

## STOCKER OPERATION SELLING FEEDERS - (Eastside)

(Same facilities as cow and calf operation selling weaners) - Owned Land

Based on purchase of 500-450 lb. stockers in fall for running on rangeland and 350-450 lb. stockers in spring for running on irrigated pasture. Mortality at 4%.

William E. Mason, Farm Advisor

Burt B. Burlingame, Extension Economist

INVESTMENT	Total value	Value/hd. sold	Yours
Land:			
Range - 2,000 A. @ \$150	\$300,000	\$368	18.38-
Irrig. Pasture - 100 A. @ \$750	75,000	92	4.60-
Stock:			
Steers - 7 mo. on \$104,100 Annual av.	60,700	74	3.70-
Horses and saddles - 2 @ \$600 (av. val. \$500)	1,000	1	.05-
Fences: \$6,000 cost - 20 yr. life av. value	3,000	4	.20-
Corrals: 2 @ \$1,500 = \$3,000 bldgs. - \$3,000 av. val.	3,000	4	.20-
Irrig. Pasture Stand: \$2,000 cost - 10 yrs. av. value	1,000	1	.05-
Equipment: (pickup, scale & misc.) \$4,800 cost av. val.	2,400	3	.15-
<b>Total Investment</b>	<b>\$446,100</b>	<b>\$547</b>	<b>27.33</b>
<b>CASH COSTS</b>			
Steers Purchased:			
500 - 450 lb. @ 26 $\frac{1}{2}$ ¢	\$59,625		
350 - 450 lb. @ 28 $\frac{1}{4}$ ¢	44,494		
Total 850 - 450 lb. av. 27.22¢	\$104,119	\$127.60	
Feed Purchased: 80 tons hay @ \$25	2,000	2.45	
Hired Labor: (trade labor with neighbors)	-	-	
Irrigated pasture water @ \$7/A	700	.86	
Irrigated pasture fertilizer @ an. av. of \$4/A.	400	.49	135
County taxes: range @ \$1.50/A.; irrig. past. @ \$7.50	3,750	4.60	
480 steers @ \$2.63; horses @ \$6	1,268	1.55	
Misc.: (gas, repairs, vet., salt, pickup, etc.)	2,500	3.06	
<b>Total Cash Costs</b>	<b>\$114,737</b>	<b>\$140.61</b>	
<b>DEPRECIATION</b>			
Horses and saddles: cost \$1,200 - 12 yr. life	\$ 100	.12	
Fences: cost \$6,000 - 20 yr. life	300	.37	
Corrals and bldgs.: cost \$6,000 - 20 yr. life	300	.37	
Irrig. pasture stand: cost \$2,000 - 10 yrs.	200	.24	
Pickup, scale & misc.: cost \$4,800 - 10 yr. life	480	.59	
<b>Total Depreciation</b>	<b>\$ 1,380</b>	<b>\$ 1.69</b>	
<b>Total Cash and Depreciation Costs</b>	<b>\$116,117</b>	<b>\$142.30</b>	
<b>OPERATOR'S LABOR</b>	<b>\$ 5,400</b>	<b>6.62</b>	
<b>Total Cash, Deprec. and Operator's Labor</b>	<b>\$121,517</b>	<b>\$148.92</b>	
<b>INTEREST ON INVESTMENT @ 5%</b>	<b>\$ 22,305</b>	<b>\$ 27.33</b>	
<b>TOTAL COSTS OF PRODUCTION</b>	<b>\$143,822</b>	<b>\$176.25</b>	

NET BEEF PRODUCTION

	<u>No.</u>	<u>Lbs. Av. Weight</u>	<u>Total Pounds</u>	<u>Pounds/ Hd. Sold</u>	<u>Yours</u>
<b>Sales:</b>					
Feeder steers (Jul. - Aug)	480	700	336,000		
Feeder steers (October)	336	700	235,200		
Total sales	816	700	571,200	700	
<b>Purchases:</b>					
Stocker steers (Oct.- Nov.)	500	450	225,000		
Stocker steers (Feb.- Mar.)	350	450	157,500		
Total Purchases	850	450	382,500	469	
Net Production	-34	-	188,700	231	

AVERAGE PRICE REQUIRED TO PAY COSTS

	<u>Price Per Pound Sold</u>	
	<u>Sample</u>	<u>Yours</u>
Cash Costs	20.09¢	
Cash and Depreciation	20.33¢	
Cash, Depreciation and Operator's Labor	21.27¢	
Total Costs	25.18¢	

INCOME AND EARNINGS AT SPECIFIED CATTLE PRICES <sup>1/</sup>

	<u>Total Pounds</u>	<u>Price Per Lb.</u>	<u>Total Value</u>	<u>Value/hd. Sold</u>	<u>Per Lb. Sold</u>	<u>Yours</u>
Feeder steers	336,000	24¢	\$80,640	(\$168.00)		
Feeder steers	235,200	23 <sup>1</sup> / <sub>4</sub> ¢	54,684	(\$162.75)		
<b>TOTAL INCOME</b>	571,200	23.69¢	\$135,324	\$165.84	23.69¢	
Less Cash and Depreciation Costs			- \$116,117	\$142.30	20.33¢	
<b>FARM INCOME (for Operator's Labor &amp; Int.)</b>			\$ 19,207	\$ 23.54	3.36¢	
Less Operator's Labor			- \$ 5,400	\$ 6.62	.94¢	
<b>NET INCOME (for Interest on Investment)</b>			\$ 13,807	\$ 16.92	2.42¢	
<b>RATE EARNED ON INVESTMENT</b>			3.10%	-		

<sup>1/</sup> In this example, it will be noted that the spread between stock bought and sold is 27.22¢ per lb. less 23.69¢ = 3.53¢ per lb.