2026 Cost of Production

Beef Backgrounding

Manitoba

Manitoba

Guidelines For Estimating

Beef Backgrounding Costs

For Weight Range of 500 - 900 lbs

Based on 500 Head

Date: September, 2025

This guide is designed to provide you with planning information and a format for calculating costs of production of a backgrounding feeder calf enterprise in Manitoba. General Manitoba Agriculture recommendations are assumed in using feed and veterinary inputs. These figures provide an economic evaluation of the livestock and estimated prices required to cover all costs. Costs include labour, investment and depreciation, but do not include management costs, nor do they necessarily represent the average cost of production in Manitoba.

Backgrounding generally refers to the feeding of calves from weaning until they are put onto a high concentrate finishing ration. An example of a typical backgrounding operation would be, feed 500 pound steers to gain 1.5 to 2.5 pounds per day for approximately 100-200 days to produce 800 to 900 pound backgrounded feeders.

These budgets may be adjusted by putting in your own figures. As a producer you are encouraged to calculate your own costs of production. Good management is assumed in that a balanced ration is being fed, livestock are on a herd health program and handling facilities are included.

This tool is available as an Excel worksheet at:

The Farm Machinery Custom and Rental Rate Guide is also available to help determine machinery costs.

Note: 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 use of this information is the responsibility of the user. If you need help with a budget, contact a Farm Management Specialist.

Backgrounding Cattle Production Cost Summary - September, 2025

Based on 500 feeders, weight range 500 to 900 lbs, Corn Silage ration @ 2.5 lbs. ADG

A. Operating Costs	Cost/Head	Total Cost	Your Cost
1. Feed Costs			
1.01 Alfalfa Grass Hay (57.8 % TDN, 13.7 % CP	$48.00	$24,000	
1.02 Corn Silage (65.2 % TDN, 8.7 % CP)	$79.80	$39,920	
1.03 Barley Silage (63 % TDN, 11 % CP)	$0.00	$0	
1.04 Barley Grain (83.1 % TDN, 12.5 % CP)	$77.08	$38,439	
1.05 Greenfeed	$0.00	$0	
1.06 Straw	$0.00	$0	
1.07 32-20% Feedlot Suppl. (61.7%TDN, 35.6%(	$0.00	$0	
1.08 DDGS Corn/Wheat (77 % TDN, 33.9 % CP)	$14.69	$7,500	
1.09 1:1 Premix	$0.00	$0	
1.10 2:1 Premix	$40.91	$20,500	
1.11 Limestone	$5.10	$2,560	
1.12 Other	$0.00	$0	
Total Feed Costs	**$265.58**	**$132,919**	
2. Other Operating Costs			
2.01 Feeder Cost	$3,415.25	$1,707,625	
2.02 Straw	$22.40	$11,200	
2.03 Veterinary Medicine & Supplies	$26.24	$13,120	
2.04 Annual Fuel & Repair Costs	$10.06	$5,030	
2.05 Utilities	$3.45	$1,727	
2.06 Feeder Selling Cost	$36.95	$18,475	
2.07 Insurance	$1.64	$820	
2.08 Manure Removal	$18.83	$9,417	
2.09 Barn & Office Supplies	$1.20	$600	
2.10 Death Loss	$71.80	$35,900	
Subtotal Operating Costs	$3,873.41	$1,936,833	
2.11 Operating Interest	$107.83	$53,915	
Total Operating Costs	**$3,981.24**	**$1,990,748**	
B. Fixed Costs			
Buildings	$11.54	$5,769	
Machinery & Equipment	$26.13	$13,066	
Total Fixed Costs	**$37.67**	**$18,835**	
Total Operating and Fixed Costs	**$4,018.91**	**$2,009,583**	
C. Owners - Labour & Living	$28.00	$14,000	
Total Cost of Production	**$4,046.91**	**$2,023,583**	

Profitability and Breakeven Analysis

Estimated Farmgate	Per Head	Total
Gross Revenue @ $455/cwt market price	**$3,972.15**	**$1,986,075**

	Breakeven Purchase Price ($/cwt) @ $455/cwt market price	Breakeven Selling Price ($/cwt) @ $680/cwt feeder price	
Operating Costs	$678.18	$456.04	
Operating Costs & Labour	$672.58	$459.25	
Operating & Fixed Costs	$670.65	$460.36	
Total Costs	$665.05	$463.56	

	Cost per lb of gain sold ($/cwt)	Marginal Returns per head @ $455/cwt market price	
Feed Costs	$71.20	$291.32	
Operating Costs	$155.83	($9.09)	
Operating Costs & Labour	$163.34	($37.09)	
Operating & Fixed Costs	$165.93	($46.76)	
Total Costs	$173.43	($74.76)	

