Department of Primary Industries and Regional Development

NSW GOVERNMENT

BEEF CATTLE GROSS MARGIN BUDGET July 2025

Enterprise: Purchase weaner steers & grow out to feedlot weights on improved pasture

Enterprise Unit: 100 steers

Pasture: Improved Pasture

INCOME:			Standard Budget	Your Budget
88	Steers @	$2,104 /hd	$185,130	
10	Steers @	$2,057 /hd	$20,570	
	A. Total Income:		**$205,700**	

VARIABLE COSTS:

Steer Purchase	100 steers purchased at $1,192 /hd	$119,210	
Freight to Property	100 steers at $25.00 /head	$2,500	
Livestock and vet costs: see section titled beef health costs for details.		$2,235	
Fodder crops (12 ha)		$4,800	
Hay & Grain or silage		$0	
Drought feeding costs.		$0	
Pasture maintenence (for 108 ha of improved pasture)		$13,932	
Livestock selling cost (see assumptions on next page)		$3,080	
	B. Total Variable Costs:	$145,757	

	GM including pasture cost	
GROSS MARGIN (A-B)	**$59,943**	
GROSS MARGIN/STEER	**$599.43**	
GROSS MARGIN/DSE*	**$69.46**	
GROSS MARGIN/HA	**$555.03**	

Change in gross margin ($/steer) for change in price &/or the weight of sale stock

Liveweight (kg's) of Stock sold		Steer sale price cents/kg live				
		448	**458**	**468**	**508**	**548**
	Steer wt.					
-20 kgs	**430**	424	466	508	682	856
0	**450**	511	555	**599**	775	951
+20 kgs	**470**	599	645	691	869	1046

Change in gross margin ($/steer) for change in purchase price & sale price.

Steer Purchase Price C/Kg	Steer sale price cents/kg live 448	458	468	508	548
418.5	615	659	703	747	791
438.5	563	607	651	695	739
458.5	511	555	**599**	643	687
498.5	407	451	495	539	583
538.5	303	347	391	435	479

Assumptions **Purchase weaner steers & grow out to feedlot weights on improved pasture**

Enterprise unit is 100 steers purchased at 9 months of age at 260kg liveweight, held for 12 months and sold direct to feedlots at 460- 470kg liveweight.

Sales

90% steers sold at 21 months	450 kg	@468c/kg	live weight
10% steers sold at 21 months	440 kg	@468c/kg	live weight
Purchases			
Steers purchased at 9 months	260 kg	@459c/kg	live weight

Steers kept for 12 months

Selling costs include: Commission 0%, yard dues $0 (sold direct to feedlot.)
MLA levy $5/hd, average freight cost to feedlot 25.00/hd,
no NLIS tags costed in this budget.

Mortality rate of steers: 2%

The average feed requirement for this enterprise is rated at 1.29 LSU
8.90 dse's*. This is an average figure and will vary during the year.

Note that as with breeding enterprises there has been no interest charged on livestock.

Marketing Information:
Finished animals are best marketed in deck loads of straight lines, so care needs to be taken
when purchasing stores to ensure an even line of weaners for weight and frame.
Later maturing types prefered for the Japanese feedlot 120-170 day grain fed market.
Freight costs will vary depending on proximity to major feedlots.

Production Information:
It may be necessary to wean the steers after purchase which requires adequate facilities on farm.
Growing out enterprises can be risky because of the price variation in both purchases
and sales. Producers should consult the table on the previous page that shows gross
margin changes due to variation in purchase and sale prices. Producers should determine
the maximum purchase price they are prepared to pay before the sale.
Liveweight and description buying are recommended methods.