

Feedlot Breakeven Price Calculator

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Interest in utilizing by-products (e.g., distillers grains) in feedlot rations is rapidly increasing. This Excel calculator is designed to identify the “break-even” price one can pay for different by-products. The identified price (e.g., price of dried distillers grains) is the delivered price a farm can pay that will make his/her cost of gain (\$/lb of gain) equate that of a traditional (no by-product used) ration. That is, the identified price is the most a produce should pay (delivered) for a given by-product.

More specific instructions on how to use the calculator (which are also included in the spreadsheet) follow:

Step 1: Indicate if you want to compare wet DGS, dry DGS, or corn gluten feeds by placing an “x” in cell H5, H6, or H7.

Step 2: Note that any boxes highlighted in yellow can be adjusted to match your situation.

Step 3: Update animal weights, and performance measures (rows 18-23) to match your situation.

Step 4: Update prices in column H (rows 29-40) to match your situation

Step 5: Update NonFeed costs (rows 45-51) to match your situation

Step 6: Review the "interpretation notes" provided in rows 63-69 that layout the assumptions underlying the spreadsheet.

Step 7: Review the nutrient comparison of rations in rows 43-44 to note how use of wet DGS, dry DGS, or corn gluten feeds impacts the nutrition content of the ration.

Step 8: Review the break-even, delivered price that appears in cell D60.

The proper interpretation of this value is the maximum price (as-fed) that you can pay to have the byproduct delivered to your farm. If the product can be delivered to your farm for less than this amount, your feed costs per pound of gain will be lowered by incorporating the byproduct into your rations.

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