





Guidelines For Estimating Beef Feedlot Finishing Costs

For Weight Range of 650 - 1400 lbs. Based on feeding 500 Steers

Date: September, 2024

This guide is designed to provide you with planning information and a format for calculating costs of production of a beef cattle feedlot finishing 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.

Cattle feeding is a high risk business requiring large amounts of short term capital to buy feeder cattle and feed. With cyclical price variations for both livestock and feed, successful management involves careful consideration of costs, projection of markets and sound judgement.

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> is also available to help determine machinery costs.

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.

Feedlot Finishing Cost Summary September, 2024 Based on feeding 500 steers for weight range 650 to 1400 lbs.

	Cost/Head	Total Cost	Your Cost
A. Operating Costs			
1. Feed Costs			
1.01 Rolled Barley	\$400.64	\$200,320	
1.02 Barley Silage	\$72.19	\$36,095	
1.03 Alfalfa Grass Hay	\$4.31	\$2,155	
1.04 Supplement	<u>\$57.62</u>	<u>\$28,810</u>	
Total Feed Costs	\$534.76	\$267,380	
2. Other Operating Costs			
2.01 Feeder Cost	\$2,424.30	\$1,212,150	
2.02 Straw	\$35.00	\$17,500	
2.03 Veterinary Medicine & Supplies	\$28.57	\$14,285	
2.04 Annual Fuel & Repair Costs	\$12.86	\$6,431	
2.05 Utilities	\$7.17	\$3,585	
2.06 Marketing & Transportation	\$122.17	\$61,085	
2.07 Insurance	\$1.80	\$900	
2.08 Manure Removal	\$14.00	\$7,000	
2.09 Barn & Office Supplies	\$1.80	\$900	
2.10 Death Loss	<u>\$54.85</u>	<u>\$27,425</u>	
Subtotal Operating Costs	\$3,237.28	\$1,618,641	
2.11 Operating Interest	<u>\$133.06</u>	<u>\$66,530</u>	
Total Operating Costs	\$3,370.34	\$1,685,171	
B. Fixed Costs			
3. Depreciation			
3.01 Buildings	\$7.46	\$3,730	
3.02 Machinery & Equipment	\$20.80	\$10,400	
4. Investment			
4.01 Buildings	\$3.65	\$1,825	
4.02 Machinery & Equipment	<u>\$6.24</u>	<u>\$3,120</u>	
Total Fixed Costs	<u>\$38.15</u>	<u>\$19,075</u>	
Total Operating and Fixed Costs	\$3,408.49	\$1,704,246	
C. Owners - Labour & Living	\$54.00	\$27,000	
TOTAL COST OF PRODUCTION	\$3,462.49	\$1,731,246	
Profitab	ility and Breakeven A	nalysis	
Estimated Farmgate	Per Head	Total	
Gross Revenue @ \$234/cwt market prid		\$1,55 6,100	
Breakeven Analysis	Breakeven Purchase	Breakeven Selling	
	Price (\$/cwt) @	Price (\$/cwt) @	
	\$234/cwt market price	\$370/cwt feeder price	
Operating Costs	\$330.29	\$253.41	
Operating Costs & Labour	\$321.98	\$257.47	
Operating & Fixed Costs	\$324.42	\$256.28	
Total Costs	\$316.11	\$260.34	
. 515 5 55.15			
	Cost per lb of	Marginal Returns per hea	
Food Cooks	gain sold (\$/cwt)	@ \$234 /cwt market price	2
Feed Costs	\$78.64	(000 44)	
Operating Costs	\$141.96 \$140.00	(\$258.14)	
Operating Costs & Labour	\$149.90	(\$312.14)	
Operating & Fixed Costs	\$147.57 \$155.51	(\$296.29)	
Total Costs	\$155.51	(\$350.29)	
Return on Investment (ROI)	(10.1%)		
Estimated Return on Asset (ROA)	(79.9%)		

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 -2.5%
Percent Feed Cost Change 5.0%
Percent Feeder Cost Change 5.0%

 Per Head

 Market Price (\$ per cwt)
 \$228.15

 Feed Cost
 \$561.50

 Feeder Cost
 \$2,545.52

Stress Test Scenario = Market Price Down 2.5%, Feed Price Up 5% and Feeder Cost Up 5%

