

RANGELAND BEEF PRODUCTION AND MARKETING  
ENTERPRISE BUDGET COMBINATIONS

Gerald Marousek, Leroy Stodick and Robert Smathers

A.E. Research Series No. 95 - 1  
February 1995

THE AUTHORS

The authors are, respectively, Agricultural Economist, Operations Research Specialist and Research Associate

ACKNOWLEDGMENT

Information for the budgets was provided by these members of the Oregon Country Beef Cooperative: Ken Bentz, Larry Brown, Stacy Davies, "Doc" Hatfield, Alva Mitchell, Jack Southworth and Dan Warnock. Wilson Gray, Dan Hinman and Neil Rimbey, University of Idaho Cooperative Extension System, made contacts and suggestions. The support of all is acknowledged and appreciated.



## RANGELAND BEEF PRODUCTION AND MARKETING ENTERPRISE BUDGET COMBINATIONS

Gerald Marousek, Leroy Stodick and Robert Smathers

Beef cattle producers are increasingly exploring alternatives to traditional methods of marketing their animals. Several alternatives to selling calves at weaning are possibilities: backgrounding or "warming up" animals before feedlot placement, stocking on pasture or rangeland to yearling or older age, retaining ownership of calves or yearlings in custom finishing lots. We have studied the income and risk trade offs of some of these alternative value-adding management and marketing systems for rangeland beef cattle producers.<sup>1</sup>

The value-added concept is carried a step further in viewing the end result of beef cattle production as marketing a consumer product, rather than selling a commodity (animal). The goal becomes optimizing total net returns to the operation through best satisfying consumer demand for your product --- providing what consumers want, when and where they want it, at the maximum price they will pay.

One of the ways to move into this type of marketing is to identify a specific market segment or niche. "Niche marketing" is learning the exact requirements for a particular market, and matching production to fulfill those requirements. In beef marketing those requirements might include particular cuts, tenderness, size and trim, delivery schedule, production history (e.g. hormone use), etc. For producers who can meet a set of specifications, a niche market resulting in premium prices may be possible.

The budgets presented here resulted from discussions with members of a small group of ranchers who have organized a cooperative to pursue a value-adding, niche marketing approach to their rangeland cattle enterprises. Oregon Country Beef (OCB) members have rather typical western U.S. ranch resources: high desert and mountain public (BLM, Forest Service) and private forage. Their uncommon characteristic is the extension of their total ranching endeavor beyond the traditional cow-calf operation.

The budgets are loosely modeled from operations of selected OCB members, in that they portray various alternative enterprise combinations being followed. But they are generic in that they do not represent any particular member's operation. They incorporate information from interviews with OCB members along with the program and data base of the University of Idaho Enterprise Budget System. The organization and specifications for the budgets are given in Table 1. The reader should be familiar with this information when analyzing the budgets.

---

<sup>1</sup>The Economics of Alternative Beef Cattle Management and Marketing Systems, Research Bulletin No. 153, Agricultural Experiment Station, University of Idaho (May 1992); "Economics of Value-Adding Rangeland Beef Cattle Enterprises," Rangelands, Vol. 16, No. 1 (February 1994).

Table 1. Organization and Specifications for Rangeland Beef Production and Marketing Enterprise Budget Combinations

1. Budgets are calculated on a total herd basis for a 500 cow herd; they should be comparable on a per head basis for cow herds in the 300 to 700 head range, i.e. totals for a 300 head herd should be about 60% of the 500 head budget, etc.
2. Budgets are calculated in four stages, according to marketing options:
  1. Cow-calf: selling weaner calves
 

	450 lb. steers @ \$90
	400 lb. heifers @ \$80
  - 2B. Cow-calf and backgrounding: selling spring yearlings
 

	700 lb. steers @ \$80
	650 lb. heifers @ \$75
  - 2S. Cow-calf and stocking: selling fall yearlings
 

	800 lb. steers @ \$70
	750 lb. heifers @ \$70
  - 3B. Cow-calf, backgrounding and finishing:  
live weight sale
 

	1050 lb. steers @ \$68
	1000 lb. heifers @ \$66
  - 3S. Cow-calf, stocking and finishing:  
live weight sale
 

	1150 lb. steers @ \$71
	1100 lb. heifers @ \$69
  - 4B. Cow-calf, backgrounding, finishing and slaughtering: carcass contract sale
 

	1050 lb. steers X 60.67% carcass yield @ \$145 contract
	1000 lb. heifers X 60.67% carcass yield @ \$145 contract
  - 4S. Cow-calf, stocking, finishing and slaughtering: carcass contract sale
 

