



Summary of gross margins for NSW beef enterprises, June 2009

Enterprise	DSE Rating	No of hectares		GM/cow or / head	GM/ha	GM/DSE
		imp	nat			
				\$*	\$*	\$*
Inland Weaners	14.88		372	317.62	85.38	21.35
North Coastal Weaners 1	10.14		254	124.40	48.98	12.27
North Coastal Weaners 2	13.82	173		217.20	125.55	15.72
Specialist local trade	16.68	209		297.54	142.36	17.84
Local trade/feeders (creep fed)	16.27	203		280.40	138.13	17.23
Yearling production (southern/central NSW)	16.89	211		359.97	170.60	21.31
Young cattle moderate growth	18.62	80	306	439.85	113.95	23.62
Young cattle heavy feeder steers	16.94		424	459.05	108.27	27.10
Growing out early weaned calves 160-340kg in 12 months	6.37	80		149.41	186.76	23.45
Growing out steers 240-420kg in 12 months.	7.72	97		223.34	230.24	28.93
Growing out steers 240-460kg in 12 months	8.63	108		254.58	235.72	29.50
EU Cattle	23.56	295		436.09	147.83	18.51
Japanese Ox (grassfed)	23.35	92	400	496.52	100.92	21.26

*Gross Margins quoted include pasture costs. Individual budgets also report gross margins without pasture costs.



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: Inland weaners - stores

Enterprise Unit: 100 cows

Pasture: Native pasture

			Standard Budget	Your Budget
INCOME:				
42	steer weaners @	\$507 /hd	\$21,294	
21	heifer weaners @	\$414 /hd	\$8,694	
1	CFA Bull @	\$1,033 /hd	\$1,033	
6	CFA cows @	\$610 /hd	\$3,657	
0	Dry cows @	\$610 /hd	\$0	
13	Other culls @	\$610 /hd	\$7,924	
83				
A. Total Income:			\$42,601	
VARIABLE COSTS:				
Replacements	1 Bull @	\$4,500 /hd	\$4,500	
Livestock and vet costs: see section titled beef health costs for details.			\$1,036	
Ear tags @ \$2.00			\$42	
Hay & Grain or silage. Low level supplementary feeding for 3 months			\$2,400	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (372 Ha of native pasture)			\$0	
Livestock selling cost (see assumptions on next page)			\$2,861	
B. Total Variable Costs:			\$10,839	
GROSS MARGIN (A-B)			\$31,762	
GROSS MARGIN/COW			\$317.62	
GROSS MARGIN/DSE*			\$21.35	
GROSS MARGIN/HA			\$85.38	

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 240 kg, gross margin would fall to \$266 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					GM \$ per Cow
		175	185	195	205	215	
-40 kgs	220	218	236	254	272	290	
-20 kgs	240	247	266	286	305	325	
0	260	275	296	318	339	360	
+20 kgs	280	304	327	349	372	395	
+40 kgs	300	333	357	381	405	430	

An increase of 5% in weaning percentage increases gross margin per cow by \$21.37

Assumptions Inland weaners - stores

Enterprise unit is 100 cows weighing on average 440 kg

Weaning rate: 84% - conception rate 90%

Sales

Steers sold at 9 months	260 kg	@195c/kg	live weight
Heifers sold at 9 months	230 kg	@180c/kg	live weight
21 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	405 kg	@255c/kg	dressed weight

Selling costs include: Commission 3.5%, yard dues \$3.00/hd, MLA levy \$5/hd, average freight cost to saleyards \$5.50/hd, tail tags 11 c ea. NLIS tags @ \$2.90 for all sale cattle.

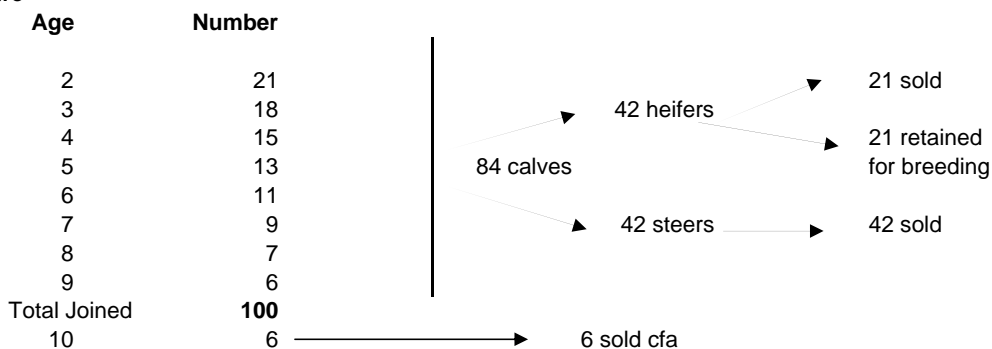
Cows: age at first calf : 24 months

Mortality rate of adult stock: 2%

The average feed requirement of a cow + followers is rated at 14.88 dse's. This is an average figure and will vary during the year.

Note: DSE ratings were adjusted using Beef-N-Omics software to check on ratings in August 2008. Comparisons on a DSE basis are not valid without adjustments.

