

*A*griculture &
*B*usiness
*M*anagement *N*otes ...

2006 - 07 Colorado Livestock Enterprise Budgets

Quick Notes...

An enterprise budget is used to estimate future profit and returns for specific enterprises.

Budgeting serves as a guide for decision making. The primary value lies in providing comparisons of alternative courses of action.

Livestock managers must secure and interpret information relating to production, marketing, and finance. Maintaining and using such information as an aid to financial management is desirable, so long as the information being collected has the potential to increase profits or minimize losses. Simply keeping records has little to do with profits unless the information is used to make management decisions.

Livestock management requires realistic economic data. What are the potential market weights? What are the expected costs? What are the pasture and feed requirements? What other inputs are required? The livestock enterprise budgets can be used to help answer these and other management questions.

The enterprise budgets included in this article are designed to show an estimation of production costs and returns for many typical Colorado operations, however they do not represent all types of livestock production systems. The information is based on actual farm operations, data from actual records, and/or budget studies. The values presented may not fit your particular ranch operation, but can be modified or adjusted to better match your operating conditions.

Sources and choices of data for budgets are always an issue for budget builders and users. However decisions must be made with the best available data. Failure to budget due to data problems solves nothing. Use the prepared budgets and examine your own records, personal observations, experimental budgets, and other producers' and specialists' opinions to improve the data estimates.

Producers are reminded that the column which they complete for their own farm is by far the most important and can provide valuable information for sound farm and financial management.

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COLORADO LIVESTOCK ENTERPRISE BUDGET

ENTERPRISE: **Beef Cow-Calf**
 REGION: **Colorado**
 YEAR: **2006-07**
 HERD SIZE: **250 cows**

1. GROSS REVENUES FROM PRODUCTION

Sale Item	Unit	Mkt. Price	Mkt. Weight	No. Head	Value Per Head	Value Per Cow	Total Value	Your Value
Steer Calves	cwt.	115.00	5.55	108	638.25	275.72	68,931	
Heifer Calves	cwt.	110.00	5.35	57	588.50	134.18	33,545	
Cull Cows	cwt.	46.00	10.25	35	471.50	66.01	16,503	
Cull Bulls	cwt.	56.00	16.45	3	921.20	11.05	2,764	
Total Gross Revenues From Production						\$486.97	\$121,742	

2. DIRECT CASH OPERATING EXPENSES

Animal Expense						284.65	71,162	
Machine & Equipment Expense						31.02	7,755	
Labor Expense						8.60	2,150	
Land Expense						48.31	12,078	
Finance Expense						89.57	22,394	
Total Direct Cash Operating Expenses						\$462.16	\$115,539	

3. NET CASH RECEIPTS FROM OPERATIONS

						\$24.81	\$6,203	
4. Non-Cash Operating Expense						\$48.00	12,000	
5. Total Operating Expenses						\$510.16	127,539	
6. NET RECEIPTS						(\$23.19)	(\$5,797)	

7. BREAK-EVEN PRICES FOR CALVES

Weaning/Weaning		Annual Cow Costs					
Percent	Weight	300	350	400	450	500	550
75%	400	\$1.00	\$1.17	\$1.33	\$1.50	\$1.67	\$1.83
	500	0.80	0.93	1.07	1.20	1.33	1.47
	600	0.67	0.78	0.89	1.00	1.11	1.22
80%	400	0.94	1.09	1.25	1.41	1.56	1.72
	500	0.75	0.88	1.00	1.13	1.25	1.38
	600	0.63	0.73	0.83	0.94	1.04	1.15
85%	400	0.88	1.03	1.18	1.32	1.47	1.62
	500	0.71	0.82	0.94	1.06	1.18	1.29
	600	0.59	0.69	0.78	0.88	0.98	1.08
90%	400	0.83	0.97	1.11	1.25	1.39	1.53
	500	0.67	0.78	0.89	1.00	1.11	1.22
	600	0.56	0.65	0.74	0.83	0.93	1.02
95%	400	0.79	0.92	1.05	1.18	1.32	1.45
	500	0.63	0.74	0.84	0.95	1.05	1.16
	600	0.53	0.61	0.70	0.79	0.88	0.96

Calculation: Annual Cow Costs divided by Weaning Weight divided by Weaning Percent (as a decimal).

8. BUDGET ASSUMPTIONS

Production Assumptions:

Exposed Females	250 cows
Cow Death Loss	3 percent
Replacement Rate	17 percent
Weaned Calf Crop	86 percent
Ave. Weaning Weights:	
Steers	555 lbs.
Heifers	535 lbs.

