

BEEF COST OF PRODUCTION STUDY, NOVEMBER 1974

HUMBOLDT COUNTY INTER MOUNTAIN AREA

The ranch is 5,000 acres of range land owned by the operator. Included are sufficient hay storage, equipment storage, feed barns, and corrals to handle a 200 cow unit plus replacements. Costs of the improvements are lower than current replacement costs. Livestock is valued at market price. Cows weigh 950 lbs., bulls 1,300 lbs., cull yearling heifers 500 lbs., steer calves 400 lbs., and heifer calves 325 lbs. Calf crop at weaning is 85% with 20% of the females held for replacement and 5% of those culled as yearlings. Death loss is 4% in the breeding herd. The ranch buys 100 tons of alfalfa hay for all livestock and horses yearly. Labor includes owner-operator, unpaid family help and part-time paid help of \$1,200 per year. Total investment for the owner-operator is \$346,920.

CASH COSTS	TOTAL RANCH	PER COW	YOUR COST
Feed			
Alfalfa hay 100 ton @ \$80	\$ 8,000.00	\$ 40.00	\$
Salt 1½ ton @ \$40	60.00	.30	
Range -- cost included below	-----	-----	
General Expenses			
Vet and medicine	1,500.00	7.50	
Gasoline, oil, and equipment repairs	3,430.00	17.15	
Maintenance of fences, roads, corrals, and barns	2,100.00	10.50	
Insurance	700.00	3.50	
Part-time labor	1,200.00	6.00	
Dog expense	400.00	2.00	
Horse expense	2,100.00	10.50	
Replacement bulls 3 x \$600	1,800.00	9.00	
Taxes 10% rate + livestock	7,310.50	36.55	
Misc. overhead and operating interest	1,716.03	8.58	
Less credit for cull yearlings, cows, and bulls	-2,259.80	-11.30	
TOTAL CASH COSTS	\$ 28,056.73	\$ 140.28	
NON CASH COSTS			
Depreciation			
Barns and sheds \$50,000 (30 years)	1,667.00	8.34	
Equipment \$19,600 (3-20 years with salvage)	2,587.00	12.94	
Horses \$2,400 (5 years with salvage)	336.00	1.68	
TOTAL	\$ 4,590.00	\$ 22.96	
Interest on Investment			
Land 5,000 acres @ \$44/acre @ 8%	17,600.00	88.00	
Buildings \$50,000 @ ½ cost @ 8%	2,000.00	10.00	
Cows 200 @ \$225 @ 8%	3,600.00	18.00	
Yearlings 40 @ \$140 @ 8%	448.00	2.24	
Bulls 12 @ \$360 @ 8%	345.60	1.73	
Horses 6	124.80	.62	
Equipment 4-wheel drive, trailer, tools, chutes, bulldozer, and scales	864.00	4.32	
TOTAL	\$ 24,982.40	\$ 124.91	
TOTAL NON CASH COSTS	\$ 29,572.40	\$ 147.86	
TOTAL ALL COSTS	\$ 57,629.13	\$ 288.15	
CASH COST PER LB. OF CALF SOLD PER COW \$140.28 + 272 LB. CALF =		\$.52	
TOTAL ALL COST PER LB. OF CALF SOLD PER COW \$288.15 + 272 LB. CALF =		\$ 1.06	

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HUMBOLDT COUNTY INTER MOUNTAIN AREA

by

Charles M. Lawrence, Farm Advisor and Phil Parsons, Extension Economist

Beef production is an historical business in Humboldt County. Cattle were trailed in and fattened on productive ranges for distribution to miners and fledgling settlements. Today, breeding herds are on the range producing weaned calves for California's feedlots. With the shortages of feed grains now present, a partial return to grass fat older animals may take place in the future.

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. Costs are shown for total ranch and for one cow yearly allowing you to multiply by the number of cows in your herd to get approximate yearly totals.

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 from each area. The cost per lb. of calf sold figure was calculated from computing the number and weight of calves available for sale each year divided by 200 cows in the breeding herd. It is apparent that heavier calves, and or, more calves sold will influence the break even point.

Some of the costs shown are size oriented, not production oriented. That is, they go on whether you get high sale income or low. For example, labor, maintenance, repairs, taxes, and others are related to the size of the ranch and cow herd, not the weaning weight. Production related costs are hay, range improvement, vet and medicine, replacement bulls and the like. Suggested areas for management attention are: season of calving, range improvement-carrying capacities, crossbreeding, and cow production records including fertility.