Age structure



Marketing Information:

Mainly sold to grass fatteners for growing out.
 Steers likely to end up in feedlots after further weight gain on grass.
 Following sale, heifers either grown out to become breeders or fattened for the local trade market or Korean grass fed category. If individual cull cow weights drop below 200kg dressed weight then the per kilogram price will decline.

Production Information:

Mixed sex weaners sold from March to June from lighter country or at heavier stocking rates than for vealers. Common on unimproved areas with some supplementary feed in normal years. This enterprise is the most drought susceptible.



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: North Coast weaners 1 (unimproved country)- stores

Enterprise Unit: 100 cows

INCOME:			Standard Budget	Your Budget
32	7 month - steer weaners @	\$304 /hd	\$9,728	
13	7 month - heifer weaners @	\$241 /hd	\$3,127	
0.6	CFA Bull @	\$778 /hd	\$467	
11	CFA cows @	\$432 /hd	\$4,752	
3	Other culls @	\$432 /hd	\$1,296	
A. Total Income:			\$19,369	
VARIABLE COSTS:				
Replacements	1 Bull @	\$3,500 /hd	\$3,500	
Livestock and vet costs: see section titled beef health costs for details.			\$1,639	
Ear tags @	\$2.00		\$36	
Fodder crops			\$0	
Hay & Grain			\$0	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (254 Ha unimproved)			\$0	
Livestock selling cost (see assumptions on next page)			\$1,754	
B. Total Variable Costs:			\$6,929	
GROSS MARGIN (A-B)			\$12,440	
GROSS MARGIN/COW			\$124.40	
GROSS MARGIN/DSE*			\$12.27	
GROSS MARGIN/HA			\$48.98	

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 140 kg, gross margin would fall \$92 per cow. This assumes that price and weight of all other sale stock falls by the same percentage.

Liveweight (kgs) of Stock sold	Steer wt.	Steer sale price cents/kg live				
		170	180	190	200	210
-40 kgs	120	62	70	77	85	93
-20 kgs	140	83	92	101	110	118
0	160	105	115	124	134	144
+20 kgs	180	126	137	148	159	170
+40 kgs	200	147	159	171	184	196

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$12.11

Assumptions North Coast weaners 1 (unimproved country)- stores

Enterprise unit is 100 cows weighing on average 350 kg
 Weaning rate: 64%

Sales

Steers sold at 7 months	160 kg	@190c/kg	live weight
Heifers sold at 7 months	130 kg	@185c/kg	live weight
19 heifers retained for replacement.			
Cull cows cast for age at 10 years	180 kg	@240c/kg	dressed weight
0% of empty cows culled at weaning	"	"	"
3% cows culled for other reasons	"	"	"
Bulls run at 3% & sold after 5 years use	324 kg	@240c/kg	dressed weight

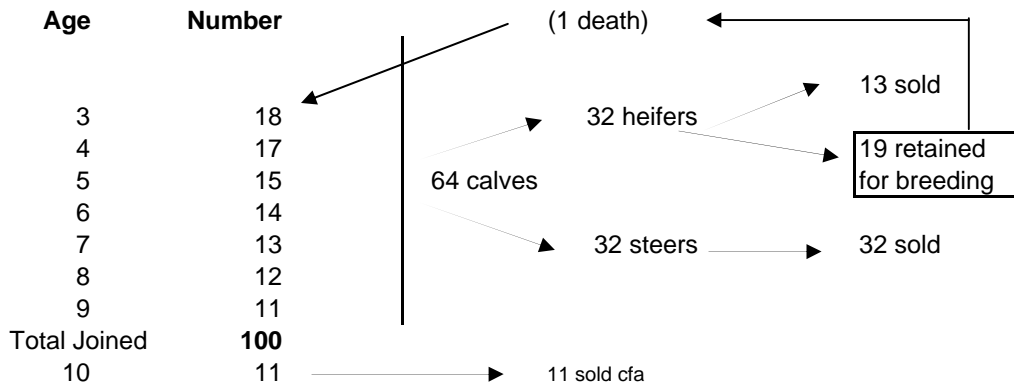
Selling costs include: Commission 4.0% yard dues \$3.28 MLA levy \$5/hd, average freight cost to saleyards \$6.00, tail tags \$0.11 c ea., NLIS tags @ \$2.90 for all sale cattle.

Cows: age at first calf : 36 months

Mortality rate of adult stock: 4%

The average feed requirement of a cow + followers is rated at 10.14 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). Stores are purchased by grass fatteners for further finishing.

Production Information:

Calving dates and age/weight at sale time will vary according to local climatic conditions, pasture species and degree of timber. Note in this enterprise that there is no pregnancy testing assumed. Weaner weights from native pastures only. Expected weights from Mid-North Coast or from the Hunter may be up to 30kg higher.



