

Table 2. Net Returns for Each Arizona Ranching Region  
(High Revenue and High Cost)  
Units \$/Cow

	Strip	Plateau	Central Mountains	Western Desert	Southeastern Desert
Revenues	\$312.74	\$331.80	\$265.14	\$276.15	\$274.26
Feed Cost	\$132.91	\$72.50	\$35.49	\$41.31	\$55.78
Total VC	\$309.49	\$209.05	\$144.05	\$159.65	\$124.80
Cash Ownership Cost	\$21.28	\$172.09	\$41.78	\$87.84	\$22.12
Total Ownership Cost	\$172.01	\$481.23	\$184.63	\$308.37	\$207.55
Returns Above Cash Cost	(\$18.03)	(\$49.34)	\$79.31	\$28.66	\$127.34
Returns Above Total Cost	(\$168.76)	(\$358.48)	(\$63.54)	(\$191.87)	(\$58.09)

Table 3. Net Returns for Each Arizona Ranching Region  
(Low Revenue and Low Cost)  
Units \$/Cow

	Strip	Plateau	Central Mountains	Western Desert	Southeastern Desert
Revenues	\$223.62	\$236.86	\$190.29	\$197.41	\$196.85
Feed Cost	\$104.41	\$50.39	\$31.18	\$34.60	\$40.36
Total VC	\$234.18	\$151.58	\$113.75	\$124.57	\$77.79
Cash Ownership Cost	\$13.83	\$111.86	\$27.16	\$57.09	\$14.38
Total Ownership Cost	\$111.04	\$313.13	\$119.88	\$200.27	\$136.23
Returns Above Cash Cost	(\$24.39)	(\$26.58)	\$49.38	\$15.75	\$104.68
Returns Above Total Cost	(\$121.60)	(\$227.85)	(\$43.34)	(\$127.43)	(\$17.17)

Table 4. Net Returns for Each Arizona Ranching Region  
(High Revenue and Low Cost)  
Units \$/Cow

	Strip	Plateau	Central Mountains	Western Desert	Southeastern Desert
Revenues	\$312.74	\$331.80	\$265.14	\$276.15	\$274.26
Feed Cost	\$104.41	\$50.39	\$31.18	\$34.60	\$40.36
Total VC	\$234.18	\$151.58	\$113.75	\$124.57	\$77.79
Cash Ownership Cost	\$13.83	\$111.86	\$27.16	\$57.09	\$14.38
Total Ownership Cost	\$111.04	\$313.13	\$119.88	\$200.27	\$136.23
Returns Above Cash Cost	\$64.73	\$68.36	\$124.23	\$94.49	\$182.09
Returns Above Total Cost	(\$32.48)	(\$132.91)	\$31.51	(\$48.69)	\$60.24

**NORTHEAST REGION  
EX-LARGE COW/CALF BUDGET 2014**

BREED HERD SIZE 468 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 85%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 70

**VALUE OF PRODUCTION**

	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	199	550	\$1.60	\$174,845	\$374.00	_____
HEIFER CALVES	129	515	\$1.52	\$100,639	\$215.27	_____
CULL COWS	90	1000	\$0.86	\$77,508	\$165.79	_____
CULL BULLS	1	1200	\$0.92	\$1,104	\$2.36	_____
FEE HUNTING	1			<u>\$12,000</u>	\$25.67	_____
<b>TOTAL</b>	<b>418</b>			<b>\$366,095</b>	<b>\$783.09</b>	_____

**VARIABLE COSTS**

		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
<b>1. FEED COSTS</b>							
	HAY	TON	93.50	\$225	\$21,038	\$45.00	_____
	STATE	AUY	30.0%	\$43.32	\$6,076	\$13.00	_____
	FEDERAL LEASE	AUY	7.0%	\$16.56	\$7,742	\$16.56	_____
	PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	17	\$325	\$5,546	\$11.86	_____
	PROTEIN SUPP	TON	88	\$515	\$45,143	\$96.56	_____
	OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	_____
	<b>TOTAL</b>				<b>\$85,544</b>	<b>\$182.98</b>	_____
<b>2. OTHER VARIABLE COSTS</b>					<b>COST</b>		
	VET AND MEDICINE				\$7,392	\$15.81	_____
	LIVESTOCK HAULING				\$2,165	\$4.63	_____
	HIRED LABOR				\$28,000	\$59.89	_____
	OPERATING COSTS-EQUIP & MACH				\$3,500	\$7.49	_____
	OPERATING COSTS-VEHICLE				\$10,000	\$21.39	_____
	RANCH MAINTENANCE				\$8,000	\$17.11	_____
	BEEF CHECKOFF				\$327	\$0.70	_____
	LIVESTOCK PURCHASES				<u>\$22,000</u>	<u>\$47.06</u>	_____
	<b>TOTAL</b>				<b>\$81,385</b>	<b>\$174.08</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	<b>VALUE PER COW</b>	
					\$5,008	\$10.71	_____
	<b>TOTAL</b>				<b>\$171,936</b>	<b>\$367.78</b>	_____
	<b>TOTAL</b>				<b>\$194,159</b>	<b>\$415.31</b>	_____

