# Organic Cow-Calf Production Costs Based on a 150 Head Cow Herd

Date:

January, 2009

This guide is designed to provide you with planning information and a format for calculating costs of production of an organic cow calf operation. Adjustments will be necessary when applying these figures to your own operation.

The budget estimates are based on a number of assumptions which are clearly defined in the supporting pages. Productivity and performance assumptions are based on data supplied by specialists as well as data collected from certain producers. Input costs are based on recommended practices and/or information obtained from producers. Good management is assumed in that a balanced ration is being fed, livestock are on an organic herd health program and handling facilities are included.

**Disclaimer**: This budget is only a guide and is not intended as an in depth study of the cost of production of the Manitoba organic cattle industry. Interpretation and utilization of this information is the responsibility of the user. If you require assistance with developing your individual budget, please contact your local MAFRI Business Development Specialist or Livestock Farm Production Extension Specialist.



#### Overview of the Organic Livestock Industry in Manitoba

The organic farming sector has seen growth in recent years in response to increased consumer demand for organic food products.

Producers have experienced price premiums above conventionally produced livestock, which compensates for the higher input costs related to organic

One of the basic requirements of the organic production system is that 'prohibited substances such as synthetic fertilizers and pesticides must not have been used for at least 36 months before the harvest of any crop'.

To transition livestock to certified organic, animals must be fed an organic ration for a minimum of the third trimester before calving. An individual beef animal must be managed according to the organic standards beginning no later than the start of the last third gestation period (of the dam) (CAN/CGSB-32.310-2006, 6.2.2). The individual cattle in the original conventional herd will never receive organic status, and they cannot be sold for slaughter as organic, nor can their meat be sold or represented as organic. However, they can receive the status of "Organic Breeding Stock", which designates that they are managed organically and that their offspring will be eligible for full "Organic" status (CAN/CGSB-32.310-2006, 6.2).

This budget shows transfer of calves to a backgrounding operation rather than sale into the market. In order to reduce stress to the calves they are retained until a higher weight.

Certified organic livestock must be certified to government-regulated standards on an annual basis by a certification agency. Land must be certified because livestock must have access to pastures, and the pastures must be certified organic (CAN/CGSB-32.310-2006 6.1.3).

Manure from organic cattle must be composted for a period of 6-12 months prior to being spread on organic land, though this requirement may vary by certifying agency. Manure from conventional cattle must be composted for a period of 24-36 months prior to being spread on organic land, though this requirement may vary by certifying agency.

For more information on all aspects of the organic industry, check out the Organic Agriculture page on the MAFRI website at: http://www.gov.mb.ca/agriculture/organic

# Cow-Calf Production Costs January, 2009 Based on a 150 Conventional Cow Herd and 150 Organic Cow Herd

A. Operating Costs	Conventional	Certified Organic	Your Cost
1. Feed Costs	¢7.62	¢12 F0	
1.01 Grain 1.02 Hay	\$7.63 \$173.50	\$12.50 \$210.50	
1.02 Hay 1.03 Salt & Minerals	\$173.30 \$15.75	\$21.00	
Total Feed Cost	\$196.88	\$244.00	
101411 004 0001	<b>\$100.00</b>	Ψ211.00	
2. Other Operating Costs			
2.01 Straw	\$20.00	\$20.00	
2.02 Veterinary Medicine & Supplies	\$19.89	\$8.02	
2.03 Breeding Costs	\$35.37	\$32.66	
2.04 Fuel, Maintenance & Repairs	\$28.00	\$28.00	
2.05 Utilities	\$10.00	\$10.00	
2.06 Marketing & Transportation	\$27.34	\$25.81	
2.07 Death Loss	\$8.75	\$13.50	
2.08 Manure Removal	\$16.67	\$16.67	
2.09 Insurance	\$5.37	\$6.27	
2.10 Herd Replacement	\$42.00	\$24.00	
2.11 Certification & Miscellaneous	\$6.67	\$19.00	
Subtotal Operating Costs	\$416.94	\$447.93	
2.12 Operating Interest	\$13.55	\$14.56	
Total Operating Costs	\$430.49	\$462.48	
B. Fixed Costs			
3. Depreciation			
3.01 Buildings	\$14.36	\$14.36	
3.02 Machinery & Equipment	\$24.85	\$24.85	
	, —	<b>4</b> ,	
4. Investment			
4.01 Buildings	\$5.74	\$5.74	
4.02 Machinery & Equipment	\$7.46	\$7.46	
4.03 Livestock	\$28.00	\$36.00	
4.04 Pasture Land & Fencing	\$104.30	\$107.46	
Total Fixed Costs	<u>\$184.71</u>	\$195.87	
Total Operating and Fixed Costs	\$615.20	\$658.35	
3			
C. Labour	\$99.00	\$110.00	
Total Cost of Production	\$714.20	\$768.35	
Breakeven price	\$/cwt	\$/cwt	
A. Operating Costs	\$78.81	\$87.43	
B. Operating & labour Costs	\$96.93	\$108.22	
C. Operating & Fixed Costs	\$112.62	\$124.45	
D. Operating, Fixed & Labour Costs	\$130.75	\$145.25	
Breakeven Price \$/cwt = Cost ÷ 95% calf crop ÷ calf we		The state of the s	

**Disclaimer:** This budget is only a guide and is not intended as an in-depth study of the cost of production of this industry. Interpretation and utilization of this information is the responsibility of the user. No liability for decisions based on this publication is assumed.

