





Guidelines For Estimating

Beef Backgrounding Costs

For Weight Range of 500 - 900 lbs Based on 500 Head

Date: September, 2024

This guide is designed to provide you with planning information and a format for calculating costs of production of a backgrounding feeder calf enterprise in Manitoba. General Manitoba Agriculture recommendations are assumed in using feed and veterinary inputs. These figures provide an economic evaluation of the livestock and estimated prices required to cover all costs. Costs include labour, investment and depreciation, but do not include management costs, nor do they necessarily represent the average cost of production in Manitoba.

Backgrounding generally refers to the feeding of calves from weaning until they are put onto a high concentrate finishing ration. An example of a typical backgrounding operation would be, feed 500 pound steers to gain 1.5 to 2.5 pounds per day for approximately 100-200 days to produce 800 to 900 pound backgrounded feeders.

These budgets may be adjusted by putting in your own figures. As a producer you are encouraged to calculate your own costs of production. Good management is assumed in that a balanced ration is being fed, livestock are on a herd health program and handling facilities are included.

This tool is available as an Excel worksheet at:



<u>The Farm Machinery Custom and Rental Rate Guide</u> determine machinery costs.

is also available to help

Note: This budget is only a guide and is not intended as an in-depth study of the cost of production of this industry. Interpretation and use of this information is the responsibility of the user. If you need help with a budget, contact a Farm Management Specialist.

Backgrounding Cattle Production Cost Summary - September, 2024
Based on 500 feeders, weight range 500 to 900 lbs, Corn Silage ration @ 2.5 lbs. ADG

1. Feed Costs 1.01 Alfalfa Grass Hay (57.8 % TDN, 13.7 % CP) \$46.40 1.02 Corn Silage (65.2 % TDN, 18.7 % CP) \$79.80 1.03 Barley Silage (63.8 ⊤ DN, 11 % CP) \$0.00 1.03 Barley Silage (63.8 ⊤ DN, 11 % CP) \$77.08 1.04 Barley Grain (83.1 % TDN, 12.5 % CP) \$77.08 1.05 Greenfeed \$0.00 1.06 Straw 1.07 32-20% Feedlot Suppl. (61.7 % TDN, 35.6 % CI \$0.00 1.08 Data Straw (17.8 ↑ TDN, 35.6 % CI \$0.00 1.09 1:1 Premix \$40.91 1.10 2:1 Premix \$40.91 1.10 1:1 Premix \$40.9	A. Operating Costs	Cost/Head	Total Cost	Your Cost
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Note: This budget is only a guide and is not intended as an in-depth study of the cost of production of this industry. Interpretation and utilization of this information is the responsibility of the user. No liability for decisions based on this publication is assumed.

Risk & Sensitivity Analysis (Stress Test)

Percent Market Price Change -10.0%
Percent Feed Cost Change 5.0%
Percent Feeder Cost Change 5.0%

| Per Head | \$270.00 | \$277.18 | Feeder Cost | \$2,063.51 |

Stress Test Scenario = Market Price Down 10%, Feed Price Up 5% and Feeder Cost Up 5%

Operating Costs \$2,573.09

Total Costs \$2,634.22

Gross Revenue / feeder \$2,357.10

Marginal Returns
Over Operating Costs (\$215.99)
Over Operating & Labour Costs
Over Total Costs (Net Profit) (\$277.12)

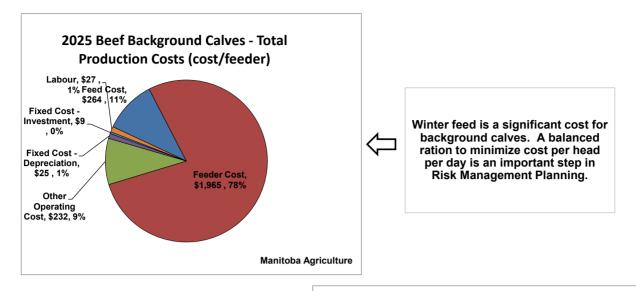
Operating Expense Ratio 109.2%

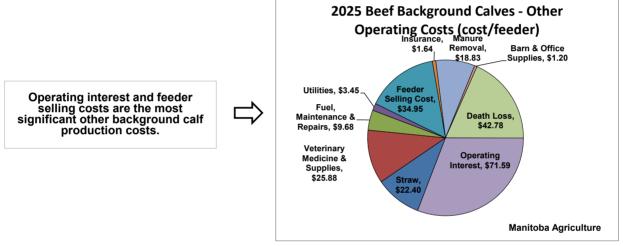
Estimated Breakeven Canadian Dollar Analysis

