

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

BREED HERD SIZE 495 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 85%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 74

**VALUE OF PRODUCTION**

|               | <u>QUANTITY</u> | <u>WEIGHT</u> | <u>PRICE<sup>2</sup></u> | <u>VALUE</u>     | <u>VALUE PER COW</u> | <u>NEW VALUE</u> |
|---------------|-----------------|---------------|--------------------------|------------------|----------------------|------------------|
| 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               |               |                          | <u>\$12,000</u>  | \$24.24              | _____            |
| <b>TOTAL</b>  | <b>442</b>      |               |                          | <b>\$484,032</b> | <b>\$977.84</b>      | _____            |

**VARIABLE COSTS**

|                                      |   | <u>UNITS</u> | <u>QUANTITY/PERCENT</u> | <u>PRICE</u> | <u>COST</u>      | <u>VALUE PER COW</u> | <u>NEW VALUE</u> |
|--------------------------------------|---|--------------|-------------------------|--------------|------------------|----------------------|------------------|
| <b>1. FEED COSTS</b>                 |   |              |                         |              |                  |                      |                  |
|                                      | 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          | <u>\$0</u>       | <u>\$0.00</u>        | _____            |
|                                      | <b>TOTAL</b>                            |              |                         |              | <b>\$74,177</b>  | <b>\$149.85</b>      | _____            |
| <b>2. OTHER VARIABLE COSTS</b>       |   |              |                         |              | <b>COST</b>      |                      |                  |
|                                      | 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                     |              |                         |              | <u>\$30,000</u>  | <u>\$60.61</u>       | _____            |
|                                      | <b>TOTAL</b>                            |              |                         |              | <b>\$100,487</b> | <b>\$203.00</b>      | _____            |
| <b>3. INTEREST ON VARIABLE COSTS</b> |   |              |                         |              |                  |                      |                  |
|                                      | SUM OF VARIABLE COSTS X MONTHS BORROWED |              |                         |              |                  |                      |                  |
|                                      | X INTEREST RATE PER MONTH               |              |                         |              |                  |                      |                  |
|                                      | ANNUAL INTEREST RATE                    |              |                         |              | 7.00%            |                      |                  |
|                                      | NUMBER OF MONTHS BORROWED               |              |                         |              | 6                | <b>VALUE PER COW</b> |                  |
|                                      |   |              |                         |              | \$6,113          | \$12.35              | _____            |
|                                      |   |              |                         |              | <u>\$180,778</u> | <u>\$365.21</u>      | _____            |
|                                      | <b>TOTAL</b>                            |              |                         |              | <b>\$303,254</b> | <b>\$612.63</b>      | _____            |

**OWNERSHIP COSTS**

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

**BREAKEVEN CALCULATIONS**

|  | <u>VARIABLE COSTS</u> | <u>TOTAL COSTS</u> |
|--|-----------------------|--------------------|
| REQUIRED AVG. CALF PRICES CASH COST (cwt)  | \$80.69               | \$89.61            |
| REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) | \$80.69               | \$148.60           |