#### **Assumptions**

- 1. This budget outlines the cost of production for a cow calf operation with 150 cows, 6 bulls and 95% calf crop weaned.
- 2. Building and equipment are valued at new cost.
- 3. All feed is valued at market value.
- 4. Manure removal is contracted out.

A. Operating Costs

1.

- 5. Replacement heifers are valued at fair market value.
- 6. This budget assumes an average weaning weight of 575 lbs. (steer calves 600 lbs and heifer calves 550 lbs.)

#### **Conventional Cow-Calf Production Worksheet**

Feed Costs			
1.01 Barley (processed)			
	2.00	lbs barley/cow/day	
X	60.00	days/year	
÷	48.00	lbs/bu	
<u>X</u>	\$3.05	/bushel	
=	\$7.63	/cow	
1.02 Hay (for cows)			
	2.50	tons good quality	50
<u>X</u>	\$55.00	<u>/ton</u>	
=	\$137.50	/cow	
	4.00		
	1.20	tons low quality	
X	\$30.00	<u>/ton</u>	
=	\$36.00	/cow	
Total =	\$173.50	/cow	
1.03 Salt and Minerals			
	35.00	lbs salt/cow/year	-
<u>X</u>	\$0.12	<u>/lb</u>	
=	\$4.20	/cow	
	0.5.00		
	35.00	lbs mineral/cow/year	
X	\$0.33	<u>/lb</u>	
=	\$11.55	/cow	-
Total =	\$15.75	/cow	

2.	Other Operating	Costs
	2 01 Straw	

2.01 Straw	<u>×</u> =	1.00 \$20.00 <b>\$20.00</b>	tons/cow/year /ton /cow	
2.02 Veterinary Calf Medication	Medicine &	Supplies		
Call Medication		\$0.53	/calf blackleg	
	X	95.00	% calf crop	
	=	\$0.51	/cow	
		40.01	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Cow Medication				
		\$2.55	/cow IBR	
	+	\$3.45	/cow scourguard	
	+	\$5.20	/cow parasite control	
	<u>+</u>	\$0.65	/cow ADE	
	=	\$11.85	/cow	-
Herd Health Prog	gram			
		\$135.00	/hour charge	
	X	6.00	hours	
	÷	150.00	cows	
	=	\$5.40	/cow	
Mileage				
		\$1.00	/km charge	
	X	80.00	kilometres	
	X	4.00	visits	
	÷	<u>150.00</u>	cows	
	=	\$2.13	/cow	-
Total	=	\$19.89	/cow	
2.03 Breeding (	Costs			
Feed for Bulls				
Hay				
		4.00	tons good quality	
	X	\$55.00	/ton	
	X	6.00	bulls	
	÷	150.00	cows	
	=	\$8.80	/cow	

Barley  x  x  x  x  x  x  =	7.00 120.00 48.00 \$3.05 6.00 150.00 \$2.14	lbs barley/bull/day days lbs/bu /bushel bulls cows /cow	
Total =	\$10.94	/cow	
Straw for Bulls			
X X ± =	1.00 \$20.00 6.00 <u>150.00</u> \$0.80	tons/bull/year /ton bulls cows /cow	
Vet & Medicine for Bulls			
+ X ÷ =	\$55.00 \$10.00 6.00 150.00 \$2.60	semen test total vet cost/bull bulls cows /cow	
Replacement of Bulls			
- X X ÷ = =	\$2,200 \$750 25.00 6.00 <u>150.00</u> \$14.50	bull cost bull salvage value % replacement rate bulls cows /cow	
Investment in Bulls  +  ÷  X  X  ±  =	\$2,200 \$750 2.00 4.00 6.00 150.00 \$2.36	bull cost bull salvage value average % investment rate bulls cows /cow	

