

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

BREED HERD SIZE 170 COW to BULL 15 CALF CROP PERCENT1 84%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 25.5

VALUE OF PRODUCTION							
	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	NEW VALUE	
STEER CALVES	71	500	\$2.40	\$85,680	\$504.00	_____	
HEIFER CALVES	46	475	\$2.32	\$50,582	\$297.54	_____	
CULL COWS	26	900	\$0.86	\$19,737	\$116.10	_____	
CULL BULLS	1	1200	\$0.96	\$1,152	\$6.78	_____	
TOTAL	144			\$157,151	\$924.42	_____	
VARIABLE COSTS							
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE	
1. FEED COSTS							
HAY	TON	18.00	\$175	\$3,150	\$18.53	_____	
STATE	AUY	30.0%	\$38.04	\$1,940	\$11.41	_____	
FEDERAL LEASE	AUY	60.0%	\$20.88	\$3,550	\$20.88	_____	
PRIVATE(Owned)	AUY	10.0%	\$0.00	\$0	\$0.00	_____	
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____	
SALT & MINERAL	TON	6	\$700	\$4,344	\$25.55	_____	
PROTEIN SUPP	TON	17	\$300	\$5,100	\$30.00	_____	
TOTAL				\$18,083	\$106.37	_____	
2. OTHER VARIABLE COSTS							
VET AND MEDICINE				\$2,758	\$16.23	_____	
LIVESTOCK HAULING				\$764	\$4.49	_____	
HIRED LABOR				\$12,000	\$70.59	_____	
OPERATING COSTS-EQUIP & MACH				\$3,000	\$17.65	_____	
OPERATING COSTS-VEHICLE				\$7,000	\$41.18	_____	
RANCH MAINTENANCE				\$7,000	\$41.18	_____	
BEEF CHECKOFF				\$117	\$0.69	_____	
PURCHASED LIVESTOCK				\$14,000	\$82.35	_____	
TOTAL				\$46,639	\$274.35	_____	
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		
				\$1,942	\$11.42	_____	
TOTAL				\$66,664	\$392.14	_____	
TOTAL				\$90,487	\$532.28	_____	
OWNERSHIP COSTS							
Annual Capital Recovery ³ (At Replacement Valve):				Represents 65% Asset Ownership ⁵		VALUE PER COW	NEW VALUE
CASH COSTS							
Taxes & Insurance				\$9,244	\$54.37	_____	
Overhead				\$2,000	\$11.76	_____	
Total				\$11,244	\$66.14	_____	
NON CASH COSTS							
Purchased Livestock				\$6,392	\$37.60	_____	
Machinery & Equipment				\$9,244	\$54.37	_____	
Housing & Improvements				\$16,731	\$98.42	_____	
Interest on Retained Livestock ⁶				\$15,256	\$89.74	_____	
Management & Operation Labor (6% of gross returns)				\$9,429	\$55.46	_____	
Total				\$57,051	\$335.59	_____	
TOTAL FIXED COSTS				\$68,295	\$401.73	_____	
TOTAL CASH AND VARIABLE COSTS				\$77,908	\$458.28	_____	
TOTAL COSTS				\$134,959	\$793.87	_____	
RETURN ABOVE TOTAL CASH COSTS				\$79,243	\$466.14	_____	
RETURN ABOVE TOTAL COSTS				\$22,192	\$130.54	_____	

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	\$95.76	\$111.91
REQUIRED AVERAGE CALF PRICES TOTAL COSTS(cwt)	\$95.76	\$193.86

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.