

2026 Cost of Production

Beef Feedlot Finishing



Guidelines For Estimating
Beef Feedlot Finishing Costs
For Weight Range of 650 - 1400 lbs.
Based on feeding 500 Steers

Date: September, 2025

This guide is designed to provide you with planning information and a format for calculating costs of production of a beef cattle feedlot finishing 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.

Cattle feeding is a high risk business requiring large amounts of short term capital to buy feeder cattle and feed. With cyclical price variations for both livestock and feed, successful management involves careful consideration of costs, projection of markets and sound judgement.

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](#)
determine machinery costs.

is also available to help

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.

Feedlot Finishing Cost Summary September, 2025

Based on feeding 500 steers for weight range 650 to 1400 lbs.

	<u>Cost/Head</u>	<u>Total Cost</u>	<u>Your Cost</u>
A. Operating Costs			
1. Feed Costs			
1.01 Rolled Barley	\$400.64	\$200,320	_____
1.02 Barley Silage	\$72.19	\$36,095	_____
1.03 Alfalfa Grass Hay	\$4.50	\$2,250	_____
1.04 Supplement	\$62.86	\$31,430	_____
Total Feed Costs	\$540.19	\$270,095	_____
2. Other Operating Costs			
2.01 Feeder Cost	\$4,049.30	\$2,024,650	_____
2.02 Straw	\$35.00	\$17,500	_____
2.03 Veterinary Medicine & Supplies	\$28.57	\$14,285	_____
2.04 Annual Fuel & Repair Costs	\$13.42	\$6,708	_____
2.05 Utilities	\$7.17	\$3,585	_____
2.06 Marketing & Transportation	\$122.17	\$61,085	_____
2.07 Insurance	\$1.80	\$900	_____
2.08 Manure Removal	\$14.00	\$7,000	_____
2.09 Barn & Office Supplies	\$1.80	\$900	_____
2.10 Death Loss	\$87.41	\$43,705	_____
Subtotal Operating Costs	\$4,900.83	\$2,450,413	_____
2.11 Operating Interest	\$189.30	\$94,650	_____
Total Operating Costs	\$5,090.13	\$2,545,063	_____
B. Fixed Costs			
3. Depreciation			
3.01 Buildings	\$7.46	\$3,730	_____
3.02 Machinery & Equipment	\$20.80	\$10,400	_____
4. Investment			
4.01 Buildings	\$3.19	\$1,595	_____
4.02 Machinery & Equipment	\$5.46	\$2,730	_____
Total Fixed Costs	\$36.91	\$18,455	_____
Total Operating and Fixed Costs	\$5,127.04	\$2,563,518	_____
C. Owners - Labour & Living	\$56.00	\$28,000	_____
TOTAL COST OF PRODUCTION	\$5,183.04	\$2,591,518	_____

Profitability and Breakeven Analysis

Estimated Farmgate	<u>Per Head</u>	<u>Total</u>
Gross Revenue @ \$325/cwt market price	\$4,322.50	\$2,161,250
Breakeven Analysis	Breakeven Purchase	Breakeven Selling
	Price (\$/cwt) @	Price (\$/cwt) @
	<u>\$325/cwt market price</u>	<u>\$620/cwt feeder price</u>
Operating Costs	\$501.90	\$382.72
Operating Costs & Labour	\$493.29	\$386.93
Operating & Fixed Costs	\$496.23	\$385.49
Total Costs	\$487.61	\$389.70
	Cost per lb of	Marginal Returns per head
	<u>gain sold (\$/cwt)</u>	<u>@ \$325 /cwt market price</u>
Feed Costs	\$79.44	
Operating Costs	\$155.90	(\$767.63)
Operating Costs & Labour	\$164.14	(\$823.63)
Operating & Fixed Costs	\$161.33	(\$804.54)
Total Costs	\$169.56	(\$860.54)
Return on Investment (ROI)	(16.6%)	
Estimated Return on Asset (ROA)	(200.1%)	

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 utilization of this information is the responsibility of the user. No liability for decisions based on this publication is assumed.