\$104.30   bulls   bu	Pasture Costs fo	r Bulls			
## 150.00   Security		V		-	
## St. 17 /cow    Total					
2.04 Fuel, Oil, Repairs & Maintenance  Machinery  \$1,800 annual fuel cost oil, repairs & maintenance					
## \$1,800 annual fuel cost	Total	=	\$35.37	lcow	
## \$1,800 annual fuel cost	0.04 5 1 0 1				
# \$1,350 oil, repairs & maintenance  # 150.00 cows		Repairs & Ma	iintenance		
# 150.00 cows				annual fuel cost	
Buildings,Fences etc.  \$1,050 repairs & maintenance  \(\frac{\displaysigned{\displaysigned}{\d					
Buildings, Fences etc.  \$1,050 repairs & maintenance  \[ \frac{1}{5} \frac{150.00}{\$\frac{5}{7.00}} \] \[ \frac{cows}{cows} \]  Total = \$28.00 /cow  2.05 Utilities  \$1,500 annual cost  \[ \frac{1}{5} \frac{150.00}{\$\cos cows} \] \[ \frac{cows}{cows} \]  = \$10.00 /cow  2.06 Marketing & Transportation  Trucking  Calves  \$143 calves  \$\$x \$575.00  bs/calf  \$\$x \$1.50 /cwt (trucking cost) \]  \[ \frac{1}{5} \frac{150.00}{\$\cos cows} \]  = \$8.22 /cow  Cull Cows  \$\$1,350.00  bs/cow   \$\$x \$1.50 /cwt (trucking cost) \]  \[ \frac{1}{5} \frac{150.00}{\$\cos cows} \]					
\$1,050 repairs & maintenance  \[ \frac{\darksquare}{150.00} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		=	\$21.00	/cow	
### ### ##############################	Buildings, Fences	s etc.			
Total = \$28.00 /cow  2.05 Utilities  \$1,500 annual cost  \( \frac{1}{2} \) \( \frac{150.00}{2} \) \( \cow \)  2.06 Marketing & Transportation  Trucking  Calves  \$1,500 annual cost  \( \frac{1}{2} \) \( \frac{150.00}{2} \) \( \cow \)  2.06 Marketing & Transportation  Trucking  Calves  \$1,43 calves  \$2,00 cows  \$1,50 /cwt (trucking cost)  \( \frac{1}{2} \) \( \frac{150.00}{2} \) \( \cow \)  Cull Cows  \$1,000 cows  \$2,00 cows died  \$2,00 cows died  \$3,350.00 lbs/cow  \$3,150 /cwt (trucking cost)  \( \frac{1}{2} \) \( \frac{150.00}{2} \) \( 150			\$1,050	repairs & maintenance	
Total = \$28.00 /cow  2.05 Utilities  \$1,500 annual cost  \( \frac{1}{2} \) \( \frac{150.00}{2 \) cow} \\  2.06 Marketing & Transportation  Trucking  Calves  \$1,50  \text{calves} \\ \$\times \text{575.00}  \text{lbs/calf} \\ \$\times \text{1.50}  \text{cows} \\ \( \frac{150.00}{2} \) \( \frac{cows}{2} \) \( \frac{cows}{2} \)  Cull Cows  \$1,350.00  \text{lbs/cow} \\ \$\times \text{1,350.00}  \text{lbs/cow} \\ \$\times \text{1.50}  \text{cwt} \text{(trucking cost)} \\ \( \frac{1}{2} \) \( \frac{cows}{2} \)		÷		cows	
2.05 Utilities  \$1,500 annual cost  \(\frac{\darkgray}{2}{2} \) \(\frac{150.00}{2} \) \(\frac{cows}{2} \) \(\frac{1}{2} \) \(\frac{1} \) \(\frac{1}{2} \) \(\frac{1}{2} \) \(\frac{1}{2} \) \(\fr		=	\$7.00	/cow	
\$1,500 annual cost  \[ \frac{\darketing}{\darketing} \] \frac{\darketing}{\darketing}   \darketing   \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing  \darketing   \darketing   \darketing  \darketing  \darketing  \darketi	Total	= 7	\$28.00	/cow	
± 150.00 cows /cow  2.06 Marketing & Transportation  Trucking  Calves 143 calves  x 575.00 lbs/calf  x \$1.50 /cwt (trucking cost)  ± 150.00 cows  = \$8.22 /cow  Cull Cows 18.00 cull cows  - 2.00 cows died  x 1,350.00 lbs/cow  x \$1.50 /cwt (trucking cost)  - 2.00 cows died  x 1,350.00 lbs/cow  x \$1.50 /cwt (trucking cost)  ± 100.00 lbs/cwt  ± 150.00 cows	2.05 Utilities				
### State			\$1,500	annual cost	
2.06 Marketing & Transportation  Trucking Calves  143 calves  x 575.00 lbs/calf  x \$1.50 /cwt (trucking cost)  ÷ 150.00 cows  = \$8.22 /cow  Cull Cows 18.00 cull cows  - 2.00 cows died  x 1,350.00 lbs/cow  x \$1.50 /cwt (trucking cost)  - 2.00 cows died  x 1,350.00 lbs/cow  x \$1.50 /cwt (trucking cost)  ÷ 100.00 lbs/cwt  ÷ 150.00 cows		÷	150.00	cows	
Trucking       143 calves         x       575.00 lbs/calf         x       \$1.50 /cwt (trucking cost)         ÷       150.00 cows         =       \$8.22 /cow         Cull Cows       18.00 cull cows         -       2.00 cows died         x       1,350.00 lbs/cow         x       \$1.50 /cwt (trucking cost)         ÷       100.00 lbs/cwt         ÷       150.00 cows			\$10.00	/cow	
Calves       143       calves         x       575.00       lbs/calf         x       \$1.50       /cwt (trucking cost)         ÷       150.00       cows         =       \$8.22       /cow         Cull Cows       -       2.00       cows died         x       1,350.00       lbs/cow         x       \$1.50       /cwt (trucking cost)         ÷       100.00       lbs/cwt         ÷       150.00       cows	_	& Transport	ation		
x       575.00 lbs/calf         x       \$1.50 /cwt (trucking cost)         \( \frac{150.00}{\text{s}} \) cows         =       \$8.22 /cow     Cull Cows  18.00 cull cows  - 2.00 cows died  x 1,350.00 lbs/cow  x \$1,350.00 lbs/cow  x \$1.50 /cwt (trucking cost)  \( \frac{1}{\text{c}} \) 100.00 lbs/cwt  \( \frac{1}{\text{c}} \) 150.00 cows	-		142	achies	
x       \$1.50       /cwt (trucking cost)         \(\frac{1}{50.00}\)       \(\frac{cows}{88.22}\)         Cull Cows       18.00       cull cows         -       2.00       \(\frac{cows}{cows}\) \(\frac{died}{died}\)         x       1,350.00       \(\frac{lbs/cow}{cowt}\)         \(\frac{died}{cowt}\)       \(\frac{died}{cowt}\)         \(\frac{died}{cowt}\)	Calves	~			
± 150.00 cows = 18.00 cull cows - 2.00 cows died x 1,350.00 lbs/cow x \$1.50 /cwt (trucking cost) ÷ 100.00 lbs/cwt ± 150.00 cows		^			
= \$8.22 /cow  Cull Cows 18.00 cull cows - 2.00 cows died x 1,350.00 lbs/cow x \$1.50 /cwt (trucking cost) ÷ 100.00 lbs/cwt ÷ 150.00 cows		Y			
- 2.00 cows died  x 1,350.00 lbs/cow  x \$1.50 /cwt (trucking cost)  ÷ 100.00 lbs/cwt  ÷ 150.00 cows			\$1.50	/cwt (trucking cost)	
- 2.00 cows died  x 1,350.00 lbs/cow  x \$1.50 /cwt (trucking cost)  ÷ 100.00 lbs/cwt  ÷ 150.00 cows			\$1.50 <u>150.00</u>	/cwt (trucking cost) cows	
x       1,350.00 lbs/cow         x       \$1.50 /cwt (trucking cost)         ÷       100.00 lbs/cwt         ÷       150.00 cows	Cull Cow	<u>÷</u> =	\$1.50 <u>150.00</u> \$8.22	/cwt (trucking cost) cows /cow	
x \$1.50 /cwt (trucking cost)  ÷ 100.00 lbs/cwt  ÷ 150.00 cows	Cull Cow	<u>÷</u> =	\$1.50 150.00 \$8.22	/cwt (trucking cost) cows /cow cull cows	
÷ 100.00 lbs/cwt ÷ 150.00 cows	Cull Cow	÷ = s	\$1.50 150.00 \$8.22 18.00 2.00	/cwt (trucking cost) cows /cow cull cows cows died	
	Cull Cow	÷ = s	\$1.50 150.00 \$8.22 18.00 2.00 1,350.00	/cwt (trucking cost) cows /cow  cull cows cows died lbs/cow	
= \$2.16 /cow	Cull Cow	÷ = s	\$1.50 150.00 \$8.22 18.00 2.00 1,350.00 \$1.50 100.00	/cwt (trucking cost) cows /cow  cull cows cows died lbs/cow /cwt (trucking cost)	
	Cull Cow	÷ = s	\$1.50 150.00 \$8.22 18.00 2.00 1,350.00 \$1.50 100.00 150.00	/cwt (trucking cost) cows /cow  cull cows cows died lbs/cow /cwt (trucking cost) lbs/cwt cows	

