Guidelines For Estimating
Cost of Raising Dairy Steers
For Weight Range of 100 - 530 lbs
Based on marketing 100 head per year

Date: February, 2002

The following budget is an estimate of the cost of production for raising dairy steer calves. The purpose of this budget is to assist Manitoba livestock producers in calculating their own costs and take into consideration the factors that should be included when budgeting to determine breakeven prices.

Raising and feeding dairy steers is more management intensive in the early stages than raising beef steers. Beef steer calves typically remain on the cow for several months, nurse 6 to 8 times a day and consume high intakes of milk; whereas dairy steer calves are removed from the mother soon after birth and become totally reliant upon the producer to feed it milk or milk replacer 2-3 times a day. A major challenge facing producers is keeping death losses below 5.0% and getting calves off to a quick start. Depending on average daily gains achieved, dairy steers can reach weights of 520-530 lbs. in 240-250 days.

It is also highly recommended that all users of this budget should consult with their nutritionist and veterinarian to develop feeding and herd health programs tailored to their individual farms.

Combining this budget with a steer finishing budget can assist producers in determining the profitability of finishing calves to market weights of 1200-1300 lbs. These budgets are available as Excel spreadsheets, and can be accessed on the Manitoba Agriculture and Food web site.

The assumptions on which costs are calculated are clearly defined in the supporting pages. When interpreting these costs for an individual situation, adjustments may be required. Note that on-farm feed costs are based on market prices at the farm. It is assumed that all feed is grown on the farm except supplements. Each assumption must be examined and adjustments made, where necessary, to apply to the producer's own situation.

Disclaimer: Economics and animal performance will vary among farms due to environment, management, nutrition, health, sanitation and biosecurity differences. Therefore, Manitoba Agriculture and Food (MAF) is not responsible for individual farm results that may differ from those assumed in this budget.
Dairy Steer Calf Rearing Production Costs

Assumptions
1. This budget outlines the cost of production for backgrounding cattle.
2. Buildings and equipment are valued at new cost.
3. All feed is purchased.

Group Profile

Number of calves purchased: 100 head
Feeder calf mortality rate: 10.0 %
Feeder calf purchased weight: 100 lbs
Percent shrink on feeder calf: 5.0 %
Feeder calf purchase price ($/cwt): $200.00 /cwt
Weaned calf target weight: 130 lbs
Pre weaning mortality: 10.0 %
Average daily gain (pre weaning): 0.76 lbs/day
Post weaning target weight: 530 lbs
Percent shrink post weaning target weight: 5.0 %
Post weaning mortality: 2.0 %
Feeder calf selling price: $150.00 /cwt
Average daily gain (post weaning): 2.00 lbs/day

Days on feed pre weaning: 46 days
Days on feed post weaning: 200 days

Footnote: 1 kilogram (kg) = 2.2046 pounds (lbs)

Feed Requirements and Costs

<table>
<thead>
<tr>
<th></th>
<th>Market Price</th>
<th>Feeder Calf Requirement</th>
<th>Days on Feed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre weaning</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk replacer</td>
<td>$59.00 /20 kg bag</td>
<td>1.2 lbs/day</td>
<td>46</td>
</tr>
<tr>
<td>Calf starter (with coccidiostat)</td>
<td>$10.75 /25 kg</td>
<td>1.2 lbs/day</td>
<td></td>
</tr>
<tr>
<td><strong>Post weaning</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barley</td>
<td>$2.85 /bushel</td>
<td>5.6 lbs/day</td>
<td>200</td>
</tr>
<tr>
<td>Protein (ie. 38% canola meal)</td>
<td>$6.70 /25 kg</td>
<td>1.0 lbs/day</td>
<td>200</td>
</tr>
<tr>
<td>Hay</td>
<td>$80.00 /ton</td>
<td>1.9 lbs/day</td>
<td>200</td>
</tr>
<tr>
<td>Vit/min premix with ionophore*</td>
<td>$12.50 /25 kg</td>
<td>0.2 lbs/day</td>
<td>200</td>
</tr>
</tbody>
</table>
Other Operating Costs

