

Sample costs and income shown below are based on current prices and assume good management of both cattle and range. Land is rented by the operator. Further assumptions are: 500 cows in the herd; 90% of the cows wean calves; 20% of the cows are replaced each year, 2% death loss; one bull per 20 cows, useful life is 5 years per bull.

	Sample Costs		Your Costs
	Total	Per Cow	
INVESTMENT			
Livestock, average value			
Cows: 500 @ \$750	\$375,000	\$750.00	
Bulls: 25 @ \$1,200	30,000	60.00	
Heifers, replacement: 100 @ \$700	70,000	140.00	
Horses: 5 @ \$1,000	5,000	10.00	
Dogs: 2 @ \$500	1,000	2.00	
Equipment, original costs to operation			
Pickups	20,000	40.00	
Stock trailers	4,000	8.00	
Horse trailers	1,000	2.00	
Saddles and tack	2,000	4.00	
Misc. tools and equipment	2,500	5.00	
TOTAL INVESTMENT	\$510,500	\$1,021.00	
INTEREST ON INVESTMENT @ 7% of av. value			
Livestock: average value, \$481,000	\$33,670	\$67.34	
Equipment: half-cost, \$14,750	1,033	2.07	
TOTAL INTEREST ON INVESTMENT	\$34,703	\$69.41	
DEPRECIATION OR REPLACEMENT ALLOWANCE			
Equipment: to zero value in 10 years	\$2,950	\$5.90	
Horses: 15 year working life (replacement cost, \$1500)	500	1.00	
Dogs: 5 year working life	200	.40	
TOTAL DEPRECIATION/REPLACEMENT	\$3,650	\$7.30	
CASH COSTS			
Feed			
Rangeland: 8100 AUM* @ \$10	\$81,000	\$162.00	
Hay or equivalent: 150 tons @ \$90	13,500	27.00	
Salt and minerals: 4 tons @ \$100	400	.80	
Other supplemental feed: 30 tons @ \$150	4,500	9.00	
Replacement bulls: 5 @ \$1500	7,500	15.00	
Veterinary and medicine	3,000	6.00	
Labor, other than operator: 90 days ** @ \$65	5,850	11.70	
Vehicle operation and maintenance: 20,000 mi @ 20¢	4,000	8.00	
Hired trucking	1,000	2.00	
Materials for fence and structure repair	2,500	5.00	
Misc. office/business expenses			
Insurance, including State Comp.	3,750	7.50	
Accounting and bookkeeping	850	1.70	
Utilities, other office	600	1.20	
Brand inspection; promotion	600	1.20	
Commissions	800	1.60	
Interest on operating capital @ 9%	5,843	11.69	
TOTAL CASH COSTS	\$135,693	\$271.39	
TOTAL COST OF PRODUCTION	\$173,936	\$347.88	

SALES AND INCOME

225 steer calves: 530 lb. @ 90¢
125 heifer calves: 490 lb. @ 85¢
90 cows: 1,000 lb. @ 55¢
5 bulls: 1500 lb. @ 60¢

TOTAL CASH INCOME

<u>Total</u>	<u>Per Cow</u>	<u>Your Results</u>
\$107,325	\$214.65	
52,063	104.13	
49,500	99.00	
<u>4,500</u>	<u>9.00</u>	
\$213,388	\$426.78	

SUMMARY**TOTAL CASH INCOME****TOTAL CASH COSTS****DEPRECIATION/REPLACEMENT ALLOWANCE****INTEREST ON INVESTMENT****RESIDUAL FOR OPERATOR'S LABOR & MANAGEMENT**

\$213,388	\$426.78
135,693	271.39
3,650	7.30
<u>34,703</u>	<u>69.41</u>
\$39,342	\$78.68

*One AUM (Animal Unit Month) is the amount of feed consumed over a one-month period by a mature cow or her equivalent.

**May be traded labor, not actual cash costs.