

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

BREED HERD SIZE	315	COW to BULL	20	CALF CROP PERCENT ¹	83%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	47

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	131	510	\$2.40	\$160,007	\$507.96	_____
HEIFER CALVES	83	485	\$2.32	\$93,926	\$298.18	_____
CULL COWS	62	900	\$0.86	\$48,182	\$152.96	_____
CULL BULLS	1	1200	\$0.96	\$1,152	\$3.66	_____
FEE HUNTING	1			\$10,000	\$31.75	_____
TOTAL	277			\$313,267	\$994.50	_____

VARIABLE COSTS

			QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
1. FEED COSTS							
	HAY	TON	25.00	\$175.00	\$4,375	\$13.89	_____
	STATE	AUY	45.0%	\$38.04	\$5,392	\$17.12	_____
	FEDERAL LEASE	AUY	35.0%	\$20.88	\$6,577	\$20.88	_____
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	11	\$700.00	\$8,048	\$25.55	_____
	PROTEIN SUPP	TON	44	\$300.00	\$13,230	\$42.00	_____
					\$37,623	\$119.44	_____

2. OTHER VARIABLE COSTS

			COST	VALUE PER COW	NEW VALUE
	VET AND MEDICINE		\$5,111	\$16.23	_____
	LIVESTOCK HAULING		\$1,473	\$4.68	_____
	HIRED LABOR		\$25,000	\$79.37	_____
	OPERATING COSTS-EQUIP & MACH		\$5,000	\$15.87	_____
	OPERATING COSTS-VEHICLE		\$6,000	\$19.05	_____
	RANCH MAINTENANCE		\$7,000	\$22.22	_____
	BEEF CHECKOFF		\$214	\$0.68	_____
	OTHER		\$36,000	\$114.29	_____
	TOTAL		\$85,798	\$272.38	_____

3. INTEREST ON VARIABLE COSTS

			COST	VALUE PER COW	NEW VALUE
	SUM OF VARIABLE COSTS X MONTHS BORROWED				
	X INTEREST RATE PER MONTH				
	ANNUAL INTEREST RATE		4.00%		
	NUMBER OF MONTHS BORROWED		6	VALUE PER COW	
			\$2,468	\$7.84	_____
	TOTAL		\$125,889	\$399.65	_____
			\$187,378	\$594.85	_____

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS					
	Taxes & Insurance		\$6,419	\$20.38	_____
	Overhead		\$4,000	\$12.70	_____
	Total		\$10,419	\$33.08	_____
NON CASH COSTS					
	Purchased Livestock		\$12,818	\$40.69	_____
	Machinery & Equipment		\$6,419	\$20.38	_____
	Housing & Improvements		\$22,151	\$70.32	_____
	Interest on Retained Livestock ⁶		\$28,268	\$89.74	_____
	Management & Operation Labor (6% of gross returns)		\$11,243	\$35.69	_____
	Total		\$80,899	\$256.82	_____
TOTAL FIXED COSTS			\$91,318	\$289.90	_____
TOTAL CASH AND VARIABLE COSTS			\$136,309	\$432.73	_____
TOTAL COSTS			\$217,207	\$689.55	_____
RETURN ABOVE TOTAL CASH COSTS			\$176,958	\$561.77	_____
RETURN ABOVE TOTAL COSTS			\$96,060	\$304.95	_____

BREAKEYEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$96.78	\$104.80
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$96.78	\$166.99

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.