

A guide to charges for Wintering Arrangements 2020

Every winter a significant number of cattle are housed and fed in rented sheds. Fodder, labour and machinery running costs are often included in the agreements that are made. The payment rate per head is usually determined by local supply and demand, with arrangements in many cases going back over a number of years.

Putting a guideline daily charge per head fed depends on:-

- The type of animal being housed?
- Is the forage being provided?
- What quantity of meal is being fed?
- Is straw bedding included?
- Are labour and machinery costs included?

An individual cost per head per day can be included for each of these variables.

Type of Animal

The larger the animal the more space it requires and the greater the amount of forage it will consume per day (if forage is included). Forage costs depend on the type of forage being fed together with the quantity of meal being fed (this is dealt with in the following section).

Shed Rental Costs

These charges are based on the cost of having to build a shed and the space required for each animal. From Teagasc figures to build a slatted unit including the cost of fittings and fixtures but excluding mats is €400 per m². Table 1 show the space allowance for each category of animal, if slat mats are included it would increase the cost by about €50 per m² of pen area.

Spread over 20 years this is an annual cost of €20/m² and then add to this a 10% annual maintenance cost and a 10% margin for renting the shed and you are at €24/m².

The cost per annum for a 1 ½ to 2 year old animal requiring 2.5m² is therefore €60 per head. To charge per bay, calculate the area of each bay in meters and multiply by €24, with so many shed widths it's difficult to standardise.

Shed Rental Costs

It is assumed that a 150 day winter is involved, if you assume the cattle are housed for 150 days you can work out the charge per day. If the days are reduced the charge may be increased per day pro rata to take this into account.

Based on this, the following guideline shed rental charges per head per day (spread across a 150 day winter) are:-

Guideline Shed Rental Charges				
	Weight	Space Requirement	Cost per day	Cost per housing
Finishing steer	625 kg	2.5m ²	40c	€60
Finishing bulls	650 kg	2.9m ²	47c	€70
Store bullock	575kg	2.3m ²	37c	€55
Finishing Heifer	525kg	2.3m ²	37c	€55
Suckler weaning	350kg	1.7m ²	27c	€41

Suckler cows

As the shed requirements for suckler cows are different so are the costs. The Teagasc estimates are a slatted suckler cow house with a slatted cow area of 2.8-3.0 m² plus calving pens/creep areas and handling facilities costs €1,600 - €1,800 per cow. The design will vary depending on whether the herd is spring or autumn calving.

There is less of a requirement for a calf creep area in a spring calving herd. A straw-bedded suckler house an area of 4.5 m² per suckler cow and 1 m² per calf costs approximately €1,300 per cow place. Using the same calculations and taking the average the sum is: €1,700/20 + 20% = €102/150 days = 68c.

Guideline Shed Rental Charges				
	Weight	Space Requirement	Cost per day	Cost per housing
Suckler cow Slatted area/creep pens	650 kg	2.8 – 3.0m ²	68c	€102
Suckler cow Straw bedded	650kg	4.5m ²	52c	€78

Forage Costs

The current costs of production (2020) per ton of dry matter (DM) for grass silage (not including a land charge) are:-

Good Quality silage costs €160 per tonne DM or 16c per Kg DM

A 20% margin should be added to these, to leave the farmer growing them a margin over production costs leaving silage costing 19 cents per Kg of DM. The cost per head per day will depend on the amount of concentrates being fed. The more concentrates fed the less forage that is consumed.

The guideline forage charges for each category of animal are given below, it assumes each animal is eating 2% of their bodyweight in DM and meal had a DM of 85%. The cost of the meal is covered by the owner.

Table (i) *Finishing Steers/ Bulls (av. LW 625)*

Silage	Guideline Shed Rental Charges				
	4kg	5kg	6kg	7kg	Ad lib
Grass Silage (kg DM)	9.1	8.25	7.4	6.55	----
Cost per day	€1.73	€1.57	€1.40	€1.24	-----

Table (ii) *Finishing heifer (av. LW 525kg)*

Silage	Guideline Shed Rental Charges				
	3kg	4kg	5kg	6kg	7kg
Grass Silage (kg DM)	8	7.1	6.25	5.4	4.55
Cost per day	€1.52	€1.35	€1.19	€1.03	86 cents



Forage Costs

Table (iii) Weanlings (av. LW 350kg)

Silage	Guideline Shed Rental Charges				
	0.5kg	1kg	1.5kg	2kg	2.5kg
Grass Silage (kg DM)	6.57	6.15	5.72	5.3	4.87
Cost per day	€1.25	€1.17	€1.08	€1	92 cents

