

Business Plan

Feedlot – Alberta, Canada

1. Business Summary

Business Name	
Location	
Type of Operation	
Capacity	5,000–10,000 head (scalable)
Target Market	Meat processors, local packers, export markets
Start Date	

2. Vision and Mission

Vision: To become a leader in providing high-quality, sustainably finished beef cattle in Western Canada.

Mission: To operate a profitable, efficient, and environmentally responsible feedlot while ensuring animal health, traceability, and superior beef quality.

2. Industry Overview & Market Analysis

Beef Industry Context in Alberta

- Alberta is Canada's largest beef-producing province (~40% of Canadian beef).
- Strong infrastructure: proximity to packers, feed supplies, vets.
- Trade agreements such as NAFTA/CUSMA allow for export opportunities.
- Climate allows for open-lot systems with shelter during winter.

Market Drivers

- Demand for high-quality, grain-finished beef.
- Export demand to the U.S., Japan, Korea, China.
- Growing consumer preference for traceable, antibiotic-free, and sustainable beef.

Competitor Analysis

- Established large feedlots (Such as Cattleland, Western Feedlots).
- Smaller operations offering custom feeding and direct to consumer marketers.

Opportunities

- Custom feeding for cow-calf producers.
- Finishing cattle for niche markets (e.g., organic, hormone-free).
- Integration with crop operations for manure and feed synergy.

3. Business Objectives

- Reach 80–90% occupancy year-round by year 2.
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- Maintain ADG (Average Daily Gain) > 3.0 lbs/head/day.
- Keep feed conversion < 7:1.
- Achieve net margins of \$100–\$200/head.
- Build brand credibility for traceable and quality-finished cattle.

4. Site Requirements & Infrastructure

Land & Location

- 200–400 acres, zoned for intensive livestock operations.
- Flat, well-drained land with road access and minimal residential proximity.
- Access to water and utilities.

Infrastructure

1. **Pens:** 50–100 pens of 100–200 head each
2. **Waterers:** Freeze-proof, automatic systems
3. **Feed bunks:** Concrete, with aprons and bunk space of 24–30" per head
4. **Feedmill:** Mixer, grain roller, TMR wagon, silos, commodity sheds
5. **Hospital:** Processing chute, holding pens, isolation area
6. **Weigh station:** Certified truck scale
7. **Office:** Admin, record keeping, staff room
8. **Manure management:** Lagoons, settling ponds, composting pads
9. **Shelters:** Windbreaks, shade for summer, bedding area for winter

5. Herd Management & Feeding Program

Procurement Sources

- Cow-calf producers in Alberta/Saskatchewan

- Auctions and order buyers

Animal Categories and Numbers

- Feeder steers & heifers (600–900 lbs)
- Backgrounding calves (500–700 lbs)
- Cull cows (optional)

Feeding Program

- **Starter ration:** High forage, moderate grain
- **Finisher ration:** 80–90% grain (barley, corn, wheat), silage, distillers' grains, minerals
- **Growth enhancers:** Ionophores, beta-agonists (optional depending on market and production goals)
- **Water:** 50–100 L/head/day (with variation in winter and summer)

Health & Veterinary Protocols

- BRD vaccination (IBR, BVD, PI3, BRSV)
- Deworming, castration, dehorning on arrival (if needed)
- Processing on arrival with RFID tagging
- Monitoring of morbidity/mortality (<2% target)
- Antimicrobial use based on Canadian regulations (Prescription-only since Dec 2018)

6. Environmental Management

Regulatory Compliance

- Must comply with Alberta Environmental Protection & Enhancement Act (EPEA) and AOPA.
- NRCB permitting for >500 head

Waste Management

- Solid manure collection, composting, and land application
- Liquid runoff management with retention ponds
- Nutrient management plan (for N and P application limits)

Water Protection

- Setback distances from water bodies
- Containment berms

Air Quality & Odour

- Proper pen cleaning frequency
- Windbreaks to reduce dust
- Neighbour communication protocols

7. Staffing Plan

Position	Responsibilities
General Manager	Oversee operations, planning, procurement
Pen Riders	Daily health checks and pulling sick cattle
Feed Truck Operators	Feeding based on rations
Nutritionist	Diet formulation and monitoring
Veterinarian	Health protocols, treatment plans
Bookkeeper/Admin	Records, compliance, payroll
Maintenance	Equipment and facility repairs

8. Financial Plan (Annual Estimate – 5,000 Head Feedlot)

Capital Expenditures (CAD)

Item	Cost
Land purchase (if needed)	\$500,000
Site development	\$250,000
Pens and fencing	\$1,000,000
Feed storage/mill	\$400,000
Equipment	\$350,000
Office, scales	\$150,000
Water and electrical	\$100,000
Total Capital Expenses	\$2,700,000

Operating Expenses (Annual)

Item	Cost
Feeder cattle purchase	\$6,000,000
Feed & supplements	\$2,500,000
Salaries	\$400,000
Veterinary & health	\$150,000
Utilities & maintenance	\$100,000
Interest & insurance	\$100,000

Marketing, admin, overhead	\$50,000
TOTAL Operating Expenses	\$9,300,000

Estimated Revenue

- 5,000 head × \$2,500/head market price = **\$12.5M**

Estimated Net Profit

- \$12.5M – \$9.3M = **\$3.2M Gross Profit**
- Net profit after taxes, depreciation, loan servicing ≈ **\$1.5–\$2M**

9. Risk and Mitigation Strategies

Risk	Mitigation Strategies
Cattle price volatility	Forward contracts, risk pooling
Feed price fluctuation	Hedging, own crop production, long-term contracts
Disease outbreak	Biosecurity, vaccinations, sick pen isolation
Regulatory changes	Regular updates from CFIA, AB Environment
Weather impact	Drainage, bedding, heat mitigation
Market access	Maintain multiple buyers, qualify for export standards

10. Expansion Plan

- Scale up to 10,000+ head with increased throughput.
- Partner with processors for vertical integration.
- Custom feeding services for independent cow-calf operations.
- Add a backgrounding or cow-calf component for diversification.