

TIMELY INFORMATION

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Beef Cow-Calf Enterprise Budget

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Wide fluctuations in the levels of input use, input costs, pounds of calf production per cow, and cattle market prices make it difficult for beef cattle farmers to determine what pays and what doesn't pay. The variability of these factors adds risk and causes confusion when trying to make profitable decisions for the beef cow-calf enterprise.

As a beef cattle farmer, you need reasonable data about the levels of input use, input costs, expected production levels, and cattle market prices to make good decisions and develop realistic plans. The MS Excel beef cow-calf enterprise budget developed in this publication provides you with the opportunity to insert individualized projections about the level of input use and input prices, production practices, level of performance, and cattle market prices. The budget spreadsheet organizes the information/data and computes the costs and returns for your beef cow-calf enterprise.

The beef cow-calf enterprise budget presented in this publication provides an example that will guide you while preparing a realistic budget plan for your operation. The example budget includes commonly used production practices and inputs. However, individual farmers often do things differently due to their goals and objectives, labor availability, management ability, quality and quantity of land, genetic capability of the cowherd, alternative inputs, climatic conditions, input niche opportunities, market opportunities, and other factors. Therefore, because of these wide variations, it is important for you to develop your own enterprise budget and learn how to use it when making management and marketing decisions.

The beef cow-calf enterprise budget spreadsheets are available on the ACES web page (<http://www.ag.auburn.edu/agec/pubs/budgets/>). You can electronically enter your own estimates and generate a personalized beef cow-calf enterprise budget. Simply save the MS Excel spreadsheet to your personal computer, insert reasonable data for your beef cow-calf enterprise, and the spreadsheet will calculate a budget plan for you. Remember, the budget in this publication is only a guide to help you develop a beef cow-calf enterprise budget for your operation. The information and data for "your operation" are essential to estimate "your personal cow-calf enterprise budget" from which you can make informed management and marketing decisions.

The beef cow-calf enterprise budget also provides a basic economic model for estimating the impact of certain decisions on the profitability of your cow-calf operation. Adjusting the parameters in the cow-calf enterprise budget will allow you to examine the economic impact of alternative animal production practices, forage production practices, selection of levels and types of inputs, and resulting outputs on the overall profitability of your enterprise. The use of the cow-calf enterprise budget will not ensure you a profit, but it will improve “your chances” of achieving a profit.

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Breeding Information

A good place to start developing a budget for a cow-calf enterprise is with describing the breeding information for your operation. This section simply describes the basic cow-calf breeding information and practices: the calving season, number of breeding cows, heifer retention rate, breeding cows per bull, market and salvage value of breeding animals, etc. The breeding information quantifies the number of head in your operation, which is the principal divisor for revenue and cost of production.

Performance Information

The performance information includes the weaning percent based on the number of cows exposed to a bull the year before, the weaning weights of steers and heifers, percent of steer calves, the average cull cow weight, and the percent cull cows removed from the cowherd annually. A sensitivity analysis is conducted based on weaning weights and weaning percents to evaluate alternative levels of production in the budget.

Market Price Information

The market price information needed includes feeder steer and heifer prices for various weights, cull cow price, and marketing commission expressed as a percentage of market value. The marketing information is usually the most uncertain data information that a cattle farmer encounters. A useful approach to estimate feeder calf prices is to use futures market prices. Identify the month you plan to sell the feeder calves and the corresponding feeder cattle futures contract from the CME Group website (<http://www.cmegroup.com/trading/agricultural/livestock/feeder-cattle.html>, select agriculture, select feeder cattle). Select the feeder cattle futures price for the month you plan to sell or the next closest month after you plan to sell. Next, get an estimate of the Alabama feeder cattle basis for your location and type of feeders (can be positive or negative) from the Beef Basis website (<http://beefbasis.com/>, specify your location, feeder calf weight, etc.). Simply add the feeder cattle futures price and your local basis estimate for the month you plan to sell feeder calves and this will give an expected feeder calf price for that time period. Cull cow prices may be estimated using the seasonal price trend data (http://www.aces.edu/timelyinfo/Ag&NatResEcon/2008/February/DAERS_08_1.pdf, page 37, appendix figure 24a) and the current market price for cull cows (http://www.ams.usda.gov/mnreports/mg_ls145.txt, select Alabama Weekly Livestock Market Summary, select the price for the type of cull cows you plan to market). Simply multiply the current market price of cull cows times the ratio of the cull cow indices (cull cow index of the month you plan to market cull cows/cull cow index for the current month). This will be your projected cull cow price for the month you plan to sell cull cows.