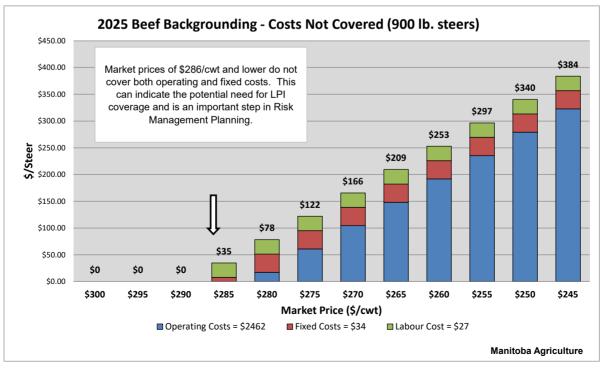
	Est. Market Price (\$/cwt Cdn) @ 0.7350 Cdn per USD \$290.00 \$295.00 \$300.00 \$305.00 \$310.00							
Breakeven CDN Dollar (\$1 Cdn = \$1	USD)							
Operating Costs	0.7559	0.7690	0.7820	0.7950	0.8081			
Operating & Labour Costs	0.7477	0.7606	0.7735	0.7864	0.7993			
Operating, Fixed & Labour Costs	0.7376	0.7503	0.7630	0.7758	0.7885			

Breakeven Canadian Dollar = (Est. Market Price (\$/Ib) x Shrunk Wt. (Ibs) x \$ Cdn per USD) / Cost (eg. ($\$3.00 \times 873 \text{ lbs } \times \0.7350) / \$2522.76) = \$0.7630

Note: This budget is only a guide and is not intended as an in depth study of the cost of production of this industry. Interpretation and utilization of this information is the responsibility of the user.







Backgrounding Feeder Cattle Production Costs

Assumptions

- This budget outlines the cost of production for backgrounding cattle.
 Buildings and equipment are valued at new cost.
- 3. All feed is purchased.

Herd Profile

Number of Feeders Purchased		500	head
Feeder Cattle Mortality Rate		2.00	%
Feeder Purchased Weight		500	lbs
Feeder Cattle Price		\$390.00	/cwt
Finish Weight (Maximum 900 lbs.)	900	lbs
Feeder Selling Price (WLPIP insu	red value)	\$300.00	/cwt
\$1 Canadian Dollar	(\$1.3605 CDN)	\$0.7350	/ \$1 USD
WLPIP Insurance Premium		\$0.00	/cwt
Percent Shrink at Sale		3.00	%

Average Daily Gain	_	2.50	lbs/day
Type of Feed Ration		Corn Silage	

Weight Range	Days on Feed	Feed Cost \$/Steer/Day
500 to 600 lbs.	40	\$1.410
600 to 700 lbs.	40	\$1.600
700 to 800 lbs.	40	\$1.724
800 to 900 lbs.	<u>40</u>	\$1.870
TOTAL	160	

Total Feed Cost per Steer Average Feed Cost per Day	\$263.97 /head \$1.65
Feed Cost per lb. of Gain Sold (shrunk weight)	\$0.708
Total Pounds of Gain	400 lbs
Total Pounds of Gain (Shrunk Weight)	373 lbs

				(Analysis Ass	umed)
Feed Costs	\$/unit	Ibs/Unit	\$/Ib	<u>TDN</u>	<u>CP</u>
Alfalfa Grass Hay	\$115.00	2,000	0.058	57.8%	13.7%
Corn Silage	\$40.00	2,000	0.020	65.2%	8.7%
Barley Silage	\$50.00	2,000	0.025	63.0%	11.0%
Barley Grain	\$4.50	48	0.094	83.1%	12.5%
Greenfeed	\$115.00	2,000	0.058		
Straw	\$70.00	2,000	0.035		
32-20% Feedlot Suppl.	\$550	2,205	0.249	61.7%	35.6%
DDGS Corn/Wheat	\$250	2,205	0.113	77.0%	33.9%
1:1 Premix	\$50.00	55	0.909		
2:1 Premix	\$50.00	55	0.909		
Limestone	\$20.00	55	0.364		
Other	\$0.00	2,000	0.000		

FOOTNOTE: 1 bushel (bu) barley = 48 lbs = 21.8 kg 1 kilogram (kg) = 2.2046 pounds (lbs)

