

Table 12  
 Estimated Costs and Break-even Prices  
 Yearling Steers Finished on Whole Shelled Corn and Protein Supplement  
 Buy 750 lb in Oct-Nov, Sell 1,082 lb in Jan-Mar, 2.9 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	7.50	cwt	94.41	708.08	_____
Shelled Corn	42.00	bu	3.50	147.00	_____
Soybean Meal 48%	107.00	lbs	0.11	11.77	_____
Medication				8.98	_____
Min & Salt				6.40	_____
Implant				1.00	_____
Maint,Repr & Fuel				3.00	_____
Int. on Feeder	\$ 708.08	130 days	8.00%	20.18	_____
Int. on Other Costs	\$ 178.15	130 days	8.00%	5.08	_____
Death Loss	\$ 708.08		1.00%	7.08	_____
<b>Total Cash Costs</b>				<b>\$ 918.55</b>	_____
Procurement Costs (1)				53.53	_____
Marketing Costs (2)				43.27	_____
Labor	3.10	hr	8.50	26.35	_____
Fixed Costs (depr.,int.,insur.,& taxes)				11.00	_____
<b>Total All Costs</b>				<b>\$ 1,052.71</b>	_____

**(1) Procurement Costs:**

Order buying	7.50	cwt	0.50	3.75	
Death Loss	\$ 708.08		1.50%	10.62	
Transportation (50 miles)				5.00	
Shrink	\$ 708.08		2.00%	14.16	
Additional Medication				20.00	
					<u>\$ 53.53</u>

**(2) Marketing Costs:**

Transportation (600 miles)				42.27	
Beef Checkoff				1.00	
					<u>\$ 43.27</u>

**Break-even Prices and Cost of Gain Summary (1,082 lb Sold)**

Cost Included	Total Amount	Price Per Cwt.	Cost of Gain	Your Price
Cash Costs	918.55	84.89	63.40 \$/cwt.	_____
Procurement Costs	53.53	4.95		_____
Marketing Costs	43.27	4.00		_____
Labor Costs	26.35	2.44		_____
Fixed Costs	11.00	1.02		_____
<b>Total All Costs</b>	<b>\$ 1,052.71</b>	<b>\$ 97.29</b>	<b>103.81 \$/cwt.</b>	_____
<b>Buy/Sell Margins</b>				
		Estimated (\$/cwt)	Historical (last 10 years, \$/cwt)	
			Average	Min (worst)    Max (best)
Break-even Buy/Sell Margin Cash Costs		-\$ 9.52		
Break-even Buy/Sell Margin Total Costs		\$ 2.88	\$ 3.79	-\$ 5.58    \$ 12.90

## Budget Summary, Steers Finished on Whole Shelled Corn

The cost of finishing yearling steers on whole shelled corn is estimated in this analysis, beginning on November 1. This on-farm finishing system may be used by producers with adequate facilities to add value to corn they've produced by marketing the grain through cattle. Before finishing cattle, producers should carefully evaluate marketing alternatives and estimate the cost of transporting finished cattle to a packing facility. In addition, price risk management strategies for feed and cattle should be developed to cope with market fluctuations, given the substantial capital that must be invested in this enterprise (\$600 - \$800 per steer).

Each steer is fed 18 pounds of whole shelled corn and 0.9 pounds of 48% soybean meal daily for 130 days. The soybean meal is fed as a protein supplement, and is assumed to include an ionophore to improve feed efficiency. Daily gains are expected to average 2.9 pounds. Actual pay weight is estimated to be 1,082 pounds per head (initial weight of 750 pounds plus 377 pounds gain less 4% shrink). Steers are hauled 600 miles to a packer, at a cost of \$3.10 per loaded mile on a truck with 50,000 pound load capacity. The truck is assumed to haul 44 steers averaging 1,127 pounds, and the total hauling cost is \$1,860, for a cost per head of \$28.64.

Medication cost includes treatment for internal and external parasites, vaccine, and injectable vitamins. A salt and mineral mixture is fed at the rate of 3.2 ounces per head per day. Consumption of some commercial mixes will be as much as double this budgeted rate. A small tractor is used one-half hour daily for feeding grain in a feed bunk. 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)	Steer Purchase Price (\$/cwt)				
	\$ 84.41	\$ 89.41	\$ 94.41	\$ 99.41	\$ 104.41
\$ 50.00	\$ 73.85	\$ 77.32	\$ 80.78	\$ 84.25	\$ 87.71
\$ 57.00	\$ 76.00	\$ 79.47	\$ 82.93	\$ 86.40	\$ 89.86
\$ 63.00	\$ 77.84	\$ 81.31	\$ 84.77	\$ 88.24	\$ 91.70
\$ 69.00	\$ 79.68	\$ 83.15	\$ 86.61	\$ 90.08	\$ 93.54
\$ 76.00	\$ 81.83	\$ 85.30	\$ 88.76	\$ 92.23	\$ 95.69

### Net Return Over Cash Expenses, \$/head

Sale Price (\$/cwt)	Steer Purchase Price (\$/cwt)				
	\$ 84.41	\$ 89.41	\$ 94.41	\$ 99.41	\$ 104.41
\$ 82.00	\$ 46.57	\$ 7.63	-\$ 31.31	-\$ 70.26	-\$ 109.20
\$ 86.00	\$ 89.85	\$ 50.91	\$ 11.97	-\$ 26.98	-\$ 65.92
\$ 91.00	\$ 143.95	\$ 105.01	\$ 66.07	\$ 27.12	-\$ 11.82
\$ 96.00	\$ 198.05	\$ 159.11	\$ 120.17	\$ 81.22	\$ 42.28
\$ 100.00	\$ 241.33	\$ 202.39	\$ 163.45	\$ 124.50	\$ 85.56