

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS  
STATE OF CALIFORNIA

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# COW RANCH COSTS

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DWINDLING PROFITS in the cow business today have brought about a need for much more careful and detailed record analysis. This sample cost data has been made up to stimulate thought and planning for records required to make such analysis and help locate those areas of management where improvements can be made or savings effected. It is hoped that this information will also be useful to prospective Mariposa County cowmen considering purchase or lease. The 15 acres per cow is for best of Mariposa County lands; the average would be closer to 30 acres per cow.

It has been stated this is sample cost data; this material is not to be construed as being specific for any particular ranch. However, close similarity to an actual cow-calf operation, though it would be coincidental, would be desirable. The information should be used only to make an analysis of a rancher's own enterprise and an additional column is included for this purpose.

Some definitions and explanations which may help in interpretation are:

Investment required Values - cattle based on fall 1961 values of a high good to choice grade. Land values were set at a figure which was hoped to approximate the mean between present prices being paid and those prices land was acquired for by the long standing ownerships. This is certainly an arbitrary figure and one of the important ones which would cause large variations from ranch to ranch. The equipment and building values are for present costs of adequate but not elaborate construction.

Income - prices here were based on those of fall, 1961. Here it should be remembered the grade of weaners sold is top good to choice.

Expenses - there would be additional expense (interest) if operating capital was borrowed. It is assumed that amounts shown for depreciation will actually be spent for replacement and repairs each year. It will have to be spent eventually even if allowed to accumulate. It is assumed that the operator will need more than one person's help at times but that he will trade with neighbors for all but \$500.00 worth.

Income Summary - the net income figure here, because it is assumed depreciation amounts are actually spent, is both net cash income and net farm income and is the return to the operator for his labor, management and interest on investment. Deducting the figure for interest on investment would leave the income from operator's own labor and management which, in this case, would be a minus figure.

<u>INVESTMENT REQUIRED</u>	<u>TOTAL VALUE</u>	<u>VALUE PER COW</u>	<u>MY VALUES</u>
1. Stock			
a. 200 cows @ \$200 per head	\$ 40,000.00	\$ 200.00	\$ _____
b. 30 replacement heifers @ \$150 hd	4,500.00	22.50	_____
c. 10 bulls @ \$500 per head	5,000.00	25.00	_____
d. 3 horses @ \$200 per head	<u>600.00+</u>	<u>3.00</u>	_____
Total Stock	\$ 50,100.00	\$ 250.50	\$ _____
2. Land			
3,000 acres @ \$46.67	\$140,000.00	\$ 700.00	\$ _____
3. Buildings & Corrals (exclude owner's house)			
Corrals \$2,500; Storage, horse barn, shop & shed \$8,000	\$ 10,500.00	\$ 52.50	\$ _____
4. Fence - 20 miles @ \$750 a mile	\$ 15,000.00	\$ 75.00	\$ _____
5. Dams, wells, etc.	\$ 10,000.00	\$ 50.00	\$ _____
6. Equipment:			
Pickup, 2-ton stock truck, horse trailer, tractor, disk, harrow, fert. spreader, welder, saddles, miscel.	\$ 10,000.00	\$ 50.00	\$ _____
Total Investment	\$235,600.00	\$1,178.00	\$ _____

INCOME

1. 90% calf crop 2% mortality equals 176 calves (30 heifers saved for replacements)				
88 - 410-lb steers sold @ 28¢	\$ 10,102.40	\$ 50.51.	\$ _____	36.080
58 - 390-lb heifers sold @ 26¢	\$ 5,881.20	\$ 29.41	\$ _____	22.620
2. 20 cull cows, 1,100 lbs @ 18¢	\$ 3,960.00	\$ 19.80	\$ _____	24.200
3. 10 cull cows, 750 lbs @ 13¢	\$ 975.00	\$ 4.88	\$ _____	7.500
4. 3 bulls, 1500 lbs @ 20¢	\$ 900.00	\$ 4.50	\$ _____	4.500
Total	\$ 21,818.60	\$ 109.09	\$ _____	94.900
				474

<u>EXPENSES</u>	<u>TOTAL VALUE</u>	<u>VALUE PER COW</u>	<u>MY VALUES</u>
1. Feed			
1/3 salt 2/3 - 41% cottonseed fortified with Vit. A			
300 lbs. per cow			
300 lbs. per bull			
250 lbs. per heifer			
equals 35.25 tons @ \$65 equals	\$ 2,291.25	\$ 11.46	\$ _____
Hay 500 lbs. equivalent of 1 ton per cow, bull & heifer every 4th year equals 60 tons @ \$24	<u>1,440.00</u>	<u>7.20</u>	\$ _____
Total Feed	\$ 3,731.25	\$ 18.66	\$ _____
2. Three bulls for replacements	\$ 1,500.00	\$ 7.50	\$ _____
3. Hired labor	\$ 500.00	\$ 2.50	\$ _____
4. Salt	\$ 60.00	\$ .30	\$ _____
5. Fertilizer, seed & fuel (100 A. seed & fert.)	\$ 2,300.00	\$ 11.50	\$ _____
6. Miscel. (Vet, office, fuel, etc)	\$ 1,700.00	\$ 8.50	\$ _____
7. Depreciation:			
Fences \$10,000 @ 10%			
Equip. \$10,000 @ 10%			
Bldgs. \$10,500 @ 5%			
Dams & wells, \$10,000 @ 5%	\$ 2,775.00	\$ 13.88	\$ _____
8. Taxes			
1. 200 cows	\$ 306.00	\$ 1.53	\$ _____
2. 176 calves	115.63	.58	_____
3. 30 heifers	39.30	.20	_____
4. 10 bulls	32.90	.17	_____
5. 3 horses	6.57	.03	_____
6. Land	1,971.00	9.86	_____
7. Bldgs., Equip., wells & fence	<u>498.23</u>	<u>2.50</u>	_____
Total Taxes	\$ 2,969.63	\$ 14.85	\$ _____
Total All Expenses	\$ 14,535.88	\$ <sup>11</sup> 72.70	\$ _____
		15.00 labor	
		58.90	
		<u>176.60</u>	

INCOME SUMMARY

Total Income	\$ 21,818.60	\$ 109.09	\$ _____
Total Expense	\$ 14,535.88	\$ 72.70	\$ _____
Net Cash Income or Farm Income	\$ 7,282.72	\$ 36.41	\$ _____