

Table 9
 Estimated Costs and Break-even Prices
 Backgrounding Steer Calves on Fescue Pasture With Ground Corn
 Buy 450 lb in Oct-Nov, Sell 720 lb in Mar-Apr, 1.8 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	114.83	516.74	_____
Pasture	0.50	acre	51.04	25.52	_____
Ground Corn	12.50	bu	4.20	52.50	_____
Soybean Meal 48%	140.00	lbs	0.11	15.40	_____
Hay	0.50	ton	55.00	27.50	_____
Med, Implant, & Salt				14.86	_____
Maint, Repr & Fuel				3.00	_____
Int. on Feeder	\$ 516.74	150 days	8.00%	16.99	_____
Int. on Other Costs	\$ 138.78	150 days	8.00%	4.56	_____
Death Loss	\$ 516.74		1.00%	5.17	_____
Total Cash Costs				\$ 682.23	_____
Procurement Costs (1)				53.09	_____
Marketing Costs (2)				20.00	_____
Labor	4.50	hr	8.50	38.25	_____
Fixed Costs (depr.,int.,insur.,& taxes)				11.00	_____
Land Cost	0.50	acre	0.00	0.00	_____
Total All Costs				\$ 804.57	_____

(1) Procurement Costs:

Order buying	4.50	cwt	0.50	2.25	
Death Loss	\$ 516.74		3.00%	15.50	
Transportation (50 miles)				5.00	
Shrink	\$ 516.74		2.00%	10.33	
Additional Medication				20.00	
				<u>53.09</u>	
				\$ 53.09	

(2) Marketing Costs:

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

Break-even Prices and Cost of Gain Summary (720 lb Sold)

Cost Included	Total Amount	Price Per Cwt.	Cost of Gain		Your Price
Cash Costs	682.23	94.75	61.29	\$/cwt.	_____
Procurement Costs	53.09	7.37			_____
Marketing Costs	20.00	2.78			_____
Labor Costs	38.25	5.31			_____
Fixed Costs	11.00	1.53			_____
Land Charge	0.00	0.00			_____
Total All Costs	\$ 804.57	\$ 111.75	106.60	\$/cwt.	_____
Buy/Sell Margins					
		Estimated	Historical (last 10 years, \$/cwt)		
		(\$/cwt)	Average	Min (worst)	Max (best)
Break-even Buy/Sell Margin Cash Costs		-\$ 20.08			
Break-even Buy/Sell Margin Total Costs		-\$ 3.08	-\$ 7.41	-\$ 12.87	\$ 11.17

Budget Summary, Short-Term Backgrounding with Pasture and Grain

This analysis estimates the costs of backgrounding 400 to 500 pound steer calves on stockpiled tall fescue with supplemental grain, beginning November 1. Cattle producers that raise corn can use this system as a means of marketing part of their corn crop. The supplemental grain produces larger average daily gains than other pasture-based systems, increasing the number of head that can be backgrounded from a limited amount of land. Faster rates of gain also enable more calves to be backgrounded annually. For cow/calf producers, this alternative uses relatively small amounts of pasture, and does not require grazing during spring and summer when grazing needs of cows are high.

Steers are wintered on stockpiled tall fescue from November 1 to April 1. The cost of the pasture is based on applying 60 pounds of nitrogen per acre on September 1 for stockpiling, plus 30% of the total annual cost per acre of maintaining grass/clover pasture (assuming that about 30% of the total annual production from an acre of grass/clover pasture occurs during the 7 months required for this backgrounding alternative). Stocking rate is 2 head per acre, or 0.5 acres per head. Calves are fed 10 pounds of hay per day for 100 days according to pasture and weather conditions. They also receive 5 pounds of ground corn and 1 pound of 48% soybean meal daily for the entire backgrounding period.

Health costs include costs of vaccinations, internal and external parasites, one growth implant 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 \$3.00 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)				
	\$ 104.83	\$ 109.83	\$ 114.83	\$ 119.83	\$ 124.83
\$ 49.00	\$ 83.89	\$ 87.02	\$ 90.14	\$ 93.27	\$ 96.39
\$ 55.00	\$ 86.14	\$ 89.27	\$ 92.39	\$ 95.52	\$ 98.64
\$ 61.00	\$ 88.39	\$ 91.52	\$ 94.64	\$ 97.77	\$ 100.89
\$ 67.00	\$ 90.64	\$ 93.77	\$ 96.89	\$ 100.02	\$ 103.14
\$ 73.00	\$ 92.89	\$ 96.02	\$ 99.14	\$ 102.27	\$ 105.39

Net Return Over Cash Expenses, \$/head

Sale Price (\$/cwt)	Calf Purchase Price (\$/cwt)				
	\$ 104.83	\$ 109.83	\$ 114.83	\$ 119.83	\$ 124.83
\$ 74.00	-\$ 102.50	-\$ 125.97	-\$ 149.43	-\$ 172.90	-\$ 196.36
\$ 83.00	-\$ 37.70	-\$ 61.17	-\$ 84.63	-\$ 108.10	-\$ 131.56
\$ 92.00	\$ 27.10	\$ 3.63	-\$ 19.83	-\$ 43.30	-\$ 66.76
\$ 101.00	\$ 91.90	\$ 68.43	\$ 44.97	\$ 21.50	-\$ 1.96
\$ 110.00	\$ 156.70	\$ 133.23	\$ 109.77	\$ 86.30	\$ 62.84