	1150 lb. steers X 60.67% carcass yield @ \$145 contract
	1100 lb. heifers X 60.67% carcass yield @ \$145 contract
  - 5B. Cow-calf, backgrounding, finishing and mixed marketing: combination sale
 

	60% sold live weight, i.e. 3B.
	40% sold carcass contract, i.e. 4B.
  - 5S. Cow-calf, stocking, finishing and mixed marketing: combination sale
 

	60% sold live weight, i.e. 3S.
	40% sold carcass contract, i.e. 4S.
3. Budget tables for each enterprise (cow/calf to marketing stage) are packaged together. Returns to risk and management equal gross receipts less total costs. This figure, whether plus or minus, is carried forward to the final stage. Returns to risk and management (cow-calf to market) is the "bottom line" on the last table of each budget.

(continued)

Table 1. (continued)

4. The major specifications for the budgets include:
  - a. calf weaning rate: 90%.
  - b. post-weaning death loss is recorded at end of production stage: backgrounding lot, 1%; stockers on grass, 1%; finishing lot, 0.5%.
  - c. cost and revenue estimate sources: 1994 Oregon Country Beef Cooperative member interviews (1993 records), 1992 University of Idaho Livestock Enterprise Budgets and 1994 published prices.
  - d. interest rates: short term operating loans, 8.75%; intermediate term machinery, equipment and livestock loans, 9.5%.
  - e. labor requirements are total for operation, including operator and family labor; labor rate, \$6.25/hr.
  - f. grazing fees: BLM/FS, \$2.00/AUM; private lease, \$10.00/head per month (yearlings).
  - g. cattle trucking rate: \$2.25/loaded mile.
  - h. daily gain and feeding period: backgrounding lot, 1.67 lb. for 150 days; stockers on grass, 1.3 lb. for 270 days; finishing lot, 3.0 lb. for 120 days.
  - i. feedlot costs: backgrounding, \$0.85/day; finishing, \$0.30/day yardage plus feed cost.
  - j. animal weights for live weight sales are net of shrink.
  - k. slaughtering cost = value of offal and hide.<sup>1</sup>
  - l. carcass grade and yield: Select (+) to Choice (-), Yield Grade 2.
  - m. hot carcass weight yield: 60.67%.<sup>2</sup>
  - n. contract carcass price: \$145/cwt.<sup>3</sup>

---

<sup>1</sup>A general guideline is that the value of beef cattle by-products covers the total costs of slaughter plant operations. Oregon Country Beef Cooperative members received credit for 90% of the national drop price for by-products, less \$30.00 per head. Hides, the major component of by-product value, have a wide price variability. At \$90/cwt. for packer hides (January 1995) a net credit is realized. This is reflected in a \$5 - \$10/cwt. allowance in the contract carcass price.

<sup>2</sup>Average of 32 lots of Oregon Country beef slaughtered by Washington Beef Processors.

<sup>3</sup>Price includes allowance for by-product credit. See footnote 1.

Table 2 lists the enterprise combinations, the class of animals (or carcasses) marketed and the return to risk and management, for each of the nine budgets. Budget No. 1, selling weaner calves, showed a return after all costs of -\$11,095. Selling spring yearlings after custom backgrounding (Budget 2B) had a -\$9,856 return. Carrying calves over winter on range with supplemental feed, then placing on grass and selling fall yearling stockers, resulted in a -\$15,005 return (Budget 2S).

When backgrounded calves were fed to finished weight and grade (Budget 3B), total return was -\$15,989. Grass fed stocker yearlings fed to finish showed a total return of \$8,374 (Budget 3S). These two budgets (3B and 3S) were based on live weight slaughter animal sale.

Budgets 4 and 5 were based, in part, on the marketing arrangement of OCB. OCB contracted with a Japanese restaurant chain to supply 200 carcasses per week to specification, which are fabricated for shipment to Japan, where the product is featured in western (versus Japanese) style restaurants. OCB made a separate arrangement for slaughtering with the slaughtering plant paying "generic" (open market) price for carcasses and cuts not meeting contract specifications and allowing by-product credit.

Budgets 4 and 5 assume all animals produced by the 500 cow herd operations (minus heifer replacements and death losses) were finished, slaughtered and sold at the contract price. Actually, the feedlot places approximately 200 animals on feed each week. These animals are delivered to the feedlot by individual OCB members, who commit themselves to one or more 50 head (1 semitruck load = 1 pen) deliveries for specific week(s) one year in advance. Feedlot deliveries in fact do not require, or allow for, all the output of a 500 cow herd operation. Therefore, the returns for Budget 4B (backgrounded slaughter carcass sale) of \$51,235 and Budget 4S (stocker slaughter carcass sale) of \$71,206 cannot be construed as representing actual ranch income. The figures are useful for comparison with other enterprise combinations and marketing arrangements if, and to the extent, they are possible and achievable.

