

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

	BREED HERD SIZE CULL RATE	468 15%	COW to BULL	20	CALF CROP PERCENT <sup>1</sup> REPLACEMENT HEIFER'S KEPT	85% 70.125
<b>VALUE OF PRODUCTION</b>						
	<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	199	510	\$2.40	\$243,194	\$520.20	_____
HEIFER CALVES	129	485	\$2.32	\$144,659	\$309.43	_____
CULL COWS	70	900	\$0.86	\$54,277	\$116.10	_____
CULL BULLS	1	1200	\$0.96	\$1,152	\$2.46	_____
FEE HUNTING	1			<u>\$6,000</u>	<u>\$12.83</u>	_____
<b>TOTAL</b>	<b>398</b>			<b>\$443,281</b>	<b>\$948.19</b>	_____
<b>VARIABLE COSTS</b>						
<b>1. FEED COSTS</b>	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
HAY	TON	33.00	\$175	\$5,775	\$12.35	_____
STATE	AUY	45.0%	\$38.04	\$8,003	\$17.12	_____
FEDERAL LEASE	AUY	25.0%	\$20.88	\$9,761	\$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	17	\$700	\$11,945	\$25.55	_____
PROTEIN SUPP	TON	47	\$300	\$14,025	\$30.00	_____
<b>TOTAL</b>				<b>\$49,509</b>	<b>\$105.90</b>	_____
<b>2. OTHER VARIABLE COSTS</b>				<u>COST</u>		
VET AND MEDICINE				\$7,585	\$16.23	_____
LIVESTOCK HAULING				\$2,115	\$4.52	_____
HIRED LABOR				\$31,000	\$66.31	_____
OPERATING COSTS-EQUIP & MACH				\$7,000	\$14.97	_____
OPERATING COSTS-VEHICLE				\$9,000	\$19.25	_____
RANCH MAINTENANCE				\$10,000	\$21.39	_____
BEEF CHECKOFF				\$327	\$0.70	_____
LIVESTOCK PURCHASES				<u>\$25,000</u>	<u>\$53.48</u>	_____
<b>TOTAL</b>				<b>\$92,028</b>	<b>\$196.85</b>	_____
<b>3. INTEREST ON VARIABLE COSTS</b>						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				6.00%		
NUMBER OF MONTHS BORROWED				6	<u>VALUE PER COW</u>	
				\$4,246	\$9.08	_____
<b>TOTAL</b>				<b>\$145,783</b>	<b>\$311.83</b>	_____
<b>TOTAL</b>				<b>\$297,498</b>	<b>\$636.36</b>	_____
<b>OWNERSHIP COSTS</b>						
	<u>Annual Capital Recovery<sup>4</sup> (At Replacement Value):</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				\$14,562	\$31.15	_____
Overhead				\$5,000	\$10.70	_____
<b>Total</b>				<u>\$19,562</u>	<u>\$41.84</u>	_____
<b>NON CASH COSTS</b>						
Purchased Livestock				\$18,711	\$40.02	_____
Machinery & Equipment				\$14,562	\$31.15	_____
Housing & Improvements				\$35,754	\$76.48	_____
Interest on Retained Livestock <sup>6</sup>				\$41,953	\$89.74	_____
Management & Operation Labor ( 6% of gross returns)				<u>\$26,597</u>	<u>\$56.89</u>	_____
<b>Total</b>				<u>\$137,577</u>	<u>\$294.28</u>	_____
<b>TOTAL FIXED COSTS</b>				<b>\$157,139</b>	<b>\$336.13</b>	_____
<b>TOTAL CASH AND VARIABLE COSTS</b>				<b>\$165,345</b>	<b>\$353.68</b>	_____
<b>TOTAL COSTS</b>				<b>\$302,922</b>	<b>\$647.96</b>	_____
<b>RETURN ABOVE TOTAL CASH COSTS</b>				<b>\$277,936</b>	<b>\$594.52</b>	_____
<b>RETURN ABOVE TOTAL COSTS</b>				<b>\$140,359</b>	<b>\$300.23</b>	_____
<b>BREAKEVEN CALCULATIONS</b>						
	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>				
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$73.74	\$83.64				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$73.74	\$153.23				

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.