



Economics of Winter Finishing

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Key factors

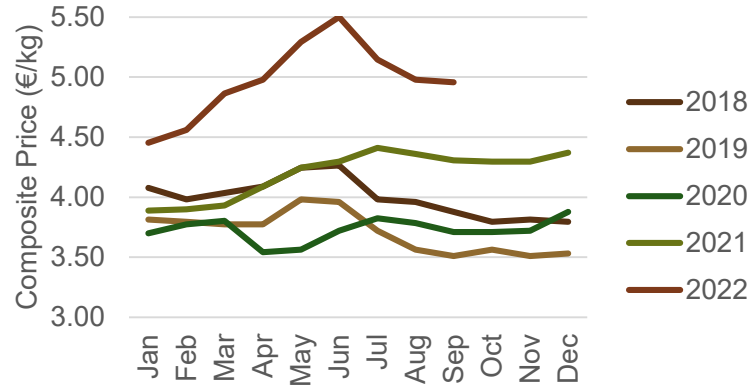
Performance efficiency

Beef price

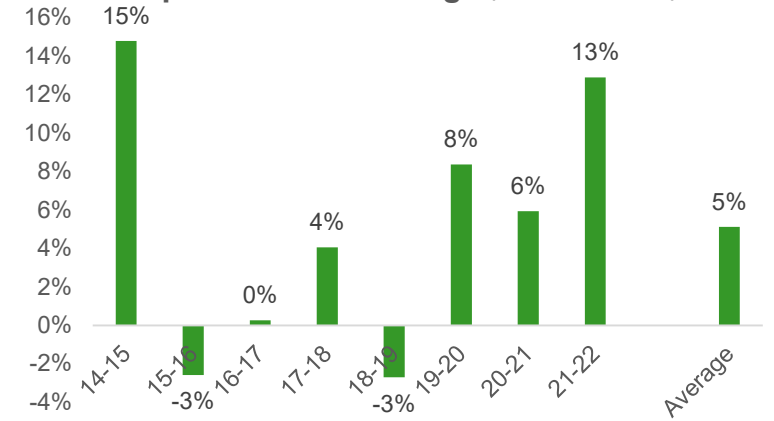
Store cattle price

Input prices

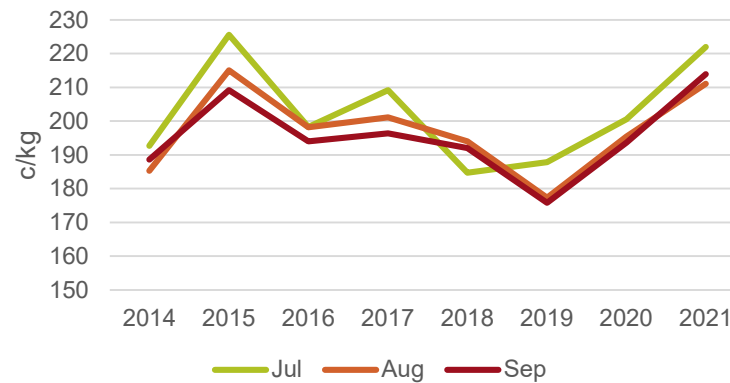
Composite Irish Price (Source: Bord Bia)



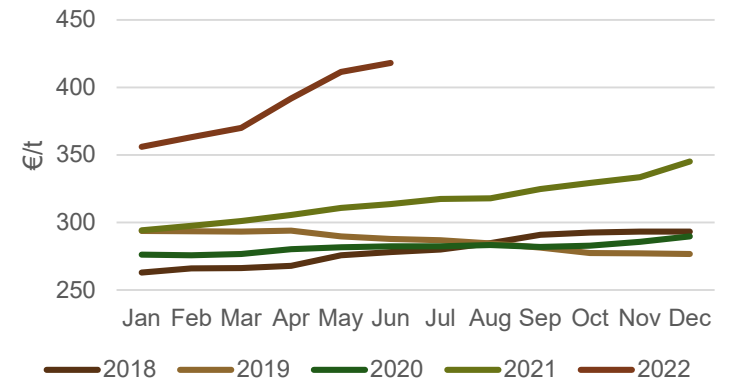
Sep - Mar Price Change (Source: Bord Bia)



