



**NORTHEAST REGION  
LARGE RANCH INVESTMENTS**

| <b>Number</b>     | <b>Land Values</b>              | <b>Price Per Unit</b> | <b>10 Yr Avg<br/>Rate of Return</b> | <b>Purchase<br/>Price</b> | <b>Salvage/Cull<br/>Value</b> | <b>Useful<br/>Life</b> | <b>Livestock<br/>Share</b> | <b>Annual Capital<br/>Recovery</b> |
|-------------------|---------------------------------|-----------------------|-------------------------------------|---------------------------|-------------------------------|------------------------|----------------------------|------------------------------------|
| 12000             | Acres of private land           | \$85                  | 3.9%                                | \$1,020,000               | \$1,020,000                   |                        |                            |                                    |
| 350               | AU Values <sup>1</sup>          | \$2,500               | 3.9%                                | \$875,000                 | \$875,000                     |                        |                            |                                    |
| <b>Sub Totals</b> |                                 |                       |                                     | \$1,895,000               |                               |                        |                            |                                    |
| <b>Number</b>     | <b>Buildings, Improvements</b>  | <b>Price Per Unit</b> |                                     |                           |                               |                        |                            |                                    |
| 12                | Miles of pipeline               | \$2,000               | 3.9%                                | \$24,000                  | \$2,400                       | 25                     | 100                        | \$1,462                            |
| 8                 | Wells                           | \$12,000              | 3.9%                                | \$96,000                  | \$9,600                       | 25                     | 100                        | \$5,847                            |
| 70                | Miles of Fence                  | \$4,000               | 3.9%                                | \$280,000                 | \$28,000                      | 25                     | 100                        | \$17,053                           |
| 1                 | Corrals/Working Facilities      | \$12,000              | 3.9%                                | \$12,000                  | \$1,200                       | 30                     | 100                        | \$664                              |
| 1                 | Barns & Shop                    | \$18,000              | 3.9%                                | \$18,000                  | \$1,800                       | 30                     | 100                        | \$996                              |
| <b>Sub Totals</b> |                                 |                       |                                     | \$430,000                 |                               |                        |                            | \$26,021                           |
| <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              | 4.0%                                | \$42,000                  | \$8,400                       | 7                      | 50                         | \$2,967                            |
| 1                 | 1ton pickup 4WD                 | \$45,000              | 4.0%                                | \$45,000                  | \$9,000                       | 7                      | 50                         | \$3,179                            |
| 0                 | Tractor                         | \$7,000               | 4.0%                                | \$0                       | \$0                           | 7                      | 100                        | \$0                                |
| 2                 | Gooseneck trailer               | \$7,500               | 4.0%                                | \$15,000                  | \$3,000                       | 7                      | 100                        | \$2,119                            |
| 1                 | Horse tack                      | \$5,000               | 4.0%                                | \$5,000                   | \$1,000                       | 10                     | 100                        | \$533                              |
| 1                 | Misc. equipment                 | \$7,500               | 4.0%                                | \$7,500                   | \$1,500                       | 10                     | 100                        | \$800                              |
| <b>Sub Total</b>  |                                 |                       |                                     | \$114,500                 |                               |                        |                            | \$9,598                            |
| <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>           |                        |                            |                                    |
| 9                 | Horses                          | \$1,200               | 4.0%                                | \$10,800                  | \$4,104                       | 10                     | 100                        | \$990                              |
| 16                | Bulls                           | \$4,000               | 4.0%                                | \$63,000                  | \$23,940                      | 4                      | 100                        | \$11,718                           |
| 70                | Cows                            | \$2,500               | 4.0%                                | \$175,000                 | \$66,500                      | 8                      | 100                        | \$18,775                           |
| <b>118</b>        | <b>Total AUys</b>               |                       |                                     |                           |                               |                        |                            |                                    |
| <b>Sub Total</b>  |                                 |                       |                                     | \$73,800                  |                               |                        |                            | \$12,708                           |
| <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>      |
| 315               | Cows                            | \$2,500               | 4.0%                                | \$787,500                 | \$299,250                     |                        |                            | \$24,840                           |
| 63                | Replacement Heifers             | \$2,300               | 4.0%                                | \$144,900                 | \$55,062                      |                        |                            | \$4,571                            |
| <b>362</b>        | <b>Total AUys</b>               |                       |                                     |                           |                               |                        |                            |                                    |
| <b>Sub Total</b>  |                                 |                       |                                     | \$932,400                 | \$354,312                     |                        |                            | \$29,411                           |
| <b>Total</b>      |                                 |                       |                                     | <u>\$3,445,700</u>        |                               |                        |                            | <u>\$65,030</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.