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Competitive Feed Costs: *What Sets High-Profit Farms Apart?*

Winter feed is one of the biggest costs on a cow-calf operation—but the cheapest feed program isn't necessarily the most profitable one. The 2025 Canadian Cow-calf Cost of Production (COP) Network benchmarks show just how much feed costs can vary. Winter feed costs ranged from approximately \$331 to \$1,171 per cow across benchmark farms. The most profitable third averaged \$536 per cow, compared with \$676 across all benchmark farms.

Winter feed costs are influenced by management decision, the amount of feed required and the cost of producing, purchasing and feeding it. The goal is not to get every operation to \$536 per cow -- it is to understand why your cost is where it is and whether the dollars you spend on feed are generating the production and profit needed for your operation.

What does my winter feed actually cost?

Comparing feed costs between the most profitable third of benchmark farms (based on medium-term profits) and the overall average shows that the difference is spread across multiple aspects: feed type, days fed, daily cost, feed waste, cost of forage production, and machinery/labour.

What is the COP Network?

The Canadian Cow-calf Cost of Production Network (COP Network) uses standardized data collection which allows for comparison both within and between provinces, and internationally. The COP Network has collected data from over 200 producers contributing to 60 cow-calf benchmark farms that represent various management systems. Each benchmark is based on data from 3-7 producers. Data collection occurs every 5 years with annual indexing of input and output prices, as well as crop and forage yields, in subsequent years. Individual benchmark farm summaries, can be found at:

<https://canfax.ca/resources/cost-of-production/cop-results.html>

Metric	Range	Average	Top 3rd	Top 3rd vs. Avg
Approximate feed costs per cow (\$/cow/year)	331-1171	676	536	-21%
Days on feed (# of days)	60-250	194	186	-4%
Daily feed costs (\$/cow/day)	1.68-9.96	3.62	3.17	-12%

Estimated feed costs per cow were 21% lower in the most profitable third of benchmark farms. But these farms did not achieve that difference simply by feeding for 21% fewer days. In fact, their feeding period was only 4% shorter. A larger difference came from the cost per head per day, which was 12%

lower. That points to several management questions: *How many days are my cows actually being fed? What does it cost me per cow per day? Where is feed being lost? And am I producing forage at a competitive cost?*

Feed type alone does not explain cost differences

There is no single feed type that guarantees a low-cost feeding program. When feed costs were compared across benchmark farms using different combinations of annual forages, hay, and silage as their primary winter feed source, both low-cost and high-cost farms were found in every feeding category. This suggests that management is often more important than feed type itself. A feeding strategy that performs well on one operation may be less competitive on another depending on climate, forage productivity, equipment requirements, labour availability, and land resources.

Every feeding day has a cost: know what it costs to extend grazing

Every additional day of feeding increases the need for forage. As a result, farms with shorter feeding periods tend to have a cost advantage. However, a shorter feeding season or longer grazing period does not automatically translate in lower costs. In year-round or extended-grazing systems, feed costs may be relatively low in years with favourable growing conditions. However, when drought or other adverse weather conditions reduce grass availability and annual forage production, those operations may face a sudden need for additional feed and a longer feeding period than planned. Securing feed supplies during a widespread feed shortage can be expensive, and in some cases may forced herd reductions.

This highlights an important trade-off between efficiency and resilience. Extended-grazing systems can offer cost-savings opportunities, but they may also be more vulnerable to forage shortfalls if contingency plans are not in place. Building flexibility into the operation through feed reserves, alternative forage sources, or drought management plans can help manage this risk.

Does extending the grazing season cost less than providing harvested feed? Ask yourself:

- What does it cost to graze a cow for one additional day?
- What does it cost to feed her for one additional day?
- What forage will be available if grazing is extended?
- What is the risk if pasture conditions deteriorate?

The cheapest option may not be the lowest-risk option for your operation.

Daily cost is important

Lower-cost farms are not simply shortening the feeding season. The top third farms averaged \$3.17 per cow per day, compared with \$3.62 across all benchmark farms—a difference of 45 cents per cow per day. That may sound small, but over 186 feeding days it represents roughly \$84 per cow. On a 200-cow herd, that is approximately \$16,800. The question is: Where could 45 cents per cow per day come from?

- lower-cost homegrown forage
- better forage utilization
- less storage loss
- less feed waste
- controlling machinery cost
- feed testing
- ration balancing for gestation stage
- fewer purchased inputs
- more efficient feeding methods

Where is your hay going?