Pasture Information

The pasture information needed is the number of acres and amount you plan to spend on each acre during the production year for each type of forage you produce. These expenditures include lime, fertilizer, seed, weed control, fence repairs, etc. These inputs are very important since they determine the quantity and quality of feedstuff for the cowherd. A cow's nutritional requirements must be met to achieve an economical level of production. It is important to produce and utilize as much forage as possible throughout the year because forage is almost always the cheapest feedstuff you can provide the cowherd.

Purchased Feed Information

The purchased feed information includes a description of the type of feed, quantity fed per head per day, number of days fed, and price of the feed for each type of livestock. The quantity fed per head per day should include the amount needed to provide a given level of nutrition and a certain amount to account for feed waste (storage and feeding waste). This section is often very useful for evaluating "what-if" alternatives to feed the cowherd for the lowest cost.

Machinery and Equipment Information

The machinery and equipment information includes a description of the type of machinery and equipment used, the dollars per hour for its use, hours used per day, and days used per year. The estimate of dollars per hour of each machinery and equipment item should include both the operating and fixed costs (depreciation, interest, repairs, taxes, and insurance) per hour. This can be a very sensitive calculation if the asset is not used much or if you do not have many cattle. Most beef cow-calf farms should attempt to minimize the use of machinery and equipment since these capital assets are usually very expensive.

Animal Health Information

The animal health information addresses mature cattle and feeder calves separately. Each section specifies the type of health practice, number of head, weight of animals when appropriate, units of health input, and price per unit of the input. You are strongly encouraged to consult your local veterinarian to help develop, implement, and monitor your animal health program.

Farm Building/Improvements/Facilities Information

The section on farm buildings/improvements/facilities information is simply the total dollar value of the assets, the average useful life of the assets, and percent salvage value. You probably want to determine reasonable estimates and itemize this information for all assets. Additionally, you need to provide an estimate of the annual rate for insurance, interest, tax, and repairs expressed as a percent of total dollar value of the assets. You can calculate these annual rates by averaging the total dollar amount you spent on these items in recent years divided by their value. You can also adjust these values for any expected changes in rates like insurance, property taxes, repairs, etc.

Miscellaneous Farm Information

The miscellaneous farm information section asks you to specify detailed information on management and labor, farm records, professional fees, utilities, supplies and the interest rate on operating money. These parameters are often overlooked in many cow-calf budgets, but are extremely critical to the financial success of the enterprise. With regard to the people categories (management, farm labor, and custom hire), you should be as accurate as possible about the number days spent, hours per day, and dollars per hour for each role. This section will help you determine if you are getting paid for your time and effort in the cow-calf enterprise.

Example

Input Data Assumptions For Cow-Calf Enterprise Budget

Data Entry Hi-Lited In Blue Cells

Breeding Information	Estimated Values	Calculated Values
Farm Name	Grass Valley Cattle Farm	
Production year	2011	
Calving season (fall, winter, spring, etc.)	Fall	
Number of breeding cows in herd, head	50	
Heifers retained for replacements, %	15%	
Number of breeding cows per bull, head	25	
Value of breeding cow, \$/head	\$900	
Value of bred replacement heifer, \$/head	\$1,100	\$165 \$/hd
Value of bull, \$/head	\$2,500	
Salvage value of bull, \$/head	\$1,000	
Useful life of bull, years	4	
Value of breeding stock, \$/cow-unit		\$1,030 \$/cow-unit
Interest on breeding stock capital, %	3.00%	
Insurance on breeding herd, %	0.25%	
Tax rate (ad valorem - property tax on cattle)	0.00%	
Total annual bull depreciation cost, \$/hd/year		\$15.00 \$/cow-unit

Performance Information	% Chg.+/-		Low	Med	High
Weaning percent, % (based on exposed cows)	85%	10%	75%	85%	95%
Weaning weight - steers, lbs/head	600	20%	480	600	720
Weaning weight - heifers, lbs/head	550	20%	440	550	660
Percent steer calves, %	50%	Avg.-->	460	575	690
Average cull cow sale weight, lbs/head	1,100				
Percent cull cows, %	14%				

