

1997

## EC 97-818 Nebraska Livestock Budgets 1997

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# NEBRASKA

## LIVESTOCK BUDGETS

1997

By  
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## **LIVESTOCK BUDGETS, NEBRASKA -- 1997**

Edited by

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## **Livestock Budgeting Procedure**

The cost data presented in the livestock budgets are based on reviews of farm record summaries, interaction with producers in workshops, consultation with producers, consultation with specialists in other disciplines and on the specialists' judgement and experience.

The input costs used for cash operating expenses were prepared at the beginning of 1997. These costs, particularly feed and feeder livestock, change rapidly. To accommodate these fluctuating prices, these budgets are presented in enough detail so that the user may adjust individual cost items to fit the current situation. Overhead and management charges are included so that the total production cost will reflect a charge for all inputs used in the production process.

### **Prices Used for 1997 Livestock Budgets (February, 1997)**

#### **Feed**

Soybean meal, 44%	bulk, crop area	\$250 per ton
	bulk, western feeders	\$288 per ton
	50 lb bag, beef cows	\$15.50 per cwt
All natural, 32% protein	bulk	\$2.90 per ton
Corn, crop area		\$2.50 per bu
Corn, ranch area		\$2.55 per ton
Alfalfa Hay (general use)		\$60 per ton
Alfalfa Hay (dairy)		\$85 per ton
Prairie hay		\$50 per ton
Corn silage		\$22 per ton
Salt and mineral		
Sheep		\$520 per ton
Beef		\$240 per ton
Hogs		\$375 per ton
Feeder pigs		\$345 per ton

#### **Grazing**

Summer:	Sheep	\$15 /AUM
	Cattle	\$20 /AUM
Winter:	Crop residue	\$.25 /cow/day
	Ranch	\$14.50 /AUM

#### **Interest**

Feed and other operating costs	8.5% per year
Breeding stock and facilities	6.25% per year (real rate)

#### **Labor**

Dairy, Swine	\$8.00 /hour
Sheep, Beef	\$7.00 /hour

## EXPLANATION OF DAIRY PRODUCTION BUDGETS, 1997

1. In addition to directly related costs, such as feed or veterinary costs, a charge is made for all the resources used in the dairy enterprise including labor, management, farm overhead costs, and the capital invested in livestock and facilities.
2. A 100-cow herd is the *base unit*.
3. The costs of raising *replacements* are included. A cow unit includes .39 of a heifer and .39 of a replacement per cow. Replacements have first calf at 24 months of age. The replacement rate for milking cows is 30% and culls weight 1350 pounds when sold. For replacements, .17 of a heifer per cow is culled before calving and weighs 900 lbs when sold. Birth rates are .53 of a bull calf and .47 of a heifer calf per cow per year. Bull calves are sold at birth and all heifers are retained for replacements.

Heifers available per cow per year	.47
Less heifers culled per cow per year	.17
Equals heifers ultimately entering the milking herd	.30

4. The *feed costs* are based on computerized least-cost rations using the feed ingredients and prices listed below:

Alfalfa, \$/ton	85.00
Corn Silage, \$/ton	22.00
Grass Hay, \$/ton	50.00
Corn Grain, \$/bu	2.50
Soybean Meal, 44% cp, \$/ton	250.00
Soybean hulls, \$/ton	95.00
Blood Meal, \$/ton	400.00
Dicalcium Phosphate, \$/cwt	20.00
Limestone, \$/cwt	7.25
Salt, \$/cwt	6.00
Vitamin ADE, \$/cwt	25.00

5. *Milk hauling* costs are \$.40 per cwt plus \$10 per cow per year for stop fee.
6. *Insurance* on cattle is \$4.50 per \$1000 value.
7. *Livestock investments* are: \$1,800 per cow unit for 18,000 pounds annual production herds, \$2,000 per cow for 20,000 pounds annual production herds, and \$2,200 per cow for 22,000 pounds annual production. The interest on livestock is calculated by

multiplying the investment by a real interest rate of 6.25%.

8. *Interest on Feed and Operating Expenses* is calculated at the rate of 8.5% on total cash expenses for a six-month period.
9. *National Milk Promotion charge* is \$.15 per cwt. (\$.10 to the Dairy Research Council and \$.05 to the National Dairy Board).
10. *Death loss* is estimated to be 3%. The cost is calculated by multiplying the total per cow unit investment by 3%.
11. *Labor requirements* are based on actual records and surveys of Nebraska dairy farmers. A wage rate of \$7.00 is assumed to include minimal benefits.
12. *Ownership Costs on Facilities and Equipment.* The undepreciated value of facilities and equipment is assumed to be \$1,000 per cow. This is multiplied by a real interest rate of 6.25%.
13. *Overhead.* Farm overhead costs such as accounting fees, subscriptions, and farm information services are charged to the dairy enterprise at the rate of 5% of the non-feed cash costs.
14. *Management Fee* is assumed to be 4% of the expected gross receipts. The net projected milk price is \$14.00 per cwt. The projected base price is \$13.70 per cwt for 3.5% butterfat with bonuses of \$.15 per cwt. For milk with an average somatic cell count of 300,000 and \$.15 per cwt. For protein differential. Somatic cell bonuses are paid for counts up to 350,000 on a graduated scale beginning at \$.65 for counts less than 51,000. There is no bonus or deduction for counts between 351,000 and 450,000. Graduated deductions occur for counts over 450,000 up to a maximum of \$.65 per cwt for counts over 750,000.



**D1 BUDGETED COSTS OF MAINTAINING DAIRY HERDS PER COW,  
EASTERN NEBRASKA ,1997**

Costs	Milk Production Level		
	18,000 lb cow	20,000 lb cow	22,000 lb cow
<b>Feed Costs per day</b>			
Lactating Cow	\$2.18	\$2.35	\$2.54
Dry Cows	\$0.88	\$0.88	\$0.88
Heifers	\$0.78	\$0.78	\$0.78
<b>Feed Costs per year</b> #days			
Lactating Cow                      305	\$664.90	\$716.75	\$774.70
Dry Cows                      60	\$52.80	\$52.80	\$52.80
Heifers                      365	\$284.70	\$284.70	\$284.70
<b>Total Feed Cost including replacements</b>	<b>\$1,002.40</b>	<b>\$1,054.25</b>	<b>\$1,112.20</b>
<b>Other Cash Costs</b>			
Bedding	\$25.00	\$25.00	\$25.00
Milk Hauling	\$82.00	\$90.00	\$98.00
Breeding Fees	\$20.00	\$22.50	\$25.00
Repair, Fuel & Oil - Tractor & Machinery	\$65.00	\$65.00	\$65.00
DHIA Fee & Other Records	\$18.00	\$18.00	\$18.00
Veterinary & Medicine	\$50.00	\$55.00	\$60.00
Utilities	\$64.00	\$72.00	\$80.00
Supplies	\$50.00	\$50.00	\$50.00
Repairs - Building & Equipment	\$15.00	\$15.00	\$15.00
Insurance on Cattle	\$8.10	\$9.00	\$9.90
Interest - Feed & Operating Expense 8.50% for 0.5 yr	\$59.48	\$62.72	\$66.22
National Milk Promotion	\$27.00	\$30.00	\$33.00
<b>Total Other Cash Costs</b>	<b>\$483.58</b>	<b>\$514.22</b>	<b>\$545.12</b>
<b>Total Labor Costs</b> 60 hrs @                      \$8.00	<b>\$480.00</b>	<b>\$480.00</b>	<b>\$480.00</b>
<b>Total Operating Costs</b>	<b>\$1,965.98</b>	<b>\$2,048.47</b>	<b>\$2,137.32</b>
<b>Ownership Costs</b>			
Interest on Cattle 6.25 %	\$112.50	\$125.00	\$137.50
Facilities&Equipment Ownership Cost@ 7.10%	\$71.00	\$71.00	\$71.00
<b>Total Ownership Costs</b>	<b>\$183.50</b>	<b>\$196.00</b>	<b>\$208.50</b>
<b>Overhead and Management</b>			
Overhead 5 % of Non-feed Cost	\$24.18	\$25.71	\$27.26
Management,4% of Gross Receipts	\$113.25	\$124.45	\$135.65
<b>Total Overhead and Management</b>	<b>\$137.42</b>	<b>\$150.16</b>	<b>\$162.90</b>
<b>Total All Costs including replacements</b>	<b>\$2,286.90</b>	<b>\$2,394.63</b>	<b>\$2,508.72</b>
<b>Credits</b>			
0.3 Cull Cows@ 1350lbs                      42 \$/cwt	\$170.10	\$170.10	\$170.10
0.17 Cull Heifers@ 900 lbs                      60 \$/cwt	\$91.80	\$91.80	\$91.80
0.53 Day-Old Calves                      125 \$/calf	\$66.25	\$66.25	\$66.25
Less Cow Death Loss,3%	(\$17.01)	(\$17.01)	(\$17.01)
<b>Total Credits</b>	<b>\$311.14</b>	<b>\$311.14</b>	<b>\$311.14</b>
<b>Net Cost of Producing Milk</b>			
Total Per Cow including replacements	\$1,975.76	\$2,083.49	\$2,197.58
Total Cost Per Cwt	\$10.98	\$10.42	\$9.99
Net Cost Per Cwt. Excluding Labor, Overhead, and Management	\$7.55	\$7.27	\$7.07



