



**SOUTHWEST REGION  
SMALL RANCH INVESTMENTS**

<b>Number</b>	<b>Land Values</b>	<b>Price Per Unit</b>	<b>10 Yr Avg Rate of Return<sup>1</sup></b>	<b>Purchase Price</b>	<b>Salvage/Cull Value</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
1,500	Acres of private land	\$75	3.9%	\$112,500	\$112,500			
64	AU Values	\$2,400	3.9%	\$153,600	\$153,600			
<b>Sub Totals</b>				\$266,100				
<b>Number</b>	<b>Buildings, Improvements</b>	<b>Price Per Unit</b>						
5	Miles of pipeline	\$2,000	3.9%	\$10,000	\$1,000	25	100	\$609
2	Wells	\$12,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
25	Miles of Fence	\$4,000	3.9%	\$100,000	\$10,000	25	100	\$6,090
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
<b>Sub Totals</b>				\$159,000				\$9,544
<b>Number</b>	<b>Machinery &amp; Vehicles</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>2</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	3/4 ton pickup 4WD	\$32,000	7.5%	\$0	\$0	7	50	\$0
0	Dozer/Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$6,500	7.5%	\$6,500	\$1,300	7	100	\$1,079
1	Horse tack	\$4,000	7.5%	\$4,000	\$800	10	100	\$526
1	Misc. equipment	\$3,500	7.5%	\$3,500	\$700	10	100	\$460
<b>Sub Total</b>				\$44,000				\$4,556
<b>Head</b>	<b>Purchased Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
4	Horses	\$2,500	6.5%	\$10,000	\$3,800	10	100	\$1,109
4	Bulls	\$2,000	6.5%	\$8,533	\$3,243	4	100	\$1,755
12	Cows	\$800	6.5%	\$9,600	\$3,648	8	100	\$1,215
<b>25</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				\$18,533				\$2,865
<b>Head</b>	<b>Retained Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Salvage/Cull</b>		<b>Interest on Investment</b>	
64	Cows	\$800	6.5%	\$51,200	\$19,456			\$2,624
10	Replacement Heifers	\$800	6.5%	\$7,680	\$2,918			\$394
<b>71</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				\$58,880	\$22,374			\$3,018
<b>Total</b>				<u>\$546,513</u>				<u>\$17,118</u>

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

2) For intermediate assets an interest rate of 7.50% was used.

3) A rate of 6.50 percent reflects a typical return on a low-risk investment (30 YR Treasury Bond)