

Typical Costs and Returns  
 COW-CALF OPERATION SELLING WEANERS  
 Santa Barbara County - 1965

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INITIAL INVESTMENT:

			<u>TOTAL</u>	<u>Per Cow</u>
Stock:	cows,	200 @ \$190	38,000.	190.00
	bulls,	8 @ 400	3,200.	16.00
	horses,	3 @ 350	1,050.	5.25
	replacement heifers,	40 @ 170	6,800.	34.00
	Chute		500.	2.50
Equipment:	pickup	\$2,200		
	truck, ½-ton	3,000		
	tractor	1,600		
	saddles	200		
	miscellaneous tools	300	<u>7,300.</u>	<u>36.50</u>
			\$56,850.	\$284.25

*Handwritten notes:*  
 $3 \times 15 = 45$   
 $15 \times 12 = 180$   
 $180 \div 200 = .90$

TOTAL INVESTMENT

EXPENSES:

Bull replacement	2 @ \$400		800.	4.00
Rent:	range, 3,000 acres @ \$3		9,000.	45.00
	barley stubble, 60 days for 110 head		660.	3.30
	sudan grass, 60 days for 100 head		600.	3.00
	calf pasturing		500.	2.50
Hay purchased	68 tons @ \$25		1,700.	8.50
Salt and minerals			60.	.30
Hired labor (trade with neighbors)			0.	.00
County taxes @ \$7:	stock		690.	3.45
	equipment		135.	.68
Veterinarian and medicine			800.	4.00
Pumping water, repairs, maintenance, and fuel			700.	3.50
Miscellaneous (utilities, office & supplies, insurance)			500.	2.50
<u>Total Cash Costs</u>			<u>16,145.</u>	<u>80.73</u>
Depreciation:	horses and saddles,	125		
	equipment, (\$7,800 for 10 years)	780	905.	4.53
Interest on investment: (6%-\$52,950)*			3,177.	15.88
Operator's labor			<u>3,600.</u>	<u>18.00</u>
			\$23,827.	\$119.14

\*Interest on chute and equipment at one-half the original cost.



Typical Costs and Returns  
 STOCKER OPERATION SELLING FEEDERS  
 Santa Barbara County - 1965

Prepared by: Lin V. Maxwell, County Director and Farm Advisor, Santa Barbara  
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ANALYSIS BASED UPON:

500 head, Okie #1 and #2, stocker calves (6-8 months old, 350-450 lbs.);  
 acquired in November to January - sold April to June; mortality 1%;  
 leased land consisting of:  
 1,000 acres good rangeland (carrying capacity 5 acres per steer), and  
 3,000 acres average range (carrying capacity 10 acres per steer).

INVESTMENT:

Initial Investment:

	<u>TOTAL</u>	<u>Per Head Sold</u>
Stock horses - 2 @ \$350	700.00	
Chute	500.00	
Equipment: pickup	2,200	
truck, 1½-ton	3,000	
trailer	1,600	
saddles	200	
waterpump	200	
miscellaneous tools	300	
	<u>7,500.00</u>	
<u>Total Depreciable Inventory</u>	<u>8,700.00</u>	17.58

Annual Investment:

Stock steers - 500	45,540.00	92.00
<u>TOTAL INVESTMENT</u>	<u>\$54,240.00</u>	<u>\$109.58</u>

EXPENSES:

Steers:	100 head @ 350# @ 22¢		
	100 head @ 400# @ 22¢		
	100 head @ 420# @ 22¢		
	200 head @ 450# @ 22¢	45,540.00	92.00
Interest on steer investment:	6 mos. @ 6½%	1,480.00	2.99
Rent:	1,000 acres @ \$4 = \$4,000		
	3,000 acres @ 3 = <u>9,000</u>	13,000.00	26.26
Hired labor		800.00	1.61
Feed: Supplemental	30 T @ \$75 = \$2,250	4.55	
Alfalfa hay	100 T @ 25 = 2,500	5.05	
Salt (mineralized)	<u>140</u>	<u>28</u>	
		9.88	9.88
County taxes: Stock	810	1.47	
Equipment	<u>136</u>	<u>27</u>	
		1.71	1.91
Veterinarian and medicine		425.00	.86
Pumping water		70.00)	.14
Repairs, maintenance, and fuel		700.00)	1.41
Miscellaneous (insurance, supplies, office)		500.00)	1.02
<u>Total Cash Expenses</u>		<u>68,351.00</u>	<u>138.08</u>
Depreciation		870.00	1.76
		<u>69,221.00</u>	
Operator's labor		2,400.00	4.85
		<u>71,621.00</u>	
Interest on initial investment: @ 6%		261.00	.53
<u>TOTAL COSTS</u>		<u>\$71,882.00</u>	<u>\$145.22</u>

**Typical Costs and Returns**  
**STOCKER OPERATION SELLING FEEDERS**  
**Santa Barbara County - 1965**

SALES AND INCOME:	TOTAL	Per Head Sold
Feeder steers: 280 @ 623# = 174,440# @ 23¢ = \$40,121.20		
195 @ 628# = 122,460# @ 23¢ = 28,165.80		
20 @ 624# = 12,480# @ 22¢ = 2,745.60		
<u>495</u> 309,380#	71,032.60	
<u>Total Income</u>	71,033.00	143.50
Less cash costs	68,351.00	138.08
<u>Net Cash Income</u>	2,682.00	5.42
Less depreciation	870.00	1.76
<u>Net Farm Income</u>	1,812.00	3.66
Less operator's labor and interest on initial investment	2,661.00	5.38
<u>MANAGEMENT INCOME</u>	-(\$849.00)	-(\$1.72)

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The costs associated with a typical beef stocker operation in Santa Barbara County during 1965 are somewhat arbitrary, since steer calf and feeder prices are subject to fluctuation and other costs may vary depending upon circumstances.

Most stocker operators own their own equipment, lease rangeland, buy steer calves at varying weights (350-450 lbs.), and market feeder steers between April and June. The marketing date will depend upon the condition of range feed. The type equipment actually utilized by the stocker operator will vary, the operator with other enterprises may have additional equipment available or, if the equipment herein listed is used elsewhere, the cost of that equipment would not be totally applicable to the stocker operation.

Wells to provide water are usually made available by the landowner, with the tenant providing a pump, pipe, and energy.

Interest on steer investment is charged at 6½% for six months, since the operator typically finances animal purchases with a commercial loan tailored to purchase and resale.

Rent is separated between hilly range and bottomland which should provide additional grass, as indicated by the respective units and carrying capacities.

Hired labor is a minimal expense since what additional help is necessary is usually provided on weekends by individuals otherwise employed and living in urban centers who enjoy the opportunity to be a parttime cowboy. It is not unknown that such labor may, in fact, be donated in exchange for access to the land and an opportunity to learn about a cattle operation.

County taxes will vary with location because of different tax rates. These rates may range from six to nine dollars per \$100 assessed valuation. An arbitrary rate of \$7 per \$100 has been assumed.

The item of operator's labor is also an arbitrary one, for the stocker operator who does not have other enterprises or employment the figure of \$2,400 may be below a minimum subsistence income.