Market Price Information	Low Wt.	Med. Wt.	High Wt.
Feeder steer weights, lbs/head	480	600	720
Feeder steer prices, \$/lb.	\$1.50	\$1.35	\$1.20
Feeder heifer weight, lbs/head	440	550	660
Feeder heifer prices, \$/lb.	\$1.30	\$1.20	\$1.10
Cull cow sale weight, lbs/head	1,100		
Cull cow prices, \$/lb.	\$0.55		
Marketing costs, % of gross revenue	4.00%		

Pasture Information	Acres	\$/Acre	Total \$	\$/Cow-Unit
Summer grass pastures	65	\$35	\$2,275	\$45.50
Winter grass pastures	0	\$0	\$0	\$0.00
Winter annuals	25	\$125	\$3,125	\$62.50
Summer annuals	0	\$0	\$0	\$0.00
Stockpiled grass pasture	0	\$0	\$0	\$0.00
Crop Residue	0	\$0	\$0	\$0.00
Misc. pasture	0	\$0	\$0	\$0.00
Pasture cost total			\$5,400	\$108.00

Purchased Feed Information	Lbs/Hd. /Day	Days	Head	Total Lbs.	Dollars /Ton	Total Dollars	\$/Cow-Unit
Harvested forage Cow - dry	20	30	50	30,000	\$75.00	\$1,125.00	\$22.50
Harvested forage Cow - lact.	15	120	50	90,000	\$75.00	\$3,375.00	\$67.50
Harvested forage Calf	3	120	50	18,000	\$75.00	\$675.00	\$13.50
Harvested forage Bull	30	120	2	7,200	\$75.00	\$270.00	\$5.40
Energy supplement Cow	4	90	50	18,000	\$125.00	\$1,125.00	\$22.50
Energy supplement Bull	5	90	2	900	\$125.00	\$56.25	\$1.13
Protein supplement Cow	1	90	50	4,500	\$250.00	\$562.50	\$11.25
Protein supplement Bull	1	90	2	180	\$250.00	\$22.50	\$0.45
Salt & mineral mix All	0.25	365	52	4,745	\$400.00	\$949.00	\$18.98
Misc.	0	0	0	-	\$0.00	\$0.00	\$0.00
Misc.	0	0	0	-	\$0.00	\$0.00	\$0.00
Purchased feed cost total						\$8,160.25	\$163.21

Machinery & Equipment Information

	\$/Hour	Hours/Day	Days/Year	Total \$	\$/Cow-Unit
Tractor	\$20.00	0.75	120	\$1,800.00	\$36.00
Tractor accessories (mower, harrow, etc.)	\$8.00	0.25	90	\$180.00	\$3.60
Livestock trailer	\$15.00	5	5	\$375.00	\$7.50
Utility trailer (hay, equipment, etc.)	\$12.00	4	15	\$720.00	\$14.40
ATV	\$8.00	1	120	\$960.00	\$19.20
Pickup	\$20.00	1	50	\$1,000.00	\$20.00
Misc.	\$0.00	0	0	\$0.00	\$0.00
Misc.	\$0.00	0	0	\$0.00	\$0.00
Machinery & equipment cost total				\$5,035.00	\$100.70

Animal Health Information

<u>Mature Cattle</u>	Head	Lbs.	Unit		\$/Unit	\$/Head	Total \$	\$/Cow-Unit
Animal ID	52		1	Tags @	\$1.00/Each	\$1.00	\$52.00	\$1.04
Fly Tags	52		2	Tags @	\$2.00/Each	\$4.00	\$208.00	\$4.16
De-wormer	52	1,200	5	ml./110 lbs*	\$80.00/Liter	\$4.36	\$249.60	\$4.99
De-licer	52	1,200	3	ml./100 lbs*	\$37.72/Liter	\$1.36	\$70.62	\$1.41
7-way clostridial vaccine	52		1	Dose @	\$0.49/Dose	\$0.49	\$25.48	\$0.51
IBR PI3 BVD BRSV VL5 vaccine	52		1	Dose @	\$2.00/Dose	\$2.00	\$104.00	\$2.08
Artificial Insemination	50		0	AI Breeding	\$27.00/Head	\$0.00	\$0.00	\$0.00
Estrus Synchronization	50		0	Estrus Syn	\$15.00/Head	\$0.00	\$0.00	\$0.00
Pregnancy Check	50		1	Checks @	\$5.00/Head	\$5.00	\$250.00	\$5.00
Bull BSE	2		1	Checks @	\$40.00/Head	\$40.00	\$80.00	\$1.60
Misc.	52		0	Misc.	\$0.00/Head	\$0.00	\$0.00	\$0.00
Misc. (incl. supplies & vet. exp.)	52		1	Misc.	\$6.00/Head	\$6.00	\$312.00	\$6.24
Sub-total							\$1,351.70	\$27.03