Yardage per Feeder per Day (based on 160 days)	**$0.805**
Return on Investment (ROI)	**(1.8%)**
Estimated Return on Asset (ROA)	**(16.2%)**

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Risk & Sensitivity Analysis (Stress Test)

Percent Market Price Change	**-10.0%**
Percent Feed Cost Change	**5.0%**
Percent Feeder Cost Change	**5.0%**

	Per Head
Market Price ($ per cwt)	$409.50
Feed Cost	$278.86
Feeder Cost	$3,586.01

Stress Test Scenario = Market Price Down 10%, Feed Price Up 5% and Feeder Cost Up 5%

Operating Costs	$4,165.28
Total Costs	$4,230.95
Gross Revenue / feeder	$3,574.94
Marginal Returns	
Over Operating Costs	($590.35)
Over Operating & Labour Costs	($618.35)
Over Total Costs (Net Profit)	($656.02)
Operating Expense Ratio	116.5%

Estimated Breakeven Canadian Dollar Analysis

	Est. Market Price ($/cwt Cdn) @ 0.7300 Cdn per USD				
	$445.00	**$450.00**	**$455.00**	**$460.00**	**$465.00**
Breakeven CDN Dollar ($1 Cdn = $ USD)					
Operating Costs	0.7123	0.7203	0.7283	0.7363	0.7443
Operating & Labour Costs	0.7074	0.7153	0.7232	0.7312	0.7391
Operating, Fixed & Labour Costs	0.7008	0.7086	0.7165	0.7244	0.7323

Breakeven Canadian Dollar = (Est. Market Price ($/lb) x Shrunk Wt. (lbs) x $ Cdn per USD) / Cost
(eg. ($4.55 x 873 lbs x $0.7300) / $4046.91) = $0.7165

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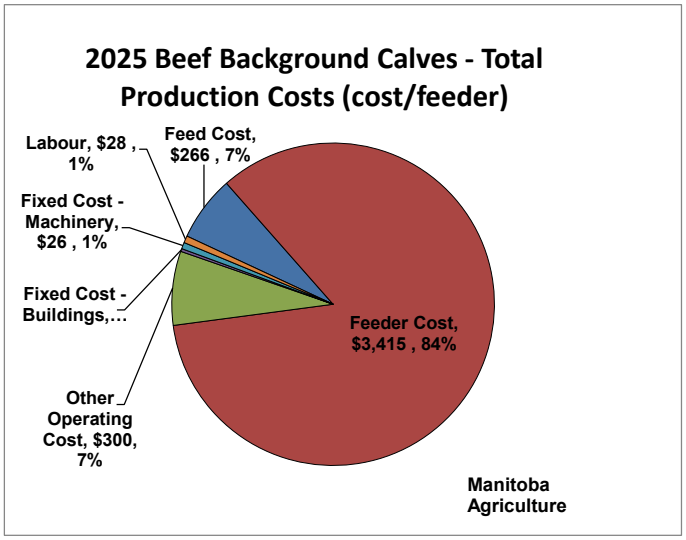
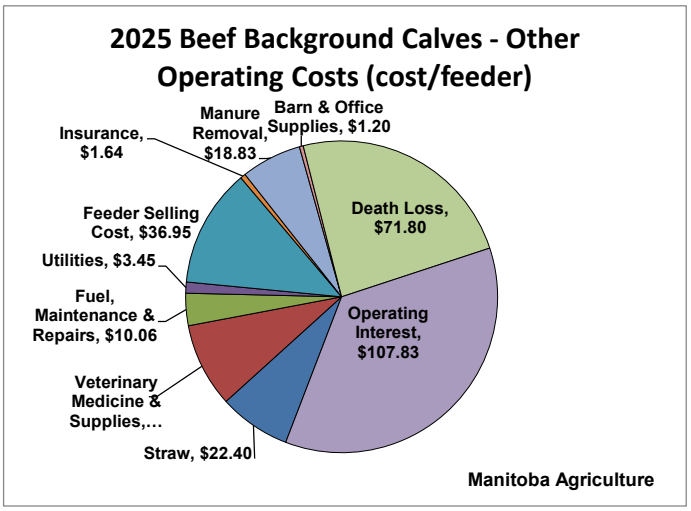
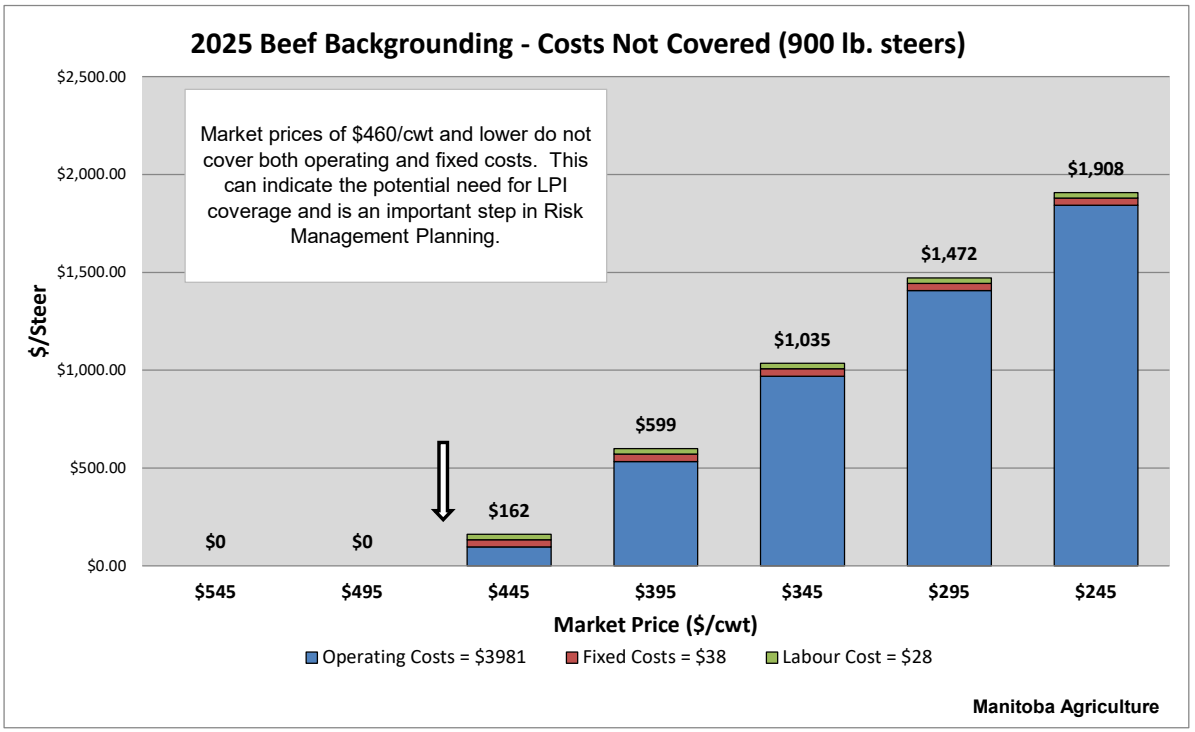


