

**Backgrounding Steers On Hay & Supplement - Summer 2008
(Variable Cost Budget)**

NUMBER OF ACRES	0.00	In Date	06/15/08
STOCKING RATE (HEAD/ACRE)	0.00	Out Date	09/23/08
NUMBER OF CALVES PLACED	65	Expected Buy-Sell Margin	(\$8.00)
DEATH LOSS (%)	1.00		
NUMBER OF CALVES SOLD	64		
FEEDING PERIOD (DAYS)	100.00		
MARKETING SHRINK(%)	3.00		

	BEST	OPT.	MEDIAN	PESS.	WORST
PAYWEIGHT TO PAYWEIGHT	3.00	2.75	2.50	2.13	1.75
DAILY GAIN (LBS./DAY)					
NET SELLING WEIGHT (CWT.)	8.00	7.75	7.50	7.13	6.75
SELLING PRICE (\$/CWT.)	\$105.00	\$98.50	\$92.00	\$86.00	\$80.00

Item	Unit	Units Per Head	Total Quantity (units)	Unit Price (\$/Unit)	Total Amount
VARIABLE COSTS:					
CALF	CWT.	5.00	325	\$100.00	\$32,500
PROCUREMENT COST	HEAD	1.00	65	\$0.00	\$0
SUMMER GRAZING	ACRE	0.00	0	\$0.00	\$0
HAY	TON	0.30	20	\$125.00	\$2,438
RECEIVING RATION	TONS	0.00	0	\$225.00	\$0
SUPPLEMENTAL FEED	TONS	0.40	26	\$225.00	\$5,850
MINERAL + IONOPHORE	LBS.	25.00	1,625	\$0.28	\$455
MEDICATION,WORM,VAC.	HEAD	2.00	130	\$4.00	\$520
GROWTH STIMULANT	IMPLANT	2.00	130	\$1.00	\$130
REPAIRS	HEAD	1.00	65	\$0.80	\$52
LAND RENTAL	ACRE	0.00	0	\$0.00	\$0
LABOR	HRS.	2.00	130	\$9.02	\$1,173
DEATH LOSS	PERCENT	1.00%	32,500		\$325
INTEREST ON OP. CAP.	PERCENT	8.00%	334	\$7.32	\$671
AUCTION AND HAULING	HEAD	1.00	65	\$21.70	\$1,411

TOTAL VARIABLE COST **\$45,523**

No Fixed Costs for Variable Cost Budget

	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	6.00%	\$0.00
	\$0.00	\$0.00	\$0.00
TOTAL FIXED COST			\$0.00

COST OF GAIN SUMMARY AND MAX. BREAKEVEN CALF PRICE

	\$/CWT.
FEED ONLY COST OF GAIN (\$/CWT.)	\$56.41
FEEDING COST OF GAIN (\$/CWT.)	\$84.04
TOTAL COST OF GAIN (\$/CWT.)	\$84.04
MAX. BREAKEVEN PURCHASE PRICE OF CALF	\$96.04

EXPECTED BREAKEVEN TABLE

ITEM	TOTAL AMOUNT	\$ / CWT.	\$/HD.
VARIABLE COST	\$45,523	\$93.90	\$707.43
	\$0	\$0.00	\$0.00
	\$0	\$0.00	\$0.00
	\$0	\$0.00	\$0.00
	\$0	\$0.00	\$0.00
	\$0	\$0.00	\$0.00
TOTAL COST	\$45,523	\$93.90	\$707.43

EXPECTED RETURN TABLE

64 head sold

EXP. WEIGHT (cwt./hd.)	TOTAL WEIGHT (cwt.)	EXP. PRICE (\$/cwt.)	TOTAL RETURN
7.46	479.97	\$92.17	\$44,236

RISK RATED RETURNS OVER VARIABLE COST

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>Expected</u>	<u>Pessimistic</u>	
Returns	\$4,462	\$2,695	\$927	-\$840
Chances	7%	16%	31%	50%
Chances	93%	84%	69%	50%
				31%
				16%
				7%

CHANCE FOR PROFIT	41%	BASE BUDGETED NET REVENUE	(\$673.32)
		Profit (Loss) Per Head Placed	(\$10.36)

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

Supplemental feed is a corn gluten/ soy hull 50:50 mix fed at 2-3% of bodyweight for entire grazing period.
Mineral+ Ionophore(Bovatec, Rumensin, or GainPro) figured as 4 ozs/day for stockering period
Use of Ionophores & implants significantly increase rate of gain