

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

	BREED HERD SIZE	298	COW to BULL	15	CALF CROP PERCENT ¹	82%
	CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	44.625
VALUE OF PRODUCTION						
	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE²</u>	<u>VALUE</u>	<u>VALUE PER COW</u>	
STEER CALVES	122	500	\$2.40	\$146,370	\$492.00	
HEIFER CALVES	77	475	\$2.32	\$85,240	\$286.52	
CULL COWS	45	1000	\$0.86	\$38,378	\$129.00	
CULL BULLS	3	1300	\$0.96	\$3,713	\$12.48	
	247					
TOTAL				\$273,700	\$920.00	
VARIABLE COSTS						
1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	
	HAY	TON	22.00	\$175	\$3,850	\$12.94
	STATE	AUY	40.0%	\$38.04	\$4,527	\$15.22
	FEDERAL LEASE	AUY	40.0%	\$20.88	\$6,212	\$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	\$7,701	\$25.55
	PROTEIN SUPP	TON	30	\$300	\$8,925	\$30.00
	TOTAL				\$31,115	\$104.59
2. OTHER VARIABLE COSTS				COST		
	VET AND MEDICINE			\$4,561	\$15.33	
	LIVESTOCK HAULING			\$1,236	\$4.15	
	HIRED LABOR			\$22,000	\$73.95	
	OPERATING COSTS-EQUIP & MACH			\$5,000	\$16.81	
	OPERATING COSTS-VEHICLE			\$7,000	\$23.53	
	RANCH MAINTENANCE			\$7,000	\$23.53	
	BEEF CHECKOFF			\$199	\$0.67	
	LIVESTOCK PURCHASES			\$18,000	\$60.50	
	TOTAL				\$64,996	\$218.47
3. INTEREST ON VARIABLE COSTS						
	SUM OF VARIABLE COSTS X MONTHS BORROWED					
	X INTEREST RATE PER MONTH					
	ANNUAL INTEREST RATE			6.00%		
	NUMBER OF MONTHS BORROWED			6		VALUE PER COW
					\$2,883	\$9.69
TOTAL					\$98,994	\$332.75
					\$174,706	\$587.25
OWNERSHIP COSTS						
	Annual Capital Recovery ⁴ (At Replacement Value):			Represents 65% Asset Ownership ⁵		VALUE PER COW
CASH COSTS						
	Taxes & Insurance			\$15,805	\$53.13	
	Overhead			\$2,000	\$6.72	
	Total			\$17,805	\$59.85	
NON CASH COSTS						
	Purchased Livestock			\$13,287	\$44.66	
	Machinery & Equipment			\$15,805	\$53.13	
	Housing & Improvements			\$20,141	\$67.70	
	Interest on Retained Livestock ⁶			\$38,850	\$130.59	
	Management & Operation Labor (6% of gross returns)			\$16,422	\$55.20	
	Total			\$104,506	\$351.28	
TOTAL FIXED COSTS				\$122,311	\$411.13	
TOTAL CASH AND VARIABLE COSTS				\$116,800	\$392.60	
TOTAL COSTS				\$221,305	\$743.88	
RETURN ABOVE TOTAL CASH COSTS				\$156,900	\$527.40	
RETURN ABOVE TOTAL COSTS				\$52,395	\$176.12	

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	\$83.24	\$98.21
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	\$83.24	\$186.09

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.