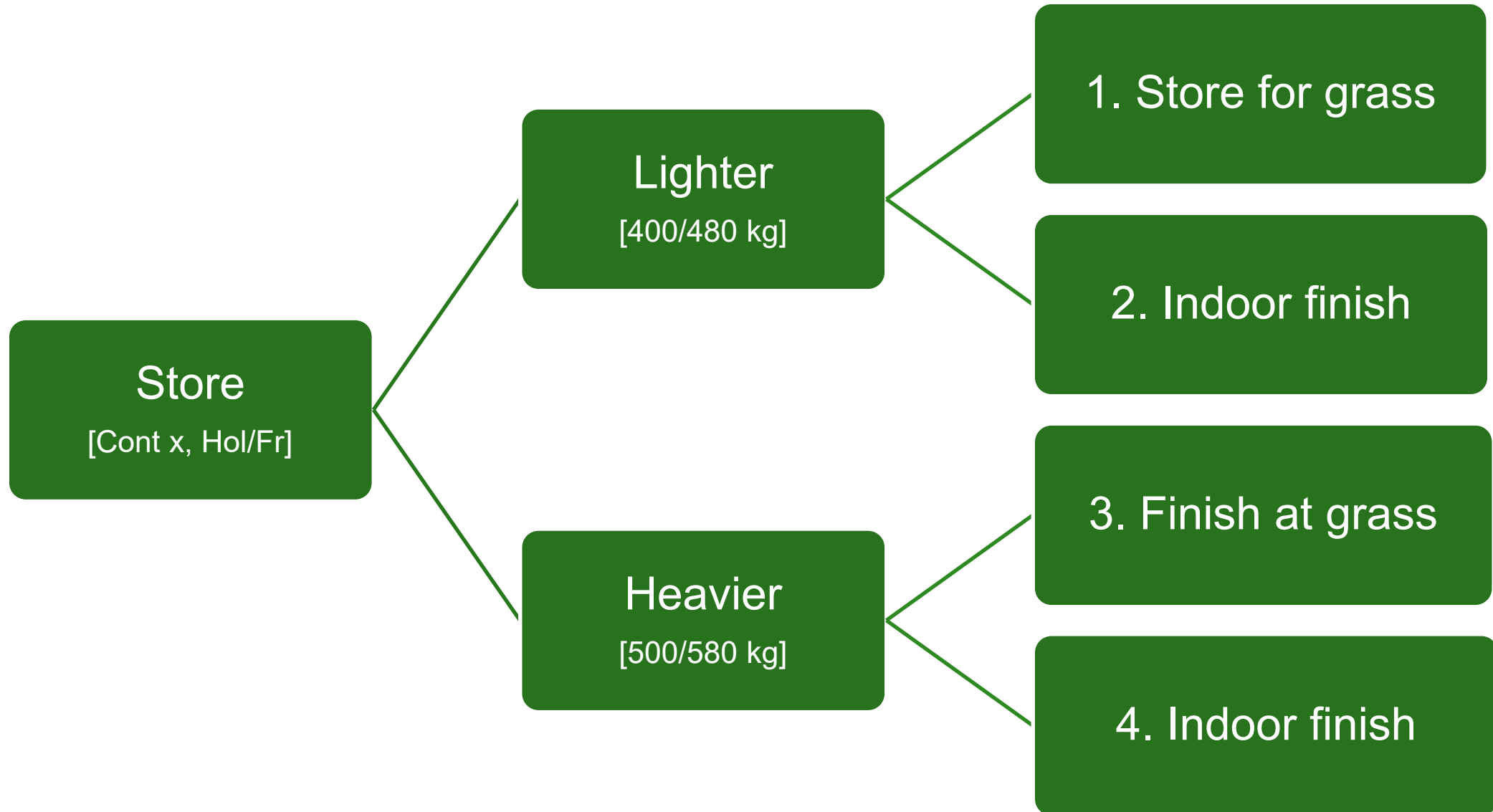
'Heavy' stores (500-550 kg) (Source: CSO)



Meal prices (Source: CSO)



