

SAMPLE COST STUDY OF COMMERCIAL BEEF PRODUCTION
SAN BENITO COUNTY
MARCH 1976

845 Stocker Steers from November to June

This example is an owner operated 6000 acre ranch with a carrying capacity of 1.6 acres per animal unit month. This equals 19.2 acres per animal unit year. Land value of \$140 per acre is market value based on recent sales of similar type land. All costs, including taxes, are actual. Production is based on a 2% death loss and sufficient supplemental feeding to insure a season's gain of 250 lbs. per head. Stocker steers purchased at \$42. (delivered) and sold at \$38 F.O.B. ranch.

INVESTMENT	TOTAL VALUE	YOUR EST.
LAND: 6000 acres @ \$140 (incl. bldgs., & corrals)	\$840,000	\$
EQUIP: Pickup, tractor, scales, misc. (½ new cost)	22,000	
STOCK: 3 horses @ \$300; 2 dogs, 4 cats	900	
TOTAL INVESTMENT	\$862,900	

DEPRECIATION	COST	YOUR EST.
IMPROVEMENTS: Fences, water sys., bldgs.	\$ 3,000	\$
EQUIPMENT: Pickup, tractor, scales, etc.	2,200	
TOTAL DEPRECIATION COSTS	\$ 5,200	

CASH COSTS	COST	YOUR EST.
TAXES: Land & improvements (80¢/acre)*	\$ 4,800	\$
TAXES: Livestock	375	
INTEREST ON CATTLE LOAN (6 mo. @ 9%)	1,200	
HIRED LABOR: (400 hrs. @ \$3.00)	7,050	
FEED PURCHASED: 66 tons hay @ \$85; 12 tons conc. @ \$120; salt	4,225	
MISC: Gas, vet, insurance, repairs, telephone @ \$5/hd.		
TOTAL CASH COSTS	\$24,827	

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*Add 30¢ per acre if ranch not under a Land Conservation Act Agreement with the County.

ESTIMATED INCOME	POUNDS	PRICE	NET SALES	YOUR EST.
829 Steers @ 700 lbs.	580,300	\$38.00	\$220,514	\$
Less cost. 845 steers @ 450 lbs.	380,250	42.00	159,705	
TOTAL INCOME	200,050		60,809	

TOTAL CASH & DEPRECIATION COSTS	\$ 30,037	
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NET RANCH INCOME	\$ 30,772	
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RESIDUE AFTER OWNER DRAWS \$10,000 FOR MGMT. & LABOR	\$ 20,772	
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UNIVERSITY OF CALIFORNIA AGRICULTURAL EXTENSION

SUMMARY

COST (CASH ONLY) PER CWT GAIN - - - - -	\$12.41
COST (CASH & DEPRECIATION) PER CWT GAIN - - - - -	15.01
COST (CASH, DEPREC., OWNERS SALARY) PER CWT GAIN - - - - -	20.38
COST (ALL COSTS PLUS 8% INT. ON INVEST.) PER CWT GAIN - - - - -	54.88

PERCENT OF TOTAL CASH COSTS	
TAXES - - - - -	21%
INTEREST - - - - -	29%
FEED PURCHASED - - - - -	28%
MISC. (gas, vet., ins., repairs, etc.) - - - - -	17%
HIRED LABOR - - - - -	5%
TOTAL	100%

POUNDS OF GAIN PER HEAD SOLD - - - - -	241 lbs.
POUNDS OF GAIN PER ANIMAL UNIT - - - - -	640 lbs.
POUNDS OF GAIN PER ACRE - - - - -	33.3 lbs.
DOLLARS OF MEAT SOLD PER ACRE - - - - -	\$10.13
TOTAL INVESTMENT PER ANIMAL UNIT - - - - -	\$2,761
ACTUAL INTEREST EARNED ON INVESTMENT - - - - -	2.40%

"BREAK-EVEN" PRICE STEERS MUST BRING OWNER \$34.42
 This is figured by adding cash cost (\$24,837),
 depreciation costs (\$5,200), owner's salary (\$10,000),
 purchase price of steers (\$159,705), and dividing
 by total selling weight (580,300 lbs.)