

**NORTHEAST REGION  
LARGE COW/CALF BUDGET 2012**

BREED HERD SIZE 315 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 87%  
CULL RATE 20% REPLACEMENT HEIFER'S KEPT 63

**VALUE OF PRODUCTION**

	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE<sup>2</sup></u>	<u>VALUE</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
STEER CALVES	137	550	\$1.40	\$105,509	\$334.95	_____
HEIFER CALVES	74	515	\$1.32	\$50,322	\$159.75	_____
CULL COWS	63	1000	\$0.67	\$42,210	\$134.00	_____
CULL BULLS	1	1400	\$0.75	\$1,050	\$3.33	_____
<b>TOTAL</b>	<b>275</b>			<b>\$199,091</b>	<b>\$632.04</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	16.00	\$225	\$3,600	\$11.43	_____
	STATE	AUY	20.0%	\$38.04	\$2,397	\$7.61	_____
	FEDERAL LEASE	AUY	40.0%	\$21.60	\$6,804	\$21.60	_____
	PRIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	4.00	\$300	\$1,200	\$3.81	_____
	PROTEIN SUPP	TON	8.00	\$525	\$4,200	\$13.33	_____
	OTHER		0.00	\$0	\$0	\$0.00	_____
	<b>TOTAL</b>				<b>\$18,201</b>	<b>\$57.78</b>	_____

**2. OTHER VARIABLE COSTS**

		<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
	VET AND MEDICINE	\$4,721	\$14.99	_____
	LIVESTOCK HAULING	\$1,349	\$4.28	_____
	HIRED LABOR	\$15,000	\$47.62	_____
	OPERATING COSTS-EQUIP & MACH	\$2,662	\$8.45	_____
	OPERATING COSTS-VEHICLE	\$3,567	\$11.32	_____
	RANCH MAINTENANCE	\$3,014	\$9.57	_____
	BEEF CHECKOFF	\$211	\$0.67	_____
	PURCHASED LIVESTOCK	\$14,000	\$44.44	_____
	<b>TOTAL</b>	<b>\$44,524</b>	<b>\$141.35</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>	

INTEREST COSTS \$2,195 \$6.97

**TOTAL VARIABLE COSTS** **\$64,920** **\$206.09**

RETURN ABOVE VARIABLE COSTS \$134,172 \$425.94

**OWNERSHIP COSTS**

		<u>VALUE PER COW</u>	<u>NEW VALUE</u>
Annual Capital Recovery <sup>4</sup> (At Replacement Value):			
<b>CASH COSTS</b>		<b>TOTAL</b>	
	Taxes & Insurance	\$8,554	\$27.16
	Overhead	\$2,163	\$6.87
	<b>Total</b>	<b>\$10,717</b>	<b>\$34.02</b>
<b>NON CASH COSTS</b>			
	Purchased Livestock	\$10,322	\$32.77
	Machinery & Equipment	\$8,554	\$27.16
	Housing & Improvements	\$26,021	\$82.61
	Interest on Retained Livestock <sup>5</sup>	\$20,866	\$66.24
	Management & Operation Labor ( 6% of gross returns)	\$11,945	\$37.92
	<b>TOTAL NON CASH COSTS</b>	<b>\$77,709</b>	<b>\$246.69</b>
	<b>TOTAL FIXED COSTS</b>	<b>\$88,426</b>	<b>\$280.72</b>
	<b>TOTAL CASH AND VARIABLE COSTS</b>	<b>\$75,637</b>	<b>\$240.12</b>
	<b>TOTAL COSTS</b>	<b>\$153,346</b>	<b>\$486.81</b>
	RETURN ABOVE TOTAL CASH COSTS	\$123,454	\$391.92
	RETURN ABOVE TOTAL COSTS	\$45,746	\$145.22

**BREAKEVEN CALCULATIONS**

	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$44.49	\$51.83
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$44.49	\$105.08

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 2012 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.