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	
A. Total Income:			\$39,591	
VARIABLE COSTS:				
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. Total Variable Costs:			\$17,871	
			GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)			\$21,720	\$30,370
GROSS MARGIN/COW			\$217.20	\$303.70
GROSS MARGIN/DSE*			\$15.72	\$21.98
GROSS MARGIN/HA			\$125.55	\$175.55

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

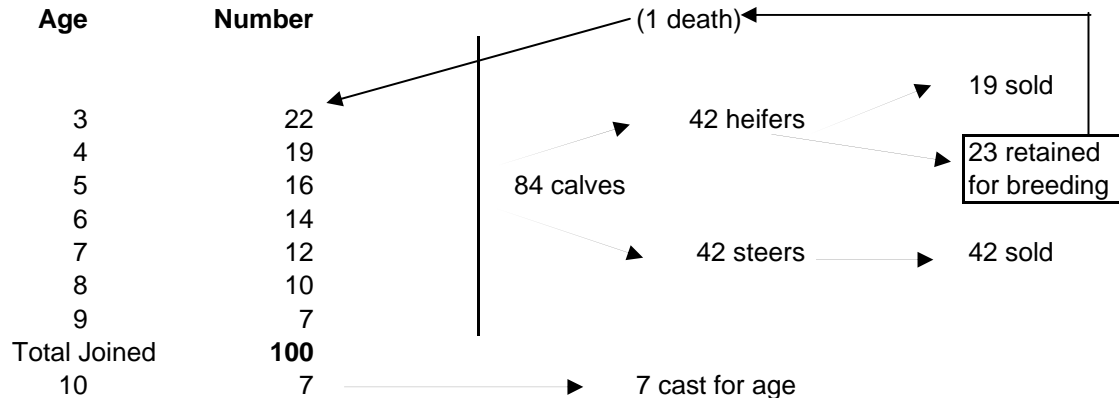
Selling costs include: Commission 4%, yard dues \$3.28/hd, MLA levy \$5/hd, average freight cost to saleyards \$6.00/hd, tail tags 11 c ea., NLIS tag @ \$2.90 for all sale cattle.

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.



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: **Specialist local trade**

Enterprise Unit: **100 cows**

Pasture: **Improved pasture**

INCOME:			Standard Budget	Your Budget
32	steer vealers @	\$584 /hd	\$18,688	
13	store steers @	\$532 /hd	\$6,915	
32	heifer vealers @	\$540 /hd	\$17,280	
13	store heifers @	\$485 /hd	\$6,305	
1	CFA Bull @	\$1,148 /hd	\$1,148	
9	CFA cows @	\$728 /hd	\$6,552	
9	Other culls @	\$728 /hd	\$6,552	
A. Total Income:			\$63,439	

VARIABLE COSTS:

Replacements	1 Bull @	\$4,500 /hd	\$4,500
	18 Replacement heifers @	\$750 /hd	\$13,500
Livestock and vet costs: see section titled beef health costs for details.			\$1,148
Ear tags @	\$2.00		\$36
Fodder crops			\$0
Hay & Grain			\$0
Droughts can increase feed costs. For example costs see main menu.			\$0
Pasture maintenance (improved pasture costs for 209 ha per 100 cows)			\$10,450
Livestock selling cost (see assumptions on next page)			\$4,051
B. Total Variable Costs:			\$33,685

	GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)	\$29,754	\$40,204
GROSS MARGIN/COW	\$297.54	\$402.04
GROSS MARGIN/DSE*	\$17.84	\$24.10
GROSS MARGIN/HA	\$142.36	\$192.36

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 355c/kg and steer weight to 140 kg, gross margin would fall to \$206 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 dressed					GM \$ per Cow
		345	355	365	375	385	
-40 kgs	120	117	130	144	157	170	
-20 kgs	140	191	206	221	236	251	
0	160	264	281	298	314	331	
+20 kgs	180	337	356	374	393	412	
+40 kgs	200	410	431	451	472	492	

An increase of 5% in weaning percentage increases gross margin per cow by \$26.12



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: Local trade/feeders (creep fed)

Enterprise Unit: 100 cows

Pasture: Improved pasture

INCOME:			Standard Budget	Your Budget
45	steer vealers @	\$589 /hd	\$26,505	
27	heifer vealers @	\$537 /hd	\$14,486	
1	CFA Bull @	\$1,102 /hd	\$1,102	
8	CFA cows @	\$608 /hd	\$4,865	
8	Other culls @	\$608 /hd	\$4,865	
A. Total Income:			\$51,823	

VARIABLE COSTS:

Replacements	1 Bull @	\$5,500 /hd	\$5,500	
Livestock and vet costs: see section titled beef health costs for details.			\$1,036	
Ear tags @	\$2.00		\$36	
Fodder crops			\$0	
Supplementary feed: 50 to 60 days of creep feeding			\$3,000	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (improved pasture costs for 203 ha per 100 cows)			\$10,150	
Livestock selling cost (see assumptions on next page)			\$4,061	
B. Total Variable Costs:			\$23,783	

	GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)	\$28,040	\$38,190
GROSS MARGIN/COW	\$280.40	\$381.90
GROSS MARGIN/DSE*	\$17.23	\$23.47
GROSS MARGIN/HA	\$138.13	\$188.13

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 290 kg, gross margin would fall to \$223 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 sale price cents/kg live				
	170	180	190	200	210
Steer wt.					
-40 kgs 270	169	192	216	239	262
-20 kgs 290	198	223	248	273	298
0 310	227	254	280	307	333
+20 kgs 330	257	285	313	341	369
+40 kgs 350	286	316	345	375	405

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$25.88

Assumptions Local trade/feeders (creep fed)

Enterprise unit is 100 cows weighing on average 480 kg
 Weaning rate: 90% (95% conception)

