

# **Beef Economics – Foundations of Profitability**

(Projections as of 11/10/2014)

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What determines profit? Basically, it's the simple equation of Revenue - Costs = Profits. But honestly, I think we all know that it's a little more complicated than that. Profits are determined by several interrelated variables. Thus, when determining profitability, these basic factors will make our equation that determines profitability. The primary quantitative factors that determine profitability in the cattle business are:

- Number of Brood Cows and Bulls, Head
- Total Production Costs, \$/year
- Total Cull Animal Revenue, \$/year
- Average Weaning Weight
- Weaning Percent
- Market Price Received

These six quantitative factors are our foundations of profitability as they ultimately determine the success and profitability of a cow-calf operation. In addition, I believe there is one more foundation of profitability which helps determine profitability and that is "Management." It takes an astute management ability to know the difference between the value of an input or management practice and its cost.

Generally, wide fluctuations in weaning weights, weaning percent, calf production costs, and market price received make it difficult for cow-calf producers to determine profitability. The variability of outcomes often causes confusion when trying to make profitable cow-calf decisions. Thus, the potential profits and losses shown in this analysis are based on various cow-calf production and cost levels.

The following tables provide a visual that producers can use to identify profitable outcomes while evaluating alternative levels of calf production costs per brood cow and animal performance. Producers must understand that many different levels of profitability can arise from

the many combinations of animal production, production costs, and market prices. The various outcomes presented in the tables will allow producers to see the impact of their decisions on profitability.

Cow-calf producers can use these tables by identifying their weaning weight, weaning percent, and calf production costs per brood cow to determine their projected 2015 calf revenue (Table 1), projected 2015 total calf revenue, 100 hd. (Table 2), projected 2015 break-even price (Table 3), estimated 2015 cow-calf profit/loss (Table 4), and estimated 2015 total cow-calf profit/loss, 100 head (Table 5). In addition, the sensitivity of total revenue and calf production costs (Tables 6 and 7) provide the producer with an estimated profit/loss impact from changes in revenues and costs. Figures 1 and 2 address points to consider when evaluating feeder calf marketing decisions.

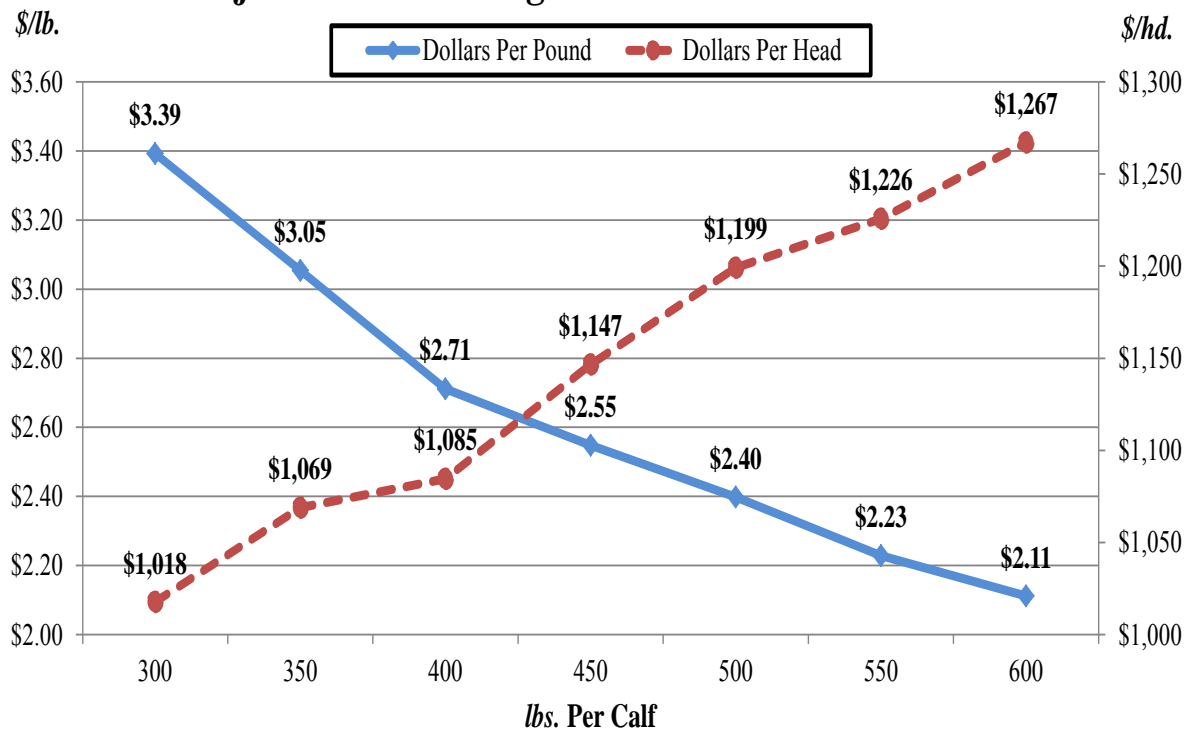
Last but not least, producers must use fairly accurate numbers to correctly estimate their operation's cow-calf profitability. It's important for producers to refer to these tables to make informed management and marketing decisions. The use of the tables won't ensure you a profit, but it will improve your chances of achieving one.

