



HOUSTON LIVESTOCK SHOW AND RODEO™

JUNIOR COMMERCIAL STEER FEEDING AND MANAGEMENT CONTEST



2019 Record Book Instructions and Guidelines

This contest is subject to the Houston Livestock Show and Rodeo™ General Rules and Regulations, the Junior Show Rules and Regulations and the Special Rules for Junior Commercial Steer Feeding and Management Contest. Where rules may conflict, the Special Rules for Junior Commercial Steer Feeding & Management Contest will prevail. These Special Rules can be found at <http://www.rodeohouston.com/Get-Involved/Exhibitors-Participants/Livestock-Show> in the Junior Commercial Steer section.

Questions regarding this contest should be emailed to livestock@rodeohouston.com.

The following Record Book Instructions are to be used as guidelines to complete your Record Book prior to check-in at the Contest. Please read the instructions carefully and understand them completely. Specific questions on these Record Book Instructions and/or the preparation of your Record Book may be directed to jcsrecordbooks@gmail.com. For communication, include your name and a phone number so you can be personally contacted if necessary. **The deadline for Record Book questions is 11:59 PM on Wednesday, February 27, 2019.**

General Record Book Information

The content of the record book must only include that which is requested on the Junior Commercial Steer Feeding and Management Contest Record Book Forms located at:

<http://www.rodeohouston.com/Get-Involved/Exhibitors-Participants/Livestock-Show>

The completed original Record Book Forms **must** be placed in clear sheet protectors such as Avery Sheet Protectors, model 75530 and **must only** be bound in a 1-inch hard back view binder such as the Avery View Binder, model 17565. The original signed cover page is to be inserted in the view pocket on the front outside cover of the view binder.

The Record Book Forms can be completed in the active PDF document or legibly handwritten on white paper only. Do not include tabs, dividers, or other non-essential items in the book. **Modification of the sheets or forms is not allowed.**

The Record Book must be organized and neatly presented in the following order. All entries must be line itemized for each section and the supporting documents must be in chronological order.

1. Section A; Steer Purchase Information and Analysis
 - a. Form BWT; Beginning Weight Tickets
 - b. Form SD; Supporting Documents
2. Section B; Health Care Record and Preconditioning
 - a. Form SD; Supporting Documents
3. Section C; Feed Information Log and Monthly Feed Usage Summary
 - a. Form C-1; Feed Information Log
 - b. Form C-2; Feed Information Log (final) and Monthly Feed Consumption Summary
 - c. Form FWT; Bulk Feed Weight Tickets, if required
 - d. Form SD; Supporting Documents
 - e. Form FWT; Bulk Feed Weight Tickets, if required to substantiate credit
 - f. Form BFR; Bulk Feed Recap Worksheet, if required
4. Sections D / E; Interest Expense and Yardage and General Sales Expenses
5. Section F; Cattle Performance and Financial Summary
 - a. Form EWT; Ending Weight Tickets
6. Section G; Photos (optional)

For auditing purposes, provide a duplicate copy of Sections A, B, C-1, C-2, D / E, F, and BFR (if applicable). Forms BWT, SD, FWT, EWT and Section G do not require a duplicate copy. These duplicate copies must be fastened with a staple and inserted in the front inside pocket of the binder.

NOTE: Contestants will be required to complete a Form CO; Closeout Worksheet on their pen of steers and records during the contest using check-in weight (sale weight). Form CO will need to be in hand at the Weighing and Grading of steers.



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Rule 13. Special Rules for Junior Commercial Steer Feeding and Management Contest:

13. Weighing: Cattle must be weighed individually on a certified livestock scale by a certified weigher starting on February 24 through March 3, 2019. This weight is the official weight for the feeding records (record weight) and will be used with a four percent (4%) pencil shrink in the record book. The certified weigher must sign the official scale ticket, and the weights must appear on the ticket. This weighing will be followed by check-in weight (sale weight) at the Houston Livestock Show and Rodeo™. Cattle will be sold on the check-in weight.

Record Weight – the official weight used to complete feeding records.

Record Weight Day (Date) – the day the final weights of your steers will be obtained for the purpose of ending the feeding program and closing out the record book.

Refer to the table on the last page of these Record Book Instructions for examples of mathematical expressions to be used throughout the Record Book.

An exhibitor can obtain an excellent Record Book score when adequate records are provided and all calculations are accurate. Use the following instructions to guide you through the Record Book process.