Budget 5 differs from 4 in that only 40% of the finished animals were sold on carcass contract, with the remaining 60% sold live weight. This more nearly approaches OCB experience since, due to economic slowdown in Japan, OCB agreed to reduce deliveries under the carcass contract to 40% of the original 200 carcasses per week schedule. The other 60% were actually slaughtered and sold open market; live weight sale was used in Budgets 5B and 5S to simplify market price assumptions and to allow comparisons with other live weight slaughter sales (Budgets 3B and 3S). In all other respects the conditions pertaining to Budget 4 apply to Budget 5. Backgrounded slaughter mixed marketing (40% carcass, 60% live weight sale) had a return of \$10,781 (Budget 5B). The 40% carcass, 60% live weight sale marketing mix for grass fed slaughter yearlings (Budget 5S) returned \$33,392.

These budgets are not "the gospel." Both technical (production) and economic (pricing) figures differ by time, place and individual operations. Most crucial is the ability to identify, meet the requirements of, and "nail down" value-adding niche markets. As an example of the continuing effort necessary for success, OCB members conduct in-store beef-sampling and interviewing, participate in industry conventions and solicit outlets for their beef products through upscale restaurants and health food stores. (Their beef is produced without the use of growth hormones or antibiotic feed additives.)

Table 2. Budgeted Returns to 500 Head Beef Cow Operation for Various Production and Marketing Enterprise Combinations

<u>Budget No.</u>	<u>Enterprise Combination</u>	<u>Marketing Stage</u>	<u>Return<sup>1</sup></u>
1	Cow-calf	Weaner calves	\$(-)11,095
2B	Cow-calf and backgrounding	Spring yearlings	(-)9,856
2S	Cow-calf and stocking	Fall yearlings	(-)15,005
3B	Cow-calf, backgrounding and finishing	1000-1050 lb. live weight	(-)15,989
3S	Cow-calf, stocking and finishing	1100-1150 lb. live weight	8,374
4B	Cow-calf, backgrounding, finishing and slaughtering	600-650 lb. carcasses	51,235
4S	Cow-calf, stocking, finishing and slaughtering	650-700 lb. carcasses	71,206
5B	Cow-calf, backgrounding, finishing and mixed marketing	40% carcass sale, 60% live weight sale	10,781
5S	Cow-calf, stocking, finishing and mixed marketing	40% carcass sale, 60% live weight sale	33,392

---

<sup>1</sup>Returns to risk and management from cow-calf to market; equal gross receipts less total costs.

## Budget 1. Cow-Calf: Selling Weaner Calves

**Table 1. Cow - Calf  
Winter on Federal Range  
Calves Sold at Weaning**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steer calves	4.50	cwt	90.0000	225.0000	91,125.00
Heifer calves	4.00	cwt	80.0000	110.0000	35,200.00
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$174,585.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					\$59,875.80
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bulls		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$11,095.10



## Budget 2B. Cow-Calf and Backgrounding: Selling Spring Yearlings

**Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)

## Budget 2B. (continued)

**Table 2. Backgrounding  
Custom Fed  
Calves Sold**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steer calves	7.00	cwt	80.0000	223.0000	124,880.00
Heifer calves	6.50	cwt	75.0000	109.0000	53,137.50
Total					\$178,017.50
2. Variable costs					\$
Yardage and feed		days	0.8500	50,250.0000	42,712.48
Hauling		head	4.8400	335.0000	1,621.40
Interest on carryover <sup>1</sup>		\$	5,010.0000	1.0000	5,010.00
Interest on operating capital		\$	0.0875	12,677.3789	1,109.27
Total variable costs					\$50,453.15
3. Income above variable costs					\$127,564.35
4. Fixed costs					\$
Depreciation on other equipment			\$		0.00
Total fixed costs					\$0.00
5. Total costs					\$50,453.15
6. Returns to risk and management					\$127,564.35
7. Returns to risk and management (cow-calf to market)					-\$9,855.75

Number of cattle in lot = 335; adg = 1.667 pounds;  
Days on feed = 150; death loss = 1%;

<sup>1</sup>Interest on operating loan from cow-calf enterprise.