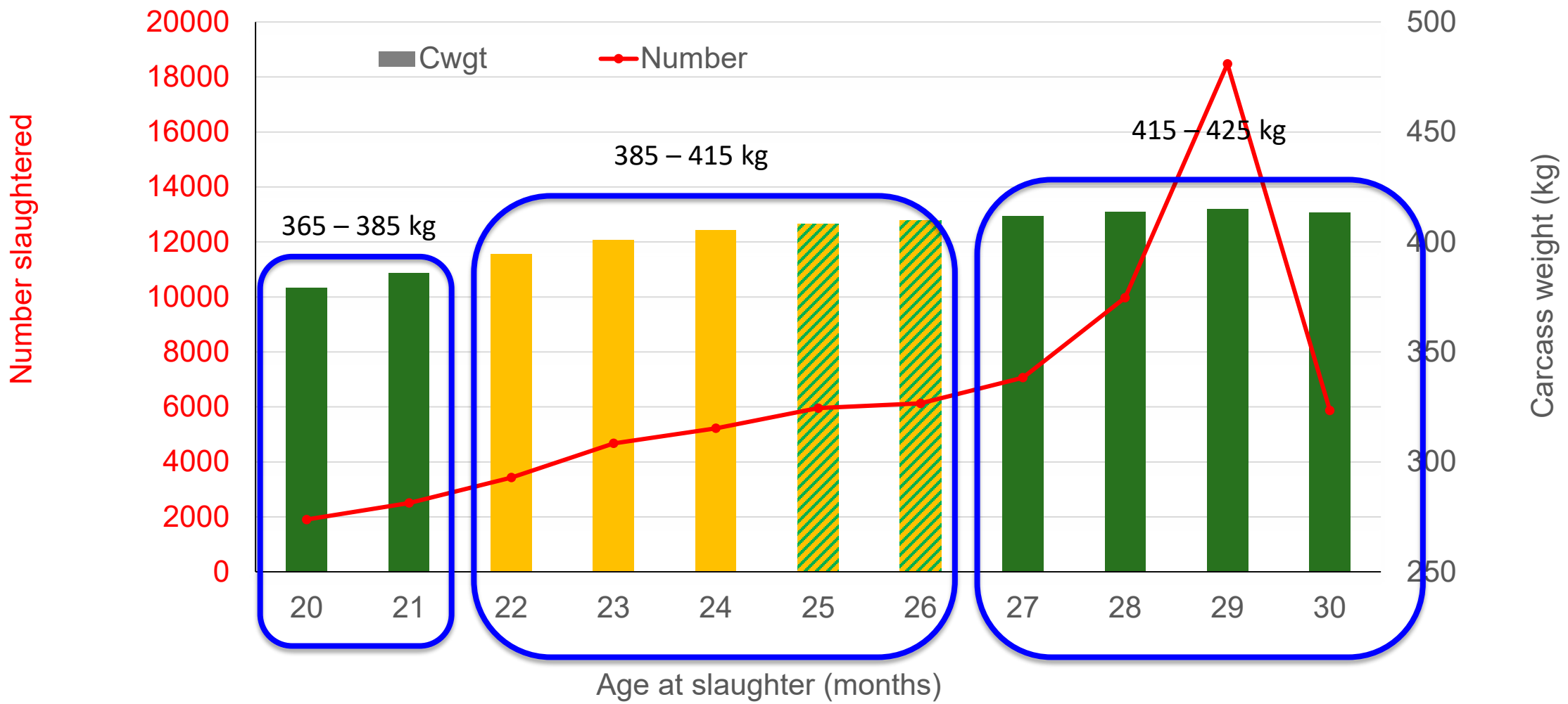
Finishing options for autumn purchased stores



Assumptions

- Animal performance based on national slaughter statistics and Grange research data
- Store prices from 'Farmers Journal' MartBids
- Concentrate price - €440/t as fed
- Grass silage price - €50/t as fed; two cut harvest schedule. Costs include land, fertilizer, contractor, facility costs, feeding costs, etc.
- Grass costs - €70/t DM; Costs include land, fertilizer, grassland, facility costs, etc.
- Mortality – 2% (less carcass sold)
- Other costs: haulage, factory fees, working capital interest, fixed/overhead costs

National slaughter profile, suckler steers



Continental x finishing systems

1. 'Lighter' store, back to grass



- Purchased store at 480 kg @ €2.55/kg
- Short grazing period (45 days) prior to housing
- Stored for winter (120 d), grass silage + ~1.5 kg meal
- To pasture for third grazing season (120 d)
- Finished in ~Jun with no meal
- Target slaughter weight 710 kg

2. 'Lighter' store, indoor finished



- Purchased store at 480 kg @ €2.55/kg
- Short grazing period (45 days) prior to housing (180 d)
- Finished on grass silage + meal diet (5 kg/d)
- Target slaughter weight 680 kg

3. 'Heavier' store, grass finished



- Purchased store at 580 kg @ €2.70/kg
- Short grazing period (60 days)*
- Supplemented at pasture (5 kg/d)
- Target slaughter weight 640 kg

4. 'Heavier' store, indoor finished



- Purchased store at 580 kg @ €2.70/kg
- Short grazing period (45 days) prior to housing (90 d)
- Finished on grass silage + meal diet (6 kg/d)
- Target slaughter weight 700 kg

