

**STOCKER STEER OPERATION ON RANGELAND****Sample Costs and Income - 1993****Fresno and Madera County****Aaron O. Nelson, Farm Advisor**

The sample costs and income shown below are based on current prices, assuming a 2% death loss and operating on lower foothill land, capable of producing 200 lbs. net gain per steer for the season. Provisions of the long-term lease make operator management practices the same as recommended for operator-owned land. Size, 1,500 steers.

<u>INVESTMENT</u>	<u>Sample Costs</u>		<u>Your Cost</u>
	<u>Total</u>	<u>Per Cwt. Gain</u>	
Animals, average value			
Horses: 3 @ \$1500	\$4,500		
Dogs: 2 @ \$500	1,000		
Equipment, original cost to operation			
Pickups	15,000		
Other trucks	1,000		
Stock trailers	3,000		
Horse trailers	1,000		
Saddles and tack	1,200		
Misc. tools and equipment	<u>2,500</u>		
<b>TOTAL INVESTMENT</b>	<b>\$29,200</b>		
INTEREST ON INVESTMENT @ 7% of av. value	\$1,215	\$ .43	
DEPRECIATION OR REPLACEMENT ALLOWANCE			
Equipment: to zero value in 10 years	\$2,370	.84	
Horses: 15 year working life	300	.11	
Dogs: 5 year working life	<u>200</u>	<u>.07</u>	
<b>TOTAL DEPRECIATION/REPLACEMENT</b>	<b>\$2,870</b>	<b>\$1.02</b>	
<u>CASH COSTS</u>			
Feed			
Rangeland: 1500 hd. for 7 mo. @ \$6	\$63,000	\$22.34	
Hay or equivalent: 15 tons @ \$90	1,350	.48	
Salt and minerals: 3 tons @ \$100	300	.11	
Other supplemental feed: 15 tons @ \$160	2,400	.85	
Veterinary and Medicine (including implants)	6,000	2.13	
Labor, other than operator: 90 days <sup>(1)</sup> @ \$65	5,850	2.06	
Vehicle operation and maintenance: 20,000 mi @ 20¢	4,000	1.42	
Materials for fence and structure repair	2,000	.71	
Misc. office/business expense			
Insurance, accounting, bookkeeping	2,000	.71	
Utilities, other office expense	700	.25	
Brand inspection; promotion	1,500	.53	
Commissions	2,000	.71	
Cattle purchase: 1500 steers, 400 lb. @ \$1.00	600,000		
Interest on operating capital @ 9%	<u>33,957</u>	<u>12.04</u>	
<b>TOTAL CASH COSTS</b>	<b>\$727,199</b>	<b>\$45.11<sup>(2)</sup></b>	
<b>TOTAL COST OF PRODUCTION</b>	<b>\$731,284<sup>(3)</sup></b>	<b>\$46.55<sup>(2)</sup></b>	
<u>CASH INCOME:</u> 1470 steers, 600 lb. @ 90¢	\$793,800		

<u>SUMMARY</u>	<u>Total</u>	<u>Per Cwt. Sold</u>	<u>Your Results</u>
TOTAL CASH INCOME	\$793,800	\$90.00	
TOTAL CASH COSTS	727,199	82.45	
DEPRECIATION AND INTEREST ON INVESTMENT	<u>4,085</u>	<u>.46</u>	
RESIDUAL FOR OPERATOR'S LABOR & MANAGEMENT	\$62,516	\$7.09	

Notes:

- (1) May be traded labor, not actual cash costs
- (2) Does not include purchase price of cattle
- (3) "Breakeven" price is \$82.91/cwt.