

**SOUTHEAST 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
6,000	Acres of private land	\$65	3.9%	\$390,000	\$390,000			
400	AU Values ¹	\$2,450	3.9%	\$980,000	\$980,000			
Sub Totals				\$1,370,000				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$2,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
6	Wells	\$11,000	3.9%	\$66,000	\$6,600	25	100	\$4,020
75	Miles of Fence	\$4,000	3.9%	\$300,000	\$30,000	25	100	\$18,271
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
Sub Totals				\$412,000				\$24,969
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	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	\$4,000	7.0%	\$4,000	\$800	10	100	\$512
1	Misc. equipment	\$4,500	7.0%	\$4,500	\$900	10	100	\$576
Sub Total				\$83,500				\$8,235
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
8	Horses	\$2,000	7.0%	\$16,000	\$6,080	10	100	\$1,838
18	Bulls	\$2,500	7.0%	\$45,000	\$17,100	4	100	\$9,434
80	Cows	\$1,000	7.0%	\$80,000	\$30,400	8	100	\$10,434
133	Total AUUs							
Sub Total				\$61,000				\$11,272
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		Interest on Investment	
360	Cows	\$1,000	7.0%	\$360,000	\$136,800			\$19,872
54	Replacement Heifers	\$1,000	7.0%	\$54,000	\$20,520			\$2,981
401	Total AUUs							
Sub Total				\$414,000	\$157,320			\$22,853
Total				<u>\$2,340,500</u>				<u>\$56,057</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.