

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

	BREED HERD SIZE CULL RATE	45 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	80% 6.75
VALUE OF PRODUCTION						
	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE²</u>	<u>VALUE</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
STEER CALVES	18	515	\$1.37	\$12,700	\$282.22	_____
HEIFER CALVES	11	495	\$1.29	\$7,184	\$159.64	_____
CULL COWS	7	900	\$0.64	\$3,888	\$86.40	_____
CULL BULLS	1	1200	\$0.70	\$840	\$18.67	_____
TOTAL	37			\$24,612	\$546.92	_____
VARIABLE COSTS						
1. FEED COSTS	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
HAY	TON	5.00	\$250	\$1,250	\$27.78	_____
STATE	AUY	0.0%	\$38.04	\$0	\$0.00	_____
FEDERAL LEASE	AUY	50.0%	\$21.60	\$972	\$21.60	_____
PRIVATE(Owned)	AUY	50.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	2.00	\$310	\$620	\$13.78	_____
PROTEIN SUPP	TON	3.00	\$540	\$1,620	\$36.00	_____
OTHER		0.00	\$0	\$0	\$0.00	_____
TOTAL				\$4,462	\$99.16	_____
2. OTHER VARIABLE COSTS				<u>COST</u>		
VET AND MEDICINE				\$674	\$14.99	_____
LIVESTOCK HAULING				\$181	\$4.03	_____
HIRED LABOR				\$500	\$11.11	_____
OPERATING COSTS-EQUIP & MACH				\$633	\$14.08	_____
OPERATING COSTS-VEHICLE				\$1,476	\$32.80	_____
RANCH MAINTENANCE				\$1,599	\$35.53	_____
BEEF CHECKOFF				\$29	\$0.65	_____
PURCHASED LIVESTOCK				\$6,500	\$144.44	_____
TOTAL				\$11,594	\$257.64	_____
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	
				\$562	\$12.49	_____
TOTAL				\$16,618	\$369.28	_____
TOTAL				\$7,994	\$177.64	_____
OWNERSHIP COSTS						
	<u>Annual Capital Recovery⁴ (At Replacement Value):</u>			<u>Represents 65% Asset Ownership⁵</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
CASH COSTS						
Taxes & Insurance				\$3,645	\$80.99	_____
Overhead				\$2,500	\$55.56	_____
				\$6,145	\$136.55	_____
NON CASH COSTS						
Purchased Livestock				\$1,380	\$30.67	_____
Machinery & Equipment				\$3,645	\$80.99	_____
Housing & Improvements				\$3,205	\$71.22	_____
Interest on Retained Livestock ⁶				\$1,587	\$35.27	_____
Management & Operation Labor (6% of gross returns)				\$7,994	\$177.64	_____
				\$17,811	\$395.79	_____
TOTAL FIXED COSTS				\$23,955	\$532.34	_____
TOTAL CASH AND VARIABLE COSTS				\$22,762	\$505.83	_____
TOTAL COSTS				\$40,573	\$901.62	_____
RETURN ABOVE TOTAL CASH COSTS				\$1,849	\$41.10	_____
BREAKEVEN CALCULATIONS						
	VARIABLE COSTS	TOTAL COSTS				
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$91.41	\$125.20				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$91.41	\$223.17				

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.