

Beef Cow Budgets

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2	Alternative Beef Production Systems for Beef Cows												
3	Enterprise Budgets for Beef Cows												
4													
5	Alternative beef cow systems represent spring, fall and winter calving beef cow herds. The three												
6	systems are marketing systems that use weaned calves to market their resources. Resources to												
7	market are such as forages, pasture, grain, labor, facilities, land, management and capital as ways												
8	to make a profit and provide quality of life in rural Wisconsin.												
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10	The three production systems are the spring calving cow herd (BCM 41), the fall calving cow herd												
11	(BCM 42), and the winter calving cow herd (BCM 43). The requirement of a spring calving cow herd												
12	to be successful needs to 1) good to excellent management and timely labor, 2) very productive,												
13	high performance cow herd, 3) a sizeable forage production land base, and 4) adequate capital and												
14	low-cost land. The advantages are 1) an excellent fall market for weaned calves, 2) a very												
15	stable enterprise when established with adequate equity, 3) markets management, winter forages												
16	and pasture, and 4) markets limited labor and facilities. The disadvantages are 1) large capital												
17	requirement and slow turn over of capital, 2) large low-cost land base for winter forage and pasture,												
18	3) operating margins are small, and 4) there is modest market risk exposure.												
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20	The fall calving cow herd have significantly different conditions. The requirement of a fall calving												
21	cow herd to be successful needs to 1) excellent winter forage supply and/or low-cost feed supplies,												
22	2) good facilities for wintering cow-calf pairs, 3) available labor and above management, and												
23	4) adequate capital. The advantages for a fall calving herd are 1) fall calving in good weather when												
24	labor is available, 2) excellent spring market for light weight calves to go to grass, 3) low disease												
25	and parasite problems, and 4) markets management, good winter forages, and good facilities. The												
26	disadvantages are 1) high cost of winter feed supply for nursing cows and calves, 2) above average												
27	set of facilities, 3) may conflict with fall labor demands for crop harvest, and 4) moderate market												
28	risk exposure with low profit returns.												
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30	The winter calving cow herd has some advantages because weaning calves are sold for short												
31	yearlings instead of calves. The requirements are 1) above average facilities and barns for winter												
32	calving, 2) excellent management and dependable labor, 3) good to excellent winter forage supply												
33	and/or low-cost feed supplies, and 4) adequate capital and low-cost land. The advantages for												
34	winter calving are 1) calving when labor and facilities are available, 2) light calves make efficient												
35	gains on high quality pasture, 3) cows utilize low quality forages in late summer, and 4) markets												
36	management, labor and excellent early pastures. Disadvantages are 1) high cost of winter feed												
37	supply for nursing cows and calves, 2) potential high calf death loss at calving and the first month,												
38	3) need above average facilities and barns for calving, and 4) modest to high risk due to potential												
39	calf death losses.												
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41	Enterprise Budgets												
42	The enterprise budget begins with the assumptions used for the herd. All three budgets use a herd												
43	of 100 beef cows to more adequately show the costs and returns for the herd. The budget can be												
44	adjusted for the herd size you are interested in by changing appropriate quantities.												
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46	The receipts section represents the income that comes from the calves, cull cows and bulls. The												
47	receipts are calculated using a variety of marketing projections such as the futures markets from												
48	the Chicago Mercantile Exchange and the inventory of <u>All Cattle and Calves</u> published by the												
49	National Agricultural Statistics Service. It includes the numbers, weights, and types of cattle sold.												
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51	The variable costs are expenses incurred because the cow herd is owned. Purchased cattle, feed												
52	cost, livestock costs and fixed costs are included. Purchased cattle include the cost of the animal												
53	and the cost of transportation to get them home. Feed costs include the amounts of each feed												
54	and cost. Livestock costs include the death losses of calves and cull cows, bedding, veterinarian,												

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55	<p>medicine including vaccines, supplies, and other expenses such as power for pumping water, tractor fuel, water, and marketing of cows, bulls and calves. Fixed costs are the annual expenses of repairs, taxes, and insurance on the buildings and equipment and the insurance for the cows.</p> <p>Returns on resources are the summary of the budget. The receipts are subtracted from the variable expenses to calculate the Returns to labor, management, and capital.</p> <p>Returns to labor, management, and capital per cow and calf breakeven costs per hundredweight are calculated. Labor per cow is estimated on an annual bases.</p> <p>The Capital investment section includes the annual total costs of buildings and equipment which includes depreciation, interest, repairs, taxes and insurance along with the livestock investment for depreciation, interest, and insurance.</p> <p>The spring, fall and winter calving cow herds are represented on a separate worksheet. Select the type of cow herd desired by selecting the appropriate worksheet from above.</p>												
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