

Figure 1. Revised long-run steer feeder-calf planning prices

500- to 600-lb. animals in Northern Plains

Fall weaning prices

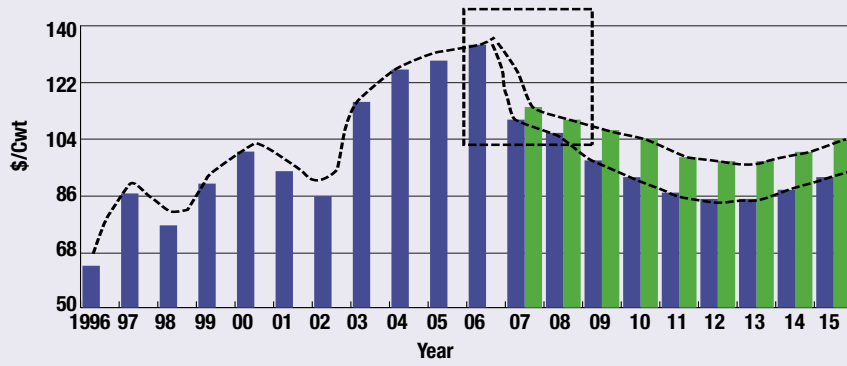


Figure 2. Feeder-calf, feeder-cattle and slaughter-cattle planning prices

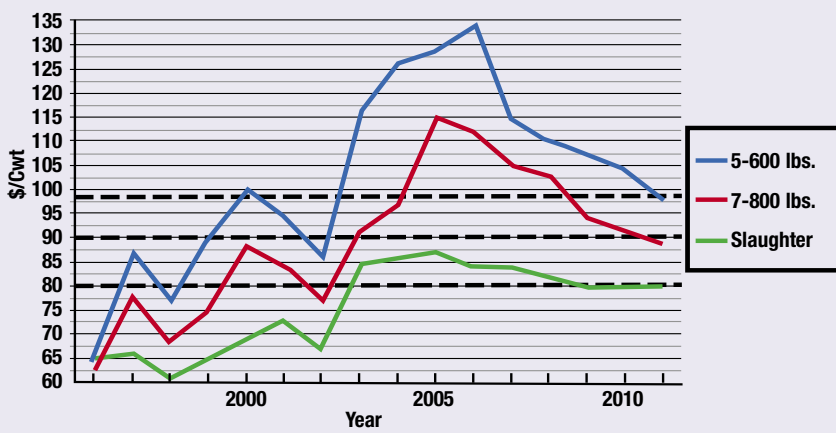


Figure 3. Buy/sell margins change with the cattle cycle

Calf, feeder and slaughter prices

U.S. Northern Plains

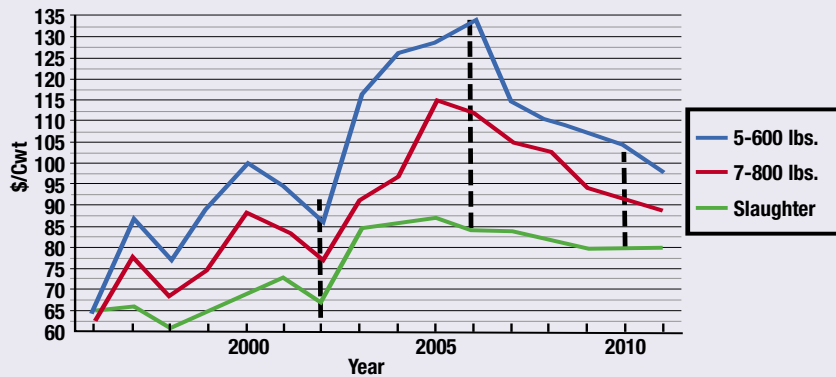
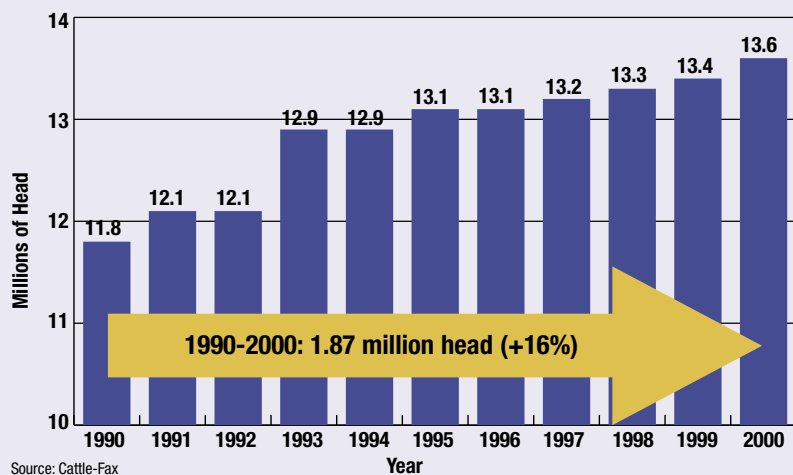


