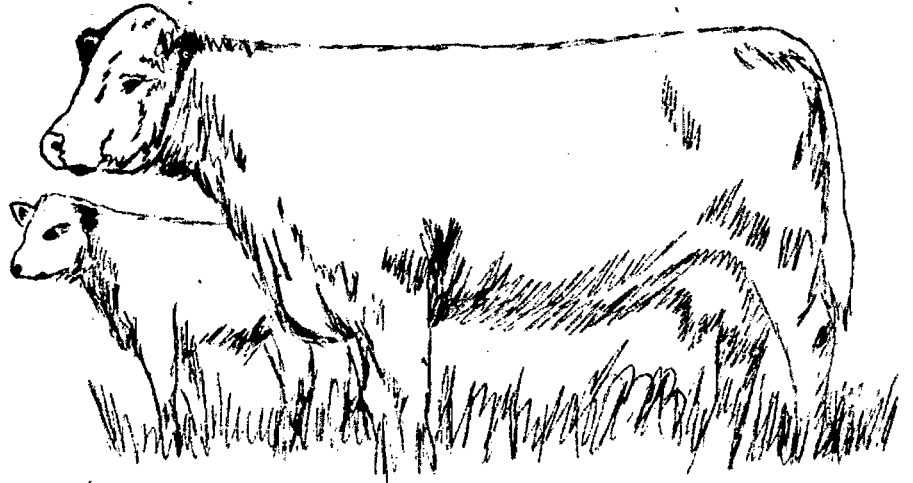
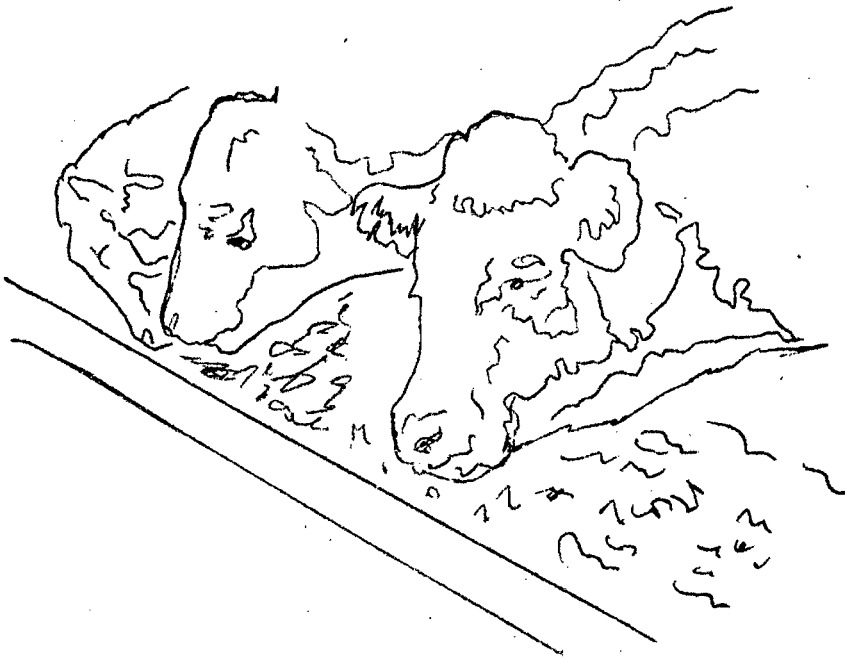


COW - CALF



VERSUS



STOCKER-FEEDER OPERATIONS

FOR SMALL OR PART TIME RANCHES IN EL DORADO COUNTY

'1973'

UC Cooperative Extension

COW-CALF Vs. STOCKER FEEDER OPERATIONS

For small or part time ranches

In El Dorado County

By: Barry Leeson, Farm Advisor; A. Doyle Reed, Extension Economist, U. C. Davis and Ken Ellis, Extension Animal Scientist, U.C. Davis

These figures are only estimates and should be used as a rough guide. Each situation will vary with location, production and prices. It is based on 200 acres of dryland range within the El Dorado Irrigation District. The owner has previously been renting the ground at \$4.00 per acre for cattle grazing. This, of course, does not pay the taxes so he is interested in developing part of the ranch into irrigated pasture and wonders whether a stocker operation or a cow-calf operation would be most profitable for his part-time enterprise.

