

Cost of Production on My Operation

Jed Dillard

Basic Beefmasters, Inc.

Basic Beefmasters, Inc. is a cow calf operation located in northeast Jefferson County. In 1992, we purchased the cow herd I had managed since the late seventies and leased the pasture the cattle had been running on since the 1940's.

The cow herd began as strictly commercial, but we have been upgrading to registered Beefmasters and approximately one fourth of our 1994 calves are registerable as purebreds. We calve approximately 250 cows in January, February, and March. Our summer grazing is Pensacola Bahia and common Bermuda, and our hay field is mostly Alicia with about 10 acres of Callie.

We sell our steer calves off the cows in October. Our bulls and heifer calves are wintered on oats and rye grass, and we have crimson clover on some of our permanent pasture. The oats are usually ready around Thanksgiving. We feed our weaned calves hay and whole cottonseed from weaning until grazing is ready.

After weaning, our cow herd runs on permanent pasture supplemented with hay and protein as needed. (Whole cottonseed is usually cheaper in dollars and liquid protein supplement is cheaper in labor). We start limit grazing our brood cows in early December. Our first calf heifers are supplemented more than the cows, and we move them to full time grazing after calving.

The year before we purchased the cattle, I was privileged to observe the development of what is now the Standardized Performance Analysis (SPA). Our operation was one of the test cases for SPA, and I learned more about business through that process than I had in twenty years of education and operation.

That analysis showed the cattle enterprise was economically strong and identified several reasons for that strength.

I. Accrual revenue from every cow.

We continue to cull every cow that doesn't have a calf when the bulls are turned out.

II. Low equipment investment.

BBI's equipment assets are one rotary mower, one pickup truck, and half interest in a hay cutter. We lease one tractor and half interest in the rest of our hay equipment. We have our fertilizer application and winter grazing land preparation: we spread our oat seed with the fertilizer and aerially seed rye grass on cotton land.

III. Minimal labor force.

When medically possible, it's Jed and the dog. We're lucky to have outstanding neighbors, and I expect anybody I hire on a part-time basis to do his job better than I can.

IV. A diversified product line

In 1993, we sold weanling feeder steers, back groundod feeder steers, weanling FFA project heifers, bred yearling heifers, yearling feeder heifers, open replacement heifers, slaughter cows, open replacement cows, breeding bulls and slaughter bulls. Our goal is to sell everything at its full value.

Now that you know what we do and why, here's a look at our cash forage costs. Forage production and financing costs are the most

important numbers we have.

REMEMBER: These are our costs, and they reflect our circumstances.

These are our cash forage costs, and are the most easily compared across operations.

If there are other costs or more specific details you'd like to discuss, call or write me.

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I Winter Grazing

Oats (per acre)

Land Preparation

3 @ \$6.00 \$ 18.00

Seed

4 bushels @ \$.425 \$ 17.00

Complete Fertilizer (Spread)

Top Dressed 601bs. \$ 24.60

Nitrogen 2x \$ 22.80

2-4-D \$ 2.72

\$ 85.12

Rye Grass (per acre)

Seed

(401bs/Acre 3@ .28) \$ 11.20

Application \$ 5.00

Nitrogen

(50lbs/Acre 2x) \$ 4.75

2-4-D \$ 2.72

Mow Stalks \$ 6.00

\$49.67

II. Hay

Complete Fertilizer \$25.73

Nitrogen \$66.10

\$81.83

III. Permanent Pasture

Nitrogen \$11.40

(less in clover pastures)