

BEEF PRODUCTION COST STUDY, APRIL 1979

HUMBOLDT COUNTY - INTERMOUNTAIN AREA

The ranch is 5,000 acres of range land rented by the operator. Although most of the ranches are owned, it was difficult to place a value on the land. Rental rates were easier to obtain, so we used these rates in the cost study. The ranch has sufficient barns and corrals to handle a 200-cow unit plus replacements. Livestock is valued at the current market price (please remember these prices were taken in April 1979). Cows weigh 1,000 lbs., bulls 1,400 lbs., cull yearling heifers 550 lbs., steer calves 425 lbs., and heifer calves 350 lbs. Death loss is 4% of the breeding herd. Calf crop at weaning is 85% with 20% of the females held for replacements and 5% of those culled as yearlings. The ranch buys 100 tons of hay for all livestock and horses yearly. Labor includes operator, unpaid family help and part-time paid help of \$2,000 per year. Total investment for the renter-operator is \$232,000.

INVESTMENT	TOTAL RANCH	PER COW	YOUR COST
Equipment	\$ 47,000		
Cows 200 @ \$ 700	140,000		
Yearlings 40 @ \$ 600	24,000		
Bulls 12 @ \$1500	18,000		
Horses 6 @ \$ 500	3,000		
<b>TOTAL INVESTMENT</b>	<b>\$232,000</b>	<b>\$1,160.00</b>	
<b>INCOME</b>			
Steers 85 @ 425 lbs.-36,125 lbs. @\$1.00	\$ 36,125		
Heifers 53 @ 350 lbs.-18,550 lbs. @ .90	16,695		
Bull Cows 22 @1000 lbs.-22,000 lbs. @ .55	12,100		
Cull Bulls 3 @1400 lbs.- 4,200 lbs. @ .65	2,730		
Cull Heifers 2 @ 550 lbs.- 1,100 lbs. @ .78	858		
<b>TOTAL INCOME</b>	<b>\$ 68,508</b>	<b>\$ 342.54</b>	
<b>EXPENSE</b>			
<b>Cash Costs:</b>			
Feed: Hay 100 tons @ \$80	\$ 8,000	\$ 40.00	
Range @ \$40/A.U.	8,000	40.00	
Salt 1-1/2 ton @\$50	75	.38	
<b>General Expenses:</b>			
Vet and Med.	3,000	15.00	
Gasoline, oil & equipment repairs	5,000	25.00	
Maintenance of fences, roads, corrals & barns	3,100	15.50	
Insurance	1,000	5.00	
Part-time labor	2,000	10.00	
Dog expense	600	3.00	
Horse expense	3,100	15.50	
Replacement bulls 3@ \$1500	4,500	22.50	
Livestock taxes	460	2.30	
Misc. overhead & operating interest	2,000	10.00	
<b>Total Cash Costs</b>	<b>\$ 40,835</b>	<b>\$ 204.18</b>	
<b>Non-Cash Costs:</b>			
Depreciation - equipment	\$ 4,400		
- horses	600		
Interest @9% - equipment	1,980		
- livestock	16,650		
<b>Total Non-Cash Costs</b>	<b>\$ 23,630</b>	<b>\$ 118.15</b>	
<b>TOTAL ALL COSTS</b>	<b>\$ 64,465</b>	<b>\$ 322.33</b>	
<b>NET INCOME</b>	<b>\$ 4,043</b>	<b>\$ 20.21</b>	

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HUMBOLDT COUNTY

by

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Beef production started when cattle were trailed into the county and fattened on the productive ranges. These cattle were sold to miners and the settlers. Today, cow-calf operators are producing calves for stocker operations as well as feedlots. Most of the calves produced in the county are eventually sent to feedlots outside the county to be finished before slaughter.

This cost analysis gives sample costs of production when average management practices are followed. It is for use as a guide in analyzing production costs on an individual ranch. Yearly costs are shown for total ranch and per cow, so approximate costs can be determined for any ranch by simply multiplying by the number of cows in the herd.

Family labor, including the operator, is not shown in the costs nor is an allowance shown for management. These costs show what must be paid yearly before the operator earns labor or management income.

A typical Humboldt County ranch in each area is used as a guide for cost and management practices. All costs were provided by knowledgeable producers. Income was projected for the sale of heifers and steers; this allowed us to determine a net income figure for the ranch and per cow on the ranch. If a rancher can increase the calving percent and/or increase the weaning weight of the calves, then the profit for the ranch will be greater. Management techniques that will increase profit include: buying high quality bulls, semen testing, flushing the cows before breeding, pregnancy testing, culling low producing cows, and practicing range improvement techniques.

Some of the costs shown are size oriented. That is, they go on whether you get high prices or low prices for calves. For example, labor, maintenance, repairs, taxes, and others are related to the size of the ranch and cow herd, not the calving percent or weaning weight. Production related costs are hay, range improvement, veterinarian and medicine, replacement bulls and other similar costs.

It must be remembered that these cost studies are only guidelines. Each rancher may have to adjust some of the figures to conform to his particular ranch situation.

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