Feeder Purchase Costs
- Feeder calf purchase price $/cwt: $200.00/cwt
- Buying Commission: $5.00/head
- Trucking-in: $1.25/cwt

Straw Bedding
- lbs/day: 2.0 lbs/head/day
- cost: $20.00/ton

Veterinary Medicine & Supplies

Cattle Medication
- Vitamin A-D: $0.10/head
- Vitamin E/Selenium: $0.15/head
- Blackleg 8-way: $0.54/head
- IBR, 4-way: $1.61/head
- Liquamycin LA: $0.05/head
- Electrolyte Packets: $4.24/head
- Growth Implants: $1.65/head
- Scourguard: $3.00/head
- B-12: $0.02/head
- Internal/External Parasites: $0.70/head
- Castration: $1.00/head
- De-horning: $1.00/head

Annual Fuel & Repair Costs
- Repairs (Machinery, Equipment & Facilities): $300
- Fuel Costs: $100

Utilities
- Telephone, Hydro etc.: $800

Trucking Cost
- Average Weight: 530 lbs/head
- Trucking Cost: $1.25/cwt

Marketing Cost
- Commission on Sales: $15.00/head
- Market Value: $150.00/cwt
- Insurance fee: $0.75/head
### Manure Removal
Annual Cost for Removal $500.00

### Insurance
Cost per $100 Capital Invested in
- a) Livestock $0.40 /$100
- b) Building & Equipment $0.50 /$100
Additional Coverage for Liability $48.00 /year

### Barn & Office Supplies
Total yearly expense relating to barn $200.00

Operating Interest Rate 6.0 %
Investment Interest Rate 4.0 %

### Capital Costs

<table>
<thead>
<tr>
<th>Capital Costs</th>
<th>Original Value</th>
<th>Salvage Value</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; Site Preparation Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, 10 acres at $500/acre</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Dairy Steer Facilities                           |                |               |             |
| Calf hutchs, 25 @ $335                          | $8,375          |               |             |
| Facility, 42'x64' @ $6.00 /sq ft                | $16,125         |               |             |
| Concrete area, 1408 sq ft @ $3.55 /sq ft        | $5,000          |               |             |
| Site prep, liquid manure collection pit, gravel/shale | $5,500          |               |             |
| Lower wall protective planking with 1/8” puckboard | $1,125          |               |             |
| Waterers, 2 @ $300 + installation               | $600            |               |             |
| Electrical                                      | $1,500          |               |             |
| Loading /chute (self-made)                      | $3,500          |               |             |
| Posts, 50 4”-5” PT spruce @ $6, wire etc. installed | $500            |               |             |
| Metal panel gates, 114’ @ $6.50                 | $750            |               |             |
| Feed bunk, 64’x3’ @ $3.50/ft                    | $675            |               |             |
| Water line, from yard source                    | $1,500          |               |             |
| Double layer vent. curtain                      | $6,100          |               |             |
| **Total**                                       | **$51,250**     | **10 %**      | **20 years** |

| Machinery & Equipment                            |                |               |             |
| Tractor & Loader (steer portion)                 | $20,000         |               |             |
| Feed Storage & Handling                          | $10,000         |               |             |
| Truck, Office Equipment & Miscellaneous          | $10,000         |               |             |
| **Total**                                       | **$40,000**     | **10 %**      | **20 years** |

Total Investment $96,250

### Labour Costs

<table>
<thead>
<tr>
<th>Labour Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours/Head</td>
<td>8.0 hours</td>
</tr>
<tr>
<td>Labour Rate</td>
<td>$10.00 /hour</td>
</tr>
</tbody>
</table>
## Cost of Raising Dairy Steers to 530 lbs - February, 2002

