### COW - CALF PRODUCTION
#### COSTS AND RETURNS 2004 - 2005

<table>
<thead>
<tr>
<th>ITEM</th>
<th>UNITED STATES</th>
<th>HEARTLAND</th>
<th>EASTERN UPLANDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dollars Per Bred Cow</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Gross value of production:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steer calves</td>
<td>191.14</td>
<td>210.21</td>
<td>221.71</td>
</tr>
<tr>
<td>Heifer calves</td>
<td>118.99</td>
<td>130.88</td>
<td>148.89</td>
</tr>
<tr>
<td>Yearling steers</td>
<td>123.13</td>
<td>129.85</td>
<td>44.97</td>
</tr>
<tr>
<td>Yearling heifers</td>
<td>53.03</td>
<td>56.18</td>
<td>13.89</td>
</tr>
<tr>
<td>Other cattle</td>
<td>102.40</td>
<td>105.49</td>
<td>87.79</td>
</tr>
<tr>
<td><strong>Total, gross value of production 2/</strong></td>
<td>$595.01</td>
<td>$639.19</td>
<td>$521.64</td>
</tr>
<tr>
<td><strong>Operating costs:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased cattle for backgrounding</td>
<td>80.08</td>
<td>84.48</td>
<td>30.20</td>
</tr>
<tr>
<td><strong>Feed:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concentrates and other feed</td>
<td>32.25</td>
<td>29.31</td>
<td>33.12</td>
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<tr>
<td>Supplemental feed</td>
<td>16.33</td>
<td>16.30</td>
<td>32.80</td>
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<tr>
<td>Harvested forages</td>
<td>124.92</td>
<td>130.24</td>
<td>184.41</td>
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<tr>
<td>Cropland pasture</td>
<td>15.00</td>
<td>15.41</td>
<td>14.33</td>
</tr>
<tr>
<td>Private pasture</td>
<td>109.96</td>
<td>101.85</td>
<td>82.31</td>
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<tr>
<td>Public land</td>
<td>2.64</td>
<td>2.55</td>
<td>0.37</td>
</tr>
<tr>
<td><strong>Total, feed costs</strong></td>
<td>$301.10</td>
<td>$295.66</td>
<td>$347.34</td>
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<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Veterinary and medicine</td>
<td>23.37</td>
<td>24.21</td>
<td>40.15</td>
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<tr>
<td>Bedding and litter</td>
<td>0.45</td>
<td>0.48</td>
<td>1.40</td>
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<tr>
<td>Marketing</td>
<td>6.32</td>
<td>6.58</td>
<td>4.39</td>
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<tr>
<td>Custom operations</td>
<td>32.54</td>
<td>33.68</td>
<td>41.62</td>
</tr>
<tr>
<td>Fuel, lube, and electricity</td>
<td>34.34</td>
<td>49.23</td>
<td>29.23</td>
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<tr>
<td>Repairs</td>
<td>27.12</td>
<td>28.21</td>
<td>30.29</td>
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<tr>
<td>Interest on operating inputs</td>
<td>3.69</td>
<td>7.95</td>
<td>4.12</td>
</tr>
<tr>
<td><strong>Total, operating costs</strong></td>
<td>$509.01</td>
<td>$530.48</td>
<td>$528.74</td>
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<tr>
<td><strong>Allocated overhead:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hired labor</td>
<td>3.91</td>
<td>4.05</td>
<td>0.64</td>
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<tr>
<td>Opportunity cost of unpaid labor</td>
<td>262.18</td>
<td>267.45</td>
<td>233.01</td>
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<tr>
<td>Capital recovery of machinery and equipment 3/</td>
<td>149.83</td>
<td>159.86</td>
<td>299.89</td>
</tr>
<tr>
<td>Opportunity cost of land</td>
<td>2.61</td>
<td>2.73</td>
<td>6.01</td>
</tr>
<tr>
<td>Taxes and insurance</td>
<td>34.82</td>
<td>34.75</td>
<td>45.84</td>
</tr>
<tr>
<td>General farm overhead</td>
<td>64.73</td>
<td>67.93</td>
<td>88.36</td>
</tr>
<tr>
<td><strong>Total, allocated overhead</strong></td>
<td>$518.08</td>
<td>$536.77</td>
<td>$673.75</td>
</tr>
<tr>
<td><strong>Total, costs listed</strong></td>
<td>$1,027.09</td>
<td>$1,067.25</td>
<td>$1,202.49</td>
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<tr>
<td><strong>Value of production less total costs listed</strong></td>
<td>-$432.08</td>
<td>-$428.06</td>
<td>-$680.85</td>
</tr>
<tr>
<td><strong>Value of production less operating costs</strong></td>
<td>86.00</td>
<td>108.71</td>
<td>-7.10</td>
</tr>
<tr>
<td>Supporting information:</td>
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<tr>
<td>Bred cows (head) 1/</td>
<td>83</td>
<td>83</td>
<td>51</td>
</tr>
<tr>
<td>Calves weaned (head) 1/</td>
<td>71</td>
<td>71</td>
<td>45</td>
</tr>
<tr>
<td>Calving season (percent of ranches) 1/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One</td>
<td>49</td>
<td>49</td>
<td>65</td>
</tr>
<tr>
<td>Two</td>
<td>13</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>None set</td>
<td>38</td>
<td>38</td>
<td>26</td>
</tr>
<tr>
<td><strong>Cost of homegrown harvested forages (percent of total cost) 1/ 4/</strong></td>
<td>84</td>
<td>84</td>
<td>94</td>
</tr>
<tr>
<td><strong>Cost of pasture owned:</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Private pasture (percent of total cost) 1/ 5/</td>
<td>72</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Cropland pasture (percent of total cost) 1/ 5/</td>
<td>80</td>
<td>80</td>
<td>76</td>
</tr>
</tbody>
</table>

Economic Research Service is publishing regional estimates using resource regions conforming with the standards recommended by the American Agricultural Economics Association (AAFA) Task Force on Commodity Costs and Returns. Western Kentucky is in the Heartland region, while eastern Kentucky is in the Eastern Uplands. 1/Developed from survey base year, 1996. 2/Includes marketing costs below to avoid double counting. Market prices used to update the gross value of production are net of marketing costs. 3/Machinery and equipment, and housing, manure handling, and feed storage structures, and breeding herd. 4/Percent of total harvested forage cost from charge for homegrown forages. Homegrown forages are charged at their market price to reflect the opportunity cost of using the forages in cow-calf production. 5/Percent of total pasture cost from charge on owned pasture. Owned pasture is charged a pasture rental rate to reflect the opportunity cost of using the pasture in cow-calf production.