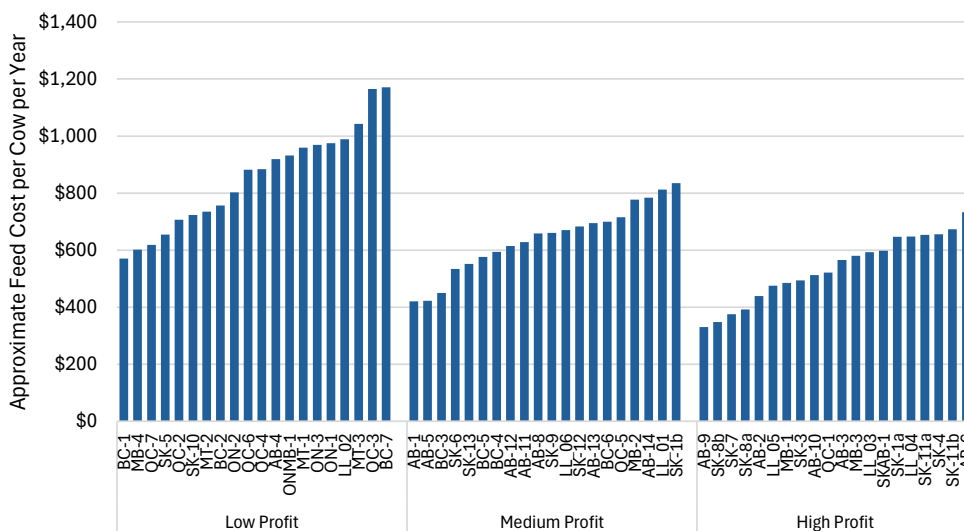
Feed that never reaches the cow is still a cost. Measure losses from storage and feeding before assuming you need to produce or buy more feed.

If you put 100 bales into storage, how many pounds of that forage actually make it into the cows?

The lowest feed cost isn't always the goal

Feed is one of the largest expenses on most cow-calf operations, but lower feed costs do not necessarily lead to higher profits. Reproductive performance, weaning weights, labour efficiency, land and capital costs, debt structure, and marketing decisions also influence profitability.

While controlling feed costs is important, the objective is not to achieve the lowest feed cost possible. In some cases, spending more on feed may support higher productivity or better use of available resources, resulting in stronger overall financial performance.



Source: Canfax Research Services, COP Network

Figure 1. Lower feed cost does not always mean higher profit

A \$500 feed bill isn't necessarily better than a \$600 feed bill. Figure 1 shows that some of the most profitable benchmark farms had feed costs that were similar to, or even higher than, those of lower- and

medium- profit farms. Likewise, some farms with relatively low feed costs did not rank among the most profitable. If the additional \$100 in feed produces more pounds of calf weaned, improves pregnancy rates, reduces cow losses or allows better use of inexpensive homegrown forage, the higher feed cost may generate a better return. The real question is not “How low can I get my feed cost?” but “What am I getting for each dollar I spend?”

Know your numbers Before changing your feeding program, calculate: 1. Feed cost per cow Total winter feed cost ÷ cows fed 2. Days fed Actual days cows receive harvested or purchased feed 3. Feed cost per day Feed cost per cow ÷ days fed Then ask: Are any of these numbers limiting my profitability?	Before cutting feed costs, ask: Is my feed cost high? Why? Too many feeding days? → Look at grazing season, calving date, pasture utilization. High cost per day? → Look at forage cost, machinery, purchased feed and feeding losses. High feed cost but strong production? → Look at return on the additional feed dollar. Low feed cost but poor reproductive performance or weaning weights? → Don't cut further. Investigate whether underfeeding is costing more elsewhere.
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Manage the Cost, Not Just the Feed

- **Know your cost per cow per day.** This shows where your feeding program is competitive—and where it isn't.
- **Count feeding days.** Every additional day has a cost, but compare that cost with the cost and risk of extending grazing.
- **Look for losses.** Storage, feeding, machinery and forage production all affect the cost of the feed that actually reaches the cow.
- **Don't chase the lowest feed bill.** The goal is to get the most pounds of calf and reproductive performance from each feed dollar.
- **Benchmark your own farm.** Compare your numbers over time and against similar operations before making a major change.



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