

MEREDITH LANDOWNERS COALITION

<b>STOCKER CATTLE OPERATION</b> (buy weaned calves in early May; sell them at auction in early Nov.)			
Number of head	100		
Days on feed	180		
Acres per head	1		
Labor (hrs/day)	1.75		
Labor rate (\$/hr)	12		
Avg. Purchase weight	500		
Avg. Weight gain/day	1.65		
Avg. Weight gain	297		
Avg. Sale weight	797	\$ Per Head	\$ Per Load
<b>Stocker Price (\$/hw) *</b>	100	500	50,000
Procurement		4	400
Vet/medicine/fly/lice		12	1,200
Salt/min/etc (30 lbs)		5	500
Equipment		2	200
Fuel		3	300
Pasture lease per acre	10	10	1,000
Insurance (\$/hw)	1	5	500
Market/Haul to auction		15	1,500
Misc.		5	500
<b>TOTAL Production Cost</b>		<b>561</b>	<b>56,100</b>
Death \$	2%	10	1,000
Interest on \$40,000 loan (repaid after 6 months)	8% per yr	16	1,600
<b>TOTAL Investment Cost</b>		<b>587</b>	<b>58,700</b>
<b>Labor cost (total hrs x rate)</b>	315	38	3,780
<b>TOTAL COST</b>		<b>-625</b>	<b>-62,480</b>
Sale Price (\$/hw) *	90	717	71,730
PROFIT (without labor)		92	9,250
<b>TOTAL PROFIT (incl. labor)</b>		<b>\$130</b>	<b>\$13,030</b>
<b>RETURN ON INVESTMENT</b>			<b>22.20%</b>

Spreadsheet variables are indicated in the shaded boxes.

\* The purchase/sale price varies from year to year, according to market conditions, but generally reflects a 10% difference due to higher demand in the spring.

**Note: In an alternate system – the “cow-calf” model – calves born each spring are sold the following year in the fall. This model is similar to the one above but more complex, since it means winter feeding and requires a herd of mature cows to begin the cycle.**