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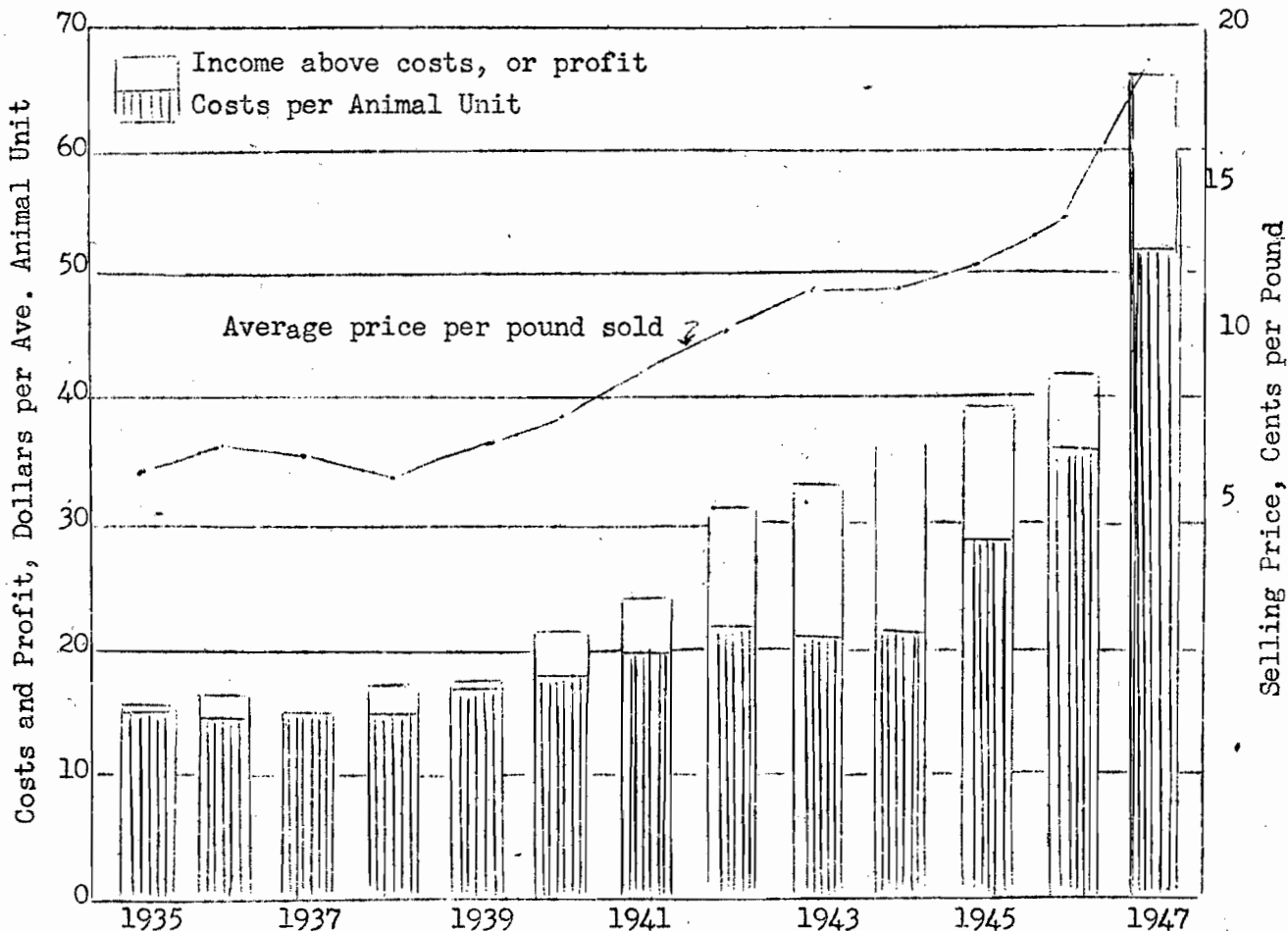
THIRTEENTH ANNUAL REPORT

Of The

LASSEN COUNTY BEEF MANAGEMENT STUDY

1947

STUDY AVERAGE PRICE, INCOME, COSTS, AND PROFIT
OVER 13 YEARS



Income has risen, but watch those costs!