## EXPLANATION OF HOG PRODUCTION BUDGETS, 1997

These budgets reflect the production costs for swine enterprises on family farms in Nebraska. The operating costs reflect the average of costs experienced by producers in the Nebraska Swine Enterprise Records and Analysis program. Because these production cost budgets are often used by persons who are starting up or expanding a swine enterprise, the building and equipment ownership costs are budgeted based on building investment costs described in Item 2 below. The ownership costs budgeted are, therefore, higher than the average of producers in the swine records program, but more nearly reflect the costs of producers with newer facilities.

1. Feed costs reflect average feed requirements per 100 pounds of hog produced as follows:

	<u>Lbs feed/100 lbs pork</u>
Sow and Two Litters to 240 lb. (Farrow to finish)	375
Sow and Two Litters to 50 lb. (Feeder pig production)	400
Feeder Pig Fed Out 50 to 240 lb. (Feeder pig finishing)	350

2. Building and equipment costs are based on the following investment costs and facility usage:

Farrowing house - \$2000 per crate - used for 8 litters per crate per year  
Nursery - \$600 per sow unit - used for 8 litters per year  
Finishing - \$150 per pig space - 2.7 turns per year  
Sow shelters \$400 per sow space

Facilities costs are budgeted based on 1% of investment to cover taxes, .5% for insurance, 8.5% for depreciation (11.8 years average life), and 2% for repairs. Interest is budgeted at a 7% real rate for half of the investment (the average value over the life of the facility).

3. Labor costs were based on a wage rate of \$8.00 per hour and labor requirements as follows:

Sow and two litters to 240 lb. - 24 hours  
Sow and two litters to 50 lb. - 14.0 hours  
Feeder pig fed out 50 to 240 lb. - 0.6 hours

4. A production rate of 15 pigs per sow per year was utilized in calculating costs for the farrow-to-finish budget and 16.5 pigs per sow per year in the farrow to feeder pig budget.
5. Depreciation and death loss on breeding stock are calculated as a cost item in these budgets. In a typical swine enterprise, the depreciation and death loss on breeding stock is reflected in the difference between the cost of breeding stock purchased and revenue from the sale of cull breeding stock. But, when budgeting costs, it is more convenient to treat this as a cost item. The depreciation and death loss costs for breeding stock were increased significantly from earlier years' budgets. This reflects an increasing number of producers who are purchasing all of their breeding stock, rather than raising their replacement gilts. The budgeted costs are based on purchasing 100% of replacements with the following assumptions:

Females - Buy - \$225/head  
Sell - \$100/head  
Avg. Life in herd - 3 years  
Annual Death loss - 4.5%

Boars - Buy - \$600/head  
Sell - \$150/head  
Avg. Life in herd - 2 years  
Sows per boar - 25  
Annual Death loss - 4.5%

	SOW & TWO LITTERS TO 240 LBS	SOW & TWO LITTERS TO 50 LBS	FEEDER PIG FED OUT 50 LBS TO 240 LBS
<b>Feed</b>			
Corn \$2.50 /bu	190 bu \$475.00	44 bu \$110.00	9.5 bu \$23.75
Soybean Meal \$250.00 /ton	2,258 lb \$282.25	280 lb \$35.00	115 lb \$14.38
Vitamins, Minerals and Salt	492 lb \$92.25	210 lb \$39.38	21 lb \$3.62
Baby Pig Feed \$728 /ton	295 lb \$107.38	325 lb \$118.30	
<b>Total Feed Costs</b>	<b>\$956.88</b> \$26.58 /cwt	<b>\$302.68</b> \$18.34 /pig	<b>\$41.75 /pig</b>
<b>Other Cash Costs</b>			
Cost of Feeder Pig			\$51.64
Veterinary and Medicine	\$36.50	\$25.25	\$0.60
Utilities	\$48.30	\$24.85	\$1.15
Other Operating Expenses	\$174.20	\$69.30	\$4.50
Interest on Operating Expenses, 8.50% Turnover 0.25 /year	\$29.92	\$11.35	\$2.73
<b>Total Other Cash Costs</b>	<b>\$288.92</b> \$8.03 /cwt	<b>\$130.75</b> \$7.92 /pig	<b>\$60.62 /pig</b>
<b>Total Labor Costs</b> \$8.00 /hr	24.00 hr <b>\$192.00</b>	14.00 hr <b>\$112.00</b>	0.50 hr <b>\$4.00</b>
<b>Total Operating Costs</b>	<b>\$1,437.80</b> \$39.94 /cwt	<b>\$545.42</b> \$33.06 /pig	<b>\$106.37 /pig</b>
<b>Ownership Costs</b>			
Interest on Breeding Stock 6.25%	\$11.09	\$11.09	
Breeding Stock Deprec. and Death Loss	\$55.44	\$55.44	
Buildings and Equipment - 15.13% Depreciation, Interest, Repairs, Taxes, Insurance	\$284.85	\$158.81	\$8.40
<b>Total Ownership Costs</b>	<b>\$351.38</b>	<b>\$225.34</b>	<b>\$8.40</b>
<b>Total Costs Excluding Overhead and Management</b>	<b>\$1,789.18</b> \$49.70 /cwt	<b>\$770.77</b> \$46.71 /pig	<b>\$114.77 /pig</b> \$33.23/cwt produced
<b>Overhead and Management</b>			
Overhead 5%	\$48.14	\$21.77	\$1.55
Management	\$67.50	\$59.50	\$1.00
<b>Total Overhead and Management</b>	<b>\$115.64</b>	<b>\$81.27</b>	<b>\$2.55</b>
<b>TOTAL COST</b>	<b>\$1,904.82</b> \$52.91 /cwt	<b>\$852.04</b> \$51.64 /pig	<b>\$117.32</b> \$48.88/cwt sold

OTHER OPERATING EXPENSES includes marketing, transportation, feed processing, & miscellaneous expenses



## **EXPLANATION OF SHEEP PRODUCTION BUDGETS, 1997**

A listing of the basic assumptions is provided to better understand how the figures are calculated in order to relate them to an actual operation. The budgets are first developed on a per ewe, lamb, and ram basis. This is followed by the development of costs and returns for a 100 ewe farm flock by lambing percentage. The assumptions are as follows:

1. It is assumed that breeding animals are placed in a dry lot from December 1 to May 1. They are grazed on pasture and corn stalks from May 1 to December 1. It is assumed there are 6 ewes and their lambs per animal unit for grazing.
2. Ewes are fed 1.6 pounds of corn per day for 30 days during breeding.
3. Lambing occurs March 15 through April 15.
4. Creep feed costs for the lamb are allocated to the ewe.
5. On budget S3, feed costs for the ewe are increased at the higher lambing rates. The corn fed per day is increased from March 1 to April 1.
6. The ration for lamb growing and finishing is a corn, alfalfa, soybean meal, and salt and mineral mix with approximately 16% protein.
7. Interest on feed and purchased inputs is charged for  $\frac{1}{3}$  of a year for the lambs and  $\frac{1}{2}$  of a year for the ewes and the rams. Items charged interest are indicated with an asterisk.
8. All labor for the lamb through weaning is charged to the ewe. Labor for the lamb from weaning to marketing is charged to the lamb.
9. Overhead is charged on items marked with an asterisk.
10. 20 percent of the ewes are replaced each year from the lamb crop.
11. A 4 percent death rate is assumed for ewes, rams, and lambs.
12. It is assumed that cull ewes are sold after the lambs reach weaning age. The replacement stock go into the flock at breeding time.
13. It is assumed that all replacement ewes are acceptable and no additional animals are kept.
14. Three rams are assumed per 100 ewes with one being replaced each year.
15. Lambs are assumed to weigh 120 lbs. when marketed at 130-140 days from weaning. Wool is sold at 90 cents per pound for fine, 40 cents per pound for coarse, or an average of 60 cents per pound. Wool production is 7 lbs per ewe.



**S1 BUDGETED ANNUAL COSTS PER EWE AND LAMB  
CROP AREA, 1997**

				Ewe	Lamb
<b>Feed Costs</b>					
*Corn (\$2.50/bu)			Lbs/day		
	15-Dec	15-Jan	0.60	\$0.83	
	15-Jan	01-Apr	1.20	4.07	
	15-Aug	15-Sep	1.60	2.21	
*Alfalfa Hay (\$85/ton)					
	15-Dec	15-Jan	3.00	3.95	
	15-Jan	01-Apr	4.50	14.54	
*Salt and Minerals (\$ 0.26/lb)		365 days	0.01	0.95	
*Milk replacer (\$1.00/lb)	5% of Lambs	30 days	1.20	1.80	
*Creep Feed (\$110.00/ton)		30 days	1.00	1.65	
*Lamb Ration (\$5.06 /100lbs)		110 days	3.73		\$20.76
2.1 lbs corn, 1.4 lbs alf. hay					
0.05 lbs min'l, 0.18 lbs SBOM					
Grazing pasture & stalks: 0.17 AUM x 7.0 mo @ \$15.00/AUM				17.85	
<b>Total Feed Costs</b>				<b>\$47.85</b>	<b>\$20.76</b>
<b>Other Cash Costs</b>					
*Shearing				\$2.50	
*Veterinary				3.00	1.50
*Supplies				1.50	
*Fuel and utilities				1.40	
*Building and equipment repairs				1.40	0.28
Marketing and transportation				0.48	3.50
Interest on purchased feed and other 8.5% per yr, Ewe 0.50 yr, Lamb 0.33 yr				1.69	0.63
<b>Total Other Cash Costs</b>				<b>\$11.97</b>	<b>\$5.91</b>
<b>Labor</b>					
	Ewe	Operator 4.0 hrs, @\$7.00		\$28.00	
	Lamb	Operator 0.5 hrs, @\$7.00			3.50
<b>Total Labor Costs</b>				<b>\$28.00</b>	<b>\$3.50</b>
<b>Total Operating Costs</b>				<b>\$87.82</b>	<b>\$30.17</b>
<b>Ownership Costs</b>					
Interest on ewe @ 6.25%, \$75/hd value				\$4.69	
Deprec. & interest on bldgs and equip				5.48	
Taxes & insurance, bldgs, equip & animals				2.20	
<b>Total Ownership Costs</b>				<b>\$12.37</b>	<b>\$0.00</b>
<b>Overhead and Management</b>					
Overhead @ 5.0%				\$1.99	\$1.13
Management				2.50	
<b>Total Overhead and Management Costs</b>				<b>\$4.49</b>	<b>\$1.13</b>
<b>Total Costs</b>				<b>\$104.68</b>	<b>\$31.30</b>

\*Items charged interest and overhead

**S2 BUDGETED ANNUAL COST PER RAM  
CROP AREA, 1997**

	Ram
<b>Feed Costs</b>	
*Corn (\$2.50/bu) <span style="float:right">Lbs/day</span>	
01-Dec 01-May 0.50	\$3.37
*Alfalfa Hay (\$85/ton) <span style="float:right">01-Dec 01-May 4.00</span>	25.67
*Salt and Minerals (\$0.26/lb) <span style="float:right">365 days 0.01</span>	0.95
Grazing pasture & stalks: 0.3 AUM x 7.0 mo @ \$15.00/AUM	31.50
<b>Total Feed Cost</b>	<b>\$61.49</b>
<b>Other Cash Costs</b>	
*Shearing	\$2.50
*Veterinary	3.00
*Supplies	
*Fuel and utilities	1.40
*Building and equipment repairs	1.40
Marketing and transportation	0.84
Interest on purchased feed and other 8.5% per yr, 0.50 yr	1.63
<b>Total Other Cash Costs</b>	<b>\$10.77</b>
<b>Total Labor Costs</b> <span style="float:right">Operator 1.0 hrs, @\$7.00</span>	<b>\$7.00</b>
<b>Total Operating Costs</b>	<b>\$79.26</b>
<b>Ownership Costs</b>	
Interest on Ram @ 6.25%, \$200/hd value	\$12.50
Taxes & insurance, bldgs, equip & animals	2.20
Replacement 0.33 head @ \$200	66.67
<b>Total Ownership Costs</b>	<b>\$81.37</b>
<b>Overhead and Management</b>	
Overhead <span style="float:right">@ 5.0%</span>	\$1.91
Management	
<b>Total Overhead and Management Costs</b>	<b>\$1.91</b>
<b>Total Costs</b>	<b>\$162.54</b>