## Budget 2S. Cow-Calf and Stocking: Selling Fall Yearlings

**Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)

## Budget 2S. (continued)

**Table 2. Stocker  
Grass Fed  
Yearlings Sold**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Yearling Steers	8.00	cwt	70.0000	223.0000	124,880.00
Yearling Heifers	7.50	cwt	70.0000	109.0000	57,225.00
Total					\$182,105.00
2. Variable costs					\$
Alfalfa hay		ton	75.0000	134.0000	10,050.00
Protein supplement (20%)		cwt	7.0000	402.0000	2,814.00
Deeded range		head	10.0000 <sup>1</sup>	3,015.0000	30,150.00
Salt		lb	0.0650	4,527.0000	294.25
Interest on carryover <sup>2</sup>		\$	9,018.0000	1.0000	9,018.00
Miscellaneous		head	5.0000	335.0000	1,675.00
Labor, livestock		hr	6.2500	550.0000	3,437.50
Interest on operating capital		\$	0.0875	25,723.1602	2,250.78
Total variable costs					\$59,689.53
3. Income above variable costs					\$122,415.47
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$59,689.53
6. Returns to risk and management					\$122,415.47
7. Returns to risk and management (cow-calf to market)					-\$15,004.63

Number of cattle on grass = 335;  
Adg = 1.3 pounds; days on grass = 270;  
Death loss = 1%;

<sup>1</sup>Cost per head per month.

<sup>2</sup>Interest on operating loan from cow-calf enterprise.

## Budget 3B. Cow-Calf, Backgrounding and Finishing: Live Weight Sale

**Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)

## Budget 3B. (continued)

**Table 2. Backgrounding  
Custom Fed  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Total					\$0.00
2. Variable costs					\$
Yardage and feed		days	0.8500	50,250.0000	42,712.48
Hauling		head	4.8400	335.0000	1,621.40
Interest on carryover <sup>1</sup>		\$	5,010.0000	1.0000	5,010.00
Interest on operating capital		\$	0.0875	12,677.3789	1,109.27
Total variable costs					\$50,453.15
3. Income above variable costs					-\$50,453.15
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$50,453.15
6. Returns to risk and management					-\$50,453.15

Number of cattle in lot = 335; adg = 1.667;  
Days on feed = 150; death loss = 1%;

<sup>1</sup>Interest on operating loan from cow-calf enterprise.

(continue to Table 3)

## Budget 3B. (continued)

**Table 3. Finishing Stage  
Background Animals  
Live Weight Sale**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	10.50	cwt	68.0000	221.0000	157,794.00
Heifers	10.00	cwt	66.0000	108.0000	71,280.00
Total					\$229,074.00
2. Variable costs					\$
Yardage charge		days	0.3000	39,840.0000	11,952.00
Alfalfa hay		ton	75.0000	13.2800	996.00
Corn silage		ton	40.0000	287.6500	11,506.00
Barley pellets		ton	55.0000	87.1559	4,793.57
Potatoes		ton	12.0000	575.1555	6,901.87
Feed barley		ton	110.0000	104.5800	11,503.80
Hauling		head	8.3300	332.0000	2,765.56
Interest on carryover <sup>1</sup>		\$	5,480.0000	1.0000	5,480.00
Interest on operating capital		\$	0.0875	14,758.0039	1,291.32
Total variable costs					\$57,190.12
3. Income above variable costs					\$171,883.88
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$57,190.12
6. Returns to risk and management					\$171,883.88
7. Returns to risk and management (cow-calf to market)					-\$15,989.37

Number of cattle in lot = 332; adg = 3.00 pounds;  
Days on feed = 120; death loss = 1%;

<sup>1</sup>Interest on operating loan from backgrounding enterprise.

## Budget 3S. Cow-Calf, Stocking and Finishing: Live Weight Sale

**Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)



## Budget 3S. (continued)

**Table 2. Stocker  
Grass Fed  
Yearlings Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Total					\$0.00
2. Variable costs					\$
Alfalfa hay		ton	75.0000	134.0000	10,050.00
Protein supplement (20%)		cwt	7.0000	402.0000	2,814.00
Deeded range		head	10.0000 <sup>1</sup>	3,015.0000	30,150.00
Salt		lb	0.0650	4,527.0000	294.25
Interest on carryover <sup>2</sup>		\$	9,018.0000	1.0000	9,018.00
Miscellaneous		head	5.0000	335.0000	1,675.00
Labor, livestock		hr	6.2500	550.0000	3,437.50
Interest on operating capital		\$	0.0875	17,870.8359	1,563.70
Total variable costs					\$59,002.45
3. Income above variable costs					-\$59,002.45
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$59,002.45
6. Returns to risk and management					-\$59,002.45

Number of cattle on grass = 335;  
Adg = 1.3#; days on grass = 270;  
Death loss = 1%;

<sup>1</sup>Cost per head per month.

<sup>2</sup>Interest on operating loan from cow-calf enterprise.