Study Conducted by
THE AGRICULTURAL EXTENSION SERVICE
In Cooperation with Local Cattlemen

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Introduction

This is the thirteenth annual progress report of the beef cattle management study conducted by the Agricultural Extension Service. In 1947, records were completed on nine enterprises. This report presents a brief summary and comparison of these records in tables 1 to 5. A comparison of figures from records of the last ten years is presented in tables 6 and 7. These figures are not represented as average for the local beef producing business. They apply only to the few ranches covered and for the years shown. These records do, however, provide a fairly typical picture of the inputs, costs, and earnings of local cattle enterprises. From the material in this report, other actual and prospective cattlemen may receive assistance in making their own plans, budgets, etc. and enjoy an opportunity to compare their own production costs and prices.

Beef Enterprise a Part of Ranch Business

To understand and apply these figures properly you must think of the beef cattle herd as a separate enterprise from the rest of the ranching business. The figures herein apply only to the beef enterprise, which is only a part of the total ranch business. These ranches are mainly beef ranches and, in all cases, involve the ownership of range or meadow pastures and the production of hay and sometimes other enterprises. But hay and pasture in these records are considered as produced in other enterprises and are charged to the beef cattle as hay and pasture at the going local value for such feed. Hence, these beef enterprise records show costs for the beef only, including the value of hay and pasture in the feed costs. The labor shown is only for the care and feeding of the beef herd. Much of the work of these ranches is in the production of hay, which is not shown directly, although the price at which the hay is charged to the stock should cover hay labor as well as other haying expenses and perhaps a profit on hay production.

Animal Unit the Basis of Comparison

Beef herds vary in the proportion of cows and young stock so to compare feed quantities, costs, production, etc., we must use one mature beef animal or its equivalent as the basis of comparison. This we call the animal unit, which is one head of cattle (cow, bull, or steer) over 2 years of age, 1 1/3 yearlings from 1 to 2 years of age, and 2 calves under a year. To get the total animal units in a herd we add the cows, bulls, 2-year-old steers, half the calves, and three-quarters of the yearlings. Most of our figures in the following tables are on an animal unit basis. Breeding cows are used mainly for comparing calving percentage but we have shown some of the factors on a cow basis in table 5.

Nature of the Local Beef Business

For the benefit of other than local readers, we give this brief explanation of the kind of business covered by these records. Cattle ranching here is the production of beef by grazing cattle in the grazing district (public domain), national forests, and privately owned and rented land. Rainfall is low and winters are severe and necessitate the feeding of about a ton of hay per animal unit. Hay for winter feeding is produced locally in irrigated wild hay meadows and alfalfa fields. Grazing on the public lands is regulated by permits granted to local ranchers on a scale commensurate with the feed-producing capacity of their ranches. The usual feed cycle is grazing district or private grazing land in the spring (April and May),

national forest in the summer (June to September), home ranches on hay aftermath October to December, and on hay on the home ranch January to March. Some ranchers use no national forest or grazing district lands and some have irrigated meadow summer pastures for part or all of their cattle, but the above cycle is typical of most of the producers. The provision of adequate feed throughout the year by utilization in succession of most economical sources at each season is the essential to profitable cattle ranching in Lassen County.

Net Income or Profit

The net income or profit earned by an enterprise is the difference between income and expense. Since accounting for different purposes may follow slightly different methods, the computed profit may not always be the same. In these records a uniform method of calculation was followed throughout so the relative profit in comparing different enterprises will show the relative efficiency or earning ability even though the exact figures may not check with those arrived at in the individual's personal accounting system. Some producers want as a profit the figure by which their income exceeds their actual cash outlay; others want their income above outlay minus their own wages for work done. In order to supply a number of earning figures, the following standard measures of net income are used in this report:

Management Income is the amount by which total income exceeds total costs, with costs including the wages of the operator for work actually done, depreciation on facilities, and interest on investment. This is the amount left to reimburse the operator for his skill in management after all expenses have been met. If a loss occurs, it will be indicated by a minus sign (-) in front of the management income figure.