Risk & Sensitivity Analysis (Stress Test)

Percent Market Price Change	-2.5%
Percent Feed Cost Change	5.0%
Percent Feeder Cost Change	5.0%

	Per Head
Market Price (\$ per cwt)	\$316.88
Feed Cost	\$567.20
Feeder Cost	\$4,251.77

Stress Test Scenario = Market Price Down 2.5%, Feed Price Up 5% and Feeder Cost Up 5%

Operating Costs	\$5,319.60
Total Costs	\$5,412.51
Gross Revenue / feeder	\$4,214.44
Marginal Returns	
Over Operating Costs	(\$1,105.16)
Over Operating & Labour Costs	(\$1,161.16)
Over Total Costs (Net Profit)	(\$1,198.07)
Operating Expense Ratio	126.2%

Estimated Breakeven Canadian Dollar Analysis

	Est. Market Price (\$/cwt Cdn) @ 0.7300 Cdn per USD				
	\$315.00	\$320.00	\$325.00	\$330.00	\$335.00
Breakeven CDN Dollar (\$1 Cdn = \$ USD)					
Operating Costs	0.6008	0.6104	0.6199	0.6294	0.6390
Operating & Labour Costs	0.5943	0.6037	0.6132	0.6226	0.6320
Operating, Fixed & Labour Costs	0.5901	0.5994	0.6088	0.6182	0.6275

Breakeven Canadian Dollar = (Est. Market Price (\$/lb) x Shrunk Wt. (lbs) x \$ Cdn per USD) / Cost
 (eg. (\$3.25 x 1330 lbs x \$0.7300) / \$5183.04) = \$0.6088

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Feedlot Finishing Production Costs - Input

Assumptions

1. This budget outlines the cost of production for a cattle feeder's operation.
2. Buildings and equipment are valued at new cost.
3. All feed is purchased.

Herd Profile

Total

Number of Feeders Purchased		500	head
Feeder Cattle Mortality Rate		2.00	%
Feeder Purchased Weight		650	lbs
Feeder Cattle Price		\$620.00	/cwt
Finish Weight		1,400	lbs
Finish Selling Price		\$325.00	/cwt
\$1 Canadian Dollar	(\$1.3699 CDN)	\$0.7300	/ \$1 USD
WLPIP Insurance Premium		\$0.00	/cwt
Percent Shrink - finished		5.00	%
Percent Shrink - feeder		0.00	%
Average Daily Gain		3.25	lbs/day
Days On Feed		231	days

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

Feed Costs	<u>\$/unit</u>	Feeder Cattle <u>Requirement</u>	Days on <u>Feed</u>
Rolled Barley	\$4.50 /bu	18.50 (lbs/day)	231
Barley Silage	\$50.00 /ton	12.50 (lbs/day)	231
Alfalfa Grass Hay	\$120.00 /ton	5.00 (lbs/day)	15
Supplement 32%	\$600.00 /tonne	1.00 (lbs/day)	231
Other Feed #2	\$0.00	0.00 (lbs/day)	
Salt, Vitamins & Mineral	\$0.00 /lb	0.00 (lbs/year)	

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

Other Operating Costs

Total

Feeder Purchase Costs

Buying Commission	\$1.00	/cwt
Insurance	\$1.75	/head
Trucking Cost	\$1.70	/cwt

Straw

Tons/feeder	0.50	tons
Cost	\$70.00	/ton

Veterinary Medicine & Supplies**Cattle Medication**

Cost/Head(IBR,BVD,PI3,BVD,BRSV, Pasteurella)	\$6.00
Vitamin A-D	\$0.50
External & Internal Parasites	\$0.96
Blackleg & Haemophilus	\$1.65
Growth Implants	\$3.42
Antibiotics	\$15.00

Herd health program**Professional Services**

Total Yearly Hours	2.00	hours
Charge per Hour	\$240.00	/hour

Transportation

Total Kilometres (round trip)	80.00	km
Charge per km	\$1.00	/km
Number of Yearly Visits	2	

Annual Fuel & Repair Costs

a) Machinery Fuel Costs - Winter Feeding

Tractor with Loader PTO hp	120
Diesel Fuel Cost	\$1.20 /litre
Tractor Hours Per Day (average)	1.50 hours

b) Machinery Repair (% of investment cost)

1.2 %

c) Building maintenance (% of investment cost)

2.2 %

Utilities

Hydro - Rate	\$0.09587 / kWh
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18 kWh per feeder \$398.63

3 1000 watt waterer \$2,588.49

Total Hydro \$2,987.12

Telephone \$600.00

Marketing Costs**Trucking Cost**

Distance	700	miles
Rate	\$6.50	/loaded mile
Truck Capacity	54,000	lbs/load
Number of head per load	39	per load
Selling commission	\$0.00	/head

Other Costs

MBP/NCO Levy \$/Head	\$5.50	/head
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Manure Removal

