

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

<u>INVESTMENT</u>	<u>Total Value</u>	<u>Value/Hd.</u> <u>Sold</u>	<u>Years</u>
<u>Land:</u>			
Range - 2,000 A. @ \$160	\$320,000	\$392	
Irrig. Pasture - 100 A. @ \$800	80,000	98	
<u>Stock:</u>			
Steers - 7 mo. on \$98,200 Annual av.	57,300	71	6%
Horses and saddles - 2 @ \$600 (av. val. \$500)	1,000	1	
Fences: \$6,300 cost - 20 yr. life; av. value	3,150	4	
Corrals: 2 @ \$1,575 = \$3,150; bldgs. - \$3,150; av. val.	3,150	4	
Irrig. Pasture Stand: \$2,200 cost - 10 yrs.; av. val.	1,100	1	
Equipment: (pickup, scale & misc.) \$5,000 cost; av. val.	2,500	3	
Total Investment	\$468,200	\$574	

CASH COSTS

<u>Steers Purchased:</u>			
500 - 450-lb. @ 25 $\frac{1}{4}$ ¢	\$56,812		
350 - 450-lb. @ 26 $\frac{1}{4}$ ¢	41,344		
Total 850 - 450 lb. av. 25.66¢	\$ 98,156	\$120.29	
Feed Purchased: 80 tons hay @ \$27	2,160	2.65	
Hired Labor: (trade labor with neighbors)	--	--	
Irrigated pasture water @ \$7/A.	700	.86	
Irrigated pasture fertilizer @ an. av. of \$5/A.	500	.61	
County taxes: range @ \$1.55/A.; irrig. past. @ \$7.00	3,800	4.66	4%
480 steers @ \$2.40; horses @ \$4	1,160	1.42	7.96%
Misc.: (gas, repairs, vet., salt, pickup, etc.)	2,625	3.21	
Total Cash Costs	\$109,101	\$133.70	

DEPRECIATION

Horses and saddles: cost \$1,200 - 12 yr. life	\$ 100	
Fences: cost \$6,300 - 20 yr. life	315	
Corrals and bldgs.: cost \$6,300 - 20 yr. life	315	
Irrig. pasture stand: cost \$2,200 - 10 yrs.	220	
Pickup, scale & misc.: cost \$5,000 - 10 yr. life	500	
Total Depreciation	\$ 1,450	\$ 1.78
Total Cash and Depreciation Costs	\$110,551	\$135.48

OPERATOR'S LABOR

Total Cash, Deprec. and Operator's Labor	\$115,951	\$142.10
---	------------------	-----------------

INTEREST ON INVESTMENT @ 5%

INTEREST ON INVESTMENT @ 5%	\$ 23,410	\$ 28.69
TOTAL COSTS OF PRODUCTION ^{1/}	\$139,361	\$170.89

BEEF CATTLE - STOCKER OPERATION SELLING FEEDERS

NET BEEF PRODUCTION

	<u>No.</u>	<u>Lbs. Av. Weight</u>	<u>Total Pounds</u>	<u>Pounds/ Hd. Sold</u>	<u>Yours</u>
Sales:					
Feeder steers (July - Aug.)	480	700	336,000		
Feeder steers (October)	336	700	235,200		
Total Sales	816	700	571,200	700	
Purchases:					
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 COST

	<u>Price Per Pound Sold</u>	
	<u>Sample</u>	
	<u>Yours</u>	
Cash Costs	19.10¢	
Cash and Depreciation	19.35¢	
Cash, Depreciation and Operator's Labor	20.30¢	
Total Costs	24.40¢	

INCOME AND EARNINGS AT SPECIFIED CATTLE PRICES 1/

	<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	22½¢	\$ 75,600	(\$157.50)		
Feeder steers	235,200	22½¢	52,332	(\$155.75)		
TOTAL INCOME	571,200	22.40¢	\$127,932	\$156.78	22.40¢	
Less Cash and Depreciation Costs			- \$110,551	\$135.48	19.36¢	
FARM INCOME (for Operator's Labor & Int.)			\$ 17,381	\$ 21.30	3.04¢	
Less Operator's Labor 2/			- \$ 5,400	\$ 6.62	.94¢	
NET INCOME (for Interest on Investment)			\$ 11,981	\$ 14.68	2.10¢	
RATE EARNED ON INVESTMENT			2.56%	-		

1/ Prices used in this example are based upon 5-year averages (1961-1965) at Stockton for the months in which the steers were assumed bought and sold. For steers purchased, 50¢ per cwt. was added, and for steers sold, 50¢ per cwt. was subtracted from the prices to cover trucking and handling costs. It will be noted that the spread between stock bought and sold is 25.66¢ per lb. less 22.40¢ = 3.26¢ per lb.

2/ No allowance for management.