

BEEF CATTLE STOCKER OPERATION IN KERN COUNTY
 Cost Analysis Work Sheet - February 1982

8419

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Sample costs to raise stocker cattle on owned rangeland. Steer calves are purchased in November at 500 lbs. and sold in May at 725 lbs., with a 3% death loss occurring in winter months. One thousand two hundred calves are purchased to stock 8,000 acres for six months. Usually three steers require the same amount of feed as one cow unit. Calves are sold on the ranch.

Item	Investment Costs (1200 steers)		Interest on Investment 1/ \$	Depreciation \$
	Cost \$			
Rangeland 8,000 acres @ \$400/A ^{2/}	3,200,000		448,000	
Horses - 3 @ \$1250	3,750		263	417
Fences: 20 miles new construction @ \$3,200/mile. Present depreciated value assumed to be \$800/mile	16,000		1,120	1,000
Buildings & corrals ^{3/}	30,000		2,100	1,875
Stock watering facilities ^{4/}	3,000		420	300
Equipment:				
Older 1½ ton truck	5,000		350	1,000
Pickup	9,600		672	1,000
Goose neck trailer	6,400		448	640
Saddle & tack	3,000		210	200
Misc. tools & equipment	2,400		168	240
TOTALS	3,279,150		453,751	6,672

- 1/ Long term loans @ 14%, short term loans @ 16% interest.
 2/ Rangeland values will range from \$100 to \$475/acre and carrying capacity of rangeland 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, assuming system needs repair.

Cash Costs of Production

Cash cost item	Sample cost (1200 steers)
	Total \$
Hay 5 lb/hd/day for 30 days, 90 T @ \$75/T	6,750
Supplement 5/ 216/hd/day for 100 days 120T @ \$175/T	21,000
Salt 2T @ \$99/T	198
Hired labor \$12/hd/season	14,400
Horse hay 6T @ \$75/T	450
Veterinary expense \$2.80/hd	3,360
Gas, oil, repairs 10,000 miles @ 45¢/Mile	4,500
Ranch repair & maintenance	3,840
Tax on land, improvements and personal property	3,000
Interest on short term loan \$400,000 @ 16% for 6 mo.	32,000
Office & business cost	2,160
CASH COSTS	91,658
Cost per hd. purchased	76

5/ Under some situations it may not be an economic practice to feed supplements.

ESTIMATED INCOME FROM 1200 STEERS

<u>Items</u>	<u>Sample Income</u>	
	Total	
Sell 1,164 hd @ 61¢, 843,900 lbs.	\$514,779	
Buy 1,200 hd @ 65¢, 600,000 lbs.	390,000	
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Income over purchased price	\$124,779	\$104/hd
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Cash costs	\$ 91,658	
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Income less cash cost	\$ 33,121	\$ 28/hd
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Depreciation and interest on investment	\$460,423	
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Income less cash costs, interest on investment and depreciation	-\$427,302	-\$356/hd