### A. Operating Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost/Head</th>
<th>Total Cost</th>
<th>Your Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Feed Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.01 Milk Replacer</td>
<td>$73.97</td>
<td>7,397</td>
<td></td>
</tr>
<tr>
<td>1.02 Calf Starter</td>
<td>$14.40</td>
<td>1,440</td>
<td></td>
</tr>
<tr>
<td>1.03 Barley</td>
<td>$67.20</td>
<td>6,720</td>
<td></td>
</tr>
<tr>
<td>1.04 Protein</td>
<td>$24.00</td>
<td>2,400</td>
<td></td>
</tr>
<tr>
<td>1.05 Hay</td>
<td>$15.20</td>
<td>1,520</td>
<td></td>
</tr>
<tr>
<td>1.06 Vit/Min Premix with Ionophore</td>
<td>$9.20</td>
<td>920</td>
<td></td>
</tr>
<tr>
<td><strong>Total Feed Costs</strong></td>
<td><strong>$203.97</strong></td>
<td><strong>$20,397</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Other Operating Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.01 Feeder Cost</td>
<td>$206.25</td>
<td>20,625</td>
<td></td>
</tr>
<tr>
<td>2.02 Straw</td>
<td>$4.92</td>
<td>492</td>
<td></td>
</tr>
<tr>
<td>2.03 Veterinary Medicine &amp; Supplies</td>
<td>$6.69</td>
<td>669</td>
<td></td>
</tr>
<tr>
<td>2.04 Annual Fuel &amp; Repair Costs</td>
<td>$4.00</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>2.05 Utilities</td>
<td>$8.00</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>2.06 Feeder Selling Cost</td>
<td>$22.38</td>
<td>2,238</td>
<td></td>
</tr>
<tr>
<td>2.07 Insurance</td>
<td>$6.58</td>
<td>658</td>
<td></td>
</tr>
<tr>
<td>2.08 Manure Removal</td>
<td>$5.00</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>2.09 Barn &amp; Office Supplies</td>
<td>$2.00</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>2.10 Death Loss</td>
<td>$15.64</td>
<td>1,564</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Operating Costs</strong></td>
<td><strong>$485.43</strong></td>
<td><strong>$48,543</strong></td>
<td></td>
</tr>
<tr>
<td>2.11 Operating Interest</td>
<td>$13.99</td>
<td>1,399</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Costs</strong></td>
<td><strong>$499.42</strong></td>
<td><strong>$49,942</strong></td>
<td></td>
</tr>
</tbody>
</table>

### B. Fixed Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost/Head</th>
<th>Total Cost</th>
<th>Your Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.01 Buildings</td>
<td>$23.06</td>
<td>2,306</td>
<td></td>
</tr>
<tr>
<td>3.02 Machinery &amp; Equipment</td>
<td>$18.00</td>
<td>1,800</td>
<td></td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.01 Land</td>
<td>$2.00</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>4.02 Buildings</td>
<td>$11.28</td>
<td>1,128</td>
<td></td>
</tr>
<tr>
<td>4.03 Machinery &amp; Equipment</td>
<td>$8.80</td>
<td>880</td>
<td></td>
</tr>
<tr>
<td><strong>Total Fixed Costs</strong></td>
<td><strong>$63.14</strong></td>
<td><strong>$6,314</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating and Fixed Costs</strong></td>
<td><strong>$562.55</strong></td>
<td><strong>$56,256</strong></td>
<td></td>
</tr>
</tbody>
</table>

### C. Labour

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost/Head</th>
<th>Total Cost</th>
<th>Your Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labour</strong></td>
<td>$80.00</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Cost of Production</strong></td>
<td><strong>$642.55</strong></td>
<td><strong>$64,256</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Cost per lb of gain sold

- **Feed Costs**: $0.50
- **Operating Costs**: $0.73
- **Operating & Fixed Costs**: $0.89
- **Total Costs (including labour)**: $1.08

### Breakeven Selling Price

- **Operating Costs**: $0.99
- **Operating & Fixed Costs**: $1.12
- **Total Costs (including labour)**: $1.28

**Disclaimer:** This budget is only a guide and is not intended as an in-depth study of the cost of production of this industry. Interpretation and utilization of this information is the responsibility of the user. No liability for decisions based on this publication is assumed. If you require assistance with developing your individual budget, please contact your local MAF Office or the Farm Management Section in Winnipeg at 204-945-4937.
Assumptions

1. The average daily gain (ADG) was assumed to be 0.76 lbs/day for the pre weaning period (95 to 130 lbs) and 2 lbs/day for the post weaning period (130 to 530 lbs).

