



**BEEF CATTLE GROSS MARGIN BUDGET**

Farm enterprise Budget Series: June 2009

**Enterprise: Young cattle (0-2 teeth)  
Heavy feeder steers**

**Enterprise Unit: 100 cows**

**Pasture: Native pasture**

			Standard Budget	Your Budget
<b>INCOME:</b>				
38 steers 18 months @		\$858 /hd	\$32,604	
4 steers 20 months @		\$840 /hd	\$3,362	
22 heifers 9 months @		\$378 /hd	\$8,316	
1 CFA Bull @		\$1,148 /hd	\$1,148	
7 CFA cows @		\$610 /hd	\$4,267	
11 Other culls @		\$610 /hd	\$6,705	
<b>A. Total Income:</b>			<b>\$56,400</b>	
<b>VARIABLE COSTS:</b>				
Replacements	1 Bull @	\$5,500 /hd	\$5,500	
Livestock and vet costs: see section titled beef health costs for details.			\$1,403	
Ear tags @	\$2.00		\$40	
Fodder crops			\$0	
Hay & Grain			\$0	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance 424 Ha native pasture			\$0	
Livestock selling cost (see assumptions on next page)			\$3,552	
<b>B. Total Variable Costs:</b>			<b>\$10,495</b>	
<b>GROSS MARGIN (A-B)</b>			<b>\$45,905</b>	
<b>GROSS MARGIN/COW</b>			<b>\$459.05</b>	
<b>GROSS MARGIN/DSE*</b>			<b>\$27.10</b>	
<b>GROSS MARGIN/HA</b>			<b>\$108.27</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 185c/kg and steer weight to 420 kg, gross margin would fall to \$408 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				
		175	185	195	205	215
-40 kgs	400	359	384	410	435	461
-20 kgs	420	381	408	434	461	488
0	440	403	431	459	487	515
+20 kgs	460	426	455	484	513	542
+40 kgs	480	448	478	509	539	569

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$40.37

**Assumptions                      Young cattle (0-2 teeth)**

Enterprise unit is 100 cows weighing on average 450 kg  
 Weaning rate: 86%, conception rate 92%.

**Sales**

90% steers sold at 18 months	440 kg	@195c/kg	live weight
10% steers sold at 20 months	440 kg	@191c/kg	live weight
sale heifers sold at 9 months	210 kg	@180c/kg	live weight
20 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	"

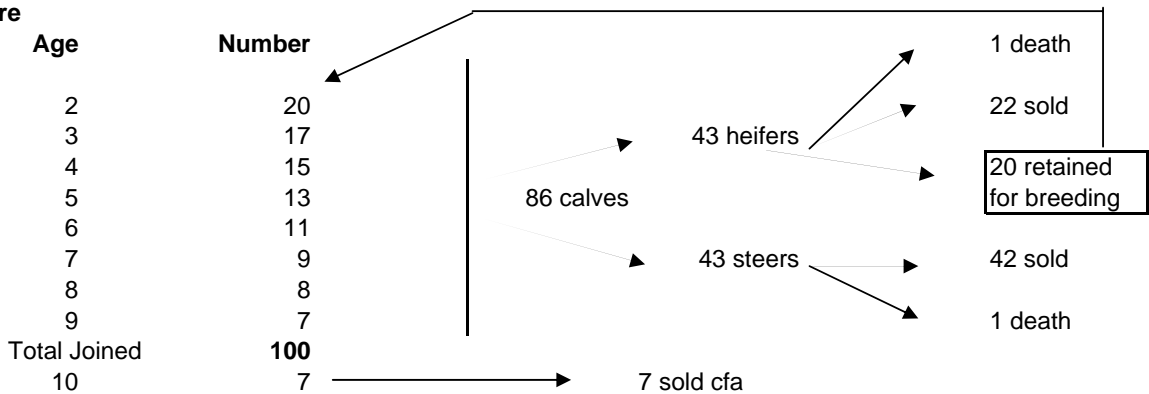
Selling costs include:      Commission 3.5%, yard dues \$3.00/hd, MLA levy \$5/hd, average freight cost to saleyards \$8.00/hd, tail tags 11 c ea., NLIS tags @ \$2.90 for all sale cattle

Cows: age at first calf : 24 months

Mortality rate of adult stock: 2%

The average feed requirement of a cow + followers is rated at 16.94 dse's\*. This is an average figure and will vary during the year.

**Age structure**



**Marketing Information:**

Steers suit feedlots , 150 days + on grain for mid range Japan 400kg-480kg entry weight. Most feedlots can take up to 4 tooth steers.  
 A percentage may also suit the EU market if there is too much condition for the feedlot.  
 Traditionally British breed types sourced for this market.  
 Cull heifer portion turned off as weaners into either store or fat markets.

**Production Information:**

Relevant to more inland areas without pasture improvement or use of fertilizer. The earlier calving needed for the restaurant trade enterprise is not required for the feeder trade. Note that herd structure table assumes a high culling rate in early years due to the culling of cows that are tested as empty (100% culling assumed on pregnancy test results), poor performers and off types.