Operating Costs \$3,518.29

Total Costs \$3,610.44

Gross Revenue / feeder \$3,034.40

Marginal Returns

Over Operating Costs (\$483.90)

Over Operating & Labour Costs (\$537.90)

Over Total Costs (Net Profit) (\$576.05)

Operating Expense Ratio 115.9%

Estimated Breakeven Canadian Dollar Analysis

	Est. Market Price (\$/cwt Cdn) @ 0.7350 Cdn per USD				
	\$224.00 \$229.00 \$234.00 \$239.00 \$244.00				
Breakeven CDN Dollar (\$1 Cdn = \$ USD)				_	
Operating Costs	0.6497	0.6642	0.6787	0.6932	0.7077
Operating & Labour Costs	0.6395	0.6537	0.6680	0.6823	0.6965
Operating, Fixed & Labour Costs	0.6324	0.6465	0.6606	0.6748	0.6889

Breakeven Canadian Dollar = (Est. Market Price (\$/lb) x Shrunk Wt. (lbs) x \$ Cdn per USD) / Cost (eg. ($\$2.34 \times 1330 \text{ lbs } \times \0.7350) / \$3462.49) = \$0.6606

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.

Feedlot Finishing Production Costs - Input

Assumptions

- 1. This budget outlines the cost of production for a cattle feeder's operation.
- 2. Buildings and equipment are valued at new cost.
- 3. All feed is purchased.

Herd Profile		<u>Total</u>	
Number of Feeders Purchased		500	head
Feeder Cattle Mortality Rate		2.00	%
Feeder Purchased Weight		650	lbs
Feeder Cattle Price		\$370.00	/cwt
Finish Weight		1,400	lbs
Finish Selling Price		\$234.00	/cwt
\$1 Canadian Dollar	(\$1.3605 CDN)	\$0.7350	/ \$1 USD
WLPIP Insurance Premium		\$0.00	/cwt
Percent Shrink - finished		5.00	%
Percent Shrink - feeder		0.00	%
Average Daily Gain		3.25	lbs/day
Days On Feed		231	days

FOOTNOTE: 1 kilogram (kg) = 2.2046 pounds (lbs)

Feed Costs	<u>\$/unit</u>		Feeder Cattle <u>Requirement</u>	Days on <u>Feed</u>
Rolled Barley	\$4.50	/bu	18.50 (lbs/day)	231
Barley Silage	\$50.00	/ton	12.50 (lbs/day)	231
Alfalfa Grass Hay	\$115.00	/ton	5.00 (lbs/day)	15
Supplement 32%	\$550.00	/tonne	1.00 (lbs/day)	231
Other Feed #2	\$0.00		0.00 (lbs/day)	
Salt, Vitamins & Mineral	\$0.00	/lb	0.00 (lbs/year)	

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	<u>Total</u>		
Feeder Purchase Costs			
Buying Commission	\$1.00	/cwt	
Insurance	\$1.75	/head	
Trucking Cost	\$1.70	/cwt	
Straw			
Tons/feeder	0.50	tons	
Cost	\$70.00	/ton	

Veterinary Medicine & Supplies Cattle Medication			
Cost/Head(IBR,BVD,PI3,BVD,B	RSV, Pasteurella)	\$6.00	
Vitamin A-D		\$0.50	
External & Internal Parasites		\$0.96	
Blackleg & Haemophilus		\$1.65	
Growth Implants		\$3.42	
Antibiotics		\$15.00	
Herd health program			
Professional Services			
Total Yearly Hours		2.00	hours
Charge per Hour		\$180.00	/hour
Transportation			
Total Kilometres (round trip)		80.00	km
Charge per km		\$1.00	/km
Number of Yearly Visits		2	
Annual Fuel & Repair Costs			
a) Machinery Fuel Costs - Winte	•		
Tractor with Loader PTO h	np	120	
Diesel Fuel Cost		\$1.10	
Tractor Hours Per Day (av	• ,		hours
b) Machinery Repair (% of invest		1.2	
c) Building maintenance (% of in	vestment cost)	2.2	%
Utilities			
Hydro - Rate		\$0.09587	/ kWh
	18 kWh per feeder	\$398.63	
	3 1000 watt waterer	\$2,588.49	
	Total Hydro	\$2,987.12	
Telephone		\$600.00	
Marketing Costs			
Trucking Cost			
Distance		700	miles
Rate		\$6.50	/loaded mile
Truck Capacity		54,000	lbs/load
Number of head per load		39	per load
Selling commission		\$0.00	/head
Other Costs			
MBP/NCO Levy \$/Head		\$5.50	/head
Manure Removal			
Annual Cost for Removal		\$7,000.00	