Winter feed is a significant cost for background calves. A balanced ration to minimize cost per head per day is an important step in Risk Management Planning.

Operating interest, death loss and feeder selling costs are the most significant other background calf production costs.





Backgrounding Feeder Cattle 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.

Herd Profile

Number of Feeders Purchased		500	head
Feeder Cattle Mortality Rate		2.00	%
Feeder Purchased Weight		500	lbs
Feeder Cattle Price		$680.00	/cwt
Finish Weight (Maximum 900 lbs.)		900	lbs
Feeder Selling Price (WLPIP insured value)		$455.00	/cwt
$1 Canadian Dollar	($1.3699 CDN)	$0.7300	/ $1 USD
WLPIP Insurance Premium		$0.00	/cwt
Percent Shrink at Sale		3.00	%
Average Daily Gain		2.50	lbs/day
Type of Feed Ration		Corn Silage	

Feed Costs	$/unit	lbs/Unit	$/lb	lbs/feeder	$/feeder	(Analysis Assumed) TDN	CP
Alfalfa Grass Hay	$120.00	2,000	0.060	800	$48.00	57.8%	13.7%
Corn Silage	$40.00	2,000	0.020	3,990	$79.80	65.2%	8.7%
Barley Silage	$50.00	2,000	0.025	0	$0.00	63.0%	11.0%
Barley Grain	$4.50	48	0.094	820	$77.08	83.1%	12.5%
Greenfeed	$115.00	2,000	0.058	0	$0.00		
Straw	$70.00	2,000	0.035	0	$0.00		
32-20% Feedlot Suppl.	$600	2,205	0.272	0	$0.00	61.7%	35.6%
DDGS Corn/Wheat	$250	2,205	0.113	130	$14.69	77.0%	33.9%
1:1 Premix	$50.00	55	0.909	0	$0.00		
2:1 Premix	$50.00	55	0.909	45	$40.91		
Limestone	$20.00	55	0.364	14	$5.10		
Other	$0.00	2,000	0.000	0	$0.00		
					$265.58		

