

BEEF COST OF PRODUCTION STUDY, NOVEMBER 1974

HUMBOLDT COUNTY COASTAL AREA

The ranch is 1,400 acres of range land owned by the operator. Included are feed barns and corrals to handle a 200 cow unit plus replacements. Cost of the improvements are lower than current replacement costs. Livestock is valued at market price. Cows weigh 1,100 lbs., bulls weigh 1,400 lbs., cull yearling heifers 575 lbs., steer calves 500 lbs., and heifer calves 425 lbs. Calf crop at weaning is 90% with 15% of the females held for replacement and 3% of those culled as yearlings. Death loss is 4% in the breeding herd. The ranch buys 50 tons of alfalfa hay for all livestock and horses yearly. Labor includes owner-operator, unpaid family help and part-time paid help of \$1,200 per year. Total investment for the owner-operator is \$348,600.

CASH COSTS	TOTAL RANCH	PER COW	YOUR COST
Feed			
Alfalfa hay 50 ton @ \$80	\$ 4,000.00	\$ 20.00	\$
Salt 1 ton @ \$40	40.00	.20	
Range -- cost included below	-----	-----	
General Expenses			
Vet and medicine	1,500.00	7.50	
Gasoline, oil, and equipment repairs	2,450.00	12.25	
Maintenance of fences, roads, corrals, and barns	1,200.00	6.00	
Insurance	625.00	3.13	
Part-time labor	1,200.00	6.00	
Dog expense	400.00	2.00	
Horse expense	950.00	4.75	
Replacement bulls 2.5 x \$6.00	1,500.00	7.50	
Taxes 10.5% rate + livestock	7,648.00	38.24	
Misc. overhead and operating interest	1,290.78	6.45	
Less credit for cull yearlings, cows, and bulls	-2,193.40	-10.97	
TOTAL CASH COSTS	\$ 20,610.38	\$ 103.05	
NON CASH COSTS			
Depreciation			
Barn and sheds \$25,000 (30 years)	833.33	4.17	
Equipment \$19,600 (3-20 years with salvage)	2,587.00	12.94	
Horses \$1,200 (5 years with salvage)	168.00	.84	
TOTAL	\$ 3,588.33	\$ 17.94	
Interest on Investment			
Land 1,400 acres @ \$175/acre @ 8%	19,600.00	98.00	
Buildings \$25,000 @ ½ cost @ 8%	1,000.00	5.00	
Cows 200 @ 250 @ 8%	4,000.00	20.00	
Yearlings 30 @ \$140 @ 8%	336.00	1.68	
Bulls 10 @ \$360 @ 8%	288.00	1.44	
Horses 3	62.40	.31	
Equipment 4-wheel drive, trailer, tools, chutes, bulldozer, and scales	864.00	4.32	
TOTAL	\$ 26,150.40	\$ 130.75	
TOTAL NON CASH COSTS	\$ 29,738.73	\$ 148.69	
TOTAL ALL COSTS	\$ 50,349.11	\$ 251.75	
CASH COST PER LB. OF CALF SOLD PER COW \$103.05 + 387 LB. CALF =		\$.27	
TOTAL ALL COST PER LB. OF CALF SOLD PER COW \$251.75 + 387 LB. CALF =		\$.65	

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by
Charles M. Lawrence, Farm Advisor and Phil Parsons, Extension Economist

Beef production is an historical business in Humboldt County. Cattle were trailed in and fattened on productive ranges for distribution to miners and fledgling settlements. Today, breeding herds are on the range producing weaned calves for California's feedlots. With the shortages of feed grains now present, a partial return to grass fat older animals may take place in the future.

This cost analysis gives sample costs of production when average management practices are followed. It is for use as a guide in analyzing production costs on an individual ranch. Costs are shown for total ranch and for one cow yearly allowing you to multiply by the number of cows in your herd to get approximate yearly totals.

Family labor, including the operator, is not shown in the costs nor is an allowance shown for management. These costs show what must be paid yearly before the operator earns labor or management income.

A typical Humboldt County ranch in each area is used as a guide for cost and management practices. All costs were provided by knowledgeable producers from each area. The cost per lb. of calf sold figure was calculated from computing the number and weight of calves available for sale each year divided by 200 cows in the breeding herd. It is apparent that heavier calves, and or, more calves sold will influence the break even point.

Some of the costs shown are size oriented, not production oriented. That is, they go on whether you get high sale income or low. For example, labor, maintenance, repairs, taxes, and others are related to the size of the ranch and cow herd, not the weaning weight. Production related costs are hay, range improvement, vet and medicine, replacement bulls and the like. Suggested areas for management attention are: season of calving, range improvement-carrying capacities, crossbreeding, and cow production records including fertility.

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS
U.S. Department of Agriculture and University of California Cooperating
with Humboldt and Del Norte Counties