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

Barn & Office Supplies

Total yearly expense relating to barn	\$900.00

Operating Interest Rate	7.50 %
Investment Interest Rate	4.00 %

FOOTNOTE: cwt = hundred-weight = 100 lbs

Capital Costs

oupitul ootio	Original	Salvage	Useful
Buildings, Corrals & Water System	Value	Value	<u>Life</u>
Windbreak fence	\$ 7,350	10 %	20 years
Pens	\$4,540	10 %	20 years
Shelters	\$0	10 %	20 years
Handling Facilities	\$7,500	10 %	20 years
Waterers	\$6,000	10 %	20 years
Gates	\$2,000	10 %	20 years
Bunk Feeders	\$25,000	10 %	20 years
Well & Pressure System	\$8,000	10 %	20 years
Grain Bin	\$5,000	10 %	20 years
Landscaping	<u>\$17,500</u>	10 %	20 years
Total	\$82,890		
Machinery & Equipment			
Tractors & Loader (\$175,000 @ 40%)	\$70,000	20 %	10 years
Miscellaneous	\$60,000	20 %	10 years
Total Investment	\$212,890		

Labour Costs <u>Total</u>

Labour Hours	2.00 hours/head
Labour Rate	\$27.00 /hour

Feedlot Finishing Production Cost Worksheet

Assumptions

A.

- 1. Average daily gain (ADG) was assumed to be 3.25 lbs/day.
- 2. It was assumed that the feeder steer weighed in at 650 lbs., and finished at 1400 lbs (1330 lbs after a 5% shrink.)
- 3. Days on feed was 231. Hay was fed for 15 days.
- 4. Investment in feedlot facilities and equipment was assumed to handle 500 head.

Operating Costs			Your Cost		
1. Feed Costs					
1.01 Rolled Barley					
•	231.00	days on grain			
Х	18.50	lbs/feeder/day			
÷	48.00	lbs/bushel	·		
<u>X</u>	<u>\$4.50</u>	/bushel			
=	\$400.64	/feeder			
1.02 Barley Silage					
	231.00	days on silage			
Х	12.50	lbs/feeder/day	·		
÷	2,000.00	lbs/ton			
<u>x</u>	<u>\$50.00</u>	<u>/ton</u>			
=	\$72.19	/feeder			
1.03 Alfalfa Grass H	lav				
	15.00	days on hay			
Х	5.00	lbs/feeder/day			
÷	2,000.00	lbs/ton	·		
<u>X</u>	\$115.00	/ton			
=	\$4.31	/feeder			
1.04 Supplement (S	alt. Vitamins. Mine	rals. lonophore)			
iio i Gappioiiioiii (G	231.00	days on supplement			
Х	1.00	lbs/feeder/day			
÷	2,205.00	lbs/tonne			
<u>x</u>	<u>\$550.00</u>	/tonne			
=	\$57.62	/feeder			
2. Other Operating Costs					
2.01 Feeder Cattle (Cost				
	nission & insurance				
Daying Comin	\$6.50	commission/feeder			
	\$1.75	insurance/feeder			
Trucking-in	Ψ1σ	11104141100/100401			
	\$1.70	/cwt			
Х	650.00	lbs/feeder			
	100.00	lbs/cwt			
<u>÷</u> =	\$11.05	/feeder			
	•				
	650.00	lbs/feeder			
Х	\$370.00	/cwt			
<u> </u>	<u>100.00</u>	<u>lbs/cwt</u>			
=	\$2,405.00	/feeder			
Total =	\$2,424.30	/feeder			

