Wheat stocker (example) (example numbers): 100 head steers, 400 lb

Buy 2026-11-15 at $434.15/cwt (walk-away limit) · ship 2027-04-29 at 745 lb payweight · note paid 2027-04-29 · 8.0% on drawn principal (actual 365f) · 100% of cattle and 100% of costs borrowed

Sale break-even **$317.34/cwt** vs expected resale **$324.44/cwt**: margin of safety **$7.10/cwt (2.2%)**. Purchase break-even $446.21/cwt. Peak owed $212,158; loan-to-value 102% on purchase day.

BUDGET

	Per head bought	Lot
Sale: 97.0 hd × 745 lb × $324.44	$2,344	$234,394
less commission 2.5% and selling costs	-$102	-$10,225
Net sale	**$2,242**	**$224,169**
Cattle ($434.15/cwt)	$1,737	$173,658
Receiving yard 45 d · wheat pasture 120 d	$360	$36,000
Vet	$25	$2,500
Interest on drawn principal	$70	$7,011
Profit	**$50**	**$5,000**

IF THE SALE PRICE FALLS

Market	Profit /hd	After the note /hd	Lot short
As planned	$50	$50 left	—
-$10.00 ($314.44)	-$20	**$20 short**	$2,044
-$20.00 ($304.44)	-$91	**$91 short**	$9,088
-$30.00 ($294.44)	-$161	**$161 short**	$16,132
-$40.00 ($284.44)	-$232	**$232 short**	$23,176

DRAWS AND THE NOTE BY MONTH

Month	Drawn	Interest	Sale in	Owed after
Nov 2026	$179,358	$624	—	$179,358
Dec 2026	$6,250	$1,240	—	$185,608
Jan 2027	$6,975	$1,286	—	$192,583
Feb 2027	$6,300	$1,202	—	$198,883
Mar 2027	$6,975	$1,376	—	$205,858
Apr 2027	$6,300	$1,283	$224,169	$5,000 ahead
Total	**$212,158**	**$7,011**		

LOAN-TO-VALUE

Date	Cattle value	Owed	LTV
Purchase day	$173,658	$176,358	102%
Dec 1	$179,149	$179,982	100%
Jan 1	$194,757	$187,472	96%
Feb 1	$209,377	$195,733	93%
Mar 1	$219,979	$203,235	92%
Apr 1	$228,879	$211,585	92%
Payoff, before the sale check	$234,394	$219,169	94%

Cattle value is an estimate: head alive × weight to date less shrink × a price sliding from purchase to resale.

ASSUMPTIONS AND SOURCES

- Gain: 45 d at 2.0 lb/d, then 120 d at 2.25 lb/d. Death loss 3.0% of head bought. Sale shrink 2.0%. Estimate, not a note: Actual/365 fixed (leap day in the numerator, 365 in the denominator); cost dates treated as advance dates; 100.0% of the cattle check and 100.0% of operating costs drawn; interest on drawn principal only.
- Resale: the lower of CME feeder Mar 2027 settle 332.05 (USDA LSPDFSS 2026-11-13); Apr 2027 is not in the USDA report, so the nearest printed month is used, slid $8.0/cwt per 100 lb from 750 lb, and USDA cash (700-799 and 800-899 blended at 760 lb average at Wildorado, Dalhart, Tulia, Clovis). Cownty head-weighted averages of USDA AMS barn reports; CME settlements via USDA LSPDFSS, held flat. Not a forecast.
- Sale shrink 2%: USDA AMS Texas Direct Cattle Report (AMS_2710), week ending Nov 6, 2026.
- Commission 2.5%: Texas A&M thesis, Changes in Texas Livestock Auction Markets 1969-2014 (3-4%); Gulf Coast Livestock Auction posted fees (4%, $20/hd min).
- Selling costs $45/head: Texas A&M AgriLife Extension, 2024 Stocker Calf Budget, Grazeout, Rolling Plains (D3).

Prepared by (borrower) _____ Date _____ Reviewed by (lender) _____ Date _____