Supporting Documents

- I. Supporting Documents, specifically financial records, substantiate expenses associated with your feeding program. For the purpose of this Record Book, Supporting Documents include:
 - sales slip OR bill of sale
 - cash register tape receipt
 - invoice (handwritten or printed)
 - receipt (handwritten or printed)

An original sales slip or bill of sale, cash register receipt, invoice, or receipt are required for Supporting Documents and will be referred to as such from here forward. The following standards must be adhered to when obtaining Supporting Documents from various vendors for actual purchases associated with your feeding program.

Note: If an original Supporting Document is not available or does not contain all necessary information, do not falsify or create inappropriate records. In such cases, provide an explanation in a footnote on Form SD as to why the information is missing or document is unavailable. For example, if the supplier does not provide all required information (listed below) on the Supporting Document.

- A. Supporting Documents must be original and contain at a minimum the following information:
 1. The name of the buyer.
 2. The name of the seller with a form of contact (address and/or phone number).
 3. The purchase date of goods or services.
 4. An itemized list of all goods or services purchased with the quantity, the unit price, line totals, and a total of all items purchased. If the Supporting Document contains items that were not used in your feeding program, note the items that were used in your feeding program by highlighting, underlining or noting the item with a distinguishing mark.
- B. All Supporting Documents must physically reside after the specific Record Book Section that they support. Form SD must be used as a background to secure Supporting Documents unless the Supporting Document is an 8.5" x 11" sheet.
- C. See the accompanying Section details for additional, specific required information.



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- II. The following guide must be used to determine when a Supporting Document is required for a given financial transaction reported in the Record Book.
 - A. Supporting Documents are required for:
 1. Initial purchase of steers
 2. Beginning weight tickets and ending (record) weight tickets
 3. All veterinary supplies or services
 4. All feed purchases
 5. Bulk feed and feed credits
 - B. Supporting Documents are not required for the following unless actual expenses exceed the stated minimums:
 1. Freight and buying commission expense
 2. Mixing, Handling, and Storage charges
 3. Pasture expense
 4. Interest expense
 5. Yardage and general sales expense

Section A – Steer Purchases

- I. Adequate Records
 - A. Supporting Documents as defined above must substantiate the entries made in the Steer Purchase Information section.
 - B. A scale ticket for each steer purchased must be provided. The ticket must be signed or initialed by the certified weigher and the weigh date and the steer’s certified weight must be evident on the ticket. Form BWT must be used as a background to secure the weight tickets.
 - C. In the cattle industry, steers can be purchased under a number of different terms and conditions. However, for purposes of this contest, to establish a verifiable initial measure of performance certified scale ticket weight must be used as starting weight in program and must match those scale tickets submitted to the Houston Livestock Show and Rodeo™.
- II. Special Instructions:
 - A. For freight and commission expenses, use the following minimum charges. If your expenses exceed these amounts, use the actual expenses and include Supporting Documents.
 - Freight \$20.00 per head
 - Commission \$15.00 per head
 - B. “Average starting weight of steers” must be rounded to the nearest whole pound.
 - C. “Average cost per head” and “Average cost per CWT” must include freight and commission and be rounded to the nearest penny. Use the “Total starting weight of steers” in the “Average cost per CWT” calculation.

Analysis –

In the space provided, write a brief explanation of factors influencing your decision to purchase the breed composition of steers for this program / contest.

Section B – Health Care

- I. Adequate Records
 - A. Supporting Documents as defined above must substantiate the entries made in the Health Care Records section.
 - B. Record Book entries must be line itemized and expenses must be subtotaled by month and a grand total reflected.



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Preconditioning/Health Care Statement –

In the space provided, provide a written statement indicating **ALL** the various treatments (drugs, and/or growth implants) that your cattle received. Be sure to list any treatments as part of a preconditioning program whether administered by seller prior to purchase or by you upon receipt of cattle. Explain the dose given and the reason for the treatments administered.

Section C – Feed Expenses

- I. Adequate Records
 - A. Supporting Documents as defined above must substantiate the entries made in the Feed Information Log.
 - B. Feed expenses must be recognized in the month that the feed is purchased and evidenced by the Supporting Documents, regardless of the date the feed was received, mixed or consumed.
 - C. Record Book entries must be line itemized in chronological order, and monthly expenses and pounds of feed purchased must be subtotaled by month and a grand total reflected.

