

Cooperative Extension, University of California

BEEF CATTLE STOCKER OPERATION SELLING FEEDER STEERS - 1985

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San Luis Obispo County

This is a sample cost analysis for an owner-operated stocker operation on leased rangeland with 500 steers purchased at 500 pounds each in October and 490 steers sold at 750 pounds each in June (2% mortality). The owner provides the management and all except \$600 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 San Luis Obispo County.)

	Total	Per head bought	Your figures
INVESTMENT			
Horses - 2 @ \$1,500	\$ 3,000	\$ 6.00	
Equipment - Pickup	13,000	26.00	
Trailer	7,000	14.00	
Saddles	1,000	2.00	
Miscellaneous	750	1.50	
TOTAL INVESTMENT	\$ 24,750	\$ 49.50	
INTEREST ON INVESTMENT @ 13% (1/2 original cost)			
	\$ 1,609	\$ 3.22	
DEPRECIATION - 10 years			
	\$ 2,475	\$ 4.95	
CASH COSTS			
Range - 3,000 acres @ \$9.00 (or \$6.75/head/month for 8 mos. or 117,500 lbs. gain @ 23¢ /lb.)	\$ 27,000	\$ 54.00	
Protein supplement - 25 tons @ \$205	5,125	10.25	
Salt - 2 tons @ \$122	244	.49	
TOTAL FEED	\$ 32,369	\$ 64.74	
Hired labor	600	1.20	
Transportation(delivery of cattle to ranch)	1,800	3.60	
Veterinary, medicine, implants and eartags	2,500	5.00	
Repairs, maintenance and fuel	3,00	6.00	
Insurance, licenses, office and supplies	1,200	2.40	
Interest on cattle - 8 months @.13%	13,657	27.31	
TOTAL CASH COSTS	\$ 55,126	\$ 110.25	
INCOME			
Steers			
Sell 490 @ 750 lbs.=367,500 lbs. @55¢	\$202,125	\$ 404.25	
Purchase 500 @ 500 lbs.=250,000 lbs. @63¢	157,500	315.00	
GROSS INCOME 117,500 lbs.	\$ 44,625	\$ 89.25	

SUMMARY	Total	Per head bought	Your figures
GROSS INCOME	\$ 44,625	\$ 89.25	
Less cash costs	55,126	110.25	
NET CASH INCOME	-\$10,501	\$ - 21.00	
Less depreciation	2,475	4.95	
FARM INCOME	-\$12,976	\$ - 25.95	
Less interest on investment	1,609	3.22	
RETURN FOR OPERATOR'S LABOR AND MANAGEMENT	-\$14,585	\$ - 29.17*	

* Breakeven selling price per pound=59.0¢

10/85

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