Table (iv) Store Bullocks (av. LW 600kg)

Silage	Guideline Shed Rental Charges			
	0kg	1kg	2kg	3kg
Grass Silage (kg DM)	12	11	10.3	9.45
Cost per day	€2.28	€2.09	€1.96	€1.80

Table (v) Suckler cow (av. LW 650kg)

Silage	Guideline Shed Rental Charges		
	0kg	1kg	2kg
Grass Silage (kg DM)	8.45	8.45	8.45
Cost per day	€1.61	€1.61	€1.61

* Calculations above use 19c/kg DM for silage

** An alternative to including the forage costs per head per day is to agree a price per tonne/ bale silage used.

Straw Bedding

The simplest way here is to charge per bale used.

Labour and Machinery Running Charges

A charge must be included where the owner of the shed also provides labour and the machinery to feed/bed the animals. Assuming all the cattle are on slats, and using standard man days (SMD) to calculate the amount of time involved with feeding, a charge per head per day can be worked out for labour.

An SMD is equal to eight hours work done by a person over 18 years of age. From the Teagasc management data it takes 0.6 SMD's per head for wintering animals in a self-feed silage system with an efficient layout. So $0.6 \times 8\text{hrs} = 4.8\text{ hrs}$. Per animal per winter at say €14 per hour that is $4.8 \times €14 = €67$. For a 135 day winter that's 50 cents per head per day. It's 0.8 SMD on straw.

Different charges per head per day are given for different hourly rates. A cost per head per day is also included for daily machinery running costs. These figures are based on the machinery running costs taken from Profit Monitors on Beef farms with a 15% margin built in.

Hourly Labour charge	€12	€14	€16
Wintering animals/slats	43 cents	50 cents	57 cents
Wintering animals/straw	57 cents	66 cents	76 cents
Machinery running costs	Between 11 – 15 cents /hd/day		

Examples

To illustrate how the charges might be calculated for different scenarios a number of useful examples are given below.

Example 1

A farmer is renting a slatted shed to house his 80 finishing steers. The owner of the shed is providing the grass silage and will feed it every day (they have agreed a €14 per hour labour payment). The meals are provided by the owner of the cattle and will be fed at 5kg per day. The cattle will be finished over a 140 day period. The following is the calculation.

Calculation	
Shed rental	43c (60/140)
Silage	€1.57
Labour	50c
Machinery	14c
Total per head per day	€2.64
80 cattle x €2.64 x 140 =	€29,568

Labour and Machinery Running Charges

Example 2

A farmer is renting a slatted shed to house his 40 store beef cattle over a 130 day winter. He is providing his own silage, doing the feeding himself but using the shed owners machinery.

Calculation	
Shed rental	42c (55/130)
Silage	
Labour	0
Machinery	14c
Total per head per day	56 c
40 cattle x €0.56 x 130 =	
€2,912	

Example 3

A farmer is renting a slatted shed to house 60 suckler weanlings for 120 days. Grass silage is being provided but he will feed himself using his own machinery. He will also be feeding 2 kg of meal.

Calculation	
Shed rental	34c (41/120)
Silage	€1
Labour	0
Machinery	0
Total per head per day	€1.34
60 cattle x €1.34 x 120 =	
€9,648	

*Straw needs to be added if used, this can be done weekly/monthly.

Slurry

Slurry is also a consideration of this system. If the owner of the cattle takes the slurry this is fine, if the shed owner has to spread the slurry, is there a cost?

Taking average quality slurry @ 7% DM and a nutrient content of 3.25kg N, 2.5kg P and 15kg K a 1000gallons of slurry is worth approx. €20. This is with Nitrogen valued at 94c/kg, Phosphorous valued at €1.99/kg and Potassium valued at 76c /kg.

The cost of the spreading would be cancelled out by the value of the slurry.

Insurance

Both parties must always inform their insurance company when renting a shed, if you do not and there is an issue you will not be covered.

Housekeeping – Set out the rules

Contact the Department of Agriculture, Food & the Marine (DAFM) regarding movement of cattle rules. There should be no mixing of herds.

Before renting the shed it should be clean, have good lighting, gates and barriers should be working properly etc.

When returned it should be clean, power washed and disinfected.

Set out the rules before the cattle are moved into the shed. Who is feeding the cattle, what time will the cattle be fed, are meals being fed, is this once or twice a day, where is the meal to be stored, if drinkers/gates/barriers break who will fix them and who covers the cost etc.

How will ESB and water be metered and paid?

Is the shed owner only feeding or also herding, who calls the vet for a sick animal etc.? What is an acceptable level of mortality?