5. Weanling to U16 bull beef



- Purchased store at 380 kg @ €3.10/kg
- Short grazing period (45 days) prior to housing
- Finished on grass silage + meal diet (180 d)
- Target slaughter weight 660 kg

Economics of finishing Continental x stores

€/head (unless stated)	1. Lighter store, grass	2. Lighter store, indoor	3. Heavier store, grass	4. Heavier store, indoor	5. Weanling bull to U16 mo
Purchase price	1224	1224	1566	1566	1178
Meals fed (kg/head)	212	953	318	529	1100
Meal cost (€440/t)	94	421	140	234	486
Forage costs	347	263	25	167	231
Total costs	1953	2194	1944	2221	2161
Carcass weight (kg)	395	385	350*	395	385
Cost of production (€/kg)	5.04 (Jun)	5.82 (Apr)	5.67 (Nov)	5.74 (Feb)	5.73 (Jun)
Impact on COP of +/-€50/head store	0.13	0.13	0.14	0.13	0.13
Impact on COP of +/-€50/t meal	0.03	0.12	0.05	0.07	0.14
Price required over COP for each €100/head margin (c/kg)	0.25	0.26	0.29	0.25	0.26

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Sensitivity - Prices

€/head (unless stated)	Lower	4. Heavier store, indoor	Upper
Purchase price	€1450 @ €2.50/kg	1566	€1682 @ €2.90/kg
Meals fed (kg/head)	529	529	529
Meal cost	€212 @ €420/t	234	€243 @ €460/t
Forage costs	167	167	167
Total costs	2076	2221	2353
Carcass weight (kg)	395	395	395
Cost of production(€/kg)	5.36	5.74	6.08
Price required over COP for each €100/head margin (c/kg)	0.25	0.25	0.25

Sensitivity - Performance

€/head (unless stated)	Lower	4. Heavier store, indoor	Upper
Purchase price	1566	1566	1566
Meals fed (kg/head)	529	529	529
Meal cost	234	234	234
Forage costs	167	167	167
Total costs	2221	2221	2221
Carcass weight (kg)	380	395	410*
Cost of production(€/kg)	5.97	5.74	5.52
Price required over COP for each €100/head margin (c/kg)	0.26	0.25	0.24

National slaughter profile, Fr steers



Holstein/Friesian steer finishing systems

1. 'Lighter' store, back to grass



- Purchased store at 400 kg @ €2.15/kg
- Short grazing period (45 days) prior to housing
- Stored for winter (120 d), grass silage + ~1.5 kg meal
- To pasture for third grazing season (120 d)
- Finished in ~Jun with no supplementation
- Target slaughter weight 630 kg

2. 'Lighter' store, indoor finished



- Purchased store at 400 kg @ €2.15/kg
- Short grazing period (45 days) prior to housing (180 d)
- Finished on grass silage + concentrate diet (6 kg/d)
- Target slaughter weight 600 kg

3. 'Heavier' store, grass finished



- Purchased store at 500 kg @ €2.20/kg
- Short grazing period (60 days)
- Supplemented at pasture (5 kg/d)
- Target slaughter weight 565 kg

4. 'Heavier' store, indoor finished



- Purchased store at 500 kg @ €2.20/kg
- Short grazing period (45 days) prior to housing (90 d)
- Finished on grass silage + concentrate diet
- Target slaughter weight 620 kg

Economics of finishing Holstein/Friesian stores

€/head (unless stated)	1. Lighter store, grass	2. Lighter store, indoor	3. Heavier store, grass	4. Heavier store, indoor
Purchase price	860	860	1100	1100
Meals fed (kg/head)	212	1059	318	529
Meal cost (€440/t)	94	468	140	234
Forage costs	396	309	29	210
Total costs	1622	1910	1459	1777
Carcass weight (kg)	320	310	285	320
Costs of production(€/kg)	5.17 (Jun)	6.29 (Apr)	5.22 (Nov)	5.67 (Feb)
Change in COP for +/-€50/head store	0.16	0.16	0.18	0.16
Change in COP for +/-€50/t meal	0.03	0.17	0.06	0.08
Price required over COP for each €100/head margin (c/kg)	0.31	0.32	0.35	0.31

Summary

- Given current input and store cattle prices, costs of production for 'winter' finishing ranges from €5.78/kg carcass (Cont x) to €5.98/kg carcass (Hol/Fr).
- Systems are highly sensitive to input costs, particularly store and meal prices.
- High performance (live weight gain) essential to manage costs per kg beef carcass
- Finishing at pasture reduces cost considerably, particularly for 'lighter' stores (20% compared to indoor finishing).
- However, requires longer duration on farm with implications for other farm systems.