

## 2015 Stocker/Backgrounding Budget

AE 15-03

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The stocker/backgrounding budget was developed to assist Tennessee cattle producers in estimating the cost of production and net return to land and management. This budget should be considered a template or guide to estimating expenses and revenues, and it should not be considered representative of all circumstances. Users of this budget are encouraged to enter information into the budget that reflects their individual situation and production practices. Using information most closely related to a particular operation will improve the decision making process.

**Disclaimer:** Significant variability in inputs, prices, and production practices exist across operations and from region to region. The information contained in this budget relies on estimates and assumptions specific to Tennessee. This budget should not be construed as a reflection of all circumstances across the state as regional variability does exist. To improve the value of this budget, users are encouraged to use inputs, prices, production practices and management that are employed on their specific operation.



E12-4115

Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development.

University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and country governments cooperating.

UT Extension provide equal opportunities in programs and employment.

## Estimated Returns and Expenses for Stocker/Backgrounding Operation in Tennessee

Item	Unit	Quantity	Price	\$/Head	\$/Group Total	Your Farm
<b>Revenue</b>						
Feeder Cattle	lb	_____	\$ _____	\$ _____	\$ _____	_____
<b>Total Revenue</b>				\$ _____	\$ _____	_____
<b>Variable Expenses</b>						
Calf Purchase	lb	_____	\$ _____	\$ _____	\$ _____	_____
Pasture Production	acre	_____	\$ _____	\$ _____	\$ _____	_____
Hay Production	acre	_____	\$ _____	\$ _____	\$ _____	_____
Purchased Hay	ton	_____	\$ _____	\$ _____	\$ _____	_____
Supplemental Feed	lb	_____	\$ _____	\$ _____	\$ _____	_____
Salt and Mineral	lb	_____	\$ _____	\$ _____	\$ _____	_____
Vet & Med	head	_____	\$ _____	\$ _____	\$ _____	_____
Death Loss	%	\$ _____ %	\$ _____	\$ _____	\$ _____	_____
Other Expenses	head	_____	\$ _____	\$ _____	\$ _____	_____
Labor	hours	_____	\$ _____	\$ _____	\$ _____	_____
<b>Production Expenses</b>				\$ _____	\$ _____	_____
Interest on Calf Purchase	\$	\$ _____ %	\$ _____	\$ _____	\$ _____	_____
Interest on Other Variable Expenses	\$	\$ _____ %	\$ _____	\$ _____	\$ _____	_____
Marketing	head	_____	\$ _____	\$ _____	\$ _____	_____
Land Rent	acre	_____	\$ _____	\$ _____	\$ _____	_____
<b>Total Variable Expenses</b>				\$ _____	\$ _____	_____
<b>Returns to Variable Expenses</b>				\$ _____	\$ _____	_____
<b>Fixed Expenses</b>						
Livestock Facilities & Equipment	head	_____	\$ _____	\$ _____	\$ _____	_____
Pasture and Hay Machinery/Equipment	head	_____	\$ _____	\$ _____	\$ _____	_____
Miscellaneous Overhead	head	_____	\$ _____	\$ _____	\$ _____	_____
<b>Total Fixed Expenses</b>				\$ _____	\$ _____	_____
<b>Total Expenses</b>				\$ _____	\$ _____	_____
<b>Net Return to Land and Management</b>				\$ _____	\$ _____	_____