### **2015 Projected Average Florida Feeder Calf Prices\***

<b>Avg. Calf Wt.</b>	<b>Avg. Price</b>	<b>Avg. Price</b>	<b>Total Price</b>
<i>lbs.</i>	<i>\$/cwt.</i>	<i>\$/lb.</i>	<i>\$/hd.</i>
300	\$339.24	\$3.39	\$1,017.73
350	\$305.41	\$3.05	\$1,068.93
400	\$271.16	\$2.71	\$1,084.63
450	\$254.83	\$2.55	\$1,146.71
500	\$239.83	\$2.40	\$1,199.13
550	\$222.87	\$2.23	\$1,225.77
600	\$211.20	\$2.11	\$1,267.20

\* Projected Prices are subject to change as new data becomes available.

## Projected 2015 Average Florida Feeder Calf Prices\*



**Table 1. Projected 2015 Calf Revenue Per Cow for various weaning weights and weaning percentages.**

<b>Weaning Weight</b>	<b>Weaning Percent</b>	<b>Calf Production Per Brood Cow</b>	<b>Projected Calf Revenue</b>	<b>2015 Projected Avg. FL Price*</b>
<i>lbs.</i>	<i>%</i>	<i>lbs./Cow</i>	<i>\$/hd.</i>	<i>\$/lb.</i>
<b>600</b>	<b>90%</b>	<b>540</b>	<b>\$1,140</b>	<b>\$2.11</b>
<b>550</b>	<b>90%</b>	<b>495</b>	<b>\$1,103</b>	<b>\$2.23</b>
<b>500</b>	<b>90%</b>	<b>450</b>	<b>\$1,079</b>	<b>\$2.40</b>
<b>450</b>	<b>90%</b>	<b>405</b>	<b>\$1,032</b>	<b>\$2.55</b>
<b>400</b>	<b>90%</b>	<b>360</b>	<b>\$976</b>	<b>\$2.71</b>
<b>350</b>	<b>90%</b>	<b>315</b>	<b>\$962</b>	<b>\$3.05</b>
<b>300</b>	<b>90%</b>	<b>270</b>	<b>\$916</b>	<b>\$3.39</b>
<b>600</b>	<b>85%</b>	<b>510</b>	<b>\$1,077</b>	<b>\$2.11</b>
<b>550</b>	<b>85%</b>	<b>468</b>	<b>\$1,042</b>	<b>\$2.23</b>
<b>500</b>	<b>85%</b>	<b>425</b>	<b>\$1,019</b>	<b>\$2.40</b>
<b>450</b>	<b>85%</b>	<b>383</b>	<b>\$975</b>	<b>\$2.55</b>
<b>400</b>	<b>85%</b>	<b>340</b>	<b>\$922</b>	<b>\$2.71</b>
<b>350</b>	<b>85%</b>	<b>298</b>	<b>\$909</b>	<b>\$3.05</b>
<b>300</b>	<b>85%</b>	<b>255</b>	<b>\$865</b>	<b>\$3.39</b>
<b>600</b>	<b>80%</b>	<b>480</b>	<b>\$1,014</b>	<b>\$2.11</b>
<b>550</b>	<b>80%</b>	<b>440</b>	<b>\$981</b>	<b>\$2.23</b>
<b>500</b>	<b>80%</b>	<b>400</b>	<b>\$959</b>	<b>\$2.40</b>
<b>450</b>	<b>80%</b>	<b>360</b>	<b>\$917</b>	<b>\$2.55</b>
<b>400</b>	<b>80%</b>	<b>320</b>	<b>\$868</b>	<b>\$2.71</b>
<b>350</b>	<b>80%</b>	<b>280</b>	<b>\$855</b>	<b>\$3.05</b>
<b>300</b>	<b>80%</b>	<b>240</b>	<b>\$814</b>	<b>\$3.39</b>
<b>600</b>	<b>75%</b>	<b>450</b>	<b>\$950</b>	<b>\$2.11</b>
<b>550</b>	<b>75%</b>	<b>413</b>	<b>\$919</b>	<b>\$2.23</b>
<b>500</b>	<b>75%</b>	<b>375</b>	<b>\$899</b>	<b>\$2.40</b>
<b>450</b>	<b>75%</b>	<b>338</b>	<b>\$860</b>	<b>\$2.55</b>
<b>400</b>	<b>75%</b>	<b>300</b>	<b>\$813</b>	<b>\$2.71</b>
<b>350</b>	<b>75%</b>	<b>263</b>	<b>\$802</b>	<b>\$3.05</b>
<b>300</b>	<b>75%</b>	<b>225</b>	<b>\$763</b>	<b>\$3.39</b>
<b>600</b>	<b>70%</b>	<b>420</b>	<b>\$887</b>	<b>\$2.11</b>
<b>550</b>	<b>70%</b>	<b>385</b>	<b>\$858</b>	<b>\$2.23</b>
<b>500</b>	<b>70%</b>	<b>350</b>	<b>\$839</b>	<b>\$2.40</b>
<b>450</b>	<b>70%</b>	<b>315</b>	<b>\$803</b>	<b>\$2.55</b>
<b>400</b>	<b>70%</b>	<b>280</b>	<b>\$759</b>	<b>\$2.71</b>
<b>350</b>	<b>70%</b>	<b>245</b>	<b>\$748</b>	<b>\$3.05</b>
<b>300</b>	<b>70%</b>	<b>210</b>	<b>\$712</b>	<b>\$3.39</b>