FOOTNOTE: 1 bushel (bu) barley = 48 lbs = 21.8 kg
1 kilogram (kg) = 2.2046 pounds (lbs)
1 tonne (t) = 1,000 kg

Weight Range	Days on Feed	Feed Cost $/Steer/Day
500 to 600 lbs.	40	$1.420
600 to 700 lbs.	40	$1.610
700 to 800 lbs.	40	$1.734
800 to 900 lbs.	40	$1.880
TOTAL	**160**	

Total Feed Cost per Steer	$265.57	/feeder
Average Feed Cost per Day	$1.66	
Feed Cost per lb. of Gain Sold (shrunk weight)	$0.712	
Total Pounds of Gain	400	lbs
Total Pounds of Gain (Shrunk Weight)	373	lbs

Other Operating Costs				
Feeder Purchase Costs				
Feeder			500	lbs/feeder
		x	$680.00	/cwt
		÷	100	lbs/cwt
		=	**$3,400.00**	**/feeder**
Buying Commission		+	**$5.00**	/feeder
Insurance fee		+	**$1.75**	/feeder
Trucking-in			**$1.70**	/cwt
		x	500	lbs/feeder
		÷	100	lbs/cwt
		=	**$8.50**	**/feeder**
	Total	**=**	**$3,415.25**	**/feeder**
Straw Bedding		=	**4.00**	lbs/feeder/day
		x	160.00	days on feed
		x	**$70.00**	/ton
		=	**$22.40**	**/feeder**
Veterinary Medicine & Supplies				
Cattle Medication				
IBR,BVD,PI3,BRSV, Pasteurella			**$5.00**	/feeder
Vitamin A-D		+	**$0.50**	/feeder
External & Internal Parasites		+	**$0.72**	/feeder
Blackleg & Haemophilus		+	**$1.26**	/feeder
Growth Implants		+	**$2.00**	/feeder
Antibiotics		+	**$15.00**	/feeder
		=	**$24.48**	**/feeder**
Herd Health Program				
Professional Services			**$240.00**	/hour charge
		x	**3.00**	Total Yearly Hours
		÷	500.00	feeder cattle
		=	**$1.44**	**/feeder**
Transportation			**$1.00**	Rate/km charge
		x	**80.0**	Total Kilometres (round trip)
		x	**2**	Number of Yearly Visits
		÷	500	feeder cattle
		=	**$0.32**	**/feeder**
	Total	**=**	**$26.24**	**/feeder**
Fuel, Oil, Repairs & Maintenance				
Machinery Fuel Cost				
Tractor with Loader PTO hp			**120**	
Average HP required		÷	2.5	
Litres fuel / Hour / HP		x	0.1665576	
Tractor Hours Per Day (avg)		x	**1.5**	
Diesel Fuel Cost / litre		x	**$1.20**	
Days on feed		x	160	
Annual fuel cost			$2,302.49	
		÷	500	feeders
	Total	**=**	**$4.60**	**/feeder**

Machinery repair & maintenance

Machinery capital cost		$112,500	
Machinery Repair (% of investment cost	x	**1.20**	%
Oil, repairs & maintenance	=	$1,350.00	
	÷	500	feeders
Total	**=**	**$2.70**	**/feeder**

Building repair & maintenance

Building capital cost		$62,600	
Building maintenance (% of inv.cost)	x	**2.20**	
Repairs & maintenance	=	$1,377.20	
	÷	500	feeders
Total	**=**	**$2.75**	**/feeder**

Utilities

Hydro - Rate		**$0.09587**	/ kWh
12 kWh per feeder		**$575.22**	
2 1000 watt waterer		**$552.21**	
Total Hydro		**$1,127.43**	
Telephone		**$600.00**	
	÷	500	feeders
Total	**=**	**$3.45**	**/feeder**

Feeder Selling Cost

Trucking Cost

Trucking Distance		**75**	miles
Rate		**$7.00**	/loaded mile
		490	feeders
Average Weight		900	lbs/head
Truck Capacity		**54,000**	lbs/load
Number of head		**60**	per load
	=	9.00	loads
	÷	500.00	feeders
	=	$9.45	/feeder

Marketing Cost

MBP/NCO Levy		**$5.50**	/feeder
LPI Insurance Premium		$0.00	/feeder
Commission on Sales		**$22.00**	/feeder
		$27.50	/feeder
Total	**=**	**$36.95**	**/feeder**

