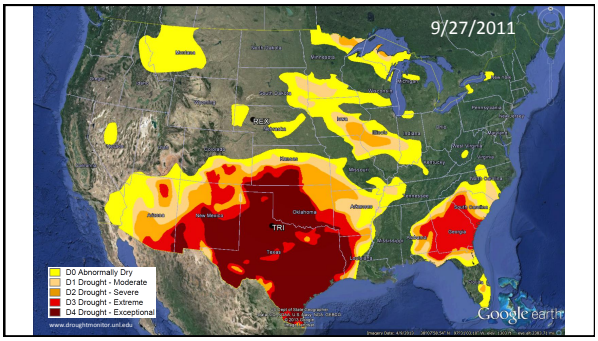
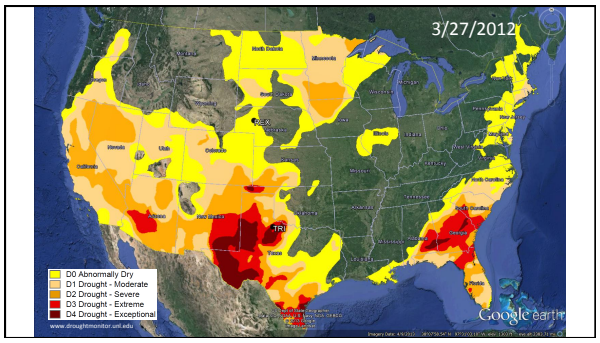

REX RANCH


9/27/2011
D0 Abnormally Dry
D1 Drought - Moderate
D2 Drought - Severe
D3 Drought - Extreme
D4 Drought - Exceptional
Google earth


3/27/2012
D0 Abnormally Dry
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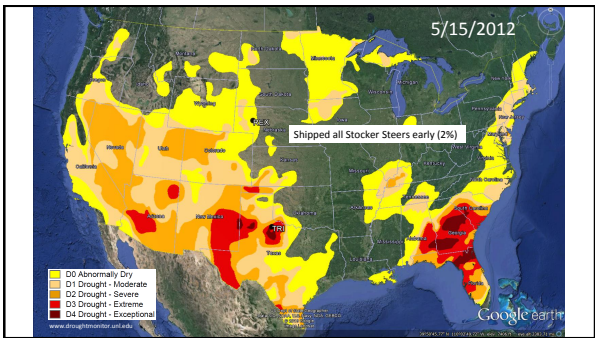
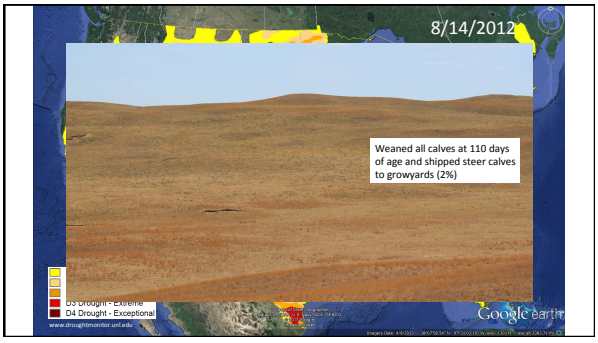
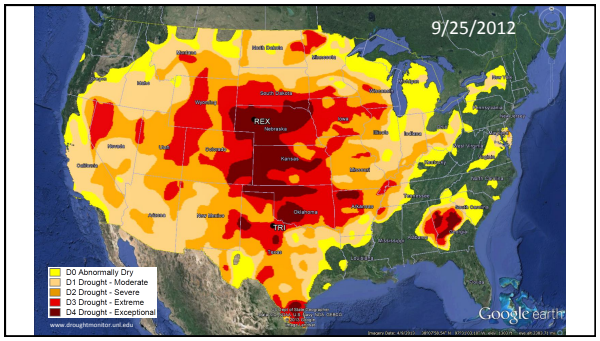

