

Cow-Calf Production Improved Pastures 40 Cow Herd
 Central Texas (8)
 2006 Projected Costs and Returns per Head

=====					
PRODUCTION Description	Quantity	Unit	\$ / Unit	Return	
CULL COWS BEEF	0.10Hd	9.000	cwt.	50.0000	45.00
HEIFER CALVES	0.28Hd	4.500	cwt.	100.0000	126.00
STEER CALVES	0.43Hd	4.800	cwt.	103.0000	212.59
					=====
Total GROSS Income					383.59
=====					
OPERATING INPUT or CUSTOM OPERATION					
Description	Input Use	Unit	\$ / Unit	Cost	
HAY BERMUDA	24.750	cwt.	3.000	74.25	
MISCELLANEOUS COW-CALF	1.000	head	10.000	10.00	
PASTURE BERMUDA	1.800	acre	37.320	67.18	
SALES COMMISSIONCULL COW	0.900	cwt.	1.250	1.13	
SALES COMMISSIONSTOCKER	3.180	cwt.	2.000	6.36	
SALT & MINERALS	0.490	cwt.	7.930	3.89	
SUPPLEMENT	1.500	cwt.	10.750	16.13	
VET. MEDICINE COW-CALF	1.000	head	7.000	7.00	
Fuel				10.10	
Lube				1.01	
Repair				5.94	
					=====
Total OPERATING INPUT and CUSTOM OPERATION Costs					202.98
=====					
Residual returns to capital, ownership labor, land, management, and profit					180.61
=====					
CAPITAL INVESTMENT Description	Quantity Invested	Unit	Rate of Return	Cost	
Interest - IT Borrowed	1287.670	Dol.	0.073	93.36	
Interest - OC Borrowed	116.686	Dol.	0.085	9.92	
Interest - OC Earned	-21.287	Dol.	0.095	-2.02	
					=====
Total CAPITAL INVESTMENT Costs					101.25
=====					
Residual returns to ownership, labor, land, management, and profit					79.36
=====					
OWNERSHIP COST Description (Depreciation, Taxes, and Insurance)					Cost
Machinery and Equipment				41.75	
Livestock				14.98	
					=====
Total OWNERSHIP Costs					56.74
=====					
Residual returns to labor, land, management, and profit					22.62
=====					
LABOR COST Description	Input Use	Unit	Average Rate	Cost	
Machinery and Equipment	3.108	Hr.	5.152	16.01	
Other	5.400	Hr.	5.000	27.00	
					=====
Total LABOR Costs					43.01
=====					
Residual returns to land, management, and profit					-20.39
=====					
LAND COST Description	Input Use	Unit	Rate of Return	Cost	
BERMUDA PASTURE					
Annual Lease	1.800	Acre	20.000	36.00	
NATIVE PASTURE					
Annual Lease	2.000	Acre	8.000	16.00	
					=====
Total LAND Costs					52.00
=====					
Residual returns to management and profit					-72.39
=====					
Residual returns to profit					-72.39
=====					
Total Projected Cost of Production					455.98

*Projections for Planning Purposes Only
Not to be Used without Updating after November 1, 2005*

B-1241 (L8)

Cow-Calf Production Improved Pastures 40 Cow Herd
Central Texas (8)
2006 Projected Costs and Returns per Head

GROSS INCOME Description	Quantity	Unit	\$ / Unit	Total	
CULL COWS BEEF	0.10Hd	9.000	cwt.	50.0000	45.00
HEIFER CALVES	0.28Hd	4.500	cwt.	100.0000	126.00
STEER CALVES	0.43Hd	4.800	cwt.	103.0000	212.59
Total GROSS Income				383.59	

VARIABLE COST Description	Total
BARN HAY	0.26
FENCING ONE MILE	2.90
HAY BERMUDA	74.25
Interest - Earned	-2.02
Interest - OC Borrowed	9.92
LIVESTOCK LABOR	27.00
MISCELLANEOUS COW-CALF	10.00
PASTURE BERMUDA	67.18
PENS & EQUIPMENT	0.81
PICKUP TRUCK 3/4 TON	29.10
SALES COMMISSIONCULL COW	1.13
SALES COMMISSIONSTOCKER	6.36
SALT & MINERALS	3.89
SUPPLEMENT	16.13
VET. MEDICINE COW-CALF	7.00
Total VARIABLE COST	253.89

Break-Even Price, Total Variable Cost \$ 40.16 per cwt. of STEER CALVES

GROSS INCOME minus VARIABLE COST 129.70

FIXED COST Description	Unit	Total
Machinery and Equipment	Acre	79.91
Livestock		70.18
Land	Acre	52.00
Total FIXED Cost		202.09

Break-Even Price, Total Cost \$ 138.07 per cwt. of STEER CALVES

Total of ALL Cost 455.98

NET PROJECTED RETURNS -72.39