<u>Feeder Calves</u>	Head	Lbs.	Unit		\$/Unit	\$/Head	Total \$	\$/Cow-Unit
Animal ID	50		1	Tags @	\$1.00/Each	\$1.00	\$50.00	\$1.00
Fly Tag	50		1	Tags @	\$2.00/Each	\$2.00	\$100.00	\$2.00
De-wormer	50	500	5	ml./110 lbs*	\$80.00/Liter	\$1.82	\$100.00	\$2.00
7-way clostridial vaccine	50		2	Doses @	\$0.49/Dose	\$0.00	\$0.00	\$0.00
IBR PI3 BVD BRSV vaccine	50		2	Doses @	\$1.72/Dose	\$3.44	\$172.00	\$3.44
Pasteurella/Mannheimia wi	50		1	Doses @	\$2.50/Dose	\$2.50	\$125.00	\$2.50
Injectable Vitamin/Mineral	50		1	Doses @	\$2.50/Dose	\$2.50	\$125.00	\$2.50
Growth-promoting implant	50		0	Doses @	\$1.00/Head	\$0.00	\$0.00	\$0.00
Misc.	50		0	Doses @	\$0.00/Head	\$0.00	\$0.00	\$0.00
Misc.	50		0	Doses @	\$0.00/Head	\$0.00	\$0.00	\$0.00
Sub-total							\$672.00	\$13.44
Animal Health Cost Total							\$2,023.70	\$40.47

*Check product labels for correct dosages

<u>Farm Buildings/Improvements/Facilities Information</u>	Percent	Total \$	Life (yrs)	Salvage %	Total \$	\$/Cow-Unit
Total investment in buildings/improvements/facilities		\$15,000	20	15%		\$300.00
Buildings/improvements/facilities insurance rate	0.75%				\$112.50	\$2.25
Buildings/improvements/facilities interest rate	5.00%				\$750.00	\$15.00
Buildings/improvements/facilities tax rate	0.75%				\$112.50	\$2.25
Buildings/improvements/facilities repair rate	3.00%				\$450.00	\$9.00
Buildings/improvements/facilities depreciation					\$637.50	\$12.75
Farm Buildings/Improvements/Facilities Cost Total					\$2,062.50	\$41.25

<u>Miscellaneous Farm Information</u>	Days	Hours/Day	Hours	\$/Hour	\$/Day	Total \$	\$/Cow-Unit
Management	60	0.5	30	\$20.00		\$600.00	\$12.00
Farm labor	150	1	150	\$10.00		\$1,500.00	\$30.00
Custom hire	3	8	24	\$15.00		\$360.00	\$7.20
Farm records	24	0.75	18	\$15.00		\$270.00	\$5.40
Professional fees	2				\$200.00	\$400.00	\$8.00
Utilities	365				\$1.00	\$365.00	\$7.30
Supplies	365				\$1.00	\$365.00	\$7.30
Misc.	0				\$0.00	\$0.00	\$0.00
Interest rate on operating cost, %	5.50%						
Miscellaneous Farm Cost Total			222			\$3,860.00	\$77.20