5/15/2012
Shipped all Stocker Steers early (2%)
D0 Abnormally Dry
D1 Drought - Moderate
D2 Drought - Severe
D3 Drought - Extreme
D4 Drought - Exceptional
Google earth


6/26/2012
Whitman, NE - July 10, 2012
Shipped all yearling hfrs to feedyard prior to exposing and sold all dry cows (7.5%)
D3 Drought - Extreme
D4 Drought - Exceptional
Google earth


8/14/2012
Weaned all calves at 110 days of age and shipped steer calves to growyards (2%)
D3 Drought - Extreme
D4 Drought - Exceptional
Google earth


9/25/2012
REX
TRI
D0 Abnormally Dry
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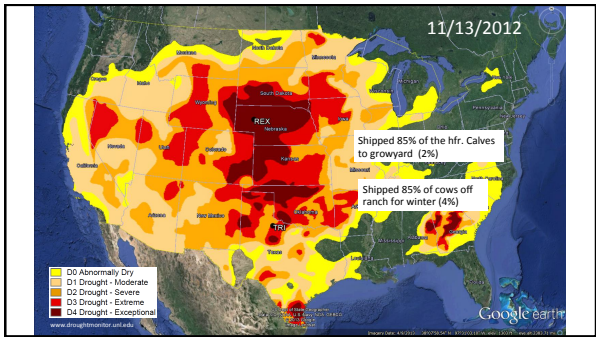
www.droughtmonitor.unl.edu
Google earth


11/13/2012
Shipped 85% of the hfr. Calves to growyard (2%)
Shipped 85% of cows off ranch for winter (4%)
REX
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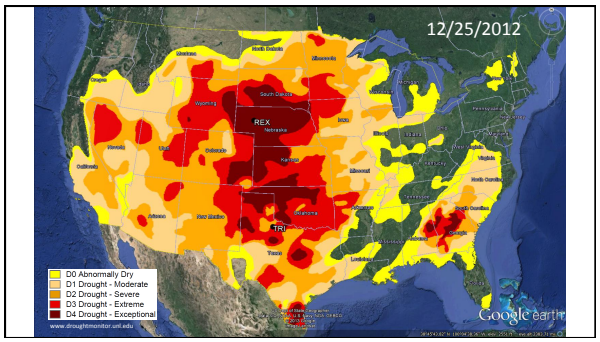
Google earth


