



BEEF CATTLE GROSS MARGIN BUDGET

Farm enterprise Budget Series: June 2009

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

		Standard Budget	Your Budget
INCOME:			
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

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

B. Total Variable Costs: \$29,692

	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				
	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

GM \$ per Cow

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.