

**CENTRAL REGION  
MEDIUM COW/CALF BUDGET**

BREED HERD SIZE 130 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 85%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 19.5

**VALUE OF PRODUCTION**

	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE</u> <sup>2</sup>	<u>VALUE</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
STEER CALVES	55	515	\$1.37	\$38,982	\$299.86	_____
HEIFER CALVES	36	495	\$1.29	\$22,828	\$175.60	_____
CULL COWS	20	900	\$0.65	\$11,408	\$87.75	_____
CULL BULLS	1	1200	\$0.70	\$840	\$6.46	_____
<b>TOTAL</b>	<b>112</b>			<b>\$74,057</b>	<b>\$569.67</b>	_____

**VARIABLE COSTS**

		<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
<b>1. FEED COSTS</b>							
	HAY	TON	28.00	\$250	\$7,000	\$53.85	_____
	STATE	AUY	30.0%	\$43.32	\$0	\$0.00	_____
	FEDERAL LEASE	AUY	40.0%	\$21.60	\$2,808	\$21.60	_____
	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	\$310	\$1,240	\$9.54	_____
	PROTEIN SUPP	TON	6.00	\$540	\$3,240	\$24.92	_____
	OTHER		0.00	\$0	\$0	\$0.00	_____
	<b>TOTAL</b>				<b>\$14,288</b>	<b>\$109.91</b>	_____

**2. OTHER VARIABLE COSTS**

		<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
	VET AND MEDICINE	\$1,948	\$14.99	_____
	LIVESTOCK HAULING	\$547	\$4.21	_____
	HIRED LABOR	\$1,250	\$9.62	_____
	OPERATING COSTS-EQUIP & MACH	\$1,267	\$9.75	_____
	OPERATING COSTS-VEHICLE	\$1,900	\$14.62	_____
	RANCH MAINTENANCE	\$2,214	\$17.03	_____
	BEEF CHECKOFF	\$91	\$0.70	_____
	PURCHASED LIVESTOCK	\$8,000	\$61.54	_____
	<b>TOTAL</b>	<b>\$17,218</b>	<b>\$132.44</b>	_____

**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	<b>VALUE PER COW</b>	
		\$1,103	\$8.48	_____
	<b>TOTAL</b>	<b>\$32,608</b>	<b>\$250.83</b>	_____
	<b>TOTAL</b>	<b>\$41,449</b>	<b>\$318.84</b>	_____

**OWNERSHIP COSTS**

		<u>Annual Capital Recovery<sup>4</sup> (At Replacement Valve):</u>	<u>Represents 65% Asset Ownership<sup>5</sup></u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
<b>CASH COSTS</b>					
	Taxes & Insurance		\$4,838	\$37.22	_____
	Overhead		\$3,000	\$23.08	_____
	<b>Total</b>		<b>\$7,838</b>	<b>\$60.29</b>	_____
<b>NON CASH COSTS</b>					
	Purchased Livestock		\$3,831	\$29.47	_____
	Machinery & Equipment		\$4,673	\$35.94	_____
	Housing & Improvements		\$6,366	\$48.97	_____
	Interest on Retained Livestock <sup>6</sup>		\$6,602	\$50.78	_____
	Management & Operation Labor ( 6% of gross returns)		\$4,443	\$34.18	_____
	<b>Total</b>		<b>\$25,916</b>	<b>\$199.35</b>	_____

<b>TOTAL FIXED COSTS</b>	<b>\$33,754</b>	<b>\$259.65</b>	_____
<b>TOTAL CASH AND VARIABLE COSTS</b>	<b>\$40,446</b>	<b>\$311.13</b>	_____
<b>TOTAL COSTS</b>	<b>\$66,362</b>	<b>\$510.48</b>	_____
<b>RETURN ABOVE TOTAL CASH COSTS</b>	<b>\$33,611</b>	<b>\$258.54</b>	_____
<b>RETURN ABOVE TOTAL COSTS</b>	<b>\$7,695</b>	<b>\$59.19</b>	_____

**BREAKEVEN CALCULATIONS**

	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$58.44	\$72.48
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$58.44	\$118.92

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 2011 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.