

Table 11
 Estimated Costs and Break-even Prices
 Backgrounding Steer Calves on Fescue Pasture--Purchased in Spring
 Buy 450 lb in Mar-Apr, Sell 630 lb in Aug-Sep, 1.2 lb Avg. Daily Gain

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Price</i>	<i>Cost/Head</i>	<i>Your Cost</i>
Feeder Steer	4.50	cwt	118.00	531.00	_____
Pasture	0.75	acre	51.88	38.91	_____
Med, Implant, & Salt				18.11	_____
Maint, Repr & Fuel				3.00	_____
Int. on Feeder	\$ 531.00	150 days	8.00%	17.46	_____
Int. on Other Costs	\$ 60.02	150 days	8.00%	1.97	_____
Death Loss	\$ 531.00		1.00%	5.31	_____
Total Cash Costs				\$ 615.76	_____
Procurement Costs (1)				53.80	_____
Marketing Costs (2)				20.00	_____
Labor	1.00	hr	8.50	8.50	_____
Fixed Costs (depr.,int.,insur.,& taxes)				11.00	_____
Land Cost	0.75	acre	0.00	0.00	_____
Total All Costs				\$ 709.06	_____

(1) Procurement Costs:

Order buying	4.50	cwt	0.50	2.25	_____
Death Loss	\$ 531.00		3.00%	15.93	_____
Transportation (50 miles)				5.00	_____
Shrink	\$ 531.00		2.00%	10.62	_____
Additional Medication				20.00	_____
				<u>53.80</u>	_____

(2) Marketing Costs:

Auction Charge (Incl. Checkoff)				15.00	_____
Transportation (50 miles)				5.00	_____
				<u>20.00</u>	_____

Break-even Prices and Cost of Gain Summary (630 lb Sold)

Cost Included	Total Amount	Price Per Cwt.	Cost of Gain	Your Price
Cash Costs	615.76	97.74	47.09 \$/cwt.	_____
Procurement Costs	53.80	8.54		_____
Marketing Costs	20.00	3.17		_____
Labor Costs	8.50	1.35		_____
Fixed Costs	11.00	1.75		_____
Land Charge	0.00	0.00		_____
Total All Costs	\$ 709.06	\$ 112.55	98.92 \$/cwt.	_____

Buy/Sell Margins

	Estimated (\$/cwt)	Historical (last 10 years, \$/cwt)		
		Average	Min (worst)	Max (best)
Break-even Buy/Sell Margin Cash Costs	-\$ 20.26			
Break-even Buy/Sell Margin Total Costs	-\$ 5.45	-\$ 11.45	-\$ 24.47	\$ 0.06

Budget Summary, Short-Term Spring Backgrounding

This analysis estimates the costs of backgrounding 400 to 500 pound steer calves on tall fescue/clover pasture from April 1 until September 1. Steers are purchased in the spring when pasture growth begins, and are sold in late summer when forage production declines or stops. No hay or supplemental feed is required for this alternative, provided adequate moisture is received to keep forage production high throughout the summer. This system requires no feeding facilities and should be considered by producers that can purchase (or produce) cattle at low cost and make efficient use of surplus forage in the spring and summer.

The cost of forage is based on 70% of the total annual cost of maintaining one acre of pasture (assuming that about 70% of the total annual production from an acre of grass/clover pasture occurs during the 5 months required for this backgrounding alternative). Stocking rate is 1.3 head per acre, or 0.75 acres per head. Average daily gain is estimated to be 1.2 pounds under average forage and management conditions. Higher-quality pastures and more intensively managed grazing systems may result in higher daily gains or increased stocking rates.

Health costs include costs of vaccinations, internal and external parasites, two growth implants and 3.2 ounces of a salt and mineral mixture per head daily. Consumption of some commercial mineral mixes will be as much as double this budgeted rate. If an ionophore is fed to increase forage utilization, add about \$2.00 per head to total cost and increase estimated weight gain. Maintenance, repair, and fuel expense of \$3.00 per head is included to cover the cost of operating a tractor to feed large round bales of hay during the winter.

Break-even Sale Price Over Cash Expenses, \$/cwt

Cash Cost of Gain (\$/cwt)	Calf Purchase Price (\$/cwt)				
	\$ 108.00	\$ 113.00	\$ 118.00	\$ 123.00	\$ 128.00
\$ 38.00	\$ 88.00	\$ 91.57	\$ 95.14	\$ 98.71	\$ 102.29
\$ 42.00	\$ 89.14	\$ 92.71	\$ 96.29	\$ 99.86	\$ 103.43
\$ 47.00	\$ 90.57	\$ 94.14	\$ 97.71	\$ 101.29	\$ 104.86
\$ 52.00	\$ 92.00	\$ 95.57	\$ 99.14	\$ 102.71	\$ 106.29
\$ 56.00	\$ 93.14	\$ 96.71	\$ 100.29	\$ 103.86	\$ 107.43

Net Return Over Cash Expenses, \$/head

Sale Price (\$/cwt)	Calf Purchase Price (\$/cwt)				
	\$ 108.00	\$ 113.00	\$ 118.00	\$ 123.00	\$ 128.00
\$ 76.00	-\$ 90.03	-\$ 113.50	-\$ 136.96	-\$ 160.43	-\$ 183.89
\$ 86.00	-\$ 27.03	-\$ 50.50	-\$ 73.96	-\$ 97.43	-\$ 120.89
\$ 95.00	\$ 29.67	\$ 6.20	-\$ 17.26	-\$ 40.73	-\$ 64.19
\$ 105.00	\$ 92.67	\$ 69.20	\$ 45.74	\$ 22.27	-\$ 1.19
\$ 114.00	\$ 149.37	\$ 125.90	\$ 102.44	\$ 78.97	\$ 55.51