2.02 Straw			
	0.50	tons/feeder/year	
<u>x</u>	<u>\$70.00</u>	<u>/ton</u>	
=	\$35.00	/feeder	
2.03 Veterinary Medic	ine & Supplies		
Cattle Medication	on		
	\$6.00	IBR,PI3,BVD,BRSV & Past	eurella
+	\$0.50	Vitamin A,D & E	
+	\$0.96	External & Internal Parasite	s
+	\$1.65	Blackleg & Haemphilus	
+	\$3.42	Implant	
<u>+</u>	<u>\$15.00</u>	<u>Antibiotics</u>	
=	\$27.53	/feeder	
Professional S			
	\$180.00	/hour charge	
X	2.00	hours	
<u> </u>	<u>500</u>	feeder cattle	
=	\$0.72	/feeder	
-	0 1		
Transportation		4	
	\$1.00	/km charge	
Х	80.00	kilometres	
X	2.00	visits	
<u> </u>	<u>500</u>	feeder cattle	
=	\$0.32	/feeder	
Total =	\$28.57	/feeder	
i Otai —	Ψ20.01	/iccuci	
2 04 Annual Fuel & R	onair Costs		
2.04 Annual Fuel & R			
2.04 Annual Fuel & R Machinery fuel	cost	PTO hn	
	cost 120	PTO hp	
Machinery fuel ÷	cost 120 2.5	avg HP required	
Machinery fuel ÷ x	cost 120 2.5 0.1665576	avg HP required litres fuel/hour/hp	
Machinery fuel ÷	cost 120 2.5 0.1665576 1.5	avg HP required	
Machinery fuel ÷ x x x	cost 120 2.5 0.1665576 1.5 \$1.10	avg HP required litres fuel/hour/hp hours per day diesel / litre	
Machinery fuel ÷ x x	2.5 0.1665576 1.5 \$1.10	avg HP required litres fuel/hour/hp hours per day	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed	
Machinery fuel ÷ x x x	2.5 0.1665576 1.5 \$1.10	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost	
Machinery fuel	2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 sir & maintenance	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate oil, repairs & maintenance	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate oil, repairs & maintenance feeders /feeder	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate oil, repairs & maintenance feeders /feeder building capital cost	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate oil, repairs & maintenance feeders /feeder building capital cost % repair rate	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20 \$1,823.58	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate oil, repairs & maintenance feeders /feeder building capital cost % repair rate oil, repairs & maintenance	
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Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20 \$1,823.58 500.00 \$3.65	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders //feeder machinery capital cost % repair rate oil, repairs & maintenance feeders //feeder building capital cost % repair rate oil, repairs & maintenance feeders //feeder building capital cost % repair rate oil, repairs & maintenance feeders //feeder	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20 \$1,823.58 500.00	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate oil, repairs & maintenance feeders /feeder building capital cost % repair rate oil, repairs & maintenance feeders /feeder building capital cost % repair rate oil, repairs & maintenance feeders /feeder	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20 \$1,823.58 500.00 \$3.65	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders //feeder machinery capital cost % repair rate oil, repairs & maintenance feeders //feeder building capital cost % repair rate oil, repairs & maintenance feeders //feeder building capital cost % repair rate oil, repairs & maintenance feeders //feeder	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20 \$1,823.58 500.00 \$3.65	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders //feeder machinery capital cost % repair rate oil, repairs & maintenance feeders //feeder building capital cost % repair rate oil, repairs & maintenance feeders //feeder //feeder //feeder //feeder //feeder	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20 \$1,823.58 500.00 \$3.65 \$12.86	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders /feeder machinery capital cost % repair rate oil, repairs & maintenance feeders /feeder building capital cost % repair rate oil, repairs & maintenance feeders /feeder /feeder /feeder /feeder /feeder /feeder /feeder	
Machinery fuel	120 2.5 0.1665576 1.5 \$1.10 231 \$3,047.20 500.00 \$6.09 stir & maintenance \$130,000 1.20 \$1,560.00 500.00 \$3.12 & maintenance \$82,890 2.20 \$1,823.58 500.00 \$3.65	avg HP required litres fuel/hour/hp hours per day diesel / litre days on feed annual fuel cost feeders //feeder machinery capital cost % repair rate oil, repairs & maintenance feeders //feeder building capital cost % repair rate oil, repairs & maintenance feeders //feeder //feeder //feeder //feeder //feeder	

