

**NORTHEAST REGION
EX-LARGE COW/CALF BUDGET 2016**

BREED HERD SIZE 495 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 74

VALUE OF PRODUCTION				VALUE PER COW		
	QUANTITY	WEIGHT	PRICE ²	VALUE		NEW VALUE
STEER CALVES	210	550	\$2.15	\$248,768	\$502.56	_____
HEIFER CALVES	136	515	\$2.08	\$145,817	\$294.58	_____
CULL COWS	94	1000	\$0.81	\$76,343	\$154.23	_____
CULL BULLS	1	1200	\$0.92	\$1,104	\$2.23	_____
FEE HUNTING	1			\$12,000	\$24.24	_____
TOTAL	442			\$484,032	\$977.84	_____

VARIABLE COSTS				VALUE PER COW		
	UNITS	QUANTITY/PERCENT	PRICE	COST		NEW VALUE
1. FEED COSTS						
HAY	TON	99.00	\$155	\$15,345	\$31.00	_____
STATE	AUY	30.0%	\$43.32	\$6,433	\$13.00	_____
FEDERAL LEASE	AUY	7.0%	\$20.88	\$10,336	\$20.88	_____
PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	18	\$710	\$12,828	\$25.92	_____
PROTEIN SUPP	TON	93	\$315	\$29,236	\$59.06	_____
OTHER		0.00	\$0	\$0	\$0.00	_____
TOTAL				\$74,177	\$149.85	_____

2. OTHER VARIABLE COSTS						
VET AND MEDICINE				\$8,236	\$16.64	_____
LIVESTOCK HAULING				\$2,405	\$4.86	_____
HIRED LABOR				\$32,000	\$64.65	_____
OPERATING COSTS-EQUIP & MACH				\$3,500	\$7.07	_____
OPERATING COSTS-VEHICLE				\$12,000	\$24.24	_____
RANCH MAINTENANCE				\$12,000	\$24.24	_____
BEEF CHECKOFF				\$347	\$0.70	_____
LIVESTOCK PURCHASES				\$30,000	\$60.61	_____
TOTAL				\$100,487	\$203.00	_____

3. INTEREST ON VARIABLE COSTS						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.00%		
NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
				\$6,113	\$12.35	_____
TOTAL				\$180,778	\$365.21	_____
TOTAL				\$303,254	\$612.63	_____

OWNERSHIP COSTS		Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS					
Taxes & Insurance			\$14,987	\$30.28	_____
Overhead			\$5,000	\$10.10	_____
Total			\$19,987	\$40.38	_____
NON CASH COSTS					
Purchased Livestock			\$19,844	\$40.09	_____
Machinery & Equipment			\$14,987	\$30.28	_____
Housing & Improvements			\$34,724	\$70.15	_____
Interest on Retained Livestock ⁶			\$44,421	\$89.74	_____
Management & Operation Labor (6% of gross returns)			\$18,195	\$36.76	_____
Total			\$132,171	\$267.01	_____
TOTAL FIXED COSTS			\$152,158	\$307.39	_____
TOTAL CASH AND VARIABLE COSTS			\$200,765	\$405.59	_____
TOTAL COSTS			\$332,937	\$672.60	_____
RETURN ABOVE TOTAL CASH COSTS			\$283,267	\$572.26	_____
RETURN ABOVE TOTAL COSTS			\$151,095	\$305.24	_____

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$80.69	\$89.61
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$80.69	\$148.60

**NORTHEAST REGION
EXTRA-LARGE 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
15,000	Acres of private land	\$200	3.9%	\$3,000,000	\$3,000,000			
500	AU Values ¹	\$2,500	3.9%	\$1,250,000	\$1,250,000			
Sub Totals				\$4,250,000				
Number	Buildings, Improvements	Price Per Unit						
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
Sub Totals				\$574,000				\$34,724
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$42,000	4.0%	\$84,000	\$16,800	7	50	\$5,934
1	1 ton pickup 4WD	\$45,000	4.0%	\$45,000	\$9,000	7	50	\$3,179
1	Tractor	\$7,000	4.0%	\$7,000	\$1,400	7	100	\$989
3	Gooseneck trailer	\$7,500	4.0%	\$22,500	\$4,500	7	100	\$3,179
1	Horse tack	\$6,000	4.0%	\$6,000	\$1,200	10	100	\$640
1	Misc. equipment	\$10,000	4.0%	\$10,000	\$2,000	10	100	\$1,066
Sub Total				\$174,500				\$14,987
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
13	Horses	\$1,200	4.0%	\$15,600	\$5,928	10	100	\$1,430
25	Bulls	\$4,000	4.0%	\$99,000	\$37,620	4	100	\$18,414
90	Cows	\$2,500	4.0%	\$225,000	\$85,500	8	100	\$24,140
160	Total AUYS							
Sub Total				\$114,600				\$19,844
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
495	Cows	\$2,500	4.0%	\$1,237,500	\$470,250			\$39,034
74	Replacement Heifers	\$2,300	4.0%	\$170,775	\$64,895			\$5,387
551	Total AUYS							
Sub Total				\$1,408,275	\$535,145			\$44,421
Total				<u>\$6,521,375</u>				<u>\$94,132</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.