



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.

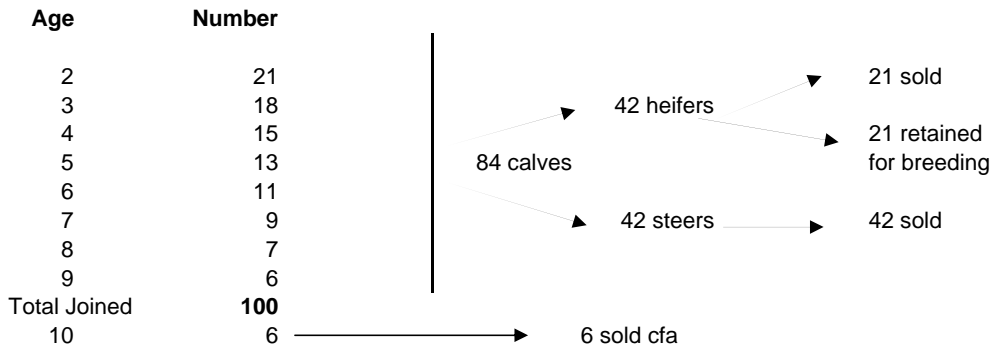
Cows: age at first calf : 24 months

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.