Management Practices:

Calves Born March through May
Calves Weaned (Sold) October/November
Feeding Period - 4 Months
Grazing Period - 8 Months

Animal Expense:

Livestock Feed

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Alfalfa Hay	ton	40	115.00	18.40	4,600	
Grass Hay	ton	472	98.00	185.02	46,256	
Other Roughages	ton	0	0.00	0.00	0	
Grain/Concentrates	ton	0	0.00	0.00	0	
Protein Supplements	ton	18	315.00	22.68	5,670	
Salt/Mineral	ton	50	60.00	12.00	3,000	
Other Livestock Feed		0	0.00	0.00	0	
Subtotal of Livestock Feed				\$238.10	\$59,526	\$0

Livestock Medical and Breeding

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Calf Vaccines	each	250	8.50	8.50	2,125	
Breeding Vaccines	each	250	3.00	3.00	750	
Other Vaccines				0.00	0	
Pregnancy Test	cow	250	2.50	2.50	625	
Bull Fertility Test	bull	10	25.00	1.00	250	
Other Veterinary				0.00	0	
Misc Medicine	each	250	9.00	9.00	2,250	
Medical Supplies	each	250	0.75	0.75	188	
Breeding Expense				0.00	0	
Other Medical				0.00	0	
Subtotal of Livestock Medical and Breeding				\$24.75	\$6,188	\$0

Livestock Supplies

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Feeding Supplies	each	250	3.24	3.24	810	
Irrigation Supplies				0.00	0	
Tack	each	250	1.00	1.00	250	
Ear Tags	each	250	3.20	3.20	800	
Other Supplies	each	250	1.50	1.50	375	
Subtotal of Livestock Supplies				\$8.94	\$2,235	

Marketing

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Freight and Trucking	mile	320	3.00	3.84	960	
Selling Comm/Yardage	pct.	96,444	0.02	7.72	1,929	
Brand Inspection	hd.	203	1.35	1.10	274	
Health Inspection	hd.	203	0.25	0.20	51	
Lodging/Meals Etc.				0.00	0	
Hedging Expense				0.00	0	
Other Marketing				0.00	0	
Subtotal of Marketing				\$12.85	\$3,214	

Total Animal Expense

\$284.65

\$71,162

Machinery and Equipment Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Fuel and Lubrication	dol.	4,300	1.00	17.20	4,300	
Maint. and Repairs	dol.	2,160	1.00	8.64	2,160	
Equipment Leases	dol.	720	1.00	2.88	720	
Machine Hire	dol.	575	1.00	2.30	575	
Other Mach.& Equip.				0.00	0	
Total Machinery and Equipment Expense				\$31.02	\$7,755	

Labor Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Wages	sal	0	0.00	0.00	0	
FICA	pct.	0	0.08	0.00	0	
Contract Labor	dol.	1500	1.00	6.00	1,500	
Professional Fees	dol.	650	1.00	2.60	650	
Workman's Comp	dol.	0	17.35	0.00	0	
Other Labor				0.00	0	
Total Labor Expense				\$8.60	\$2,150	

Land Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Fert. & Chem.	acre	150	9.00	5.40	1,350	
Rents and Leases	aum	2,100	1.75	14.70	3,675	
M&R Land and Bldgs.	dol.	2,130	1.00	8.52	2,130	
Insur. (Bld, Mach., Lvsl	dol.	4923	1	19.69	4,923	
Other Land				0.00	0	
Total Land Expense				\$48.31	\$12,078	

Finance Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Interest-Oper. Note	dol.	3,938	1.00	15.75	3,938	
Interest-Non Real Est.	dol.	2,000	1.00	8.00	2,000	
Interest-Real Est.	dol.	16,456	1.00	65.82	16,456	
Other Finance				0.00	0	
Total Finance Expense				\$89.57	\$22,394	

Non-Cash Operating Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Cow	Total Value	Your Value
Depr. Bldg. & Equip	dol.	9,500	1.00	38.00	9,500	
Depr. on Bulls	dol.	2,500	1.00	10.00	2,500	
Other Depr.	dol.	0	0.00	0.00	0	
Other Non-Cash Expenses				0.00	0	
Total Non-Cash Operating Expense				\$48.00	\$12,000	

8. BUDGET ASSUMPTIONS

Production Assumptions:

Exposed Females	1500 ewes
Ewe Death Loss	3 percent
Replacement Rate	20 percent
Weaned Lamb Crop	125 percent
Ave. Weaning Weights:	
Lambs	100 lbs.