The stocker operation is based on 160 five-hundred-pound steers purchased in February and sold 120 days later in June. This operation is repeated June 15th through October 15th. These animals are to run on 40 acres of irrigated pasture divided into 4 ten-acre fields and 160 acres of dry land. The first group will be supplemented with good quality roughage until pasture season starts.

The cow-calf operation is based on 72 pairs, 2 bulls and 12 replacement heifers.

Costs are figured with and without the Williamson Land Conservation Act taken into consideration. Local requirements pertaining to this act and the application, can be secured from the El Dorado County Planning Department.

More dryland would be desirable, but this is quite typical of the newcomer or small to medium-sized land owner.

P R E S E N T C O N D I T I O N

* Based on 200 acres foothill range within the irrigation district

		Per Acre	Figures For Your Ranch
<u>INVESTMENT</u>			
Land - 200 acres at \$400.00	\$80,000.00	\$400.00	_____
Fences - 4 miles @ \$2,000.00	\$ 8,000.00	\$ 40.00	_____
	<u>\$88,000.00</u>	<u>\$440.00</u>	_____
 <u>INCOME</u>			
Rent @ \$4.00/acre - 200 acres	\$ 800.00	\$ 4.00	_____
 <u>EXPENSES</u>			
Taxes - Property	\$ 1,800.00	\$ 9.00	_____
Irrigation District	\$ 320.00	\$ 1.60	_____
Repair fences	\$ 80.00	\$.40	_____
Depreciation - \$8,000.00 for			
25 years	\$ 320.00	\$ 1.60	_____
Interest on investment			
Land - \$80,000.00 @ 7%	\$ 5,600.00	\$ 28.00	_____
Fences - 4,000.00 @ 7%	\$ 280.00	\$ 1.40	_____
	<u>\$ 8,000.00</u>	<u>\$ 42.00</u>	_____
Net Loss	\$ 7,200.00	\$ 38.00	_____

* 200 acres of dryland will not qualify for Williamson Agreement

STOCKER - FEEDER OPERATION

		Per Acre	Figures For Your Ranch
<u>INVESTMENT</u>			
Land - 200 acres @ \$400.00	\$ 80,000.00	\$400.00	
Fences - 4 miles @ \$2,000.00	\$ 8,000.00	\$ 40.00	
Crossfencing - 1 3/4 miles @ \$3,000.00/mile (4 pastures)	\$ <u>5,250.00</u> 13,250	\$ 26.25	
Irrigation System - 40 acres @ \$500.00/acre (solid set)	\$ 20,000.00	\$100.00	
Pasture stand - 40 acres @ \$ 50.00/acre	\$ 2,000.00	\$ 10.00	
Equipment-pickup, tractor, etc.	\$ 5,000.00	\$ 25.00	
Total Investment	\$120,250.00	\$601.25	
<u>INCOME</u>			
Sales (weight based on 1.5 lb wt. gain/hd per day death loss 3 head) 317 head @ 680 lbs. each (out weight) @ .41/lb. = 215,560 lbs.	\$ 88,380.00	\$	
Purchases - 320 head @ 500 lbs. each (in weight) @ .45/lb. = 160,000 lbs.	\$ 72,000.00	\$	
Gross net sales 55,560 lbs.	\$ 16,380.00	\$ 81.90	
<u>EXPENSES</u>			
	<u>W/Williamson</u>	<u>W/O Williamson</u>	
Taxes - Property			
Irrigated/acre	\$ 7.35	\$ 16.40	
Dryland/acre	\$ 1.18	\$ 9.00	
Irrigation Dist. Taxes/acre	\$ <u>1.00</u>	\$ <u>1.60</u>	
Total land taxes	\$682.80	\$ 2,416.00	\$ 2,416.00 \$ 12.08
Cattle - 320 head for 120 days @ 1/2¢ per day		\$ 192.00	\$.96
Repairs - fences		\$ 135.00	\$.67
irrigation system		\$ 200.00	\$ 1.00
Depreciation - fences		\$ 530.00	
Irrigation System - \$20,000 @ 15 yrs.		\$1,333.00	
Pasture Stand - \$ 2,000 @ 10 yrs.		\$ 200.00	
Equipment - \$ 5,000 @ 10 yrs.		\$ 500.00	
Total depreciation		\$ 2,563.00	\$ 12.81
Interest on Investment -			
Land - \$80,000 @ 7%		\$5,600.00	
Fences - \$6,625 @ 7%		\$ 465.00	
Irrigation System \$10,000 @ 7%		\$ 700.00	
Pasture Stand \$1,000 @ 7%		\$ 70.00	
Equipment \$2,500 @ 7%		\$ 175.00	
Total Interest		\$ 7,010.00	\$ 35.05
Interest on Cattle - \$72,000 for 120 days @ 8%		\$ 1,920.00	\$ 9.60
Irrigate 20 times for 200 hrs. @ \$2/hr.		\$ 400.00	\$ 2.00
Water - 140 ac. ft. @ \$7.50/acre ft.		\$ 1,050.00	\$ 5.25