MCEC Levy, MCI Calves	MCEC Levy, MCPA Levy, selling commission & insurance Calves \$0.00 MCEC Fee						
Calves	+ * * *	\$0.00	MCPA Levy				
	+	\$16.00	Commission, Insurance				
		143	calves				
	X						
	÷	150.00	cows				
	=	\$15.25	/cow				
Cull Cows							
		\$0.00	MCEC Fee				
		\$0.00	MCPA Levy				
	+	\$16.00	Commission, MCPA				
	X	16	cull cows				
	÷	150.00	cows				
	=	\$1.71	/cow				
		¥ 11.1	,				
Total	=	\$27.34	/cow				
2.07 Death Loss	5						
	X	\$700	/cow investment				
	X	1.25	% mortality rate				
	=	\$8.75	/cow				
		,					
2.08 Manure Re	moval						
		\$2,500	annual removal cost				
	÷	150.00	cows				
	=	\$16.67	/cow				
2.09 Insurance							
		\$700	\$/cow investment				
	X	\$0.45	/\$100 capital				
	÷	100.00	/100				
	=	\$3.15	/cow				
		4-1.1-					
		\$94,375	building and equipment investment				
	X	\$0.30	/\$100 capital				
	÷	100.00	/100 capital				
		150.00					
	<u>+</u> =		COWS				
	_	\$1.89	/cow				
		\$49.00	liability				
	÷	150.00	cows				
	=	\$0.33	/cow				
Total	=	\$5.37	/cow				