\*2015 Projected Avg. FL price assumes a blended price for Steers and Heifers. Feeder calves are medium-large frame and #1-2 muscle score. Projected prices are based on the CME Feeder Cattle Futures Price and the Florida feeder calf basis for respective calf weights.

**Table 2. Projected 2015 Total Calf Revenue for various weaning weights and weaning percentages, 100 hd.**

<b>Weaning Weight</b>	<b>Weaning Percent</b>	<b>Calf Production Per Brood Cow</b>	<b>Projected Calf Revenue</b>	<b>2015 Projected Avg. FL Price*</b>
<i>lbs.</i>	<i>%</i>	<i>lbs. /Cow</i>	<b>Total Dollars, \$</b>	<b>\$/lb.</b>
600	90%	540	\$114,048	\$2.11
550	90%	495	\$110,319	\$2.23
500	90%	450	\$107,921	\$2.40
450	90%	405	\$103,204	\$2.55
400	90%	360	\$97,617	\$2.71
350	90%	315	\$96,204	\$3.05
300	90%	270	\$91,595	\$3.39
600	85%	510	\$107,712	\$2.11
550	85%	468	\$104,190	\$2.23
500	85%	425	\$101,926	\$2.40
450	85%	383	\$97,471	\$2.55
400	85%	340	\$92,194	\$2.71
350	85%	298	\$90,859	\$3.05
300	85%	255	\$86,507	\$3.39
600	80%	480	\$101,376	\$2.11
550	80%	440	\$98,061	\$2.23
500	80%	400	\$95,930	\$2.40
450	80%	360	\$91,737	\$2.55
400	80%	320	\$86,771	\$2.71
350	80%	280	\$85,514	\$3.05
300	80%	240	\$81,418	\$3.39
600	75%	450	\$95,040	\$2.11
550	75%	413	\$91,933	\$2.23
500	75%	375	\$89,934	\$2.40
450	75%	338	\$86,003	\$2.55
400	75%	300	\$81,348	\$2.71
350	75%	263	\$80,170	\$3.05
300	75%	225	\$76,329	\$3.39
600	70%	420	\$88,704	\$2.11
550	70%	385	\$85,804	\$2.23
500	70%	350	\$83,939	\$2.40
450	70%	315	\$80,270	\$2.55
400	70%	280	\$75,924	\$2.71
350	70%	245	\$74,825	\$3.05
300	70%	210	\$71,241	\$3.39

\*2015 Projected Avg. FL price assumes a blended price for Steers and Heifers. Feeder calves are medium-large frame and #1-2 muscle score. Projected prices are based on the CME Feeder Cattle Futures Price and the Florida feeder calf basis for respective calf weights.

**Table 3. Projected 2015 breakeven feeder calf prices for various weaning weights, weaning percentages, and calf production costs per brood cow.**

