

Beef Backgrounding Planning Budget

Using this planning budget, beef backgrounders may estimate their costs and returns for 2026. Table 1 presents estimates for steer calves purchased and backgrounded in Missouri. Assumptions were based on price forecasts as of October 2025. Detailed inputs, feed requirements and machinery investments are summarized in Tables 2, 3, 4 and 5. The production practices used to develop these cost estimates are common in Missouri beef farms. Use the “Your estimate” column to plan your operation’s costs and returns for 2026. Drylot backgrounded cattle are purchased in October 2025 and sold in March 2026. Pasture backgrounding assumes calves are purchased in May 2026 and sold in September 2026.

Table 1. Missouri beef steer backgrounding planning budget for 2026.

	Drylot backgrounding (dollars per steer)	Pasture backgrounding (dollars per steer)	Your estimate
Income less 1% death loss	3,030.90	2,848.64	
Operating costs			
Purchased weaned steer	2,541.88	2,596.89	
Pasture (rent, fertilizer, weed control, infrastructure)	0.00	106.70	
Feed and mineral	164.69	75.15	
Labor	55.00	33.00	
Veterinary, drugs and supplies	20.00	20.00	
Marketing and transportation	95.76	91.22	
Machinery, utilities and repair	103.38	41.80	
Professional fees and miscellaneous	20.00	20.00	
Livestock insurance	20.00	20.00	
Operating interest	70.19	67.51	
Total operating costs	3,090.90	3,072.26	
Ownership costs			
Farm business overhead	30.31	28.49	
Depreciation and interest on capital assets	28.00	16.56	
Insurance and taxes on capital items	3.49	1.46	
Total ownership costs	61.80	46.50	
Total cash-based costs ¹	3,018.63	3,002.50	
Total costs	3,152.70	3,118.77	
Income over cash-based costs	11.90	-153.86	
Income over operating costs	-60.37	-223.62	
Income over total costs	-122.17	-270.12	
Pounds of gain per steer purchased	230.00	200.00	
Feed cost per pound gain	0.71	0.96	
Breakeven steer price per pound, cash costs	3.68	3.80	

Note: Totals may not sum due to rounding.

1. Cash-based costs exclude operator labor, depreciation, business overhead and opportunity interest.

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Table 2. Input assumptions used in beef steer winter backgrounding planning budget for 2026.

Selected input quantities	Per unit	Selected input prices	Dollars per unit
Steer purchase weight, pounds	590	Steer purchase price, per hundredweight	430.83
Market steer sale weight, pounds	820	Steer sale price, per hundredweight	373.31
Labor, hours per head	2.5	Labor cost, per hour	22.00
Feeding period, days	120	Average daily gain, pounds	1.9

Table 3. Input assumptions used in beef steer pasture backgrounding planning budget for 2026.

Selected input quantities	Per unit	Selected input prices	Dollars per unit
Steer purchase weight, pounds	590	Steer purchase price, per hundredweight	440.15
Market steer sale weight, pounds	790	Steer sale price, per hundredweight	364.23
Labor, hours per head	1.5	Labor cost, per hour	22.00
Feeding period, days	120	Pasture cost, including fertilizer, weed control and grazing system management costs, per acre	106.70
Average daily gain, pounds	1.7	Pasture, acres per head	1.0

Table 4. Feed used in beef steer backgrounding planning budgets for 2026, on a per steer basis.

Feed description	Dollars per unit	Winter backgrounding ¹		Pasture backgrounding ²	
		Pounds	Dollars	Pounds	Dollars
Mixed hay, per ton	90.00	1,150	51.75		
Purchased corn, per bushel	5.25	690	64.69		
Dried distillers grains, per ton	175.00	400	34.99	682	59.66
Salt and minerals, per pound	0.60	20	11.97	24	14.69
Limestone, per hundredweight	13.00	10	1.30	6	0.80
Total		2,270	164.69	712	75.15

1. Winter backgrounding ration assumes 120 days on feed and 1.92 pound average daily gain for a steer.

2. Pasture backgrounding ration assumes 120 days on feed and 1.67 pound average daily gain for a steer.

Table 5. Machinery assumptions used in beef steer backgrounding planning budgets for 2026.

Description	Dollars per hour	Winter backgrounding ¹		Pasture backgrounding	
		Hours	Dollars	Hours	Dollars
Tractor, 105 MFWD	55.00	45	2,475.00		
Feed grinder/mixer	15.00	41	618.75		
Truck	32.00	15	480.00	15.0	480.00
Livestock trailer	20.00	8	160.00	8.0	160.00
4-wheeler	12.00	28	330.00	52.5	630.00
Total			4,063.75		1,270.00
Total per steer			81.28		25.40

1. Machinery cost per steer assumes 50 head are backgrounded annually.

Abbreviations: MFWD = mechanical front-wheel drive tractor.

Farmers can customize this budget using the [Missouri Beef Budget workbook \(XLSX\)](https://extension.missouri.edu/media/wysiwyg/Extensiondata/Pro/AgBusinessPolicyExtension/Docs/beef-budgets.xlsx) (extension.missouri.edu/media/wysiwyg/Extensiondata/Pro/AgBusinessPolicyExtension/Docs/beef-budgets.xlsx). Estimates for the inputs, costs, and returns to backgrounding heifers are also available in the spreadsheet.

Check out the complete collection of Missouri crop and livestock enterprise budgets at muext.us/MissouriAgBudgets



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