Manure Removal

Days on Feed	=	160	days
Manure volume produced	x	**0.024**	m^3/feeder/day
	=	3.84	m^3 manure volume
Manure volume shrinkage	x	**75**	% volume shrink
	x	1.30795	yd^3 per m^3
Cost for manure removal & application	x	**$15.00**	yd^3 manure removal cost
Total	**=**	**$18.83**	**/feeder**

Insurance

Building & Equipment Capital Investec	=	$192,600	
Insurance Cost per $100	x	**$0.40**	$/$100
	÷	100	
	÷	500	feeder cattle
	=	$1.54	/feeder
Livestock Capital Invested	=	$1,873,750	herd investment
Insurance Cost per $100	x	**$0.00**	$/$100
	÷	100	
	÷	500	feeder cattle
	=	$0.00	/feeder
Additional Coverage for Liability		**$49.00**	
	÷	500	feeder cattle
	=	$0.10	/feeder
Total	**=**	**$1.64**	**/feeder**

Barn & Office Supplies

Total yearly expense relating to barn		**$600**	
	÷	500	feeder cattle
Total	=	**$1.20**	**/feeder**

Death Loss

		$3,415.25	feeder cattle cost
	+	$3,801.61	maximum value
	-	$36.95	selling costs
	÷	2.00	average
	x	2.00	% mortality rate
Total	**=**	**$71.80**	**/feeder**

Operating Interest

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

		$3,415.25	feeder cost
	+	$229.08	½ of feed & other costs
	x	**6.75**	% operating interest
	x	160.00	days on feed
	÷	365.00	days /year
	=	**$107.83**	**/feeder**

FOOTNOTE: cwt = hundred-weight = 100 lbs

Labour Costs

Hours/Head		**1.0**	hours/feeder/year
Labour Rate	x	**$28.00**	/hour
	=	**$28.00**	**/feeder**

Feed Costs & Requirements Worksheet

Total Days on Feed = 160 days @ 2.5 lbs. Average Daily Gain (ADG) Per Day

Barley Silage Ration

Weight Range (lbs)				500 to 600	600 to 700	700-800	800-900				
Days on Feed				40	40	40	40	Total lbs /steer	Feed Cost $/steer	Total Units Required (500 steers)	Total Feed Cost (500 steers)
Feed Name	$/unit	lbs/Unit	$/lb	As Fed Lbs/Head/Day							
Alfalfa Grass Hay	$120.00	2000	$0.060	3	3	2.5	2	420	$25.20	105	$12,600.00
Corn Silage	$40.00	2000	$0.020	0	0	0	0	0	$0.00	0	$0.00
Barley Silage	$50.00	2000	$0.025	23	25.75	29.25	32.5	4,420	$110.50	1,105	$55,250.00
Barley Grain	$4.50	48	$0.094	5	6	7	8	1,040	$97.76	10,834	$48,753.00
Greenfeed	$115.00	2000	$0.058	0	0	0	0	0	$0.00	0	$0.00
Straw	$70.00	2000	$0.035	0	0	0	0	0	$0.00	0	$0.00
32-20% Feedlot Suppl	$600.00	2205	$0.272	0	0	0	0	0	$0.00	0	$0.00
DDGS Corn/Wheat	$250.00	2205	$0.113	0	0	0	0	0	$0.00	0	$0.00
1:1 Premix	$50.00	55	$0.909	0.25	0.27	0.3	0.32	46	$41.81	419	$20,950.00
2:1 Premix	$50.00	55	$0.909	0	0	0	0	0	$0.00	0	$0.00
Limestone	$20.00	55	$0.364	0.06	0.085	0.11	0.13	15	$5.46	137	$2,740.00
Other	$0.00	2000	$0.000	0	0	0	0	0	$0.00	0	$0.00
			$/head/day	$1.474	$1.664	$1.852	$2.023		$280.73		$140,293.00