Expenses carried from previous page --- \$15,886.00

		Per Acre	Figures For Your Ranch
Clip Pasture 2 times, 40 hrs. @ \$3.40/hr.	\$ 136.00	\$.68	_____
Fertilize 2 times, 40 hours @ \$3.40/hr.	\$ 136.00	\$.68	_____
Single Super 500 lbs. and Nitrogen 500 lbs.	\$ 1,200.00	\$ 6.00	_____
Veterinary and Medicine	\$ 200.00	\$ 1.00	_____
Hay - 60 days @ 15 lbs./head = 72 tons @ \$40/ton (1st group only) and 5 lbs. grass hay/head thereafter. 54 tons A \$30/ton (1st & 2nd group).	\$ 4,500.00	\$22.50	_____
Labor - 800 hours @ \$2 per hour	\$ 1,600.00	\$ 8.00	_____
Total expenses	\$23,658.00	\$118.29	_____
Net Income (loss)	- \$ 7,278.00	- \$36.39	_____
If under Williamson Agreement (loss)	- \$ 5,545.00	- \$27.72	_____

The above analysis is based on economic costs -- a charge has been made for all inputs except management. An owner with 100 percent equity in the property would have some net income for his time and investment as the following analysis indicates.

OWNER WITH 100% EQUITY (Farm labor and interest
on investment not included
in costs)

Gross Farm Income			
Income		\$16,380.00	\$81.90
Expense, Cash	\$12,085.00		
Depreciation	<u>\$ 2,563.00</u>		
Total Cost		\$14,648.00	\$73.24
Net Farm Income		\$ 1,732.00	\$ 8.66
If under Williamson Agreement		\$ 3,465.00	\$17.32

C O W - C A L F O P E R A T I O N

INVESTMENT

		Per Acre	Figures For Your Ranch <i>Per Cow</i>
Land - 200 acres @ \$400/acre	\$ 80,000.00	\$400.00	<u>1111</u>
Fences - 4 miles of fence @ \$2,000/mile	\$ 8,000.00	\$ 40.00	<u>111</u>
Crossfencing - 4 pastures with lane	\$ 5,250.00	\$ 26.25	<u>73</u>
Irrigation system - 40 acres @ \$500/acre	\$ 20,000.00	\$100.00	_____
Pasture Stand - 40 acres @ \$50/acre	\$ 2,000.00	\$ 10.00	_____
Equipment	\$ 5,000	\$ 25.00	_____
Cows - 72 @ \$400/pair	\$28,800.00		
Replacement heifers - 12 @ \$200/each	\$ 2,400.00		
Bulls - 2 @ \$600/each	\$ 1,200.00		
Total livestock investment	\$ 32,400.00	\$162.00	_____
Total all investment costs	\$152,650.00	\$763.25	_____

SALES

Cows - (90% calf crop - 12 heifers saved for replacements)			
12 head @ 1,000 lbs.			
each = 12,000 lbs. @ .26/lb.	\$ 3,120.00		
Steers - 32 head 540 lbs.			
each = 17,280 lbs. @ .45/lb.	\$ 7,776.00		
Heifers - 21 head @ 500 lbs.			
each = 10,500 lbs. @ .41/lb.	\$ 4,305.00		
Total			
Sales 39,780 lbs.	\$15,201.00	\$ 15,201.00	\$ 76.00
			<u>211.15</u>

