

EBB-ST2-02

**Stocker<sup>3/4</sup>200 Head  
Wintered to go to Feedlot  
Bought in Fall; Sold in Spring**

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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. No forage sources are used as cattle are fed through the winter and sold in the spring.

Steers are purchased at about 425 pounds for \$90 per cwt and fed a mixture of alfalfa hay and barley from November 1 through March 30. The price of all feed includes the purchase price and delivery costs. They are fed about 5 pounds of barley and 15 pounds of alfalfa hay daily. On about March 30, the cattle are sold directly to the feedlot for finishing. Average daily weight gain for the period of November 1 through March 30 is about 2 pounds per day. Monthly feed quantities are listed in Table 3.

A miscellaneous cost of \$3.00 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 November 1 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 Feedlot  
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	Weight Each	Unit	Total Number of Head or Units	Price or Cost/Unit	Total Value	Value or Cost/Head	Your Value
1. Gross Receipts							
Steers	7.25	cwt	198	75.00	<u>107,662.50</u>	<u>538.31</u>	_____
Total Receipts					\$107,662.50	\$538.31	_____
2. Operating Costs							
Alfalfa hay		ton	176.00	85.00	14,960.00	74.80	_____
Feed barley		cwt	1890.00	5.40	10,206.00	51.03	_____
Steers		head	200.00	383.00	76,600.00	383.00	_____
Yardage charge		day	30,000.00	0.26	7800.00	39.00	_____
Miscellaneous		head	200.00	3.00	600.00	3.00	_____
Marketing		head	200.00	16.15	3230.00	16.15	_____
Veterinary Medicine		\$	838.00	1.00	838.00	4.19	_____
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		\$	36,484.51	0.06	<u>2280.28</u>	<u>11.40</u>	_____
Total Operating Costs					\$116,514.28	\$582.57	_____
3. Income Above Operating Costs					-\$8851.78	-\$44.26	_____
4. Ownership Costs							
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	_____
5. Total Costs					\$116,514.28	\$582.57	_____
6. Returns to Risk and Management					-\$8851.78	-\$44.26	_____

**Table 2: Monthly Summary of Returns and Expenses.****EBB-ST2-02**

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Value
Production:													
Steers					107663								107663
Total Receipts	0	0	0	0	107663	0	0	0	0	0	0	0	107663
Operating Inputs:													
Alfalfa hay	2992	2992	2992	2992	2992								14960
Feed barley	2041	2041	2041	2041	2041								10206
Steers	76600												76600
Yardage charge	1560	1560	1560	1560	1560								7800
Miscellaneous	120	120	120	120	120								600
Marketing					3230								3230
Veterinary Medicine				838									838
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	83313	6713	6713	7551	9943	0	0	0	0	0	0	0	114234
Net Returns	-83313	-6713	-6713	-7551	97719	0	0	0	0	0	0	0	-6571

**Table 3: Monthly Feed Requirements.**

Feed	Units	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Alfalfa hay													
Steers	ton	35	35	35	35	35	0	0	0	0	0	0	0
Feed barley													
Steers	cwt	378	378	378	378	378	0	0	0	0	0	0	0

**Table 4: Investment Summary.**

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	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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