Labor Income is the management income plus value of the operator's labor previously included as an expense. It is the operator's return for his labor and management.

Capital and Management Income is the management income plus the interest on investment previously included as such in the expense. It is the amount the producer can consider his return for management and invested capital. It is not shown in this report but may easily be computed by adding the proper figures.

Farm Income is the labor income plus interest on investment. It is the total amount receivable from the enterprise after meeting cash costs, the value of farm-produced feeds, and depreciation on facilities. It includes a profit for skill in management, wages for labor performed, and interest on capital invested. It is the amount the operator can safely withdraw from the business to live on and pay interest and principal on indebtedness, if any. Interest actually paid is not recognized in these costs, it being assumed that the interest computed on the investment could cover interest on borrowed capital, as well as that invested by the operator.

Table 1. Main Profit Factors and Earnings per Animal Unit in 1947

	4	3	1	9	10	2	6	8	7	Ave.
Pounds produced per animal unit	352	302	275	392	377	369	357	311	326	339
Pounds sold per animal unit	362	360	469	567	426	429	221	362	340	365
Calves raised per 100 cows	66.0	84.5	90.5	92.8	89.7	88.0	95.0	93.4	88.8	84.8
Animal units per cow	1.89	1.49	1.15	1.12	1.81	1.45	1.46	1.44	1.50	1.52
Net head raised per 100 A. U.	32.9	54.3	78.3	82.4	48.0	60.2	65.2	62.9	57.5	55.9
Head died per 100 animal units	2.0	2.3	0.6	0.5	1.6	0.6	.0	2.2	1.6	1.4
Main kind of beef animals sold	2 yrs.	Yrs.	Calves	Cows	Yrs.	Calves	Calves	Calves	Yrs.	Calves
Percent above of total sales money	48	45	69	51	57	60	63	73	48	30
Ave. weight per head above type	1,019	851	362	1,030	805	601	346	396	521	367
Ave. price per head above	\$227.64	\$157.51	\$76.14	\$159.40	\$160.90	\$131.00	\$71.13	\$83.05	\$104.21	\$77.64
Ave. price per hundredweight	22.34	18.50	21.01	15.51	20.00	21.81	20.55	20.95	20.06	21.15
Ave. price per cwt. all stock sold	\$19.61	\$18.27	\$17.93	\$18.31	\$19.37	\$19.79	\$17.56	\$20.21	\$17.94	\$18.75
Ave. value per cwt. all stock produced	19.45	20.84	21.32	19.21	20.00	23.32	16.61	19.93	17.52	19.47
Net cost of production per cwt.	11.86	14.14	14.63	16.21	17.22	21.60	14.84	22.64	20.89	15.25
Management income per cwt.	7.59	6.70	6.69	3.00	2.78	1.72	1.78	- 2.71	- 3.37	4.22
Value produced per A. U.	\$68.46	\$62.92	\$58.74	\$75.33	\$75.31	\$85.94	\$59.24	\$61.94	\$57.06	\$66.08
Production cost per animal unit	41.76	42.68	40.31	63.57	64.83	79.62	52.95	70.37	68.04	51.75
Management income per animal unit	\$26.70	\$20.24	\$18.43	\$11.76	\$10.48	\$6.32	\$6.29	-\$8.43	-\$10.98	-\$14.33
Labor income per animal unit	27.99	21.65	21.18	17.90	13.86	14.77	10.75	1.38	- 8.49	17.54
Farm income per animal unit	34.51	28.62	27.65	26.52	21.43	22.62	17.66	11.82	- .04	24.67
Total farm income per A.U. beef and range	36.23	31.45	30.31	29.39	26.91	24.51	19.99	16.29	3.53	27.24

The nine records are listed above from left to right in order of management income per animal unit, with the last two records showing a loss - income not being high enough to cover total production costs as computed.