Sales

Steers sold at 10 months	310 kg	@190c/kg	live weight
Heifers sold at 10 months	290 kg	@185c/kg	live weight
Cull cows cast for age at 10 years	230 kg	@265c/kg	dressed weight
100% of empty cows culled at weaning	"	"	"
4% cows culled for other reasons	"	"	"
Bulls run at 3% & sold after 4 years use	432 kg	@255c/kg	dressed weight

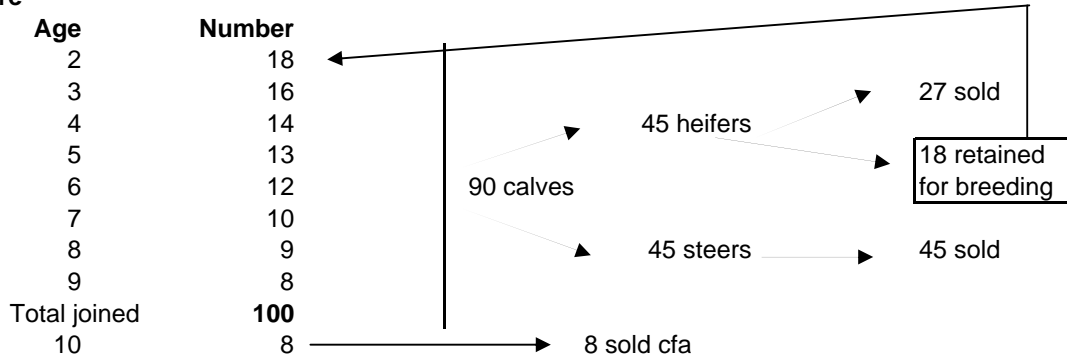
Selling costs include: Commission 5.0% yard dues \$3.00 MLA levy\$5/hd, average freight cost to saleyards \$5.50, tail tags \$0.11 c ea., NLIS tags @ \$2.90 for all sale cattle.

Cows: age at first calf : 24 months

Mortality rate of adult stock: 2%

The average feed requirement of a cow + followers is rated at 16.27 DSEs*. This is an average figure and will vary during the year.

Age structure



Marketing Information:

Tops can go as vealers to local trade categories, balance sold into the feeder market.
 Steer portion may also be suited for the live Japanese feeder steer market (Angus and Murray Grey and Shorthorn breeds preferred).

Production Information:

Cross bred cows are often used. Suited to improved pastures in the south coast area of NSW.
 Some creep feeding of calves is often employed.



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	"

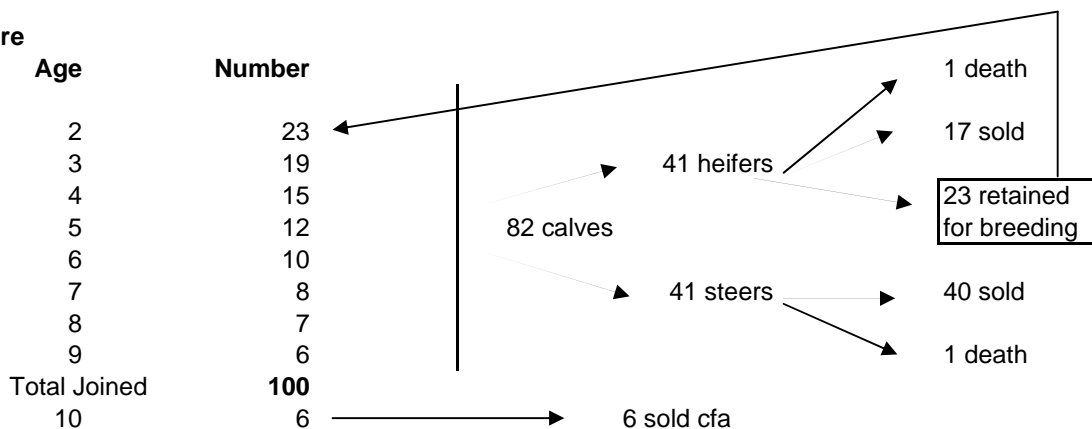
Selling costs include: Commission 3.5% yard dues \$3.00 MLA levy\$5/hd, average
 freight cost to saleyards \$8.00, tail tags \$0.11 c ea., NLIS tags @ \$2.90
 for all sale cattle

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.



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 dw	Steer sale price cents/kg dw				
		325	335	345	355	365
-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

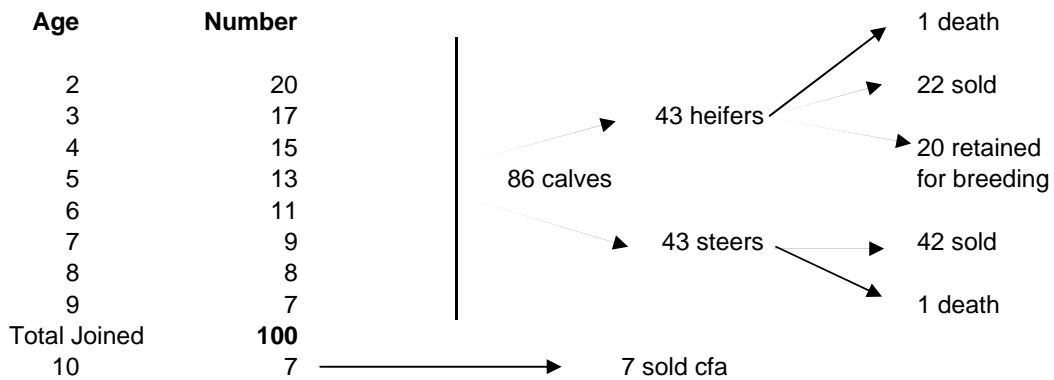
Selling costs include: Commission 5%, MLA levy \$5/hd, average freight cost to abattoirs 5.5c/kg dw, tail tags 11 c ea., NLIS tags @ \$2.90 for all sale cattle.

