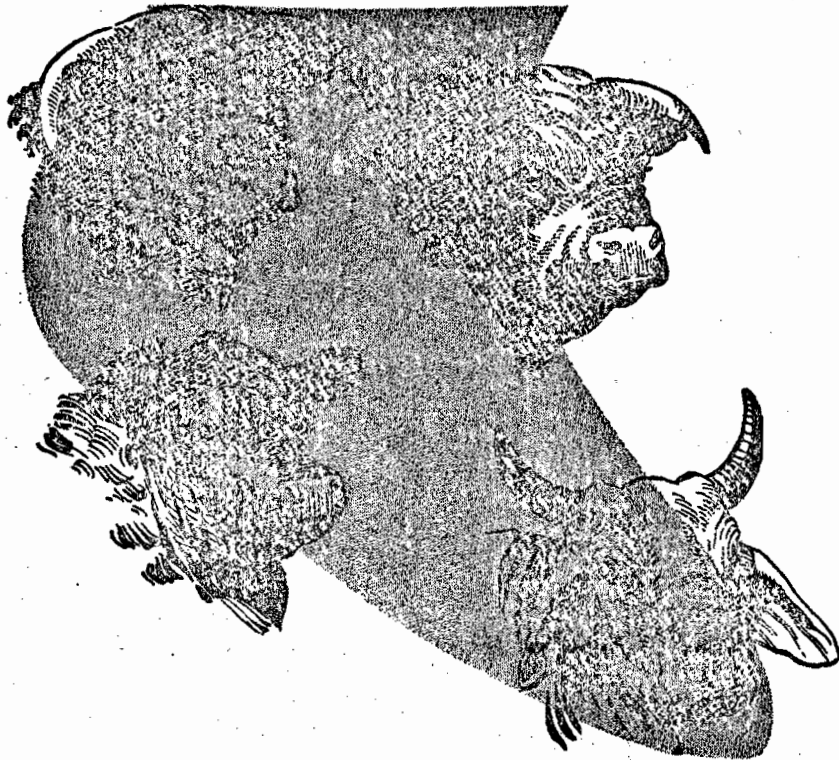


BF-IR-71-1

An Analysis of

DEER COSTS
and **RETURNS**



UNIVERSITY OF CALIFORNIA AGRICULTURAL EXTENSION SERVICE

AMADOR COUNTY

JUNE 1971

UC Cooperative Extension

STUDY OF COSTS
TO PRODUCE BEEF--WILLOW SPRINGS AREA, AMADOR COUNTY

JULY 1971

(A revision of a nine ranch study made in 1963)

Description of Area

The Willow Springs Area is located in the north west corner of Amador County, between the south fork of the Consumnes River and Dry Creek.

The area extends from Highway 49 westwardly to the county line.

Mean seasonal depth of precipitation is about 22 inches. Elevations range from 700 feet to about 1000 feet above sea level. Soil series located in the area are: Auburn, Mukelumne, Las Posas, Dorado, Red Bluff-Mukelumne complex, Maxwell, Wyman and Whiterock. The principal soils, however, are the Auburn and Dorado which are good range soils.

Description of Cattle Operations

Four different methods of operations are used by the ranchers in the area. Some stay year around at the home ranch and get through the dry feed season with supplemental feeding. Other ranchers operate during the winter months in the area under study and then take their cattle to the 2 or 3 thousand foot elevation for summer range. Still other operators run on the winter range and then take the herd to clover pastures in the Elk Grove or Oakdale areas for irrigated pasture during the summer. Some operators go both to the mountains and to the irrigated valley.

Method Used in Study

Record books were examined for the previous three years to obtain the costs. Because some ranches carry sheep and horses as well as cattle, all livestock were converted to cow units. Horses were equivalent to a mature cow and five sheep were equal to one cow. Purchased calves and

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feeder cattle were converted to cow units on a formula basis. All of the costs involved were converted to a per cow basis.

Gasoline Costs

The gasoline costs used in these figures represent all gasoline, oil and grease used in the ranch operation, in trucks, tractors, sprayers, pick-up, etc. The major uses of the truck were moving cattle to and from the irrigated pasture or mountain pasture and hauling hay home.

Veterinary and Medicine Costs

Included are all medicines, drugs, veterinarian bills and similar items.

Insurance

Included are fire insurance on the barns, liability on the ranch, insurance on trucks and automobiles and compensation insurance.