Grass Valley Cattle Farm

Cow-Calf Enterprise Budget,	Fall	Calving, Alabama,	2011
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A Returns Per Cow Per Year		
A 1 Weaning percent	85%	
A 2 Average calf weight, lbs./calf	575	
A 3 Total calf weight, lbs	24,438	
A 4 Average calf weight, lbs./cow-unit	489	
A 5 Average calf price, \$/lb.	\$1.28	
A 6 Total cull cow weight, lbs.	7,700	
A 7 Average cull cow weight, lbs./cow	1,100	
A 8 Average cull cow weight, lbs./cow-unit	154	
A 9 Average cull cow price, \$/lb.	\$0.55	
A 10 Gross returns, total \$	\$35,393	
A 11 Average calf return, \$/cow-unit	\$623.16	
A 12 Average cull cow return, \$/cow-unit	\$84.70	
A 13 Gross returns, \$ per cow-unit	\$707.86	
B Costs Per Cow Per Year	\$/Cow-Unit	Percent of Total Cost
B 1 Pasture	\$108.00	14%
B 2 Purchased feed	\$163.21	21%
B 3 Machinery & equipment	\$100.70	13%
B 4 Animal health	\$40.47	5%
B 5 Buildings/Improvements/Facilities-DIRT	\$26.25	3%
B 6 Buildings/Improvements/Facilities-Interest	\$15.00	2%
B 7 Management	\$12.00	2%
B 8 Labor	\$30.00	4%
B 9 Custom hire	\$7.20	1%
B 10 Farm records	\$5.40	1%
B 11 Professional fees	\$8.00	1%
B 12 Utilities	\$7.30	1%
B 13 Marketing fees	\$28.31	4%
B 14 Supplies	\$0.00	0%
B 15 Replacement heifer capital cost	\$165.00	21%
B 16 Annual bull cost depreciation	\$15.00	2%
B 17 Interest on breeding stock capital	\$30.90	4%
B 18 Insurance on breeding stock	\$2.58	0%
B 19 Interest on operating cost ¹	\$21.05	3%
B 20 Cost per cow per year	\$786.36	100%
C Returns Over Total Costs Per Cow Per Year	-\$78.51	
D Average Feeder Calf Price Needed Per Cwt.		
D 1 To Cover Feed Costs, \$/cwt.	\$55.49	
D 2 To Cover Total Costs, \$/cwt.	\$143.56	
E Asset Turnover Ratio (A/Investment)²	49%	
F Net Return on Investment	-0.8%	
((C + B17 + B28+ B30)/Investment)³		

¹Operating interest was charged on one-half of the cost per cow per year (Cow-calf budget, B20).

²The asset turnover ratio measures the amount of sales that are generated from each dollar of assets. Asset Turnover Ratio is gross returns (A13) divided by the investment (value of the breeding stock/cow unit, Cow-calf data input, M14, value of equipment/cow-unit, Cow-calf data input, P75, and value of buildings, improvements, and facilities/cow-unit, Cow-calf data input, P110).

³The net return on investment is the percentage return on your investment.

Net return on investment is the sum of returns over total costs (Cow-calf budget, C) plus interest on building/improvements/facilities (Cow-calf budget, B6) plus interest on breeding stock (Cow-calf budget, B17) plus interest on operating capital (Cow-calf budget, B19) divided by the investment.