Notice that all but one of the records show more pounds sold than produced during the year. Such records tend to show a higher profit than normal because most stock was sold at prices above inventory values. Two records, Nos. 7 and 8, show a loss this year with costs above fairly good incomes. No. 6 would have shown a greater profit if sales had not been at below average prices and small in quantity as compared to total production during the year. No. 4, the only one selling two-year old steers, was highest in profit with high production per animal unit, a high price per pound for stock sold, and lowest production cost per animal unit.

Table 2. Inputs and Costs per Animal Unit in 1947

	4	3	1	9	10	2	6	8	7	Ave.
Acres owned pasture and range	4.3	8.4	14.9	10.5	22.0	6.0	4.8	11.0	14.3	8.2
Acres of aftermath pastured	.9	-	.9	2.1	1.0	-	1.5	2.8	1.1	.9
Pounds of hay per animal unit	2375	1981	1363	1722	3756	4017	2726	3618	3839	2600
Pounds of concentrates	35	50	106	251	146	283	78	40	159	96
Hours of labor	5.2	8.5	4.7	13.7	4.5	11.3	7.2	12.6	3.4	7.3
Costs per animal unit										
National forest grazing fees	\$0.47	-	\$0.78	\$0.51	\$0.87	-	\$0.44	-	\$1.61	\$0.44
Grazing district	.12	.03	.06	.39	-	.10	.41	.04	-	.16
Other rented range	.50	.15	.10	2.09	-	2.13	.07	2.54	-	.54
Owned range and pasture	2.49	4.92	4.28	5.07	4.95	3.69	3.04	5.62	5.05	3.89
Hay aftermath pasture	1.29	-	1.42	3.74	1.46	-	1.49	4.50	2.15	1.33
Total range and pasture costs	4.87	5.10	6.64	11.80	7.28	5.92	5.45	12.70	8.81	6.36
Hay	22.05	18.47	12.16	17.35	37.56	37.68	27.08	36.18	38.39	24.61
Concentrates	1.51	2.15	4.94	10.73	5.12	11.24	3.12	1.82	5.53	3.89
Salt and minerals	.12	.14	.05	.09	.29	.47	.06	.17	.14	.14
Total feed cost	28.55	25.86	23.79	39.97	50.25	55.31	35.71	50.87	52.87	35.00
Hired labor	2.59	4.95	.77	2.24	-	-	.96	-	.13	2.13
Value of operator's & family labor	1.29	1.41	2.75	6.14	3.38	8.45	4.46	9.39	2.49	3.21
Saddle and draft horse costs	.51	.65	.64	.86	.65	.83	.54	.90	.57	.62
Auto, truck, and tractor work	.17	.27	1.41	1.37	.41	2.62	1.59	.67	.43	.81
Misc., taxes, insurance, etc.	1.72	1.71	3.32	2.39	1.46	3.97	1.97	1.78	1.60	2.03
Depreciation on bldgs, fences, etc.	.41	.86	1.20	1.98	2.03	.59	1.02	2.08	1.50	.99
Int. on beef enterprise invest. 5%	6.52	6.97	6.47	8.62	7.57	7.85	6.91	7.28	8.45	7.13
Total production costs per A.U.	41.76	42.68	40.35	63.57	65.75	79.62	53.16	72.97	68.04	51.92
Less misc. income, milk, hides, etc.	-	-	.05	-	.92	-	.21	2.60	-	.12
Net production cost per A.U.	41.76	42.68	40.30	63.57	64.83	79.62	52.95	70.37	68.04	51.80

Pounds of hay fed per animal unit is somewhat more irregular than usual this year because of more difficult natural feed conditions and, hence, a longer hay feeding period for some of the ranchers. Therefore, total cost per animal unit shows considerable variation from a high of \$79 down to a low of \$40. Hay probably furnished about one-fourth of the feed used by the herd for the year but its value or cost was 70% of the total feed cost or 47% of the total production cost. Considerable concentrates were used in Nos. 9 and 2. No. 4, which shows lowest total production cost per animal unit, was low in all separate items and lowest of all records in several.