Management Practices:

Animal Expense:

Livestock Feed

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Alfalfa Hay	ton	113	115.00	8.66	12,995	
Grass Hay	ton	0	0.00	0.00	0	
Other Roughages	ton	0	0.00	0.00	0	
Grain/Concentrates	cwt	300	10.00	2.00	3,000	
Protein Supplements	ton	0	0.00	0.00	0	
Salt/Mineral	ton	2	6.00	0.01	12	
Other Livestock Feed		0	0.00	0.00	0	
Subtotal of Livestock Feed				\$10.67	\$16,007	\$0

Livestock Medical and Breeding

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Lamb Vaccines	each	1,875	0.55	0.69	1,031	
Breeding Vaccines	each	1,500	1.60	1.60	2,400	
Other Vaccines				0.00	0	
Pregnancy Test	ewe	0	0.00	0.00	0	
Ram Fertility Test	ram	0	0.00	0.00	0	
Other Veterinary				0.00	0	
Misc Medicine	each	400	1.00	0.27	400	
Medical Supplies	each	800	1.00	0.53	800	
Breeding Expense				0.00	0	
Other Medical				0.00	0	
Subtotal of Livestock Medical and Breeding				\$3.09	\$4,631	\$0

Livestock Supplies

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Dog Food	dol	800	1.00	0.53	800	
Camp Supplies	dol	5,000	1.00	3.33	5,000	
Fencing Supplies	dol	1,500	1.00	1.00	1,500	
Tools	each	250	3.00	0.50	750	
Other Supplies	each	0	0.00	0.00	0	
Subtotal of Livestock Supplies				\$5.37	\$8,050	

Marketing

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Freight and Trucking	dol	2,500	1.00	1.67	2,500	
Selling Comm/Yardage	dol	2,142	3.50	5.00	7,497	
Brand Inspection	hd.	0	0.00	0.00	0	
Health Inspection	hd.	2,142	1.30	1.86	2,785	
Lodging/Meals Etc.				0.00	0	
Hedging Expense				0.00	0	
Other Marketing				0.00	0	
Subtotal of Marketing				\$8.52	\$12,782	

Total Animal Expense

\$27.65 \$41,470

Machinery and Equipment Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Fuel and Lubrication	dol.	7,500	1.00	5.00	7,500	
Maint. and Repairs	dol.	5,000	1.00	3.33	5,000	
Equipment Leases	dol.	0	0.00	0.00	0	
Machine Hire	dol.	910	1.00	0.61	910	
Other Mach.& Equip.				0.00	0	
Total Machinery and Equipment Expense				\$8.94	\$13,410	

Labor Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Wages	sal	2	14500	19.33	29,000	
FICA	pct.	14500	0.10	0.97	1,450	
Contract Labor	dol.	4500	1.00	3.00	4,500	
Professional Fees	dol.	0	0.00	0.00	0	
Workman's Comp	dol.	120	17.35	1.39	2,082	
Other Labor				0.00	0	
Total Labor Expense				\$24.69	\$37,032	

Land Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Fert. & Chem.	acre	0	0.00	0.00	0	
Rents and Leases	aum	1,800	1.79	2.15	3,222	
M&R Land and Bldgs.	dol.	2,500	1.00	1.67	2,500	
Insur. (Bld, Mach., Lvs)	dol.	5000	1	3.33	5,000	
Other Land				0.00	0	
Total Land Expense				\$7.15	\$10,722	

Finance Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Interest-Oper. Note	dol.	3,938	1.00	2.63	3,938	
Interest-Non Real Est.	dol.	2,000	1.00	1.33	2,000	
Interest-Real Est.	dol.	22,000	1.00	14.67	22,000	
Other Finance				0.00	0	
Total Finance Expense				\$18.63	\$27,938	

Non-Cash Operating Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Depr. Bldg. & Equip	dol.	15,000	1.00	10.00	15,000	
Depr. on Rams	dol.	2,500	1.00	1.67	2,500	
Other Depr.	dol.	0	0.00	0.00	0	
Other Non-Cash Expenses				0.00	0	
Total Non-Cash Operating Expense				\$11.67	\$17,500	

8. BUDGET ASSUMPTIONS

Production Assumptions:

Exposed Females	100 ewes
Ewe Death Loss	3 percent
Replacement Rate	20 percent
Weaned Lamb Crop	150 percent
Ave. Weaning Weights:	
Lambs	120 lbs.

