

SOUTHWEST REGION

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
3,500	Acres of private land	\$75	3.9%	\$262,500	\$262,500			
160	AU Values ¹	\$2,400	3.9%	\$384,000	\$384,000			
Sub Totals				\$646,500				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$2,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
4	Wells	\$12,000	3.9%	\$48,000	\$4,800	25	100	\$2,923
45	Miles of Fence	\$4,000	3.9%	\$180,000	\$18,000	25	100	\$10,963
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
Sub Totals				\$277,000				\$16,731
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
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
0	Dozer/Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$6,500	7.0%	\$13,000	\$2,600	7	100	\$2,112
1	Horse tack	\$6,000	7.0%	\$6,000	\$1,200	10	100	\$767
1	Misc. equipment	\$4,500	7.0%	\$4,500	\$900	10	100	\$576
Sub Total				\$85,500				\$8,490
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
8	Horses	\$2,500	7.0%	\$20,000	\$7,600	10	100	\$2,297
11	Bulls	\$2,000	7.0%	\$21,333	\$8,107	4	100	\$4,472
30	Cows	\$800	7.0%	\$24,000	\$9,120	8	100	\$3,130
61	Total AUYS							
Sub Total				\$41,333				\$6,770
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
160	Cows	\$800	7.0%	\$128,000	\$48,640			\$7,066
24	Replacement Heifers	\$800	7.0%	\$19,200	\$7,296			\$1,060
178	Total AUYS							
Sub Total				\$147,200	\$55,936			\$8,125
Total				<u>\$1,197,533</u>				<u>\$33,346</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.