(continue to Table 3)

## Budget 3S. (continued)

**Table 3. Finishing Stage  
Grass Fed Animals  
Live Weight Sale**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	11.50	head	71.0000	221.0000	180,446.50
Heifers	11.00	head	69.0000	108.0000	81,972.00
Total					\$262,418.50
2. Variable costs					\$
Yardage charge		days	0.3000	39,840.0000	11,952.00
Alfalfa hay		ton	75.0000	13.2800	996.00
Corn silage		ton	40.0000	287.6500	11,506.00
Barley pellets		ton	55.0000	87.1600	4,793.80
Potatoes		ton	12.0000	575.1995	6,902.39
Feed barley		ton	110.0000	104.6000	11,506.00
Hauling		head	8.3300	332.0000	2,765.56
Interest on carryover <sup>1</sup>		\$	5,729.0000	1.0000	5,729.00
Interest on operating capital		\$	0.0875	16,813.5430	1,471.18
Total variable costs					\$57,621.93
3. Income above variable costs					\$204,796.57
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$57,621.93
6. Returns to risk and management					\$204,796.57
7. Returns to risk and management (cow-calf to market)					\$8,374.02

Number of cattle in lot = 332; adg = 3.00 pounds;  
Days on feed = 120; death loss = 1%;

<sup>1</sup>Interest on operating loan from stocker enterprise.

## Budget 4B. Cow-Calf, Backgrounding, Finishing and Slaughtering: Carcass Contract Sale

**Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)

## Budget 4B. (continued)

**Table 2. Backgrounding  
Custom Fed  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Total					\$0.00
2. Variable costs					\$
Yardage and feed		days	0.8500	50,250.0000	42,712.48
Hauling		head	4.8400	335.0000	1,621.40
Interest on carryover <sup>1</sup>		\$	5,010.0000	1.0000	5,010.00
Interest on operating capital		\$	0.0875	12,677.3789	1,109.27
Total variable costs					\$50,453.15
3. Income above variable costs					-\$50,453.15
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$50,453.15
6. Returns to risk and management					-\$50,453.15

Number of cattle in lot = 335; adg = 1.667;  
Days on feed = 150; death loss = 1%;

<sup>1</sup>Interest on operating loan from cow-calf enterprise.

(continue to Table 3)

## Budget 4B. (continued)

**Table 3. Finishing Stage  
Background Animals**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	1.00	head	80.0000 <sup>1</sup>	223.0000	17,840.00
Heifers	1.00	head	80.0000 <sup>1</sup>	109.0000	8,720.00
Total					\$26,560.00
2. Variable costs					\$
Yardage charge		days	0.3000	39,840.0000	11,952.00
Alfalfa hay		ton	75.0000	13.2800	996.00
Corn silage		ton	40.0000	287.6500	11,506.00
Barley pellets		ton	55.0000	87.1559	4,793.57
Potatoes		ton	12.0000	575.1555	6,901.87
Feed barley		ton	110.0000	104.5800	11,503.79
Hauling		head	8.3300	332.0000	2,765.56
Interest on carryover <sup>2</sup>		\$	5,480.0000	1.0000	5,480.00
Interest on operating capital		\$	0.0875	14,758.0039	1,291.32
Total variable costs					\$57,199.11
3. Income above variable costs					-\$30,639.11
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$57,199.11
6. Returns to risk and management					-\$30,639.11

Number of cattle in lot = 332; adg = 3.00 pounds;  
Days on feed = 120; death loss = 1%;

<sup>1</sup>Advance payment of \$80.00 per head for each animal sold on carcass contract.

<sup>2</sup>Interest on operating loan from backgrounding enterprise.

(continue to Table 4)

## Budget 4B. (continued)

**Table 4. Marketing Stage  
Background Animals  
Carcass Sale**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	6.37 <sup>1</sup>	head	132.3275 <sup>2</sup>	221.0000	186,286.68
Heifers	6.07 <sup>1</sup>	head	131.6984 <sup>3</sup>	108.0000	86,336.20
Total					\$272,622.88
2. Variable costs					\$
Hauling		head	8.7400	329.0000	2,875.46
Total variable costs					\$2,875.46
3. Income above variable costs					\$269,747.42
4. Fixed costs					\$
Depreciation on other equipment			\$		0.00
Total fixed costs					\$0.00
5. Total costs					\$2,875.46
6. Returns to risk and management					\$269,747.42
7. Returns to risk and management (cow-calf to market)					\$51,235.06

Number of cattle in lot = 329;

<sup>1</sup>Carcass weight at 60.67% yield.

<sup>2</sup>Price = (total value of steers minus advance payment for steers) / total weight of steers.

