

*Cost of prod.*

BEEF CATTLE STOCKER OPERATION IN KERN COUNTY

Cost Analysis Work Sheet - October 1976

by

Edward A. Yearly, Farm Advisor Statewide and Roy V. Parker, Farm Advisor

Sample costs to raise stocker cattle on owned rangeland. Steer calves are purchased in November at 400 lbs. weight and sold in May at 650 lbs., with a 3% death loss occurring in the winter months. One thousand calves are purchased to stock 7500 acres for 6 months. Calves are sold on the ranch.

Investment Costs

<u>Item</u>	<u>Cost</u>	<u>Interest on Investment</u>	<u>Depreciation</u>
Rangeland - 7500 acres @ \$75	\$562,500	\$45,000	
Horses - 3 @ \$500	1,800	81	\$200
Fences: 20 miles. New cost at \$2,000/mile. Present value assumed to be \$500/mi.	10,000	450	625
Buildings and corrals	10,000	450	625
Stock watering facilities	3,000	135	150
Equipment:			
Older 1½ ton truck	3,000	135	500
Pickup ¾ ton	5,000	270	600
Goose neck trailer	4,000	180	400
Saddles and tack	600	27	60
Misc. tools & equipment	1,500	68	150
<b>TOTALS</b>	<b>\$602,400</b>	<b>\$46,796</b>	<b>\$3,310</b>

<u>Cash Costs of Production</u>	<u>Sample costs</u>		<u>Your costs</u>	
	<u>total</u>	<u>per head bought</u>	<u>total</u>	<u>per head bought</u>
Hay: 5 lbs. per head per day for 30 days; 75 tons at \$75/ton	\$5,625			
Supplement 1 lb. per head per day for 30 days; 15 tons @ \$140/ton	2,100			
Salt and minerals 2.3 tons @ \$60	138			
Hired labor	800			
County taxes; livestock personal property land & improvements	900			
	400			
	2,720			
Veterinary expense	3,000			
Repairs & maintenance	2,400			
Gas, oil, repairs, 10,000 miles @ 20¢	2,000			
Interest on short term loan \$160,000 @ 9% for 6 months	7,200			
Office and business costs	1,500			
<b>CASH COSTS</b>	<b>\$28,783</b>	<b>\$28.78</b>		

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<u>Purchase and Sale of Calves</u>	Sample costs		Your costs	
	total	per head bought	total	per head bought
Sell 970 calves; 650 lbs. @ 35¢ 630,500 lbs. @ 35¢	\$220,675	\$220.68		
Buy 1,000 calves at 400 lbs. @ 38¢ 400,000 lbs. @ 38¢	152,000			
Income over Purchase Price	\$ 68,675	\$ 68.68		
CASH COSTS	\$ 28,783	\$ 28.78		
Income less all cash costs	\$ 39,892	\$ 39.89		
Depreciation	\$ 3,310	\$ 3.31		
Income less cash costs & depreciation	\$ 36,582	\$ 36.58		
Total cost of production with interest \$46,796	\$230,889	\$230.89		
Residual that is available to pay the operators labor and management, principle payments on short term loan and debt service on long term loan, if any, and for operator's interest on owned equity	\$ 36,582	\$ 36.58		