

**NORTHEAST REGION
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
12000	Acres of private land	\$85	3.9%	\$1,020,000	\$1,020,000			
350	AU Values ¹	\$2,500	3.9%	\$875,000	\$875,000			
Sub Totals				\$1,895,000				
Number	Buildings, Improvements	Price Per Unit						
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
Sub Totals				\$430,000				\$26,021
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
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
Sub Total				\$114,500				\$9,598
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
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
118	Total AUys							
Sub Total				\$73,800				\$12,708
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
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
362	Total AUys							
Sub Total				\$932,400	\$354,312			\$29,411
Total				<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.