

FARM MANAGEMENT GUIDE

KSU Beef Stocker Budget

2018 Production Year

(as of Dec. 4th, 2017)

Production Efficiency Information

Death Loss	1.0%			CWT Produced
Days on Grass	120.0	Average Daily Gain	1.25	1.500

Gross Return	Price	Unit	Qty	Unit	Total per Year
Feeder Sale	\$ 142.04	per cwt	x 888	lbs	= \$ 1,260.62
Purchase price	\$ 147.05	per cwt	x 738	lbs	= \$ (1,084.51)
Death Loss					\$ (10.85)
Other					
Total Gross Return					\$ 165.27

Variable Costs

Pasture	\$ 19.00	per acre	x 2.5	total acres	= \$ 47.50
Crop Residue	\$ 15.00	per acre	x 0.0	total acres	= \$ -
Harvested Forage	\$ -	per ton	x 0	total tons	= \$ -
Grain/Protein Supplements	\$ -	per ton	x 0	total lbs	= \$ -
Mineral	\$ 600.00	per ton	x 12.0	total lbs	= \$ 3.60
Other Feed	\$ -	per unit	x 0.0	units	= \$ -
Labor	\$ 20.00	per hour	x 0.8	hours	= \$ 16.00
Vet Medicine/Drugs					\$ 5.00
Marketing costs					\$ 8.00
Utilities,Gas, Fuel, Oil					\$ 5.00
Machinery, Facility/Equip. Repairs					\$ 8.00
Cash Interest Paid					\$ 5.00
Other variable costs					\$ 2.00
Total Variable Costs					\$ 100.10

Fixed Costs

Depreciation	\$ 5.00
Taxes	\$ 1.00
Farm/Livestock Insurance	\$ 1.00
Opportunity Cost of Investment	\$ 15.00
Other fixed costs	\$ -
Total Fixed Costs	\$ 22.00

Total Costs

Total Costs	\$ 122.10
Income Over Variable Costs	\$ 65.17
Income Over Total Costs	\$ 43.17

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K-State's Agricultural Economics Department annually publishes *Farm Management Guides* to estimate the current profitability of different agricultural enterprises. A new format for livestock enterprises allows the user to change certain key inputs to cater the budget to their production situation. Rainfall, temperature, genetics, local cash prices, and a variety of other factors makes budgeting to the entire state of Kansas difficult. While defaults in the spreadsheet are research-based estimates for the state, users should enter their own prices and costs using the cells in [blue](#). Base prices assume a early double-stocking system from March-July of the production year. Users are encouraged to update prices to best reflect their specific situation.

The Kansas Farm Management Association (KFMA) is frequently cited as an informational source for production and cost estimates. Trained K-State economists work with these farms to keep consistent records, do performance analysis, and state benchmarking. Default costs in the tool are based on 10-year KFMA trends, rounded to the nearest dollar.

Two different sets of price forecasts are available in the spreadsheet. By clicking the dropdown menu at the top of the budget, a user can select "2018 Production Year", or "Five Year Out Prices". All price assumptions can be viewed in the *Prices* tab.

Feed assumptions can be viewed in the *Feed* tab. Pasture should be entered as a total acre amount for the entire budgeting period. Grain, supplements, and mineral are also entered as a total amount for the stocker period.

Production Efficiency Measures

Death Loss: Percentage of animals normally lost.

Days on Pasture & Average Daily Gain: Will be used to calculate ending weight and hundredweight produced (CWT).

**Note, KFMA values used reflect 8 farms with an average of 250 head.*

Gross Return

Feeder Animal Sale: Default is based upon Steer price in March of the production year, adjust if grazing heifers.

Purchase Price: Default price is based upon a July Steer price, adjust if grazing heifers.

Death Loss: Death Loss percentage is multiplied by the purchase animal price to determine the deduction.

Variable Costs

Pasture: State average estimate of a 10-year linear trend using NASS surveys for pasture rental rates

Crop Residue: Defaults to \$15/acre, but no crop residue is used in this example.

Harvested Forage: In the *Feed* tab, a total ration of hay, silage, and alfalfa gets combined and price is weighted based on the proportions of each forage. Default scenario assumes stockers are on pasture entire time.

Grain/Protein Supplements: In the *Feed* tab, a total ration of corn, soybean meal, and distiller's grains gets combined and price is weighted based on the proportions of each feedstuff. Default scenario assumes no grain or supplements are used.

Mineral: In the *Feed* tab, a total amount is entered for the grazing period.

Labor: Researched labor per animal is between .15 and .30 hours per month, default assumes .20 hours per month. KFMA *Labor Hired + Unpaid Operator Labor* determined a dollar per hour estimate for all cattle budgets.

Vet Medicine/Drugs: KFMA value

Livestock Marketing: KFMA value which includes trucking and sale commissions.

Utilities, Gas, Fuel, Oil: KFMA combined values

Machinery, Facility/Equip. Repairs: KFMA values

Cash Interest Paid: KFMA value

Other Variable Costs: Rough sum of all other KFMA variable costs, includes fees/publications/travel, conservation, and auto expense.

Depreciation: KFMA value

Taxes: KFMA

Farm/Livestock Insurance: KFMA value for general farm insurance.

Opportunity Cost of Investment: KFMA Interest charge- does not represent cash interest paid, rather a measure to reflect the interest that could have been earned had the investment been made elsewhere.

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Budget Assumptions

Stocker Feed Requirements		(per animal unit)	
	Qty	Unit	
Pasture	2.5		<i>total acres for feeding period</i>
Crop Residue	0.0		<i>total acres for feeding period</i>
Prairie/Brome Hay	0.00		<i>total tons for feeding period</i>
Silage	0.00		<i>total tons for feeding period</i>
Alfalfa	0.00		<i>total tons for feeding period</i>
Total Harvested Forage	0.00		<i>total tons for feeding period</i>
Corn	0.00		<i>total pounds for feeding period</i>
DDG's	0.00		<i>total pounds for feeding period</i>
Soybean Meal	0.00		<i>total pounds for feeding period</i>
Total Grain/Protein Supplements	0.00		<i>total pounds for feeding period</i>
Salt and Mineral	12.00		<i>total pounds for feeding period</i>

Default Stocker Price:

	2017	Five Years Out
Corn (\$/bu)	\$ 3.30	\$ 3.40
Soybean Meal (\$/ton)	\$ 314.00	\$ 339.00
DDGS (\$/ton)	\$ 152.50	\$ 157.12
Pasture Rental (\$/acre)	\$ 19.00	\$ 20.90
Crop Residue (\$/acre)	\$ 15.00	\$ 16.50
Other Beef Mineral (\$/ton)	\$ 600.00	\$ 660.00
March Feeder Steers (\$/cwt)**	\$ 146.00	\$ 118.94
July Feeder Steers (\$/cwt)***	\$ 142.00	\$ 113.76

** This is a predicted price for the production year

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