

SAMPLE COSTS FOR A
FRESNO COUNTY RANGE COW AND CALF RANCH AND FOR A WEANER STEER RANCH

Henry Melendy Farm Advisor

With dwindling profits in the cattle business today, need is urgent for a careful and detailed record analysis. This sample cost data has been prepared to use as a guide in planning and analyzing an operation and helping to locate those areas of management where improvements can be made or savings affected.

This material is sample cost data and should not be construed as being specific for any particular ranch. The information should be used only to make an analysis of an operator's own ranch and a column is included for this purpose.

The two illustrations used are for similar ranching units, but the production will vary according to the type and quality of cattle used, the season of grazing, the intensity of the grazing, and other variables.

The following definitions and explanations may help in the interpretation and use of this data:

Investment required. The values shown for livestock are based upon 1961 average values for a good grade of cattle. The figure for land values are higher than those paid by long standing ownerships and in most cases will be less than present prices being paid. This is an arbitrary figure and will be one of the most important causes for variation from ranch to ranch. Equipment and building values represent the present costs of adequate but not elaborate construction.

Income. Again prices are based upon those prevailing during fall, 1961.

Annual cash operating costs. This is the actual cash outlay to operate the ranch for a year. It is assumed that at times more than one person's help will be required, but that he will trade with neighbors for all but \$500 worth. In the cow and calf operation, county taxes will account for about 20% of the cash operating costs.

Depreciation. It is assumed that amounts shown for depreciation will actually be spent for replacement and repairs each year. Even if allowed to accumulate, it will have to be spent eventually.

Interest. If all or part of the required investment were borrowed money, interest would have to be charged. On the other hand, the money invested in the operation by the owner should earn interest the same as it would if invested in any other enterprise. In both types of operation considered, a charge for interest would leave a negative figure for the operator's own labor and management income.

Summary Income and Expense

	<u>Cow-Calf Per Cow</u>	<u>Weaner Steer Per Steer</u>	<u>My Values</u>
Cash operating costs	\$ 63.88	\$114.23	\$ _____
Depreciation	15.12	6.05	_____
Interest	<u>63.85</u>	<u>23.17</u>	_____
TOTAL COST OF PRODUCTION	\$142.85	\$173.45	\$ _____
Income	\$112.37	\$167.06	\$ _____
Net	-\$ 30.48	-\$ 6.39	\$ _____

FRESNO COUNTY
RANGE COW & CALF OPERATION

<u>INVESTMENT REQUIRED</u>	<u>TOTAL VALUE</u>	<u>VALUE PER COW</u>	<u>MY VALUE</u>
1. Stock			
a. 200 cows @ \$200 per head	\$ 40,000.00	\$ 200.00	\$ _____
b. 30 replacement heifers @ \$150 hd.	4,500.00	22.50	_____
c. 10 bulls @ \$500 per head	5,000.00	25.00	_____
d. 3 horses @ \$200 per head	600.00+	3.00	_____
	<u>50,100.00</u>	<u>250.50</u>	<u>_____</u>
Total Stock	\$ 50,100.00	\$ 250.50	\$ _____
2. Land			
3,000 acres @ \$46.67	\$140,000.00	\$ 700.00	\$ _____
3. Buildings & Corrals (exclude owner's house)			
Corrals \$2,500; Storage, horse barn, shop & shed \$8,000	\$ 10,500.00	\$ 52.50	\$ _____
4. Fence - 20 miles @ \$750 a mile	\$ 15,000.00	\$ 75.00	\$ _____
5. Dams, wells, etc.	\$ 10,000.00	\$ 50.00	\$ _____
6. Equipment:			
Pickup, 2-ton stock truck, horse trailer, tractor, disk, harrow, fert. spreader, welder, saddles, miscellaneous	\$ 10,000.00	\$ 50.00	\$ _____
Total Investment	<u>\$235,600.00</u>	<u>\$1,178.00</u>	<u>_____</u>

INCOME

1. 90% calf crop 2% mortality equals 176 calves (30 heifers saved for replacements)			
88 - 450 lb. steers sold @ 27¢	39.600	\$ 10,692.00	\$ 53.46
58 - 410 lb. heifers sold @ 25¢	23.780	5,945.00	\$ 29.73
	<u>63.380</u>		<u>_____</u>
2. 20 cull cows, 1,100 lbs. @ 18¢	22.000	\$ 3,960.00	\$ 19.80
3. 10 cull cows, 750 lbs. @ 13¢	7.500	\$ 975.00	\$ 4.88
4. 3 bulls, 1500 lbs. @ 20¢	4.500	\$ 900.00	\$ 4.50
Total	<u>97.380</u>	<u>\$ 22,472.00</u>	<u>\$ 112.37</u>

