

SAMPLE INCOME AND COSTS - STOCKER STEER OPERATION

(Short-term lease, no fertilization)

Aaron O. Nelson

Farm Advisor, Fresno Co.

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 supporting one stocker on three acres of unimproved range. Good management is assumed, but because of the short-term lease range fertilization and facilities repair is seldom practiced.

| | <u>Total</u> | <u>Per Head Sold</u> |
|--|---------------|----------------------|
| INVESTMENT: | | |
| Vehicles: pickup, cattle truck | \$ 7,500 | \$ 11.77 |
| Horses and saddles: 3 @ \$500 | 1,500 | 2.35 |
| TOTAL INVESTMENT | 9,000 | 14.12 |
| DEPRECIATION: | | |
| Vehicles | 750 | 1.18 |
| Horses and Saddles | 150 | .24 |
| TOTAL DEPRECIATION | 900 | 1.42 |
| CASH COSTS: | | |
| Feed: | | |
| Range rent: 1920 ac. with facilities @ \$6 | 11,520 | 18.08 |
| 36 tons range supplement at \$70 | 2,520 | 3.96 |
| 3 tons hay on arrival @ \$30 | 90 | .14 |
| 3 tons block salt @ \$40 | 120 | .19 |
| Hay and grain for horses | 225 | .35 |
| Veterinarian fees | 300 | .47 |
| Medicine | 150 | .24 |
| Hired labor to work cattle | 400 | .63 |
| Vehicle operation and maint: 10,000 mi. @ 7½¢ | 750 | 1.18 |
| Taxes: | | |
| Steers: 135,044 hd. days @ ½¢ | 675 | 1.06 |
| Horses | 30 | .05 |
| Misc: office, insurance, accounting, etc. | 700 | 1.10 |
| Interest on operating capital \$113,680 @ 8% for 212 days | 5,506 | 8.64 |
| TOTAL CASH COSTS | 22,986 | 36.08 |
| INCOME: | | |
| Sell: 637 steers, 607 lbs. shrunk wt., @ 33¢ | 127,597 | 200.31 |
| Buy: 650 steers, 400 lbs. delivered @ 37¢ | -96,200 | -151.02 |
| TOTAL CASH INCOME | 31,397 | 49.29 |
| SUMMARY: | | |
| Total Cash Income | 31,397 | 49.29 |
| Total Cash Costs | -22,986 | -36.08 |
| Depreciation | - 900 | - 1.42 |
| NET FARM INCOME (residual for interest on investment, operators labor and management) | 7,511 | 11.79 |