



BEEF CATTLE GROSS MARGIN BUDGET

April 2023

Enterprise: **Grow out steers**
 Enterprise Unit: **100 steers**
 Pasture: **Improved Pasture**

INCOME:			Standard Budget	Your Budget
88 Steers @		\$1,939 /hd	\$170,610	
10 Steers @		\$1,898 /hd	\$18,975	
A. Total Income:			\$189,585	
VARIABLE COSTS:				
Steer Purchase	100 steers purchased at	\$1,221 /hd	\$122,113	
Cartage to Property	100 steers at \$20.00 /head		\$2,000	
Livestock and vet costs: see section titled beef health costs for details.			\$2,500	
Fodder crops (12 ha)			\$4,200	
Hay & Grain or silage			\$0	
Drought feeding costs.			\$0	
Pasture maintenance (for 108 ha of improved pasture)			\$14,040	
Livestock selling cost (see assumptions on next page)			\$2,957	
B. Total Variable Costs:			\$147,810	
			GM including pasture cost	
GROSS MARGIN (A-B)			\$41,775	
GROSS MARGIN/STEER			\$417.75	
GROSS MARGIN/DSE*			\$48.41	
GROSS MARGIN/HA			\$386.80	

Change in gross margin (\$/steer) for change in price &/or the weight of sale stock

Liveweight (kg's) of Stock sold	Steer sale price cents/kg live				
	393	403	413	453	493
Steer wt.					
-20 kgs 450	249	293	337	519	701
0 470	326	372	418	602	785
+20 kgs 490	403	451	498	684	870

Change in gross margin (\$/steer) for change in purchase price & sale price.

Steer Purchase Price C/Kg	Steer sale price cents/kg live				
	393	403	413	453	493
429.667	430	476	522	568	614
449.667	378	424	470	516	562
469.667	326	372	418	464	510
509.667	222	268	314	360	406
549.667	118	164	210	256	302

Assumptions Grow out steers

Enterprise unit is 100 steers purchased at 9 months of age at 260kg liveweight, held for 12 months and sold direct to feedlots at 460- 470kg liveweight.

Sales

90% steers sold at 21 months	470 kg	@413c/kg live weight
10% steers sold at 21 months	460 kg	@413c/kg live weight

Purchases

Steers purchased at 9 months	260 kg	@470c/kg live weight
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Steers kept for 12 months

Selling costs include: Commission 0%, yard dues \$0 (sold direct to feedlot.)
 MLA levy \$5/hd, average freight cost to feedlot 25.00/hd,
 no NLIS tags costed in this budget.

Mortality rate of adult stock: 2%

The average feed requirement for this enterprise is rated at 1.29 LSU
 8.90 dse's*. This is an average figure and will vary during the year.

Note that as with breeding enterprises there has been no interest charged on livestock.

Marketing Information:

Finished animals are best marketed in deck loads of straight lines, so care needs to be taken when purchasing stores to ensure an even line of weaners for weight and frame. Later maturing types preferred for the Japanese feedlot 120-170 day grain fed market. Freight costs will vary depending on proximity to major feedlots.

Production Information:

It may be necessary to wean the steers after purchase which requires adequate facilities on farm. Growing out enterprises can be risky because of the price variation in both purchases and sales. Producers should consult the table on the previous page that shows gross margin changes due to variation in purchase and sale prices. Producers should determine the maximum purchase price they are prepared to pay before the sale. Liveweight and description buying are recommended methods.