2. Feeder calf weighed 95 lbs. shrunk weight and was marketed at 504 lbs shrunk weight.

3. Total feeding period (246) days includes 46 days (pre weaning) and 200 days (post weaning).

Group Profile

- Number of calves purchased: 100 head
- Feeder calf purchased weight: 100 lbs
- Percent shrink on feeder calf: 5.0%
- Feeder calf purchase price ($/cwt): $200.00/cwt
- Weaned calf target weight: 130 lbs
- Pre weaning mortality: 10.0%
- Average daily gain (pre weaning): 0.76 lbs/day
- Post weaning target weight: 530 lbs
- Percent shrink on post weaning target weight: 5.0%
- Post weaning mortality: 2.0%
- Feeder calf selling price: $150.00/cwt
- Average daily gain (post weaning): 2.0 lbs/day
- Days on feed pre weaning: 46 days
- Days on feed post weaning: 200 days

Feed Requirements, Costs & Days on Feed

<table>
<thead>
<tr>
<th>Market Price</th>
<th>Amount Fed</th>
<th>Days on Feed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre weaning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk replacer</td>
<td>$59.00</td>
<td>20 kg 1.2 lbs/day 46</td>
</tr>
<tr>
<td>Calf starter</td>
<td>$10.75</td>
<td>25 kg 1.2 lbs/day 60</td>
</tr>
<tr>
<td>Post weaning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barley</td>
<td>$2.85</td>
<td>5.6 lbs/day 200</td>
</tr>
<tr>
<td>Protein (i.e. 36% canola meal)</td>
<td>$6.70</td>
<td>25 kg 1.0 lbs/day 200</td>
</tr>
<tr>
<td>Hay</td>
<td>$80.00</td>
<td>ton 1.9 lbs/day 200</td>
</tr>
<tr>
<td>Vit/Min Premix with Ionophore*</td>
<td>$12.50</td>
<td>25 kg 0.2 lbs/day 200</td>
</tr>
</tbody>
</table>

* Caution: Premixes are intended to be mixed according to “product label directions” with other feeds (i.e. grains; silages) prior to being fed to animals. It is assumed that a commercial vit/min premix, with ionophore, is mixed with other feeds and that the total quantity required up to 530 lbs body weight averaged 0.2 lbs/head/day. This will vary from one commercial product to another.
### A. Operating Costs

1. Feed Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Days</th>
<th>Weight/day</th>
<th>Cost/lb</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.01 Milk Replacer</strong></td>
<td>46 days</td>
<td>1.20 lbs</td>
<td>$1.34</td>
<td>$73.97</td>
</tr>
<tr>
<td><strong>1.02 Calf Starter</strong></td>
<td>60 days</td>
<td>1.2 lbs</td>
<td>$0.20</td>
<td>$14.40</td>
</tr>
<tr>
<td><strong>1.03 Barley</strong></td>
<td>200 days (130 to 530 lbs)</td>
<td>5.6 lbs/day</td>
<td>$0.06</td>
<td>$67.20</td>
</tr>
<tr>
<td><strong>1.04 Protein Source</strong></td>
<td>200 days (130 to 530 lbs)</td>
<td>1.0 lbs/day</td>
<td>$0.12</td>
<td>$24.00</td>
</tr>
<tr>
<td><strong>1.05 Hay</strong></td>
<td>200 days (130 to 530 lbs)</td>
<td>1.90 lbs/day</td>
<td>$80.00/ton</td>
<td>$15.20/ton</td>
</tr>
<tr>
<td><strong>1.06 Vit/Min Premix with Ionophore</strong></td>
<td>200 days (130 to 530 lbs)</td>
<td>0.2 lbs/day</td>
<td>$0.23/lb</td>
<td>$9.20/feeder</td>
</tr>
</tbody>
</table>
2. **Other Operating Costs**

