



SOUTHWEST REGION  
SMALL RANCH INVESTMENTS

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return <sup>1</sup>	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
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				
Number	Buildings, Improvements	Price Per Unit						
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
Number	Machinery & Vehicles	Price Per Unit	Interest Rate <sup>2</sup>	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.0%	\$30,000	\$6,000	7	50	\$2,437
0	3/4 ton pickup 4WD	\$32,000	7.0%	\$0	\$0	7	50	\$0
0	Dozer/Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$6,500	7.0%	\$6,500	\$1,300	7	100	\$1,056
1	Horse tack	\$4,000	7.0%	\$4,000	\$800	10	100	\$512
1	Misc. equipment	\$3,500	7.0%	\$3,500	\$700	10	100	\$448
<b>Sub Total</b>				\$44,000				\$4,452
Head	Purchased Livestock	Price Per Unit	Interest Rate <sup>3</sup>	Price	Salvage/Cull			
4	Horses	\$2,000	7.0%	\$8,000	\$3,040	10	100	\$919
4	Bulls	\$2,000	7.0%	\$8,533	\$3,243	4	100	\$1,789
12	Cows	\$800	7.0%	\$9,600	\$3,648	8	100	\$1,252
<b>25</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				\$16,533				\$2,708
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
64	Cows	\$800	7.0%	\$51,200	\$19,456			\$2,826
10	Replacement Heifers	\$800	7.0%	\$7,680	\$2,918			\$424
<b>71</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				\$58,880	\$22,374			\$3,250
<b>Total</b>				<u>\$544,513</u>				<u>\$17,246</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.