

EXAMPLE GROSS MARGIN BUDGET FOR RED DEER

**N.B. THIS BUDGET IS A GUIDE ONLY AS VALUES
AND PRICES VARY ENORMOUSLY**

September 2004

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Stock Assumptions

485 Breeding hinds
0 Velveting Stags
85 % Weaning Rate
3 % Mortality Rate
Stags run at 3% of hind number
Stags retained for 10 years
Hinds first mated at 16 months
Hinds mated annually
Hinds retained for 10 years

Herd Structure

<u>Age (yrs)</u>	<u>No.</u>	<u>DSE</u>	<u>Total DSEs</u>	
1 yr	61	1.5	91	(Replacement hinds retained)
2 yr	59	3	177	
3 yr	57	3	172	
4 yr	56	3	167	
5 yr	54	3	162	
6 yr	52	3	157	
7 yr	51	3	152	
8 yr	49	3	148	
9 yr	48	3	143	(Culled for slaughter)
Total Hinds	485		1369	Deaths = 14
Velvet Stags	0	3	0	
Breeding Stags	15	3	45	
Total Head	500		1414	

Capital Costs:

A. Land and Plant

Land	177	ha @	\$2,000 /ha	\$354,000.00
Improvements - Fences				\$35,895.00
(Boundary fencing @ \$4.50 /metre for				
177 ha square paddock =			\$23,931)	
- Yards				\$10,000.00
Trailer & Deer Crate				\$3,000.00
				\$402,895.00

B. Livestock

485 Breeding Hinds at			\$200.00	\$97,000.00
14 Breeding stags at			\$1,000.00	\$14,000.00
0 Velvet stags at			\$0.00	\$0.00
				\$111,000.00

Total Capital

\$513,895.00

Enterprise Fixed Costs

340 hrs labour @	\$15.00 /hr	\$5,100.00	
Repairs and maintenance		\$1,200.00	
Rates and Insurance		\$3,000.00	
Depreciation		\$1,000.00	
Interest on stock value			
\$111,000.00 @	6.00%	\$6,660.00	
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			\$16,960.00

Total Fixed Costs

\$530,855.00

INCOME

139 Hinds @	\$125.00 /head live sale	\$17,375.00	
47 Hinds +	199 stags (venison)		
Mean Carcase Wt.	55 kg at	\$2.50 /kg	\$33,825.00
Velvet: 14	stags at	2 kg	
	@	\$70.00 /kg	\$1,960.00
By-products: 246	deer at	\$0.00 /hd	\$0.00

A. Total Income

\$53,160.00

VARIABLE COSTS

Fodder Purchases at	\$20.00	per head	\$9,991.00
Drenching at	\$0.50	per weaner	\$206.13
Vaccination at	\$0.15	per head	\$74.93
Vet. Costs			\$100.00
Velveting Costs	@	\$15.00 /stag	\$210.00
Slaughter Levy	@	\$0.105 /kg	\$1,420.00
Selling Costs	@	\$7.00 /head	\$973.00
Pasture costs	@	\$30.00 /Ha	\$5,302.50
Replacement Breeding Stags	@	\$1,000.00 /head	\$1,400.00

B. Total Variable Costs

\$19,677.56

* Gross Margin (A-B)	\$33,482.44
Gross Margin/Hind	\$69.04
Gross Margin/DSE	\$23.68
Return on L'Stock Capital	14.89%
Return on Capital	3.22%

Stocking Rate 8.00 DSE/ha

The effect of changing prices or level of production on the Gross Margin per Hind is as follows:

	<u>Rise or Fall</u>	<u>Rise or Fall of Gross Margin/hind</u>
Venison Price	\$0.20 /kg	\$5.58
Hind Selling Price	\$20.00 /head	\$5.73
Venison Yield per Carcase		
@ \$2.50 /kg	5.00 kg	\$6.34
Replacement Stags	\$100.00 /head	\$0.29
Weaning %	10.00%	\$5.38
Velvet Price	\$10.00 /kg	\$0.58