

Feedlot Budget for 600 lb steer

	Example Price	Your Price
1. Purchase cattle price (\$85/cwt) ^a	\$510 (85 x 6)	
2. Feedlot sale weight	1200 lbs	
3. Estimated days to market	200 days	
4. Interest for cattle @ 10% for 200 days	\$27.94 ($\$480 \times .1/365 \times 200$)	
5. Death loss at 1% ^b	\$5.10 ($\$510 \times .01$)	
6. Veterinary and processing	\$10.00	
7. Estimated feed cost 600 pounds of feed at a feed to gain of 6:1 DMbasis (600 x 6 = 3600 lbs DM basis) Feed cost quote: \$5.00-6.00/cwt DM basis	\$180.00-\$216 (3600 x \$.05) to (3600 x \$.06)	*Experiment with different feed efficiency numbers and notice its importance.
8. Cost of Futures contract at \$70 per contract (40,000 pounds/1200 lb steers = approximately 34 head)	\$2.05 commission ^c ($\$70/34$ hd)	
9. Yardage cost	\$50 (200 days x \$.25/hd)	
10. Interest on operating capital \$140 + \$10 + \$2.05 + \$50 = 202.05	\$5.54 $202.05 \times .5^d \times (.1/365)$ x 200	
11. Total Cost	\$790.63-\$826.63 + \$1(beef checkoff)	
Breakeven	\$66-\$69 ^e ($\$791.63/1200$) to ($\$827.63/1200$)	

^aValue of the calf plus freight charges

^bThis value can vary thus you need to consider feed charges while alive

^cYou may want to put a cost for estimated margin calls. This can vary but generally ranges from \$1-2/head.

^dInterest on operating capital (at least feed) in this case is part of the monthly/bi-monthly bill from the feed yard. A rule of thumb is that we can divide the interest bill in half since the previously mentioned billings interest will only accrue on a portion of the bill.

^eOther cost could be freight to packing plant, carcass data collection, etc.