           |                   |
| Bulls 10 @ \$1500                             | 15,000                     |                           |                   |
| Horses 4 @ \$ 500                             | 2,000                      |                           |                   |
| <b>TOTAL INVESTMENT</b>                       | <b>\$191,800</b>           | <b>\$959.00</b>           |                   |
| <u>INCOME</u>                                 |                            |                           |                   |
| Steers 85 @ 500 lbs.-42,500 lbs. @ \$ .66     | \$ 28,050                  |                           |                   |
| Heifers 53 @ 425 lbs.-22,525 lbs. @ .54       | 12,164                     |                           |                   |
| Cull Cows 22 @1000 lbs.-22,000 lbs. @ .40     | 8,800                      |                           |                   |
| Cull Bulls 2 @1600 lbs.- 3,200 lbs. @ .55     | 1,760                      |                           |                   |
| Cull Heifers 2 @ 575 lbs.- 1,150 lbs. @ .53   | 610                        |                           |                   |
| <b>TOTAL INCOME</b>                           | <b>\$ 51,384</b>           | <b>\$256.92</b>           |                   |
| <u>EXPENSE</u>                                |                            |                           |                   |
| <u>Cash Costs:</u>                            |                            |                           |                   |
| Feed: Hay 100 tons @ \$ 70                    | \$ 7,000                   | \$ 35.00                  |                   |
| Range @ \$60/A.U.                             | 12,000                     | 60.00                     |                   |
| Salt 1-1/2 ton @ \$89                         | 134                        | .67                       |                   |
| <u>General Expenses:</u>                      |                            |                           |                   |
| Vet and Med.                                  | \$ 4,000                   | 20.00                     |                   |
| Gasoline, oil & Equipment repairs             | 5,200                      | 26.00                     |                   |
| Maintenance of fences, roads, corrals & barns | 2,800                      | 14.00                     |                   |
| Insurance                                     | 1,200                      | 6.00                      |                   |
| Part-time Labor                               | 2,200                      | 11.00                     |                   |
| Dog expense                                   | 600                        | 3.00                      |                   |
| Horse expense                                 | 2,100                      | 10.50                     |                   |
| Replacement bulls 2.5 @ \$1200                | 3,000                      | 15.00                     |                   |
| Misc. overhead & operating interest           | 2,700                      | 13.50                     |                   |
| <b>Total Cash Costs</b>                       | <b>\$ 42,934</b>           | <b>\$214.67</b>           |                   |
| <u>Non-Cash Costs:</u>                        |                            |                           |                   |
| Depreciation - equipment                      | \$ 5,880                   |                           |                   |
| - horses                                      | 400                        |                           |                   |
| Interest @12% equipment                       | 3,528                      |                           |                   |
| - livestock                                   | 15,960                     |                           |                   |
| <b>Total Non-Cash Costs</b>                   | <b>\$ 25,768</b>           | <b>\$128.84</b>           |                   |
| <b>TOTAL ALL COSTS</b>                        | <b>\$ 68,702</b>           | <b>\$343.51</b>           |                   |
| <b>NET INCOME</b>                             | <b>&lt; \$ 17,318 &gt;</b> | <b>&lt; \$ 86.59 &gt;</b> |                   |

BEEF PRODUCTION COST STUDY, DECEMBER 1981

HUMBOLDT COUNTY

by

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Beef production started when cattle were trailed into the county and fattened on the productive ranges. These cattle were sold to miners and the settlers. Today, cow-calf operators are producing calves for stocker operations as well as feedlots. Most of the calves produced in the county are eventually sent to feedlots outside the county to be finished before slaughter.

This cost analysis gives sample costs of production when average management practices are followed. It is for use as a guide in analyzing production costs on an individual ranch. Yearly costs are shown for total ranch and per cow, so approximate costs can be determined for any ranch by simply multiplying by the number of cows in the herd.

Family labor, including the operator, is not shown in the costs nor is an allowance shown for management. These costs show what must be paid yearly before the operator earns labor or management income.

A typical Humboldt County ranch in each area is used as a guide for cost and management practices. All costs were provided by knowledgeable producers. Income was taken from market prices for the sale of heifers and steers in 1981; this allowed us to determine a net income figure for the ranch and per cow on the ranch. If a rancher can increase the calving percent and/or increase the weaning weight of the calves, then the profit for the ranch will be greater. Management techniques that will increase profit include: buying high quality bulls, semen testing, flushing the cows before breeding, pregnancy testing, culling low producing cows, and practicing range improvement techniques.

Some of the costs shown are size oriented. That is, they go on whether you get high prices or low prices for calves. For example, labor, maintenance, repairs, and others are related to the size of the ranch and cow herd, not the calving percent or weaning weight. Production related costs are hay, range improvement, veterinarian and medicine, replacement bulls and other similar costs.

It must be remembered that these cost studies are only guidelines. Each rancher may have to adjust some of the figures to conform to his particular ranch situation.

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