



Sutherland

Focus on Efficiency: Feedlot Perspective



General

- Since, feed cost of gain accounts for 75-90% of the total cost of gain, small improvements in feed efficiency of gain, if above the costs of obtaining these improvements, can translate into sizable increases in net profits.



Where do we improve?

- Focus on Efficiency:

- Maximize feeding performance
 - Minimize cost of feed & ingredients
 - Improve cost of problem solving
 - Improve integration of operations
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- Improve Suther's ability to project outcomes & relay timely, accurate information



Diet, Performance & Financial STARS

- Maximize Performance

- Ingredient (Grain) Processing

- UNL estimates the value of processing to be 5-10% depending on the grain & feeding system.
 - Assume DRC is 7% higher in NE than WSC

Diet, Performance & Financial STARS

	Whole Kernels, % of Grain					
	0	8	15	25	50	100
DOF	124	124	125	126	128	133
ADG	3.65	3.64	3.62	3.59	3.53	3.40
F:G	6.98	7.01	7.04	7.09	7.22	7.48
COG	106.15	106.61	107.16	107.89	109.69	112.07
TOTAL	480.46	480.61	484.26	487.98	495.51	507.10
\$/HD		0.15	3.80	7.52	15.05	26.64
Turns/yr		2.94	2.92	2.90	2.85	2.74
\$/HD Capacity		0.44	11.10	21.78	42.92	73.11
2,500 HD yard		1,104	27,740	54,460	107,290	182,774

Diet, Performance & Financial STARS

- Maximize Performance
 - Liquid vs Dry
 - Diet Deterioration
 - 3% Improvement

Diet Deterioration		
	0	3%
DOF	124	124
ADG	3.65	3.65
F:G	6.98	6.77
COG	106.15	103.59
TOTAL	480.46	468.63
\$/HD		11.83
Turns/yr		2.94
\$/HD Capacity		34.82
2,500 HD yard		87,055