<sup>3</sup>Price = (total value of heifers minus advance payment for heifers) / total weight of heifers.

## Budget 4S. Cow-Calf, Stocking, Finishing and Slaughtering: Carcass Contract Sale

Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)

## Budget 4S. (continued)

**Table 2. Stocker  
Grass Fed  
Yearlings Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Total					\$0.00
2. Variable costs					\$
Alfalfa hay		ton	75.0000	134.0000	10,050.00
Protein supplement (20%)		cwt	7.0000	402.0000	2,814.00
Deeded range		head	10.0000 <sup>1</sup>	3,015.0000	30,150.00
Salt		lb	0.0650	4,527.0000	294.25
Interest on carryover <sup>2</sup>		\$	9,018.0000	1.0000	9,018.00
Miscellaneous		head	5.0000	335.0000	1,675.00
Labor, livestock		hr	6.2500	550.0000	3,437.50
Interest on operating capital		\$	0.0875	17,870.8359	1,563.70
Total variable costs					\$59,002.45
3. Income above variable costs					-\$59,002.45
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$59,002.45
6. Returns to risk and management					-\$59,002.45

Number of cattle on grass = 335;  
Adg = 1.3#; days on grass = 270;  
Death loss = 1%;

<sup>1</sup>Cost per head per month.

<sup>2</sup>Interest on operating loan from cow-calf enterprise.

(continue to Table 3)



## Budget 4S. (continued)

**Table 3. Finishing Stage  
Grass Fed Animals**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	1.00	head	80.0000 <sup>1</sup>	223.0000	17,840.00
Heifers	1.00	head	80.0000 <sup>1</sup>	109.0000	8,720.00
Total					\$26,560.00
2. Variable costs					\$
Yardage charge		days	0.3000	39,840.0000	11,952.00
Alfalfa hay		ton	75.0000	13.2800	996.00
Corn silage		ton	40.0000	287.6500	11,506.00
Barley pellets		ton	55.0000	87.1600	4,793.80
Potatoes		ton	12.0000	575.1995	6,902.39
Feed barley		ton	110.0000	104.6000	11,506.00
Hauling		head	8.3300	332.0000	2,765.56
Interest on carryover <sup>2</sup>		\$	5,729.0000	1.0000	5,729.00
Interest on operating capital		\$	0.0875	16,813.5430	1,471.18
Total variable costs					\$57,621.93
3. Income above variable costs					-\$31,061.93
4. Fixed costs					\$
Depreciation on other equipment			\$		0.00
Total fixed costs					\$0.00
5. Total costs					\$57,621.93
6. Returns to risk and management					-\$31,061.93

Number of cattle in lot = 332; adg = 3.00 pounds;  
Days on feed = 120; death loss = 1%;

<sup>1</sup>Advance payment of \$80.00 per head for each animal sold on carcass contract.

<sup>2</sup>Interest on operating loan from stocker enterprise.

(continue to Table 4)

## Budget 4S. (continued)

**Table 4. Marketing Stage  
Grass Fed Animals  
Carcass Sale**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	6.98 <sup>1</sup>	head	133.4350 <sup>2</sup>	221.0000	205,834.16
Heifers	6.67 <sup>1</sup>	head	132.8950 <sup>3</sup>	108.0000	95,732.24
Total					\$301,566.40
2. Variable costs					\$
Hauling		head	8.7400	329.0000	2,875.46
Total variable costs					\$2,875.46
3. Income above variable costs					\$298,690.94
4. Fixed costs					\$
Depreciation on other equipment			\$		0.00
Total fixed costs					\$0.00
5. Total costs					\$2,875.46
6. Returns to risk and management					\$298,690.94
7. Returns to risk and management (cow-calf to market)					\$71,206.46

Number of cattle in lot = 329;

<sup>1</sup>Carcass weight at 60.67% yield.

<sup>2</sup>Price = (total value of steers minus advance payment for steers) / total weight of steers.

<sup>3</sup>Price = (total value of heifers minus advance payment for heifers) / total weight of heifers.

## Budget 5B. Cow-Calf, Backgrounding, Finishing and Mixed Marketing: Live Weight and Carcass Contract Sale

Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)

## Budget 5B. (continued)

**Table 2. Backgrounding  
Custom Fed  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Total					\$0.00
2. Variable costs					\$
Yardage and feed		days	0.8500	50,250.0000	42,712.48
Hauling		head	4.8400	335.0000	1,621.40
Interest on carryover <sup>1</sup>		\$	5,010.0000	1.0000	5,010.00
Interest on operating capital		\$	0.0875	12,677.3789	1,109.27
Total variable costs					\$50,453.15
3. Income above variable costs					-\$50,453.15
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$50,453.15
6. Returns to risk and management					-\$50,453.15

Number of cattle in lot = 335; adg = 1.667;  
Days on feed = 150; death loss = 1%;

<sup>1</sup>Interest on operating loan from cow-calf enterprise.