Weaning Weight	Weaning Percent	Calf Production Per Brood Cow	Calf Production Costs Per Brood Cow**						
			\$1,100	\$1,000	\$900	\$800	\$700	\$600	\$500
<i>lbs.</i>	<i>%</i>	<i>lbs./Cow</i>	Breakeven Feeder Calf Price, \$/lb.***						
600	90%	540	\$2.04	\$1.85	\$1.67	\$1.48	\$1.30	\$1.11	\$0.93
550	90%	495	\$2.22	\$2.02	\$1.82	\$1.62	\$1.41	\$1.21	\$1.01
500	90%	450	\$2.44	\$2.22	\$2.00	\$1.78	\$1.56	\$1.33	\$1.11
450	90%	405	\$2.72	\$2.47	\$2.22	\$1.98	\$1.73	\$1.48	\$1.23
400	90%	360	\$3.06	\$2.78	\$2.50	\$2.22	\$1.94	\$1.67	\$1.39
350	90%	315	\$3.49	\$3.17	\$2.86	\$2.54	\$2.22	\$1.90	\$1.59
300	90%	270	\$4.07	\$3.70	\$3.33	\$2.96	\$2.59	\$2.22	\$1.85
600	85%	510	\$2.16	\$1.96	\$1.76	\$1.57	\$1.37	\$1.18	\$0.98
550	85%	468	\$2.35	\$2.14	\$1.93	\$1.71	\$1.50	\$1.28	\$1.07
500	85%	425	\$2.59	\$2.35	\$2.12	\$1.88	\$1.65	\$1.41	\$1.18
450	85%	383	\$2.88	\$2.61	\$2.35	\$2.09	\$1.83	\$1.57	\$1.31
400	85%	340	\$3.24	\$2.94	\$2.65	\$2.35	\$2.06	\$1.76	\$1.47
350	85%	298	\$3.70	\$3.36	\$3.03	\$2.69	\$2.35	\$2.02	\$1.68
300	85%	255	\$4.31	\$3.92	\$3.53	\$3.14	\$2.75	\$2.35	\$1.96
600	80%	480	\$2.29	\$2.08	\$1.88	\$1.67	\$1.46	\$1.25	\$1.04
550	80%	440	\$2.50	\$2.27	\$2.05	\$1.82	\$1.59	\$1.36	\$1.14
500	80%	400	\$2.75	\$2.50	\$2.25	\$2.00	\$1.75	\$1.50	\$1.25
450	80%	360	\$3.06	\$2.78	\$2.50	\$2.22	\$1.94	\$1.67	\$1.39
400	80%	320	\$3.44	\$3.13	\$2.81	\$2.50	\$2.19	\$1.88	\$1.56
350	80%	280	\$3.93	\$3.57	\$3.21	\$2.86	\$2.50	\$2.14	\$1.79
300	80%	240	\$4.58	\$4.17	\$3.75	\$3.33	\$2.92	\$2.50	\$2.08
600	75%	450	\$2.44	\$2.22	\$2.00	\$1.78	\$1.56	\$1.33	\$1.11
550	75%	413	\$2.67	\$2.42	\$2.18	\$1.94	\$1.70	\$1.45	\$1.21
500	75%	375	\$2.93	\$2.67	\$2.40	\$2.13	\$1.87	\$1.60	\$1.33
450	75%	338	\$3.26	\$2.96	\$2.67	\$2.37	\$2.07	\$1.78	\$1.48
400	75%	300	\$3.67	\$3.33	\$3.00	\$2.67	\$2.33	\$2.00	\$1.67
350	75%	263	\$4.19	\$3.81	\$3.43	\$3.05	\$2.67	\$2.29	\$1.90
300	75%	225	\$4.89	\$4.44	\$4.00	\$3.56	\$3.11	\$2.67	\$2.22
600	70%	420	\$2.62	\$2.38	\$2.14	\$1.90	\$1.67	\$1.43	\$1.19
550	70%	385	\$2.86	\$2.60	\$2.34	\$2.08	\$1.82	\$1.56	\$1.30
500	70%	350	\$3.14	\$2.86	\$2.57	\$2.29	\$2.00	\$1.71	\$1.43
450	70%	315	\$3.49	\$3.17	\$2.86	\$2.54	\$2.22	\$1.90	\$1.59
400	70%	280	\$3.93	\$3.57	\$3.21	\$2.86	\$2.50	\$2.14	\$1.79
350	70%	245	\$4.49	\$4.08	\$3.67	\$3.27	\$2.86	\$2.45	\$2.04
300	70%	210	\$5.24	\$4.76	\$4.29	\$3.81	\$3.33	\$2.86	\$2.38

\*\*Calf production costs per brood cow is calculated as total cow-calf production costs less cull animal revenue divided by the total number of brood cows.

\*\*\*The breakeven feeder calf price can be used to compare with the 2015 projected average price to determine if a profit or loss will be realized.

**Table 4. Estimated 2015 Profit/Loss Per Cow for various weaning weights, weaning percentages, and calf production costs per brood cow.**