12/25/2012
REX
TRI
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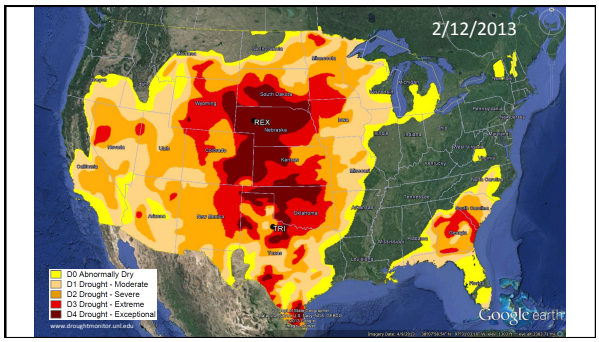
2/12/2013
REX
TRI
D0 Abnormally Dry
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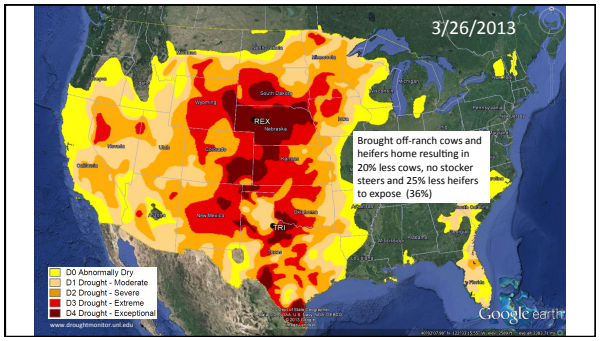
3/26/2013
Brought off-ranch cows and heifers home resulting in 20% less cows, no stocker steers and 25% less heifers to expose (36%)
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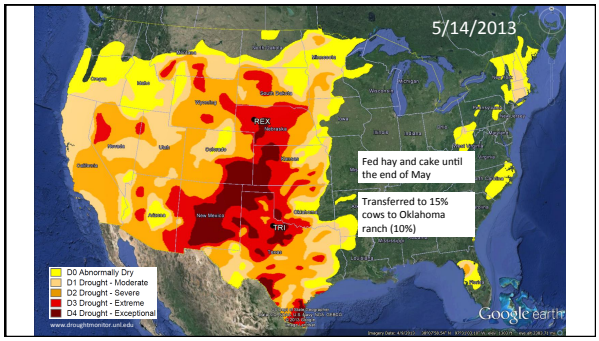
5/14/2013
Fed hay and cake until the end of May
Transferred to 15% cows to Oklahoma ranch (10%)
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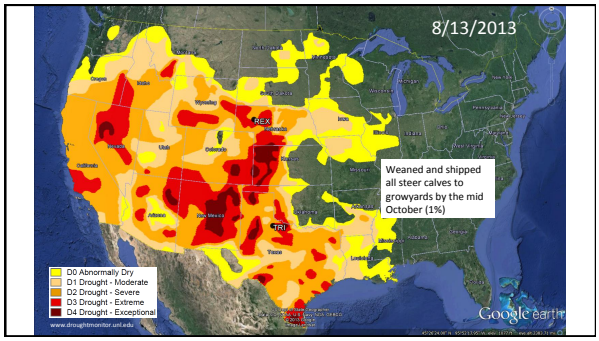
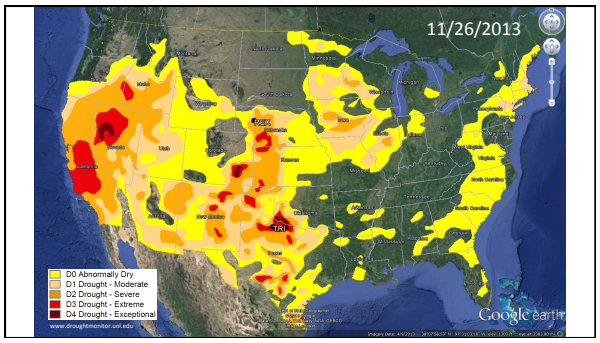
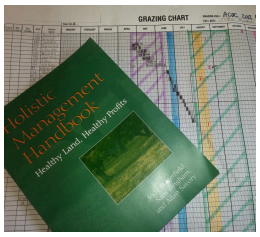




Rex Mission Statement

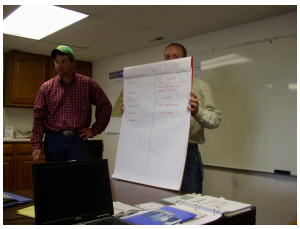
"Maximize long term profit by enhancing land, livestock and human resources."

Enhance Land Resource through disciplined/written grazing planning with a focus on proper recovery time

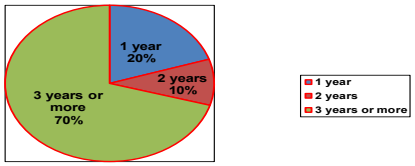


Enhance Livestock Resource through crossbreeding with data based genetic selection and use of Bud Williams animal handling techniques

Enhance Human Resource through autonomy and accountability of each employee



Labor Force Experience
(2007 to 2012)



Range Management Practices
- 80% cows and 20% yearlings
- 13.5 acres per 1000 lb. AU

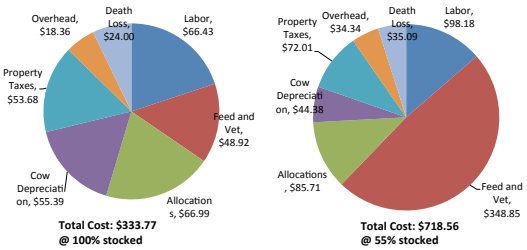
- Large herds (600 to 950 head)
- Rotate every 3 to 7 days to achieve 100 day recovery time