Table 3. Investment per Animal Unit as Used in 1947 Records

	4	3	1	9	10	2	6	8	7	Ave.
Land in lots and corrals	1.15	.36	.25	1.07	.41	.59	.56	2.25	.53	.74
Bldgs., fences, & other improvements	3.83	9.63	10.48	17.38	17.28	5.38	11.60	19.38	15.97	9.90
Equipment for beef enterprise	1.11	1.88	1.27	1.59	2.85	1.92	1.19	2.25	1.33	1.52
Feed ave. on hand April 1	5.07	13.04	11.00	9.17	8.92	7.96	5.75	3.96	6.48	7.98
Beef cattle	119.26	114.55	106.37	143.23	121.86	141.13	119.16	117.64	144.68	122.54
Total beef cattle enterprise	130.42	139.46	129.37	172.44	151.32	156.98	138.26	145.48	168.99	142.68
Tillable permanent pasture	17.69	21.52	-	10.70	-	-	3.71	-	-	10.75
Range or other pasture	16.62	34.97	53.25	46.90	109.76	37.80	43.05	62.25	71.41	40.67
Cars, work stock, & farming eqt.	10.07	13.45	25.48	29.41	40.65	35.48	27.84	67.41	15.97	21.56
Cropland, largely for hay production	52.14	43.04	64.71	79.55	48.78	62.02	59.40	119.10	57.24	57.28
Dwelling	14.38	10.76	12.74	26.74	24.39	23.63	13.92	44.94	10.65	16.18
Grand total ranch investment	231.32	263.20	285.55	365.74	374.90	315.91	286.18	439.19	324.26	289.12

The investment required for cattle production in Lassen County has increased materially over the last 13 years of this study. Valuations of the basic range land and breeding herds have not, however, been increased as much because of the expectation that prices, land values, etc. would ultimately decline. The figures in the above table merely show the average values for each item of investment as they are being carried in the records in this study. Buildings and equipment are shown above at half of the reported cost, since these values are assumed to decline from cost to zero over the period of useful life. Such facilities were largely obtained before the war or even earlier at prices or costs much below those in effect today. Cattle values, however, are based upon the current inventory values which were raised in 1947 over the nominal level at which they had been carried for many years. On a pound basis, however, inventory values are somewhat below selling price in order to avoid future book losses through death or decline in market value. For example, cows are valued at around \$130 per head and young market stock at about 2 cents below the expected selling price when ready for market.

Last year we issued a mimeograph, "Cattle Ranching in Lassen County", in which we showed a suggested prudent or normal investment for a cattle ranch with a total of \$225 per animal unit, as compared to the \$289 average for the above 1947 records. It now looks as though many items now higher than the above levels will stay up for a long time. Hence, the cost of a complete cattle ranch for some years will probably be considerably above \$300 per animal unit - perhaps as high as \$400. It is doubtful, however, if 5% interest can be earned over a long period on such values.