Weaning Weight	Weaning Percent	Calf Production Per Brood Cow	Calf Production Costs Per Brood Cow**							2015 Projected Avg. FL Price*
			\$1,100	\$1,000	\$900	\$800	\$700	\$600	\$500	
<i>lbs.</i>	<i>%</i>	<i>lbs. /Cow</i>	Estimated Profit/Loss Per Cow, \$/hd.							<i>\$/lb.</i>
600	90%	540	\$40	\$140	\$240	\$340	\$440	\$540	\$640	\$2.11
550	90%	495	\$3	\$103	\$203	\$303	\$403	\$503	\$603	\$2.23
500	90%	450	(\$21)	\$79	\$179	\$279	\$379	\$479	\$579	\$2.40
450	90%	405	(\$68)	\$32	\$132	\$232	\$332	\$432	\$532	\$2.55
400	90%	360	(\$124)	(\$24)	\$76	\$176	\$276	\$376	\$476	\$2.71
350	90%	315	(\$138)	(\$38)	\$62	\$162	\$262	\$362	\$462	\$3.05
300	90%	270	(\$184)	(\$84)	\$16	\$116	\$216	\$316	\$416	\$3.39
600	85%	510	(\$23)	\$77	\$177	\$277	\$377	\$477	\$577	\$2.11
550	85%	468	(\$58)	\$42	\$142	\$242	\$342	\$442	\$542	\$2.23
500	85%	425	(\$81)	\$19	\$119	\$219	\$319	\$419	\$519	\$2.40
450	85%	383	(\$125)	(\$25)	\$75	\$175	\$275	\$375	\$475	\$2.55
400	85%	340	(\$178)	(\$78)	\$22	\$122	\$222	\$322	\$422	\$2.71
350	85%	298	(\$191)	(\$91)	\$9	\$109	\$209	\$309	\$409	\$3.05
300	85%	255	(\$235)	(\$135)	(\$35)	\$65	\$165	\$265	\$365	\$3.39
600	80%	480	(\$86)	\$14	\$114	\$214	\$314	\$414	\$514	\$2.11
550	80%	440	(\$119)	(\$19)	\$81	\$181	\$281	\$381	\$481	\$2.23
500	80%	400	(\$141)	(\$41)	\$59	\$159	\$259	\$359	\$459	\$2.40
450	80%	360	(\$183)	(\$83)	\$17	\$117	\$217	\$317	\$417	\$2.55
400	80%	320	(\$232)	(\$132)	(\$32)	\$68	\$168	\$268	\$368	\$2.71
350	80%	280	(\$245)	(\$145)	(\$45)	\$55	\$155	\$255	\$355	\$3.05
300	80%	240	(\$286)	(\$186)	(\$86)	\$14	\$114	\$214	\$314	\$3.39
600	75%	450	(\$150)	(\$50)	\$50	\$150	\$250	\$350	\$450	\$2.11
550	75%	413	(\$181)	(\$81)	\$19	\$119	\$219	\$319	\$419	\$2.23
500	75%	375	(\$201)	(\$101)	(\$1)	\$99	\$199	\$299	\$399	\$2.40
450	75%	338	(\$240)	(\$140)	(\$40)	\$60	\$160	\$260	\$360	\$2.55
400	75%	300	(\$287)	(\$187)	(\$87)	\$13	\$113	\$213	\$313	\$2.71
350	75%	263	(\$298)	(\$198)	(\$98)	\$2	\$102	\$202	\$302	\$3.05
300	75%	225	(\$337)	(\$237)	(\$137)	(\$37)	\$63	\$163	\$263	\$3.39
600	70%	420	(\$213)	(\$113)	(\$13)	\$87	\$187	\$287	\$387	\$2.11
550	70%	385	(\$242)	(\$142)	(\$42)	\$58	\$158	\$258	\$358	\$2.23
500	70%	350	(\$261)	(\$161)	(\$61)	\$39	\$139	\$239	\$339	\$2.40
450	70%	315	(\$297)	(\$197)	(\$97)	\$3	\$103	\$203	\$303	\$2.55
400	70%	280	(\$341)	(\$241)	(\$141)	(\$41)	\$59	\$159	\$259	\$2.71
350	70%	245	(\$352)	(\$252)	(\$152)	(\$52)	\$48	\$148	\$248	\$3.05
300	70%	210	(\$388)	(\$288)	(\$188)	(\$88)	\$12	\$112	\$212	\$3.39

\*2015 Projected Avg. FL price assumes a blended price for Steers and Heifers. Feeder calves are medium-large frame and #1-2 muscle score. Projected prices are based on the CME Feeder Cattle Futures Price and the Florida feeder calf basis for respective calf weights.

\*\*Calf production costs per brood cow is calculated as total cow-calf production costs less cull animal revenue divided by the total number of brood cows.

**Table 5. Estimated 2015 Total Profit/Loss for various weaning weights, weaning percentages, and calf production costs per brood cow, 100 hd.**

