

Cooperative Extension, University of California  
BEEF CATTLE STOCKER OPERATION SELLING FEEDER STEERS - 1982

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This is a sample cost analysis for an owner-operated stocker operation on leased range-land with 500 steers purchased at 450 pounds each in October and 490 steers sold at 700 pounds each in June (2% mortality). The owner provides the management and all except \$600 of the labor per year by trading work with other ranchers at peak times. A carrying capacity of 6 acres per steer is assumed. (This figure ranges from about 2 to 10 acres per stocker animal in San Luis Obispo County.)

	Total	Per Head Bought	Your Figures
<b>INVESTMENT</b>			
Horses - 2 @ \$1,500	\$ 3,000	\$ 6.00	
Equipment - Pickup	11,000	22.00	
Trailer	6,000	12.00	
Saddles	1,000	2.00	
Miscellaneous	750	1.50	
<b>TOTAL INVESTMENT</b>	<b>\$ 21,750</b>	<b>\$ 43.50</b>	
<b>INTEREST ON INVESTMENT @ 16%</b> (1/2 original cost)	<b>\$ 1,740</b>	<b>\$ 3.48</b>	
<b>DEPRECIATION - 10 years</b>	<b>\$ 2,175</b>	<b>\$ 4.35</b>	
<b>CASH COSTS</b>			
Range - 3,000 acres @ \$7.00 (or \$5.25/head/month for 8 months or 118,000 lbs. gain @ 17.8¢/lb.)	\$ 21,000	\$ 42.00	
Protein supplement - 25 tons @ \$165	4,125	8.25	
Salt - 2 tons @ \$120	240	.48	
<b>Total Feed</b>	<b>\$ 25,365</b>	<b>\$ 50.73</b>	
Hired labor	600	1.20	
Transportation (delivery of cattle to ranch)	1,500	3.00	
Veterinary, medicine, implants and eartags	2,500	5.00	
Repairs, maintenance and fuel	3,000	6.00	
Insurance, licenses, office and supplies	1,000	2.00	
Interest on cattle - 8 months @ 16%	15,600	31.20	
<b>TOTAL CASH COSTS</b>	<b>\$ 49,565</b>	<b>\$ 99.13</b>	
<b>INCOME</b>			
Steers			
Sell 490 @ 700 lbs. = 343,000 lbs. @ 60¢	\$205,800	\$411.60	
Purchase 500 @ 450 lbs. = 225,000 lbs. @ 65¢	146,250	292.50	
<b>TOTAL INCOME 118,000 lbs.</b>	<b>\$ 59,550</b>	<b>\$119.10</b>	

SUMMARY	Total	Per Head Bought	Your Figures
Gross Income	\$59,550	\$119.10	
Less Cash Costs	49,565	99.13	
Net Cash Income	\$ 9,985	\$ 19.97	
Less Depreciation	2,175	4.35	
Farm Income	\$ 7,810	\$ 15.62	
Less Interest on Investment	1,740	3.48	
<b>Return for Operator's Labor and Management</b>	<b>\$ 6,070</b>	<b>\$ 12.14*</b>	

\*Breakeven selling price per pound = 58.2¢

2/82