

CENTRAL REGION
MEDIUM COW/CALF BUDGET

BREED HERD SIZE 130 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 19.5

VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	55	515	\$1.12	\$31,868	\$245.14	_____
HEIFER CALVES	36	495	\$1.04	\$18,404	\$141.57	_____
CULL COWS	20	900	\$0.44	\$7,722	\$59.40	_____
CULL BULLS	1	1200	\$0.51	\$612	\$4.71	_____
TOTAL	112			\$58,606	\$450.82	_____

VARIABLE COSTS						
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
1. FEED COSTS						
HAY	TON	28.00	\$125	\$3,500	\$26.92	_____
STATE	AUY	30.0%	\$34.20	\$0	\$0.00	_____
FEDERAL LEASE	AUY	40.0%	\$17.76	\$2,309	\$17.76	_____
PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	4.00	\$215	\$860	\$6.62	_____
PROTEIN SUPP	TON	6.00	\$215	\$1,290	\$9.92	_____
OTHER		0.00	\$0	\$0	\$0.00	_____
TOTAL				\$7,959	\$61.22	_____
2. OTHER VARIABLE COSTS						
VET AND MEDICINE				\$1,788	\$13.75	_____
LIVESTOCK HAULING				\$502	\$3.86	_____
HIRED LABOR				\$0	\$0.00	_____
OPERATING COSTS-EQUIP & MACH				\$1,154	\$8.87	_____
OPERATING COSTS-VEHICLE				\$1,730	\$13.31	_____
RANCH MAINTENANCE				\$2,016	\$15.51	_____
BEEF CHECKOFF				\$91	\$0.70	_____
PURCHASED LIVESTOCK				\$6,000	\$46.15	_____
TOTAL				\$13,280	\$102.16	_____
3. INTEREST ON VARIABLE COSTS						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.00%		
NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
				\$743	\$5.72	_____
TOTAL				\$21,982	\$169.10	_____
TOTAL				\$36,624	\$281.72	_____

OWNERSHIP COSTS						
	Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵ VALUE PER COW NEW VALUE				
CASH COSTS						
Taxes & Insurance				#REF!	#REF!	_____
Overhead				\$2,100	\$16.15	_____
Total				#REF!	#REF!	_____
NON CASH COSTS						
Purchased Livestock				\$3,831	\$29.47	_____
Machinery & Equipment				\$4,673	\$35.94	_____
Housing & Improvements				\$6,366	\$48.97	_____
Interest on Retained Livestock ⁶				\$6,602	\$50.78	_____
Management & Operation Labor (6% of gross returns)				\$3,516	\$27.05	_____
Total				\$24,989	\$192.22	_____
TOTAL FIXED COSTS				#REF!	#REF!	_____
TOTAL CASH AND VARIABLE COSTS				#REF!	#REF!	_____
TOTAL COSTS				#REF!	#REF!	_____
RETURN ABOVE TOTAL CASH COSTS				#REF!	#REF!	_____
RETURN ABOVE TOTAL COSTS				#REF!	#REF!	_____

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$39.39	#REF!
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$39.39	#REF!

1) Calf crop is defined as the actual number of calves sold divided, by the total number of cows (assuming all cows were exposed).
2) Prices represent 2010 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.
3) Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance
4) Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
5) The 35% reduction in asset values which represent a mix of new and used machinery.
6) Interest on average investment.

CENTRAL MOUNTAIN REGION
MEDIUM 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
750	Acres of private land	\$200	3.9%	\$150,000	\$150,000			\$116.25
176	AU Values ¹	\$3,000	3.9%	\$526,500	\$526,500			
Sub Totals				\$676,500				
Number	Buildings, Improvements	Price Per Unit						
2	Miles of pipeline	\$2,000	3.9%	\$4,000	\$400	25	100	\$244
1	Wells	\$13,000	3.9%	\$13,000	\$1,300	25	100	\$792
18	Miles of Fence	\$4,000	3.9%	\$72,000	\$7,200	25	100	\$4,385
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
Sub Totals				\$104,000				\$6,366
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	3/4 ton pickup 4WD	\$30,000	7.5%	\$0	\$0	7	50	\$0
0	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	\$5,000	7.5%	\$5,000	\$1,000	10	100	\$658
1	Misc. equipment	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
Sub Total				\$44,000				\$4,673
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
6	Horses	\$2,000	7.0%	\$12,000	\$4,560	10	100	\$1,378
7	Bulls	\$1,800	7.0%	\$11,700	\$4,446	4	100	\$2,453
30	Cows	\$800	6.5%	\$24,000	\$9,120	8	100	\$3,037
53	Total AUYS							
Sub Total				\$23,700				\$3,831
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
130	Cows	\$800	7.0%	\$104,000	\$39,520			\$5,741
20	Replacement Heifers	\$800	7.0%	\$15,600	\$5,928			\$861
145	Total AUYS							
Sub Total				\$119,600	\$45,448			\$6,602
Total				<u>\$967,800</u>				<u>\$17,641</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)