

BEEF CATTLE STOCKER OPERATION 1976

Sample costs for an owner-operated stocker operation on leased rangeland under late rainfall conditions. 500 steers purchased at 450 lbs. each in October, and 490 steers sold at 600 lbs. each in June (2% mortality). The owner provides the management and all except \$400 worth of labor per year. A carrying capacity of 6 acres per steer is assumed, with supplemental feeding as needed. The ranch lease includes adequate livestock handling facilities.

	Total	Per head bought	Your figures
<b>Investment:</b>			
Horses: 2 at \$800	\$ 1,600.00	\$ 3.20	
Equipment: pickup	5,000.00	10.00	
Trailer	2,500.00	5.00	
Saddles	400.00	.80	
Miscellaneous	700.00	1.40	
TOTAL INVESTMENT	\$ 10,200.00	\$ 20.40	
Interest on investment at 9%			
1/2 original cost	\$ 459.00	\$ .92	
Depreciation: 10 years	\$ 1,020.00	\$ 2.04	
<b>Cash Costs:</b>			
Range: 3000 acres at \$5.40 (or \$4.05 per head month for 8 months, or 73500 lbs. gain at 22.04¢ per lb. gain)	\$ 16,200.00	\$ 32.40	
Protein supplement 20 tons @ \$100/ton	2,000.00	4.00	
Salt: 1.5 tons @ \$65	97.50	.20	
Hay: 86 tons @ \$75 (5 lbs./hd. for 70 days)	6,450.00	12.90	
TOTAL FEED	\$ 24,747.50	\$ 49.50	
Hired labor	\$ 400.00	\$ .80	
County taxes: livestock	294.00	.59	
equipment and horses	123.75	.25	
Veterinary expense	1,500.00	3.00	
Repairs, maintenance and fuel	1,000.00	2.00	
Insurance, license, office and supplies	700.00	1.40	
Interest on short term loan 9.75%	7,678.00	15.36	
TOTAL CASH COSTS	\$ 36,443.25	\$ 72.90	
<b>Income:</b>			
Steers: Sell: 490 at 582 lbs.			
285180 lbs. at 46¢	\$131,182.80	\$262.37	
Buy: 500 at 450 lbs.			
225000 lbs. @ 35¢ delivered	78,750.00	157.50	
Income over purchase price	52,432.80	104.87	
<b>Summary:</b>			
Income over purchase price	\$ 52,432.80	\$104.87	
Less cash costs	36,443.25	72.90	
Net cash income	15,989.55	31.97	
Less depreciation	1,020.00	2.04	
Farm income	14,969.55	29.93	
Less interest	459.00	.92	
Return for operator's labor and management	14,510.55	29.01	

Net income per lb. gain = (87.13¢ gross income per lb. gain - 63.01¢ total cost per lb. gain) 24.12¢.