

**CENTRAL REGION
MEDIUM COW/CALF BUDGET 2013**

	BREED HERD SIZE CULL RATE	100 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	85% 15
VALUE OF PRODUCTION						
	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE²</u>	<u>VALUE</u>	<u>VALUE PER COW</u>	
STEER CALVES	43	515	\$1.47	\$32,175	\$321.75	_____
HEIFER CALVES	28	495	\$1.39	\$18,921	\$189.21	_____
CULL COWS	30	900	\$0.70	\$18,900	\$189.00	_____
CULL BULLS	1	1200	\$0.85	\$1,020	\$10.20	_____
FEE HUNTING	1			<u>\$5,000</u>	\$50.00	_____
TOTAL	101			\$76,016	\$760.16	_____
VARIABLE COSTS						
	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	
1. FEED COSTS						<u>NEW VALUE</u>
HAY	TON	28.00	\$250	\$7,000	\$70.00	_____
STATE	AUY	30.0%	\$43.32	\$0	\$0.00	_____
FEDERAL LEASE	AUY	40.0%	\$21.60	\$2,160	\$21.60	_____
PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	4.02	\$300	\$1,205	\$12.05	_____
PROTEIN SUPP	TON	15.00	\$485	\$7,275	\$72.75	_____
OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	_____
TOTAL				\$17,640	\$176.40	_____
2. OTHER VARIABLE COSTS				<u>COST</u>		<u>NEW VALUE</u>
VET AND MEDICINE				\$1,540	\$15.40	_____
LIVESTOCK HAULING				\$509	\$5.09	_____
HIRED LABOR				\$1,500	\$15.00	_____
OPERATING COSTS-EQUIP & MACH				\$1,419	\$14.19	_____
OPERATING COSTS-VEHICLE				\$2,128	\$21.28	_____
RANCH MAINTENANCE				\$2,480	\$24.80	_____
BEEF CHECKOFF				\$70	\$0.70	_____
PURCHASED LIVESTOCK				<u>\$6,000</u>	<u>\$60.00</u>	_____
TOTAL				\$15,646	\$156.46	_____
3. INTEREST ON VARIABLE COSTS						<u>NEW VALUE</u>
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>
				\$999	\$9.99	_____
TOTAL				\$34,284	\$342.84	_____
TOTAL				\$41,732	\$417.32	_____
OWNERSHIP COSTS						
	Annual Capital Recovery ⁴ (At Replacement Valve):			Represents 65% Asset Ownership ⁵ <u>VALUE PER COW</u> <u>NEW VALUE</u>		
CASH COSTS						<u>NEW VALUE</u>
Taxes & Insurance				\$5,624	\$56.24	_____
Overhead				\$3,000	\$30.00	_____
Total				\$8,624	\$86.24	_____
NON CASH COSTS						<u>NEW VALUE</u>
Purchased Livestock				\$3,485	\$34.85	_____
Machinery & Equipment				\$5,491	\$54.91	_____
Housing & Improvements				\$6,366	\$63.66	_____
Interest on Retained Livestock ⁶				\$7,618	\$76.18	_____
Management & Operation Labor (6% of gross returns)				\$4,561	\$45.61	_____
Total				\$27,521	\$275.21	_____
TOTAL FIXED COSTS				\$36,145	\$361.45	_____
TOTAL CASH AND VARIABLE COSTS				\$42,908	\$429.08	_____
TOTAL COSTS				\$70,429	\$704.29	_____
RETURN ABOVE TOTAL CASH COSTS				\$33,108	\$331.08	_____
RETURN ABOVE TOTAL COSTS				\$5,587	\$55.87	_____
BREAKEYEN CALCULATIONS						
	VARIABLE COSTS	TOTAL COSTS				
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$79.87	\$99.96				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$79.87	\$164.07				

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 2013 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.

**CENTRAL MOUNTAIN REGION
MEDIUM RANCH INVESTMENTS**

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
750	Acres of private land	\$200	3.9%	\$150,000	\$150,000			\$116.25
135	AU Values ¹	\$3,000	3.9%	\$405,000	\$405,000			
Sub Totals				\$555,000				
Number	Buildings, Improvements	Price Per Unit						
2	Miles of pipeline	\$2,000	3.9%	\$4,000	\$400	25	100	\$244
1	Wells	\$13,000	3.9%	\$13,000	\$1,300	25	100	\$792
18	Miles of Fence	\$4,000	3.9%	\$72,000	\$7,200	25	100	\$4,385
1	Corrals/Working Facilities	\$5,000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
Sub Totals				\$104,000				\$6,366
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$42,000	6.0%	\$42,000	\$8,400	7	50	\$3,261
0	3/4 ton pickup 4WD	\$42,000	6.0%	\$0	\$0	7	50	\$0
0	Tractor	\$7,000	6.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$7,000	6.0%	\$7,000	\$1,400	7	100	\$1,087
1	Horse tack	\$5,000	6.0%	\$5,000	\$1,000	10	100	\$603
1	Misc. equipment	\$3,500	6.0%	\$3,500	\$700	10	100	\$422
Sub Total				\$57,500				\$5,491
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
6	Horses	\$1,500	6.0%	\$9,000	\$3,420	10	100	\$963
5	Bulls	\$2,500	6.0%	\$12,500	\$4,750	4	100	\$2,522
30	Cows	\$1,400	6.0%	\$42,000	\$15,960	8	100	\$5,151
51	Total AUys							
Sub Total				\$21,500				\$3,485
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
100	Cows	\$1,400	6.0%	\$140,000	\$53,200			\$6,624
15	Replacement Heifers	\$1,400	6.0%	\$21,000	\$7,980			\$994
111	Total AUys							
Sub Total				\$161,000	\$61,180			\$7,618
Total				<u>\$899,000</u>				<u>\$19,475</u>

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.