FRESNO COUNTY
RANGE COW & CALF OPERATION

<u>ANNUAL CASH OPERATING COSTS</u>	<u>TOTAL VALUE</u>	<u>VALUE PER COW</u>	<u>MY VALUES</u>
1. Feed			
35.25 Ton 1/3 salt - 2/3 cottonseed meal mix @ \$65	\$ 2,291.25	\$ 11.46	\$ _____
Hay - 500 lbs. equivalent to 1 ton/ cow, bull & heifer every 4th yr. equals 60 ton @ \$24	1,440.00	7.20	\$ _____
Total Feed	3,731.25	18.66	\$ _____
2. 3 bulls for replacements	\$ 1,500.00	\$ 7.50	\$ _____
3. Hired Labor	500.00	2.50	_____
4. Salt	60.00	.30	_____
5. Fertilizer, Seed & Fuel	2,300.00	11.50	_____
6. Misc. (Vet., office, fuel, etc.)	1,700.00	8.50	_____
7. Taxes			
1. 200 cows	360.00	1.80	_____
2. 176 calves	65.60	.33	_____
3. 30 heifers	36.00	.18	_____
4. 10 bulls	45.00	.22	_____
5. 3 horses	7.20	.03	_____
6. Land	1,971.00	9.86	_____
7. Buildings, equipment, wells & fences	498.23	2.50	_____
Total Taxes	\$ 2,983.03	10.20	\$14.92
TOTAL CASH COSTS	\$12,774.28	\$63.88	_____
DEPRECIATION			
Fences \$10,000 @ 10%	\$ 1,000.00	\$ 5.00	\$ _____
Equipment \$10,000 @ 10%	1,000.00	5.00	_____
Buildings \$10,500 @ 5%	525.00	2.625	_____
Dams & Wells \$10,000 @ 5%	500.00	2.50	_____
TOTAL DEPRECIATION	\$ 3,025.00	\$15.125	_____
INTEREST AT 6%			
Livestock	\$ 3,006.00	\$15.03	\$ _____
Land - 3,000 acres	8,400.00	42.00	_____
Buildings, Corrals, Fences, Equip., Dams & Wells @ 1/2 cost	1,365.00	6.82	_____
Total Interest	\$12,771.00	\$63.85	_____
TOTAL COST OF PRODUCTION	\$28,570.28	\$112.85	_____

FRESNO COUNTY
WEANER STEER OPERATION

<u>REQUIRED INVESTMENT</u>	<u>TOTAL VALUE</u>	<u>PER STEER</u>	<u>MY VALUE</u>
1. Stock			
a. 500 steers @ 27¢/lb. wt. 450 lbs.	\$ 60,750	\$121.50	\$ _____
b. 3 horses @ 200 per head	600	1.20	_____
<u>Total Stock</u>	<u>\$ 61,350</u>	<u>\$122.70</u>	<u>\$ _____</u>
2. Land			
3,000 A. @ \$46.67	\$140,000	\$280.00	\$ _____
3. Buildings & Corrals (Excluding owner's home)	10,500	21.00	_____
4. 20 miles Fence @ \$750 per mile	15,000	30.00	_____
5. Dams, Wells, and etc.	10,000	20.00	_____
6. Equipment - truck, tractor, pickup, farm tools and etc.	10,000	20.00	_____
<u>Total Investment</u>	<u>\$246,850</u>	<u>\$493.70</u>	<u>\$ _____</u>

<u>INCOME</u>			
Sell 495 steers wt. 675 lbs. @ 25¢ assume approximately 1% mortality gain 225 lbs. each			
	\$ 83,531.25	\$167.06	\$ _____

<u>ANNUAL CASH OPERATING COSTS</u>			
1. Feed - C.S.M., Salt Mix and Hay	\$ 3,731.25	\$ 7.46	\$ _____
2. Hired Labor	500.00	1.00	_____
3. Salt	60.00	.12	_____
4. Fertilizer and Seed and Fuel	2,300.00	4.60	_____
5. Misc. Vet., Office, Fuel & Etc.	1,700.00	3.40	_____
6. Taxes			
a. 500 Steers	600.00	1.20	_____
b. 3 horses	7.20	.014	_____
c. Land	1,971.00	3.94	_____
d. Improvements & Equip.	498.23	1.00	_____
<u>Total Taxes</u>	<u>\$ 3,076.43</u>	<u>\$ 6.15</u>	<u>\$ _____</u>
7. Weaner Calves 500 @ 450 lbs. @ 27¢	60,750.00	121.50	_____
<u>Total Cash Operating Costs</u>	<u>\$ 72,117.68</u>	<u>\$144.23</u>	<u>\$ _____</u>

<u>DEPRECIATION</u>			
Fences \$10,000 @ 10%	\$ 1,000.00	\$ 2.00	\$ _____
Equipment 10,000 @ 10%	1,000.00	2.00	_____
Buildings 10,500 @ 5%	525.00	1.05	_____
Dams & Wells 10,000 @ 5%	500.00	1.00	_____
<u>Total Depreciation</u>	<u>\$ 3,025.00</u>	<u>\$ 6.05</u>	<u>\$ _____</u>

<u>INTEREST</u>			
Land	\$ 8,400.00	\$ 16.80	\$ _____
Bldgs., Corrals & Fences, Equip.			
Dams & Wells @ 1/2 Cost	1,365.00	2.73	_____
Livestock-6 mo. @ 6%	1,822.50	3.64	_____
<u>Total Interest</u>	<u>11,587.50</u>	<u>\$ 23.17</u>	<u>\$ _____</u>
TOTAL COST OF PRODUCTION	\$ 86,730.18	\$173.45	\$ _____