

Commercial Bison Production: Economic Analysis and Budget Projections

Steve Metzger and Vern Anderson

Herd records from multiple commercial bison herds from 1993-1996 totaling 860 cow years were summarized for animal performance, expenses, and income through weaning. A budget for planning purposes was constructed for calving percentages of 70%, 80%, and 90%. Gross income averaged \$833.63 per cow with a net return of \$158.65. Major expenses were feed at \$190.56 per cow and interest at \$162.94. Average weaning rate per cow exposed was 64.91%. Weaning weight for all calves averaged 394.16 pounds. Budget projections with a 70, 80, and 90% calf crop indicate -94, 46 and \$196 per cow per year is available for servicing debt and living expenses. Long term financial projections (20 year) indicate net worth increases from \$5,325 per cow at 80% weaning rate to \$10,371 at 90% weaning rate. Decreasing expenses \$50 per cow improves net worth by 13.6% in 20 years while increasing weaning rate from 80 to 90% improves net worth by 94.8%. The combined improvements increase net worth by 121.2% in 20 years. Individual producers may have an advantage that will allow greater profit such as low initial expense from entering the industry several years ago, selling breeding bulls, custom feeding, or income from cooperative marketing of bison meat. The single most important factor for profitable bison herds is percentage of calves weaned. Expenses certainly affect net return but not to the extent of calves weaned. Production practices which lead to very high weaning rates need to be researched and put into practice by all producers.