2.06 Marketing	& Tran	sportation		
J		\$5.50	MBP Levy	
	+	\$0.00	WLPIP Insurance Premium	1
	<u>+</u>	<u>\$0.00</u>	commission	
	=	\$5.50	/feeder	-
Trucking		700.00	miles	
	Х	\$6.50	/loaded mile	-
	<u>÷</u> =	39.00	head/load	
	=	\$116.67	/feeder	-
Total	=	\$122.17	/feeder	
2.07 Insurance				
2.07 11150101100		\$212,890	building & equipment inves	tment
	X	\$0.40	/\$100 capital	
	÷	100.00	/\$100 capital	-
	÷	<u>500</u>	feeder cattle	
	=	\$1.70	/feeder/year	
		\$1,420,250	feeder investment	
	Х	\$0.00	/\$100 capital	-
	÷	100.00	/\$100	
	<u>÷</u> =	<u>500</u>	feeder cattle	-
	-	\$0.00	/feeder/year	
		\$49.00	liability premium	
	÷	<u>500</u>	feeder cattle	
		00.40	/£l/	
	=	\$0.10	/feeder/year	
	=		•	
Total	=	\$0.10 \$1.80	/feeder	
Total		\$1.80	•	
		\$1.80	•	
	moval	\$1.80	/feeder	
		\$1.80 \$7,000	/feeder	
2.08 Manure Re	moval <u>÷</u> =	\$1.80 \$7,000 <u>500</u> \$14.00	/feeder removal cost feeder cattle	
	moval <u>÷</u> =	\$1.80 \$7,000 <u>500</u> \$14.00	removal cost feeder cattle /feeder	
2.08 Manure Re	moval <u>÷</u> = ice Su	\$1.80 \$7,000 \$00 \$14.00 \$pplies \$900.00	removal cost feeder cattle /feeder total barn expenses	
2.08 Manure Re	moval <u>÷</u> =	\$1.80 \$7,000 \$00 \$14.00 \$pplies \$900.00 \$00	removal cost feeder cattle /feeder total barn expenses feeder cattle	
2.08 Manure Re	moval <u>÷</u> = ice Su	\$1.80 \$7,000 \$00 \$14.00 \$pplies \$900.00	removal cost feeder cattle /feeder total barn expenses	
2.08 Manure Re	emoval ± = ice Su ± =	\$1.80 \$7,000 \$00 \$14.00 \$pplies \$900.00 \$00	removal cost feeder cattle /feeder total barn expenses feeder cattle	
2.08 Manure Re	emoval ± = ice Su ± =	\$1.80 \$7,000 \$00 \$14.00 \$pplies \$900.00 \$00	removal cost feeder cattle /feeder total barn expenses feeder cattle	
2.08 Manure Re	emoval ± = ice Su ± =	\$1.80 \$7,000 <u>500</u> \$14.00 pplies \$900.00 <u>500</u> \$1.80 \$2,424.30 \$3,182.43	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value	
2.08 Manure Re	ice Su ÷ = ice Su ÷ = s	\$1.80 \$7,000 500 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs	
2.08 Manure Re	÷ = iice Su	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value	
2.08 Manure Re	: :: :ice Su :: : : : : : : : : : : : : : :	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00 2.00 2.00	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value mortality rate	
2.08 Manure Re	÷ = iice Su	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value	
2.08 Manure Re 2.09 Barn & Off 2.10 Death Loss	÷ = ice Su	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00 2.00 \$54.85	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value mortality rate	
2.08 Manure Re	÷ = ice Su	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00 2.00 \$54.85	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value mortality rate	
2.08 Manure Re 2.09 Barn & Off 2.10 Death Loss	÷ = ice Su	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00 2.00 \$54.85 \$1 \$2,424.30 \$379.07	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value % mortality rate /feeder	
2.08 Manure Re 2.09 Barn & Off 2.10 Death Loss	ice Su := : : : : : : : : : : : :	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00 2.00 \$54.85 \$1 \$2,424.30 \$379.07 7.50	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value % mortality rate /feeder feeder cost ½ of feed & other costs % operating interest	
2.08 Manure Re 2.09 Barn & Off 2.10 Death Loss	ice Su := : : : : : : : : : : : : : : : : :	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00 2.00 \$54.85 \$1 \$2,424.30 \$379.07 7.50 231.00	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value % mortality rate /feeder feeder cost ½ of feed & other costs % operating interest days on feed	
2.08 Manure Re 2.09 Barn & Off 2.10 Death Loss	ice Su := : : : : : : : : : : : :	\$1.80 \$7,000 500 \$14.00 \$14.00 pplies \$900.00 500 \$1.80 \$2,424.30 \$3,182.43 \$122.17 2.00 2.00 \$54.85 \$1 \$2,424.30 \$379.07 7.50	removal cost feeder cattle /feeder total barn expenses feeder cattle /feeder feeder cattle cost maximum value marketing costs average value % mortality rate /feeder feeder cost ½ of feed & other costs % operating interest	

