



Western Beef Development Centre

2002 & 2003 SASKATCHEWAN FEEDLOT YARDAGE ANALYSIS: HOW DO YOU COMPARE?

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Introduction - Western Beef Development Centre Cost of Production Study

The Western Beef Development Centre (WBDC) has collected feedlot cost of production data for both the 2002 & 2003 fiscal years from approximately 20 farms, ranches and feedlots across Saskatchewan. The yardage costs associated with these feeders are discussed in this article and are to be used as a benchmark for those wishing to have some comparative information.

In this analysis “feedlot yardage” includes: fuel, utilities, repairs, custom work, paid and unpaid labour, depreciation, lease payments, taxes, licenses, insurance, equipment rental, and all those other costs which fall under the “miscellaneous section.” Business overhead costs such as office supplies, accounting, etc. are also included. Veterinary & medicine, bedding, feed, trucking, marketing, and interest, were not included as yardage costs.

Results

Table 1 presents the 2003 backgrounding and finishing feedlot yardage costs. On average, approximately 500 calves per producer were placed on feed in both the backgrounding (16 operations) and finishing lots (7 operations). The backgrounders fed their calves for an average of 155 days at a yardage cost of **\$0.448/head day**.

The finishers were caught with 72% of their calves still on feed when BSE was found May 20, 2003 in one Alberta cow. The end result was delayed marketing (average days on feed of 300 days/head) and an average yardage cost of **\$0.39/head day**.

The results of Table 1 are also displayed in Charts 1 and 2, where yardage cost per feeding day is compared to the total number of feeding days performed in the operation. The plotted points on the charts (tiny square boxes) indicate the observations of the participating producers and are provided to reveal the wide variation in yardage costs observed.

Table 2 compares backgrounding yardage (<1.55 lbs/day ADG) versus finishing/backgrounding yardage (>2 lbs/day ADG) from the 2002 analysis. Producers with gains of < 1.55 lbs/day had an average yardage cost of \$0.441/head day while those with gains > 2lbs/day were observed to have an average yardage cost of \$0.423/head day. Charts 3 & 4 plot the observations of Table 2. Yardage calculations included the cost of rolling, processing, tub grinding and transporting feed to the “bunk”. Therefore, using the numbers in this

article as a benchmark for calculating your own yardage would mean it is not necessary to also “mark-up” your feed to account for these actions.

Summary

The past 2 years of analysis have produced some surprising results for producers who had not previously calculated their own operation’s yardage cost. In many cases the calculated yardage cost per feeding day was much higher than the producer’s “estimated” figure being used for budgeting purposes. As a result of undercharging for yardage, these producers were essentially not being paid the market value for their feed and weaned calves they were selling to their feeding enterprise.

To participate in the WBDC cost of production program or to obtain further information regarding this and many other articles pertaining to this topic, visit our website at www.wbdc.sk.ca or contact Tim Highmoor at 306-682-3139, or email thighmoor@wbdc.sk.ca.

Table 1. WBDC 2003 Saskatchewan Feedlot Yardage Analysis

Item	Backgrounders		Finishers	
	\$/lb. gained	\$/head day	\$/lb. gained	\$/head day
Fuel	0.024	0.034	0.014	0.031
Machinery Repairs	0.021	0.030	0.011	0.025
Building/Corral Repairs	0.013	0.019	0.007	0.014
Utilities & Miscellaneous	0.036	0.052	0.020	0.044
Custom Work	0.039	0.057	0.022	0.048
Labour (Paid & Unpaid)	0.104	0.150	0.053	0.116
Taxes, Lisc., Leases & Ins.	0.014	0.020	0.008	0.017
Depreciation	0.060	0.087	0.044	0.094
Total Average Yardage	0.311	0.448	0.180	0.390
Avg. Total Days on Feed	75,167		147,813	
Avg. # of Days on Feed/Head	155		300	
Avg. # of Calves Sold	484.95		492.71	
Avg. Daily Gain	1.44		2.17	
# of Observations	16		7	
Buildings & Corral Market Value	\$36,227		\$53,372	
Machinery & Equipment Market	\$37,563		\$48,357	

