



CENTRAL MOUNTAIN REGION  
LARGE RANCH INVESTMENTS

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
10,000	Acres of private land	\$200	3.9%	\$2,000,000	\$2,000,000			\$1,550.00
307	AU Values <sup>1</sup>	\$3,000	3.9%	\$921,375	\$921,375			
<b>Sub Totals</b>				\$2,921,375				
Number	Buildings, Improvements	Price Per Unit	Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
4	Miles of pipeline	\$2,000	3.9%	\$8,000	\$800	25	100	\$487
2	Wells	\$13,000	3.9%	\$26,000	\$2,600	25	100	\$1,583
40	Miles of Fence	\$4,000	3.9%	\$160,000	\$16,000	25	100	\$9,745
1	Corrals/Working Facilities	\$5,000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
<b>Sub Totals</b>				\$209,000				\$14,195
Number	Machinery & Vehicles	Price Per Unit	Interest Rate <sup>3</sup>	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
1	3/4 ton pickup 4WD	\$30,000	7.0%	\$30,000	\$6,000	7	50	\$2,437
1	1 ton pickup 4WD	\$32,000	7.0%	\$32,000	\$6,400	7	50	\$2,599
1	Tractor	\$5,000	7.0%	\$5,000	\$1,000	7	100	\$812
2	Gooseneck trailer	\$6,500	7.0%	\$13,000	\$2,600	7	100	\$2,112
1	Horse tack	\$6,500	7.0%	\$6,500	\$1,300	10	100	\$831
1	Misc. equipment	\$3,500	7.0%	\$3,500	\$700	10	100	\$448
<b>Sub Total</b>				\$90,000				\$10,789
Head	Purchased Livestock	Price Per Unit	Interest Rate <sup>3</sup>	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
10	Horses	\$2,500	7.0%	\$25,000	\$9,500	10	100	\$2,872
11	Bulls	\$2,000	7.0%	\$22,750	\$8,645	4	100	\$4,769
53	Cows	\$800	7.0%	\$42,400	\$16,112	8	100	\$5,530
93	<b>Total AUUs</b>							
<b>Sub Total</b>				\$47,750				\$7,641
Head	Retained Livestock	Price Per Unit	Interest Rate	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
228	Cows	\$800	7.0%	\$182,000	\$69,160			\$10,046
34	Replacement Heifers	\$800	7.0%	\$27,300	\$10,374			\$1,507
253	<b>Total AUUs</b>							
<b>Sub Total</b>				\$209,300	\$79,534			\$11,553
<b>Total</b>				<u>\$3,477,425</u>				<u>\$36,537</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 7.00% was used.
- 3) A rate of 6.50 percent reflects a typical return on a low -risk investment (30 YR Treasury Bond)