



BEEF CATTLE GROSS MARGIN BUDGET

April 2023

Enterprise: Heavy grassfed MSA

Enterprise Unit: 100 cows

Pasture: Improved

INCOME:

**Standard
Budget**

33 steers 24 months @	\$2,168 /hd	\$71,528
8 steers 24 months @	\$2,023 /hd	\$16,184
22 heifers 24 mths @	\$1,866 /hd	\$41,041
1 CFA Bull @	\$1,845 /hd	\$1,845
7 CFA cows @	\$1,475 /hd	\$10,325
12 Other culls @	\$1,475 /hd	\$17,700

A. Total Income: \$158,623

VARIABLE COSTS:

Replacements 1 Bull @	\$7,000 /hd	\$7,000
Livestock and vet costs: see section titled beef health costs for details.		\$3,008
Fodder crops - summer forage 20 ha per 100 cows		\$5,000
Hay, grain or silage. Low level supplementary feeding for 1 month		\$4,000
Drought feeding costs.		\$0
Pasture maintenance (300ha improved per 100 cows)		\$24,375
Livestock selling cost (see assumptions on next page)		\$2,604

B. Total Variable Costs: \$45,987

GROSS MARGIN (A-B)	\$112,636
GROSS MARGIN/COW	\$1,126.36
GROSS MARGIN/DSE*	\$48.24
GROSS MARGIN/HA	\$228.93

GM including
pasture cost

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 713c/kg and steer weight 290 kg, gross margin would fall to \$1,001 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 sale price cents/kg dressed				
	703	713	723	733	743
Steer wt.					
-20 kgs 280	878	898	917	937	957
-10 kgs 290	980	1001	1022	1043	1063
0 300	1082	1104	1126	1148	1170
+10 kgs 310	1185	1208	1231	1254	1277
+20 kgs 320	1287	1311	1335	1360	1384

GM \$ per Cow

An increase of 5% in weaning percentage increases gross margin per cow by \$98.4

Assumptions Heavy grassfed MSA

Enterprise unit is 100 cows weighing on average 500 kg
 Weaning rate: 86%, conception rate 92%.

Sales

90% steers sold at 24 to 30 months	300 kg	@723c/kg	dressed weight
10% steers sold at 36 months	280 kg	@723c/kg	dressed weight
All sale heifers sold at 24 months	260 kg	@718c/kg	dressed weight

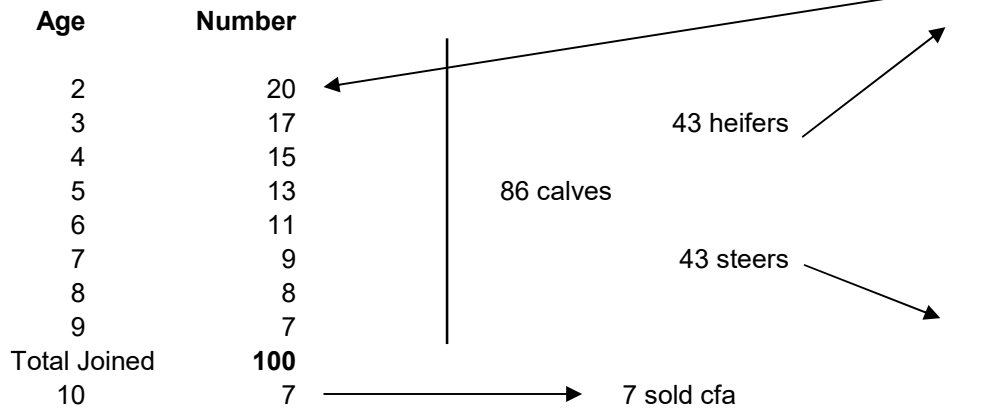
20 heifers retained for replacement.			
Cull cows cast for age at 10 years	250 kg	@590c/kg	dressed weight
100% of preg tested empty cows culled	"	"	"
4% cows culled for other reasons	"	"	"
Bulls run at 3% & sold after 4 years use	450 kg	@410c/kg	dressed weight

Selling costs include: MLA levy \$5/hd, freight to abattoirs \$0.11/kg dressed weight, NLIS tags \$3.60 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 3.31 LSU or 22.84 dse's*. This is an average figure and will vary during the year.

Age structure



Marketing Information:
 Steer portion can be up to 8 teeth and must dress 300kg or more, although incremental discounts are applied for more than 4 teeth. Heifers suited as prime local trade or, 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 most profitable with productive cattle kept going all their life so that above average growth rates are achieved and steers can reach minimum weights at a young age, with processors applying incremental price discounts according to dentition.