1 tonne (t) = 1,000 kg

Other Operating Costs

Buying Commission	\$5.00	
Trucking-in	\$1.70	
Insurance fee	\$1.75	/head
Straw Bedding		
lbs/day		/head
cost	\$70.00	/ton
Veterinary Medicine & Supplies		
Cattle Medication		
IBR,BVD,PI3,BRSV, Pasteurella	\$5.00	
Vitamin A-D	\$0.50	
External & Internal Parasites	\$0.72	
Blackleg & Haemophilus	\$1.26	
Growth Implants	\$2.00	
Antibiotics	\$15.00	/head
Herd Health Program		
Professional Services		
Total Yearly Hours		hours
Rate	\$180.00	/hour
Transportation		
Total Kilometres (round trip)	80.0	
Rate Number of Yearly Visits	\$1.00 2	/km
Tractor with Loader PTO hp Diesel Fuel Cost	120 \$1.10	/litre hours
Tractor Hours Per Day (average) b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost)	1.2	
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost)		
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities	1.2 2.2	%
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate	1.2 2.2 \$0.09587	% / kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities	1.2 2.2 \$0.09587 \$575.22	% / kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder	1.2 2.2 \$0.09587	% / kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer	1.2 2.2 \$0.09587 \$575.22 \$552.21	% / kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone	\$0.09587 \$575.22 \$552.21 \$1,127.43	% / kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone Trucking Cost	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00	% / kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00	% / kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone Trucking Cost Average Weight	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00	% / kWh lbs/head miles
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone Trucking Cost Average Weight Distance	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00	% / kWh lbs/head miles
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone Trucking Cost Average Weight Distance Rate	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00 75 \$7.00 54,000	% / kWh lbs/head miles /loaded mile
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone Trucking Cost Average Weight Distance Rate Truck Capacity	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00 75 \$7.00 54,000	% / kWh / kWh / kWh // kWh // kWh
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone Trucking Cost Average Weight Distance Rate Truck Capacity Number of head per load - calves	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00 900 75 \$7.00 54,000 60	% / kWh Ibs/head miles /loaded mile Ibs/load per load /head
b) Machinery Repair (% of investment cost) c) Building maintenance (% of investment cost) Utilities Hydro - Rate 12 kWh per feeder 2 1000 watt waterer Total Hydro Telephone Trucking Cost Average Weight Distance Rate Truck Capacity Number of head per load - calves Marketing Cost	\$0.09587 \$575.22 \$552.21 \$1,127.43 \$600.00 900 75 \$7.00 54,000 60	% / kWh / kWh / kWh // kWh // kWh // kWh // kWh // koadd miles //loaded miles //loaded miles // loaded miles /

Manure Removal

Manure volume produced

Manure volume shrinkage

Cost for manure removal & application

0.024 m³/feeder/day

75 %

\$15.00 /cubic yard

Insurance

Cost per \$100 Capital Invested in
a) Livestock \$0.00 /\$100
b) Building & Equipment \$0.40 /\$100
Additional Coverage for Liability \$49.00 /year

Barn & Office Supplies

Total yearly expense relating to barn \$600.00

Operating Interest Rate 7.50 % Investment Interest Rate 4.00 %

FOOTNOTE: cwt = hundred-weight = 100 lbs

Capital Costs	Original <u>Value</u>	Salvage <u>Value</u>	Useful <u>Life</u>
Buildings, Corrals & Water System	·		
Windbreak fence	\$6,300	10 %	20 years
Pens	\$5,300	10 %	20 years
Handling Facilities	\$7,500	10 %	20 years
Waterers	\$6,000	10 %	20 years
Gates	\$2,000	10 %	20 years
Feeders	\$1,500	10 %	20 years
Bunk Feeders	\$21,000	10 %	20 years
Well & Pressure System	\$8,000	10 %	20 years
Grain Bin	\$5,000	10 %	20 years
Landscaping	\$17,500	10 %	20 years
Total	\$80,100		
Machinery & Equipment			
Tractors & Loader (\$175,000 @ 30%)	\$52,500	20 %	10 years
Miscellaneous	\$60,000	20 %	10 years
Total Investment	\$192,600		

