

**(Variable Cost Budget)**  
**Custom Finish 650 Pound Steers - October 2004 Steers**

Placement Date	10/01/04
NUMBER HEAD PLACED	77
DEATH LOSS (%)	1.00%
NUMBER HEAD FINISHED	76
FEED CONVERSION	7.15
MARKETING SHRINK(%)	4.00
GROSS FINISHED WEIGHT (CWT.)	11.75
NET SELLING WEIGHT (CWT.)	11.28
FEEDING PERIOD (DAYS)	159
Projected Out Date	03/09/05
Current Live Cattle Futures for Delivery Month	\$87.50
Expected Basis	\$0.30
Expected Cash Price	\$87.80

PAYWEIGHT TO PAYWEIGHT- DAILY GAIN (LBS./DAY)	<b>BEST</b>	<b>OPT.</b>	<b>MEDIAN</b>	<b>PESS.</b>	<b>WORST</b>
	3.40	3.20	3.00	2.80	2.60
SELLING PRICE (\$/CWT.)	\$97.80	\$92.80	\$87.80	\$82.80	\$77.80

ITEM	UNIT	UNITS PER HEAD	TOTAL QUANTITY	UNIT PRICE	TOTAL AMOUNT
VARIABLE COSTS:			(units)	(\$/unit)	
CALF	CWT.	6.50	500.50	\$105.00	\$52,553
PROCUREMENT COST	HEAD	1.00	77.00	\$8.69	\$669
TRANSPORTATION	CWT.	6.50	500.50	\$5.40	\$2,703
PROCESSING CHARGE	HD.	1.00	77.00	\$0.00	\$0
CALF INTEREST	\$	726.29	55,924	\$0.06	\$1,465
FEED	TONS	1.71	131.58	\$105.00	\$13,816
FEED MARKUP	TONS	1.71	131.58	\$0.00	\$0
YARDAGE	DAYS	159	12,269	\$0.27	\$3,313
VET.,MED. & SUPPLIES	HEAD	1.00	77	\$15.00	\$1,155
COMMISSIONS, PREMIUMS, ETC	HEAD	1.00	77	\$1.62	\$125
DEATH LOSS	\$	726.29	55,924	1.00%	\$559
INTEREST ON FEED ETC.	\$	246.33	18,968	\$0.08	\$331
MARKETING	HEAD	1.00	77	\$6.60	\$508
<b>TOTAL VARIABLE COST</b>					<b>\$77,196</b>

COST SUMMARY:	\$/CWT
FEED ONLY COST OF GAIN (\$/CWT)	\$37.54
FEEDING COST OF GAIN (\$/CWT)	\$52.43
TOTAL COST OF GAIN (\$/CWT)	\$66.96

<b>MAX BREAKEVEN PURCHASE PRICE OF CALF (\$/CWT)</b>	<b>\$103.13</b>
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### BREAKEVEN TABLE

ITEM	BASE BUDGETED TOTAL	EXPECTED TOTAL	EXP. \$/CWT.	EXP. \$/HD.
VARIABLE COST	\$77,196	\$77,263	88.95	1003.41
DIRECT FIXED COST	\$0	\$0	0.00	0.00
OVERHEAD	\$0	\$0	0.00	0.00
MANAGEMENT	\$0	\$0	0.00	0.00
<b>TOTAL COST</b>	<b>\$77,196</b>	<b>\$77,263</b>	<b>88.95</b>	<b>1003.41</b>

### EXPECTED RETURN TABLE

77 head sold (death loss in cost)

EXP. WEIGHT (cwt./hd.)	EXP.PRICE (\$/cwt.)	TOTAL RETURN (\$)
11.28	868.56	76,260

### 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	5,736	3,490	1,243	-1,003	-3,262	-5,521	-7,780
Chances	100%	16%	31%	50%	69%	84%	93%
Chances	93%	84%	69%	50%	31%	16%	7%

<b>CHANCE FOR PROFIT</b>	<b>41%</b>	<b>BASE BUDGETED NET REVENUE</b>	<b>(\$936.54)</b>
		<b>EXPECTED PROFIT (LOSS) PER HEAD</b>	<b>(\$12.16)</b>

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