



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

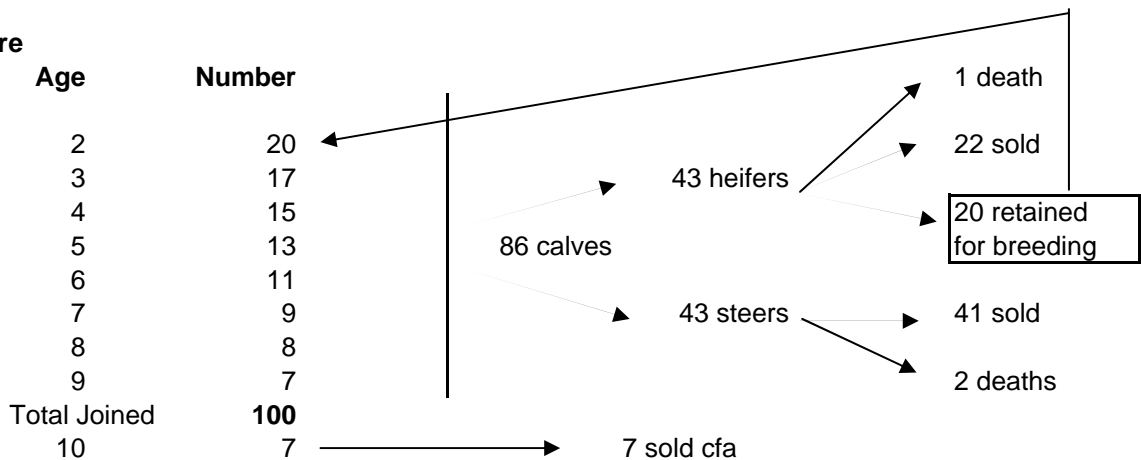
20 heifers retained for replacement.			
Cull cows cast for age at 10 years	240 kg	@265c/kg	dressed weight
100% of preg tested empty cows culled	"	"	"
4% cows culled for other reasons	"	"	"
Bulls run at 3% & sold after 4 years use	450 kg	@255c/kg	dressed weight

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.