

**CENTRAL REGION
LARGE COW/CALF BUDGET 2012**

BREED HERD SIZE 228 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 34

VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	
						NEW VALUE
STEER CALVES	97	515	\$1.39	\$69,214	\$304.24	_____
HEIFER CALVES	63	495	\$1.27	\$39,330	\$172.88	_____
CULL COWS	34	900	\$0.65	\$19,963	\$87.75	_____
CULL BULLS	1	1200	\$0.70	\$840	\$3.69	_____
TOTAL	194			\$129,347	\$568.56	_____

VARIABLE COSTS						
1. FEED COSTS						
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	
						NEW VALUE
HAY	TON	45.50	\$250	\$11,375	\$50.00	_____
STATE	AUY	20.0%	\$34.20	\$0	\$0.00	_____
FEDERAL LEASE	AUY	40.0%	\$21.60	\$4,914	\$21.60	_____
PRIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	6.00	\$310	\$1,860	\$8.18	_____
PROTEIN SUPP	TON	11.00	\$540	\$5,940	\$26.11	_____
OTHER		0.00	\$0	\$0	\$0.00	_____
TOTAL				\$24,089	\$105.89	_____

2. OTHER VARIABLE COSTS						
				COST	VALUE PER COW	
						NEW VALUE
VET AND MEDICINE				\$3,410	\$14.99	_____
LIVESTOCK HAULING				\$953	\$4.19	_____
HIRED LABOR				\$7,500	\$32.97	_____
OPERATING COSTS-EQUIP & MACH				\$1,968	\$8.65	_____
OPERATING COSTS-VEHICLE				\$2,552	\$11.22	_____
RANCH MAINTENANCE				\$3,321	\$14.60	_____
BEEF CHECKOFF				\$159	\$0.70	_____
PURCHASED LIVESTOCK				\$8,000	\$35.16	_____
TOTAL				\$27,864	\$122.48	_____

3. INTEREST ON VARIABLE COSTS						
SUM OF VARIABLE COSTS X MONTHS BORROWED					VALUE PER COW	
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.50%		
NUMBER OF MONTHS BORROWED				6		
				\$1,948	\$8.56	_____

	\$53,901	\$236.93	_____
TOTAL	\$75,446	\$331.63	_____

OWNERSHIP COSTS

Annual Capital Recovery ⁴ (At Replacement Valve):		Represents 65% Asset Ownership ⁵		VALUE PER COW	NEW VALUE
CASH COSTS					
Taxes & Insurance		\$11,088	\$48.74	_____	_____
Overhead		\$2,200	\$9.67	_____	_____
Total		\$13,288	\$58.41	_____	_____
NON CASH COSTS					
Purchased Livestock		\$7,641	\$33.59	_____	_____
Machinery & Equipment		\$10,789	\$47.42	_____	_____
Housing & Improvements		\$14,195	\$62.40	_____	_____
Interest on Retained Livestock ⁶		\$11,553	\$50.78	_____	_____
Management & Operation Labor (6% of gross returns)		\$7,761	\$34.11	_____	_____
Total		\$51,939	\$228.30	_____	_____

TOTAL FIXED COSTS	\$65,227	\$286.71	_____
TOTAL CASH AND VARIABLE COSTS	\$67,189	\$295.34	_____
TOTAL COSTS	\$119,128	\$523.64	_____
RETURN ABOVE TOTAL CASH COSTS	\$62,158	\$273.22	_____
RETURN ABOVE TOTAL COSTS	\$10,219	\$44.92	_____

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$55.20	\$68.80
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$55.20	\$121.99

1) Calf crop is defined as the actual number of calves sold divided, by the total number of cows (assuming all cows were exposed).

2) Prices represent 2012 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.

3) Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance

4) Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.

5) The 35% reduction in asset values which represent a mix of new and used machinery.

6) Interest on average investment.