\*Items charged interest and overhead



**S3 BUDGETED COSTS INCLUDING COST OF REPLACEMENTS  
FOR 100 EWE OPERATION AND DIFFERENT LAMB CROPS**

	135 Lambs Born 110 sold*	150 Lambs Born 124 sold*	165 Lambs Born 138 sold*	180 Lambs Born 153 sold*
<b>Feed Costs</b>				
Ewes	\$4,785.00	\$4,785.00	\$4,797.45	\$4,809.90
Lambs	\$2,802.60	\$3,114.00	\$3,425.40	\$3,736.80
3 Rams	\$184.47	\$184.47	\$184.47	\$184.47
<b>Total Feed Costs</b>	<b>\$7,772.07</b>	<b>\$8,083.47</b>	<b>\$8,407.32</b>	<b>\$8,731.17</b>
<b>Other Cash Costs</b>				
Ewes	\$1,197.15	\$1,197.15	\$1,197.15	\$1,197.15
Lambs	798.15	886.84	975.52	1064.20
3 Rams	32.30	32.30	32.30	32.30
<b>Total Other Cash Costs</b>	<b>\$2,027.61</b>	<b>\$2,116.29</b>	<b>\$2,204.97</b>	<b>\$2,293.66</b>
<b>Labor</b>				
Ewes	\$2,800.00	\$2,800.00	\$2,800.00	\$2,800.00
Lambs	472.50	525.00	577.50	630.00
3 Rams	21.00	21.00	21.00	21.00
<b>Total Labor Costs</b>	<b>\$3,293.50</b>	<b>\$3,346.00</b>	<b>\$3,398.50</b>	<b>\$3,451.00</b>
<b>Total Operating Costs</b>	<b>\$13,093.17</b>	<b>\$13,545.76</b>	<b>\$14,010.79</b>	<b>\$14,475.82</b>
<b>Ownership Costs</b>				
Ewes	\$1,236.75	\$1,236.75	\$1,236.75	\$1,236.75
Lambs	0.00	0.00	0.00	0.00
3 Rams	244.10	244.10	244.10	244.10
<b>Total Ownership Costs</b>	<b>\$1,480.85</b>	<b>\$1,480.85</b>	<b>\$1,480.85</b>	<b>\$1,480.85</b>
<b>Overhead &amp; Management</b>				
Ewes	\$449.00	\$449.00	\$449.00	\$449.00
Lambs	152.15	169.05	185.96	202.86
3 Rams	5.74	5.74	5.74	5.74
<b>Total Overhead &amp; Management Costs</b>	<b>\$606.89</b>	<b>\$623.79</b>	<b>\$640.70</b>	<b>\$657.60</b>
<b>Total Costs</b>	<b>\$15,180.91</b>	<b>\$15,650.40</b>	<b>\$16,132.34</b>	<b>\$16,614.28</b>
<b>Credit for Sale of:</b>				
Wool **	420.00	420.00	420.00	420.00
Cull Income*** \$25/ewe and \$30/ram	426.40	426.40	426.40	426.40
<b>Total Credits</b>	<b>\$846.40</b>	<b>\$846.40</b>	<b>\$846.40</b>	<b>\$846.40</b>
<b>Net Cost of Production</b>	<b>\$14,334.51</b>	<b>\$14,804.00</b>	<b>\$15,285.94</b>	<b>\$15,767.88</b>
Net Cost of Production Lambs/lb****	\$1.04	\$0.95	\$0.88	\$0.82
Excluding Labor, Overhead and Mgt	\$0.76	\$0.69	\$0.65	\$0.61

\*Lambs born adjusted for ewe lambs kept for replacements and 4.0% death rate

\*\*Wool 7 lbs/ewe @ \$0.60/lb. Averages, actual depends on breed

\*\*\* 20.0 % ewe replacement and 33.3% ram replacement, culls adjusted for 4.0 % death rate

\*\*\*\* Credit is given for wool and cull income

when determining breakeven prices.

## EXPLANATION OF BEEF PRODUCTION BUDGETS, 1997

### BEEF COW BUDGETS

The first four beef budgets are on a cow unit basis. Two budgets are for the ranching area and two for the farming area of Nebraska. A cow unit includes the cow, her calf until weaning, and her proportionate share of replacement heifer and bull. Therefore, costs per cow unit reflect those for all animals contributing to calf production. Costs per calf produced are dependent upon the number of calves produced per cow unit.

It is assumed that replacement heifers are selected from the calf crop and grown. Sales of cull cows and excess heifers are credited against total costs per cow unit, and no depreciation is charged against cows. Bulls are assumed to be purchased. Annual cash sales of cull bulls are less than cash purchase of bulls, so there is a net cost for bulls. Death losses of the breeding herd are shown as reductions in the sales of cull cows, heifers, and bulls. An opportunity cost of the replacement heifer calf is charged against the cow herd by reducing credits for sale of cull cattle. The opportunity cost of the replacement heifers net of culls adjusted for death losses is the equivalent of a depreciation charge for the cows.

Other assumptions in the cow unit budgets are:

1. Spring calving cow herds with mature cows averaging 1100 pounds (1.1 animal units).
2. Heifers calve as two year olds.
3. Annual replacement rate of cows is 16%. The cow death loss is 1.5% which leaves 14.5% cull cows sold per year. The value of culls is  $1000 \times .145 \times \$ .45 = \$65.25$  per cow in the herd.
4. 20 heifer calves are retained for 16 replacements. The other 4 are culled.
5. Bulls are retained for 4 years and serve 25 cows per year on a ranch and are retained for 3 years and serve 30 cows per year on a general farm. The purchase price of bulls is \$2000; the salvage value is \$880 (1600 lb @ \$.55/lb) producing an average value of  $(\$2000 + \$880) \div 2 = \$1,440$ .
6. Six months each for summer and winter seasons.
7. Land costs including taxes are not charged directly, but are reflected in the charges for pasture and hay.
8. Labor does not include labor for haying, upkeep of fences, and water since that labor is reflected in the market prices of hay and grazing land.

An arbitrary management charge is included in each budget. Labor and management may not be cash costs to the cow-calf enterprise. However, the family living costs have to be covered by enterprises of the farm or ranch. In budget C1, \$31.50 is charged for labor and \$12.00 for



management. The sum of these, \$43.50 per cow unit, will provide a family living income of \$20,000 per year if there are 460 cow units in the herd.

For those who prefer to use land costs of taxes and interest rather than the haying and grazing costs, the following illustration may be useful for estimating acreage requirements per cow unit.

#### AUM<sup>1</sup> Requirements Per Cow Unit

Winter: 6 months	No./Cow Unit		AU Equiv.		No. Mos.		AUM Needs
Cow:	0.84	x	1.10	x	6	=	5.54
Bred Heifer:	0.16	x	1.00	x	6	=	0.96
Heifer Calf:	0.20	x	0.55	x	6	=	0.66
Bull:	0.04	x	1.50	x	6	=	0.36
	1.24		Winter Needs per Cow Unit				7.52 AUMs
Summer: 6 months	No./Cow Unit		AU Equiv.		No. Mos.		AUM Needs
Cow-Calf Pair:	1.00	x	1.30	x	6	=	7.80
Heifer:	0.20	x	0.70	x	6	=	0.84
Bull:	0.04	x	1.50	x	6	=	0.36
	1.24		Summer Needs per Cow Unit				9.00 AUMs

#### Forage Production Per Acre (Varies with Site and Condition)

Example:

Wet Meadow: 1 ton hay per acre + 0.5 AUM of winter grazing

Upland Hay: 0.5 ton per acre

Hay Equivalent: 1 ton hay = 3 AUMs

Range: 0.6 AUM per acre summer or winter

#### Acres Required Per Cow Unit

Example: Budget C1: Forage requirements are 0.75 ton hay and 14.25 AUMs pasture.

0.75 ton hay consumed = 1.5 acres upland native hay production

14.25 AUMs grazing = 23.8 acres range needed (14.25 AUMs ÷ 0.6 AUMs per acre)

Acres required per cow unit = 1.5 acre native hay + 23.8 acres range = 25.3 acres

<sup>1</sup> AUM: Animal Unit Month or the forage requirement for one month of a 1000 lb. cow of average milking ability.

Example: Budget C2 (wet meadow assumed)  
 2.0 tons of hay ÷ 1 ton per acre = 2 acres per cow unit  
 1.5 AUMs winter requirement - .5 from meadow aftergrowth = 1 AUM range  
 1 AUM winter + 9 AUMs summer = 10 AUMs  
 10 AUMs = 16.7 acres grazing needed (10 AUMs ÷ 0.6 AUMs per acre)  
 Acres required per cow unit = 16.7 acres grazing + 2.0 acres meadow = 18.7 acres

#### Calculating Costs Per Cwt. of Calf Produced:

Example: Budget C1: Cost per calf produced =  
 Net cost per cow ÷ calves weaned per cow =  
 $\$521.91 \div .90 = \$579.90$   
 Cost per cwt of calf produced =  
 Cost per calf ÷ calf weight in cwt =  
 $\$579.90 \div 5.5 = \$105.44$

### OTHER BEEF BUDGETS

Beef budgets other than the cow-unit budgets are on a per head basis. The replacement heifer and bull budgets attempt to separate these animals from the cow unit budgets and look at them as separate enterprises. However, the replacement heifer and bull budgets presented provide some variation in feeding regime from that assumed in the cow budgets.

