Agricultural Economics & Rural Sociology

Background and Assumptions

Economic costs are used in the University of Idaho costs and returns estimates. All resources are valued based on market price or opportunity cost. This budget presents both the average costs and returns per head and the total costs and returns for a 5,000 head cattle feedlot operation. Yearling steers come into the program at 800 pounds and are fed through to 1,200 pounds finish weight. Heifers are placed on feed at 680 pounds and fed through to 1,075 pounds.

Estimates of the percentage of steers to heifers placed on feed were obtained through the Idaho Crop and Livestock Reporting Service. Sixty-five percent of animals on feed are steers and 35 percent are heifers. The capacity of the feedlot is 5,000 head but is used at only 65 percent of capacity. The percentage of capacity used represents the utilization only for the period of time cattle are on feed. Cattle are fed throughout the year. The turnover rate is 2.50, meaning that 2.50 groups of cattle are cycled through the feedlot annually. or about 8,125 animals.

Most feedlot operations buy and sell cattle on a regular basis throughout the year. To simplify calcula-

Table1: Feedlot Budget - 5000 Head **EBB-FL2-14**
Yearling to Slaughter
Concentrate Ration

	Weight Each	Unit	Total Number of Head or Units	Price or Cost/Unit	Total Value	Value or Cost/Head	Your Value
1. Gross Receipts							
Fed Steer	12.00	cwt	5254	154.00	9,709,392.00	1195.00	
Fed Heifer	10.75	cwt	2830	153.00	4,654,642.50	572.88	
Total Receipts					$14,364,034.50	$1767.88	
2. Operating Costs							
Feed ration		ton	25,704.17	57.60	1,480,560.08	182.22	
Steers		head	5281.00	1520.00	8,027,120.00	987.95	
Heifers		head	2844.00	1352.00	3,845,088.00	473.24	
Marketing		head	8084.00	28.74	232,334.16		

Table 2: Monthly Summary of Returns and Expenses. **EBB-FL2-14**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Value
Production:													
Fed Steer						4854696				4854696			

Table 4: Investment Summary. **EBB-FL2-14**

	Purchase Price	Salvage/Cull Value	Livestock Share	Useful Life	Annual Taxes and Insurance	Annual Capital Recovery[1]
Buildings, Improvements and Equipment						
Land for feedlot	$99,000.00	$99,000.00	100	100	$594.00	$4182.75
Pens and lots	$342,000.00	$34,000.00	100	15	$1128.00	$29,575.95
Working facilities	$19,000.00	[illegible]	100	15	[illegible]	[illegible]
Buildings	$131,000.00	$13,000.00	100	25	[illegible]	$8283.36
Feed processing/storage	$633,000.00	$63,000.00	100	20	$2088.00	$45,443.22