Table 4. Prices and Costs per Hundredweight in 1947

	4	3	1	9	10	2	6	8	7	Ave.
Pounds produced per animal unit	352	302	275	392	377	370	357	311	326	339
Pounds sold per animal unit	362	360	469	567	426	429	221	362	340	365
Ave. selling price per cwt.										
Cows	\$15.96	\$16.57	\$13.33	\$15.51	\$14.82	\$15.83	\$13.96	\$16.09	\$15.05	\$15.43
Calves	21.71	20.44	21.01	22.20	-	21.81	20.55	20.95	-	21.15
Yearling steers	-	18.50	-	-	20.00	21.49	-	20.00	20.00	19.23
2-year-old steers	22.34	-	-	-	-	-	-	-	-	22.34
All stock sold	19.61	18.27	17.93	18.31	19.37	19.79	17.56	20.21	17.94	18.75
<i>AV</i> <i>Weight</i> Inventory value per cwt. Mar. 31, 1948	14.13	13.90	14.22	14.20	14.21	14.32	14.05	14.31	14.42	14.05
Ave. value per cwt. produced	19.45	20.84	21.32	19.21	20.00	23.32	16.61	19.93	17.52	19.47
Costs per cwt. produced										
Hay	6.26	6.12	4.41	4.42	9.97	10.22	7.59	11.64	11.79	7.25
Concentrates	.43	.71	1.79	2.74	1.36	3.05	.87	.59	1.70	1.15
Pasture	1.38	1.69	2.42	3.01	1.93	1.61	1.53	4.08	2.71	1.87
Salt and minerals	.04	.05	.02	.02	.08	.13	.02	.06	.03	.04
Total feed cost per cwt.	8.11	8.57	8.64	10.19	13.34	15.01	10.01	16.37	16.23	10.31
Hired labor	.74	1.64	.28	.58	-	-	.27	-	.04	.63
Operator's and family labor	.37	.47	1.00	1.56	.90	2.29	1.25	3.02	.76	.95
Horse and auto use	.19	.30	.74	.57	.17	.93	.60	.51	.31	.42
Misc., taxes, and insurance	.49	.57	1.20	.61	.50	1.08	.54	.56	.49	.60
Depreciation	.11	.28	.44	.50	.54	.16	.29	.67	.46	.29
Interest on investment	1.85	2.31	2.35	2.20	2.01	2.13	1.94	2.34	2.60	2.10
Total production cost	11.86	14.14	14.65	16.21	17.46	21.60	14.90	23.47	20.89	15.30
Management income per cwt.	7.59	6.70	6.69	3.00	2.78	1.72	1.76	- 2.71	- 3.37	4.22
Total farm income per cwt.	10.29	10.42	11.01	7.49	7.15	6.65	5.61	3.65	1.08	8.03

The value per hundredweight of beef produced in any year depends somewhat on selling prices but also upon the kind of cattle produced and the extent to which more cattle were sold than were produced during the year. It will be seen that inventory valuations were all around 14 cents per pound for the stock cattle herd which, of course, is composed largely of cows. The value per hundredweight produced, however, varies from 16 cents to over 23 cents. Opening inventory values are naturally at about the same level, since no increased valuation on unsold animals is allowed during a record year.

Table 5. Main Profit Factors on a Breeding Cow Basis for 1947

	4	3	1	9	10	2	6	8	7	Ave.
Calves raised per 100 cows	66.0	84.5	90.5	92.8	89.7	88.0	95.0	93.4	88.8	84.8
Pounds produced per cow	665	450	316	439	681	536	521	446	489	514
Animal units per cow	1.89	1.49	1.15	1.12	1.81	1.45	1.46	1.44	1.50	1.52
Percent of cows sold	22.7	16.0	22.6	37.2	7.4	14.9	14.6	11.3	15.2	19.0
Percent of cows died	1.9	2.7	.7	.6	.0	.9	.0	3.2	.0	1.3
Percent of cows added from heifers	23.1	15.0	.7	17.3	1.5	18.7	14.9	24.2	16.8	15.9
Percent increase or (-) decrease	-1.5	-3.7	-22.6	-20.5	-5.9	2.9	.3	9.7	1.6	-4.4
Ave. weight of cows sold	993	1036	940	1030	1164	1117	944	1048	990	1006
Ave. price per head	\$158.47	\$171.71	\$125.29	\$159.40	\$172.50	\$176.78	\$131.71	\$168.56	\$148.94	\$155.19
Ave. price per cwt.	15.96	16.57	13.33	15.51	14.82	15.83	13.96	16.09	15.05	15.43
Value produced per cow	129.35	93.81	67.31	84.35	136.22	124.36	86.54	88.91	85.72	100.16
Expenses of production per cow	78.90	63.63	46.19	71.18	117.26	115.22	77.35	101.01	103.22	78.44
Management income per cow	50.45	30.18	21.12	13.17	18.96	9.14	9.19	-12.10	-16.50	21.72
Labor income per cow	52.89	32.28	24.27	20.04	25.08	21.37	15.70	1.38	-12.76	26.58
Farm income per cow	65.22	42.68	31.68	29.70	38.76	32.73	25.80	11.82	-.06	37.40
Total farm income per cow	68.46	46.89	34.73	32.91	48.69	35.47	29.22	16.29	5.30	41.29