Labour Costs <u>Total</u>

Hours/Head 1.0 hours Labour Rate \$27.00 /hour

Feed Costs & Requirements Worksheet

Total Days on Feed = 160 days @ 2.5 lbs. Average Daily Gain (ADG) Per Day

	Barley Silage Ration										
Weight Range (Ibs)				500 to 600	600 to 700	700-800	800-900			Total Units	Total Feed
Days on Feed				40	40	40	40	Total lbs	Feed Cost	Required	Cost
Feed Name	\$/unit	lbs/Unit	\$/lb		As Fed Lbs	s/Head/Day		/steer	\$/steer	(500 steers)	(500 steers)
Alfalfa Grass Hay	\$115.00	2000	\$0.058	3	3	2.5	2	420	\$24.36	105	\$12,075.00
Corn Silage	\$40.00	2000	\$0.020	0	0	0	0	0	\$0.00	0	\$0.00
Barley Silage	\$50.00	2000	\$0.025	23	25.75	29.25	32.5	4,420	\$110.50	1,105	\$55,250.00
Barley Grain	\$4.50	48	\$0.094	5	6	7	8	1,040	\$97.76	10,834	\$48,753.00
Greenfeed	\$115.00	2000	\$0.058	0	0	0	0	0	\$0.00	0	\$0.00
Straw	\$70.00	2000	\$0.035	0	0	0	0	0	\$0.00	0	\$0.00
32-20% Feedlot Suppl	\$550.00	2205	\$0.249	0	0	0	0	0	\$0.00	0	\$0.00
DDGS Corn/Wheat	\$250.00	2205	\$0.113	0	0	0	0	0	\$0.00	0	\$0.00
1:1 Premix	\$50.00	55	\$0.909	0.25	0.27	0.3	0.32	46	\$41.81	419	\$20,950.00
2:1 Premix	\$50.00	55	\$0.909	0	0	0	0	0	\$0.00	0	\$0.00
Limestone	\$20.00	55	\$0.364	0.06	0.085	0.11	0.13	15	\$5.46	137	\$2,740.00
Other	\$0.00	2000	\$0.000	0	0	0	0	0	\$0.00	0	\$0.00
		\$/he	ad/day	\$1.468	\$1.658	\$1.847	\$2.019		\$279.89		\$139,768.00

Corn Silage Ration											
Weight Range (lbs)				500 to 600	600 to 700	700-800	800-900			Total Units	Total Feed
Days on Feed				40	40	40	40	Total lbs	Feed Cost	Required	Cost
Feed Name	\$/unit	lbs/Unit	\$/lb		As Fed Lbs	s/Head/Day		/steer	\$/steer	(500 steers)	(500 steers)
Alfalfa Grass Hay	\$115.00	2000	\$0.058	5	5	5	5	800	\$46.40	200	\$23,000.00
Corn Silage	\$40.00	2000	\$0.020	19	22	27	31.75	3,990	\$79.80	998	\$39,920.00
Barley Silage	\$50.00	2000	\$0.025	0	0	0	0	0	\$0.00	0	\$0.00
Barley Grain	\$4.50	48	\$0.094	4	5	5.5	6	820	\$77.08	8,542	\$38,439.00
Greenfeed	\$115.00	2000	\$0.058	0	0	0	0	0	\$0.00	0	\$0.00
Straw	\$70.00	2000	\$0.035	0	0	0	0	0	\$0.00	0	\$0.00
32-20% Feedlot Suppl	\$550.00	2205	\$0.249	0	0	0	0	0	\$0.00	0	\$0.00
DDGS Corn/Wheat	\$250.00	2205	\$0.113	1	1	0.75	0.5	130	\$14.69	30	\$7,500.00
1:1 Premix	\$50.00	55	\$0.909	0	0	0	0	0	\$0.00	0	\$0.00
2:1 Premix	\$50.00	55	\$0.909	0.25	0.28	0.285	0.315	45	\$40.91	410	\$20,500.00
Limestone	\$20.00	55	\$0.364	0.065	0.09	0.09	0.105	14	\$5.10	128	\$2,560.00
Other	\$0.00	2000	\$0.000	0	0	0	0	0	\$0.00	0	\$0.00
	<u> </u>	\$/he	ead/day	\$1.410	\$1.600	\$1.724	\$1.870	•	\$263.97	•	\$131,919.00

Alfalfa Grass Hay Ration											
Weight Range (Ibs)				500 to 600	600 to 700	700-800	800-900			Total Units	Total Feed
Days on Feed				40	40	40	40	Total lbs	Feed Cost	Required	Cost
Feed Name	\$/unit	lbs/Unit	\$/lb		As Fed Lbs	/Head/Day		/steer	\$/steer	(500 steers)	(500 steers)
Alfalfa Grass Hay	\$115.00	2000	\$0.058	11.25	12.5	14	15	2,110	\$122.38	528	\$60,720.00
Corn Silage	\$40.00	2000	\$0.020	0	0	0	0	0	\$0.00	0	\$0.00
Barley Silage	\$50.00	2000	\$0.025	0	0	0	0	0	\$0.00	0	\$0.00
Barley Grain	\$4.50	48	\$0.094	6.75	7.8	8.7	9.7	1,318	\$123.89	13,730	\$61,785.00
Greenfeed	\$115.00	2000	\$0.058	0	0	0	0	0	\$0.00	0	\$0.00
Straw	\$70.00	2000	\$0.035	0	0	0	0	0	\$0.00	0	\$0.00
32-20% Feedlot Suppl	\$550.00	2205	\$0.249	0	0	0	0	0	\$0.00	0	\$0.00
DDGS Corn/Wheat	\$250.00	2205	\$0.113	0	0	0	0	0	\$0.00	0	\$0.00
1:1 Premix	\$50.00	55	\$0.909	0.25	0.27	0.31	0.33	46	\$41.81	419	\$20,950.00
2:1 Premix	\$50.00	55	\$0.909	0	0	0	0	0	\$0.00	0	\$0.00
Limestone	\$20.00	55	\$0.364	0	0	0	0	0	\$0.00	0	\$0.00
Other	\$0.00	2000	\$0.000	0	0	0	0	0	\$0.00	0	\$0.00
·		\$/he	ead/day	\$1.514	\$1.704	\$1.912	\$2.082		\$288.09	·	\$143,455.00

