

Santa Barbara and San Luis Obispo Counties

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This is a sample cost analysis for an owner-operated stocker operation on leased rangeland with 500 steers purchased at 450 pounds each in October and 490 steers sold at 700 pounds each in June (2% mortality). The owner provides the management and all except \$400 of the labor per year by trading work with other ranchers at peak times. A carrying capacity of 6 acres per steer is assumed. (This figure ranges from about 2 to 10 acres per stocker animal in Santa Barbara and San Luis Obispo counties.)

	Total	Per Head Bought	Your Figures
INVESTMENT			
Horses - 2 @ \$800	\$ 1,600	\$ 3.20	
Equipment: Pickup	5,000	10.00	
Trailer	2,500	5.00	
Saddles	350	.70	
Miscellaneous	500	1.00	
TOTAL INVESTMENT	\$ 9,950	\$ 19.90	
INTEREST ON INVESTMENT @ 9% (1/2 original cost)			
	\$ 447.75	\$.89	
DEPRECIATION - 10 years			
	\$ 995	\$ 1.99	
CASH COSTS			
Range - 3,000 acres @ \$6.00 (or \$4.50/head/month for 8 months or 118,000 lbs. gain @ 15.25¢/lb)	\$ 18,000	\$ 36.00	
Protein supplement - 25 tons @ \$100	2,500	5.00	
Salt - 5 tons @ \$165	825	1.65	
Total Feed	\$ 21,325	\$ 42.65	
Hired labor	400	.80	
County taxes - Livestock	360	.72	
Equipment and horses	123.75	.25	
Transportation (Delivery of cattle to ranch)	1,000	2.00	
Veterinary and medicine	750	1.50	
Repairs, maintenance and fuel	1,000	2.00	
Insurance, licenses, office and supplies	500	1.00	
Interest on cattle - 8 months @ 9%	7,560	15.12	
TOTAL CASH COSTS	\$ 33,018.75	\$ 66.04	
INCOME			
Steers			
Sell 490 @ 700 lbs. = 343,000 lbs. @ 50¢	\$171,500	\$ 343.00	
Purchase 500 @ 450 lbs. = 225,000 lbs. @ 56¢	126,000	252.00	
TOTAL INCOME 118,000 lbs.	\$ 45,500	\$ 91.00	

SUMMARY	Total	Per Head Bought	Your Figures
Gross Income	\$ 45,500.00	\$ 91.00	
Less Cash Costs	33,018.75	66.04	
Net Cash Income	\$ 12,481.25	\$ 24.96	
Less Depreciation	995.00	1.99	
Farm Income	\$ 11,486.25	\$ 22.97	
Less Interest	447.75	.89	
Return for Operator's Labor and Management	\$ 11,038.50	\$ 22.08	

Net Income/lb. gain = 38.56¢ gross income lb. gain - 29.20¢ total cost/lb. gain = 9.36¢