

BF-NC-79-1
BEEF COSTS OF PRODUCTION - April, 1979
HUMBOLDT COUNTY - COASTAL AREA

The ranch is 1,400 acres of range land rented by the operator. *Included are feed barns and corrals to handle a 200-cow unit plus replacements. Cost of improvements are lower than current replacement costs. Livestock is valued at market price. Cows weight 1,200 lbs., bulls weight 1,600 lbs., cull yearling heifers 600 lbs., steer calves 525 lbs., and heifer calves 450 lbs. Calf crop at weaning is 90% with 20% of females held for replacement and 5% of those culled as yearlings. Death loss is 4% in breeding herd. The ranch buys 50 tons of hay for all livestock and horses yearly. Labor includes renter-operator, unpaid family help and part-time paid help of \$2,000 per year. Total investment for renter-operator is \$221,500.

*Although most of the ranches are owned, it was difficult to place a value on the land. Rental rates were easier to obtain, so we used these rates in the study.

<u>INVESTMENT</u>	<u>TOTAL RANCH</u>	<u>PER COW</u>	<u>YOUR COST</u>
Equipment	\$ 47,000		
Cows 200 @ \$ 700	140,000		
Yearlings 30 @ \$ 600	18,000		
Bulls 10 @ \$1500	15,000		
Horses 3 @ \$ 500	1,500		
TOTAL INVESTMENT	\$221,500	\$1,107.50	
<u>INCOME</u>			
Steers 90 @ 525 lbs.-47,250 lbs. @\$1.00	\$ 47,250		
Heifers 56 @ 450 lbs.-25,200 lbs. @ .90	22,680		
Cull Cows 24 @1200 lbs.-28,800 lbs. @ .55	15,840		
Cull Bulls 2 @1600 lbs.- 3,200 lbs. @ .65	2,080		
Cull Heifers 1 @ 600 lbs.- 600 lbs. @ .78	468		
TOTAL INCOME	\$ 88,318	\$ 441.59	
<u>EXPENSE</u>			
<u>Cash Costs:</u>			
Feed: Hay 50 tons @ \$80	\$ 4,000	\$ 20.00	
Range @ \$60/A.U.	12,000	60.00	
Salt 1 ton @ \$50	50	.25	
<u>General Expenses:</u>			
Vet and Med	3,000	15.00	
Gasoline, oil & equipment repairs	4,000	20.00	
Maintenance of fences, roads, corrals & barns	1,800	9.00	
Insurance	925	4.63	
Part-time labor	2,000	10.00	
Dog expense	600	3.00	
Horse expense	1,400	7.00	
Replacement bulls 2.5 @ \$1500	3,750	18.75	
Livestock taxes	438	2.19	
Misc. overhead & operating interest	1,600	8.00	
Total Cash Costs	\$ 35,563	\$ 177.82	
<u>Non-Cash Costs:</u>			
Depreciation - equipment	\$ 4,400		
- horses	300		
Interest @9% - equipment	1,980		
- livestock	15,705		
Total Non-Cash Costs	\$ 22,385	\$ 111.92	
TOTAL ALL COSTS	\$ 57,948	\$ 289.74	
NET INCOME	\$ 30,370	\$ 151.85	

BEEF PRODUCTION COST STUDY, APRIL 1979

HUMBOLDT COUNTY

by

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Beef production started when cattle were trailed into the county and fattened on the productive ranges. These cattle were sold to miners and the settlers. Today, cow-calf operators are producing calves for stocker operations as well as feedlots. Most of the calves produced in the county are eventually sent to feedlots outside the county to be finished before slaughter.

This cost analysis gives sample costs of production when average management practices are followed. It is for use as a guide in analyzing production costs on an individual ranch. Yearly costs are shown for total ranch and per cow, so approximate costs can be determined for any ranch by simply multiplying by the number of cows in the herd.

Family labor, including the operator, is not shown in the costs nor is an allowance shown for management. These costs show what must be paid yearly before the operator earns labor or management income.

A typical Humboldt County ranch in each area is used as a guide for cost and management practices. All costs were provided by knowledgeable producers. Income was projected for the sale of heifers and steers; this allowed us to determine a net income figure for the ranch and per cow on the ranch. If a rancher can increase the calving percent and/or increase the weaning weight of the calves, then the profit for the ranch will be greater. Management techniques that will increase profit include: buying high quality bulls, semen testing, flushing the cows before breeding, pregnancy testing, culling low producing cows, and practicing range improvement techniques.

Some of the costs shown are size oriented. That is, they go on whether you get high prices or low prices for calves. For example, labor, maintenance, repairs, taxes, and others are related to the size of the ranch and cow herd, not the calving percent or weaning weight. Production related costs are hay, range improvement, veterinarian and medicine, replacement bulls and other similar costs.

It must be remembered that these cost studies are only guidelines. Each rancher may have to adjust some of the figures to conform to his particular ranch situation.

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