Grass Valley Cattle Farm

Cow-Calf Enterprise Sensitivity Budget, Fall Calving, Alabama, 2011

A Returns Per Cow Per Year									
A 1 Weaning percent	75%	75%	75%	85%	85%	85%	95%	95%	95%
A 2 Average calf weight, lbs./calf	460	575	690	460	575	690	460	575	690
A 3 Total calf weight, lbs	17,250	21,563	25,875	19,550	24,438	29,325	21,850	27,313	32,775
A 4 Average calf weight, lbs./cow-unit	345	431	518	391	489	587	437	546	656
A 5 Average calf price, \$/lb.	\$1.40	\$1.28	\$1.15	\$1.40	\$1.28	\$1.15	\$1.40	\$1.28	\$1.15
A 6 Total cull cow weight, lbs.	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700
A 7 Average cull cow weight, lbs./cow	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
A 8 Average cull cow weight, lbs./cow-unit	154	154	154	154	154	154	154	154	154
A 9 Average cull cow price, \$/lb.	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
A 10 Gross returns, total \$	\$28,385	\$31,727	\$33,991	\$31,605	\$35,393	\$37,959	\$34,825	\$39,058	\$41,926
A 11 Average calf return, \$/cow-unit	\$483.00	\$549.84	\$595.13	\$547.40	\$623.16	\$674.48	\$611.80	\$696.47	\$753.83
A 12 Average cull cow return, \$/cow-unit	\$84.70	\$84.70	\$84.70	\$84.70	\$84.70	\$84.70	\$84.70	\$84.70	\$84.70
A 13 Gross returns, \$ per cow-unit	\$567.70	\$634.54	\$679.83	\$632.10	\$707.86	\$759.18	\$696.50	\$781.17	\$838.53
B Costs Per Cow Per Year									
B 1 Pasture	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00
B 2 Purchased feed	\$163.21	\$163.21	\$163.21	\$163.21	\$163.21	\$163.21	\$163.21	\$163.21	\$163.21
B 3 Machinery & equipment	\$100.70	\$100.70	\$100.70	\$100.70	\$100.70	\$100.70	\$100.70	\$100.70	\$100.70
B 4 Animal health	\$40.47	\$40.47	\$40.47	\$40.47	\$40.47	\$40.47	\$40.47	\$40.47	\$40.47
B 5 Buildings/Improvements/Facilities-DIRT	\$26.25	\$26.25	\$26.25	\$26.25	\$26.25	\$26.25	\$26.25	\$26.25	\$26.25
B 6 Buildings/Improvements/Facilities-Interest	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
B 7 Management	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
B 8 Labor	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
B 9 Custom hire	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20
B 10 Farm records	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40
B 11 Professional fees	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
B 12 Utilities	\$7.30	\$7.30	\$7.30	\$7.30	\$7.30	\$7.30	\$7.30	\$7.30	\$7.30
B 13 Marketing fees	\$22.71	\$25.38	\$27.19	\$25.28	\$28.31	\$30.37	\$27.86	\$31.25	\$33.54
B 14 Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B 15 Replacement heifer capital cost	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00
B 16 Annual bull cost depreciation	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
B 17 Interest on breeding stock capital	\$30.90	\$30.90	\$30.90	\$30.90	\$30.90	\$30.90	\$30.90	\$30.90	\$30.90
B 18 Insurance & Tax on breeding stock	\$2.58	\$2.58	\$2.58	\$2.58	\$2.58	\$2.58	\$2.58	\$2.58	\$2.58
B 19 Interest on operating cost ¹	\$20.89	\$20.97	\$21.02	\$20.96	\$21.05	\$21.10	\$21.03	\$21.13	\$21.19
B 20 Cost per cow per year	\$780.60	\$783.35	\$785.21	\$783.25	\$786.36	\$788.47	\$785.90	\$789.38	\$791.73
C Returns Over Total Costs Per Cow Per Year	-\$212.90	-\$148.81	-\$105.39	-\$151.15	-\$78.51	-\$29.30	-\$89.40	-\$8.21	\$46.79
D Average Feeder Calf Price Needed Per Cwt.									
D 1 To Cover Feed Costs, \$/cwt.	\$78.61	\$62.89	\$52.41	\$69.36	\$55.49	\$46.24	\$62.06	\$49.65	\$41.37
D 2 To Cover Total Costs, \$/cwt.	\$201.71	\$162.01	\$135.36	\$178.66	\$143.56	\$120.00	\$160.46	\$129.00	\$107.86
E Asset Turnover Ratio (A/Investment)²	40%	44%	48%	44%	49%	53%	49%	55%	59%
F Net Return on Investment	-10.2%	-5.7%	-2.7%	-5.9%	-0.8%	2.6%	-1.6%	4.1%	8.0%
((C + B17 + B28+ B30)/Investment)³									

¹Operating interest was charged on one-half of the cost per cow per year (Cow-calf budget, B20).

²The asset turnover ratio measures the amount of sales that are generated from each dollar of assets. Asset Turnover Ratio is gross returns (A13) divided by the investment (value of the breeding stock/cow unit, Cow-calf data input, M14, value of equipment/cow-unit, Cow-calf data input, P75, and value of buildings, improvements, and facilities/cow-unit, Cow-calf data input, P110).

³The net return on investment is the percentage return on your investment. Net return on investment is the sum of returns over total costs (Cow-calf budget, C) plus interest on building/improvements/facilities (Cow-calf budget, B6) plus interest on breeding stock (Cow-calf budget, B17) plus interest on operating capital (Cow-calf budget, B19) divided by the investment.