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



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.

Production Information:

A common production system in the south west slopes; and the southern and central tablelands areas.



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
INCOME:				
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	
A. Total Income:			\$56,400	
VARIABLE COSTS:				
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. Total Variable Costs:			\$10,495	
GROSS MARGIN (A-B)			\$45,905	
GROSS MARGIN/COW			\$459.05	
GROSS MARGIN/DSE*			\$27.10	
GROSS MARGIN/HA			\$108.27	

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	"

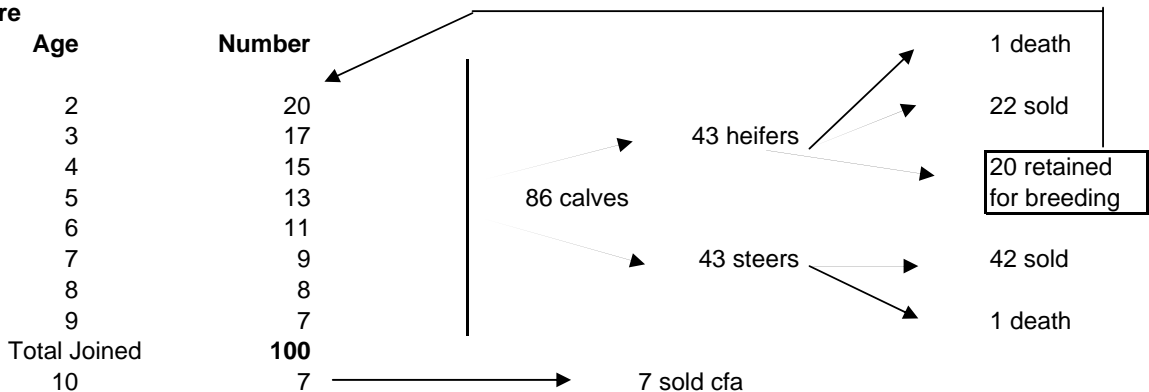
Selling costs include: Commission 3.5%, yard dues \$3.00/hd, MLA levy \$5/hd, average freight cost to saleyards \$8.00/hd, tail tags 11 c ea., NLIS tags @ \$2.90 for all sale cattle

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.



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: Growing out early weaned calves 160kg - 340kg

Enterprise Unit: 100 steers

Pasture: Improved Pasture

INCOME:			Standard Budget	Your Budget
88 Steers @		\$595 /hd	\$52,360	
10 Steers @		\$585 /hd	\$5,848	
A. Total Income:			\$58,208	
VARIABLE COSTS:				
Steer Purchase	100 steers purchased at	\$320 /hd	\$32,000	
Cartage to Property	100 steers at	\$10.00 /head	\$1,000	
Livestock and vet costs: see section titled beef health costs for details.			\$926	
Other costs			\$0	
Fodder crops (10 ha)			\$1,500	
Hay & Grain or silage			\$0	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (for 80ha of improved country)			\$4,000	
Livestock selling cost (see assumptions on next page)			\$3,841	
B. Total Variable Costs:			\$43,267	
		GM including pasture cost	GM excluding pasture cost	
GROSS MARGIN (A-B)		\$14,941	\$18,941	
GROSS MARGIN/STEER		\$149.41	\$189.41	
GROSS MARGIN/DSE*		\$23.45	\$29.73	
GROSS MARGIN/HA		\$186.76	\$236.76	

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

Liveweight (kg's) of Stock sold	Steer sale price cents/kg live				
	155	165	175	185	195
Steer wt.					
-20 kgs 320	56	86	116	147	177
0 340	85	117	149	182	214
+20 kgs 360	115	149	182	216	250

Change in gross margin (\$/steer) for change in purchase price & sale price.

Steer Purchase Price C/Kg	Steer sale price cents/kg live				
	155	165	175	185	195
180	117	149	181	214	246
190	101	133	165	198	230
200	85	117	149	182	214
210	69	101	133	166	198
220	53	85	117	150	182



NSW DEPARTMENT OF PRIMARY INDUSTRIES

BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: Growing out steers for feedlot market 240kg-420kg in 12 months

Enterprise Unit: 100 steers

Pasture: Improved pasture

INCOME:			Standard Budget	Your Budget
88 Steers @		\$861 /hd	\$75,768	
10 Steers @		\$844 /hd	\$8,442	
A. Total Income:			\$84,210	

VARIABLE COSTS:

