

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

	BREED HERD SIZE CULL RATE	340 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	84% 51
VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE²	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	143	510	\$2.40	\$174,787	\$514.08	_____
HEIFER CALVES	92	485	\$2.32	\$103,293	\$303.80	_____
CULL COWS	51	900	\$0.86	\$39,474	\$116.10	_____
CULL BULLS	1	1200	\$0.96	\$1,152	\$3.39	_____
FEE HUNTING	1			<u>\$4,500</u>	\$13.24	_____
TOTAL	287			\$323,207	\$950.61	_____
VARIABLE COSTS						
1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
	HAY	TON	28.00	\$175	\$4,900	\$14.41
	STATE	AUY	45.0%	\$38.04	\$5,820	\$17.12
	FEDERAL LEASE	AUY	25.0%	\$20.88	\$7,099	\$20.88
	PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	12	\$700	\$8,687	\$25.55
	PROTEIN SUPP	TON	43	\$300	\$12,750	\$37.50
TOTAL					\$39,256	\$115.46
2. OTHER VARIABLE COSTS				COST		
	VET AND MEDICINE			\$5,517	\$16.23	_____
	LIVESTOCK HAULING			\$1,522	\$4.48	_____
	HIRED LABOR			\$28,000	\$82.35	_____
	OPERATING COSTS-EQUIP & MACH			\$5,000	\$14.71	_____
	OPERATING COSTS-VEHICLE			\$9,000	\$26.47	_____
	RANCH MAINTENANCE			\$9,000	\$26.47	_____
	BEEF CHECKOFF			\$235	\$0.69	_____
	LIVESTOCK PURCHASES			<u>\$30,000</u>	<u>\$88.24</u>	_____
TOTAL					\$88,273	\$259.63
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		VALUE PER COW
					\$2,551	\$7.50
TOTAL					\$130,080	\$382.59
TOTAL					\$193,127	\$568.02
OWNERSHIP COSTS						
CASH COSTS	Annual Capital Recovery ⁴ (At Replacement Value):			Represents 65% Asset Ownership ⁵		VALUE PER COW
	Taxes & Insurance			\$9,190	\$27.03	_____
	Overhead			\$4,000	\$11.76	_____
	Total			\$13,190	\$38.80	_____
NON CASH COSTS						
	Purchased Livestock			\$13,528	\$39.79	_____
	Machinery & Equipment			\$9,190	\$27.03	_____
	Housing & Improvements			\$24,969	\$73.44	_____
	Interest on Retained Livestock ⁶			\$30,511	\$89.74	_____
	Management & Operation Labor (6% of gross returns)			<u>\$19,392</u>	<u>\$57.04</u>	_____
Total				\$97,591	\$287.03	_____
TOTAL FIXED COSTS					\$110,782	\$325.83
TOTAL CASH AND VARIABLE COSTS					\$143,270	\$421.38
TOTAL COSTS					\$240,862	\$708.42
RETURN ABOVE TOTAL CASH COSTS					\$179,936	\$529.22
RETURN ABOVE TOTAL COSTS					\$82,345	\$242.19
BREAKEVEN CALCULATIONS						
		VARIABLE COSTS	TOTAL COSTS			
	REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$91.55	\$100.83			
	REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$91.55	\$169.52			

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.