Figure 4. Bunk space added during the 1990s



Source: Cattle-Fax

Figure 5. Aug. 28, '06 feeder-cattle futures prices

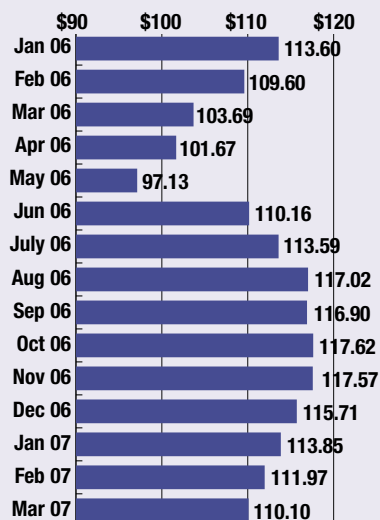


Figure 6. Live-cattle futures prices 2005 through projected August 2007

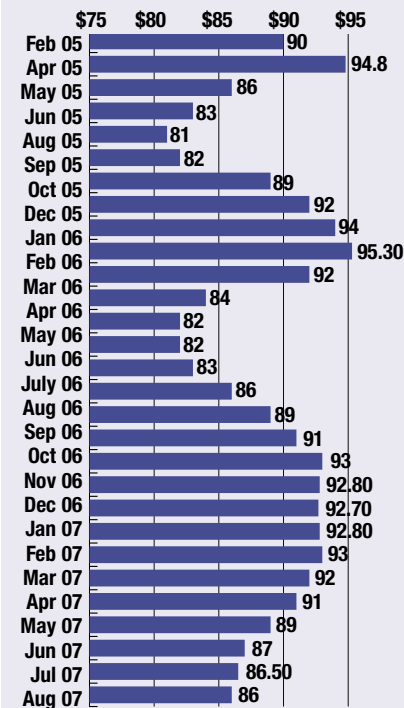


Figure 7. Suggested short-run planning prices

| Lbs. | Jan 04 | Mar 04 | Spring 04 | Fall 04 |
|-----------|--------|--------|-----------|---------|
| 425 | \$148 | \$130 | \$125 | \$148 |
| 500 | \$136 | \$122 | \$118 | \$136 |
| 550 | - | - | - | \$130 |
| 600 | \$125 | \$111 | \$108 | \$125 |
| 700 | \$118 | \$101 | \$98 | \$118 |
| 800 | \$116 | \$90 | \$90 | \$116 |
| 900 | \$118 | \$80 | \$81 | \$118 |
| Slaughter | \$87 | \$84 | \$82 | \$83 |
| | Feb 04 | Mar 04 | Apr 04 | Oct 04 |

| Lbs. | Jan 05 | Mar 05 | Spring 05 | Fall 05 |
|-----------|--------|--------|-----------|---------|
| 425 | \$143 | \$143 | \$155 | \$142 |
| 500 | \$133 | \$133 | \$146 | \$134 |
| 550 | - | - | - | \$129 |
| 600 | \$121 | \$121 | \$135 | \$124 |
| 700 | \$113 | \$113 | \$124 | \$117 |
| 800 | \$107 | \$107 | \$114 | \$112 |
| 900 | \$105 | \$105 | \$104 | \$109 |
| Slaughter | \$86 | \$92 | \$98 | \$91 |
| | Feb 05 | Mar 05 | Apr 05 | Nov 05 |

| Lbs. | Jan 06 | Mar 06 | Spring 06 | Fall 06 |
|-----------|--------|--------|-----------|---------|
| 425 | \$151 | \$142 | \$135 | \$156 |
| 500 | \$143 | \$134 | \$128 | \$148 |
| 550 | - | - | - | \$143 |
| 600 | \$138 | \$124 | \$118 | \$138 |
| 700 | \$124 | \$115 | \$108 | \$129 |
| 800 | \$115 | \$106 | \$100 | \$120 |
| 900 | \$106 | \$98 | \$91 | \$112 |
| Slaughter | \$92 | \$83 | \$85 | \$92 |
| | Jan 06 | Mar 06 | Apr 06 | Nov 06 |

| Lbs. | Jan 07 | Mar 07 | Spring 07 | Fall 07 |
|-----------|--------|--------|-----------|---------|
| 425 | \$152 | \$143 | \$143 | \$132 |
| 500 | \$144 | \$141 | \$135 | \$124 |
| 550 | - | - | - | \$119 |
| 600 | \$135 | \$131 | \$125 | \$114 |
| 700 | \$125 | \$121 | \$116 | \$105 |
| 800 | \$116 | \$113 | \$107 | \$96 |
| 900 | \$108 | \$104 | \$99 | \$88 |
| Slaughter | \$89 | \$90 | \$94 | \$78 |
| | Jan 07 | Mar 07 | Apr 07 | Nov 07 |

Figure 8. Projected post-weaning profit potential

| Marketing strategy | Buy/sell margin | Cost of gain /lb. | Profit/head |
|--------------------------------|-----------------|-------------------|-------------|
| Spring calving | | | |
| Sell at weaning | xxxx | \$0.77 | \$212 |
| Bckg high ADG | -\$27 | \$0.52 | \$5 |
| Fin Bckg steers | -\$30 | \$0.58 | -\$109 |
| Grow & finish | -\$54 | \$0.54 | -\$97 |
| May/June summer calving | | \$86.51 | \$260 |
| Winter grow feeder into '07 | -\$37 | \$0.68 | -\$44 |
| '06 steers on grass in '07 | -\$23 | \$0.32 | -\$78 |
| Finish '07 grass steers | -\$14 | \$35 | \$21 |