Annual Cost for Removal	\$7,000.00
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Insurance

Cost per \$100 Capital Invested in:

a) Livestock

\$0.00

b) Building & Equipment

\$0.40

Additional Coverage for Liability

\$49.00

Barn & Office Supplies

Total yearly expense relating to barn

\$900.00

Operating Interest Rate

6.75 %

Investment Interest Rate

3.50 %

FOOTNOTE: cwt = hundred-weight = 100 lbs

Capital Costs**Buildings, Corrals & Water System**

Windbreak fence

**Original
Value**

\$7,350

**Salvage
Value**

10 %

**Useful
Life**

20 years

Pens

\$4,540

10 %

20 years

Shelters

\$0

10 %

20 years

Handling Facilities

\$7,500

10 %

20 years

Waterers

\$6,000

10 %

20 years

Gates

\$2,000

10 %

20 years

Bunk Feeders

\$25,000

10 %

20 years

Well & Pressure System

\$8,000

10 %

20 years

Grain Bin

\$5,000

10 %

20 years

Landscaping

\$17,500

10 %

20 years

Total

\$82,890

Machinery & Equipment

Tractors & Loader (\$175,000 @ 40%)

\$70,000

20 %

10 years

Miscellaneous

\$60,000

20 %

10 years

Total Investment

\$212,890

Labour Costs**Total**

Labour Hours

2.00 hours/head

Labour Rate

\$28.00 /hour

Feedlot Finishing Production Cost Worksheet

Assumptions

1. Average daily gain (ADG) was assumed to be 3.25 lbs/day.
2. It was assumed that the feeder steer weighed in at 650 lbs., and finished at 1400 lbs (1330 lbs after a 5% shrink.)
3. Days on feed was 231. Hay was fed for 15 days.
4. Investment in feedlot facilities and equipment was assumed to handle 500 head.

A. Operating Costs

Your Cost

1. Feed Costs

1.01 Rolled Barley

	231.00	days on grain	_____
x	18.50	lbs/feeder/day	_____
÷	48.00	lbs/bushel	_____
<u>x</u>	<u>\$4.50</u>	<u>/bushel</u>	_____
=	\$400.64	/feeder	_____

1.02 Barley Silage

	231.00	days on silage	_____
x	12.50	lbs/feeder/day	_____
÷	2,000.00	lbs/ton	_____
<u>x</u>	<u>\$50.00</u>	<u>/ton</u>	_____
=	\$72.19	/feeder	_____

1.03 Alfalfa Grass Hay

	15.00	days on hay	_____
x	5.00	lbs/feeder/day	_____
÷	2,000.00	lbs/ton	_____
<u>x</u>	<u>\$120.00</u>	<u>/ton</u>	_____
=	\$4.50	/feeder	_____

1.04 Supplement (Salt, Vitamins, Minerals, Ionophore)

	231.00	days on supplement	_____
x	1.00	lbs/feeder/day	_____
÷	2,205.00	lbs/tonne	_____
<u>x</u>	<u>\$600.00</u>	<u>/tonne</u>	_____
=	\$62.86	/feeder	_____

2. Other Operating Costs

2.01 Feeder Cattle Cost

Buying Commission & insurance

\$6.50	commission/feeder	_____
\$1.75	insurance/feeder	_____

Trucking-in

	\$1.70	/cwt	_____
x	650.00	lbs/feeder	_____
÷	<u>100.00</u>	<u>lbs/cwt</u>	_____
=	\$11.05	/feeder	_____

	650.00	lbs/feeder	_____
x	\$620.00	/cwt	_____
÷	<u>100.00</u>	<u>lbs/cwt</u>	_____
=	\$4,030.00	/feeder	_____

Total = \$4,049.30 /feeder

2.02 Straw

	0.50	tons/feeder/year	
x	<u>\$70.00</u>	/ton	
=	\$35.00	/feeder	

2.03 Veterinary Medicine & Supplies

Cattle Medication

	\$6.00	IBR,PI3,BVD,BRSV & Pasteurella	
+	\$0.50	Vitamin A,D & E	
+	\$0.96	External & Internal Parasites	
+	\$1.65	Blackleg & Haemophilus	
+	\$3.42	Implant	
±	<u>\$15.00</u>	<u>Antibiotics</u>	
=	\$27.53	/feeder	

Professional Services

	\$180.00	/hour charge	
x	2.00	hours	
±	<u>500</u>	<u>feeder cattle</u>	
=	\$0.72	/feeder	