**OWNERSHIP COSTS**

		Annual Capital Recovery <sup>4</sup> (At Replacement Valve):	Represents 65% Asset Ownership <sup>5</sup>	VALUE PER COW	NEW VALUE
<b>CASH COSTS</b>					
	Taxes & Insurance			\$16,530	\$35.36
	Overhead			\$5,000	\$10.70
	<b>Total</b>			<b>\$21,530</b>	<b>\$46.05</b>
<b>NON CASH COSTS</b>					
	Purchased Livestock			\$18,591	\$39.77
	Machinery & Equipment			\$16,530	\$35.36
	Housing & Improvements			\$34,724	\$74.28
	Interest on Retained Livestock <sup>6</sup>			\$38,156	\$81.62
	Management & Operation Labor ( 6% of gross returns)			<u>\$11,650</u>	<u>\$24.92</u>
	<b>Total</b>			<b>\$119,651</b>	<b>\$255.94</b>
<b>TOTAL FIXED COSTS</b>				<b>\$141,181</b>	<b>\$301.99</b>
<b>TOTAL CASH AND VARIABLE COSTS</b>				<b>\$193,466</b>	<b>\$413.83</b>
<b>TOTAL COSTS</b>				<b>\$313,117</b>	<b>\$669.77</b>
<b>RETURN ABOVE TOTAL CASH COSTS</b>				<b>\$172,629</b>	<b>\$369.26</b>
<b>RETURN ABOVE TOTAL COSTS</b>				<b>\$52,978</b>	<b>\$113.32</b>

**BREAKEVEN CALCULATIONS**

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$81.25	\$91.43
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$81.25	\$147.97

**NORTHEAST REGION  
EXTRA-LARGE RANCH INVESTMENTS**

<b>Number</b>	<b>Land Values</b>	<b>Price Per Unit</b>	<b>10 Yr Avg Rate of Return</b>	<b>Purchase Price</b>	<b>Salvage/Cull Value</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
15,000	Acres of private land	\$85	3.9%	\$1,275,000	\$1,275,000			
500	AU Values <sup>1</sup>	\$2,500	3.9%	\$1,250,000	\$1,250,000			
<b>Sub Totals</b>				\$2,525,000				
<b>Number</b>	<b>Buildings, Improvements</b>	<b>Price Per Unit</b>						
16	Miles of pipeline	\$2,000	3.9%	\$32,000	\$3,200	25	100	\$1,949
10	Wells	\$12,000	3.9%	\$120,000	\$12,000	25	100	\$7,308
95	Miles of Fence	\$4,000	3.9%	\$380,000	\$38,000	25	100	\$23,143
2	Corrals/Working Facilities	\$12,000	3.9%	\$24,000	\$2,400	30	100	\$1,328
1	Barns & Shop	\$18,000	3.9%	\$18,000	\$1,800	30	100	\$996
<b>Sub Totals</b>				\$574,000				\$34,724
<b>Number</b>	<b>Machinery &amp; Vehicles</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
2	3/4 ton pickup 4WD	\$42,000	6.0%	\$84,000	\$16,800	7	50	\$6,523
1	1 ton pickup 4WD	\$45,000	6.0%	\$45,000	\$9,000	7	50	\$3,494
1	Tractor	\$7,000	6.0%	\$7,000	\$1,400	7	100	\$1,087
3	Gooseneck trailer	\$7,500	6.0%	\$22,500	\$4,500	7	100	\$3,494
1	Horse tack	\$6,000	6.0%	\$6,000	\$1,200	10	100	\$724
1	Misc. equipment	\$10,000	6.0%	\$10,000	\$2,000	10	100	\$1,207
<b>Sub Total</b>				\$174,500				\$16,530
<b>Head</b>	<b>Purchased Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
13	Horses	\$1,500	6.0%	\$19,500	\$7,410	10	100	\$2,087
23	Bulls	\$3,500	6.0%	\$81,813	\$31,089	4	100	\$16,504
90	Cows	\$1,500	6.0%	\$135,000	\$51,300	8	100	\$16,557
<b>158</b>	<b>Total AUUs</b>							
<b>Sub Total</b>				\$101,313				\$18,591
<b>Head</b>	<b>Retained Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Salvage/Cull</b>		<b>Interest on Investment</b>	
467.5	Cows	\$1,500	6.0%	\$701,250	\$266,475			\$33,179
70	Replacement Heifers	\$1,500	6.0%	\$105,188	\$39,971			\$4,977
<b>520</b>	<b>Total AUUs</b>							
<b>Sub Total</b>				\$806,438	\$306,446			\$38,156
<b>Total</b>				<u>\$4,181,250</u>				<u>\$89,410</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.