2.01 **Feeder Purchase**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (unit)</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission</td>
<td>$5.00 /feeder</td>
<td></td>
</tr>
<tr>
<td>Trucking-in</td>
<td>$1.25 /cwt</td>
<td>$1.25 \times \frac{100 \text{ lbs/feeder}}{100 \text{ lbs/cwt}} = $1.25 /feeder</td>
</tr>
<tr>
<td>Feeder</td>
<td>100 lbs/feeder</td>
<td>$200.00 /cwt \div 100 \text{ lbs/cwt} = $2.00 /feeder</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$206.25 /feeder</td>
<td></td>
</tr>
</tbody>
</table>

2.02 **Straw Bedding**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (unit)</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0 lbs/day</td>
<td></td>
<td>$2.0 \times 246 \text{ days (rearing period)} \times $20.00 /ton = $4.92 /feeder</td>
</tr>
</tbody>
</table>

2.03 **Veterinary Medicine & Supplies**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (unit)</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle Medication</td>
<td></td>
<td>$0.10 + $0.15 + $0.54 + $1.61 + $0.05 + $4.24 + $1.65 + $3.00 + $0.02 + $0.70 + $1.00 + $1.00 = $6.69 /feeder</td>
</tr>
</tbody>
</table>

Manitoba Agriculture and Food

*Farm Management*
2.04 Annual Fuel & Repair Costs

\[
\begin{align*}
\text{Annual Fuel & Repair Cost} &= \frac{\text{Repairs} + \text{Fuel Costs}}{\text{Feeders}} \\
&= \frac{\$300.00 + \$100.00}{100} \\
&= \$4.00/\text{feeder}
\end{align*}
\]

2.05 Utilities

\[
\begin{align*}
\text{Utilities} &= \frac{\text{Cost/year}}{\text{Feeders}} \\
&= \frac{\$800.00}{100} \\
&= \$8.00/\text{feeder}
\end{align*}
\]

2.06 Feeder Selling Cost

\[
\begin{align*}
\text{Trucking} &= \frac{\text{Lbs/feeder} \times \text{Trucking Cost/cwt}}{\text{Feeders}} \\
&= \frac{530 \times \$1.25}{100} \\
&= \$6.63/\text{feeder}
\end{align*}
\]

\[
\begin{align*}
\text{Selling Commission} &= \frac{\text{Commission} + \text{Insurance}}{\text{Feeders}} \\
&= \frac{\$15.00 + \$0.75}{100} \\
&= \$15.75/\text{feeder}
\end{align*}
\]

Total = \$22.38/\text{feeder}

2.07 Insurance

\[
\begin{align*}
\text{Insurance} &= \frac{\text{Building & Equipment Investment} \times \text{/$100 Capital} + \text{1/2 of Feed} + \text{1/2 Other (excluding selling & death loss)}}{\text{Feeders}} \\
&= \frac{\$96,250 \times \$0.50 + \$101.99 + \$15.31}{100} \\
&= \$1.29/\text{feeder}
\end{align*}
\]

\[
\begin{align*}
\text{Additional Coverage for Liability} &= \frac{\text{Additional Coverage} \times \text{/$100 Capital}}{\text{Feeders}} \\
&= \frac{\$48.00 \times \$0.40}{100} \\
&= \$0.48/\text{feeder}
\end{align*}
\]

Total = \$6.58/\text{feeder}
### 2.08 Manure Removal

\[
\begin{align*}
\text{Manure Removal} & \quad \text{$500$ annual removal cost} \\
\div & \quad \text{100 feeders} \\
= & \quad \text{$5.00$/feeder}
\end{align*}
\]

### 2.09 Barn & Office Supplies

\[
\begin{align*}
\text{Barn & Office Supplies} & \quad \text{$200$ total barn expenses} \\
\div & \quad \text{100 feeders} \\
= & \quad \text{$2.00$/feeder}
\end{align*}
\]

