

BEEF CATTLE COW-CALF OPERATION IN KERN COUNTY

Cost Analysis Work Sheet - February 1982

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Sample costs to produce weaner calves on owner range. Cost based on 400 cow herd with 17% of cows culled and replaced each year. An 85% calf crop is produced and weaner calves sold on the ranch. 1% death loss of calves. A 25% replacement of bulls each year.

<u>Item</u>	<u>Investment Costs</u>		<u>Interest on</u>	<u>Depreciation</u>
	<u>Item</u>	<u>Investment</u>	<u>1/</u>	<u>\$</u>
	<u>\$</u>	<u>\$</u>		<u>\$</u>
Range land 8000 acres @ \$400/A <u>2/</u>	3,200,000	448,000		
Stock:				
400 cows @ \$475	190,000	26,600		
68 heifers @ \$375	25,500	3,570		
24 bulls @ \$1800	43,200	6,048		
3 horses @ \$1250	3,750	263		417
Fences: 20 miles new construction @ \$3,200/mile. Present depreciated value to be \$800/mile	16,000	1,120		1,000
Buildings & corrals <u>3/</u>	30,000	2,100		1,875
Stock watering facilities <u>4/</u>	3,000	420		300
Equipment:				
Older 1½ ton truck	5,000	350		1,000
Pickup	9,600	672		1,920
Goose neck tractor	6,400	448		640
Saddle & tack	3,000	210		200
Misc. tools & equipment	2,400	168		240
TOTALS	3,537,850	489,969		7,592

1/ Short term interest @ 16%, long term interest @ 14%.

2/ Land values will range from \$100 to \$475/acre and carrying capacity of range land will range from 14 acres/cow to 58 acres/cow.

3/ 50% of value comes with the land purchase, 50% added.

4/ 50% of new value, assumed system needs repair.

<u>Estimated Income</u>						
	<u>No.</u>	<u>Av.</u>	<u>Total</u>	<u>Pound</u>	<u>Total</u>	<u>Per</u>
	<u>head</u>	<u>weight</u>	<u>pounds</u>	<u>Price per cow</u>	<u>value</u>	<u>cow</u>
Weaner steer calves	168	545	91,560	.64	\$58,598	\$146
Weaner heifer calves	139	480	66,720	.53	35,362	88
Cows	61	1,100	67,100	.39	26,169	65
Bulls	5	1,650	8,250	.54	4,455	11
TOTAL SALES	373		233,630		\$124,584	\$310

ANNUAL OPERATING COSTS

February 1982

Item	Sample costs (400 cow herd)
Hired labor, 1 person	\$ 12,000
Feed ^{1/}	
Cow: Hay 100 lb/hd @ \$75/T	1,500
Range supplement 300/hd @ \$175/T	10,500
Heifers: Hay 900 lb/hd @ \$75/T	2,295
Range supplement 300 lb/hd @ \$175/T	1,785
Bulls: Hay 1000 lb/hd @ \$75/T	900
Range supplement 350 lb/hd @ \$175/T	735
Horses: Hay 6 T @ \$75/T	450
Salt & Minerals: 4 T @ \$99/T	396
Veterinary & Medicine \$3/hd	1,200
Bull replacement 6 @ \$1800	10,800
Gas, oil, repairs 10,000 miles @ 45¢/mile	4,500
Ranch repair & maintenance	3,840
Taxes on land, improvements & personal property	3,000
Interest on short term loan \$27,000 for 12 mo. @ 16%	4,320
Office & business cost, dues, fees, insurance, etc.	2,160
TOTAL CASH COSTS	\$ 60,381
	per cow/\$151
Non-Cash Costs:	
Depreciation	\$ 7,592
Interest on investment	\$489,969
TOTAL NON-CASH COSTS	\$497,561
TOTAL CASH AND NON-CASH COSTS	\$557,942
Gross income	\$124,584
Cash costs, depreciation and interest	557,942
INCOME LESS CASH COSTS, DEPRECIATION & INTEREST	- \$433,358
Gross income	\$124,584
Cash costs	60,381
INCOME LESS CASH COSTS	\$ 64,203
	per cow/\$160

1/ The amount of hay and supplement will vary depending on available forage (rain).