

SOUTHEAST REGION
EXTRA-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	\$65	3.9%	\$650,000	\$650,000			
550	AU Values ¹	\$2,450	3.9%	\$1,347,500	\$1,347,500			
Sub Totals				\$1,997,500				
Number	Buildings, Improvements	Price Per Unit						
15	Miles of pipeline	\$2,000	3.9%	\$30,000	\$3,000	25	100	\$1,827
8	Wells	\$11,000	3.9%	\$88,000	\$8,800	25	100	\$5,360
110	Miles of Fence	\$4,000	3.9%	\$440,000	\$44,000	25	100	\$26,798
2	Corrals/Working Facilities	\$10,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
1	Barns & Shop	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
Sub Totals				\$590,000				\$35,754
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$30,000	7.0%	\$60,000	\$12,000	7	50	\$4,873
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
3	Gooseneck trailer	\$6,500	7.0%	\$19,500	\$3,900	7	100	\$3,168
1	Horse tack	\$6,000	7.0%	\$6,000	\$1,200	10	100	\$767
1	Misc. equipment	\$6,000	7.0%	\$6,000	\$1,200	10	100	\$767
Sub Total				\$128,500				\$12,987
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
12	Horses	\$2,000	7.0%	\$24,000	\$9,120	10	100	\$2,757
22	Bulls	\$2,000	7.0%	\$44,000	\$16,720	4	100	\$9,224
110	Cows	\$800	7.0%	\$88,000	\$33,440	8	100	\$11,478
180	Total AUYS							
Sub Total				\$68,000				\$11,981
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
440	Cows	\$800	7.0%	\$352,000	\$133,760			\$19,430
66	Replacement Heifers	\$800	7.0%	\$52,800	\$20,064			\$2,915
490	Total AUYS							
Sub Total				\$404,800	\$153,824			\$22,345
Total				<u>\$3,188,800</u>				<u>\$71,086</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.