



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: Yearling (Southern/Central NSW)

Enterprise Unit: 100 cows

Pasture: Improved

			Standard Budget	Your Budget
INCOME:				
42	steers 12-15 months @	\$707 /hd	\$29,705	
22	heifers 12-15 months @	\$620 /hd	\$13,635	
1	CFA Bull @	\$1,102 /hd	\$1,102	
7	CFA cows @	\$714 /hd	\$4,998	
11	Other culls @	\$714 /hd	\$7,854	
83				
A. Total Income:			\$57,293	

VARIABLE COSTS:

Replacements	1 Bull @	\$5,000 /hd	\$5,000	
Livestock and vet costs: see section titled beef health costs for details.			\$1,203	
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 (211 ha improved pasture per 100 cows)			\$10,550	
Livestock selling cost (see assumptions on next page)			\$4,503	
B. Total Variable Costs:			\$21,296	

	GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)	\$35,997	\$46,547
GROSS MARGIN/COW	\$359.97	\$465.47
GROSS MARGIN/DSE*	\$21.31	\$27.56
GROSS MARGIN/HA	\$170.60	\$220.60

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 195 kg, gross margin would fall to \$291 per cow. This assumes that price and weight of all other sale stock falls by the same percentage.

Dresses wt kgs Stock sold	Steer sale price cents/kg dw				
	325	335	345	355	365
Steer dw					
-40 kgs 185	226	239	252	264	277
-20 kgs 195	277	291	306	320	335
0 205	328	344	360	376	392
+20 kgs 215	379	396	414	432	450
+40 kgs 225	429	449	468	488	507

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$30.29

Assumptions Yearling (Southern/Central NSW)

Enterprise unit is 100 cows weighing on average 500 kg
 Weaning rate: 86%, conception 92%

Sales

100% steers sold at 12-15 months	205 kg	@345c/kg dressed weight
100% sale heifers sold at 12-15 months	185 kg	@335c/kg dressed weight
20 heifers retained for replacement.		
Cull cows cast for age at 10 years	255 kg	@280c/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	432 kg	@255c/kg dressed weight

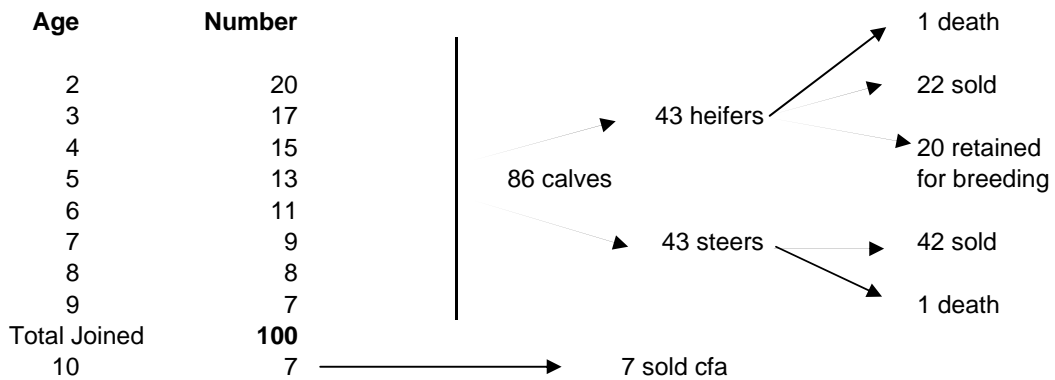
Selling costs include: Commission 5%, MLA levy \$5/hd, average freight cost to abattoirs 5.5c/kg dw, tail tags 11 c ea., NLIS tags @ \$2.90 for all sale cattle.

Cows: age at first calf : 24 months

Mortality rate of adult stock: 2%

The average feed requirement of a cow + followers is rated at 16.89 dse's*. This is an average figure and will vary during the year.

Age structure



<p>Marketing Information: Suited to the domestic supermarket trade and could access MSA grading with careful preparation. Note that for MSA grading producers need to be licensed. Good frame, well muscled, later maturing steers can be suited to the Japanese grain fed markets at heavier turn off weights than above. Steer portion may also be suited for live export to the Japanese feeder steer market (Angus and Murray Grey and Shorthorn breeds preferred) as a lighter weight option.</p>
<p>Production Information: A common production system in the south west slopes; and the southern and central tablelands areas.</p>