2 10	Herd	Ren	lacement
2.10	IICIG	IVCP	accincin

- <u>X</u> =	\$800 \$450 <u>12.00</u> <b>\$42.00</b>	/replacement heifer /cull cow % replacement rate /cow	
2.11 Miscellaneous			
	\$1,000	total office expenses	
÷	150.00	cows	
=	\$6.67	/cow	

#### 2.12 Operating Interest

(Operating interest is charged on one half of the subtotal operating costs)

	\$416.94	subtotal operating costs	
÷	2.00	average	
<u>X</u>	6.50 <b>\$13.55</b>	% operating interest	
_	\$15.55	7000	

### **Capital Costs**

Buildings & Water System  Windbreak Fence Feedlot Fence Calf Shelters Handling Facilities Calving Barn (30'x32') Waterers (3 @ \$ 1000) Pasture watering system Pasture water source Gates Round Bale Feeders Well & Pressure System Hydro (6 poles @ \$400) Storage Bins Total Building Cost	\$2,680 \$2,680 \$8,000 \$3,685 \$9,600 \$3,350 \$2,680 \$2,010 \$840 \$1,500 \$6,000 \$2,400 \$2,350 \$47,775					
Machinery & Equipment Miscellaneous Machinery Tractor & Loader (\$100,000 @30%) Bale Shredder Stock Trailer Truck (\$30,000 @ 50%) Total Machinery & Equipment Cost  Total Bldg., Mach. & Equip.	\$2,500 \$20,000 \$8,700 \$2,000 \$13,400 \$46,600					
Total Blug., Macil. & Equip.	φ <del>34</del> ,373					
Total Breeding Herd Value	\$105,000					
Total Capital Investment	\$199,375					
B. Fixed Costs 3. Depreciation  Original Cost - Salvage Value Useful Life						
3.01 Buildings & Water System (not i \$43,085 - 0.00 \(\div 20.00\) \(\div \frac{150.00}{150.00}\) = \$14.36	ncluding pasture water system) original cost salvage value years useful life cows /cow					

	3.02 Machinery	& Eq	uipment		
	•	•	\$46,600	original cost	
		-	\$9,320	salvage value	
		÷	10.00	years useful life	
		÷	150.00	cows	
		=	\$24.85	/cow	
4.	Investment		Original Cost +	Salvage Value x Investment	Rate
				2	
	4.01 Buildings				
			\$43,085	original cost	
		+	\$0.00	salvage value	
		÷	2.00	average	
		X	4.00	% investment rate	
		$\pm$	<u>150.00</u>	cows	-
		=	\$5.74	/cow	
	4.02 Machinery	& Eq			
			\$46,600	original cost	
		+	\$9,320	salvage value	
	*	÷	2.00	average	
		X	4.00	% investment rate	
		÷	<u>150.00</u>	cows	
		=	\$7.46	/cow	
	4.03 Livestock				
			\$700	/cow	
		X	4.00	% investment rate	
		=	\$28.00	/cow	
	4.04 Deature				
	4.04 Pasture				
	A. Marginal Land	٨			
	Investment	ч			
	Land		7.00	acres/cow	
	Land	Х	\$275.00	/acre	
			4.00	% investment rate	
		<u>X</u>	\$77.00	/cow	
		_	φ11.00	/ CO W	

Fence				
		\$23,800	total fence investment	
	+	\$0	salvage value	
	÷	2.00	average	
	X	4.00	% investment rate	
	÷	150.00	cows	
	=	\$3.17	/cow	
		ΨΟ. 17	7000	
Pasture Wa	ter System			
		\$4,690	system & source	
	+	\$0	salvage value	
	÷	2.00	average	
	X	4.00	% investment rate	
	÷	<u>150.00</u>	cows	
	=	\$0.63	/cow	
Total Investr	ment =	\$80.80	/cow	
Depreciation				
Fence		\$23,800	total fence investment	
1 01100	_	\$0	salvage value	× -
	÷	20.00	years useful life	
	÷	150.00	cows	
	=	\$7.93	/cow	
Pacture Wa		\$7.93	/cow	
Pasture Wa	iter system	\$4,690	system & dugout	
		\$4,090	salvage value	
	÷	20.00	years useful life	
			-	
	÷ =	150.00	cows	
	_	\$1.56	/cow	
Total	=	\$9.50	/cow	
Taxes		7.00	acres/cow	
	X	\$2.00	<u>/acre</u>	
	=	\$14.00	/cow	
T-4-1		<b>*</b> 404.00		
Total	=	\$104.30	/cow	
C. Labour				
		9.00	hours/cow/year	
	X	\$11.00	<u>/hour</u>	
	=	\$99.00	/cow	

