

Management Decisions

When a good working relationship exists between the parties, all management decisions may be made by mutual agreement. The person providing the labor is usually responsible for day-to-day management decisions about feeding, breeding and treating health problems. However, larger decisions such as buying or selling livestock or setting the general feeding, breeding and health programs should be discussed well in advance. Certain goals related to management areas such as calving percentage and weaning weights may be specified in advance. The type of records needed to verify these goals and the system to be used should also be discussed and agreed on.

Lease Agreement

Written agreements help avoid disagreements later on. They also provide a record for tax preparers and heirs. A cow-calf operation represents a substantial investment, in livestock, pasture and handling facilities. A sharing agreement should be set up to last for at least five years or more. Details may be reviewed annually, however.

A sample cow-calf lease agreement is available from the North Central Farm Management Extension Committee, at: <http://www.aglease101.org/Doclib/docs/NCFMEC-06.pdf>.

To figure a cow-calf budget for your operation, enter your figures into *Decision Tool Beef Cow Share Agreement Analysis*.

Table 1. Cow-Calf Budget (calves sold after weaning).

Cost item	Cost per cow unit	Example 1		Example 2	
		Owner	Operator	Owner	Operator
Pasture land (2.5 acres @ \$35)	\$87.50	\$87.50		\$87.50	
Pasture fertility, weed control	50.00	25.00	25.00		\$50.00
Corn (4 bu. @ \$5.00)	20.00	10.00	10.00		20.00
Supplement and minerals	5.00	2.50	2.50		5.00
Mixed hay (2 tons)					
seed	11.00	5.50	5.50	11.00	
annual fertility, pesticides	70.00	35.00	35.00		70.00
labor	26.00		26.00		26.00
machinery	63.00		63.00		63.00
land	50.00	50.00		50.00	
Stalk grazing (4 acres @ \$3)	12.00	12.00		12.00	
Health	25.00	12.50	12.50		25.00
Utilities	5.00	5.00		5.00	
Machinery, fuel, repairs	10.00		10.00		10.00
Marketing, miscellaneous	20.00	10.00	10.00		20.00
Interest on feed, other costs	13.50	7.50	6.00	5.50	8.00
Interest, depreciation, insurance			20.00		20.00
machinery and equipment	20.00	45.00		45.00	
fences and corrals	45.00	57.50	57.50	115.00	
livestock	115.00				
Labor (8 hours @ \$14)	112.00		112.00		112.00
Management (10% of costs)	76.00	38.00	38.00		76.00
Total	\$836.00	\$403.00	\$433.00	\$331.00	\$505.00
Percentage contributions		48%	52%	40%	60%

Table 2. Cow-Calf Budget (calves sold after weaning).

Cost item	Cost per cow unit	Example 3		Example 4	
		Owner	Operator	Owner	Operator
Pasture land (2.5 acres @ \$35)	\$87.50		87.50	\$87.50	
Pasture fertility, weed control	50.00		50.00	50.00	
Corn (4 bu. @ \$5.00)	20.00		20.00	20.00	
Supplement and minerals	5.00		5.00	5.00	
Mixed hay (2 tons)					
seed	11.00		11.00	11.00	
annual fertility, pesticides	70.00		70.00	70.00	
labor	26.00		26.00	26.00	
machinery	63.00		63.00	63.00	
land	50.00		50.00	50.00	
Stalk grazing (4 acres @ \$3)	12.00		12.00	12.00	
Health	25.00		25.00	25.00	
Utilities	5.00		5.00	5.00	
Machinery, fuel, repairs	10.00		10.00	10.00	
Marketing, miscellaneous	20.00		20.00	20.00	
Interest on feed, other costs	13.50		13.50	13.50	
Interest, depreciation, insurance					
machinery and equipment	20.00		20.00	20.00	
fences and corrals	45.00		45.00	45.00	
livestock	115.00	115.00		115.00	
Labor (8 hours @ \$14)	112.00		112.00		112.00
Management (10% of costs)	76.00		76.00		76.00
Total	\$836.00	\$115.00	\$721.00	\$648.00	\$188.00
Percentage contributions		14%	86%	78%	22%

... and justice for all

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