### 2.10 Death Loss

\[
\begin{align*}
\text{Death Loss} & \quad \text{$447.41$ exclude selling costs & death loss} \\
\times & \quad 10.0 \text{ pre weaning % mortality} \\
\times & \quad 46 \text{ days on feed} \\
\div & \quad 246 \text{ total days on feed} \\
= & \quad \text{$8.37$/feeder pre weaning}
\end{align*}
\]

\[
\begin{align*}
\text{} & \quad \text{$447.41$ exclude selling costs & death loss} \\
\times & \quad 2.0 \text{ post weaning % mortality} \\
\times & \quad 200 \text{ days on feed} \\
\div & \quad 246 \text{ total days on feed} \\
= & \quad \text{$7.27$/feeder post weaning}
\end{align*}
\]

\[
\begin{align*}
= & \quad \text{$15.64$/feeder}
\end{align*}
\]

### 2.11 Operating Interest

(Operating interest is charged on one half the subtotal operating costs)

\[
\begin{align*}
\text{Operating Interest} & \quad \text{$206.25$ feeder cost} \\
+ & \quad \text{$139.59$ $\frac{1}{2}$ of feed & other costs} \\
\times & \quad 6.0 \% \text{ operating interest} \\
\times & \quad 246 \text{ days on feed} \\
\div & \quad 365 \text{ days /year} \\
= & \quad \text{$13.99$/feeder}
\end{align*}
\]
## Capital Costs

See appendix 1 for details on building design and farm site layout for 100 head operation. Also included as appendix 2 and 3 are suggested layouts for possible expansion to 200 and 400 head respectively.

### Land Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land, 10 acres at $500/acre</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

### Dairy Steer Facilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calf hutches, 25 @ $335</td>
<td>$8,375</td>
</tr>
<tr>
<td>Facility, 42'x64' @ $6.00 /sq ft</td>
<td>$16,125</td>
</tr>
<tr>
<td>Concrete area, 1408 sq ft @ $3.55 /sq ft</td>
<td>$5,000</td>
</tr>
<tr>
<td>Site prep, liquid manure collection pit, gravel/shale</td>
<td>$5,500</td>
</tr>
<tr>
<td>Lower wall protective planking with 1/8&quot; puckboard</td>
<td>$1,125</td>
</tr>
<tr>
<td>Waterers, 2 @ $300 + installation</td>
<td>$600</td>
</tr>
<tr>
<td>Electrical</td>
<td>$1,500</td>
</tr>
<tr>
<td>Loading /chute (self-made)</td>
<td>$3,500</td>
</tr>
<tr>
<td>Posts, 50 4&quot;-5&quot; PT spruce @ $6, wire etc. installed</td>
<td>$500</td>
</tr>
<tr>
<td>Metal panel gates, 114' @ $6.50</td>
<td>$750</td>
</tr>
<tr>
<td>Feed bunk, 64'x3' @ $3.50/ft</td>
<td>$675</td>
</tr>
<tr>
<td>Water line, from yard source</td>
<td>$1,500</td>
</tr>
<tr>
<td>Double layer vent. curtain</td>
<td>$6,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$51,250</strong></td>
</tr>
</tbody>
</table>

### Machinery & Equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tractor &amp; Loader (steer portion)</td>
<td>$20,000</td>
</tr>
<tr>
<td>Feed Storage &amp; Handling</td>
<td>$10,000</td>
</tr>
<tr>
<td>Truck, Office Equipment &amp; Miscellaneous</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$40,000</strong></td>
</tr>
</tbody>
</table>

**Total Investment**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>$96,250</strong></td>
</tr>
</tbody>
</table>

### B. Fixed Costs

#### 3. Depreciation

**Original Cost - Salvage Value**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Cost</th>
<th>Salvage Value</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buildings</strong></td>
<td>$51,250</td>
<td>$5,125</td>
<td>20 years</td>
</tr>
<tr>
<td><strong>Tractor &amp; Loader (steer portion)</strong></td>
<td>$20,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Feed Storage &amp; Handling</strong></td>
<td>$10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Truck, Office Equipment &amp; Miscellaneous</strong></td>
<td>$10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$40,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Useful Life**

- **51,250** original cost
- **5,125** salvage value 10%
- **20** years useful life
- **100** feeders