Transportation Costs

	\$1.00	/km charge	
x	80.00	kilometres	
x	2.00	visits	
±	<u>500</u>	<u>feeder cattle</u>	
=	\$0.32	/feeder	

Total = \$28.57 /feeder

2.04 Annual Fuel & Repair Costs

Machinery fuel cost

	120	PTO hp	
÷	2.5	avg HP required	
x	0.1665576	litres fuel/hour/hp	
x	1.5	hours per day	
x	\$1.20	diesel / litre	
x	<u>231</u>	days on feed	
	\$3,324.22	annual fuel cost	
÷	<u>500.00</u>	<u>feeders</u>	
=	\$6.65	/feeder	

Machinery repair & maintenance

	\$130,000	machinery capital cost	
x	<u>1.20</u>	% repair rate	
=	\$1,560.00	oil, repairs & maintenance	
±	<u>500.00</u>	<u>feeders</u>	
=	\$3.12	/feeder	

Building repair & maintenance

	\$82,890	building capital cost	
x	<u>2.20</u>	% repair rate	
=	\$1,823.58	oil, repairs & maintenance	
±	<u>500.00</u>	<u>feeders</u>	
=	\$3.65	/feeder	

= \$13.42 /feeder

2.05 Utilities

	\$3,587.12	utilities	
÷	<u>500</u>	<u>feeder cattle</u>	
=	\$7.17	/feeder	

2.06 Marketing & Transportation

		\$5.50	MBP Levy	_____
+		\$0.00	WLPIP Insurance Premium	_____
+		<u>\$0.00</u>	<u>commission</u>	_____
=		\$5.50	/feeder	_____
Trucking		700.00	miles	_____
x		\$6.50	/loaded mile	_____
÷		<u>39.00</u>	<u>head/load</u>	_____
=		\$116.67	/feeder	_____
Total	=	\$122.17	/feeder	_____

2.07 Insurance

		\$212,890	building & equipment investment	_____
x		\$0.40	/\$100 capital	_____
÷		100.00	/\$100 capital	_____
÷		<u>500</u>	<u>feeder cattle</u>	_____
=		\$1.70	/feeder/year	_____
		\$2,145,000	feeder investment	_____
x		\$0.00	/\$100 capital	_____
÷		100.00	/\$100	_____
÷		<u>500</u>	<u>feeder cattle</u>	_____
=		\$0.00	/feeder/year	_____
		\$49.00	liability premium	_____
÷		<u>500</u>	<u>feeder cattle</u>	_____
=		\$0.10	/feeder/year	_____
Total	=	\$1.80	/feeder	_____

2.08 Manure Removal

		\$7,000	removal cost	_____
÷		<u>500</u>	<u>feeder cattle</u>	_____
=		\$14.00	/feeder	_____

2.09 Barn & Office Supplies

		\$900.00	total barn expenses	_____
÷		<u>500</u>	<u>feeder cattle</u>	_____
=		\$1.80	/feeder	_____

2.10 Death Loss

		\$4,049.30	feeder cattle cost	_____
+		\$4,813.42	maximum value	_____
-		\$122.17	marketing costs	_____
÷		2.00	average value	_____
x		<u>2.00</u>	<u>% mortality rate</u>	_____
=		\$87.41	/feeder	_____

2.11 Operating Interest

		\$4,049.30	feeder cost	_____
+		\$382.06	½ of feed & other costs	_____
x		6.75	% operating interest	_____
x		231.00	days on feed	_____
÷		<u>365.00</u>	<u>365 days</u>	_____
=		\$189.30	/feeder	_____

Capital Costs**Buildings, Corrals
& Water System**

Windbreak fence	\$7,350	
Pens	\$4,540	
Handling Facilities	\$7,500	
Waterers	\$6,000	
Gates	\$2,000	
Bunk Feeders	\$25,000	
Well & Pressure System	\$8,000	
Grain Bin	\$5,000	
Landscaping	<u>\$17,500</u>	
Total	\$82,890	

Machinery & Equipment

Tractor & Loader	\$70,000	
Miscellaneous	<u>\$60,000</u>	
Total	\$130,000	

Total Investment **\$212,890**

B. Fixed Costs**3. Depreciation** **Original Cost - Salvage Value**
Useful Life**3.01 Buildings**

	\$82,890	original cost	
-	\$8,289	salvage value	
÷	20.00	years useful life	
÷	<u>500</u>	<u>feeder cattle</u>	
=	\$7.46	/feeder	