- II. Special Instructions for bulk feed purchases and feed rations
 - A. Bulk feed is a feed commodity or feed ration purchased at a unit price (i.e. per pound, per hundred weight), and received in random quantity. Scale tickets must be provided for each purchase of bulk feed. The ticket must be signed or initialed by the certified weigher and the weigh date and certified weight must be evident on the ticket. Form FWT must be used as a background to secure the weight tickets.
 - B. Feed ration is defined as a daily feed portion prepared from various commodities and ingredients that is ready for consumption.
 - C. Bulk feed is subject to Initial Handling Charges (In & Out) and Storage Charges on Month-End Inventories.
 - D. All bulk feed requires Form BFR (Bulk Feed Recap Worksheet) to be completed for each bulk commodity purchased. If remaining inventory exists, please see Section IV Feed Credits for further instruction.
 - E. If a feed ration was purchased premixed and labeled individually, mixing charges are not required. If two or more commodities or ingredients are purchased separately and mixed together to create a feed ration, mixing charges are required.
 - F. The minimum charges below must be used to determine handling, mixing, or storage cost unless the charges for these services are specifically included in the feed's contract purchase price as substantiated by Supporting Documents.

Service	Expense
Initial Handling Charges (In & Out)	\$0.30/cwt.
Mixing Charge (Charge applies if feed was mixed by hand or mechanically.)	\$0.25/cwt.
Storage Charges on Month-End Inventories (Charged as of the last day of each month)	
Shelled Corn or Milo.....	\$0.10/cwt./month
Bulk Ration.....	\$0.10/cwt./month

- III. The following minimum weights and/or expense must be used to determine cost per hundred weight of hay fed or pasture expense (see Record Book Example for an illustration of this);

	Weight	Expense
Round Bale	1,200 lbs.....	\$65.00
Square Bale	70 lbs.....	\$ 7.00
Pasture Expense.....		\$0.40/hd/day

If actual bale weight or expense exceeds the above minimum figures, use the actual pounds of hay purchased or expense as substantiated by Supporting Documents.

- IV. Feed Credits
 - A. Remaining inventory must be valued at cost of the last purchase. If bulk feed, it must be inclusive of handling and mixing charges previously incurred and associated with the ending product in inventory. If handling and mixing charges were not incurred, do not include the amount in the credit. Credit value must be substantiated



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with Supporting Documentation. It is important to note that feed credit is not issued to a particular store, but credited back to the individual for use in another feeding operation.

- B. Interest and storage expenses cannot be considered in feed credits.
- C. Feed credits must only be taken on the last day of the program period.
- D. Special Instructions
 - 1. Bulk feed
 - a. Using the Bulk Feed Recap Worksheet (Form BFR), provide a recap of each bulk feed product in inventory, if applicable. A separate Form BFR must be completed for each bulk feed product.
 - b. A scale ticket for the remaining feed must be provided. The ticket must be signed or initialed by the certified weigher and the weigh date and certified weight must be evident on the ticket. Form FWT must be used as a background to secure the weight tickets.
 - 2. Credit cannot be taken on partial sacks or portions of blocks remaining at the end of the program.
 - 3. Supporting Documents are required for all credit transactions.

Section D – Interest Expense

Approach this section with the understanding that all expenses will be 100% financed regardless of how much equity the feeder has in these cattle. For the purpose of this contest, all exhibitors must use a **simple annual interest rate of 5% based on a 365 day year** for interest expense calculations. Even if you did not finance your program or your program was financed under different terms or rates, your interest expense must be calculated using the following guidelines.

In calculating interest cost per hundred weight, the record weight used in calculations must be net of 4% shrinkage (see Special Rules for Junior Commercial Steer Feeding and Management Contest, Rule 13).

I. Calculating the Interest Expense

Calculate the interest expense using a simple annual interest rate of 5.0% based on a 365 day year. Use the below examples (given are for instructional purpose only) as a standard for calculating and reporting interest charges:

Example 1

Interest Rate – 5% Principal - \$3,900 Time – 181 Days

$5\% \times \$3,900 = \195.00 (annual interest charge)

$\$195 / 365 \text{ days} = \0.534247 (daily interest charge)

$\$0.534247 \times 181 \text{ days} = \96.6987 , rounds to \$96.70 (interest charge for time period)

Example 2

Interest Rate – 5% Principal - \$3,500 Time – 181 Days

$5\% \times \$3,500 = \175.00 (annual interest charge)

$\$175.00 / 365 \text{ days} = \0.479452 (daily interest charge)

$\$0.479452 \times 181 \text{ days} = \86.7808 , rounds to \$86.78 (interest charge for time period)

Example 3

Interest Rate – 5% Principal - \$540.36 Time – 153 Days

$5\% \times \$540.36 = \27.018 (annual interest charge)

$\$27.018 / 365 \text{ days} = \0.074022 (daily interest charge)

$\$0.074022 \times 153 \text{ days} = \11.3254 , rounds to \$11.33 (interest charge for time period)



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Example 4

Interest Rate – 5% Principal - \$788.00 Time – 122 Days

$5\% \times \$788.00 = \39.40 (annual interest charge)

$\$39.40 / 365 \text{ days} = \0.107945 (daily interest charge)

$\$0.107945 \times 122 \text{ days} = \13.1693 , rounds to \$13.17 (interest charge for time period)

NOTE: Pay very close attention to the rules governing interest, in particular, rounding and the use of rounded numbers in your calculations.