Corn Silage Ration

Weight Range (lbs)				500 to 600	600 to 700	700-800	800-900				
Days on Feed				40	40	40	40	Total lbs /steer	Feed Cost $/steer	Total Units Required (500 steers)	Total Feed Cost (500 steers)
Feed Name	$/unit	lbs/Unit	$/lb	As Fed Lbs/Head/Day							
Alfalfa Grass Hay	$120.00	2000	$0.060	5	5	5	5	800	$48.00	200	$24,000.00
Corn Silage	$40.00	2000	$0.020	19	22	27	31.75	3,990	$79.80	998	$39,920.00
Barley Silage	$50.00	2000	$0.025	0	0	0	0	0	$0.00	0	$0.00
Barley Grain	$4.50	48	$0.094	4	5	5.5	6	820	$77.08	8,542	$38,439.00
Greenfeed	$115.00	2000	$0.058	0	0	0	0	0	$0.00	0	$0.00
Straw	$70.00	2000	$0.035	0	0	0	0	0	$0.00	0	$0.00
32-20% Feedlot Suppl	$600.00	2205	$0.272	0	0	0	0	0	$0.00	0	$0.00
DDGS Corn/Wheat	$250.00	2205	$0.113	1	1	0.75	0.5	130	$14.69	30	$7,500.00
1:1 Premix	$50.00	55	$0.909	0	0	0	0	0	$0.00	0	$0.00
2:1 Premix	$50.00	55	$0.909	0.25	0.28	0.285	0.315	45	$40.91	410	$20,500.00
Limestone	$20.00	55	$0.364	0.065	0.09	0.09	0.105	14	$5.10	128	$2,560.00
Other	$0.00	2000	$0.000	0	0	0	0	0	$0.00	0	$0.00
			$/head/day	$1.420	$1.610	$1.734	$1.880		$265.57		$132,919.00

Alfalfa Grass Hay Ration

Weight Range (lbs)				500 to 600	600 to 700	700-800	800-900				
Days on Feed				40	40	40	40	Total lbs /steer	Feed Cost $/steer	Total Units Required (500 steers)	Total Feed Cost (500 steers)
Feed Name	$/unit	lbs/Unit	$/lb	As Fed Lbs/Head/Day							
Alfalfa Grass Hay	$120.00	2000	$0.060	11.25	12.5	14	15	2,110	$126.60	528	$63,360.00
Corn Silage	$40.00	2000	$0.020	0	0	0	0	0	$0.00	0	$0.00
Barley Silage	$50.00	2000	$0.025	0	0	0	0	0	$0.00	0	$0.00
Barley Grain	$4.50	48	$0.094	6.75	7.8	8.7	9.7	1,318	$123.89	13,730	$61,785.00
Greenfeed	$115.00	2000	$0.058	0	0	0	0	0	$0.00	0	$0.00
Straw	$70.00	2000	$0.035	0	0	0	0	0	$0.00	0	$0.00
32-20% Feedlot Suppl	$600.00	2205	$0.272	0	0	0	0	0	$0.00	0	$0.00
DDGS Corn/Wheat	$250.00	2205	$0.113	0	0	0	0	0	$0.00	0	$0.00
1:1 Premix	$50.00	55	$0.909	0.25	0.27	0.31	0.33	46	$41.81	419	$20,950.00
2:1 Premix	$50.00	55	$0.909	0	0	0	0	0	$0.00	0	$0.00
Limestone	$20.00	55	$0.364	0	0	0	0	0	$0.00	0	$0.00
Other	$0.00	2000	$0.000	0	0	0	0	0	$0.00	0	$0.00
			$/head/day	$1.537	$1.729	$1.940	$2.112		$292.31		$146,095.00

Feed Summary - 160 Days

	Total Feed Cost per Steer	Average Feed Cost/Day	Feed Cost per lb. of Gain Sold (shrunk weight)
Barley Silage Ration	**$280.73**	**$1.755**	**$0.7526**
Corn Silage Ration	**$265.57**	**$1.660**	**$0.7120**
Alfalfa Grass Hay Ration	**$292.31**	**$1.827**	**$0.7837**

Note: The suggested feed rations above were formulated using Cowbytes Beef Ration Balancer software with no included allowance for wastage during feeding. Feed ration quantity and costs should be adjusted accordingly. If you need help with a budget, contact your local Manitoba Agriculture office.

Fixed Costs

Buildings & Facilities				Machinery & Equipment			
Total Investment ($/feeder)		$160		Total Investment ($/feeder)		$225	
Residual Value (End of Useful Life)		10%		Residual Value (End of Useful Life)		20%	
Useful Life (years)		20		Useful Life (years)		10	
Owned Building Equity		85%		Owned Machinery Equity		80%	
Building Financed ($24 per feeder)		15%		Machinery Financed ($45 per feeder)		20%	
Building Opportunity Cost (Investment Rate)		0.00%		Machinery Opportunity Cost (Investment Rate		0.00%	
Building & Water System Cost ($/feeder)				**Machinery & Equipment Cost ($/feeder)**			
Finance Rate & Term	6.250%	7	Years	Finance Rate & Term	6.250%	7	Years
Principle & Interest Cost		$4.34		Principle & Interest Cost		$8.13	
Building Depreciation Cost		$7.20		Machinery Depreciation Cost		$18.00	
Owned Building Opportunity Cost		$0.00		Owned Machinery Opportunity Cost		$0.00	
Total Cost		$11.54		**Total Cost**		$26.13	