Cow Production Practices

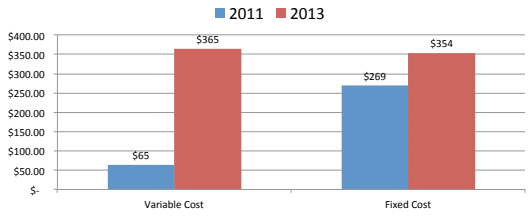
- Calve in May and June
- Wean anytime from August to January depending on condition of range and cows
- All calves and or yearlings are retained through the company owned feedyard. (Deseret Cattle Feeders near Satanta, KS)
- Closed herd: raise own bulls and heifers
- Composite of ½ Angus; ¼ Simmental; ¼ South Devon

2011 Calf Costs 2013 Calf Costs

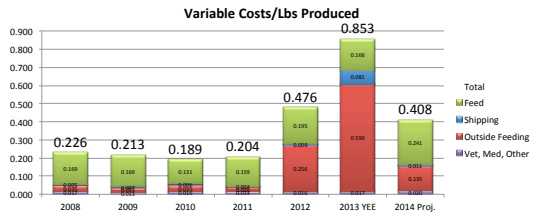
Hay is at cost and no land lease other than property taxes



Change in Fixed and Variable Costs due to Drought



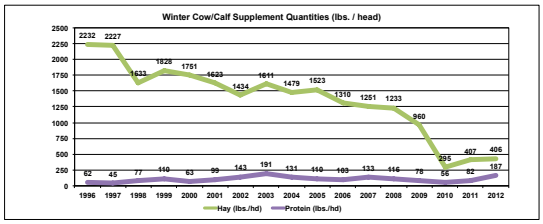
Effect of Drought on Variable Costs



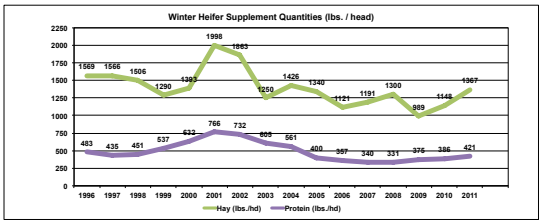
Effective Cost Saving Mgt. Strategies

- Hire good people, give them meaningful responsibility and reward them for excellent results.
- Match cow cycle to the range nutrient cycle.
- Develop low maintenance crossbred females and ask them to harvest their ration rather than us feed them.
- Know the cost of managing for the extremes. (ex.100 year drought)

Matching cow cycle to nutrient availability of the range.
(Generated 70% reduction in supplement feeding)



Develop low maintenance females and ask them to harvest their ration rather than us feed them (25% decrease in supplement feeding)



Cost of Managing for Extreme Drought

	Normal	Drought	Difference
Variable Cost ($/head)	$ 65	$ 365	$ 300
Calves (head)	11,575	9,722	
Days on hay	20	180	
Feed rate (lbs. fed/day)	25	25	
Inventory need	150%	100%	
Total inventory (tons)	4,341	21,875	
Hay cost ($/ton)	$ 100	$ 100	
Inventory loss (%/year)	15%	15%	
Cost of inventory loss ($/year)	$ 32,555	$ 284,715	$ 252,161
Cost of inventory carry (%/year)	4%	4%	
Inventory carry cost ($/year)	$ 8,681	$ 70,137	$ 61,455
Total cost difference ($/year)			$ 313,616
Drought frequency to afford extra inventory (Years)			9.3

Ineffective Cost Saving Mgt. Strategies

- Poor hiring decisions coupled with sink or swim training philosophy.
- Supplementing to little at crucial times.

Two Year Olds breeding back for 2nd calf		
Year	Preg. Rate	Actual Protein fed
2011	80%	No supplement
2012	95%	.25 lbs./day for 40 days

- Not spending the time to plan and or budget.


Thank You