Wheat stocker (example) (example numbers): 100 head steers, 500 lb

Buy 2026-11-15 at $385.08/cwt (walk-away limit) · ship 2027-04-29 at 843 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 **$304.99/cwt** vs expected resale **$311.26/cwt**: margin of safety **$6.27/cwt (2.0%)**. Purchase break-even $394.73/cwt. Peak owed $231,040; loan-to-value 101% on purchase day.

BUDGET

	Per head bought	Lot
Sale: 97.0 hd × 843 lb × $311.26	$2,545	$254,460
less commission 2.5% and selling costs	-$107	-$10,727
Net sale	**$2,437**	**$243,734**
Cattle ($385.08/cwt)	$1,925	$192,540
Receiving yard 45 d · wheat pasture 120 d	$360	$36,000
Vet	$25	$2,500
Interest on drawn principal	$77	$7,694
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 ($301.26)	-$30	**$30 short**	$2,971
-$20.00 ($291.26)	-$109	**$109 short**	$10,942
-$30.00 ($281.26)	-$189	**$189 short**	$18,912
-$40.00 ($271.26)	-$269	**$269 short**	$26,883

DRAWS AND THE NOTE BY MONTH

Month	Drawn	Interest	Sale in	Owed after
Nov 2026	$198,240	$690	—	$198,240
Dec 2026	$6,250	$1,369	—	$204,490
Jan 2027	$6,975	$1,414	—	$211,465
Feb 2027	$6,300	$1,318	—	$217,765
Mar 2027	$6,975	$1,504	—	$224,740
Apr 2027	$6,300	$1,399	$243,734	$5,000 ahead
Total	**$231,040**	**$7,694**		

LOAN-TO-VALUE

Date	Cattle value	Owed	LTV
Purchase day	$192,540	$195,240	101%
Dec 1	$196,770	$198,930	101%
Jan 1	$211,241	$206,549	98%
Feb 1	$225,505	$214,937	95%
Mar 1	$236,588	$222,555	94%
Apr 1	$246,896	$231,034	94%
Payoff, before the sale check	$254,460	$238,734	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 (800-899 and 900-999 blended at 860 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 _____