Items purchased off the ranch or farm are charged interest at a 8.5 percent rate. Breeding livestock are charged 6.25 percent interest to reflect a real rate of interest after adjusting for 3 percent inflation. Grazing and hay are assumed home-grown in the growing budgets and are not charged interest. All feeds are charged interest in the finishing programs.

The arbitrary management fee is designed to reflect the relative management input and number of decisions involved in each enterprise.

**C1 BUDGETED ANNUAL ECONOMIC COSTS PER COW UNIT, BEEF COW HERD**
**RANCH AREA, 1997**

Includes replacement costs

Situation: Winter Grazing with Minimum Hay

	Quantity	Price	Cost/Cow	Your Estimate
<b>Feed Costs</b>				
Hay (native stacked)	0.75 ton	\$50.00	\$37.50	
Summer Grazing	9 AUM	\$20.00	180.00	
Winter Grazing	5.25 AUM	\$14.50	76.13	
*32% Protein	2.25 cwt	\$14.50	32.63	
*Corn (14 bu/hfr, 20 hfrs/100 cows)	2.8 bu	\$2.55	7.14	
*Salt & Mineral	60 lbs	\$0.12	7.20	
<b>Total Feed Costs</b>			<b>\$340.59</b>	
<b>Other Cash Costs</b>				
Marketing(culls only)	2.00 cwt	\$2.00	\$4.00	
*Veterinary and medicine			12.00	
*Cash costs on bldgs & equip			3.00	
*Misc. cash costs			5.50	
Int. on pur. feed & cash costs 0.5 yr.	\$67.47	8.0%	2.70	
<b>Total Other Cash Costs</b>			<b>\$27.20</b>	
<b>Total Labor Costs</b>	5.25 hr	\$7.00	<b>\$36.75</b>	
<b>Total Operating Costs</b>			<b>\$404.54</b>	
<b>Ownership Costs</b>				
Int. on animals (ave. val. over life)	\$784	6.3%	\$49.00	
Purchase of bull every 4 yrs for 25 cows	\$2000 / 100 cows		20.00	
Taxes and insurance, bldg & equip			5.00	
<b>Total Ownership Costs</b>			<b>\$74.00</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$67.47	5.0%	\$3.37	
Management			12.00	
<b>Total Overhead and Management Costs</b>			<b>\$15.37</b>	
<b>Total Costs Excluding Cull Credits</b>			<b>\$493.91</b>	
<b>Cull Credits</b>				
Cull cow - death loss (0.16-0.015=0.145)	1,000 lbs	\$0.45	\$65.25	
Cull heifer - death loss (0.04-0.003=0.037)	750 lbs	\$0.65	18.04	
Cull bull - death loss (0.01-0.0001=0.0099)	1,600 lbs	\$0.55	8.71	
<b>Total Cull Credits</b>			<b>(\$92.00)</b>	
<b>Capital cost of heifer calf at weaning</b>	0.20	\$600.00	<b>\$120.00</b>	
Net capital cost (credit)			\$28.00	
<b>NET COST PER COW</b>			<b>\$521.91</b>	
<b>PRODUCTION COSTS OF CALVES BY WEANING PERCENTAGE</b>				
Calves Weaned/Cow Exposed				
85% 90% 92%				
Cost Per Calf Produced				
\$614.01 \$579.90 \$567.30				
Weaning Weight Cost Per Cwt.				
525	\$116.96	\$110.46	\$108.06	
550	\$111.64	\$105.44	\$103.14	

\*Items charged interest



**C2 BUDGETED ANNUAL ECONOMIC COSTS PER COW UNIT, BEEF COW HERD**  
**RANCH AREA, 1997** Includes replacement costs

Situation: Winter Haying and Aftergrowth Grazing

	Quantity	Price	Cost/Cow	Your Estimate
<b>Feed Costs</b>				
Hay (native stacked)	2 ton	\$50.00	\$100.00	
Summer Grazing	9 AUM	\$20.00	180.00	
Winter Grazing	1.5 AUM	\$14.50	21.75	
*32% Protein	1 cwt	\$14.50	14.50	
*Corn (14 bu/hfr, 20 hfrs/100 cows)	2.8 bu	\$2.55	7.14	
*Salt & Mineral	60 lbs	\$0.12	7.20	
<b>Total Feed Costs</b>			<b>\$330.59</b>	
<b>Other Cash Costs</b>				
Marketing(culls only)	2.00 cwt	\$2.00	\$4.00	
*Veterinary and medicine			12.00	
*Cash costs on bldgs & equip			3.00	
*Misc. cash costs			5.50	
Int. on pur. feed & cash costs 0.5 yr.	\$49.34	8.0%	1.97	
<b>Total Other Cash Costs</b>			<b>\$26.47</b>	
<b>Total Labor Costs</b>			<b>\$45.50</b>	
<b>Total Operating Costs</b>			<b>\$402.56</b>	
<b>Ownership Costs</b>				
Int. on animals (ave. val. over life)	\$784	6.3%	\$49.00	
Purchase of bull every 4 yrs for 25 cows	\$2000 / 100 cows		20.00	
Taxes and insurance, bldg & equip			5.00	
<b>Total Ownership Costs</b>			<b>\$74.00</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$49.34	5.0%	\$2.47	
Management			12.00	
<b>Total Overhead and Management Costs</b>			<b>\$14.47</b>	
<b>Total Costs Excluding Cull Credits</b>			<b>\$491.03</b>	
<b>Cull Credits</b>				
Cull cow - death loss (0.16-0.015=0.145)	1,000 lbs	\$0.45	\$65.25	
Cull heifer - death loss (0.04-0.003=0.037)	750 lbs	\$0.65	18.04	
Cull bull - death loss (0.01-0.0001=0.0099)	1,600 lbs	\$0.55	8.71	
<b>Total Cull Credits</b>			<b>(\$92.00)</b>	
<b>Capital cost of heifer calf at weaning</b>			<b>\$120.00</b>	
Net capital cost (credit)			\$28.00	
<b>NET COST PER COW</b>			<b>\$519.03</b>	
<b>PRODUCTION COSTS OF CALVES BY WEANING PERCENTAGE</b>				
Calves Weaned/Cow Exposed				
85% 90% 92%				
Cost Per Calf Produced				
\$610.62 \$576.70 \$564.16				
Weaning Weight Cost Per Cwt.				
525	\$116.31	\$109.85	\$107.46	
550	\$111.02	\$104.85	\$102.58	