(continue to Table 3)

## Budget 5B. (continued)

**Table 3. Finishing Stage  
Background Animals**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	1.00	head	80.0000 <sup>1</sup>	89.0000	7,120.00
Heifers	1.00	head	80.0000 <sup>1</sup>	44.0000	3,520.00
Total					\$10,640.00
2. Variable costs					\$
Yardage charge		days	0.3000	39,840.0000	11,952.00
Alfalfa hay		ton	75.0000	13.2800	996.00
Corn silage		ton	40.0000	287.6500	11,506.00
Barley pellets		ton	55.0000	87.1559	4,793.57
Potatoes		ton	12.0000	575.1555	6,901.87
Feed barley		ton	110.0000	104.5800	11,503.79
Hauling		head	8.3300	332.0000	2,765.56
Interest on carryover <sup>2</sup>		\$	5,480.0000	1.0000	5,480.00
Interest on operating capital		\$	0.0875	14,758.0039	1,291.32
Total variable costs					\$57,190.11
3. Income above variable costs					-\$46,550.11
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$57,190.11
6. Returns to risk and management					-\$46,550.11

Number of cattle in lot = 332; adg = 3.00 pounds;  
Days on feed = 120; death loss = 1%;

<sup>1</sup>Advance payment of \$80.00 per head for each animal sold on carcass contract.

<sup>2</sup>Interest on operating loan from backgrounding enterprise.

(continue to Table 4)

## Budget 5B. (continued)

**Table 4. Marketing Stage  
Background Animals  
40% Carcass Sale, 60% Live Weight Sale**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	6.37 <sup>1</sup>	head	132.2984 <sup>2</sup>	88.0000	74,161.19
Heifers	6.07 <sup>1</sup>	head	131.5139 <sup>3</sup>	43.0000	34,326.44
Steers	10.50	cwt	68.0000	133.0000	94,962.00
Heifers	10.00	cwt	66.0000	65.0000	42,900.00
Total					\$246,349.63
2. Variable costs					\$
Hauling		head	8.7400	131.0000	1,144.94
Total variable costs					\$1,144.94
3. Income above variable costs					\$245,204.69
4. Fixed costs					\$
Depreciation on other equipment			\$		0.00
Total fixed costs					\$0.00
5. Total costs					\$1,144.94
6. Returns to risk and management					\$245,204.69
7. Returns to risk and management (cow-calf to market)					\$10,781.33

Number of cattle in lot = 329;

<sup>1</sup>Carcass weight at 60.67% yield.

<sup>2</sup>Price = (total value of steers minus advance payment for steers) / total weight of steers.

<sup>3</sup>Price = (total value of heifers minus advance payment for heifers) / total weight of heifers.

## Budget 5S. Cow-Calf , Stocking, Finishing and Mixed Marketing: Live Weight and Carcass Contract Sale

**Table 1. Cow - Calf  
Winter on Federal Range  
Calves Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Aged bulls	16.00	cwt	47.0000	10.0000	7,520.00
Cull cows	10.00	cwt	42.0000	85.0000	35,700.00
Cull replacement heifers	7.20	cwt	70.0000	10.0000	5,040.00
Total					\$48,260.00
2. Variable costs					\$
Alfalfa hay (cow herd)		ton	75.0000	281.2500	21,093.75
Alfalfa hay (all other animals)		ton	75.0000	135.9750	10,198.11
Feed barley (replacement heifers)		cwt	5.5000	517.5000	2,846.25
Protein supplement (20%)		cwt	7.0000	350.0000	2,450.00
BLM		aum	2.0000	6,118.0000	12,236.00
Crop aftermath		aum	10.0000	787.5000	7,875.00
Salt		lb	0.0650	8,800.0000	572.00
Veterinarian medicine		head	13.5500	500.0000	6,775.00
Tractors(fuel,lubrication,repairs)		\$			717.23
Machinery(fuel,lubrication,repairs)		\$			14,402.70
Equipment(fuel,lubrication,repairs)		\$			3,887.83
Labor, tractor and machinery		hr	6.2500	1,380.8972	8,630.61
Labor, equipment		hr	6.2500	564.9993	3,531.25
Labor, livestock		hr	6.2500	2,450.0000	15,312.50
Interest on operating capital		\$	0.0875	47,782.5742	4,180.97
Total variable costs					\$114,709.20
3. Income above variable costs					-\$66,449.20
4. Fixed costs					\$
Interest on livestock capital		\$	0.0950	370,259.7895	35,174.68
Interest on other equipment		\$	0.0950	86,129.6875	8,182.32
Depreciation on horses		\$			168.00
Depreciation on beef bull		\$			7,500.00
Depreciation on other equipment		\$			6,778.00
Other fixed costs, machinery and equipment		\$			9,944.85
Overhead		\$			3,223.05
Total fixed costs					\$70,970.90
5. Total costs					\$185,680.10
6. Returns to risk and management					-\$137,420.10