Management Practices:

Lambs born Mid-February through Mid-March
Lambs sold Mid-September through Mid-October
Irrigated pasture-8 months grazing
Corn fed: 70 lbs. per ewe
Hay fed: 5 lbs. per ewe (per day)

Animal Expense:

Livestock Feed

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Alfalfa Hay	ton	30	115.00	34.50	3,450	
Grass Hay	ton	0	0.00	0.00	0	
Other Roughages	ton	0	0.00	0.00	0	
Grain/Concentrates	cwt	70	10.00	7.00	700	
Protein Supplements	ton	0	0.00	0.00	0	
Salt/Mineral	ton	2	6.00	0.12	12	
Other Livestock Feed		0	0.00	0.00	0	
Subtotal of Livestock Feed				\$41.62	\$4,162	

Livestock Medical and Breeding

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Lamb Vaccines	each	150	0.55	0.83	83	
Breeding Vaccines	each	100	1.60	1.60	160	
Other Vaccines	each	100	2.50	2.50	250	
Pregnancy Test	ewe	0	0.00	0.00	0	
Ram Fertility Test	ram	2	20.00	0.40	40	
Other Veterinary				0.00	0	
Misc Medicine	each	30	1.00	0.30	30	
Medical Supplies	each	55	1.00	0.55	55	
Breeding Expense				0.00	0	
Other Medical				0.00	0	
Subtotal of Livestock Medical and Breeding				\$6.18	\$618	

Livestock Supplies

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Dog Food	dol	0	0.00	0.00	0	
Camp Supplies	dol	0	0.00	0.00	0	
Fencing Supplies	dol	0	0.00	0.00	0	
Tools	each	0	0.00	0.00	0	
Other Supplies	each	150	1.00	1.50	150	
Subtotal of Livestock Supplies				\$1.50	\$150	

Marketing

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Freight and Trucking	dol	150	1.00	1.50	150	
Selling Comm/Yardage	pct.	2	1.25	0.03	3	
Brand Inspection	hd.	0	0.00	0.00	0	
Health Inspection	hd.	167	1.30	2.17	217	
Lodging/Meals Etc.				0.00	0	
Hedging Expense				0.00	0	
Other Marketing				0.00	0	
Subtotal of Marketing				\$3.70	\$370	

Total Animal Expense

\$52.99

\$5,299

Machinery and Equipment Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Fuel and Lubrication	dol.	800	1.00	8.00	800	
Maint. and Repairs	dol.	400	1.00	4.00	400	
Equipment Leases	dol.	0	0.00	0.00	0	
Machine Hire	dol.	250	1.00	2.50	250	
Other Mach.& Equip.				0.00	0	
Total Machinery and Equipment Expense				\$14.50	\$1,450	

Labor Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Wages	sal	0	0	0.00	0	
FICA	pct.	0	0.00	0.00	0	
Contract Labor	dol.	0	0.00	0.00	0	
Professional Fees	dol.	0	0.00	0.00	0	
Workman's Comp	dol.	0	0.00	0.00	0	
Other Labor		55	7.00	3.85	385	
Total Labor Expense				\$3.85	\$385	

Land Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Fert. & Water	acre	40	25.00	10.00	1,000	
Rents and Leases	day	12,000	0.04	4.80	480	
M&R Land and Bldgs.	dol.	200	1.00	2.00	200	
Insur. (Bld, Mach., Lvs)	dol.	360	1	3.60	360	
Other Land				0.00	0	
Total Land Expense				\$20.40	\$2,040	

Finance Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Interest-Oper. Note	dol.	4,500	0.08	3.60	360	
Interest-Non Real Est.	dol.	10,500	0.08	8.40	840	
Interest-Real Est.	dol.	3,000	0.08	2.40	240	
Other Finance				0.00	0	
Total Finance Expense				\$14.40	\$1,440	

Non-Cash Operating Expense:

Description	Unit	Quantity	Price Per Unit	Costs		
				Per Ewe	Total Value	Your Value
Depr. Bldg. & Equip	dol.	950	1.00	9.50	950	
Depr. on Rams	dol.	175	1.00	1.75	175	
Other Depr.	dol.	0	0.00	0.00	0	
Other Non-Cash Expenses				0.00	0	
Total Non-Cash Operating Expense				\$11.25	\$1,125	