

Cow-Calf Production Native Pastures 40 Cow Herd  
 Central Texas (8)  
 2012 Projected Costs and Returns per Head

| PRODUCTION Description | Quantity | Unit       | \$ / Unit | Return |
|------------------------|----------|------------|-----------|--------|
| CULL COWS BEEF         | 0.10Hd   | 9.000 cwt. | 72.0000   | 64.80  |
| HEIFER CALVES          | 0.28Hd   | 4.500 cwt. | 150.0000  | 189.00 |
| STEER CALVES           | 0.43Hd   | 4.800 cwt. | 145.0000  | 299.28 |
| Total GROSS Income     |          |            |           | 553.08 |

| OPERATING INPUT or CUSTOM OPERATION Description  | Input Use | Unit | \$ / Unit | Cost   |
|--|-----------|------|-----------|--------|
| MISCELLANEOUS COW-CALF                           | 1.000     | head | 10.000    | 10.00  |
| PASTURE BERMUDA                                  | 1.000     | acre | 152.740   | 152.74 |
| SALES COMMISSIONCULL COW                         | 0.900     | cwt. | 1.250     | 1.13   |
| SALES COMMISSIONSTOCKER                          | 3.180     | cwt. | 2.000     | 6.36   |
| SALT & MINERALS                                  | 0.490     | cwt. | 15.000    | 7.35   |
| SUPPLEMENT                                       | 3.000     | cwt. | 10.750    | 32.25  |
| VET. MEDICINE COW-CALF                           | 1.000     | head | 7.000     | 7.00   |
| Fuel   |           |      |           | 15.53  |
| Lube   |           |      |           | 1.55   |
| Repair   |           |      |           | 5.94   |
| Total OPERATING INPUT and CUSTOM OPERATION Costs |           |      |           | 239.85 |

Residual returns to capital, ownership labor, land, management, and profit 313.23

| CAPITAL INVESTMENT Description | Quantity Invested | Unit | Rate of Return | Cost   |
|--------------------------------|-------------------|------|----------------|--------|
| Interest - IT Borrowed         | 1352.080          | Dol. | 0.060          | 81.12  |
| Interest - OC Borrowed         | 317.288           | Dol. | 0.060          | 19.04  |
| Total CAPITAL INVESTMENT Costs |                   |      |                | 100.16 |

Residual returns to ownership, labor, land, management, and profit 213.07

| 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 156.33

| LABOR COST Description  | Input Use | Unit | Average Rate | Cost  |
|-------------------------|-----------|------|--------------|-------|
| Machinery and Equipment | 3.108     | Hr.  | 5.507        | 17.12 |
| Other                   | 5.400     | Hr.  | 5.000        | 27.00 |
| Total LABOR Costs       |           |      |              | 44.12 |

Residual returns to land, management, and profit 112.22

| LAND COST Description        | Input Use | Unit | Rate of Return | Cost   |
|------------------------------|-----------|------|----------------|--------|
| BERMUDA PASTURE Annual Lease | 1.000     | Acre | 20.000         | 20.00  |
| NATIVE PASTURE Annual Lease  | 10.000    | Acre | 8.000          | 80.00  |
| Total LAND Costs             |           |      |                | 100.00 |

Residual returns to management and profit 12.22

Total Projected Cost of Production 540.86

*Projections for Planning Purposes Only  
Not to be Used without Updating after May 1, 2012*

B-1241 (C8)

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| GROSS INCOME Description | Quantity | Unit  | \$ / Unit     | Total  |
|--------------------------|----------|-------|---------------|--------|
| =====                    | =====    | ===== | =====         | =====  |
| CULL COWS BEEF           | 0.10Hd   | 9.000 | cwt. 72.0000  | 64.80  |
| HEIFER CALVES            | 0.28Hd   | 4.500 | cwt. 150.0000 | 189.00 |
| STEER CALVES             | 0.43Hd   | 4.800 | cwt. 145.0000 | 299.28 |
|                          |          |       |               | =====  |
| Total GROSS Income       |          |       |               | 553.08 |

| VARIABLE COST Description | Total  |
|---------------------------|--------|
| =====                     | =====  |
| BARN HAY                  | 0.26   |
| FENCING ONE MILE          | 3.56   |
| Interest - OC Borrowed    | 19.04  |
| LIVESTOCK LABOR           | 27.00  |
| MISCELLANEOUS COW-CALF    | 10.00  |
| PASTURE BERMUDA           | 152.74 |
| PENS & EQUIPMENT          | 1.25   |
| PICKUP TRUCK 3/4 TON      | 35.07  |
| SALES COMMISSIONCULL COW  | 1.13   |
| SALES COMMISSIONSTOCKER   | 6.36   |
| SALT & MINERALS           | 7.35   |
| SUPPLEMENT                | 32.25  |
| VET. MEDICINE COW-CALF    | 7.00   |
|                           | =====  |
| Total VARIABLE COST       | 303.00 |

Break-Even Price, Total Variable Cost \$ 23.84 per cwt. of STEER CALVES

GROSS INCOME minus VARIABLE COST 250.08

| FIXED COST Description  | Unit  | Total  |
|-------------------------|-------|--------|
| =====                   | ===== | =====  |
| Machinery and Equipment | Acre  | 73.33  |
| Livestock               |       | 64.53  |
| Land                    | Acre  | 100.00 |
|                         |       | =====  |
| Total FIXED Cost        |       | 237.86 |

Break-Even Price, Total Cost \$ 139.08 per cwt. of STEER CALVES

Total of ALL Cost 540.86

NET PROJECTED RETURNS 12.22