3.02 Machinery & Equipment

	\$130,000	original cost	
-	\$26,000	salvage value	
÷	10.00	years useful life	
÷	<u>500</u>	<u>feeder cattle</u>	
=	\$20.80	/feeder	

4. Investment **Original Cost + Salvage Value x Investment Rate**
2**4.01 Buildings**

	\$82,890	original cost	
+	\$8,289	salvage value	
÷	2.00	average	
x	3.50	% investment rate	
÷	<u>500</u>	<u>feeder cattle</u>	
=	\$3.19	/feeder	

4.02 Machinery & Equipment

	\$130,000	original cost	
+	\$26,000	salvage value	
÷	2.00	average	
x	3.50	% investment rate	
÷	<u>500</u>	<u>feeder cattle</u>	
=	\$5.46	/feeder	

C. Labour

	2.00	hours/feeder/year	
x	<u>\$28.00</u>	<u>/hour</u>	
=	\$56.00	/feeder	

Breakeven Calculations

Cost per lb of gain sold			Your Farm
Feed Costs			
	\$540.19	feed cost	
÷	<u>680.00</u>	<u>weight gain (lb)</u>	
=	\$0.79	/lb	
Operating Costs			
	\$5,090.13	operating costs	
-	\$4,030.00	feeder cost	
÷	<u>680.00</u>	<u>weight gain (lb)</u>	
=	\$1.56	/lb	
Operating & Labour Costs			
	\$5,146.13	operating & labour	
-	\$4,030.00	feeder cost	
÷	<u>680.00</u>	<u>weight gain (lb)</u>	
=	\$1.64	/lb	
Total Operating & Fixed			
	\$5,127.04	operating & fixed	
-	\$4,030.00	feeder cost	
÷	<u>680.00</u>	<u>weight gain (lb)</u>	
=	\$1.61	/lb	
Total Costs			
	\$5,183.04	total	
-	\$4,030.00	feeder cost	
÷	<u>680.00</u>	<u>weight gain (lb)</u>	
=	\$1.70	/lb	
Breakeven selling price			
Operating Costs			
	\$5,090.13	operating costs	
÷	<u>1,330.00</u>	<u>lbs shrunk weight</u>	
=	\$3.83	/lb	
Operating & Labour			
	\$5,146.13	operating & labour costs	
÷	<u>1,330.00</u>	<u>lbs shrunk weight</u>	
=	\$3.87	/lb	
Operating & Fixed			
	\$5,127.04	operating & fixed costs	
÷	<u>1,330.00</u>	<u>lbs shrunk weight</u>	
=	\$3.85	/lb	
Total Costs			
	\$5,183.04	total costs	
÷	<u>1,330.00</u>	<u>lbs shrunk weight</u>	
=	\$3.90	/lb	

Breakeven purchase price**Operating Costs**

	1,330.00	lbs shrunk weight	
x	\$325.00	\$/cwt selling price	
=	\$4,322.50	income	
-	\$1,060.13	operating less feeder cost	
÷	<u>650.00</u>	<u>lbs purchase net weight</u>	
=	\$5.02	/lb	

Operating & Labour

	1,330.00	lbs shrunk weight	
x	\$325.00	\$/cwt selling price	
=	\$4,322.50	income	
-	\$1,116.13	op & labour less feeder cost	
÷	<u>650.00</u>	<u>lbs purchase weight</u>	
=	\$4.93	/lb	

Operating & Fixed

	1,330.00	lbs shrunk weight	
x	\$325.00	\$/cwt selling price	
=	\$4,322.50	income	
-	\$1,097.04	op & fixed less feeder cost	
÷	<u>650.00</u>	<u>lbs purchase weight</u>	
=	\$4.96	/lb	

Total Costs

	1,330.00	lbs shrunk weight	
x	\$325.00	\$/cwt selling price	
=	\$4,322.50	income	
-	\$1,153.04	total less feeder cost	
÷	<u>650.00</u>	<u>lbs purchase weight</u>	
=	\$4.88	/lb	

Profitability and Breakeven Analysis:

Gross Revenue = Shrunk weight (lbs) x \$/lb price (eg. 1330 x \$3.25/lb = \$4322.50)

Return on Investment (ROI) = (Gross Revenue - Total Cost) / Total Cost

(eg. (\$4322.50 - \$5183.04) / \$5183.04 = -16.6%

Return on Asset (ROA) = (Margin Over Operating - Labour - Building Depreciation - Machinery Depreciation) / (Building, Machinery & Equipment Investment / Herd Size)

