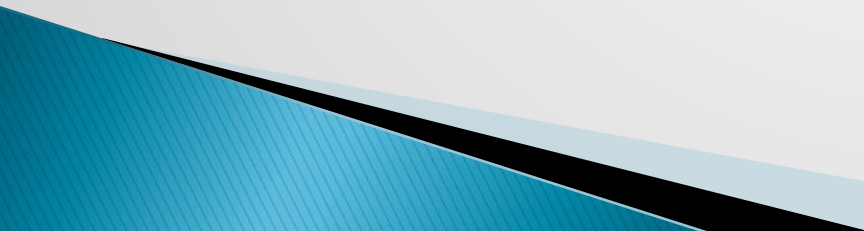


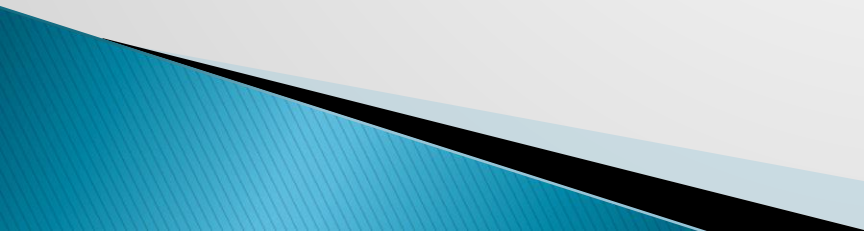
Successful Feedlots for Owners / Managers

By: Joe Jackson

Successful Feedlots for Owners / managers:

- Must have knowledge, contacts and sources that supply current market prices and conditions for all commodities/ inputs associated with the feeding operation.
ex: Feed, cattle, vaccines, drugs, supplements, etc.
 - Must have knowledge and courage to implement forward buying and selling of commodities, whether through contracts and/or futures trading .
 - Understand the importance of an attitude of “prevention” VS “treatment/fixing” and doing things right the first time.
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Successful Feedlots for Owners / managers:

- Realize as the size of a feeding operation increases, a owner/manager role changes from a outside worker to more of a management and business role. The opposite also applies.
 - Feedlot owners/managers work long hours.
 - Negotiators, have people skills, and are “ numbers” people.
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Successful Feedlot Facilities:

- Location
- Quality Water & Feed
- Don't over populate pens
- Bed
- Have a Scale
- Backgrounders: Must feed cattle to achieve maximum allowable gains
- Know your cost
- Work your ass off to be the best BUT!
- Do the math, trust the math, if it doesn't work DON'T DO IT!
- By being above the bar with, animal health, Feed stuffs, bunk management, input cost, and pen management, produce cattle that efficiently, maximize gain and minimize cost of gain.

Custom Feedlots:

Advantages

- Little to no market risk
- Less capital required
- Cash flow
- Almost guaranteed margins

Disadvantages

- percentage of capacity defines profit
- Rely on others to supply cattle
- Have to deal with customers
- Mistakes could go to the customers

Private Feedlots:

Advantages

- Enhanced profit opportunity
- Control incoming & outgoing cattle supply
- Don't have to deal with customers
- More efficient

Disadvantages

- Market risk
- Performance risk
- Massive capital
- Need excellent cattle & market knowledge