Weaning Weight	Weaning Percent	Calf Production Per Brood Cow	Calf production Costs Per Brood Cow**							2015 Projected Avg. FL Price*
			\$1,100	\$1,000	\$900	\$800	\$700	\$600	\$500	
<i>lbs.</i>	<i>%</i>	<i>lbs. /Cow</i>	Estimated Profit/Loss for 100 hd.							<i>\$/lb.</i>
600	90%	540	\$4,048	\$14,048	\$24,048	\$34,048	\$44,048	\$54,048	\$64,048	\$2.11
550	90%	495	\$319	\$10,319	\$20,319	\$30,319	\$40,319	\$50,319	\$60,319	\$2.23
500	90%	450	(\$2,079)	\$7,921	\$17,921	\$27,921	\$37,921	\$47,921	\$57,921	\$2.40
450	90%	405	(\$6,796)	\$3,204	\$13,204	\$23,204	\$33,204	\$43,204	\$53,204	\$2.55
400	90%	360	(\$12,383)	(\$2,383)	\$7,617	\$17,617	\$27,617	\$37,617	\$47,617	\$2.71
350	90%	315	(\$13,797)	(\$3,797)	\$6,203	\$16,203	\$26,203	\$36,203	\$46,203	\$3.05
300	90%	270	(\$18,405)	(\$8,405)	\$1,595	\$11,595	\$21,595	\$31,595	\$41,595	\$3.39
600	85%	510	(\$2,288)	\$7,712	\$17,712	\$27,712	\$37,712	\$47,712	\$57,712	\$2.11
550	85%	468	(\$5,810)	\$4,190	\$14,190	\$24,190	\$34,190	\$44,190	\$54,190	\$2.23
500	85%	425	(\$8,075)	\$1,925	\$11,925	\$21,925	\$31,925	\$41,925	\$51,925	\$2.40
450	85%	383	(\$12,530)	(\$2,530)	\$7,470	\$17,470	\$27,470	\$37,470	\$47,470	\$2.55
400	85%	340	(\$17,806)	(\$7,806)	\$2,194	\$12,194	\$22,194	\$32,194	\$42,194	\$2.71
350	85%	298	(\$19,141)	(\$9,141)	\$859	\$10,859	\$20,859	\$30,859	\$40,859	\$3.05
300	85%	255	(\$23,494)	(\$13,494)	(\$3,494)	\$6,506	\$16,506	\$26,506	\$36,506	\$3.39
600	80%	480	(\$8,624)	\$1,376	\$11,376	\$21,376	\$31,376	\$41,376	\$51,376	\$2.11
550	80%	440	(\$11,939)	(\$1,939)	\$8,061	\$18,061	\$28,061	\$38,061	\$48,061	\$2.23
500	80%	400	(\$14,070)	(\$4,070)	\$5,930	\$15,930	\$25,930	\$35,930	\$45,930	\$2.40
450	80%	360	(\$18,263)	(\$8,263)	\$1,737	\$11,737	\$21,737	\$31,737	\$41,737	\$2.55
400	80%	320	(\$23,229)	(\$13,229)	(\$3,229)	\$6,771	\$16,771	\$26,771	\$36,771	\$2.71
350	80%	280	(\$24,486)	(\$14,486)	(\$4,486)	\$5,514	\$15,514	\$25,514	\$35,514	\$3.05
300	80%	240	(\$28,582)	(\$18,582)	(\$8,582)	\$1,418	\$11,418	\$21,418	\$31,418	\$3.39
600	75%	450	(\$14,960)	(\$4,960)	\$5,040	\$15,040	\$25,040	\$35,040	\$45,040	\$2.11
550	75%	413	(\$18,068)	(\$8,068)	\$1,932	\$11,932	\$21,932	\$31,932	\$41,932	\$2.23
500	75%	375	(\$20,066)	(\$10,066)	(\$66)	\$9,934	\$19,934	\$29,934	\$39,934	\$2.40
450	75%	338	(\$23,997)	(\$13,997)	(\$3,997)	\$6,003	\$16,003	\$26,003	\$36,003	\$2.55
400	75%	300	(\$28,653)	(\$18,653)	(\$8,653)	\$1,347	\$11,347	\$21,347	\$31,347	\$2.71
350	75%	263	(\$29,830)	(\$19,830)	(\$9,830)	\$170	\$10,170	\$20,170	\$30,170	\$3.05
300	75%	225	(\$33,671)	(\$23,671)	(\$13,671)	(\$3,671)	\$6,329	\$16,329	\$26,329	\$3.39
600	70%	420	(\$21,296)	(\$11,296)	(\$1,296)	\$8,704	\$18,704	\$28,704	\$38,704	\$2.11
550	70%	385	(\$24,196)	(\$14,196)	(\$4,196)	\$5,804	\$15,804	\$25,804	\$35,804	\$2.23
500	70%	350	(\$26,061)	(\$16,061)	(\$6,061)	\$3,939	\$13,939	\$23,939	\$33,939	\$2.40
450	70%	315	(\$29,730)	(\$19,730)	(\$9,730)	\$270	\$10,270	\$20,270	\$30,270	\$2.55
400	70%	280	(\$34,076)	(\$24,076)	(\$14,076)	(\$4,076)	\$5,924	\$15,924	\$25,924	\$2.71
350	70%	245	(\$35,175)	(\$25,175)	(\$15,175)	(\$5,175)	\$4,825	\$14,825	\$24,825	\$3.05
300	70%	210	(\$38,759)	(\$28,759)	(\$18,759)	(\$8,759)	\$1,241	\$11,241	\$21,241	\$3.39

\*2015 Projected Avg. FL price assumes a blended price for Steers and Heifers. Feeder calves are medium-large frame and #1-2 muscle score. Projected prices are based on the CME Feeder Cattle Futures Price and the Florida feeder calf basis for respective calf weights.

\*\*Calf production costs per brood cow is calculated as total cow-calf production costs less cull animal revenue divided by the total number of brood cows.



**Table 6. Sensitivity Analysis of 2015 Gross Revenue and Calf Production Costs**

		Percent Change in Total Gross Revenue				
		-10%	-5%	0%	5%	10%
		Estimated Profit/Loss Per Brood Cow				
Percent	-10%	\$106	\$152	\$198	\$244	\$290
Change in	-5%	\$66	\$112	\$158	\$204	\$250
Calf	0%	\$26	\$72	<b>\$118</b>	\$164	\$210
Production	5%	(\$14)	\$32	\$78	\$124	\$170
Costs	10%	(\$54)	(\$8)	\$38	\$84	\$130

**\*Assumptions:**

100	Number of cows, hd.
80%	Weaning Percent, %
450	Weaning Weight, lbs.
360	Pounds of Calf Production Per Brood Cow
36,000	Total lbs. of Feeder Calves
\$2.55	Average Calf Market Price, \$/lb.
\$91,800	Total Calf Revenue

\$97,654	Total Cow-Calf Production Costs, \$
\$17,654	Total Cull Cow Revenue, \$
\$176.54	Total Cull Cow Revenue Per Brood Cow, \$/hd.
\$80,000	Total Calf Production Costs, \$
\$800.00	Calf Production Costs per Brood Cow, \$/hd.
\$2.22	Breakeven Price, \$/lb.

