

Cooperative Extension, University of California  
BEEF CATTLE COW-CALF OPERATION SELLING WEANERS - 1985

San Luis Obispo County

by

Bill Weitkamp, Farm Advisor

This is a sample cost analysis for the production of weaner calves on an owner operated ranch. The owner provides the management and all except \$2,500 worth of labor per year by trading work with other ranchers at peak times. Costs are based on a herd of 250 cows on rangeland with a carrying capacity of 15 acres per cow. The forage from rangeland and barley stubble is charged to the cattle operation at current rental rates. No interest is charged for cash operating costs. A 90% calf crop is weaned, 20% of the cows are replaced each year and there is a 2.0% annual cow mortality. Calving time is October and November with weaner calves sold in June on the ranch.

INVESTMENT	Total	Per Cow	Your Cos
Livestock - 250 cows @ \$550	\$137,500	\$550.00	
10 bulls @ \$1,200	12,000	48.00	
50 replacement heifers @ \$450	22,500	90.00	
2 horses @ \$1,400	2,800	11.20	
Equipment - pickup, trailer, scale, saddles, chute, misc. equipment and tools	25,000	100.00	
<b>TOTAL INVESTMENT (not including land)</b>	<b>\$199,800</b>	<b>\$799.20</b>	
INTEREST ON INVESTMENT @ 13% (Equipment and horses at 1/2 original cost)	\$ 24,167	\$ 96.67	
DEPRECIATION			
Horses - 10 years	\$ 250	\$ 1.12	
Equipment - 10 years	2,500	10.00	
<b>TOTAL DEPRECIATION</b>	<b>\$ 2,750</b>	<b>\$ 11.12</b>	
CASH COSTS			
Range - 3750 acres @ \$7.00	\$ 26,250	\$105.00	
Barley stubble - 60 days, 250 head	3,000	12.00	
Protein supplement - 20 tons @ \$185	3,700	14.80	
Hay - 50 heifers, 1/2 ton/head, \$100/ton	2,500	10.00	
Salt and minerals	300	1.20	
Total feed	<b>\$ 35,750</b>	<b>\$143.00</b>	
Hired labor	2,500	10.00	
Bull replacements - 2 @ \$1,200	2,400	9.60	
Gas, oil, repairs, maint. of fence & equipment	4,000	16.00	
Veterinarian, medicine, calf implants, horse-shoeing, pregnancy and semen testing, etc.	2,200	8.80	
Office, business, insurance, licenses and misc.	1,200	4.80	
<b>TOTAL CASH COSTS</b>	<b>\$ 48,050</b>	<b>\$192.20</b>	
INCOME			
112 weaner steers @ 500 lbs.	Total lbs. 56,000	¢/lb. .63	\$ 35,280
63 weaner heifers @ 470 lbs.	29,610	.53	15,693
45 cull cows @ 1,000 lbs.	45,000	.37	16,650
2 bulls @ 1,500 lbs.	3,000	.45	1,350
<b>TOTAL GROSS INCOME</b>	<b>133,610 lbs.</b>		<b>\$ 68,973</b>
			<b>\$275.89</b>

SUMMARY	Total	Per Cow	Your Figures
Gross Income	\$68,973	\$275.89	
Less Cash Costs	48,050	192.20	
Net Cash Income	\$20,923	\$83.69	
Less Depreciation	2,780	11.12	
Farm Income	\$18,143	\$72.57	
Less Interest	24,167	96.67	
<b>RETURN FOR OPERATOR'S LABOR AND MANAGEMENT</b>	<b>\$-6.024</b>	<b>\$-24.10</b>	

10/85

(over)

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EFFECT OF DEBT SERVICE AND LAND TENANCY  
ON OPERATOR'S DISPOSABLE INCOME

(From cow-calf example on reverse side)

Operator leases land or owns  
land debt-free with fixed  
land costs of \$2 /ac. /yr.

Leases

Owms

Leases

Owms

Owms but leases out @ \$5  
net /acre (\$18,750, \$75/cow)

Operator borrows for cattle  
and equipment @ 13%

Borrows

Borrows

Doesn't borrow

Doesn't borrow

Sells cattle and equip. and  
invests @ 10% (\$18,590)

Operator's Disposable  
Income Before Income  
Taxes

250 Cows

Per Cow

\$ -6,024

\$ -24.10

12,725

50.90

18,143

72.57

36,892

147.57

37,340

149.36