#### **Assumptions**

- 1. This budget outlines the cost of production for a cow calf operation with 150 cows, 6 bulls and 92% calf crop weaned.
- 2. Building and equipment are valued at new cost.
- 3. All feed is valued at market value.
- 4. Manure removal is contracted out.

A. Operating Costs

- 5. Replacement heifers are valued at fair market value.
- 6. This budget assumes an average weaning weight of 575 lbs. (steer calves 600 lbs and heifer calves 550 lbs.)

#### **Organic Cow-Calf Production Worksheet**

1. Feed Costs			
1.01 Barley (process	ed)		
	2.00	lbs barley/cow/day	
X	60.00	days/year	
÷	48.00	lbs/bu	
<u>X</u>	\$5.00	/bushel	
=	\$12.50	/cow	
1.02 Hay (for cows)			
	2.50	tons good quality	
X	\$65.00	<u>/ton</u>	
=	\$162.50	/cow	
	1.20	tons low quality	
Y	\$40.00	/ton	
<u>X</u>	\$48.00	/cow	
	Ψ-10.00	70011	-
Total =	\$210.50	/cow	
1.03 Salt and Minera	Is		
noo oan ana minora	35.00	lbs salt/cow/year	
<u>X</u>	\$0.15	/ <u>lb</u>	
=	\$5.25	/cow	
	,		
	35.00	lbs mineral/cow/year	
<u>X</u>	\$0.45	<u>/lb</u>	
=	\$15.75	/cow	Management 1
			-
Total =	\$21.00	/cow	

2.	Other O	perating	Costs
	2.01	Straw	

2.01 Straw	<u>×</u> =	1.00 \$20.00 <b>\$20.00</b>	tons/cow/year /ton /cow	
2.02 Veterinary Calf Medication	Medicine &	Supplies		
		\$0.53	/calf blackleg	
	X	92.00	% calf crop	
	=	\$0.49	/cow	-
Cow Medication				-
Cow Medication		ድር ርር	Januar IRD	
		\$0.00	/cow IBR	
	+	\$0.00 \$0.00	/cow scourguard	
			/cow parasite control	-
	<u>+</u> =	\$0.00 \$0.00	/cow ADE /cow	
	_	φ0.00	/COW	
Herd Health Prog	gram			
	·	\$135.00	/hour charge	
	X	6.00	hours	8
	÷	150.00	cows	
	=	\$5.40	/cow	
Mileage		04.00		
		\$1.00	/km charge	
	X	80.00	kilometres	
Q.	X	4.00	visits	
	÷	150.00	cows	
	=	\$2.13	/cow	
Total	=	\$8.02	/cow	
2.03 Breeding (	Costs			
Feed for Bulls				
Hay		4.00	tone good guellt:	
		4.00	tons good quality	
	X	\$65.00	/ton	
	X	6.00	bulls	
	<u>:</u> =	150.00 \$10.40	cows	
	<b>-</b> ,	\$10.40	/cow	

Barley	X ÷ X X <del>*</del> =	7.00 120.00 48.00 \$5.00 6.00 <u>150.00</u> \$3.50	lbs barley/bull/day days lbs/bu /bushel bulls cows /cow	
Total	=	\$13.90	/cow	
Straw for Bulls				
	X X ± =	1.00 \$20.00 6.00 <u>150.00</u> \$0.80	tons/bull/year /ton bulls cows /cow	
Vet & Medicine for	or Bulls			
	+ X ÷ =	\$55.00 \$10.00 6.00 <u>150.00</u> \$2.60	semen test total vet cost/bull bulls cows /cow	
Replacement of I	Bulls			
	- X X <del>-</del> =	\$2,200 \$750 15.00 6.00 <u>150.00</u> \$8.70	bull cost bull salvage value % replacement rate bulls cows /cow	
Investment in Bu	lls	<b>\$2,200</b>	hull anat	
	+ ÷ X X ± =	\$2,200 \$750 2.00 4.00 6.00 150.00 \$2.36	bull cost bull salvage value average % investment rate bulls cows /cow	

