

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 5 years or more. However, details may be reviewed annually.

A sample cow-calf lease agreement is available from the Manitoba Agriculture and Food Agency, at: www.gov.mb.ca/agriculture/financial/farm/caf22s01.html.

To figure a cow-calf budget for your operation, enter your figures into *Decision Aid 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 @ \$30)	\$75.00	\$75.00		\$75.00	
Pasture fertility, weed control	50.00	25.00	\$25.00		\$50.00
Corn (4 bu. @ \$2.25)	9.00	4.50	4.50		9.00
Supplement and minerals	8.00	4.00	4.00		8.00
Mixed hay (2 tons)					
seed	5.00	2.50	2.50	5.00	
annual fertility, pesticides	26.00	13.00	13.00		26.00
labor	18.00		18.00		18.00
machinery	34.00		34.00		34.00
land	20.00	20.00		20.00	
Stalk grazing (4 acres @ \$3)	12.00	6.00	6.00	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	9.50	5.35	4.15	3.50	6.00
Interest, depreciation, insurance					
machinery and equipment	18.00		18.00		18.00
fences and corrals	25.00	25.00		25.00	
livestock	90.00	45.00	45.00	90.00	
Labor (9 hours @ \$9)	81.00		81.00		81.00
Management (10% of costs)	54.00	27.00	27.00		54.00
Total	\$594.50	\$279.85	\$313.65	\$235.50	\$359.00
Percentage contributions		47%	53%	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 @ \$30)	\$75.00		\$75.00	\$75.00	
Pasture fertility, weed control	50.00		50.00	50.00	
Corn (4 bu. @ \$2.25)	9.00		9.00	9.00	
Supplement and minerals	8.00		8.00	8.00	
Mixed hay (2 tons)					
seed	5.00		5.00	5.00	
annual fertility, pesticides	26.00		26.00	26.00	
labor	18.00		18.00	18.00	
machinery	34.00		34.00	34.00	
land	20.00		20.00	20.00	
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	9.50		9.50	9.50	
Interest, depreciation, insurance					
machinery and equipment	18.00		18.00	18.00	
fences and corrals	25.00		25.00	25.00	
livestock	90.00	90.00		90.00	
Labor (9 hours @ \$9)	81.00		81.00		81.00
Management (10% of costs)	54.00		54.00		54.00
Total	\$594.50	\$90.00	\$504.50	\$459.50	\$135.00
Percentage contributions		15%	85%	77%	23%