

Table 13
 Estimated Costs and Break-even Prices
 Yearling Heifers Finished on Whole Shelled Corn and Protein Supplement
 Buy 700 lb in Oct-Nov, Sell 996 in Jan-Mar, 2.6 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 Heifer	7.00	cwt	89.00	623.00	_____
Shelled Corn	43.00	bu	3.50	150.50	_____
Soybean Meal 48%	107.00	lbs	0.11	11.77	_____
Medication				20.43	_____
Min & Salt				6.40	_____
Implant				1.00	_____
Maint, Repr & Fuel				3.00	_____
Int. on Feeder	\$ 623.00	130 days	8.00%	17.75	_____
Int. on Other Costs	\$ 193.10	130 days	8.00%	5.50	_____
Death Loss	\$ 623.00		1.00%	6.23	_____
Total Cash Costs				\$ 845.58	_____
Procurement Costs (1)				50.31	_____
Marketing Costs (2)				39.75	_____
Labor	3.10	hr	8.50	26.35	_____
Fixed Costs (depr.,int.,insur.,& taxes)				11.00	_____
Total All Costs				\$ 972.98	_____

(1) Procurement Costs:

Order buying	7.00	cwt	0.50	3.50	_____
Death Loss	\$ 623.00		1.50%	9.35	_____
Transportation (50 miles)				5.00	_____
Shrink	\$ 623.00		2.00%	12.46	_____
Additional Medication				20.00	_____
				\$ 50.31	_____

(2) Marketing Costs:

Transportation (600 miles)				38.75	_____
Beef Checkoff				1.00	_____
				\$ 39.75	_____

Break-even Prices and Cost of Gain Summary (996 lb Sold)

<i>Cost Included</i>	<i>Total Amount</i>	<i>Price Per Cwt.</i>	<i>Cost of Gain</i>	<i>Your Price</i>
Cash Costs	845.58	84.90	75.20 \$/cwt.	_____
Procurement Costs	50.31	5.05		_____
Marketing Costs	39.75	3.99		_____
Labor Costs	26.35	2.65		_____
Fixed Costs	11.00	1.10		_____
Total All Costs	\$ 972.98	\$ 97.69	118.24 \$/cwt.	_____

Buy/Sell Margins

	Estimated (\$/cwt)	Historical (last 10 years, \$/cwt)		
		Average	Min (worst)	Max (best)
Break-even Buy/Sell Margin Cash Costs	-\$ 4.10			
Break-even Buy/Sell Margin Total Costs	\$ 8.69	\$ 9.66	\$ 1.56	\$ 20.40

Budget Summary, Heifers Finished on Whole Shelled Corn

The cost of finishing yearling heifers 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 their 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 heifer).

Each heifer is fed 18 pounds of whole shelled corn and 0.8 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 2.6 pounds. Actual pay weight is estimated to be 996 pounds per head (initial weight of 700 pounds plus 338 pounds gain less 4% shrink). Heifers 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 48 heifers averaging 1,038 pounds, and the total hauling cost is \$1,860, for a cost per head of \$26.25.

Medication cost includes treatment for internal and external parasites, vaccine, MGA, and injectable vitamins. MGA, a feed additive used to prevent heifers from cycling, is fed at the rate of 1/2 pound per day. 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 the 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)	Heifer Purchase Price (\$/cwt)				
	\$ 79.00	\$ 84.00	\$ 89.00	\$ 94.00	\$ 99.00
\$ 60.00	\$ 73.35	\$ 76.87	\$ 80.38	\$ 83.90	\$ 87.41
\$ 68.00	\$ 75.73	\$ 79.24	\$ 82.76	\$ 86.27	\$ 89.79
\$ 75.00	\$ 77.81	\$ 81.33	\$ 84.84	\$ 88.35	\$ 91.87
\$ 83.00	\$ 80.19	\$ 83.70	\$ 87.22	\$ 90.73	\$ 94.24
\$ 90.00	\$ 82.27	\$ 85.78	\$ 89.30	\$ 92.81	\$ 96.33

Net Return Over Cash Expenses, \$/head

Sale Price (\$/cwt)	Heifer Purchase Price (\$/cwt)				
	\$ 79.00	\$ 84.00	\$ 89.00	\$ 94.00	\$ 99.00
\$ 82.00	\$ 43.84	\$ 7.49	-\$ 28.86	-\$ 65.21	-\$ 101.55
\$ 86.00	\$ 83.68	\$ 47.33	\$ 10.98	-\$ 25.37	-\$ 61.71
\$ 91.00	\$ 133.48	\$ 97.13	\$ 60.78	\$ 24.43	-\$ 11.91
\$ 96.00	\$ 183.28	\$ 146.93	\$ 110.58	\$ 74.23	\$ 37.89
\$ 100.00	\$ 223.12	\$ 186.77	\$ 150.42	\$ 114.07	\$ 77.73