Pasture Costs for	r Bulls			
		\$107.46	/bull pasture cost	
	X	6.00	bulls	
	÷ =	150.00 \$4.30	cows /cow	
		φ4.00	70011	
Total	=	\$32.66	/cow	
2.04 Fuel, Oil, F Machinery	Repairs & M	aintenance		
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		\$1,800	annual fuel cost	
	+	\$1,350	oil, repairs & maintenance	
	÷	150.00	cows	
	=	\$21.00	/cow	
Buildings,Fences	etc.			
		\$1,050	repairs & maintenance	· · · · · · · · · · · · · · · · · · ·
	÷	<u>150.00</u>	cows	
	=	\$7.00	/cow	
Total	=	\$28.00	/cow	
2.05 Utilities				
		\$1,500	annual cost	
	± =	150.00	cows	
	=	\$10.00	/cow	
<b>2.06 Marketing</b> Trucking	& Transpor	tation		
Calves		138	calves	
3333	Χ	575.00	lbs/calf	-
	×	\$1.50	/cwt (trucking cost)	-
	÷	<u>150.00</u>	cows	
	=	\$7.94	/cow	¥
Cull Cows	3	15.00	cull cows	
	-	2.00	cows died	
	X	1,350.00	lbs/cow	
	X	\$1.50	/cwt (trucking cost)	
	÷	100.00	lbs/cwt	
	<u>÷</u> =	150.00 \$1.76	COWS	-
	_	\$1.76	/cow	-

MCEC Levy, MCF	PA Levy, sell	_		
Calves		\$0.00	MCEC Fee	
	+	\$0.00	MCPA Levy	
	+	\$16.00	Commission, Insurance	
	X	138	calves	
	÷	150.00	cows	
	=	\$14.72	/cow	
		* –		
Cull Cows				
		\$0.00	MCEC Fee	
		\$0.00	MCPA Levy	
	+	\$16.00	Commission, MCPA	
	X	13	cull cows	
	÷	150.00	cows	
	_	\$1.39	/cow	
		Ψ1.00		
Total	=	\$25.81	/cow	
Total		<b>\$20.0</b> 1	7004	
2.07 Death Loss	5			
	X	\$900	/cow investment	
	X	1.50	% mortality rate	
	=	\$13.50	/cow	-
		************		
2.08 Manure Re	moval			
		\$2,500	annual removal cost	
	÷	150.00	cows	
	<u>+</u> =	\$16.67	/cow	
	_	Ψ10.07	7COW	
2.09 Insurance				
		\$900	\$/cow investment	
	Х	\$0.45	/\$100 capital	
	±	100.00	/100	
	_	\$4.05	/cow	
		Ψ4.03	700W	
		\$94,375	building and equipment investment	
	<b>V</b>	\$0.30		
	X ÷		/\$100 capital	
		100.00	/100	-
	÷	150.00	cows	
	=	\$1.89	/cow	
		\$49.00	liability	
	<u>.</u>		liability	
	<u>÷</u>	150.00	COWS	
	=	\$0.33	/cow	
Total	=	\$6.27	/cow	

2.	1	0	ŀ	4	e	r	d	F	?e	p	la	C	e	n	ne	n	t
		_	•	•	_	-	-			~			_				-

<u>X</u> =	\$1,000 \$800 <u>12.00</u> <b>\$24.00</b>	/replacement heifer /cull cow <u>% replacement rate</u> /cow	
n & Misc	ellaneous		
	\$1,000	total office expenses	

# 2.11 Certification

	\$1,000	total office expenses	
	\$1,850	organic certification	
÷	150.00	cows	
=	\$19.00	/cow	

#### 2.12 Operating Interest

(Operating interest is charged on one half of the subtotal operating costs)

	\$447.93	subtotal operating costs	
÷	2.00	average	
X	6.50	% operating interest	
=	\$14.56	/cow	

## **Capital Costs**

Buildings & Water System Windbreak Fence	\$2,680	
Feedlot Fence	\$2,680	
Calf Shelters	\$8,000	
Handling Facilities	\$3,685	
Calving Barn (30'x32')	\$9,600	
Waterers (3 @ \$ 1000)	\$3,350	
Pasture watering system	\$2,680	
Pasture water source	\$2,010	
Gates	\$840	
Round Bale Feeders	\$1,500	
Well & Pressure System	\$6,000	
Hydro (6 poles @ \$400)	\$2,400	
Storage Bins	\$2,350	
Additional Organic Facilities	\$0	
Total Building Cost	\$47,775	
•		
Machinery & Equipment		
Miscellaneous Machinery	\$2,500	
Tractor & Loader (\$100,000 @30%)	\$20,000	
Bale Shredder	\$8,700	<u>.</u>
Stock Trailer	\$2,000	
Truck (\$30,000 @ 50%)	\$13,400	
Additional Organic Equipment	<u>\$0</u>	
Total Machinery & Equipment Cost	\$46,600	
Total Bldg., Mach. & Equip.	\$94,375	
Total Breeding Herd Value	\$105,000	
Total Capital Investment	¢400.375	
Total Capital Investment	\$199,375	
B. Fixed Costs		
3. Depreciation Original Cost - S	Salvage Value	
Useful	Life	
3.01 Buildings & Water System (not in	cluding pasture water system)	
\$43,085	original cost	
- 0.00	salvage value	
÷ 20.00	years useful life	-
<u>÷</u> 150.00	cows	
= \$14.36	/cow	
- \$14.30	10044	

