

**NORTHEAST REGION
LARGE COW/CALF BUDGET 2015**

	BREED HERD SIZE 315	CULL RATE 20%	COW to BULL 20	CALF CROP PERCENT ¹ 85%	REPLACEMENT HEIFER'S KEPT 63	
VALUE OF PRODUCTION						
	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE²</u>	<u>VALUE</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
STEER CALVES	134	550	\$2.45	\$180,397	\$572.69	_____
HEIFER CALVES	71	515	\$2.37	\$86,506	\$274.62	_____
CULL COWS	63	1000	\$0.91	\$57,330	\$182.00	_____
CULL BULLS	1	1400	\$1.01	\$1,414	\$4.49	_____
FEE HUNTING	1			\$7,500	\$23.81	_____
TOTAL	269			\$333,147	\$1,057.61	
VARIABLE COSTS						
1. FEED COSTS	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
HAY	TON	16.00	\$175	\$2,800	\$8.89	_____
STATE	AUY	20.0%	\$38.04	\$2,397	\$7.61	_____
FEDERAL LEASE	AUY	40.0%	\$20.88	\$6,577	\$20.88	_____
PRIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	11	\$700	\$8,048	\$25.55	_____
PROTEIN SUPP	TON	65	\$300	\$19,491	\$61.88	_____
TOTAL				\$39,313	\$124.80	
2. OTHER VARIABLE COSTS				<u>COST</u>		
VET AND MEDICINE				\$5,111	\$16.23	_____
LIVESTOCK HAULING				\$1,427	\$4.53	_____
HIRED LABOR				\$25,000	\$79.37	_____
OPERATING COSTS-EQUIP & MACH				\$4,500	\$14.29	_____
OPERATING COSTS-VEHICLE				\$7,000	\$22.22	_____
RANCH MAINTENANCE				\$13,000	\$41.27	_____
BEEF CHECKOFF				\$205	\$0.65	_____
PURCHASED LIVESTOCK				\$36,000	\$114.29	_____
TOTAL				\$92,243	\$292.83	
3. INTEREST ON VARIABLE COSTS						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				4.00%		
NUMBER OF MONTHS BORROWED				6		<u>VALUE PER COW</u>
INTEREST COSTS				\$2,631	\$8.35	
TOTAL VARIABLE COSTS				\$134,186	\$425.99	
RETURN ABOVE VARIABLE COSTS				\$198,961	\$631.62	
OWNERSHIP COSTS						
	<u>Annual Capital Recovery⁴ (At Replacement Valve):</u>			<u>Represents 65% Asset Ownership</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
CASH COSTS				<u>TOTAL</u>		
Taxes & Insurance				\$9,598	\$30.47	_____
Overhead				\$2,163	\$6.87	_____
Total				\$11,761	\$37.34	_____
NON CASH COSTS						
Purchased Livestock				\$12,708	\$40.34	_____
Machinery & Equipment				\$9,598	\$30.47	_____
Housing & Improvements				\$26,021	\$82.61	_____
Interest on Retained Livestock ⁵				\$29,411	\$93.37	_____
Management & Operation Labor (6% of gross returns)				\$19,989	\$63.46	_____
TOTAL NON CASH COSTS				\$97,726	\$310.24	
TOTAL FIXED COSTS				\$109,488	\$347.58	
TOTAL CASH AND VARIABLE COSTS				\$145,948	\$463.33	
TOTAL COSTS				\$243,674	\$773.57	
RETURN ABOVE TOTAL CASH COSTS				\$187,199	\$594.28	
RETURN ABOVE TOTAL COSTS				\$89,473	\$284.04	
BREAKEVEN CALCULATIONS						
	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>				
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$94.12	\$102.36				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$94.12	\$170.91				

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 2015 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.