

**(Variable Cost Budget)
October 2004 Steers**

Placement Date	10/01/04
NUMBER HEAD PLACED	91
DEATH LOSS (%)	1.00%
NUMBER HEAD FINISHED	90
FEED CONVERSION	7.15
MARKETING SHRINK(%)	4.00
GROSS FINISHED WEIGHT (CWT.)	11.75
NET SELLING WEIGHT (CWT.)	11.28
FEEDING PERIOD (DAYS)	193
Projected Out Date	04/11/05
Current Live Cattle Futures for Delivery Month	\$87.50
Expected Basis	\$2.24
Expected Cash Price	\$89.74

PAYWEIGHT TO PAYWEIGHT- DAILY GAIN (LBS./DAY)	BEST	OPT.	MEDIAN	PESS.	WORST
	3.40	3.20	3.00	2.80	2.60
SELLING PRICE (\$/CWT.)	\$99.74	\$94.74	\$89.74	\$84.74	\$79.74

ITEM	UNIT	UNITS PER HEAD	TOTAL QUANTITY	UNIT PRICE	TOTAL AMOUNT
VARIABLE COSTS:			(units)	(\$/unit)	
CALF	CWT.	5.50	500.50	\$110.00	\$55,055
PROCUREMENT COST	HEAD	1.00	91.00	\$8.19	\$745
TRANSPORTATION	CWT.	5.50	500.50	\$5.40	\$2,703
PROCESSING CHARGE	HD.	1.00	91.00	\$0.00	\$0
CALF INTEREST	\$	642.89	58,503	\$0.06	\$1,853
FEED	TONS	2.07	188.04	\$105.00	\$19,744
FEED MARKUP	TONS	2.07	188.04	\$0.00	\$0
YARDAGE	DAYS	193	17,533	\$0.27	\$4,734
VET.,MED. & SUPPLIES	HEAD	1.00	91	\$15.00	\$1,365
COMMISSIONS, PREMIUMS, ETC	HEAD	1.00	91	\$1.37	\$125
DEATH LOSS	\$	642.89	58,503	1.00%	\$585
INTEREST ON FEED ETC.	\$	291.79	26,553	\$0.08	\$561
MARKETING	HEAD	1.00	91	\$6.60	\$601
TOTAL VARIABLE COST					\$88,070

COST SUMMARY:	\$/CWT
FEED ONLY COST OF GAIN (\$/CWT)	\$37.54
FEEDING COST OF GAIN (\$/CWT)	\$51.55
TOTAL COST OF GAIN (\$/CWT)	\$62.77

MAX BREAKEVEN PURCHASE PRICE OF CALF (\$/CWT)	\$118.09
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BREAKEVEN TABLE

ITEM	BASE BUDGETED TOTAL	EXPECTED TOTAL	EXP. \$/CWT.	EXP. \$/HD.
VARIABLE COST	\$88,070	\$88,166	85.89	968.85
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	\$88,070	\$88,166	85.89	968.85

EXPECTED RETURN TABLE

91 head sold (death loss in cost)

EXP. WEIGHT (cwt./hd.)		EXP. PRICE (\$/cwt.)	TOTAL RETURN (\$)
11.28	1026.48	89.74	92,116

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	12,040	9,344	6,647	3,951	1,232	-1,486	-4,205
Chances	100%	16%	31%	50%	69%	84%	93%
Chances	93%	84%	69%	50%	31%	16%	7%

CHANCE FOR PROFIT	77%	BASE BUDGETED NET REVENUE	\$4,046.59
		EXPECTED PROFIT (LOSS) PER HEAD	\$44.47

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