Feed Summary - 160 Days							
	Total Feed Cost per Steer	Average Feed Cost/Day	Feed Cost per lb. of Gain Sold (shrunk weight)				
Barley Silage Ration	\$279.89	\$1.749	\$0.7504				
Corn Silage Ration	\$263.97	\$1.650	\$0.7077				
Alfalfa Grass Hay Ration	\$288.09	\$1.801	\$0.7723				

Note: The suggested feed rations above were formulated using Cowbytes Beef Ration Balancer software with no included allowance for wastage during feeding. Feed ration quantity and costs should be adjusted accordingly. If you need help with a budget, contact your local Manitoba Agriculture office.

Backgrounding Cattle Production Cost Worksheet

Assumptions

- 1. Average daily gain (ADG) was assumed to be 2.5 lbs/day.
- 2. It was assumed the feeder steer weighed in at 500 lbs shrunk weight, and was raised to 900 lbs (873 lbs after 3 % shrink).
- 3. Days on feed was 160.
- 4. Investment in facilities and equipment was assumed to handle 500 head.

A. Operating Costs			Your Cost
1. Feed Costs			
1.01 Alfalfa Grass	Hay (57.8 % TE	ON, 13.7 % CP)	
	800.0		
<u>x</u>	<u>\$0.058</u>	<u>\$/lb</u>	
=	\$46.40	/feeder	
1.02 Corn Silage (6	65.2 % TDN, 8.7	7 % CP)	
	3,990.0	lbs/feeder	
<u>x</u>	\$0.020	<u>\$/lb</u>	
=	\$79.80	/feeder	
1.03 Barley Silage	(63 % TDN, 11	% CP)	
	0.0	lbs/feeder	
X	<u>\$0.025</u>	<u>\$/lb</u>	
=	\$0.00	/feeder	
1.04 Barley Grain (83.1 % TDN, 12	2.5 % CP)	
•	820.0		
<u>x</u>	0.094	<u>\$/lb</u>	
=	\$77.08	/feeder	
1.05 Greenfeed			
	0.0	lbs/feeder	
<u>x</u>	<u>0.058</u>	<u>\$/lb</u>	
=	\$0.00	/feeder	
1.06 Straw			
	0.0	lbs/feeder	
<u>X</u>	<u>0.035</u>		
=	\$0.00	/feeder	
1.07 32-20% Feedle			
	0.0		
<u>x</u>	0.249		
=	\$0.00	/feeder	
1.08 DDGS Corn/W	/heat (77 % TD	N, 33.9 % CP)	
	130.0	lbs/feeder	
<u>X</u>	0.113	\$/lb	
=	\$14.69	/feeder	
1.09 1:1 Premix			
	0.0	lbs/feeder	
<u>X</u>	0.909	<u>\$/lb</u>	
=	\$0.00	/feeder	