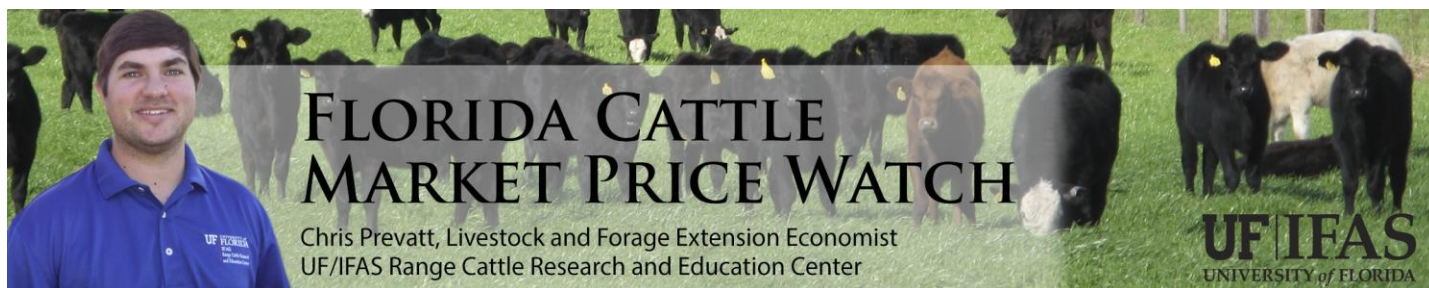
**Table 7. Sensitivity Analysis of 2015 Gross Revenue and Calf Production Costs, 100 hd.**

		Percent Change in Total Gross Revenue				
		-10%	-5%	0%	5%	10%
		Estimated Total Ranch Profit/Loss				
Percent	-10%	\$10,620	\$15,210	\$19,800	\$24,390	\$28,980
Change in	-5%	\$6,620	\$11,210	\$15,800	\$20,390	\$24,980
Calf	0%	\$2,620	\$7,210	<b>\$11,800</b>	\$16,390	\$20,980
Production	5%	(\$1,380)	\$3,210	\$7,800	\$12,390	\$16,980
Costs	10%	(\$5,380)	(\$790)	\$3,800	\$8,390	\$12,980

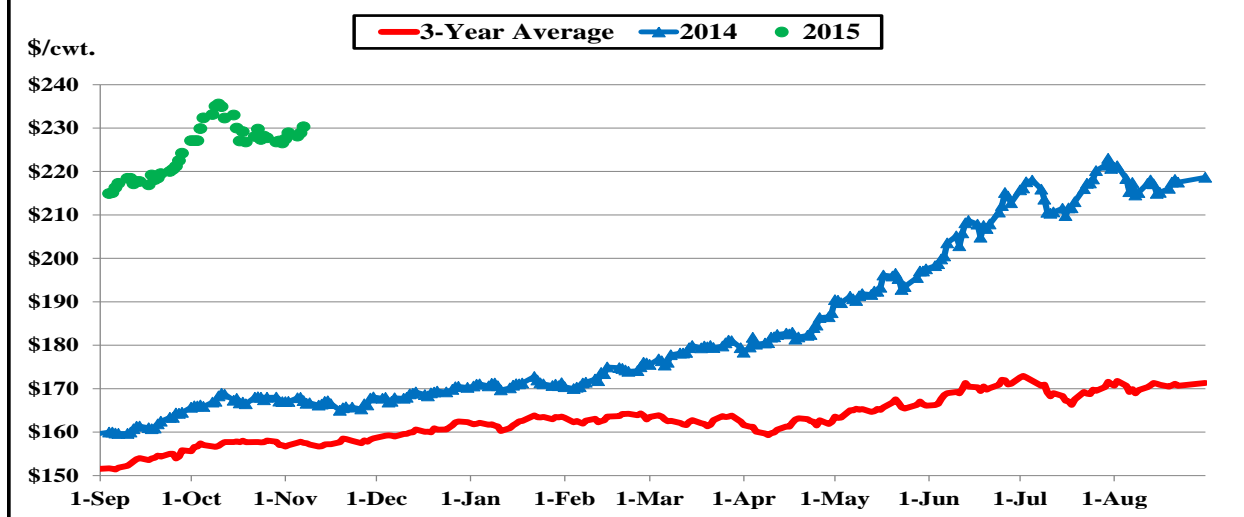
**\*Assumptions:**

100	Number of cows, hd.
80%	Weaning Percent, %
450	Weaning Weight, lbs.
360	Pounds of Calf Production Per Brood Cow
36,000	Total lbs. of Feeder Calves
\$2.55	Average Calf Market Price, \$/lb.
\$91,800	Total Calf Revenue

\$97,654	Total Cow-Calf Production Costs, \$
\$17,654	Total Cull Cow Revenue, \$
\$176.54	Total Cull Cow Revenue Per Brood Cow, \$/hd.
\$80,000	Total Calf Production Costs, \$
\$800.00	Calf Production Costs per Brood Cow, \$/hd.
\$2.22	Breakeven Price, \$/lb.



