



**BEEF CATTLE GROSS MARGIN BUDGET**

Farm enterprise Budget Series: June 2009

**Enterprise:** North Coastal weaners 2 (improved country)-stores

**Enterprise Unit:** 100 cows

INCOME:			Standard Budget	Your Budget
42	steer weaners @	\$465.50 /hd	\$19,551	
19	heifers weaners @	\$378.00 /hd	\$7,182	
0.6	CFA Bull @	\$859.95 /hd	\$516	
7	CFA cows @	\$561.00 /hd	\$3,927	
15	Other culls @	\$561.00 /hd	\$8,415	
<b>A. Total Income:</b>			<b>\$39,591</b>	
<b>VARIABLE COSTS:</b>				
Replacements	1 Bull @	\$4,000 /hd	\$4,000	
Livestock and vet costs: see section titled beef health costs for details.			\$2,227	
Ear tags @	\$2.00		\$44	
Fodder crops			\$0	
Hay & Grain			\$0	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (173 Ha of improved pastures)			\$8,650	
Livestock selling cost (see assumptions on next page)			\$2,950	
<b>B. Total Variable Costs:</b>			<b>\$17,871</b>	
			GM including pasture cost	GM excluding pasture cost
<b>GROSS MARGIN (A-B)</b>			<b>\$21,720</b>	<b>\$30,370</b>
<b>GROSS MARGIN/COW</b>			<b>\$217.20</b>	<b>\$303.70</b>
<b>GROSS MARGIN/DSE*</b>			<b>\$15.72</b>	<b>\$21.98</b>
<b>GROSS MARGIN/HA</b>			<b>\$125.55</b>	<b>\$175.55</b>

**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 180c/kg and steer weight to 225 kg, gross margin would fall to \$167 per cow. This assumes that price and weight of all other sale stock falls by the same percentage.

Liveweight (kg's) of Stock sold	Steer wt.	Steer sale price cents/kg live				
		170	180	190	200	210
-40 kgs	205	120	137	155	172	189
-20 kgs	225	148	167	186	205	223
0	245	177	197	217	237	258
+20 kgs	265	205	227	249	270	292
+40 kgs	285	233	257	280	303	326

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$19.26

**Assumptions**

**North Coastal weaners 2 (improved country)-stores**

Enterprise unit is 100 cows weighing on average 425 kg

Weaning rate: 84% , conception rate 90%

**Sales**

Steers sold at 8 months	245 kg	@190c/kg	live weight
Heifers sold at 8 months	210 kg	@180c/kg	live weight
23 heifers retained for replacement.			
Cull cows cast for age at 10 years	220 kg	@255c/kg	dressed weight
100% of empty cows culled at weaning	"	"	"
3% cows culled for other reasons	"	"	"
Bulls run at 3% & sold after 5 years use	351 kg	@245c/kg	dressed weight

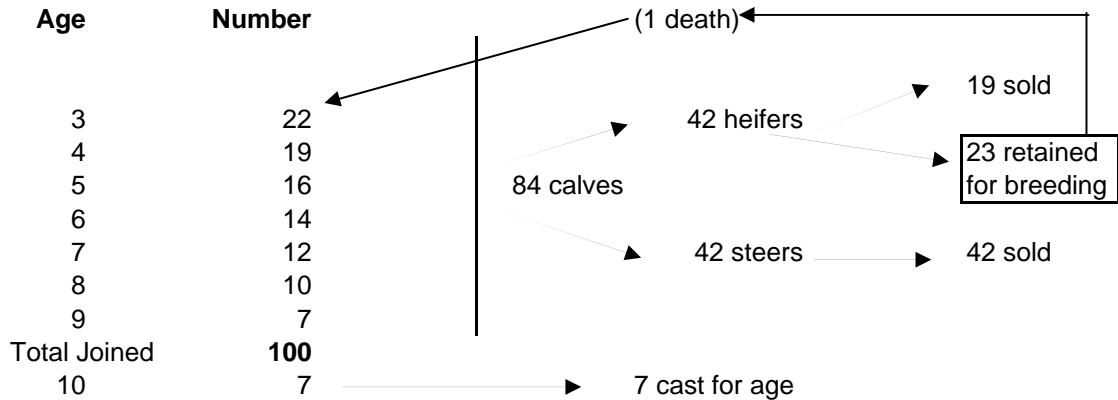
Selling costs include: Commission 4%, yard dues \$3.28/hd, MLA levy \$5/hd, average freight cost to saleyards \$6.00/hd, tail tags 11 c ea., NLIS tag @ \$2.90 for all sale cattle.

Cows: age at first calf : 36 months

Mortality rate of adult stock: 2%

The average feed requirement of a cow + followers is rated at 13.82 dse's\*. This is an average figure and will vary during the year. Note that replacement heifers are assumed joined in the second year and this adds to the dse rating of this enterprise.

**Age structure**



**Marketing Information:**

Mixed sex weaners sold in Autumn, normally on a \$ per head basis. (Cents/kg liveweight used as an indicator). Suitable liveweights for feeder steer/heifer for pasture or grain finishing. Local or export trade depending on breed. Price for cull heifers will especially depend on breed.

**Production Information:**

Pasture maintenance cost will vary depending on stage of improvement, pasture degradation, rainfall and soil type.