

Annual Expenses to Maintain a Beef Cow





Don't shoot the messenger!

Economic Studies

- Based on
 - Price assumptions for inputs and production
 - Production level and management assumptions

Each producer should calculate cost for their own farm.

Assumptions

- Based on 30 cow herd (including one bull and 5 replacement heifers)
- Includes cow's share of costs of replacement heifers and bull
- No land charge



Input Costs

- Ammonium Nitrate (ton) \$450
- DAP (ton) \$675
- Potash (ton) \$850
- Fertilizer Application (acre) \$5
- Diesel (gallon) \$2.50



Expenses Definitions

- Variable – items used during one production period
- Fixed – items prorated over a period of years
- Interest – represents value of funds invested in an enterprise (sometimes included with fixed expenses)
- Labor – represents value of owners labor and/or cost of hired labor

Variable Expenses

<u>Item</u>	<u>Quan.</u>	<u>Price</u>	<u>Amt.</u>
Corn (bu)	1.6	5.00	8.00
Hay (ton)	1.5	102.00	153.00

Hay Production Cost

- Grass/Clover Hay – 2 cuttings
 - 2.5 tons per acre yield
- Cost
 - Variable 152.00
 - Fertilizer rate 60-30-30
 - Pro-rated Establishment (6 yrs.) 45.00
 - Fixed Machinery 24.00
 - Labor 34.00
 - Total 255.00

Variable Expenses

<u>Item</u>	<u>Quan.</u>	<u>Price</u>	<u>Amt.</u>
Corn (bu)	1.6	5.00	8.00
Hay (ton)	1.5	102.00	153.00
Pasture (ac)	1.75	127.00	222.00

Pasture Production Cost

- Grass/Clover

- Cost

– Variable	96.00
• Fertilizer rate 60-30-30	
– Pro-rated Establishment (10 yrs.)	27.00
– Fixed Machinery	1.00
– Labor	<u>3.00</u>
– Total	127.00

Variable Expenses

<u>Item</u>	<u>Quan.</u>	<u>Price</u>	<u>Amt.</u>
Corn (bu)	1.6	5.00	8.00
Hay (ton)	1.5	102.00	153.00
Pasture (ac)	1.75	127.00	222.00
Salt & Min.			25.00
Vet & Med			16.00
Marketing			15.00
Trucking			6.00
Machinery			<u>9.00</u>
Total Variable Expenses			\$454.00

Fixed Expenses

<u>Item</u>		<u>Amt.</u>
Depreciation	Bldg/Equip	16.00
Repairs	Bldg/Equip	3.00
Depreciation	Bull	5.00
Depr. & Rep.	Fences	12.00
Machinery		<u>1.00</u>
Total Fixed Expenses		\$37.00
Total Variable & Fixed Expenses		\$491.00

Interest

<u>Item</u>		<u>Amt.</u>
Cow & Sire	\$511 @ 7%	41.00
Bldg/Equip	1/2 Investment	20.00
Machinery		<u>1.00</u>
Total Interest		\$62.00

**Total Variable, Fixed &
Interest Expenses** **\$553.00**

Labor

<u>Item</u>		<u>Amt.</u>
9 hours	\$8.50/hr	76.50
Total All Expenses		\$630.00

Cost Summary By Calf Crop Pct.

<u>Calf Crop</u>	<u>VC</u>	<u>FC</u>	<u>IC</u>	<u>LC</u>	<u>TC</u>
100%	\$454	\$37	\$62	\$77	\$630
90%	505	41	69	85	700
80%	568	46	77	96	787
70%	649	53	88	109	899

Breakeven Price Variable Cost

	Calf Crop Percentage					
Weight	70%	75%	80%	85%	90%	100%
300	216.31	201.89	189.27	178.14	168.24	151.42
350	185.41	173.05	162.23	152.69	144.21	129.79
400	162.23	151.42	141.95	133.60	126.18	113.56
450	144.21	134.59	126.18	118.76	112.16	100.94
500	129.79	121.13	113.56	106.88	100.94	90.85
550	117.99	110.12	103.24	97.17	91.77	82.59
600	108.15	100.94	94.64	89.07	84.12	75.71
650	99.84	93.18	87.36	82.22	77.65	69.88

Assumes cost per cow is the same regardless of selling weight and calf crop percentage.

Breakeven Price Variable & Fixed Cost

	Calf Crop Percentage					
Weight	70%	75%	80%	85%	90%	100%
300	233.93	218.33	204.69	192.65	181.94	163.75
350	200.51	187.14	175.45	165.13	155.95	140.36
400	175.45	163.75	153.52	144.49	136.46	122.81
450	155.95	145.56	136.46	128.43	121.30	109.17
500	140.36	131.00	122.81	115.59	109.17	98.25
550	127.60	119.09	111.65	105.08	99.24	89.32
600	116.96	109.17	102.34	96.32	90.97	81.88
650	107.97	100.77	94.47	88.91	83.97	75.58

Assumes cost per cow is the same regardless of selling weight and calf crop percentage.

Breakeven Price

Variable, Fixed, & Interest Cost

	Calf Crop Percentage					
Weight	70%	75%	80%	85%	90%	100%
300	263.40	245.84	230.47	216.91	204.86	184.38
350	225.77	210.72	197.55	185.93	175.60	158.04
400	197.55	184.38	172.85	162.69	153.65	138.28
450	175.60	163.89	153.65	144.61	136.58	122.92
500	158.04	147.50	138.28	130.15	122.92	110.63
550	143.67	134.09	125.71	118.32	111.74	100.57
600	131.70	122.92	115.24	108.46	102.43	92.19
650	121.57	113.46	106.37	100.11	94.55	85.10

Assumes cost per cow is the same regardless of selling weight and calf crop percentage.

Breakeven Price Total Cost

	Calf Crop Percentage					
Weight	70%	75%	80%	85%	90%	100%
300	299.82	279.84	262.35	246.91	233.20	209.88
350	256.99	239.86	224.87	211.64	199.88	179.89
400	224.87	209.88	196.76	185.19	174.90	157.41
450	199.88	186.56	174.90	164.61	155.46	139.92
500	179.89	167.90	157.41	148.15	139.92	125.93
550	163.54	152.64	143.10	134.68	127.20	114.48
600	149.91	139.92	131.17	123.46	116.60	104.94
650	138.38	129.15	121.08	113.96	107.63	96.87

Assumes cost per cow is the same regardless of selling weight and calf crop percentage.

Increase Profits From Beef Cattle

- Get a calf on the ground
- Controlled breeding season
- Recommended production practices
- Cost Control
- Utilize land to best use
- Adjust numbers to available land
- Stock conservatively
- Use “something for nothing” practices

Web Page

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