

COMPARATIVE STUDY OF TAX COSTS
OF PRODUCING A BEEF CALF IN A COMMERCIAL COWHERD
FOR KANSAS AND OTHER BEEF STATES

by 557

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B.S., Kansas State University, 1965

A MASTER'S REPORT

submitted in partial fulfillment of the
requirements for the degree

MASTER OF SCIENCE

Department of Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1971

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ACKNOWLEDGMENT

I would like to express appreciation to my major professor, Dr. Frank Orazem, Professor of Agricultural Economics, for his guidance and assistance with each phase of the study and this subsequent report. His suggestions both in conducting the study and in assembling the data contributed much to the meaning of this report.

To Dr. Milton L. Manuel, Professor of Agricultural Economics; and Dr. Norman V. Whitehair, Professor, Assistant Head, Department of Economics and State Leader of Extension Marketing, Management and Resource Development; and Mr. Ronald G. Trostle, Graduate Research Assistant; I express my appreciation for many helpful suggestions through their constructive reading of the manuscript.

A special acknowledgment is due Mr. Wilton B. Thomas, Associate Professor, Section Leader and Extension Economist, Farm Management; for his influence and interest were largely responsible for my decision to do graduate study in Agricultural Economics at Kansas State University. He also offered guidance at the outset of this study in formulating the procedure for calculating the average tax cost per beef calf produced in Kansas.

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CHAPTER I

INTRODUCTION

The Problem

The beef cattle industry, and in particular, the cowherd and feedlot operators, have expressed concern about the tax costs of producing a beef calf in Kansas compared with the costs in other beef producing states. As personal property and real property taxes increase and profit margins for cowherd operations narrow, the movement of beef production may shift to states or areas with more favorable tax legislation. Thus, a study of tax costs in the production of beef calves merits a careful analysis on a state-wide basis as well as on a comparative basis with other states and regions producing beef calves. Unfavorable economic consequences could evolve, if states, or areas of states, which have no alternative land uses, should suffer a comparative tax disadvantage for the beef cowherd. The Kansas Flint Hills and Short-Grass Country in Southwest Kansas are two examples of large land areas with natural advantages for beef production, and few existing alternative uses of the land.

Managers of cowherds, like other business managers are increasingly concerned about determining the exact cost of the product they produce--beef calves. Tax costs for beef calves