Total Principle & Interest Cost ($/feeder)	$12.47
Total Principle & Interest Cost (500 feeders	$6,235
Total Fixed Investment	$192,600

Capital Value

Buildings & Facilities	Market Value	Cow-calf Usage %	Cow-calf Allocation
Windbreak Fence	$6,300	100%	$6,300
Pens	$5,300	100%	$5,300
Handling Facilities	$7,500	100%	$7,500
Waterers	$6,000	100%	$6,000
Gates	$2,000	100%	$2,000
Feeders	$1,500	100%	$1,500
Bunk Feeders	$21,000	100%	$21,000
Well & Pressure System	$8,000	100%	$8,000
Grain Bin	$5,000	100%	$5,000
Landscaping	$17,500	100%	$17,500
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	0%	$0
		Total Inv. = $80,100 ($160/feeder)	

Machinery & Equipment	Market Value	Cow-calf Usage %	Cow-calf Allocation
Miscellaneous Machinery	$17,500	100%	$17,500
Tractor & Loader	$175,000	30%	$52,500
Bale Shredder	$25,000	50%	$12,500
Tractor & Feed Wagon (silage)	$60,000	50%	$30,000
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
	$0	100%	$0
		Total Inv. = $112,500 ($225/feeder)	

Breakeven Calculations

Cost per lb of gain sold (shrunk weight)				
Feed Costs		$265.58	feed cost	
	÷	373	lbs gained weight	
	=	**$0.71**	**/lb (gain sold)**	
Operating Costs		$3,981.24	operating costs	
	-	$3,400.00	feeder cost	
	÷	373	lbs gained weight	
	=	**$1.56**	**/lb (gain sold)**	
Operating & Labour Costs		$4,009.24	operating costs	
	-	$3,400.00	feeder cost	
	÷	373	lbs gained weight	
	=	**$1.63**	**/lb (gain sold)**	
Operating & Fixed		$4,018.91	oper. & fixed costs	
	-	$3,400.00	feeder cost	
	÷	373	lbs gained weight	
	=	**$1.66**	**/lb (gain sold)**	
Total Costs		$4,046.91	total costs	
	-	$3,400.00	feeder cost	
	÷	373	lbs gained weight	
	=	**$1.73**	**/lb (gain sold)**	
Breakeven selling price (shrunk weight)				
Operating Costs		$3,981.24	operating costs	
	÷	873	lbs shrunk weight	
	=	**$4.56**	**/lb**	
Operating & Labour Costs		$4,009.24	operating & labour	
	÷	873	lbs shrunk weight	
	=	**$4.59**	**/lb**	
Operating & Fixed		$4,018.91	oper. & fixed costs	
	÷	873	lbs shrunk weight	
	=	**$4.60**	**/lb**	
Total Costs		$4,046.91	total costs	
	÷	873	lbs shrunk weight	
	=	**$4.64**	**/lb**	

Breakeven purchase price (shrunk weight)

Operating Costs		873	lbs shrunk weight	
	x	$455.00	$/cwt selling price	
	=	$3,972.15	income	
	-	$581.24	operating less feeder cost	
	÷	500	lbs purchase weight	
	=	**$6.78**	**/lb**	
Operating & Labour Costs		873	lbs shrunk weight	
	x	$455.00	$/cwt selling price	
	=	$3,972.15	income	
	-	$609.24	operating less feeder cost	
	÷	500	lbs purchase weight	
	=	**$6.73**	**/lb**	
Operating & Fixed		873	lbs shrunk weight	
	x	$455.00	$/cwt selling price	
	=	$3,972.15	income	
	-	$618.91	op. & fixed less feeder cost	
	÷	500	lbs purchase weight	
	=	**$6.71**	**/lb**	
Total Costs		873	lbs shrunk weight	
	x	$455.00	$/cwt selling price	
	=	$3,972.15	income	
	-	$646.91	total less feeder cost	
	÷	500	lbs purchase weight	
	=	**$6.65**	**/lb**	

Profitability and Breakeven Analysis:

Gross Revenue = Shrunk weight (lbs) x $/lb price (eg. 873 x $4.55/lb = $3972.15)

Return on Investment (ROI) = (Gross Revenue - Total Cost) / Total Cost
(eg. ($3972.15 - $4046.91) / $4046.91 = -1.8%