Steer Purchase	100 steers purchased at	\$480 /hd	\$48,000	
Cartage to Property	100 steers at	\$10.00 /head	\$1,000	
Livestock and vet costs: see section titled beef health costs for details.			\$926	
Other costs			\$0	
Fodder crops - 12 ha per 100 steers			\$1,800	
Hay & Grain			\$0	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance 97 ha improved pasture)			\$4,850	
Livestock selling cost (see assumptions on next page)			\$5,300	
B. Total Variable Costs:			\$61,876	
			GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)			\$22,334	\$27,184
GROSS MARGIN/STEER			\$223.34	\$271.84
GROSS MARGIN/DSE*			\$28.93	\$35.21
GROSS MARGIN/HA			\$230.24	\$280.24

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

Liveweight (kg's) of Stock sold	Steer sale price cents/kg live				
	185	195	205	215	225
Steer wt.					
-40 kgs 380	73	110	146	182	218
-20 kgs 400	109	147	185	223	261
0 420	144	184	223	263	303
+20 kgs 440	179	221	262	303	345

Change in gross margin (\$/steer) for change in purchase price & sale price.

		Steer sale price cents/kg live				
Steer Purchase Price	C/Kg	185	195	205	215	225
		180	192	232	271	311
190	168	208	247	287	327	
200	144	184	223	263	303	
210	120	160	199	239	279	



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: **Growing out steers 240kg - 460kg in 12 months**

Enterprise Unit: **100 steers**

Pasture: **Improved Pasture**

			Standard Budget	Your Budget
INCOME:				
88 Steers @		\$874 /hd	\$76,912	
10 Steers @		\$837 /hd	\$8,370	
A. Total Income:			\$85,282	

VARIABLE COSTS:

Steer Purchase	100 steers purchased at	\$456 /hd	\$45,600
Cartage to Property	100 steers at	\$10.00 /head	\$1,000
Livestock and vet costs: see section titled beef health costs for details.			\$926
Other costs			\$0
Fodder crops (12 ha)			\$1,800
Hay & Grain or silage			\$0
Droughts can increase feed costs. For example costs see main menu.			\$0
Pasture maintenance (for 108 ha of improved country)			\$5,400
Livestock selling cost (see assumptions on next page)			\$5,098

B. Total Variable Costs:

	GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)	\$25,458	\$30,858
GROSS MARGIN/STEER	\$254.58	\$308.58
GROSS MARGIN/DSE*	\$29.50	\$35.76
GROSS MARGIN/HA	\$235.72	\$285.72

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

Liveweight (kg's) of Stock sold	Steer sale price cents/kg live				
	170	180	190	200	210
Steer wt.					
-20 kgs 440	136	177	219	260	302
0 460	168	211	255	298	341
+20 kgs 480	200	245	290	335	380

Change in gross margin (\$/steer) for change in purchase price & sale price.

Steer Purchase Price	C/Kg	Steer sale price cents/kg live				
		170	180	190	200	210
170		216	259	303	346	389
180		192	235	279	322	365
190		168	211	255	298	341
200		144	187	231	274	317
210		120	163	207	250	293

Assumptions Growing out steers 240kg - 460kg in 12 months

Enterprise unit is 100 steers purchased at 9 months of age at 240kg liveweight, held for 12 months and sold direct to feedlots at 460kg liveweight.

Sales

90% steers sold at 21 months	460 kg	@190c/kg live weight
10% steers sold at 21 months	450 kg	@186c/kg live weight

Purchases

Steers purchased at 9 months	240 kg	@190c/kg live weight
------------------------------	--------	----------------------

Steers kept for 12 months

Selling costs include: Commission 3.5%, yard dues \$0 (sold direct to feedlot.)
MLA levy \$50/hd, average freight cost to feedlot 16.00/hd,
tail tags 11 c ea., no NLIS tags costed in this budget.

Mortality rate of adult stock: 2%

The average feed requirement for this enterprise is rated at 8.63 dse's*. This is an average figure and will vary during the year.

Note that as with breeding enterprises there has been no interest charged on livestock. If an interest charge of 10% pa is charged a further \$4560 of costs should be allowed in the budget.

Marketing Information:

Finished animals are best marketed in deck loads of straight lines, so care needs to be taken when purchasing stores to ensure an even line of weaners for weight and frame. Later maturing types preferred for the Japanese feedlot 120-150 day grain fed market. Some could be taken through to the Korean/EU market. Freight costs will vary depending on proximity to major feedlots.

Production Information:

An increasingly common option in the Riverina and North West of NSW. There will generally be a need to finish the weaning process of stores after purchase which requires adequate facilities on farm. Growing out enterprises can be risky because of the price variation in both purchases and sales. Producers should consult the table on the previous page that shows gross margin changes due to variation in purchase and sale prices. Producers should determine the maximum purchase price they are prepared to pay before the sale. Liveweight and description buying are recommended methods.



