

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



**NORTHWEST REGION  
MEDIUM 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>
4,000	Acres of private land	\$80	3.9%	\$320,000	\$320,000			
200	AU Values <sup>1</sup>	\$2,400	3.9%	\$480,000	\$480,000			
<b>Sub Totals</b>				\$800,000				
<b>Number</b>	<b>Buildings, Improvements</b>	<b>Price Per Unit</b>						
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
3	Wells	\$11,000	3.9%	\$33,000	\$3,300	25	100	\$2,010
40	Miles of Fence	\$4,000	3.9%	\$160,000	\$16,000	25	100	\$9,745
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
<b>Sub Totals</b>				\$238,000				\$14,355
<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>			
1	3/4 ton pickup 4WD	\$42,000	6.0%	\$42,000	\$8,400	7	50	\$3,261
0	3/4 ton pickup 4WD	\$45,000	6.0%	\$0	\$0	7	50	\$0
1	Tractor	\$7,000	6.0%	\$7,000	\$1,400	7	100	\$1,087
1	Gooseneck trailer	\$7,500	6.0%	\$7,500	\$1,500	7	100	\$1,165
1	Horse tack	\$4,000	6.0%	\$4,000	\$800	10	100	\$483
1	Misc. equipment	\$5,500	6.0%	\$5,500	\$1,100	10	100	\$664
<b>Sub Total</b>				\$66,000				\$6,660
<b>Head</b>	<b>Purchased Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>4</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
8	Horses	\$1,500	6.0%	\$12,000	\$4,560	10	100	\$1,284
8	Bulls	\$3,000	6.0%	\$24,000	\$9,120	4	100	\$4,841
40	Cows	\$1,300	6.0%	\$52,000	\$19,760	8	100	\$6,377
<b>70</b>	<b>Total AUUs</b>							
<b>Sub Total</b>				\$36,000				\$6,126
<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>	
160	Cows	\$1,300	6.0%	\$208,000	\$79,040			\$9,841
24	Replacement Heifers	\$1,300	6.0%	\$31,200	\$11,856			\$1,476
<b>178</b>	<b>Total AUUs</b>							
<b>Sub Total</b>				\$239,200	\$90,896			\$11,318
<b>Total</b>				<u>\$1,379,200</u>				<u>\$32,333</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.