(eg. (\$-767.63 - \$56.00 - \$7.46 - \$20.80) / (\$212,890 /) = -200.1%

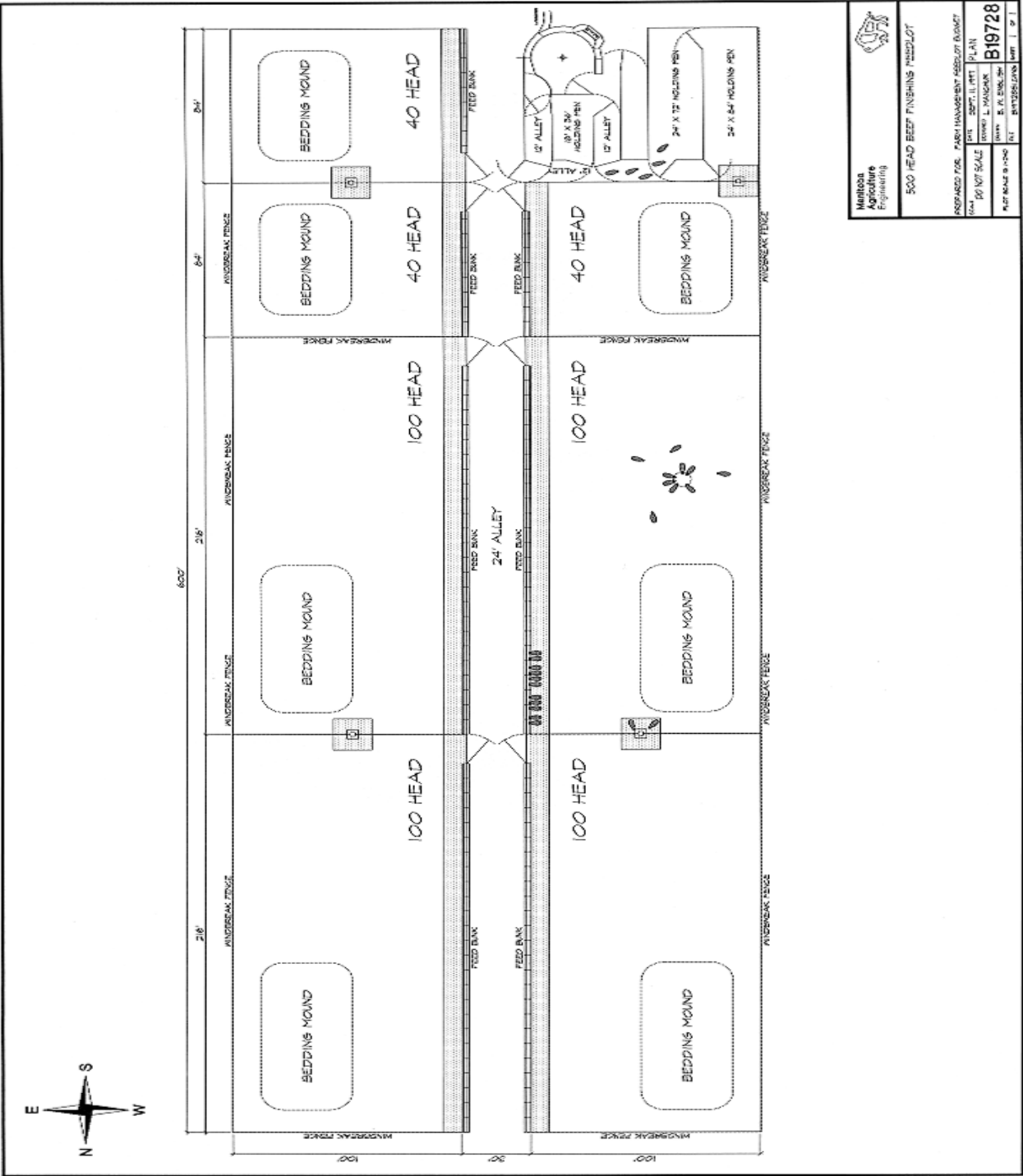
September, 2025

Contact Us

For more information, contact a Farm Management Specialist.

- manitoba.ca/agriculture
- mbfarmbusiness@gov.mb.ca
- 1-844-769-6224

Beef Finishing Feedlot 500 Head





Contact us

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- mbfarmbusiness@gov.mb.ca
- 1-844-769-6224