1.10 2:1 Premix			
	45.0	lbs/feeder	
<u>x</u>	<u>0.909</u>	<u>\$/Ib</u>	
=	\$40.91	/feeder	
4.44.14			
1.11 Limestone	11.0	lla a /5 a a d a u	
V	14.0 <u>0.364</u>	lbs/feeder <u>\$/lb</u>	
<u>X</u> =	\$5.10	्रा <u>।</u> /feeder	
	ψ0.10	/iccuci	
1.12 Other			
	0.0	lbs/feeder	
<u>x</u>	0.000	<u>\$/lb</u>	
=	\$0.00	/feeder	
2. Other Operating Costs	.4		
2.01 Feeder Cattle Cos Commission		/feeder	
Insurance	\$5.00 \$1.75	/feeder	
modrance	ψ1.73	Accuci	
Trucking-in	\$1.70	/cwt	
x	500	lbs/feeder	
<u>÷</u> =	<u>100</u>	<u>lbs/cwt</u>	
=	\$8.50	/feeder	
Feeder	500	lbs/feeder	
X	\$390.00	/cwt	
	7		
÷	100	lbs/cwt	
<u>÷</u> =	<u>100</u> \$1,950.00	<u>lbs/cwt</u> /feeder	
		· · · · · · · · · · · · · · · · · · ·	
= Total =	\$1,950.00	/feeder	
=	\$1,950.00 \$1,965.25	/feeder /feeder	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00	/feeder /feeder lbs/feeder/day	
= Total = 2.02 Straw ×	\$1,950.00 \$1,965.25 4.00 160.00	/feeder /feeder lbs/feeder/day days on feed	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 <u>\$70.00</u>	/feeder /feeder Ibs/feeder/day days on feed /ton	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00	/feeder /feeder lbs/feeder/day days on feed	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40	/feeder /feeder Ibs/feeder/day days on feed /ton /feeder	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies	/feeder /feeder Ibs/feeder/day days on feed /ton /feeder	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00	/feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50	/feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D	
= Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72	/feeder /feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D External & Internal Parasites	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26	/feeder /feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D External & Internal Parasites Blackleg & Haemophilus	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00	/feeder /feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D External & Internal Parasites Blackleg & Haemophilus Growth Implants	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00 \$15.00	/feeder /feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D External & Internal Parasites Blackleg & Haemophilus	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00	/feeder /feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D External & Internal Parasites Blackleg & Haemophilus Growth Implants Antibiotics	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00 \$15.00	/feeder /feeder /feeder Ibs/feeder/day days on feed /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D External & Internal Parasites Blackleg & Haemophilus Growth Implants Antibiotics	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00 \$15.00 \$24.48	/feeder /feeder /feeder /feeder /feeder /ton /feeder IBR,BVD,PI3,BRSV,Pasteurella Vitamin A-D External & Internal Parasites Blackleg & Haemophilus Growth Implants Antibiotics /feeder	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00 \$15.00 \$24.48	/feeder /feeder /feeder /feeder // feeder	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00 \$15.00 \$24.48 \$180.00 3.00	/feeder /feeder /feeder /feeder // feeder // feeder	
Total = 2.02 Straw	\$1,950.00 \$1,965.25 4.00 160.00 \$70.00 \$22.40 ne & Supplies \$5.00 \$0.50 \$0.72 \$1.26 \$2.00 \$15.00 \$24.48	/feeder /feeder /feeder /feeder // feeder	

Transportation Costs			
	\$1.00	/km charge	
Χ	80	kilometres	
X	2	visits	
<u>÷</u>	<u>500</u>	feeder cattle	
=	\$0.32	/feeder	
	Ψ0.02	7100001	
Total =	\$25.88	/feeder	
2.04 Annual Fuel & R	lepair Costs		
Machinery fuel cost	400	DTO I	
	120	PTO hp	
÷	2.5	avg HP required	
X	0.1665576	litres fuel/hour/hp	
X	1.5	hours per day	
X	\$1.10	diesel / litre	
<u>X</u>	<u>160</u>	days on feed	
	\$2,110.62	annual fuel cost	
<u>÷</u> -	<u>500.00</u>	<u>feeders</u>	
_	\$4.22	/feeder	
Machinery repair & ma			
	\$112,500	machinery capital cost	
<u>X</u> =	1.20	% repair rate	
	\$1,350.00	oil, repairs & maintenance	
<u>÷</u> =	500.00	<u>feeders</u>	
	\$2.70	/feeder	
Building repair & maint	\$62,600	building capital cost	
V	\$02,000 <u>2.20</u>	% repair rate	
<u>X</u> =	<u>2.20</u> \$1,377.20	oil, repairs & maintenance	
	500.00	feeders	
<u>÷</u> =	\$2.75	/feeder	
_	φ2.73	ricedei	
=	\$9.68	/feeder	
2.05 Utilities	*		
	\$1,727.43	cost/year	
<u> </u>	<u>500</u>	feeder cattle	
=	\$3.45	/feeder	
2.06 Ecodor Colling (Cont		
2.06 Feeder Selling C	วบอเ		
Trucking Calves	75.00	miles	
Caives X	75.00 \$7.00	/loaded mile	
Α	490.00	feeders	
=	9.00	loads	
		luaus	
<u> </u>	500.00	feeders	
<u> </u>	500.00 \$9.45	<u>feeders</u> /feeder	
<u>*</u> =	<u>500.00</u> \$9.45	<u>feeders</u> /feeder	
=	\$9.45		
± = MBP levy, WLPIP, sell +	\$9.45	/feeder	
= MBP levy, WLPIP, sell	\$9.45 ing commission \$5.50	/feeder MBP Levy	
= MBP levy, WLPIP, sell + +	\$9.45 ing commission \$5.50 \$0.00	/feeder MBP Levy WLPIP Insurance Premium	
= MBP levy, WLPIP, sell +	\$9.45 ing commission \$5.50 \$0.00 <u>\$20.00</u>	MBP Levy WLPIP Insurance Premium commission	
= MBP levy, WLPIP, sell + +	\$9.45 ing commission \$5.50 \$0.00	/feeder MBP Levy WLPIP Insurance Premium	
= MBP levy, WLPIP, sell + +	\$9.45 ing commission \$5.50 \$0.00 <u>\$20.00</u>	MBP Levy WLPIP Insurance Premium commission	

