

The costs of doing business



Shauna Hermel, editor
shermel@angus.org

It's a lot more fun to evaluate the revenue side of the business than it is the cost side. For one thing, it's simpler. For the basic cow-calf operation, there are generally fewer line items. You have receipts for your calves, your cull cows, your cull bulls. If you are a data nerd like me, you might divide them into steer calves, replacement-quality heifers and market heifers. You may want to evaluate by season, or maybe compare receipts for calves vs. yearlings. Still, it's pretty straightforward, and as those checks generally go to the bank in clumps, you have a pretty firm record.

Income can be as simple as dividing all income for the year by the number of cows in inventory to get a revenue generated per cow.

How about expenses? Yes, you also have a record of what you paid out of your checking account. However, if you own your land, that amount doesn't consider your grazing cost, which is a good portion of your feed bill. If you don't include that cost in your evaluation, how do you know if you wouldn't be better off to sell the cows and rent the grass? Okay, please don't do that, but, I'm just saying

The university cow-calf budget examples presented in "Building a Budget" on page 104 offer a starting point for analyzing your revenue and expenses. CattleFax offers an online cow-calf breakeven calculator at <https://www.cattlefax.com/ccbe/> that can help you work through costs. It provides results in terms of the real and the cash profit/loss per cow and will let you calculate the minimum number of cows necessary to break even, as well as a minimum sales price for steer calves to break even based on your current herd size and expected production levels and costs.

Knowing your financial strengths and weaknesses gives you a starting point for evaluating how you can add profitability, and there's no better time to get started than right now. |

We need your John Henry

One of our biggest costs is postage. To control that cost — because we still believe you want a print magazine — we're asking you to send in a subscription. It's free for our qualified subscribers.

The screenshot shows a web form titled "Subscribe to the Angus Beef Bulletin". It includes a "Subscribe Today!" section with a "Submit" button. Below that is a "Member Code / non-member code:" section with a "Name" field. Further down are fields for "Address", "City", "State", "Zip", "Phone", and "E-mail". At the bottom, there are checkboxes for "Please send me the Angus Beef Bulletin:" and "I also wish to receive the monthly Angus Beef Bulletin EXTRA by email." and "I also wish to receive Angus industry information by email."

In doing so you'll help us qualify for a better postal rate that will reduce our cost and help us increase our frequency.

You can subscribe online at www.angus.org/ABBsubscribe, or use the subscription card glued to page 13 of this issue.

The image shows a physical subscription card for the Angus Beef Bulletin. It has a header with "Subscribe Today!" and "ANGUS BEEF BULLETIN". Below that, it says "Yes, I wish to receive a subscription to the Angus Beef Bulletin. Please fill out the card, sign, date and drop in the mail." There are fields for "Member Code (this is the number above your name on the mailing label)", "Name", "Address", "City", "State", "Zip", "Email", "Phone", and "Signature". There are also checkboxes for "Yes, I also wish to receive the monthly Angus Beef Bulletin EXTRA by email." and "Yes, I also wish to receive Angus industry information by email." At the bottom, it says "You can also go online to <http://bit.ly/ABBsub> to sign up."

Produced and published five times per year by Angus Media in cooperation with the American Angus Association and Certified Angus Beef LLC.
3201 Frederick Ave. • Saint Joseph, MO 64506-2997
phone: 816-383-5200 • fax: 816-233-6575
office hours: (M-F) 8 a.m.-4:30 p.m. (Central time)
website: www.angus.org/Media

Rick Cozzitorto, president
Sara Reardon, general manager
Grant Schwader, operations manager

EDITORIAL

Shauna Hermel, editor, Angus Beef Bulletin
Kasey Brown, associate editor
Julie Mais, editor, Angus Journal
Lindsay King, assistant editor
Heather Lassen, special projects editor
Mary Black, graphic artist
Jaime Albers, graphic artist
Craig Simmons, contract designer
Barb Baylor Anderson, field editor, Edwardsville, Ill.
Kindra Gordon, field editor, Whitewood, S.D.
Becky Mills, field editor, Cuthbert, Ga.
Paige Nelson, field editor, Rigby, Idaho
Troy Smith, field editor, Sargent, Neb.

ADVERTISING

Kathy LaScala, corporate sales manager
Doneta Brown, account executive
Jodi Hovden-Huff, account executive
Karri Mildenerger, account executive
Monica Ford, graphic artist
Mike Bush, graphic artist
Jacque McGinness, production coordinator

PRINT SERVICES

Gail Lombardino, director
Abigail Engel, coordinator
Sharon Mayes, coordinator
Julie Martinez, coordinator
Susan Bomar, graphic artist
Leann Schleicher, graphic artist
Melinda Cordell, proofreader

WEB SERVICES

Andy Blumer, team lead/developer
Alex Blake, digital specialist
Bruce Buntin, coordinator
Lauren Hitch, designer

PHOTO SERVICES

Kathrin Gresham, coordinator
Erin Sherwood, assistant

BOARD OF DIRECTORS

John Pfeiffer Jr., chairman
Allen Moczygamba, vice chairman
Rick Cozzitorto, president
Kenny Miller, secretary-treasurer
James Coffey, Richard Dyar, Chuck Grove
Mike McCravy, Barry Pollard
Mitch Rouda, industry representative



To submit a change of address or to unsubscribe, please email your request to circulationcoordinator@angus.media or call 816-383-5200. Please include the number above the address on the mailing label along with the name and address of the current subscription.