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: EU cattle (0-4th)
Enterprise Unit: 100 cows
Pasture: Improved pasture

INCOME:			Standard Budget	Your Budget
	34 steers 26 months @	\$1,020 /hd	\$34,680	
	8 steers 24-30 months @	\$932 /hd	\$7,459	
	18 heifers 20-24 months @	\$864 /hd	\$15,552	
	4 heifers 20 months @	\$754 /hd	\$3,014	
	1 CFA Bull @	\$1,148 /hd	\$1,148	
	7 CFA cows @	\$636 /hd	\$4,452	
	11 Other culls @	\$636 /hd	\$6,996	
	A. Total Income:		\$73,301	

VARIABLE COSTS:

Replacements	1 Bull @	\$5,000 /hd	\$5,000	
Livestock and vet costs: see section titled beef health costs for details.			\$1,403	
NLIS electronic eartag & backup tag* @		\$5.00	\$915	
Fodder crops - winter oats 25 ha per 100 cows			\$3,750	
Tag reader cost \$3300 over 5 years = \$660p.a.			\$660	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (295 ha improved pasture per 100 cows)			\$14,750	
Livestock selling cost (see assumptions on next page)			\$3,214	
B. Total Variable Costs:			\$29,692	

Includes tags for all breeders. In 2nd year this cost will reduce by \$320.

	GM including pasture cost	GM excluding pasture cost
GROSS MARGIN (A-B)	\$43,609	\$58,359
GROSS MARGIN/COW	\$436.09	\$583.59
GROSS MARGIN/DSE*	\$18.51	\$24.77
GROSS MARGIN/HA	\$147.83	\$197.83

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 330c/kg and steer weight to 290 kg, gross margin would fall to \$369 per cow. This assumes that price and weight of all other sale stock falls by the same percentage.

Dressed weight (kg's) of Stock sold	Steer sale price cents/kg dressed					GM \$ per Cow
	320	330	340	350	360	
Dressed wt.						
-20 kgs 280	305	323	341	359	377	
-10 kgs 290	350	369	389	408	428	
0 300	394	415	436	457	478	
+10 kgs 310	439	461	483	506	528	
+20 kgs 320	483	507	531	555	578	

An increase of 5% in weaning percentage increases gross margin per cow by \$44.54

Assumptions **EU cattle (0-4th)**
European Trade

Enterprise unit is 100 cows weighing on average 480 kg
 Weaning rate: 86%

Sales

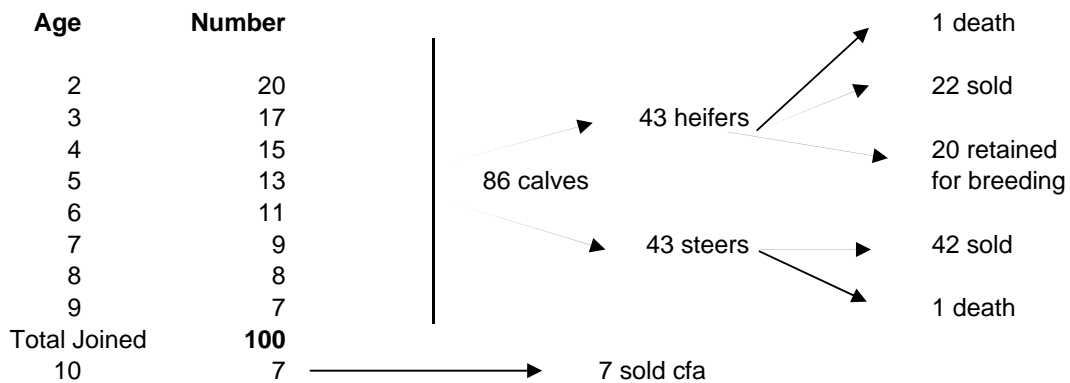
80% steers sold at 26 months	300 kg	@340c/kg	dressed weight
20% steers sold at 24-30 months	280 kg	@333c/kg	"
80% of heifers sold at 20-24 months	270 kg	@320c/kg	"
20% of heifers sold at 20 months	240 kg	@314c/kg	"
20 heifers retained for replacement.			
Cull cows cast for age at 10 years	240 kg	@265c/kg	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: MLA levy \$5/hd, average freight cost to abattoirs \$0.11/kg dr. wt, tail tags 11 c ea. Electronic eartags \$4.38, R.L.P.B. and AQIS charges may apply. \$200 has been assumed in this budget

Cows: age at first calf : 24 months
 Mortality rate of adult stock: 2%

The average feed requirement of a cow + followers is rated at 23.56 dse's.* This is an average figure and will vary during the year.

Age structure



Marketing Information:

No growth promotants can be used. Age is 4 tooth (approx 30 months) or less. Premium weight target for EU cattle is 280-340 kg dressed, although cattle are accepted at some works down to 240 kg at a lesser price. The Australian system of differentiating hormone free cattle continues under close scrutiny. Properties now require registration as hormone free, with complete traceability of individual cattle. National Livestock Identification Scheme approved electronic eartags must be attached to animals at point of slaughter. New lime green tailtags and an EU national vendor declaration are to be used. The value of the E.U. market for red meat and offals in terms of dressed weight prices, has continued to equal or better most others in recent times. Most steers prepared for EU markets have the added flexibility of being able to be held over as Japanese grassfeds if required or marketed early as feeder steers when they don't make the weight.

Production Information:

Heifers are eligible for the same market as steers provided conformation is adequate. E.U. cattle can be prepared on improved pasture plus summer or winter crops with some supplementary feeding in late summer and autumn or with access to irrigation country. Many central NSW fattening areas are capable of producing cattle to EU market requirements.