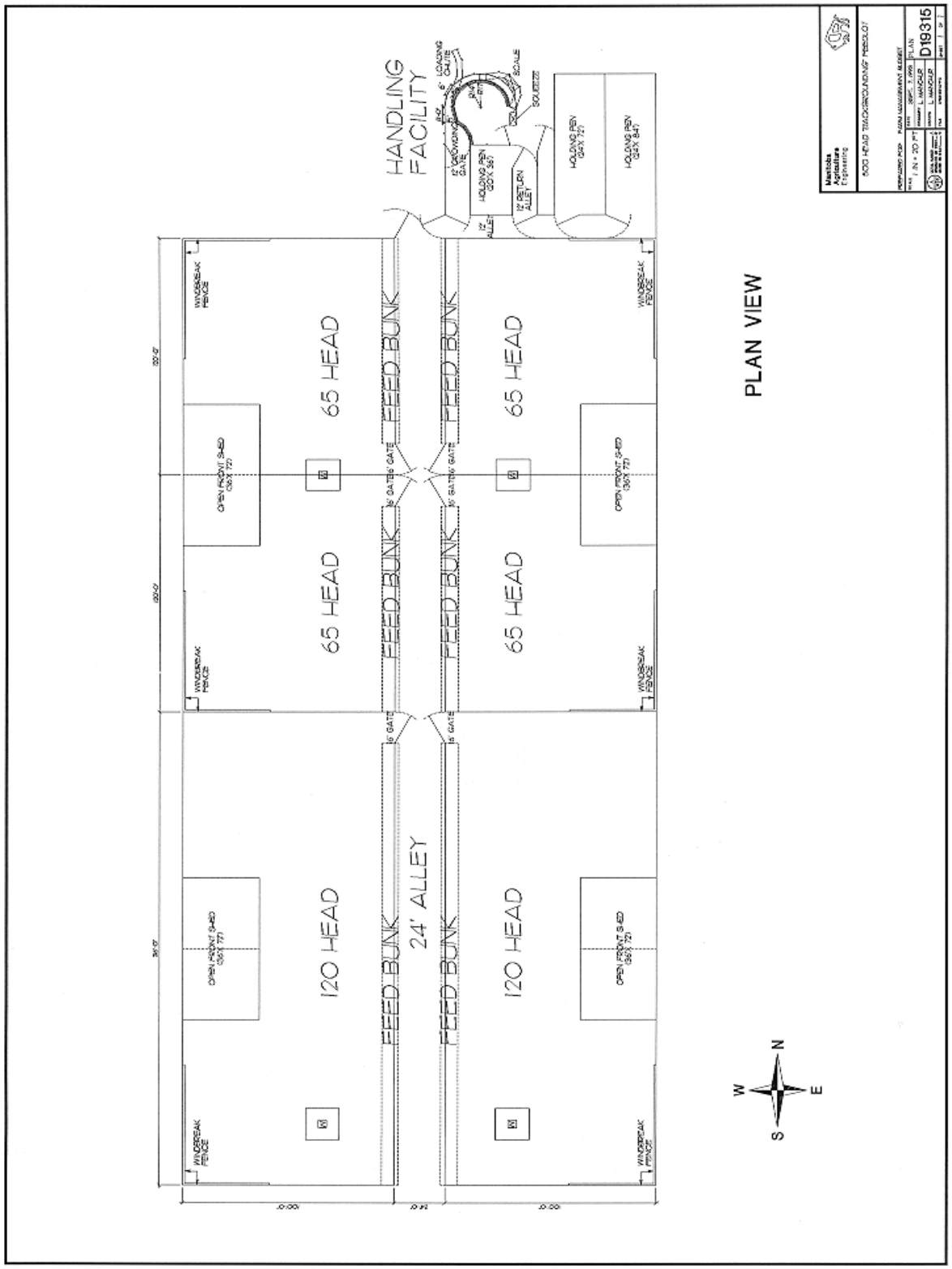
Return on Asset (ROA) = (Margin Over Operating - Labour - Building Depreciation - Machinery Depreciation) / (Building, Machinery & Equipment Investment / Herd Size) (eg. ($-9.09 - $28.00 - $7.20 - $18.00) / ($192,600 / 500) = -16.2%

Yardage Cost Per Feeder Per Day = ($22.40 straw + $10.06 fuel & repair + $1.54 building insurance + $3.45 utilities + $18.83 manure removal + $7.20 building depreciation+ $18.00 machinery depreciation + $4.34 building investment + $8.13 machinery investment + $5.70 operating interest + $1.20 misc. + $28.00 labour) ÷ 160 days = $0.805

September, 2025

Contact Us
For more information, contact a Farm Management Specialist.
- manitoba.ca/agriculture
- mbfarmbusiness@gov.mb.ca
- 1-844-769-6224

Backgrounding Feedlot Facilities



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Available in alternate formats upon request.