The proportion of cows to total stock in the herd varies from a low of 1.12 animal units per cow to a high of 1.89. Figures on a breeding cow basis are, therefore, not very significant in making comparisons between such records. The most significant factor is the number of calves raised per 100 cows. These figures were satisfactorily high in all records except No. 4, which was low with only 66 calves. Notice, also, that in the majority of the herds more cows were sold than were replaced from heifers, with the result that the cow herds in general had an average decline of 4 percent during the year. Cow death losses varied from none to a high of 3.2% of the breeding cows in the herd at the start of the year.

Table 6. Main Profit Factors and Earnings over the Last Ten Years

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	10-year Average
Number of records	9	11	12	13	9	7	6	6	7	9	9
Number of animal units each	356	665	377	616	438	528	489	452	389	289	460
Animal units per cow	2.0	1.9	1.8	2.0	1.9	1.9	1.7	1.6	1.6	1.5	1.8
Calves raised per cows	75	72	78	81	86	85	86	83	81	85	81
Head raised per 100 A.U.	36	37	42	39	44	44	49	50	48	55	44
Head died per 100 A.U.	2.4	1.3	1.9	1.1	1.4	1.9	2.1	1.1	2.5	1.4	1.7
Lbs. produced per A.U.	298	276	304	298	305	313	316	307	306	339	306
Lbs. sold per A. U.	410	278	271	268	295	276	361	367	301	365	319
Ave. price per cwt. sold	\$ 5.68	\$ 6.48	\$ 7.52	\$ 8.80	\$10.09	\$11.56	\$11.42	\$12.29	\$13.96	\$18.75	\$10.66
Ave. value per cwt. produced	5.73	6.23	7.15	8.26	10.26	10.46	11.48	12.75	13.72	19.47	10.55
Cost of production per cwt.	4.99	6.11	5.77	6.71	7.14	6.77	6.80	9.27	11.99	15.25	8.08
Mgt. income per cwt.	.74	.12	1.33	1.55	3.12	3.69	4.68	3.48	1.73	4.25	2.47
Value produced per A. U.	17.11	17.19	21.73	24.61	31.28	32.71	36.30	39.19	41.98	66.08	32.82
Cost of production	14.90	16.86	17.54	20.00	21.77	21.18	21.52	28.48	36.69	51.75	25.07
Management income per A.U.	2.21	.33	4.19	4.61	9.51	11.53	14.78	10.71	5.29	14.33	7.75
Labor income per A.U.	3.12	.89	5.14	5.45	11.07	12.90	16.53	12.19	7.27	17.54	9.22
Farm income per A.U.	5.57	3.19	7.41	8.01	13.86	15.70	19.43	15.25	12.29	24.67	12.54
Total farm income per A.U. beef and range	7.16	5.33	9.18	9.82	15.17	16.61	20.88	17.25	14.67	27.24	14.33

Averages over the last ten years show 1947 to have very high income and prices but with higher costs to have a management income little more than in some of the previous years. Because of higher interest on investment, however, the net farm income from both cattle and range was \$27 an animal unit, or the highest for any year of the study. Cost of production per animal unit in 1947, at \$51.75, was above the value produced in any previous year. The present year of 1948 is bringing higher prices for cattle and some increased cost. It will probably be more profitable than 1947 but after that it won't take much of a decline in beef prices to wipe out profit since costs fall more slowly than incomes.

