



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: Young Cattle 15 - 20 months (moderate growth)

Enterprise Unit: 100 cows

Pasture: Partly improved

INCOME:			Standard Budget	Your Budget
29	steer yearlings 15-20 mths @	\$799 /hd	\$23,171	
11	steer yearlings 20 mths @	\$799 /hd	\$8,791	
14	heifer yearlings 15-20 mths @	\$670 /hd	\$9,380	
3	heifer yearlings 20 mths @	\$705 /hd	\$2,116	
1	CFA Bull @	\$1,148 /hd	\$1,148	
6	CFA cows @	\$610 /hd	\$3,657	
15	Other culls @	\$610 /hd	\$9,143	
A. Total Income:			\$57,405	
VARIABLE COSTS:				
Replacements	1 Bull @	\$4,500 /hd	\$4,500	
Livestock and vet costs: see section titled beef health costs for details.			\$1,363	
Ear tags @	\$2.00		\$46	
Fodder crops			\$0	
Hay & Grain or silage			\$0	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (80 ha improved + 306ha natural per 100 cows)			\$4,000	
Livestock selling cost (see assumptions on next page)			\$3,511	
B. Total Variable Costs:			\$13,420	
			GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)			\$43,985	\$47,985
GROSS MARGIN/COW			\$439.85	\$479.85
GROSS MARGIN/DSE*			\$23.62	\$25.77
GROSS MARGIN/HA			\$113.95	\$124.31

Change in gross margin (\$/cow) for change in price &/or the weight of sale stock

(Note: Table assumes that the price and weight of other stock changes in the same proportion as steers. As an example if steer sale price falls to 335c/kg and steer weight to 225 kg, gross margin would fall to \$386 per cow. This assumes that price and weight of all other sale stock falls by the same percentage.

Dressed weight (kgs) of Stock sold	Steer sale price cents/kg dressed				
	330	335	340	345	350
Dressed wt.					
-20 kgs 215	335	340	345	350	355
-10 kgs 225	379	386	392	399	406
0 235	423	432	440	448	456
+10 kgs 245	468	478	487	497	507
+20 kgs 255	512	523	535	546	557

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$33.92

Assumptions Young Cattle 15 - 20 months (moderate growth)

Enterprise unit is 100 cows weighing on average 460 kg
 Weaning rate: 82%, conception 88%

Sales

70% steers sold at 15-20 months	235 kg	@340c/kg	dressed weight
30% steers sold at 20 months	240 kg	@333c/kg	"
80% sale heifers sold at 15-20 months	200 kg	@335c/kg	"
20% sale heifers sold at 20 months	215 kg	@328c/kg	"
23 heifers retained for replacement.			
Cull cows cast for age at 10 years	230 kg	@265c/kg	dressed weight
100% of preg tested empty cows culled	"	"	"
4% cows culled for other reasons	"	"	"
Bulls run at 3% & sold after 4 years use	450 kg	@255c/kg	"

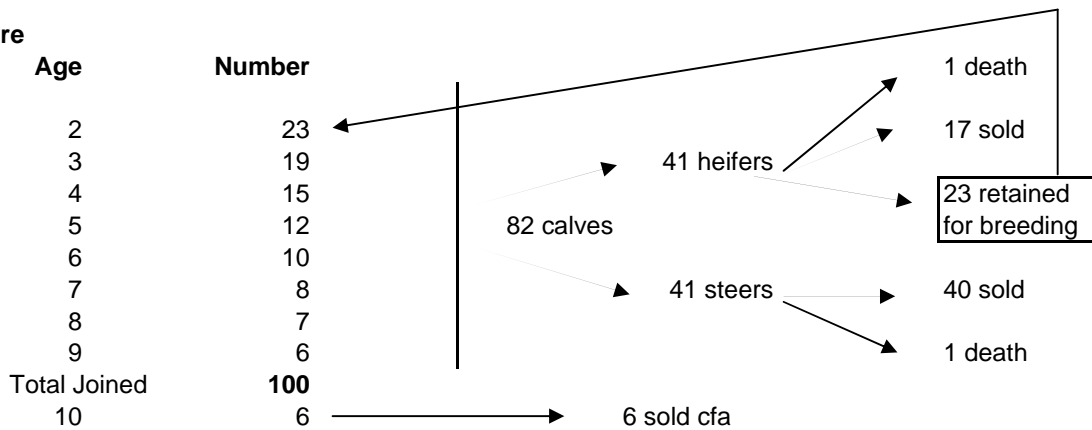
Selling costs include: Commission 3.5% yard dues \$3.00 MLA levy\$5/hd, average
 freight cost to saleyards \$8.00, tail tags \$0.11 c ea., NLIS tags @ \$2.90
 for all sale cattle

Cows: age at first calf : 24 months

Mortality rate of adult stock: 2%

The average feed requirement of a cow + followers is rated at
 18.62 DSEs*. This is an average figure and will vary during the year.

Age structure



Marketing Information:

Most of these steers will suit the supermarket, the wholesale trade or the hotel and restaurant trade. The later maturing heavier end of the steers should suit lotfeeding (Japanese grain fed starting at 400 kg live weight).

Heifers suited as breeding stock, local trade or plainer types to Korean beef market.

Local trade pasture fed cattle sell into a fluctuating price market dependent upon season, supply and competition from grain fed products. If cull cow weights drop below 220kg dressed then the per kilogram prices paid will fall to US manufacturing prices.

Saleyard costs have been included in this budget, however, some producers will choose to sell direct for example, those that choose the MSA option.

Production Information:

Covers a wide area of inland NSW, particularly in Northern areas.

Note that herd structure table assumes a high culling rate in early years due to the culling of cows post-weaning.