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

Enterprise: Japanese Ox - grassfed steers (0-6th)

Enterprise Unit: 100 cows

Pasture: Semi- improved

INCOME:			Standard Budget	Your Budget
33 steers 24-30 months @		\$1,054 /hd	\$34,782	
8 steers @ 36 months @		\$1,034 /hd	\$8,269	
22 heifer yearlings 15 mths @		\$560 /hd	\$12,320	
1 CFA Bull @		\$1,148 /hd	\$1,148	
7 CFA cows @		\$636 /hd	\$4,452	
12 Other culls @		\$636 /hd	\$7,632	
A. Total Income:			\$68,602	
VARIABLE COSTS:				
Replacements	1 Bull @	\$5,000 /hd	\$5,000	
Livestock and vet costs: see section titled beef health costs for details.			\$1,684	
Ear tags @	\$2.00		\$40	
Fodder crops - summer forage 20 ha per 100 cows			\$3,000	
Hay, grain or silage. Low level supplementary feeding for 1 month			\$2,000	
Droughts can increase feed costs. For example costs see main menu.			\$0	
Pasture maintenance (400 ha natural+92 ha improved per 100 cows)			\$4,600	
Livestock selling cost (see assumptions on next page)			\$2,626	
B. Total Variable Costs:			\$18,950	
		GM including pasture cost	GM excluding pasture cost	
GROSS MARGIN (A-B)		\$49,652	\$54,252	
GROSS MARGIN/COW		\$496.52	\$542.52	
GROSS MARGIN/DSE*		\$21.26	\$23.23	
GROSS MARGIN/HA		\$100.92	\$110.27	

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 300c/kg and steer weight to 330 kg, gross margin would fall to \$436 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 wt.	Steer sale price cents/kg dressed				
		290	300	310	320	330
-20 kgs	320	378	398	418	438	458
-10 kgs	330	415	436	457	478	499
0	340	452	474	497	519	541
+10 kgs	350	489	513	536	559	582
+20 kgs	360	526	551	575	599	623

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$38.01

Assumptions Japanese Ox - grassfed steers (0-6th)

Enterprise unit is 100 cows weighing on average 480 kg
Weaning rate: 86%, conception rate 92%.

Sales

80% steers sold at 24 to 30 months	340 kg	@310c/kg	dressed weight
20% steers sold at 36 months	340 kg	@304c/kg	dressed weight
All sale heifers sold at 16-18 months	200 kg	@280c/kg	dressed weight

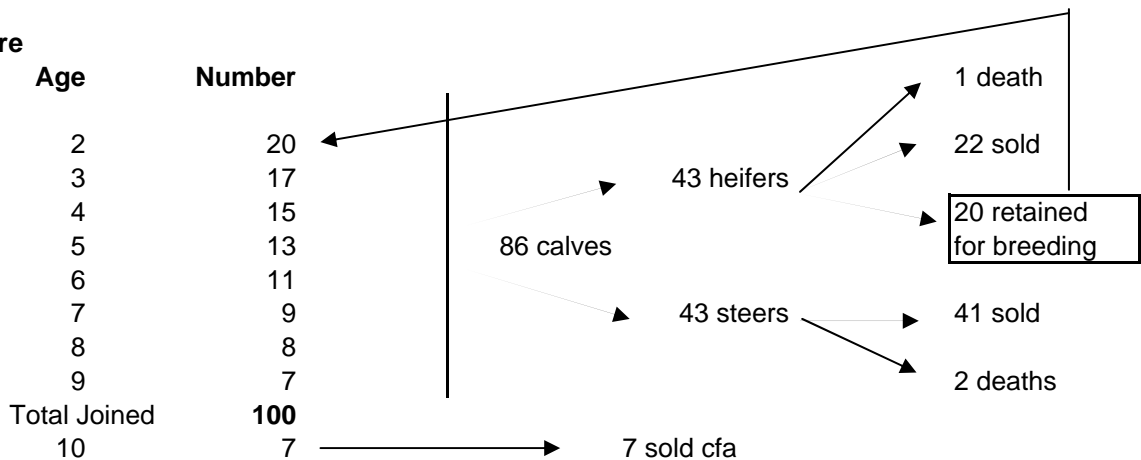
20 heifers retained for replacement.			
Cull cows cast for age at 10 years	240 kg	@265c/kg	dressed weight
100% of preg tested empty cows culled	"	"	"
4% cows culled for other reasons	"	"	"
Bulls run at 3% & sold after 4 years use	450 kg	@255c/kg	dressed weight

Selling costs include: MLA levy \$5/hd, freight to abattoirs \$0.11/kg dressed weight, 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 23.35 DSE's*. This is an average figure and will vary during the year.

Age structure



Marketing Information:
Steer portion suited to the top end of the Japanese grassfed market. Note: can be up to 6 th and must dress 300kg or more. Heifers suited as prime local trade or plainer types to Korean market. Alternatively could be joined and sold as breeding stock. If individual cull cow weights drop below 200kg dressed then the per kilogram price will be markedly reduced in US manufacturing terms.

Production Information:
This enterprise is feasible with productive cattle kept going all their life so that above average growth rates are achieved. A popular enterprise on well developed and larger properties in the Hunter and North West. Note the age limits to be met. This highlights the importance of turning off cattle earlier than in the past. In many cases, steers will need to be supplementary fed to attain these heavy weights at a young age. Stock will be run on the better grazing areas of the state.