Table 7. Cost Factors and Costs per Animal Unit Over Last 10 Years

	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	10-year average
Hay fed per animal unit	1576	1762	2183	2513	2029	1905	1607	1985	2097	2600	2026
Concentrates fed	45	56	34	28	64	30	30	37	62	96	48
Hours of labor	7.9	6.8	8.2	6.0	7.4	5.8	4.8	4.5	4.6	7.3	6.3
Ave. value hay per ton	\$ 5.56	\$ 6.06	\$ 6.08	\$ 7.00	\$ 9.68	\$ 10.10	\$ 11.14	\$ 13.42	\$ 16.40	\$ 18.90	\$ 10.04
Ave. cost concentrates per cwt.	1.54	1.96	1.64	1.91	1.73	2.41	2.80	3.00	3.09	4.07	2.42
Ave. cost hired labor per hour	.24	.29	.29	.30	.32	.37	.48	.74	.78	.73	.45
<u>Cost per A.U.</u>											
Rented grazing and fees	\$ 1.10	\$.80	\$.90	\$ 1.02	\$.95	\$ 1.24	\$ 1.13	\$.84	\$ 1.13	\$ 1.14	\$ 1.03
Temp. and aftermath pasture	.77	.77	.75	.86	.88	1.01	1.07	1.19	1.38	1.33	1.00
Owned range and pasture	1.90	2.85	2.14	2.29	1.65	1.57	1.84	2.72	3.26	3.89	2.41
Total pasture cost	3.77	4.42	3.79	4.17	3.48	3.82	4.04	4.75	5.77	6.36	4.44
Value of hay used	4.38	5.34	6.63	8.80	9.82	9.63	8.95	13.33	17.77	24.61	10.86
Cost of concentrates	.69	1.10	.55	.53	1.11	.73	.84	1.12	1.91	3.89	1.25
Cost of salt and minerals	.09	.14	.12	.11	.11	.08	.19	.10	.13	.14	.12
Total feed cost per A.U.	8.93	11.00	11.09	13.61	14.52	14.26	14.02	19.30	24.98	35.00	16.67
Hired labor cost	1.03	1.49	1.50	1.25	1.28	1.13	1.02	1.89	1.50	2.13	1.42
Value of operator's labor	.91	.56	.95	.84	1.56	1.37	1.75	1.48	2.08	3.21	1.47
Horse cost or work	.38	.41	.39	.42	.43	.34	.48	.61	.50	.62	.46
Automobile and truck work	.22	.24	.28	.24	.19	.27	.25	.21	.51	.81	.32
Misc. taxes, ins., etc.	.47	.46	.74	.61	.61	.64	.68	1.32	1.43	2.03	.90
Depreciation, bldg., eqt., etc.	.51	.41	.46	.37	.41	.38	.46	.58	.77	.99	.54
Interest on investment	2.45	2.30	2.27	2.72	2.79	2.80	2.90	3.10	4.92	7.13	3.34
Total cost of production	14.90	16.87	17.68	20.06	21.79	21.19	21.56	28.49	36.69	51.92	25.12
Less misc. income	-	.01	.14	.06	.02	.01	.04	.01	-	.12	.04
Net cost of beef produced	14.90	16.86	17.54	20.00	21.77	21.18	21.52	28.48	36.69	51.80	25.08

Some costs have risen more than others over the last 10 years, the principal increase being due to the increased value of hay per ton. A larger than usual amount of hay was also shown to have been used in 1947. The use of concentrates and the price of concentrates also increased and contributed to higher costs. The cost of range and pasture has not increased very much over the years. Miscellaneous, taxes, and insurance also show a considerable increase. Interest on investment is materially higher in 1947, largely because of the increased inventory values of cattle. Depreciation is up because of some additional higher cost equipment and facilities.