



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