Capital Costs

Duttellerer Orangia				
Buildings, Corrals & Water System				
Windbreak fence		\$7,350		
Pens		\$7,550 \$4,540		
Handling Facilities		\$7,500		
Waterers		\$6,000		
Gates		\$2,000		
Bunk Feeders	. 4	\$25,000		
Well & Pressure Sys Grain Bin	stem	\$8,000 \$5,000		
Landscaping		\$17,500		
Total		\$82,890		
Machinery & Equipm	ent			
Tractor & Loader Miscellaneous		\$70,000		
Total		<u>\$60,000</u> \$130,000		
. • • • • • • • • • • • • • • • • • • •		4 100,000		
Total Investment		\$212,890		
B. Fixed Costs				
3. Depreciation	Original Cost - S	alvage Value		
or poproditation	Useful			
3.01 Buildings				
	\$82,890	original cost		
-	\$8,289	salvage value		
÷	20.00	years useful life		
<u>÷</u> =	<u>500</u> \$7.46	<u>feeder cattle</u> /feeder		
	Vo	7100001		
3.02 Machinery & E	quipment			
	\$130,000	original cost		
-	\$26,000	salvage value		
÷	10.00 500	years useful life <u>feeder cattle</u>		
<u> </u>	\$20.80	/feeder		
	,			
4. Investment	_	Salvage Value x Invest	ment Rate	
4.04 D. T. II.		2		
4.01 Buildings	000 000	original cost		
+	\$82,890 \$8,289	salvage value		
÷	2.00	average		
Х	4.00	% investment rate		
÷	<u>500</u>	feeder cattle		
=	\$3.65	/feeder		
4.02 Machinery & E	Guinment			
4.02 maominory a 2	\$130,000	original cost		
+	\$26,000	salvage value	_	
÷	2.00	average		
X	4.00	% investment rate		
<u>÷</u> =	<u>500</u> \$6.24	<u>feeder cattle</u> / feeder		
-	Φ0.24	/iceuci		
C. Labour				
	2.00	hours/feeder/year		
<u>x</u>	\$27.00	/hour		
=	\$54.00	/feeder		

Breakeven Calculations			
Cost per lb of gain sold			Your Farm
Feed Costs	\$534.76	feed cost	
	680.00	weight gain (lb)	
<u> </u>	\$0.79	/lb	-
Operating Costs	\$3,370.34	operating costs	
-	\$2,405.00	feeder cost	
<u> </u>	<u>680.00</u>	weight gain (lb)	
=	\$1.42	/lb	

Operating & Labour Costs		operating & labour	
-	\$2,405.00	feeder cost	
<u> </u>	680.00	weight gain (lb)	
=	\$1.50	/lb	
Total Operating & Fixed	\$3,408.49	operating & fixed	
-	\$2,405.00	feeder cost	
<u> </u>	680.00	weight gain (lb)	
	\$1.48	/lb	
	·		
Total Costs	\$3,462.49	total	
-	\$2,405.00	feeder cost	
<u> </u>	<u>680.00</u>	<u>weight gain (lb)</u>	
	\$1.56	/lb	
Breakeven selling price			
Operating Costs	\$3,370.34	operating costs	
<u> </u>	1,330.00	lbs shrunk weight	
=	\$2.53	/lb	
Operating & Labour	\$3,424.34	operating & labour costs	
•	1,330.00	lbs shrunk weight	
<u>÷</u> =	\$2.57	/lb	
	Ψ=		
Operating & Fixed	\$3,408.49	operating & fixed costs	
	1,330.00	lbs shrunk weight	
<u>÷</u> =	\$2.56	/lb	
Total Costs	\$3,462.49	total costs	
<u>÷</u>	<u>1,330.00</u>	lbs shrunk weight	
=	\$2.60	/lb	