3.02 Machinery	& Equipme	nt \$46,600	original cost					
*	-	\$9,320	salvage value					
	÷	10.00	years useful life					
	÷	150.00	cows					
	<u>+</u> =	\$24.85	cow					
4. Investment Original Cost + Salvage Value x Investment Rate								
2								
4.01 Buildings								
		\$43,085	original cost					
	+	\$0.00	salvage value					
	÷	2.00	average					
	X	4.00	% investment rate					
	÷	150.00	cows					
	=	\$5.74	/cow					
4.02 Machinery	& Equipme	nt						
		\$46,600	original cost					
	+	\$9,320	salvage value					
	÷	2.00	average					
	X	4.00	% investment rate					
	÷	150.00	cows					
	=	\$7.46	/cow					
4.03 Livestock								
		\$900	/cow					
	X	4.00	% investment rate	•				
	=	\$36.00	/cow					
4.04 Pasture								
Marginal Land								
Investment		7.05						
Land		7.00	acres/cow					
	X	\$275.00	/acre					
	X	4.00	% investment rate					
	=	\$77.00	/cow	-				

	Fence				
			\$23,800	total fence investment	
		+	\$0	salvage value	
		÷	2.00	average	
		X	4.00	% investment rate	
		÷	150.00	cows	
		=	\$3.17	/cow	
				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	Pasture Water	System			
			\$4,690	system & source	
		+	\$0	salvage value	,
		÷	2.00	average	
		X	4.00	% investment rate	
		÷	150.00	cows	
		=	\$0.63	/cow	
			40.00		
	Total Investmen	t =	\$80.80	/cow	
					-
	Depreciation				
	Fence		\$23,800	total fence investment	
		-	\$0	salvage value	
		÷	15.00	years useful life	
		÷	150.00	cows	×
		=	\$10.58	/cow	
Pasture Water system					
		•	\$4,690	system & dugout	
		-	\$0	salvage value	
		÷	15.00	years useful life	
		÷	150.00	cows	
		=	\$2.08	/cow	
					121
	Total	=	\$12.66	/cow	
	Taxes		7.00	acres/cow	
		X	\$2.00	<u>/acre</u>	
		=	\$14.00	/cow	
	Total	=	\$107.46	/cow	
0 1 -1					
C. Lab	our		10.00	have la accident	
			10.00	hours/cow/year	
		<u>X</u>	\$11.00	/hour	
		=	\$110.00	/cow	

#### For further information contact your local MAFRI office.

Prepared by:

Peter Blawat Policy Economist

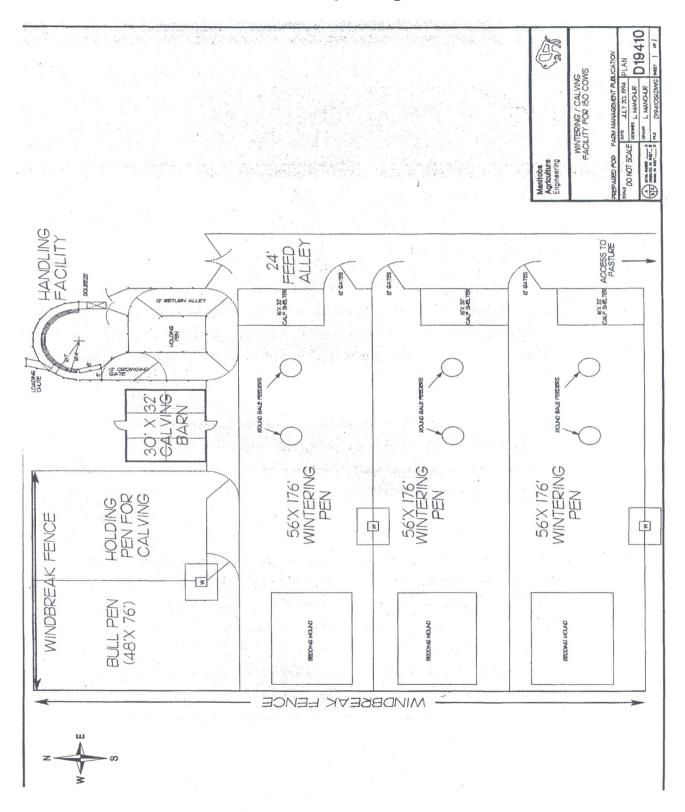
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Dena Hunter Business Development Specialist

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#### **Cow-Calf Operating Facilities**



Prepared by Manitoba Agriculture, Food and Rural Initiatives.

**Growing Opportunities**