**Figure 1. August 2015 Feeder Cattle Futures Prices (CME)**



**Beginning of November: \$227.48**

**November 10, 2014: \$230.28**

**Price Change: + \$2.80**

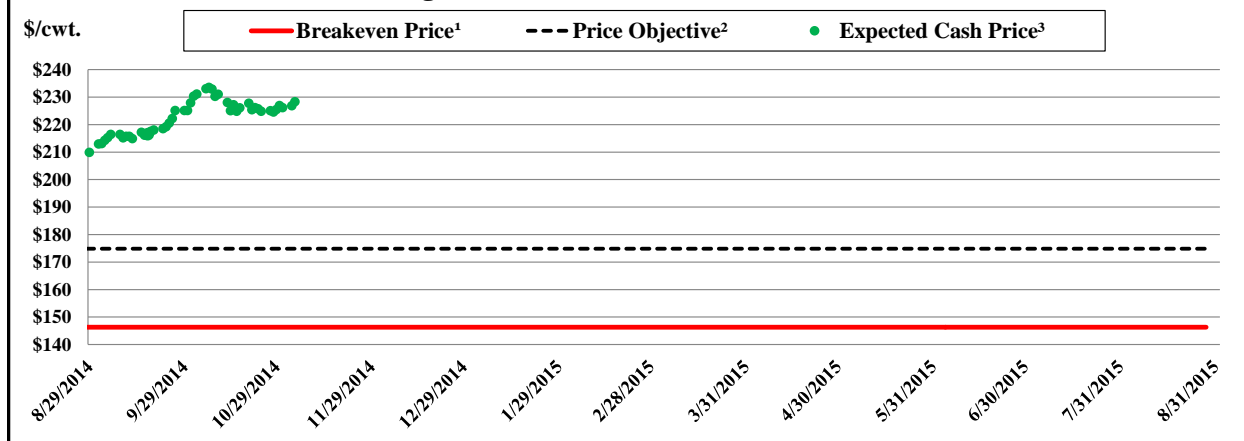
**August 2015 Low: \$208.90**

**August 2015 High: \$235.53**

**Price Change: + \$26.63**

The August 2015 Feeder Cattle futures price has made a \$2.80/cwt. improvement thus far during November. Based on this futures price increase, August feeder cattle revenues increased by approximately \$21.00 per head (\$2.80/cwt. \* 7.5 cwt.) on a 750-pound feeder steer or \$1,400 per truckload (50,000 lbs.). The August Feeder Cattle Futures contract low, contract high, and total price change since September 2014 are \$208.90, \$235.53, and \$26.63/cwt., respectively. The total price change of \$26.63/cwt. on a 750-pound feeder steer amounts to \$199.73 per head and \$13,315 per truckload.

**Figure 2. Expected Cash Price for August 2015,  
525# Feeder Calves, Med. & Lg., #1 & #2, Florida,  
Based on August 2015 Feeder Cattle Futures Prices (CME)**



<sup>1</sup>The breakeven price assumes \$768.00 per head or \$146.29/cwt. (\$768.00 divided by 5.25 cwt.). The breakeven price includes production costs of \$750/hd. and death loss of \$18.00/hd.

<sup>2</sup>The price objective assumes \$918.00 per head or \$174.86/cwt. (\$918.00 divided by 5.25 cwt.). The price objective includes production costs of \$750/hd., death loss (\$18.00/hd.), family living withdrawal (\$100/hd.), and growth capital/retirement (\$50/hd.).

<sup>3</sup>The expected cash price is equal to the daily August 2015 Feeder Cattle Futures closing price plus the expected August 2015 South Florida Feeder Cattle Basis (-\$2/cwt.).

## **What are your 2015 Cow-Calf Economic Goals?**

- Total Number of Brood Cows, hd. \_\_\_\_\_
- Total Production Costs, \$/year \_\_\_\_\_
- Total Cull Animal Revenue, \$/year \_\_\_\_\_
- Total Calf Production Costs, \$/year \_\_\_\_\_
- Pregnancy Percent, % \_\_\_\_\_
- Calving Percent, % \_\_\_\_\_
- Weaning Percent, % \_\_\_\_\_
- Weaning Weight, *lbs./calf* \_\_\_\_\_
- Projected Average Feeder Calf Price, \$/lb. \_\_\_\_\_
- Estimated Profit Per Brood Cow, \$/hd. \_\_\_\_\_
- Estimated Total Ranch Profit, \$/year \_\_\_\_\_