**Useful Life**

- **23.06** /feeder
### 3.02 Machinery & Equipment

- **Original Cost**
  - $40,000 original cost
  - $4,000 salvage value 20%
  - 20 years useful life
  - 100 feeders

\[
\$18.00 \text{ /feeder}
\]

### 4. Investment

**Original Value + Salvage Value x Investment Rate**

#### 4.01 Land

- $5,000 land
- 4.0% investment rate
- 100 feeders

\[
\$2.00 \text{ /feeder}
\]

#### 4.02 Buildings

- $51,250 buildings
- $5,125 salvage value 10%
- 2 average
- 4.0% investment rate
- 100 feeders

\[
\$11.28 \text{ /feeder}
\]

#### 4.03 Machinery & Equipment

- $40,000 original cost
- $4,000 salvage value 20%
- 2 average
- 4.0% investment rate
- 100 feeders

\[
\$8.80 \text{ /feeder}
\]

### C. Labour

- 8.0 hours/feeder
- $10.00 /hour

\[
\$80.00 \text{ /feeder}
\]
Breakeven Calculations

Cost per lb of gain sold (shrunk weight)

Feed Costs
- $203.97 feed cost
- \( \div \) 409 lbs gained weight
- \( \div \) \( \$0.50 \) /lb (gain sold)

Operating Costs
- $499.42 operating costs
- \(-\) $200.00 feeder cost
- \( \div \) 409 lbs gained weight
- \( \div \) \( \$0.73 \) /lb (gain sold)

Operating & Fixed
- $562.55 operating & fixed costs
- \(-\) $200.00 feeder cost
- \( \div \) 409 lbs gained weight
- \( \div \) \( \$0.89 \) /lb (gain sold)

Total Costs
- $642.55 total costs
- \(-\) $200.00 feeder cost
- \( \div \) 409 lbs gained weight
- \( \div \) \( \$1.08 \) /lb (gain sold)

Breakeven selling price (shrunk weight)

Operating Costs
- $499.42 operating costs
- \( \div \) 504 lbs shrunk weight
- \( \div \) \( \$0.99 \) /lb

Operating & Fixed
- $562.55 operating & fixed costs
- \( \div \) 504 lbs shrunk weight
- \( \div \) \( \$1.12 \) /lb

Total Costs
- $642.55 total costs
- \( \div \) 504 lbs shrunk weight
- \( \div \) \( \$1.28 \) /lb

For more information contact your local Manitoba Agriculture and Food Office.

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Livestock Specialist Cow Calf Specialist
Appendix 1

PHASE I - DAIRY STEER FACILITY
For 100 Steers per year
Ages 2-6 months
First 2 months calves reared in hutches

1. 42' x 64' Pole shed with mono slope truss
   Bottom 4' of wall section closed in
   Top portion equipped with adjustable ventilation curtain
   16' Drive through feed alley

2. Retention basin designed for 4" runoff from shed and lot
   Excavated basin material can be used for lot fill
   Concrete bucketing wall next to basin to load solids
   Alley closed from pens with 10' gates
   Pens A & B gates equipped with 5' wing or slide gate extension
   Pens G and D, 20' x 26' pen, 13 head per pen
   40 square feet/head, 16' per head bunk space

3. Exercise/Loofing yard
   Slope 2-3% away from shed
   Slope 1/2% toward retention basin
   Handling/loading holding facility

4. Concrete pad extension for high traffic areas
   Next to waterer and exit to exercise/loofing area

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Appendix 2

PHASE 2 - DAIRY STEER FACILITY
Expansion from 100 to 200 steers per year
Ages 2 - 8 months
First 2 months calves reared in hutches

26' x 64' mono-slope addition
Concrete feed alley + rope alley
Pad extension next to waterer
Outside area next to retention basin
Additional retention basin
Appendix 3

PHASE 3 - DAIRY STEER FACILITY
Expansion from 200 to 400 steers per year
Ages 2-8 months
First 2 months calves reared in hitches

1. Duplicate lots and shed
   May be built onto existing shed
2. Expanded retention basins

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