\*Items charged interest



### C3 BUDGETED ANNUAL ECONOMIC COSTS PER COW UNIT, BEEF COW HERD

CROP AREA,1997

Includes replacement costs

Situation: Winter on Corn Stalks and Alfalfa Hay

	Quantity	Price	Cost/Cow	Your Estimate
<b>Feed Costs</b>				
Alfalfa Hay	1.35 ton	\$60.00	\$81.00	
Stalk Pasture	90 day	\$0.25	22.50	
Summer Grazing	9 AUM	\$20.00	180.00	
*Corn (8 bu/hfr, 20 hfrs/100 cows)	1.6 bu	\$2.55	4.08	
*Salt & Mineral	60 lbs	\$0.12	7.20	
<b>Total Feed Costs</b>			<b>\$294.78</b>	
<b>Other Cash Costs</b>				
Marketing(culls only)	2.00 cwt	\$2.00	\$4.00	
*Veterinary and medicine			12.00	
*Cash costs on bldgs & equip			7.00	
*Misc. cash costs			6.25	
Int. on pur. feed & cash costs 0.5 yr.	\$36.53	8.0%	1.46	
<b>Total Other Cash Costs</b>			<b>\$30.71</b>	
<b>Total Labor Costs</b>	8.00 hr	\$7.00	<b>\$56.00</b>	
<b>Total Operating Costs</b>			<b>\$381.49</b>	
<b>Ownership Costs</b>				
Int. on animals (ave. val. over life)	\$786	6.3%	\$49.13	
Purchase of bull every 3 yrs for 30 cows	\$2000 / 90 cows		22.22	
Taxes and insurance,bldg & equip			10.50	
<b>Total Ownership Costs</b>			<b>\$81.85</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$36.53	5.0%	\$1.83	
Management			12.00	
<b>Total Overhead and Management Costs</b>			<b>\$13.83</b>	
<b>Total Costs Excluding Cull Credits</b>			<b>\$477.16</b>	
<b>Cull Credits</b>				
Cull cow - death loss (0.16-0.015=0.145)	1,000 lbs	\$0.45	\$65.25	
Cull heifer - death loss (0.04-0.003=0.037)	750 lbs	\$0.65	18.04	
Cull bull - death loss (0.01-0.0001=0.0110)	1,600 lbs	\$0.55	9.68	
<b>Total Cull Credits</b>			<b>(\$92.97)</b>	
<b>Capital cost of heifer calf at weaning</b>	0.20	\$600.00	<b>\$120.00</b>	
Net capital cost (credit)			\$27.03	
<b>NET COST PER COW</b>			<b>\$504.20</b>	
<b>PRODUCTION COSTS OF CALVES BY WEANING PERCENTAGE</b>				
Calves Weaned/Cow Exposed				
85% 90% 92%				
Cost Per Calf Produced				
\$593.17 \$560.22 \$548.04				
Weaning Weight				
525 \$112.99 \$106.71 \$104.39				
550 \$107.85 \$101.86 \$99.64				

\*Items charged interest

**C4 BUDGETED ANNUAL ECONOMIC COSTS PER COW UNIT, BEEF COW HERD**  
**CROP AREA, 1997** Includes replacement costs

Situation: Winter on Corn Stalks, Hay, Supplement and Corn

	Quantity	Price	Cost/Cow	Your Estimate
<b>Feed Costs</b>				
Alfalfa Hay	0.6 ton	\$60.00	\$36.00	
Stalk Pasture	90 day	\$0.25	22.50	
Summer Grazing	9 AUM	\$20.00	180.00	
*32% Protein	1.5 cwt	\$14.50	21.75	
*Corn (40 bu/hfr, 20 hfrs/100 cows)	8 bu	\$2.55	20.40	
*Salt & Mineral	60 lbs	\$0.12	7.20	
<b>Total Feed Costs</b>			<b>\$287.85</b>	
<b>Other Cash Costs</b>				
Marketing(culls only)	2.00 cwt	\$2.00	\$4.00	
*Veterinary and medicine			12.00	
*Cash costs on bldgs & equip			7.00	
*Misc. cash costs			6.25	
Int. on pur. feed & cash costs 0.5 yr.	\$74.60	8.0%	2.98	
<b>Total Other Cash Costs</b>			<b>\$32.23</b>	
<b>Total Labor Costs</b>	7.25 hr	\$7.00	<b>\$50.75</b>	
<b>Total Operating Costs</b>			<b>\$370.83</b>	
<b>Ownership Costs</b>				
Int. on animals (ave. val. over life)	\$786	6.3%	\$49.13	
Purchase of bull every 3 yrs for 30 cows	\$2000 / 90 cows		22.22	
Taxes and insurance, bldg & equip			10.50	
<b>Total Ownership Costs</b>			<b>\$81.85</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$74.60	5.0%	\$3.73	
Management			12.00	
<b>Total Overhead and Management Costs</b>			<b>\$15.73</b>	
<b>Total Costs Excluding Cull Credits</b>			<b>\$468.41</b>	
<b>Cull Credits</b>				
Cull cow - death loss (0.16-0.015=0.145)	1,000 lbs	\$0.45	\$65.25	
Cull heifer - death loss (0.04-0.003=0.037)	750 lbs	\$0.65	18.04	
Cull bull - death loss (0.01-0.0001=0.0110)	1,600 lbs	\$0.55	9.68	
<b>Total Cull Credits</b>			<b>(\$92.97)</b>	
<b>Capital cost of heifer calf at weaning</b>	0.20	\$600.00	<b>\$120.00</b>	
Net capital cost (credit)			\$27.03	
<b>NET COST PER COW</b>			<b>\$495.44</b>	
<b>PRODUCTION COSTS OF CALVES BY WEANING PERCENTAGE</b>				
Calves Weaned/Cow Exposed				
	85%	90%	92%	
Cost Per Calf Produced				
	\$582.87	\$550.49	\$538.53	
Cost Per Cwt.				
Weaning Weight				
525	\$111.02	\$104.86	\$102.58	
550	\$105.98	\$100.09	\$97.91	

\*Items charged interest



**C5 BUDGETED ECONOMIC COST OF GROWING REPLACEMENT HEIFER  
RANCH AREA,1997**

Costs from Weaning Heifer Until She Calves at 16 months

	Quantity	Price	Cost/Hfr	Your Estimate
<b>Feed Costs</b>				
Alfalfa Hay	0.3 ton	\$60.00	\$18.00	
Hay (native stacked)	1.8 ton	\$50.00	90.00	
Summer Grazing	4.8 AUM	\$20.00	96.00	
*SBOM	1.8 cwt	\$15.50	27.90	
*Corn	9.6 bu	\$2.55	24.48	
*Salt & Mineral	40 lbs	\$0.12	4.80	
<b>Total Feed Costs</b>			<b>\$261.18</b>	
<b>Other Cash Costs</b>				
Marketing(Culls)	1.39 cwt	\$2.00	\$2.78	
*Veterinary and medicine			9.00	
*Cash costs on bldgs & equip			7.25	
*Misc. cash costs			5.50	
Int on pur. feed & cash costs 0.5 yr	\$78.93	8.00%	3.16	
<b>Total Other Cash Costs</b>			<b>\$27.68</b>	
<b>Total Labor Costs</b>	9.50 hr	\$7.00	<b>\$66.50</b>	
<b>Total Operating Costs</b>			<b>\$355.36</b>	
<b>Ownership Costs</b>				
Interest on weaning value of heifer 1.33 yr	\$600	6.25%	\$50.00	
Bull Charge			40.00	
Ownership costs on bldgs & equip			7.35	
<b>Total Ownership Costs</b>			<b>\$97.35</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$78.93	5.0%	\$3.95	
Management			5.50	
<b>Total Overhead and Management Costs</b>			<b>\$9.45</b>	
<b>Total Cost Excluding Cull Credits</b>			<b>\$462.16</b>	
Cull Credits				
Cull heifer - death loss (0.20-0.015=0.185)	750 lbs	\$0.65	(\$90.19)	
<b>Total Cull Credits</b>			<b>(\$90.19)</b>	
<b>Net Cost Excluding Value at Weaning</b>			<b>\$371.97</b>	
<b>Value of Heifer at Weaning</b>			<b>\$600.00</b>	
<b>Net Costs of Replacement Including Value at Weaning</b>			<b>\$971.97</b>	