2.07 Insurance							
	\$192,600	building & equipment investment					
Χ	\$0.40	/\$100 capital					
÷	100	/\$100					
<u>÷</u> =	<u>500</u>	feeder cattle					
=	\$1.54	/feeder					
	\$1,162,500	herd investment					
Х	\$0.00	/\$100 capital					
÷	100	/\$100	-				
<u> </u>	<u>500</u>	feeder cattle					
=	\$0.00	/feeder					
	¢40.00	additional account for link life.					
<u>.</u>	\$49.00 <u>500</u>	additional coverage for liability feeder cattle					
<u> </u>	\$0.10	/feeder					
	*****	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
Total =	\$1.64	/feeder					
0.00 Manage Banage							
2.08 Manure Removal	160	days on feed					
×	0.024	m ³ /feeder/day					
	3.84	m ³ manure volume					
=							
X	75	% volume shrink yd ³ per m ³					
X	1.30795	· ·					
<u>X</u> =	<u>\$15.00</u> \$18.83	yd ³ manure removal cost /feeder					
-	φ10.03	needei					
2.09 Barn & Office Sup	pplies						
	\$600.00	total barn expenses					
<u>÷</u>	<u>500</u>	feeder cattle					
=	\$1.20	/feeder					
2.10 Death Loss							
2.10 Death Loss	\$1,965.25	feeder cattle cost					
+	\$2,347.26	maximum value					
-	\$34.95	selling costs					
÷	2.00	average					
<u>X</u>	2.00	% mortality rate					
=	\$42.78	/feeder					
	2.11 Operating Interest (Operating interest is charged on one half the subtotal operating costs)						
	\$1,965.25	feeder cost					
+	\$212.40	½ of feed & other costs					
X	7.50	% operating interest					
X	160.00	days on feed					
<u>÷</u> =	365.00	<u>days /year</u> /feeder					
-	\$71.59	needer					
	Capi	ital Costs					
Buildings, Corrals & V	Water System						
Windbreak fence	5,0.0	\$6,300					
Pens		\$5,300					
Handling Facilities		\$7,500					

Waterers Gates Feeders Bunk Feeders Well & Pressure Syster Grain Bin Landscaping Total Machinery & Equipmen Tractor & Loader Miscellaneous Total Total Investment		\$6,000 \$2,000 \$1,500 \$21,000 \$8,000 \$5,000 \$17,500 \$80,100 \$52,500 \$60,000 \$112,500	
B. Fixed Costs 3. Depreciation Original Co	st - Salvage seful Life	<u> Value</u>	
	eiui Liie		
3.01 Buildings	000 400		
	\$80,100	original cost	
-	\$8,010	salvage value	
÷	20.00	years useful life	
<u> </u>	500.00	<u>feeder cattle</u>	
=	\$7.21	/feeder	
3.02 Machinery & Equip	\$112,500	original cost	
-	\$22,500	salvage value	
÷	10.00	years useful life	
<u>÷</u>	500.00	feeder cattle	
=	\$18.00	/feeder	
4 June 1 Original Con	t + Calvaga	Value v Investment Bate	
4. Investment Original Cos	-	value x investment Rate	
	2		
4.01 Buildings			
	\$80,100	•	
+	\$8,010	salvage value	
÷	2.00	average	
X	4.00	% investment rate	
<u>÷</u>	<u>500.00</u>	feeder cattle	
=	\$3.52	/feeder	
4.02 Machinery & Equip	ment		
,	\$112,500	original cost	
+	\$22,500	salvage value	
÷	2.00	average	
×	4.00	% investment rate	
	500.00	feeder cattle	
<u>÷</u> =		/feeder	
-	\$5.40	/ideuei	
C. Labour			
	1.0	hours/feeder/year	
<u> </u>	<u>\$27.00</u>	<u>/hour</u>	
=	\$27.00	/feeder	

