

**NORTHEAST REGION  
MEDIUM COW/CALF BUDGET 2012**

BREED HERD SIZE      160      COW to BULL      20      CALF CROP PERCENT<sup>1</sup>      85%  
CULL RATE      15%      REPLACEMENT HEIFER'S KEPT      24

**VALUE OF PRODUCTION**

	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE<sup>2</sup></u>	<u>VALUE</u>	<u>VALUE PER COW</u>
STEER CALVES	68	550	\$1.40	\$52,360	\$327.25
HEIFER CALVES	44	515	\$1.32	\$29,911	\$186.95
CULL COWS	24	900	\$0.67	\$14,472	\$90.45
CULL BULLS	1	1200	\$0.75	\$900	\$5.63
<b>TOTAL</b>	<b>137</b>			<b>\$97,643</b>	<b>\$610.27</b>

**VARIABLE COSTS**

		<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>
<b>1. FEED COSTS</b>						
	HAY	TON	12.00	\$225	\$2,700	\$16.88
	BLM	AUY	0.0%	\$21.60	\$0	\$0.00
	STATE	AUY	17.0%	\$34.20	\$930	\$5.81
	FEDERAL LEASE	AUY	30.0%	\$21.60	\$3,456	\$21.60
	PRIVATE(Owned)	AUY	53.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	3.00	\$300	\$900	\$5.63
	PROTEIN SUPP	TON	4.00	\$525	\$2,100	\$13.13
	OTHER		<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0.00</u>
	<b>TOTAL</b>				<b>\$10,086</b>	<b>\$63.04</b>
<b>2. OTHER VARIABLE COSTS</b>						
	VET AND MEDICINE				\$2,398	\$14.99
	LIVESTOCK HAULING				\$684	\$4.28
	HIRE D LABOR				\$2,420	\$15.13
	OPERATING COSTS-EQUIP & MACH				\$1,634	\$10.21
	OPERATING COSTS-VEHICLE				\$3,630	\$22.69
	RANCH MAINTENANCE				\$2,541	\$15.88
	BEEF CHECKOFF				\$112	\$0.70
	PURCHASED LIVESTOCK				\$7,500	\$46.88
	<b>TOTAL</b>				<b>\$20,919</b>	<b>\$130.74</b>
<b>3. INTEREST ON VARIABLE COSTS</b>						
	SUM OF VARIABLE COSTS X MONTHS BORROWED					
	X INTEREST RATE PER MONTH					
	ANNUAL INTEREST RATE			7.50%		
	NUMBER OF MONTHS BORROWED			6		<b>VALUE PER COW</b>
					\$1,163	\$7.27
	<b>TOTAL</b>				<b>\$32,168</b>	<b>\$201.05</b>
	<b>TOTAL</b>				<b>\$65,476</b>	<b>\$409.22</b>

**OWNERSHIP COSTS**

		<u>Annual Capital Recovery<sup>4</sup> (At Replacement Value):</u>	<u>Represents 65% Asset Ownership</u>	<u>VALUE PER COW</u>
<b>CASH COSTS</b>				
	Taxes & Insurance		\$4,580	\$28.62
	Overhead		\$2,000	\$12.50
	<b>Total</b>		<b>\$6,580</b>	<b>\$41.12</b>
<b>NON CASH COSTS</b>				
	Purchased Livestock		\$4,733	\$29.58
	Machinery & Equipment		\$4,580	\$28.62
	Housing & Improvements		\$19,443	\$121.52
	Interest on Retained Livestock		\$8,125	\$50.78
	Management & Operation Labor ( 6% of gross returns)		\$5,859	\$36.62
	<b>Total</b>		<b>\$42,740</b>	<b>\$267.12</b>
	<b>TOTAL FIXED COSTS</b>		<b>\$49,319</b>	<b>\$308.25</b>
	<b>TOTAL CASH AND VARIABLE COSTS</b>		<b>\$38,747</b>	<b>\$242.17</b>
	<b>TOTAL COSTS</b>		<b>\$81,487</b>	<b>\$509.29</b>
	<b>RETURN ABOVE TOTAL CASH COSTS</b>		<b>\$58,896</b>	<b>\$368.10</b>
	<b>RETURN ABOVE TOTAL COSTS</b>		<b>\$16,156</b>	<b>\$100.98</b>

**BREAKEVEN CALCULATIONS**

	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$44.42	\$53.50
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$44.42	\$112.52

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.