\*Items charged interest



**C6 BUDGETED ANNUAL ECONOMIC COSTS OF KEEPING A 1500 LB BULL  
RANCH AREA,1997**

	Quantity	Price	Cost/Bull	Your Estimate
<b>Feed Costs</b>				
Hay (native stacked)	2.3 ton	\$50.00	\$115.00	
Summer Grazing	9 AUM	\$20.00	180.00	
Winter Grazing	2 AUM	\$14.50	29.00	
*32% Protein	1.8 cwt	\$14.50	26.10	
*Salt & Mineral	96 lbs	\$0.12	11.52	
<b>Total Feed Costs</b>			<b>\$361.62</b>	
<b>Other Cash Costs</b>				
Marketing 0.240 Culls@ 1600 lbs	3.84 cwt	\$2.00	\$7.68	
Cull bulls - death loss (0.25-0.010=0.240)				
*Veterinary and medicine			14.50	
*Cash costs on bldgs & equip			3.25	
*Misc. cash costs			7.60	
Int on pur. feed & cash costs 0.5 yr	\$51.45	8.00%	2.06	
<b>Total Other Cash Costs</b>			<b>\$35.09</b>	
<b>Total Labor Costs</b>	7.50 hr	\$7.00	<b>\$52.50</b>	
<b>Total Operating Costs</b>			<b>\$449.21</b>	
<b>Ownership Costs</b>				
Depreciation				
Purchase Cost			\$2,000	
-Salvage Value (16 cwt @\$55)			-880	
Total Depreciation			\$1,120	
Interest on average bull value	4 yrs	\$1,440	6.25%	\$280.00
Ownership costs on bldgs & equip			\$6.00	
<b>Total Ownership Cost</b>			<b>\$376.00</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$51.45	5.0%	\$2.57	
Management			\$11.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$13.57</b>	
<b>Total Costs</b>			<b>\$838.78</b>	
	per 25 cows		<b>\$33.55</b>	

\*Items charged interest

**B1 BUDGETED COST OF GROWING 500 LB. STEER CALVES, 180 DAYS, 1997**

Situation: Wintering, Prairie Hay, Medium Frame, Ranch Area, 1.2 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
*Prairie Hay	1.3 ton	\$50.00	\$65.00	
*SBOM	0.9 cwt	\$14.40	12.96	
*Corn	6 bu	\$2.55	15.30	
*Salt & Mineral	25 lb	\$0.12	3.00	
<b>Total Feed Costs</b>			<b>\$96.26</b>	
<b>Other Cash Costs</b>				
Marketing	7.15 cwt	\$2.00	\$14.30	
*Veterinary and medicine			5.75	
*Cash costs on bldgs & equip			5.25	
*Misc. cash costs			5.50	
Int on pur. feed&cash costs 0.25 yr	\$112.76	8.50%	2.36	
<b>Total Other Cash Costs</b>			<b>\$33.17</b>	
<b>Total Labor Cost</b>	2.60 hr	\$7.00	<b>\$18.20</b>	
<b>Total Operating Cost</b>			<b>\$147.63</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.49 yr	\$375.00	8.50%	\$15.72	
Death Loss	\$375.00	1.5%	5.63	
Ownership costs on bldgs & equip			6.00	
<b>Total Ownership Cost</b>			<b>\$27.34</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$112.76	5.0%	\$5.64	
Management			5.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$10.64</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$185.61</b>	
Beginning Value	500 lbs	\$0.75	<b>\$375.00</b>	
<b>Total Cost</b>			<b>\$560.61</b>	
<b>Breakeven Selling Price Per Cwt @ 715 lbs</b>			<b>\$78.40</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$44.75</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$86.29</b>	

\*Items charged interest

## B2 BUDGETED COST OF GROWING 500 LB. STEER, 180 DAYS, 1997

Situation: Wintering, Corn Silage, Medium Frame, Ranch Area, 1.2 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
*Alfalfa Hay	0.75 ton	\$60.00	\$45.00	
*Corn Silage	0.73 ton	\$22.00	\$16.06	
*Stalk Pasture	60 day	\$0.15	9.00	
*Salt & Mineral	25 lb	\$0.12	3.00	
<b>Total Feed Costs</b>			<b>\$73.06</b>	
<b>Other Cash Costs</b>				
Marketing	7.15 cwt	\$2.00	\$14.30	
*Veterinary and medicine			5.75	
*Cash costs on bldgs & equip			5.25	
*Misc. cash costs			5.50	
Int on pur. feed&cash costs 0.25 yr	\$89.56	8.50%	1.88	
<b>Total Other Cash Costs</b>			<b>\$32.68</b>	
<b>Total Labor Cost</b>	2.60 hr	\$7.00	<b>\$18.20</b>	
<b>Total Operating Cost</b>			<b>\$123.94</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.49 yr	\$375.00	8.50%	\$15.72	
Death Loss	\$375.00	1.5%	5.63	
Ownership costs on bldgs & equip			7.00	
<b>Total Ownership Cost</b>			<b>\$28.34</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$89.56	5.0%	\$4.48	
Management			6.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$10.48</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$162.76</b>	
Beginning Value	500 lbs	\$0.75	<b>\$375.00</b>	
<b>Total Cost</b>			<b>\$537.76</b>	
<b>Breakeven Selling Price Per Cwt @ 715 lbs</b>			<b>\$75.20</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$33.97</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$75.67</b>	

\*Items charged interest



### B3 BUDGETED COST OF GROWING 500 LB. CALVES, 180 DAYS, 1997

Situation: Wintering period using cornstalks and alfalfa hay, Crop area, 1.2 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
*Alfalfa Hay	0.93 ton	\$60.00	\$55.80	
*Stalk Pasture	60 day	\$0.15	9.00	
*Corn	4.3 bu	\$2.55	10.97	
*Salt & Mineral	40 lb	\$0.12	4.80	
<b>Total Feed Costs</b>			<b>\$80.57</b>	
<b>Other Cash Costs</b>				
Marketing	7.15 cwt	\$1.30	\$9.30	
*Veterinary and medicine			7.75	
*Cash costs on bldgs & equip			6.50	
*Misc. cash costs			5.25	
Int on pur. feed&cash costs 0.25 yr	\$100.07	8.50%	2.10	
<b>Total Other Cash Costs</b>			<b>\$30.89</b>	
<b>Total Labor Cost</b>	2.65 hr	\$7.00	<b>\$18.55</b>	
<b>Total Operating Cost</b>			<b>\$130.01</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.49 yr	\$375.00	8.50%	\$15.72	
Death Loss	\$375.00	1.5%	5.63	
Ownership costs on bldgs & equip			7.00	
<b>Total Ownership Cost</b>			<b>\$28.34</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$100.07	5.0%	\$5.00	
Management			5.50	
<b>Total Overhead and Mgt Costs</b>			<b>\$10.50</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$168.86</b>	
Beginning Value	500 lbs	\$0.75	<b>\$375.00</b>	
<b>Total Cost</b>			<b>\$543.86</b>	
<b>Breakeven Selling Price Per Cwt @ 715 lbs</b>			<b>\$76.05</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$37.45</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$78.50</b>	

\*Items charged interest

# **B4 BUDGETED COST OF GROWING 715 LB. CALVES, 120 DAYS, 1997**

Situation: Buying in spring, selling off grass in fall, Ranch Area, 1.8 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
Summer Grazing	3.5 AUM	\$20.00	70.00	
*Salt & Mineral	25 lb	\$0.12	3.00	
<b>Total Feed Costs</b>			<b>\$73.00</b>	
<b>Other Cash Costs</b>				
Marketing	9.25 cwt	\$1.30	\$12.03	
*Veterinary and medicine			4.00	
*Cash costs on bldgs & equip			2.75	
*Misc. cash costs			4.00	
Int on pur. feed&cash costs 0.16 yr	\$13.75	8.50%	0.19	
<b>Total Other Cash Costs</b>			<b>\$22.97</b>	
<b>Total Labor Cost</b>	1.25 hr	\$7.00	<b>\$8.75</b>	
<b>Total Operating Cost</b>			<b>\$104.72</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.33 yr	\$500.50	8.50%	\$13.99	
Death Loss	\$500.50	1.5%	7.51	
<b>Total Ownership Cost</b>			<b>\$21.49</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$13.75	5.0%	\$0.69	
Management			6.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$6.69</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$132.90</b>	
Beginning Value	715 lbs	\$0.70	<b>\$500.50</b>	
<b>Total Cost</b>			<b>\$633.40</b>	
<b>Breakeven Selling Price Per Cwt @ 925 lbs</b>			<b>\$68.48</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$34.76</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$63.29</b>	