(continue to Table 2)

## Budget 5S. (continued)

**Table 2. Stocker  
Grass Fed  
Yearlings Retained**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Total					\$0.00
2. Variable costs					\$
Alfalfa hay		ton	75.0000	134.0000	10,050.00
Protein supplement (20%)		cwt	7.0000	402.0000	2,814.00
Deeded range		head	10.0000 <sup>1</sup>	3,015.0000	30,150.00
Salt		lb	0.0650	4,527.0000	294.25
Interest on carryover <sup>2</sup>		\$	9,018.0000	1.0000	9,018.00
Miscellaneous		head	5.0000	335.0000	1,675.00
Labor, livestock		hr	6.2500	550.0000	3,437.50
Interest on operating capital		\$	0.0875	17,870.8359	1,563.70
Total variable costs					\$59,002.45
3. Income above variable costs					-\$59,002.45
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$59,002.45
6. Returns to risk and management					-\$59,002.45

Number of cattle on grass = 335;  
Adg = 1.3#; days on grass = 270;  
Death loss = 1%;

<sup>1</sup>Cost per head per month.

<sup>2</sup>Interest on operating loan from cow-calf enterprise.

(continue to Table 3)



## Budget 5S. (continued)

**Table 3. Finishing Stage  
Grass Fed Animals**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	1.00	head	80.0000 <sup>1</sup>	89.0000	7,120.00
Heifers	1.00	head	80.0000 <sup>1</sup>	44.0000	3,520.00
Total					\$10,640.00
2. Variable costs					\$
Yardage charge		days	0.3000	39,840.0000	11,952.00
Alfalfa hay		ton	75.0000	13.2800	996.00
Corn silage		ton	40.0000	287.6500	11,506.00
Barley pellets		ton	55.0000	87.1600	4,793.80
Potatoes		ton	12.0000	575.1995	6,902.39
Feed barley		ton	110.0000	104.6000	11,506.00
Hauling		head	8.3300	332.0000	2,765.56
Interest on carryover <sup>2</sup>		\$	5,729.0000	1.0000	5,729.00
Interest on operating capital		\$	0.0875	16,813.5430	1,471.18
Total variable costs					\$57,621.93
3. Income above variable costs					-\$46,981.93
4. Fixed costs					\$
Depreciation on other equipment		\$			0.00
Total fixed costs					\$0.00
5. Total costs					\$57,621.93
6. Returns to risk and management					-\$46,981.93

Number of cattle in lot = 332; adg = 3.00 pounds;  
Days on feed = 120; death loss = 1%;

<sup>1</sup>Advance payment of \$80.00 per head for each animal sold on carcass contract.

<sup>2</sup>Interest on operating loan from stocker enterprise.

(continue to Table 4)

## Budget 5S. (continued)

**Table 4. Marketing Stage  
Grass Fed Animals  
40% Carcass Sale, 60% Live Weight Sale**

	Weight each	Unit	Price or cost/unit	Number of units/herd	Value or cost/herd
1. Gross receipts from production					\$
Steers	6.98 <sup>1</sup>	head	133.4084 <sup>2</sup>	88.0000	81,944.78
Heifers	6.67 <sup>1</sup>	head	132.7271 <sup>3</sup>	43.0000	38,067.46
Steers	11.50	cwt	71.0000	133.0000	108,594.50
Heifers	11.00	cwt	69.0000	65.0000	49,335.00
Total					\$277,941.74
2. Variable costs					\$
Hauling		head	8.7400	131.0000	1,144.94
Total variable costs					\$1,144.94
3. Income above variable costs					\$276,796.80
4. Fixed costs					\$
Depreciation on other equipment			\$		0.00
Total fixed costs					\$0.00
5. Total costs					\$1,144.94
6. Returns to risk and management					\$276,796.80
7. Returns to risk and management (cow-calf to market)					\$33,392.32

Number of cattle in lot = 329;

<sup>1</sup>Carcass weight at 60.67% yield.

<sup>2</sup>Price = (total value of steers minus advance payment for steers) / total weight of steers.

<sup>3</sup>Price = (total value of heifers minus advance payment for heifers) / total weight of heifers.