

(Variable Cost Budget)
Custom Finishing 550 Pound Steers - Fall 2005

Placement Date	10/01/05
NUMBER HEAD PLACED	90
DEATH LOSS (%)	1.00%
NUMBER HEAD FINISHED	89
FEED CONVERSION	7.15
MARKETING SHRINK(%)	4.00
GROSS FINISHED WEIGHT (CWT.)	11.25
NET SELLING WEIGHT (CWT.)	10.80
FEEDING PERIOD (DAYS)	186
Projected Out Date	04/04/06
Current Live Cattle Futures for Delivery Month	\$87.50
Expected Basis	\$2.84
Expected Cash Price	\$90.34

PAYWEIGHT TO PAYWEIGHT- DAILY GAIN (LBS./DAY)	BEST	OPT.	MEDIAN	PESS.	WORST
	3.25	3.05	2.85	2.65	2.45
SELLING PRICE (\$/CWT.)	\$100.34	\$95.34	\$90.34	\$85.34	\$80.34

ITEM	UNIT	UNITS PER HEAD	TOTAL QUANTITY	UNIT PRICE	TOTAL AMOUNT
VARIABLE COSTS:			(units)	(\$/unit)	
CALF	CWT.	5.50	495.00	\$110.00	\$54,450
PROCUREMENT COST	HEAD	1.00	90.00	\$0.00	\$0
TRANSPORTATION	CWT.	5.50	495.00	\$6.06	\$3,000
PROCESSING CHARGE	HD.	1.00	90.00	\$0.00	\$0
CALF INTEREST	\$	638.33	57,450	\$0.06	\$1,756
FEED	TONS	1.89	170.53	\$90.00	\$15,347
FEED MARKUP	TONS	1.89	170.53	\$0.00	\$0
YARDAGE	DAYS	186	16,737	\$0.27	\$4,519
VET.,MED. & SUPPLIES	HEAD	1.00	90	\$15.00	\$1,350
COMMISSIONS, PREMIUMS, ETC	HEAD	1.00	90	\$0.00	\$0
DEATH LOSS	\$	638.33	57,450	1.00%	\$574
INTEREST ON FEED ETC.	\$	242.12	21,791	\$0.08	\$444
MARKETING	HEAD	1.00	90	\$6.60	\$594
TOTAL VARIABLE COST					\$82,035

COST SUMMARY:	\$/CWT
FEED ONLY COST OF GAIN (\$/CWT)	\$32.18
FEEDING COST OF GAIN (\$/CWT)	\$46.61
TOTAL COST OF GAIN (\$/CWT)	\$57.83

MAX BREAKEVEN PURCHASE PRICE OF CALF (\$/CWT)	\$121.67
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BREAKEVEN TABLE

ITEM	BASE BUDGETED TOTAL	EXPECTED TOTAL	EXP. \$/CWT.	EXP. \$/HD.
VARIABLE COST	\$82,035	\$82,121	84.49	912.46
DIRECT FIXED COST	\$0	\$0	0.00	0.00
OVERHEAD	\$0	\$0	0.00	0.00
MANAGEMENT	\$0	\$0	0.00	0.00
TOTAL COST	\$82,035	\$82,121	84.49	912.46

EXPECTED RETURN TABLE

90 head sold (death loss in cost)

EXP. WEIGHT (cwt./hd.)		EXP.PRICE (\$/cwt.)	TOTAL RETURN (\$)
10.80	972.00	90.34	87,810

RISK RATED RETURNS OVER VARIABLE COSTS

Net return levels (TOP ROW);
The chances of obtaining this level or more (MIDDLE ROW); and
The chances of obtaining this level or less (BOTTOM ROW).

	<u>Optimistic</u>				<u>Pessimistic</u>		
Returns	13,281	10,750	8,220	5,689	3,141	592	-1,956
Chances	100%	16%	31%	50%	69%	84%	93%
Chances	93%	84%	69%	50%	31%	16%	7%

CHANCE FOR PROFIT	87%	BASE BUDGETED NET REVENUE	\$5,775.55
		EXPECTED PROFIT (LOSS) PER HEAD	\$64.17

*PROFIT IS RETURN TO RISK AND ALL "ZERO" ITEMS IN THE BUDGET.
MAY ENTER YOUR OWN VALUES.*