Repairs

Repair costs included tools and equipment for small repairs made by the operator and repairs done on the outside by other people.

Interest on Annual Working Capital

This cost was 7% on \$5,000. Some ranchers do not borrow money for working capital.

Taxes

Taxes include property, personal property taxes and in lieu livestock taxes.

Rent

Rents are for summer range and irrigated pasture.

Bull Replacement Costs

Bull replacement costs average \$4.30 per cow unit and are based on replacing one bull per year.

Miscellaneous Expenses

Included are office expense, telephone, magazines and dues.

Supplies

Included are horseshoes, butane, nails, small tools, fertilizer, sprays, etc.

Depreciation

Depreciation was computed on equipment, fences and buildings.

Summer Pasture (rented)

Twenty acres of irrigated pasture are shown as rented which provides six months of grazing. 1600 acres of mountain range for summer feed are also rented.

Labor

No costs are shown for labor because the operators and their families provided all the labor or labor was exchanged with other ranchers in the area.

Income

Cattle prices were based on the Stockton Market. Five year averages (1966-70) were used for calves, cows and bulls. Good and choice grades were used.

Basic Guide of Cost to Produce Beef

Size of ranch - - - - - 100 mature cows

(20% replacements -- 2% mortality)

20 two yr. old bred heifers

20 one yr. old heifers

Investment Required

Total Costs

Home Winter Range	850 acres @ \$250	\$212,500.
Cows	100 @ 200	20,000.
Heifers 2 yr. old bred	20 @ 175	3,500.
Heifers 1 yr. old	20 @ 125	2,500.
Bulls	4 @ 430	1,720.
Horses	2 @ 250	500.

Equipment (used) truck, tractor, sprayer, pickup truck, squeeze & horse trailer

5,000.

Total

\$245,720.00

Production -- 88% weaned calf crop

Basic guide of cost to produce beef (continued)

<u>Income</u>		<u>Per Cow</u>	<u>Total</u>
*Cows (cull)	18 @ 1100 lbs. = 19,800 lbs. @ 20c	= \$39.60	\$ 3960.00
*Steer calves	44 @ 500 lbs. = 22,000 lbs. @ 31.40c	= 69.08	6908.00
*Heifer calves	24 @ 475 lbs. = 11,400 lbs. @ 27c	= 30.78	3078.00
*Bull	1 @ 1300 lbs. = 1,300 lbs. @ 25c	= 3.25	325.00
	Total	<u>\$142.71</u>	<u>\$14271.00</u>

*Five year average 1966-1970 Stockton Market - Good and Choice

<u>Expenses</u>	<u>per animal unit cost (1)</u>	<u>per cow cost (2)</u>	<u>Total costs</u>
Rented pasture (20 acres-irrigated valley 1600 acres-summer mountain)	\$ 9.00	\$ 14.85	\$ 1485.00
Salt	.50	.83	82.50
Hay	8.00	13.20	1320.00
Concentrates	3.00	4.95	495.00
Gasoline, oil, etc.	7.00	11.55	1155.00
Veterinarian & medicine	1.50	2.48	247.50
Insurance	3.40	5.61	561.00
Repairs	9.00	14.85	1485.00
Supplies	5.00	8.25	825.00
Interest on working capital	2.00	3.30	330.00
Taxes	13.00	21.45	2145.00
Selling costs	1.00	1.65	165.00
Bull replacement	4.30	7.10	709.50
Power and water	1.15	1.90	189.75
Misc. office, telephone, supplies, etc.	1.00	1.65	165.00
Depreciation (equipment, fences, buildings)	13.00	21.45	2145.00
Totals	<u>\$81.85</u>	<u>\$135.07</u>	<u>\$13508.25</u>

Net Farm Income** - - - - - \$ 4.64 \$ 7.66 \$ 765.75

(1) Includes cows, horses and all other animals on ranch--a total of 165 animal units.

(2) Total costs divided by 100 mature cows.

**Before interest on investment, operators labor and management are deducted.

Calendar of feeds -- This will vary from year to year depending on weather conditions but will approximate the following dates:

Dec. 15 to Feb. 28 --- Feed hay
March 1 to June 1 --- Winter Range
June 1 to Nov. 30 --- Summer irrigated pasture
June 1 to Nov. 30 --- Summer mountain pasture

Breed (January through March) -- Calve (October through December)

Dry cows sold in May off spring feed.

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