For example: In Example 4, if you were to round the daily interest charge to \$0.1079 and then multiply by 122 days, the resulting product would be \$13.1638, which rounds to \$13.16. If you multiply \$0.107945 by 122 days, the resulting product is \$13.1693, which rounds to \$13.17 and is more accurate than \$13.16. Refer to the interest example table on the last page of these Record Book Instructions for more information.

- II. **Part 1** – Assume that the initial cost of steers including freight and commission (refer to Section A) is borrowed from the bank on the day that the steers are purchased. To calculate the number of Days Financed, use the date the funds were borrowed from the bank as the beginning date, but do not include the Record Weight Day as you assume that you paid the bank loan in full on the Record Weigh Day.

Example: (examples given are for instructional purpose only)

Purchase Date – September 3, 2018 Record Weight Day – March 3, 2019 Days Financed – 181

- III. **Part 2** – Assume that the combined total of feed and veterinary expenses incurred each month (refer to Sections B and C) is charged to your account in the month incurred. Further assume that these charges are then billed to you on the 1st day of the following month and that you borrow the funds from the bank to pay the bills on that day. Interest is expensed in the month the money was borrowed, not in the month the purchase was made. For example, if you purchased \$528.20 in feed and incurred \$12.16 in veterinary expenses in September, you paid the combined bill of \$540.36 with bank funds on October 1st. To calculate the number of days financed, use the day the funds were borrowed from the bank as the beginning date, but do not include the Record Weight Day as you assume that you paid the bank loan in full on the Record Weigh Day.

Example: (examples given are for instructional purpose only)

Beginning Day – October 1, 2018 Record Weight Day – March 3, 2019 Days Financed – 153

Calculate Part 2, including section Total, completely independent (unrounded) of the monthly rounded amounts reported. **Due to the rounding of amounts in each month, do not assume the sum of the rounded monthly amounts equals the total.**

Example: The sum of the monthly rounded / reported amounts in Examples 3 and 4 above would be \$24.50 (\$11.33 + \$13.17), whereas the correct sum total using unrounded amounts is \$24.4947 (\$11.3254 + \$13.1693), rounded to \$24.49.

- IV. **Part 3** – Calculate total interest cost/head and interest cost/cwt. completely independent (unrounded) of rounded amounts reported in Parts 1 and 2 above. **Due to rounding of amounts in Part 1 and 2, do not assume the sum of the rounded amounts reported in Parts 1 and 2 equal the correct sum of the unrounded amounts.** Refer to example table on page 9 for more information.

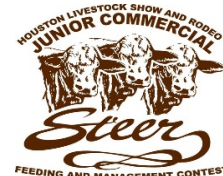
Example: Use the above calculations and assume a Record Weight of 3,580 pounds.

- Part 1 (from example 2 above) interest cost per record hundred weight would be \$2.4240 [$\$86.7808 / (3,580 / 100)$], rounded to \$2.42.



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- Part 2 (from preceding paragraph) interest cost per record hundred weight would be \$0.6842 [$\$24.4947 / (3,580 / 100)$], rounded to \$0.68.
- The sum of the rounded / reported amounts for interest cost per record hundred weight for Parts 1 and 2 would equal \$3.10/cwt. ($\$2.42 + \0.68), the accurate and correct independent calculation using unrounded amounts is \$3.1082 ($\$2.4240 + \0.6842), rounded and reported as \$3.11/cwt.

Section E – Yardage and General Sales Expense

- I. To simulate commercial feedlot expenses, use the following amounts in your yardage and commission expense calculations:
 - Yardage\$0.25 per head per day
 - Commission Expense.....\$ 20.00 per head
 To calculate the number of days the steers were in the feedlot, use the date the steers were purchased as the beginning date, but do not include the Record Weight Day as a day in the feedlot as you assume that you sold the steers on the Record Weigh Day.
- II. In calculating cost per hundred weight, the record weight used in calculations is net of 4% shrinkage (see Special Rules for Junior Commercial Steer Feeding and Management Contest, Rule 13).