\*Items charged interest

# B5 BUDGETED COST OF FEEDING OUT 925 LB. STEER , 100 DAYS, 1997

Situation: Alfalfa Hay, 3.5 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
*Alfalfa Hay	0.15 ton	\$60.00	\$9.00	
*SBOM	1.2 cwt	\$14.40	17.28	
*Corn	37.5 bu	\$2.55	95.63	
*Salt & Mineral	25 lb	\$0.12	3.00	
<b>Total Feed Costs</b>			<b>\$124.91</b>	
<b>Other Cash Costs</b>				
Marketing	12.75 cwt	\$1.50	\$19.13	
*Veterinary and medicine			5.00	
*Cash costs on bldgs & equip			19.50	
*Misc. cash costs			8.10	
Int on pur. feed&cash costs 0.14 yr	\$157.51	8.50%	1.83	
<b>Total Other Cash Costs</b>			<b>\$53.56</b>	
<b>Total Labor Cost</b>	2.75 hr	\$7.00	<b>\$19.25</b>	
<b>Total Operating Cost</b>			<b>\$197.71</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.27 yr	\$601.25	8.50%	\$14.00	
Death Loss	\$601.25	1.5%	9.02	
Ownership costs on bldgs & equip			26.75	
<b>Total Ownership Cost</b>			<b>\$49.77</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$157.51	5.0%	\$7.88	
Management			10.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$17.88</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$265.36</b>	
Beginning Value	925 lbs	\$0.65	<b>\$601.25</b>	
<b>Total Cost</b>			<b>\$866.61</b>	
<b>Breakeven Selling Price Per Cwt @ 1275 lbs</b>			<b>\$67.97</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$35.69</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$75.82</b>	

\*Items charged interest



# B6 BUDGETED COST OF GROWING 550 LB. STEER CALVES, 100 DAYS, 1997

Situation: Backgrounding, Crop area, 2.3 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
*Alfalfa Hay	0.37 ton	\$60.00	\$22.20	
*Corn Silage	0.96 ton	\$22.00	\$21.12	
*Corn	7.14 bu	\$2.55	18.21	
*Salt & Mineral	25 lb	\$0.12	3.00	
<b>Total Feed Costs</b>			<b>\$64.53</b>	
<b>Other Cash Costs</b>				
Marketing	7.75 cwt	\$1.30	\$10.08	
*Veterinary and medicine			5.75	
*Cash costs on bldgs & equip			9.00	
*Misc. cash costs			3.65	
Int on pur. feed&cash costs 0.14 yr	\$82.93	8.50%	0.97	
<b>Total Other Cash Costs</b>			<b>\$29.44</b>	
<b>Total Labor Cost</b>	2.75 hr	\$7.00	<b>\$19.25</b>	
<b>Total Operating Cost</b>			<b>\$113.22</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.27 yr	\$407.00	8.50%	\$9.48	
Death Loss	\$407.00	1.5%	6.11	
Ownership costs on bldgs & equip			12.50	
<b>Total Ownership Cost</b>			<b>\$28.08</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$82.93	5.0%	\$4.15	
Management			10.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$14.15</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$155.45</b>	
Beginning Value	550 lbs	\$0.74	<b>\$407.00</b>	
<b>Total Cost</b>			<b>\$562.45</b>	
<b>Breakeven Selling Price Per Cwt @ 775 lbs</b>			<b>\$72.57</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$28.68</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$69.09</b>	

\*Items charged interest

# **B7 BUDGETED COST OF FEEDING OUT 775 LB. YEARLING STEER, 130 DAYS, 1997**

Situation: High Concentrate Ration, Crop area, 3.0 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
*Alfalfa Hay	0.17 ton	\$60.00	\$10.20	
*SBOM	1.3 cwt	\$14.40	18.72	
*Corn	44 bu	\$2.55	112.20	
*Salt & Mineral	20 lb	\$0.12	2.40	
<b>Total Feed Costs</b>			<b>\$143.52</b>	
<b>Other Cash Costs</b>				
Marketing	11.65 cwt	\$1.50	\$17.48	
*Veterinary and medicine			5.00	
*Cash costs on bldgs & equip			16.30	
*Misc. cash costs			6.80	
Int on pur. feed&cash costs 0.18 yr	\$171.62	8.50%	2.60	
<b>Total Other Cash Costs</b>			<b>\$48.17</b>	
<b>Total Labor Cost</b>	2.25 hr	\$7.00	<b>\$15.75</b>	
<b>Total Operating Cost</b>			<b>\$207.44</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.36 yr	\$542.50	8.50%	\$16.42	
Death Loss	\$542.50	1.0%	5.43	
Ownership costs on bldgs & equip			10.25	
<b>Total Ownership Cost</b>			<b>\$32.10</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$171.62	5.0%	\$8.58	
Management			10.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$18.58</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$258.12</b>	
Beginning Value	775 lbs	\$0.70	<b>\$542.50</b>	
<b>Total Cost</b>			<b>\$800.62</b>	
<b>Breakeven Selling Price Per Cwt @ 1165 lbs</b>			<b>\$68.72</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$36.80</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$66.19</b>	

\*Items charged interest

# **B8 BUDGETED COST OF FEEDING OUT 550 LB. STEER CALVES, 200 DAYS, 1997**

Situation: High Concentrate Ration, Crop area, 2.8 lb gain/day

	Quantity	Price	Cost/Head	Your Estimate
<b>Feed Costs</b>				
*Alfalfa Hay	0.25 ton	\$60.00	\$15.00	
*SBOM	2 cwt	\$14.40	28.80	
*Corn	57 bu	\$2.55	145.35	
*Salt & Mineral	25 lb	\$0.12	3.00	
<b>Total Feed Costs</b>			<b>\$192.15</b>	
<b>Other Cash Costs</b>				
Marketing	11.00 cwt	\$1.50	\$16.50	
*Veterinary and medicine			6.85	
*Cash costs on bldgs & equip			16.55	
*Misc. cash costs			6.80	
Int on pur. feed&cash costs 0.27 yr	\$222.35	8.50%	5.18	
<b>Total Other Cash Costs</b>			<b>\$51.88</b>	
<b>Total Labor Cost</b>	3.00 hr	\$7.00	<b>\$21.00</b>	
<b>Total Operating Cost</b>			<b>\$265.03</b>	
<b>Ownership Costs</b>				
Interest on beginning value 0.55 yr	\$396.00	8.50%	\$18.44	
Death Loss	\$396.00	2.0%	7.92	
Ownership costs on bldgs & equip			26.75	
<b>Total Ownership Cost</b>			<b>\$53.11</b>	
<b>Overhead &amp; Management</b>				
Overhead	\$222.35	5.0%	\$11.12	
Management			10.00	
<b>Total Overhead and Mgt Costs</b>			<b>\$21.12</b>	
<b>Total Cost Excluding Feeder Cost</b>			<b>\$339.26</b>	
Beginning Value	550 lbs	\$0.72	<b>\$396.00</b>	
<b>Total Cost</b>			<b>\$735.26</b>	
<b>Breakeven Selling Price Per Cwt @ 1100 lbs</b>			<b>\$66.84</b>	
<b>Feed Cost per Cwt Gain</b>			<b>\$34.94</b>	
<b>Total Cost Per Cwt Gain</b>			<b>\$61.68</b>	

\*Items charged interest