

ECONOMIC ANALYSIS

SACRAMENTO COUNTY BEEF RANCH

January 1968

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Based on a 350 cow breeding herd, 4,000 range, ³⁰⁵/~~330~~ acres of irrigated pasture, 35 acres of alfalfa, 90% calf crop, 2% mortality, and 20% replacement.

Calendar of Operations

Nov 1 - Mar 31 - Range - supplemented with hay at 10 lb/hd/day
Apr 1 - May 31 - Range
June 1 - Oct 31 - Irrigated pasture
Aug 1 - Sept 30 - (Calf crop marketed during this period.)
Oct 1 - Dec 31 - Calve

Yields Assumed

Range - .45 AUM/acre
Irrigated Pasture - 11.5 AUM grazing/acre plus 1 ton pasture hay produced
Alfalfa - ~~3~~6 tons/acre

The high price of range land and irrigated pasture is the biggest economic problem the California cattleman has to face. Available cost studies indicate that operators paying for range at current rental rates may break even on their cattle operation, but the rental rate leaves little or no return on the investment in land. When an interest charge for the use of owned range is charged against the beef operation, there is usually a large loss for the enterprise.

<u>Investment</u>	<u>Total</u>		<u>Value Per Cow</u>
Range ---- 4,000 acres @\$80	\$ 320,000	11.4 ac @ \$ 80	\$ 914.00
Cropland - 340 acres @\$400 (Pasture & Alfalfa)	136,000	.97 ac @ \$400	389.00
Other ---- 60 acres @\$200	12,000	.17 ac @ \$200	34.00
Total Land	\$ 468,000		
Irrigation system, fences, corrals, buildings, etc.	\$ 132,000		377.00
Total Real Estate	\$ 600,000		\$1714.00
Livestock equipment	1,300		
Farming equipment	50,000		
Total Equipment	\$ 51,300		\$ 146.00
Irrigated pasture stand @ \$40	12,000		
Alfalfa stand @\$40	1,600		
	\$ 13,600		\$ 39.00
- Continued -			

<u>Investment (Continued)</u>	<u>Total</u>	<u>Value Per Cow</u>
Livestock		
Cows ----- 350 @ \$250	\$ 87,500	
Bulls ----- 14 @ \$500	7,000	
Yearling Heifers -- 74 @ \$150	11,100	
2 year Heifers --- 74 @ \$225	16,650	
3 year olds ----- 72 @ \$250	18,000	
Horses ----- 4 @ \$250	1,000	
Total Livestock	\$141,250	\$ 404.00
TOTAL INVESTMENT	\$806,150	\$2,303.00
Income		
Steers sold - 158 @ 550 lbs - 86,900 lbs @ 25¢	\$ 21,725	\$ 62.07
Heifers sold- 84 @ 500 lbs - 42,000 lbs @ 21¢	8,820	25.20
Cows sold --- 64 @ 1,100 lbs - 70,400 lbs @ 19¢	13,375	38.21
Bulls sold -- 3 @ 1,800 lbs - 5,400 lbs @ 20¢	1,080	3.09
TOTAL INCOME	\$ 45,000	\$ 128.57
Expense		
Feed		
Range 1800 AUM @ \$3.00	\$ 5,400	\$ 15.43
Irrig. Past. 3,295 AUM @ \$4.50	14,827	42.36
Hay - Alfalfa 210 T @ \$28	5,880	16.80
Pasture 300 T @ \$20	6,000	17.14
Supplement 60 T @ \$26 (Molasses)	1,560	4.45
Salt	150	.42
Total Feed	\$ 33,817	\$ 96.60
Replacement bulls 3 @ \$500	1,500	4.29
Vet. & Med.	700	2.00
Taxes	2,700	7.71
Horses	400	1.14
Equipment	9,235	26.39
Misc. overhead	2,910	8.31
Labor	9,740	27.83
TOTAL EXPENSES	\$ 27,185	\$ 77.67
Cash Costs	\$ 61,002	\$ 174.27
Management, 5% of \$45,000	\$ 2,250	\$ 6.43
Depreciation and Interest	\$ 10,554	\$ 30.15
TOTAL COSTS	\$ 73,806	\$ 210.85
NET INCOME -	\$ 28,806	- \$ 82.28