EXPENSES

	<u>W/Williamson</u>	<u>W/O Williamson</u>			
Taxes - Property					
Irrigated/acre	\$ 7.35	\$ 16.40			
Dryland/acre	\$ 1.18	\$ 9.00			
Irrigation Dist.					
taxes/acre	\$ 1.00	\$ 1.60			
Total land taxes	\$ 682.80	\$ 2,416.00	\$ 2,416.00	\$ 12.08	<u>9.50</u>
Cattle - 86 head @ 1/2¢ per day			\$ 156.00	\$.78	<u>2.15</u>
Repairs - Fences			\$ 135.00	\$.67	<u>1.85</u>
Irrigation system			\$ 250.00	\$ 1.25	<u>3.50</u>
Depreciation - Fences, 25 yr. life		\$ 530.00			
Irrigation system					
\$20,000 @ 15 yr. life		\$ 1,333.00			
Pasture Stand \$2,000					
@ 10 yr. life		\$ 200.00			
Equipment \$5,000 10 yr.					
life		\$ 500.00			
Bulls - \$1,200 4 yr. life					
\$300.00		\$ 75.00			
Total depreciation			\$ 2,638.00	\$ 13.19	<u>36.65</u>
Interest on Investment -					
Land - \$80,000 @ 7%		\$ 5,600.00			
Fences - \$6,625 @ 7%		\$ 465.00			
Irrigation System \$10,000 @ 7%		\$ 700.00			
Pasture Stand - \$1,000 @ 7%		\$ 70.00			
Equipment - \$2,500 @ 7%		\$ 175.00			
Cattle - \$31,800 @ 7%		\$ 2,226.00			
Total Interest			\$ 9,236.00	\$ 46.18	<u>128.30</u>

Expenses carried from previous page -----	\$14,831.00	Per Acre	Figures For Your Ranch
Irrigation - 20 times for 200 hrs. @ \$2/hr.	\$ 400.00	\$ 2.00	<u>5.55</u>
Water - 140 acre feet @ \$7.50/ac. ft.	\$ 1,050.00	\$ 5.25	<u>17.60</u>
✓ Clip 2 times, 40 hrs. @ \$3.40/hr.	\$ 136.00	\$.68	<u>1.90</u>
✓ Fertilize 2 times - 40 hrs. @ \$3.40/hr.	\$ 136.00	\$.68	<u>1.90</u> ^{20.45}
Single super, 500 lbs. and Nitrogen, 500 lbs.	\$ 1,200.00	\$ 6.00	<u>16.65</u>
Veterinary and Medicine	\$ 200.00	\$ 1.00	<u>2.80</u>
Hay - 120 tons @ \$40/ton, 20 lbs./day for 150 days and thereafter 5 lbs./day grass hay - 42 tons @ \$30/ton	\$ 6,060.00	\$ 30.30	<u>87.15</u>
Labor - 750 hours @ \$2/hr.	<u>\$ 1,500.00</u>	<u>\$ 7.50</u>	<u>20.85</u>
Total expenses	<u>\$25,513.00</u>	<u>\$127.56</u>	<u>354.35</u>
Net Income (Loss)	- \$10,312.00	- \$ 51.56	_____
If under Williamson Agreement (loss)	- \$ 8,529.00	- \$ 42.64	<u>118.45</u>

The above analysis is based on economic costs -- a charge has been made for all inputs except management. An owner with 100 percent equity in the property would have some net income for his time and investment as the following analysis indicates.

OWNER WITH 100% EQUITY (Farm labor and interest on investment not included in costs)

Gross Farm Income			
Income	\$15,201.00	\$ 76.00	_____
Expense, Cash	\$11,689.00		
Depreciation	<u>\$ 2,638.00</u>		
Total cost	\$14,327.00	\$ 71.63	_____
Net Farm Income	\$ 874.00	\$ 4.37	_____
If under Williamson Agreement	\$ 2,607.00	\$ 13.03	