Breakeven purchase price			
Operating Costs		1,330.00	lbs shrunk weight
	Х	\$234.00	\$/cwt selling price
	=	\$3,112.20	income
	-	\$965.34	operating less feeder cost
	÷	<u>650.00</u>	lbs purchase net weight
	=	\$3.30	/lb
Operating & Labour		1,330.00	lbs shrunk weight
operaning at Labour	х	\$234.00	\$/cwt selling price
	=	\$3,112.20	income
	_	\$1,019.34	op & labour less feeder cost
	÷	650.00	lbs purchase weight
	=	\$3.22	/lb
Operating & Fixed		1,330.00	lbs shrunk weight
oporating a rivou	х	\$234.00	\$/cwt selling price
	=	\$3,112.20	income
	_	\$1,003.49	op & fixed less feeder cost
	÷	650.00	lbs purchase weight
	=	\$3.24	/lb
T-4-1 04-		4 000 00	Uh a albumun la constituta
Total Costs		1,330.00	lbs shrunk weight
	Х	\$234.00	\$/cwt selling price
	=	\$3,112.20	income
	-	\$1,057.49	total less feeder cost
	÷	<u>650.00</u>	lbs purchase weight
	=	\$3.16	/lb

Profitability and Breakeven Analysis:

Gross Revenue = Shrunk weight (lbs) x \$/lb price (eg. 1330 x 2.34/lb = 12.20) Return on Investment (ROI) = (Gross Revenue - Total Cost) / Total Cost (eg. 13.12.20 - 3.462.49) / 3.462.49 = -10.1%

Return on Asset (ROA) = (Margin Over Operating - Labour - Building Depreciation - Machinery Depreciation) / (Building, Machinery & Equipment Investment / Herd Size) (eg. (\$-258.14 - \$54.00 - \$7.46 - \$20.80) / (\$212,890 /) = -79.9%

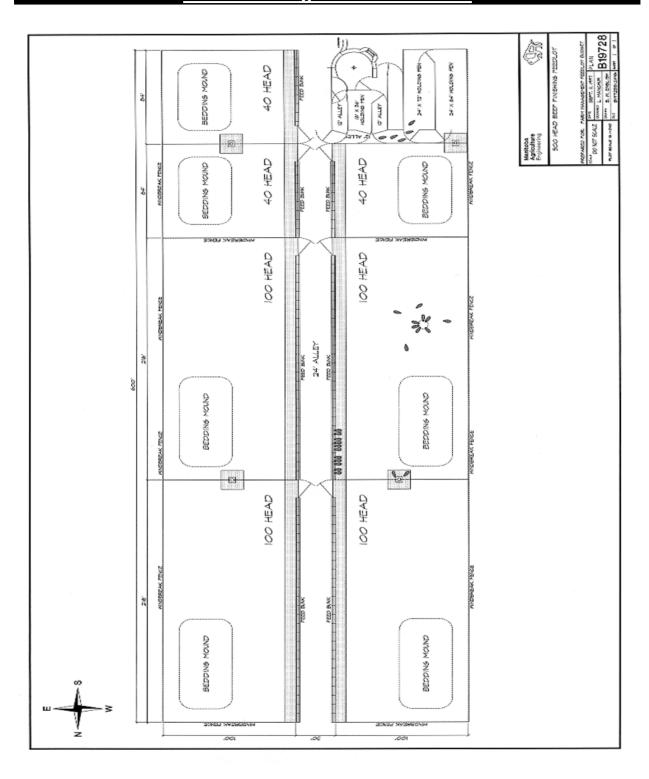
September, 2024

Contact Us

For more information, contact a Farm Management Specialist.

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

Beef Finishing Feedlot 500 Head



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