



# Evaluating yardage costs



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High feed grain prices get a lot of attention in feedlot budgets. Yardage – the total cost of housing an animal in the yard – may not get the same attention, but it is still an important cost to consider. Yardage costs are a significant component of a cattle system, whether backgrounding retained calves, custom-feeding or operating a feedlot.

There are three main components to yardage costs: fixed costs, variable costs and labour costs. Fixed costs are all the costs that will be incurred by the cattle operation whether there are cattle in the yard or not. Fixed costs include the total cost associated with purchasing the land (including interest rates), equipment and structures. In addition to the initial purchasing cost of these items, interest and insurance costs should also be included, as they will be paid over a number of years.

Variable costs represent all the costs that are associated with running the facility. These include electricity, natural gas, repairs, fuel, etc. The final component is labour costs. There is some debate whether or not labour should be included in yardage cost, but it is important to attach a value to the total cost of labour, which should include the time to feed the animals in addition to time spent on managing the operation and book keeping. Labour does not necessarily have to be included in yardage, as long as labour is not overlooked when compiling a complete cost of feeding cattle.



Many variables can affect how yardage costs are calculated.

Yardage costs are a major component in the total cost of feeding cattle, and it is necessary to calculate your own yardage cost, as it will vary significantly from operation to operation. There are several ways to manage yardage costs. The first is to maximize the use of the facilities to ensure that you are generating maximum returns from the facilities that are in place. The second is to manage variable cost and look for cost-savings, where possible.

Managing yardage costs is a crucial part of managing a livestock operation. If an operation is unable to recover its variable costs, it may be best to not operate for that given year. However, if the operation will break even with variable cost or exceed the variable cost, it is in the best interest of the operation to continue.

#### FOR MORE INFORMATION

- Contact the Agriculture Knowledge Centre at 1-866-457-2377, or visit the Saskatchewan Ministry of Agriculture's website at [www.agriculture.gov.sk.ca](http://www.agriculture.gov.sk.ca).

## LIVESTOCK NUTRITION PUBLICATIONS



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Each year, Saskatchewan livestock producers are faced with a wide and constantly changing array of production-related issues. Saskatchewan Agriculture has produced a number of publications that answer your most common questions. Information on annual crops for forage, pasture, greenfeed and grazing, feeding brassica crops, creep feeding, swath and bale grazing, managing rangeland and water quality are just a few of the topics covered by the Ministry's publications.



Bale grazing

This year, the Ministry's specialists have produced several publications that would be of interest to livestock producers. The publication *Straw Rations – Winter Cows* and *Straw: A Roughage Source for Cattle* explains how to incorporate straw and crop residue into cattle rations. The publication

*Swath Grazing* shows how to prepare the field for swath grazing and how to manage swath-grazed cattle.

*Beef Cow Rations and Winter Feeding Guidelines* is one of the Ministry's most-used publications. This year's edition contains 73 pages of information covering common nutrition terms and average feed nutrient values. It also contains dozens of sample hay, straw and silage rations for different stages of production, varying temperatures and frame size. Each ration illustrates how much feed should be fed, which is useful for calculating "what if" scenarios and feed budget comparisons.

The Ministry also has feeding, nutrition, grazing, pasture and forage publications for bison, sheep and cervid producers.

All publications can be found on the Saskatchewan Ministry of Agriculture website at [www.agriculture.gov.sk.ca](http://www.agriculture.gov.sk.ca) under Livestock.

#### FOR MORE INFORMATION

- A complete list of publications and further information on what nutrition publications are available from the Saskatchewan Ministry of Agriculture is available from the Agriculture Knowledge Centre at 1-866-457-2377.

