

EBB-ST1-02

### **Stocker<sup>3/4</sup>200 Head Wintered to go to Grass Bought in Winter; Sold in Fall**

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## **Background and Assumptions**

This budget presents the average costs and returns per head and the total costs and returns for a typical 200-head cattle stocker operation. The forage sources are deeded spring range and summer pasture, primarily high-mountain pasture.

Steers are purchased at about 500 pounds for \$86/cwt in mid-January and fed a mixture of barley and alfalfa hay through the end of March. The price on all feed includes the purchase price and delivery costs. They are fed approximately 6.5 pounds of barley and 15 pounds of alfalfa hay daily. Monthly feed quantities are listed in Table 3.

On about April 1, the cattle are trucked to deeded spring range where they stay through May 15. On May 15, the cattle are trucked to summer pasture where they will graze until the end of September. Average daily weight gain for the period January 15 through September 30 is about 1.5 pounds.

Hauling costs are included in the budget to cover the expenses of trucking cattle to spring range and summer pasture. A miscellaneous cost of \$6.00 per head covers any additional handling or vaccinations. Marketing cost is set at 3 percent of gross value to cover "pencil shrink." Veterinary expenses include implants and parasite control.

The cattle are held in a feedlot for winter-feeding from January 15 through March 30 in exchange for a yardage fee paid by the stocker operator. This fee is an average cost per head based on all animals cycling through the feedlot annually and includes the feedlot operator's ownership, labor, repair, fuel, and lube costs. The yardage fee is 26 cents per head per day.

**Table1: Stocker Budget --- 200 Head  
 Wintered to Go to Grass  
 Bought in Winter; Sold in Fall**

**EBB-ST1-02**

	Weight Each	Unit	Total Number of Head or Units	Price or Cost/Unit	Total Value	Value or Cost/Head	Your Value
<b>1. Gross Receipts</b>							
Steers	8.73	cwt	198	70.00	<u>120,997.80</u>	<u>604.99</u>	_____
Total Receipts					\$120,997.80	\$604.99	_____
<b>2. Operating Costs</b>							
Alfalfa hay		ton	93.96	85.00	7986.60	39.93	_____
Feed barley		cwt	825.00	5.40	4455.00	22.27	_____
Deeded spring range		head	300.00	10.00	3000.00	15.00	_____
Pasture		head	900.00	12.00	10,800.00	54.00	_____
Salt		lb	1200.00	0.06	72.00	0.36	_____
Steers		head	200.00	430.00	86,000.00	430.00	_____
Yardage charge		day	15,000.00	0.26	3900.00	19.50	_____
Miscellaneous		head	200.00	6.00	1200.00	6.00	_____
Marketing		head	200.00	18.15	3630.00	18.15	_____
Hauling		head	200.00	6.65	1330.00	6.65	_____
Veterinary Medicine		\$	1016.00	1.00	1016.00	5.08	_____
Machinery (fuel, lubrication, repair)		\$	0.00	1.00	0.00	0.00	_____
Vehicles (fuel, repair)		\$	0.00	1.00	0.00	0.00	_____
Equipment (repair)		\$	0.00	1.00	0.00	0.00	_____
Housing and Improvements (repair)		\$	0.00	1.00	0.00	0.00	_____
Hired Labor		hour	0.00	0.00	0.00	0.00	_____
Owner Labor		hour	0.00	0.00	0.00	0.00	_____
Interest on Operating Capital		\$	73,944.11	0.06	<u>4621.51</u>	<u>23.11</u>	_____
Total Operating Costs					\$128,011.11	\$640.06	_____
<b>3. Income Above Operating Costs</b>					<b>-\$7013.31</b>	<b>-\$35.07</b>	_____
<b>4. Ownership Costs</b>							
Capital Recovery:							
Purchased Livestock		\$	0.00	1.00	0.00	0.00	_____
Housing and Improvements		\$	0.00	1.00	0.00	0.00	_____
Machinery		\$	0.00	1.00	0.00	0.00	_____
Equipment		\$	0.00	1.00	0.00	0.00	_____
Vehicles		\$	0.00	1.00	0.00	0.00	_____
Interest on Retained Livestock		\$	0.00	0.07	0.00	0.00	_____
Taxes and Insurance		\$	0.00	1.00	0.00	0.00	_____
Overhead		\$	0.00	1.00	<u>0.00</u>	<u>0.00</u>	_____
Total Ownership Costs					\$0.00	\$0.00	_____
<b>5. Total Costs</b>					<b>\$128,011.11</b>	<b>\$640.06</b>	_____
<b>6. Returns to Risk and Management</b>					<b>-\$7013.31</b>	<b>-\$35.07</b>	_____

**Table 2: Monthly Summary of Returns and Expenses.**

**EBB-ST1-02**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Value
Production:													
Steers									120998				120998
Total Receipts	0	0	0	0	0	0	0	0	120998	0	0	0	120998
Operating Inputs:													
Alfalfa hay	1595	3196	3196										7987
Feed barley	891	1782	1782										4455
Deeded spring range				2000	1000								3000
Pasture					1200	2400	2400	2400	2400				10800
Salt						18	18	18	18				72
Steers	86000												86000
Yardage charge	780	1560	1560										3900
Miscellaneous	240	480	480										1200
Marketing									3630				3630
Hauling				665		665							1330
Veterinary Medicine		178	660			178							1016
Machinery (Fuel,Lube,Repair)													0
Vehicles (Fuel and Repair)													0
Equipment (Repair)													0
Housing, Improvements (Repair)													0
Taxes and Insurance													0
Hired Labor													0
Total Costs	89506	7196	7678	2665	2200	3261	2418	2418	6048	0	0	0	123390
Net Returns	-89506	-7196	-7678	-2665	-2200	-3261	-2418	-2418	114950	0	0	0	-2392

**Table 3: Monthly Feed Requirements.**

Feed	Units	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Alfalfa hay													
Steers	ton	19	38	38	0	0	0	0	0	0	0	0	0
Feed barley													
Steers	cwt	165	330	330	0	0	0	0	0	0	0	0	0
Deeded spring range													
Steers	head	0	0	0	200	100	0	0	0	0	0	0	0
Pasture													
Steers	head	0	0	0	0	100	200	200	200	200	0	0	0
Salt	lb	0	0	0	0	0	300	300	300	300	0	0	0

**Table 4: Investment Summary.****EBB-ST1-02**

	Purchase Price	Salvage/Cull Value	Livestock Share	Useful Life	Annual Taxes and Insurance	Annual Capital Recovery <sup>1</sup>
<b>Buildings, Improvements and Equipment</b>						
Total	\$0.00				\$0.00	\$0.00
<b>Purchased Livestock</b>						
Total	\$0.00					\$0.00
<b>Retained Livestock</b>						
Total	\$0.00					\$0.00 <sup>2</sup>
<b>Machinery and Vehicles</b>						
Total	\$0.00				\$0.00	\$0.00

<sup>1</sup> Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.

<sup>2</sup> Interest on average investment.

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