Section F - Summary

- I. To calculate the number of days on feed, use the date the steers were purchased as the beginning day on feed, but do not include the Record Weight Day as a day on feed as you assume that you sold the steers on the Record Weight Day.
- II. A scale ticket of the Gross Record Weight of each steer must be provided. The individual scale tickets must be signed or initialed by the certified weigher, and the weigh date and certified weight must be evident on the ticket. Form EWT must be used as a background to secure the weight tickets and be placed behind Section F; Cattle Performance and Financial Summary and Analysis. The Record Weight Day must be within 7 days prior to the contest. (See Special Rules for Junior Commercial Steer Feeding and Management Contest, Rule 13).
- III. Death Loss – If you encounter a loss of steer, all calculations in Section F. Summary must be reflected based on a pen of 3 steers.
- IV. Definitions:
 - A. Average cost per pound of feed fed – Total cost of feed fed divided by total pounds of feed fed.
 - B. Feed conversion (Dry Matter) – Total pounds of feed fed divided by total gain.
If the ration you fed was 25% moisture or higher, use the following calculation for Dry Matter Conversion (a form of Supporting Documentation must be provided to indicate moisture content);
 - Pounds of ration as fed x Dry Matter % = Pounds of Dry Matter fed
(Dry Matter percentage must be supported by a Laboratory Analysis)
 - C. Cost per pound of finished steers – Total cost of finished steers divided by net record weight of steers.

Note: Subtotals used in calculations must remain unrounded until the final answer is arrived, then the sum or product must be displayed as shown in the example table on the last page of these Record Book Instructions.

Section G – Photos (Optional)

Photos are optional. Section G must be used as a background. All photos must be inserted in sheet protectors, and be placed as the last pages of the Record Book.



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General Comments

The exhibitor must complete and assemble their Record Book prior to the contest. It should be reviewed by an individual who has had no part in its preparation in order that costly errors can be detected and corrected prior to the audit review process. The auditors will verify the information presented on the various Record Book Forms to Supporting Documents and Weight Tickets to determine the accuracy of the detailed information and calculations. If the information reflected on the corresponding Supporting Documents does not adequately support the information shown on the various Record Book Forms or if the calculations are incorrect, the exhibitor's Record Book score will be negatively impacted.

Due to rounded amounts being reflected throughout the Record Book and in Section F; Cattle Performance and Financial Summary and Analysis, it is recommended that each calculation be viewed as **independent** (unrounded) with the final sum or product being rounded for reporting purposes. **The ONLY exception to this is shrinkage and the corresponding net record weight of steers which is always calculated using the whole pounds.**

The table on the following page reflects examples of mathematical expressions to be used throughout the Record Book for reporting purposes.

Record Book questions may be directed to jcsrecordbooks@gmail.com no later than 11:59 PM on Wednesday, February 27, 2019.





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General Calculations

<u>Mathematical Expression</u>	<u>Calculated Amount</u>	<u>Properly Shown in Record Book</u> (express numbers exactly as shown below)
Interest Cost	\$ 75.3450 \$ 75.3449	\$ 75.35 \$ 75.34
Cost/lb.	\$ 0.00595 \$ 0.00594	\$ 0.0060 / lb \$ 0.0059 / lb
Cost/cwt.	\$ 74.4950 \$ 74.4949	\$ 74.50 / cwt \$ 74.49 / cwt
Shrinkage	100.5000 100.4999	101 lbs 100 lbs
Average Gain per Head	625.5000 625.4999	626 lbs 625 lbs
Average Daily Gain per Head	2.9450 2.9449	2.95 lbs / hd / day 2.94 lbs / hd / day
Feed Conversion	7.0650 7.0640	7.07 / 1 7.06 / 1
Average Cost per Pound of Feed Fed	\$ 0.069950 \$ 0.069949	\$ 0.0700 / lb \$ 0.0699 / lb
Average Cost / Head / Day	\$ 1.8850 \$ 1.8849	\$ 1.89 / hd / day \$ 1.88 / hd / day

Interest Calculations

Date	AMOUNT FINANCED	DAYS FINANCED	Interest Cost Calculation (column is for example only)	Interest Shown in Record Book
PART 1 – TOTAL	\$3,500.00	160	\$76.7123	\$76.71
PART 2				
OCT – 18	\$418.00	151	8.6463	8.65
NOV – 19	\$315.00	120	5.1781	5.18
DEC – 18	\$505.00	90	6.2260	6.23
PART 2 - TOTAL			20.0504	20.05