

February 1964

Beef Cattle, Stocker Calf Operation, Sample
Cost Study

The following information has been developed to help measure the "expected" costs and returns from growing stocker calves. Because of the great variation between ranches, these costs are of value only as a basic guide in developing actual costs for each operation.

Investment Required:

Winter range of 1055 acres with necessary buildings and installed equipment @ \$100 per acre and a grazing capacity of 0.8 A.U.M* per acre.	\$ 105,500	
Horses--2 working saddle horses	500	
Equipment--(used) truck, tractor, power sprayer, pickup, squeeze and horse trailer	5,000	
Total Investment	\$ 111,000	

Income:

Sold at ranch:	\$ 24,600	
172 stocker calves at 666 lbs. priced at \$0.22 per pound (estimate 1.2 lbs. average daily gain) (Death loss 1.5%)		
Total Income	\$ 24,600	143.02
	18,642	108.38
	5,958	34.64

* An AUM is an animal unit month, which is defined as the amount of feed that it takes to maintain an animal of 1,000 pounds for one month. A cow with sucking calf is usually assumed as 1 AUM. The feed equivalent of an AUM is considered to be about 400 pounds of total digestible nutrients, about 800 pounds of good hay. A AUy, or animal unit year is equivalent to 12 AUM or the amount of feed required to maintain a 1,000 pound animal for one year; about 5 tons of good hay.

Expenses:

175 weaner calves purchased 450pounds at \$0.23 per pound	\$ (18,642)	
50 ton hay @ \$24.00 per ton for winter feeding	1,200	6.97
Gasoline for ranch equipment	300	1.74
Veterinary & other medical expenses	88	.51
Insurance (fire & liability) no hired labor	400	2.33
Repairs (material costs only)	200	1.16
Interest on working capital (\$19,000)	800	4.65

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Taxes:

County property tax estimated at \$4.75 for \$100 assessed value.	\$ 802	4.66
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Miscellaneous:

Office, telephone, vehicle license, etc.	300	1.74
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Depreciation:

	1,000	5.82
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Equipment 10 years		
<i>Labor</i> Fences, building, etc., 20 years	1,720.00	10.00
<i>Interest</i>	6.500	37.80
Total Expenses	\$23,732	
	13,310	77.38

Income - Expenses = Net Ranch Income

Total Income	\$24,600	
Total Expense (-)	23,732	137.98
Net Ranch Income	868	<u>108.38</u> 19.60

No return on capital investment or payment for operators labor and management is included.

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Co-operative Extension Work in Agriculture and Home Economics U.S. Department of Agriculture, University of California, and County of Calaveras Co-operating.