Breakeven Calculations

Cost per lb of gain sold (shrunk weig Feed Costs	nt)	ድጋርን በዓ	feed cost	
reed Costs	÷	\$263.98		
	=	373 \$0.71	lbs gained weight /Ib (gain sold)	
	_	φ0.7 1	hb (gain solu)	
Operating Costs		\$2,461.63	operating costs	
	_	\$1,950.00	feeder cost	
	÷	<u>373</u>	lbs gained weight	
	=	\$1.37	/lb (gain sold)	
Operation 8 Labour Coata		<u></u>	an arating agata	
Operating & Labour Costs		\$2,488.63 \$1,950.00	operating costs feeder cost	
	÷	ψ1,930.00 <u>373</u>	lbs gained weight	
	=	\$1.44	/lb (gain sold)	
		•	(3: -: -)	
Operating & Fixed		\$2,495.76	oper. & fixed costs	
	-	\$1,950.00	feeder cost	
	÷	<u>373</u>	<u>lbs gained weight</u>	
	=	\$1.46	/lb (gain sold)	
Total Costs		\$2,522.76	total costs	
Total Costs	_	\$1,950.00	feeder cost	
	÷	φ1,330.00 <u>373</u>	lbs gained weight	
	=	\$1.54	/lb (gain sold)	
Breakeven selling price (shrunk weig	ht)	•	(3: -: -)	
Operating Costs	•	\$2,461.63	operating costs	
	÷	<u>873</u>	lbs shrunk weight	
	=	\$2.82	/lb	
Operating 9 Labour Coata		¢0 400 60	operating 9 Johans	
Operating & Labour Costs	÷	\$2,488.63 <u>873</u>	operating & labour lbs shrunk weight	
	=	\$2.85	/lb	
		Ψ2.00	710	
Operating & Fixed		\$2,495.76	oper. & fixed costs	
-	÷	<u>873</u>	lbs shrunk weight	
	=	\$2.86	/lb	
-		40 500 5 0		
Total Costs		\$2,522.76	total costs	
	÷ =	<u>873</u> \$2.89	<u>lbs shrunk weight</u> / Ib	
	_	Ψ∠.09	/IU	

Breakeven purchase price (shrunk weigh	t)	
Operating Costs	873	lbs shrunk weight
x	\$300.00	\$/cwt selling price
=	\$2,619.00	income
-	\$511.63	operating less feeder cost
<u>÷</u>	<u>500</u>	lbs purchase weight
=		/lb
Operating & Labour Costs	873	lbs shrunk weight
x		\$/cwt selling price
~		income
_	\$538.63	operating less feeder cost
<u> </u>		lbs purchase weight
=	· 	/lb
	•	
Operating & Fixed	873	lbs shrunk weight
x	\$300.00	\$/cwt selling price
=	\$2,619.00	income
-	\$545.76	op. & fixed less feeder cost
<u>÷</u>	<u>500</u>	lbs purchase weight
=		/lb
Total Costs	873	the abrupt weight
		lbs shrunk weight
x =	******	\$/cwt selling price income
-	\$2,619.00 \$572.76	total less feeder cost
- -		lbs purchase weight
<u> </u>		/lb
-	Ψ4.U3	/IU

Profitability and Breakeven Analysis:

Gross Revenue = Shrunk weight (lbs) x \$/lb price (eg. 873 x 3.00/lb = 2619.00) Return on Investment (ROI) = (Gross Revenue - Total Cost) / Total Cost (eg. 2619.00 - 2522.76) / 2522.76 = 3.8%

Return on Asset (ROA) = (Margin Over Operating - Labour - Building Depreciation - Machinery Depreciation) / (Building, Machinery & Equipment Investment / Herd Size) (eg. (\$157.37 - \$27.00 - \$7.21 - \$18.00) / (\$192,600 / 500) = 27.3%

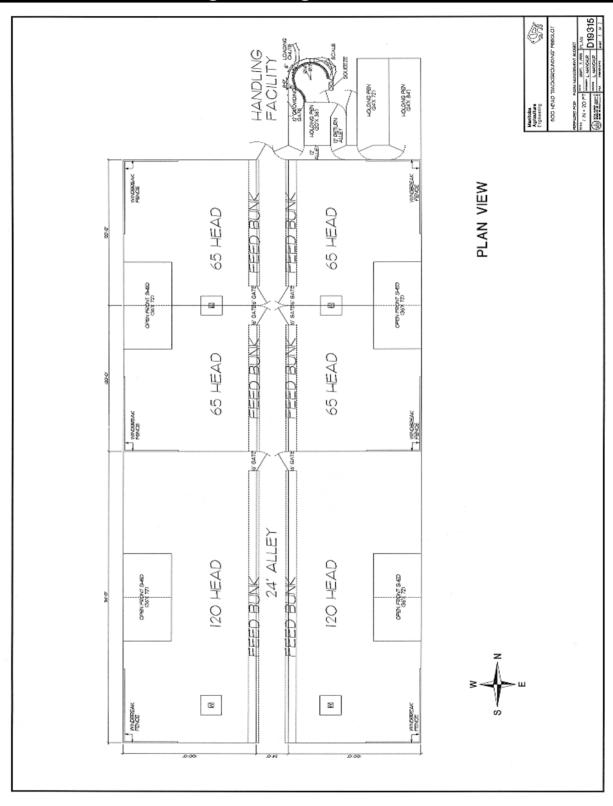
September, 2024

Contact Us

For more information, contact a Farm Management Specialist.

- · manitoba.ca/agriculture
- mbfarmbusiness@gov.mb.ca
- 1-844-769-6224

Backgrounding Feedlot Facilities



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