## 2015 Estimated Returns and Expenses for Stocker/Backgrounding Operation in Tennessee

Item	Unit	Quantity	Price	\$/Head	\$/Group Total	Your Farm
<b>Revenue</b>						
Feeder Cattle	lb	800	\$ 2.30	\$ 1,840.00	\$ 114,080.00	_____
<b>Total Revenue</b>				<b>\$ 1,840.00</b>	<b>\$ 114,080.00</b>	_____
<b>Variable Expenses</b>						
Calf Purchase	lb	500	\$ 2.40	\$ 1,200.00	\$ 74,400.00	_____
Pasture Production	acre	0.67	\$ 128.14	\$ 85.43	\$ 5,296.54	_____
Hay Production	acre	0.30	\$ 192.58	\$ 57.77	\$ 3,582.03	_____
Purchased Hay	ton		\$ 80.00	\$ -	\$ -	_____
Supplemental Feed	lb	1200	\$ 0.11	\$ 135.00	\$ 8,370.00	_____
Salt and Mineral	lb	30	\$ 0.35	\$ 10.50	\$ 651.00	_____
Vet & Med	head	1	\$ 13.00	\$ 13.00	\$ 806.00	_____
Death Loss	%	\$ 1,200.00	3%	\$ 36.00	\$ 2,232.00	_____
Other Expenses	head	1	\$ 1.00	\$ 1.00	\$ 62.00	_____
Labor	hours	4	\$ 10.00	\$ 40.00	\$ 2,480.00	_____
<b>Production Expenses</b>				<b>\$ 1,578.70</b>	<b>\$ 97,879.56</b>	_____
Interest on Calf Purchase	\$	\$ 1,200.00	6%	\$ 29.59	\$ 1,834.52	_____
Interest on Other Variable Expenses	\$	\$ 378.70	6%	\$ 9.34	\$ 578.95	_____
Marketing	head	1	\$ 47.50	\$ 47.50	\$ 2,945.00	_____
Land Rent	acre	0.00	\$ -	\$ -	\$ -	_____
<b>Total Variable Expenses</b>				<b>\$ 1,665.13</b>	<b>\$ 103,238.03</b>	_____
<b>Returns to Variable Expenses</b>				<b>\$ 174.87</b>	<b>\$ 10,841.97</b>	_____
<b>Fixed Expenses</b>						
Livestock Facilities & Equipment	head	1	\$ 7.11	\$ 7.11	\$ 440.78	_____
Pasture and Hay Machinery/Equipment	head	1	\$ 22.32	\$ 22.32	\$ 1,383.61	_____
Miscellaneous Overhead <sup>1</sup>	head	1	\$ 23.53	\$ 2.35	\$ 145.88	_____
<b>Total Fixed Expenses</b>				<b>\$ 31.78</b>	<b>\$ 1,970.26</b>	_____
<b>Total Expenses</b>				<b>\$ 1,696.91</b>	<b>\$ 105,208.29</b>	_____
<b>Net Return to Land and Management</b>				<b>\$ 143.09</b>	<b>\$ 8,871.71</b>	_____

### Footnotes:

<sup>1</sup>Miscellaneous overhead is assumed to be 10% of total overhead costs to account for unforeseen costs associated with overhead.

## **Stocker/Backgrounding Budget Assumptions**

### **Group Data:**

- 62 head (represents a load lot of cattle 48,000-50,000 lbs)
- Ownership: 150 days
- Gain: 2 lbs/day
- Fixed expenses are based on 500 stocker cattle per year

### **Supplemental Feed:**

- 8 lbs/day commercial feed for 150 days (1,200 pounds)

### **Pasture/Hay:**

- Pasture
  - Nitrogen: 60 lbs/ac at \$0.54/lb
  - P<sub>2</sub>O<sub>5</sub>: 30 lbs/ac at \$0.43/lb
  - K<sub>2</sub>O: 30 lbs/ac at \$0.40/lb
  - One application of broadleaf herbicide
  - Stocking rate: 1.5 hd/ac
- Hay
  - Nitrogen: 100 lbs/ac at \$0.54/lb
  - P<sub>2</sub>O<sub>5</sub>: 30 lbs/ac at \$0.43/lb
  - K<sub>2</sub>O: 30 lbs/ac at \$0.40/lb
  - One application of broadleaf herbicide
  - Hay yield: 2.5 tons/ac

### **Veterinary/Medicine:**

- Respiratory vaccine (2), clostridial bacterin (2), deworm (1), fly tags (1), implant (1)

### **Marketing:**

- Commission: 2.5% on total sale
- Hauling: \$3/loaded mile for 30 miles

### **Buildings/Equipment:**

- Buildings: 1,500 ft<sup>2</sup> hay barn, 800 ft<sup>2</sup> equipment shed, corral, chute, head gate, fencing
- Equipment: 60 hp tractor, disc mower, hay rake, hay baler, hay wagon, rotary mower, tractor mounted sprayer, truck