2003 Saskatchewan Backgrounding Yardage Costs

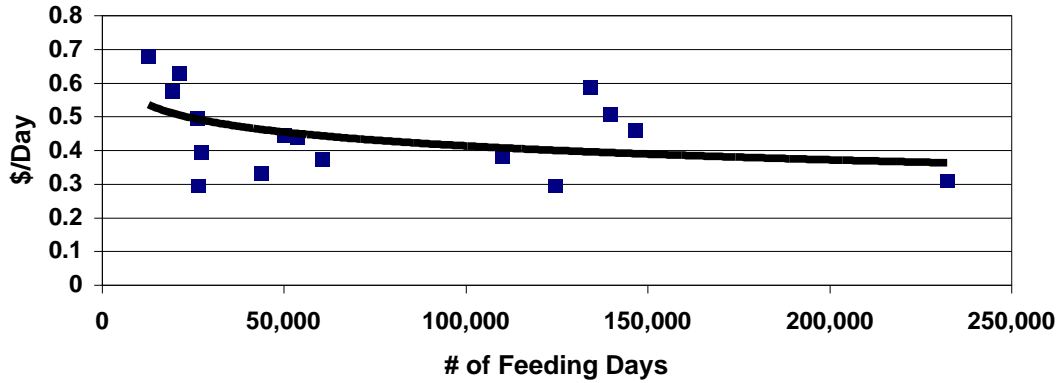


Chart 1: WBDC 2003 Saskatchewan Backgrounding Yardage Analysis

2003 Saskatchewan Finishing Yardage Costs

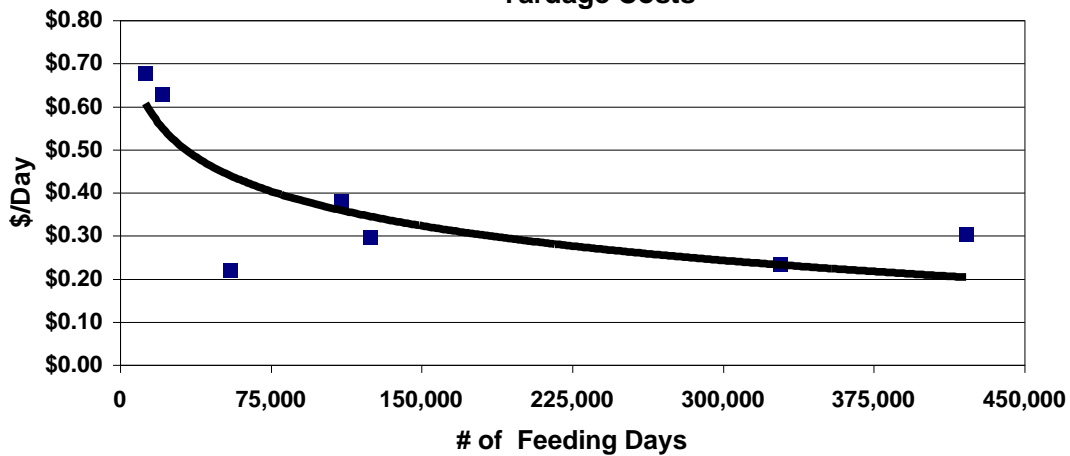


Chart 2: WBDC 2003 Saskatchewan Finishing Yardage Analysis

2002 Saskatchewan Yardage Costs < 1.55 lbs/day ADG

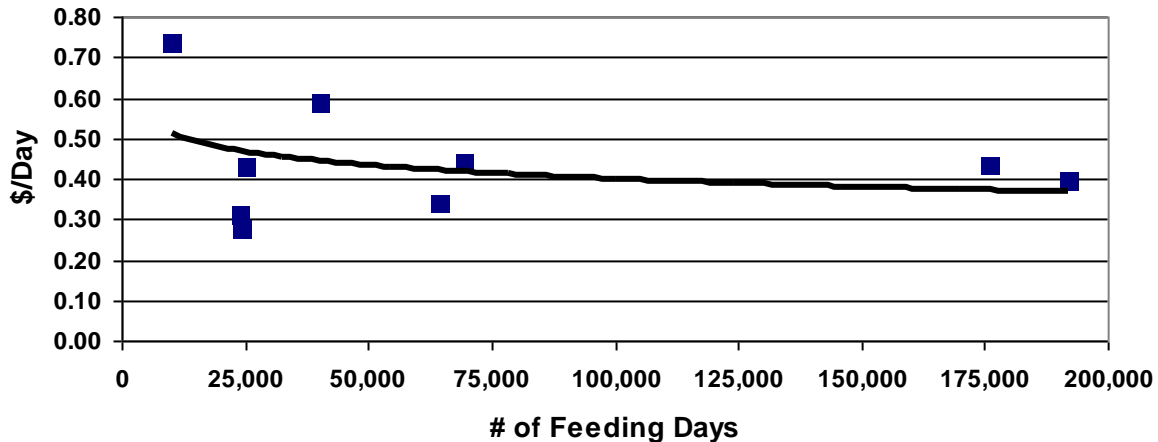


Chart 3: WBDC 2002 Saskatchewan Yardage Analysis - <1.55 lbs/day ADG

**2002 Saskatchewan Yardage Costs
>2 lbs/day ADG**

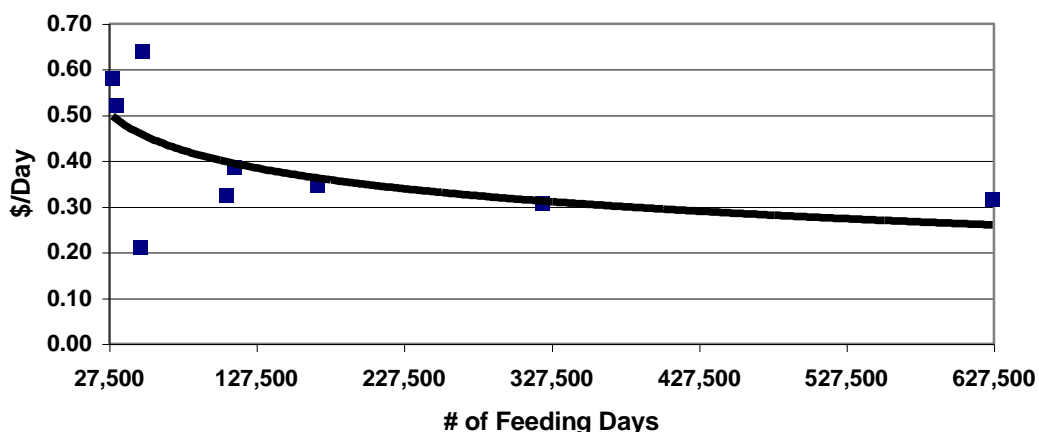
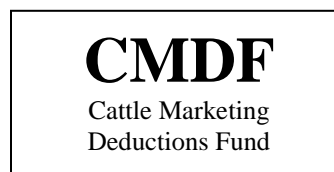


Chart 4: WBDC 2002 Saskatchewan Yardage Analysis -- > 2 lbs/day ADG

Table 2. WBDC 2002 Saskatchewan Feedlot Yardage Analysis

Item	Backgrounders < 1.55 lbs/day ADG		Backgrounders/Finishers > 2.0 lbs/day ADG	
	\$/lb gained	\$/head day	\$/lb gained	\$/head day
Fuel	0.025	0.032	0.013	0.033
Machinery Repairs	0.021	0.026	0.012	0.031
Building/Corral Repairs	0.011	0.014	0.006	0.015
Utilities & Miscellaneous	0.031	0.039	0.018	0.046
Custom Work	0.041	0.052	0.021	0.054
Labour (Paid & Unpaid)	0.147	0.185	0.059	0.150
Taxes, Lisc., Leases, & Ins.	0.017	0.021	0.004	0.010
Depreciation	0.055	0.069	0.032	0.082
Total Average Yardage	0.350	0.441	0.166	0.423
Avg. Total Days on Feed	60,882		162,017	
Avg. # of Days on Feed/Head	170		195	
Avg. # of Calves Sold	357		831	
Avg. Daily Gain	1.26		2.55	
# of Observations	8		9	
Buildings & Corral Market Value*	\$28,107		\$46,788	
Machinery & Equipment Market Value	\$31,060		\$59,768	



This study was funded by the Saskatchewan Cattle Marketing Deductions Fund and Ducks Unlimited Canada.