

## Beef Cattle Value and Breakeven Calculators

### Fact Sheet

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#### Introduction

Three spreadsheets have been developed to help cattle producers make more informed decisions. The spreadsheets assist in calculating breakevens for backgrounding (Grower) and finishing (Feedlot) scenarios, and a Feeder Purchase calculator is intended to give the cow/calf producer a better understanding of calf value.

The accuracy of the inputs limits all forecasting tools. The futures markets provide the best view of how the market is viewing future commodity values today. Commodity values can be obtained for corn, live (finished) cattle and feeder cattle at several sites online. USU Extension provides access to current market prices at [Prices & Markets | USU](#).

#### General Instructions

- Cells highlighted in blue must be filled in with up-to-date information.
- Cells highlighted in green are key output results.
- Cells with green font (no highlights) can be changed but are good estimates.
- Railer, % - the percentage of animals of poor quality and not sold at full value.
- Interest rate – assumes interest payment on all costs associated with the feeding program, including cattle.
- Yardage – estimated or actual cost of feeding operations on a per-head, per-day basis. Yardage cost includes all labor, equipment, fuel, repairs and utilities but not feed cost.
- Total cost of gain – total cost of feeding program per pound of weight gained.
- Value of Gain – the total value added per pound of weight gain. If the cost of gain does not exceed the value of the added gain, the feeding scenario will not be profitable.
- Estimated Breakeven – the sale price at which the feeding scenario is a breakeven.
- P&L, total and \$/hd – profit or loss for the total program or per head, it is calculated by subtracting the Estimated Breakeven (total production cost) and the Estimated Sale Price (revenue).

#### Grower Breakeven Calculator

The Grower Breakeven Calculator is intended to provide a breakeven for either purchased or retained ownership calves in a backgrounding scenario. Important notes are as follows:

- Slide – the change in value per hundredweight as cattle increase in weight. This value can be variable and should be updated regularly. Local or national market reports will indicate the slide as they report cattle values at different weights.
- Slide Base Weight – the weight at which the base price is determined. The feeder futures is a good value approximation for a 750 lb. steer.
- Feeder Cattle Futures – obtained online for the month of expected marketing.

### Feedlot Breakeven Calculator

- Fed Cattle Futures – obtained online for the month of expected marketing.

### Feeder Purchase Price Calculator

- Purchase Weight – expected weight at which your calves will be sold
- Daily Gain – estimate the expected gain on your calves. Utilize past feeding data if available.
- Days on Feed – the number of days fed will determine your cattle's finished weight (cell E15). Adjust the number of days to hit an expected marketing weight.
- Feed Conversion – the pounds of dry feed per pound of gain. This number is entered on a dry matter (DM) basis.
- Corn Cost/bushel – obtained online for the months cattle will be on feed. It may be best to average the futures price for the months the cattle will be in the feedlot.
- Corn basis – the difference between the board price and the local price the feeder has to pay. It varies by region and time of year. Use the default number unless you have better information.
- Fed Cattle Futures, \$/lb – obtained online for the month cattle are expected to market. Use the expected sale date and add the estimated days on feed.