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

#### BREED HERD SIZE
- Cow to Bull: 160
- Calves: 20
- Replacement Heifer's Kept: 24

#### CULL RATE
- 15%

#### CALF CROP PERCENT
- 85%

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### VALUE OF PRODUCTION

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>WEIGHT</th>
<th>PRICE</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEER CALVES</td>
<td>68</td>
<td>550</td>
<td>$1.40</td>
</tr>
<tr>
<td>HEIFER CALVES</td>
<td>50</td>
<td>515</td>
<td>$1.32</td>
</tr>
<tr>
<td>CULL COWS</td>
<td>24</td>
<td>900</td>
<td>$0.67</td>
</tr>
<tr>
<td>CULL BULLS</td>
<td>1</td>
<td>1200</td>
<td>$0.75</td>
</tr>
</tbody>
</table>

**TOTAL**

- 137

**Value per Cow**

- $87,643
- $610.27

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### VARIABLE COSTS

#### 1. FEED COSTS

<table>
<thead>
<tr>
<th>UNITS</th>
<th>QUANTITY/PERCENT</th>
<th>PRICE</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAY</td>
<td>TON 12.00</td>
<td>$225</td>
<td>$2,700</td>
</tr>
<tr>
<td>BLM</td>
<td>AUY 0.0%</td>
<td>$21.60</td>
<td>$0</td>
</tr>
<tr>
<td>STATE</td>
<td>AUY 17.0%</td>
<td>$34.20</td>
<td>$930</td>
</tr>
<tr>
<td>FEDERAL LEASE</td>
<td>AUY 30.0%</td>
<td>$21.60</td>
<td>$3,456</td>
</tr>
<tr>
<td>PRIVATE(Owned)</td>
<td>AUY 53.0%</td>
<td>$0.00</td>
<td>$0</td>
</tr>
<tr>
<td>PRIVATE(Leased Grazing)</td>
<td>AUY 0.0%</td>
<td>$0.00</td>
<td>$0</td>
</tr>
<tr>
<td>SALT &amp; MINERAL</td>
<td>TON 3.00</td>
<td>$300</td>
<td>$900</td>
</tr>
<tr>
<td>PROTEIN SUPP</td>
<td>TON 4.00</td>
<td>$525</td>
<td>$2,100</td>
</tr>
<tr>
<td>OTHER</td>
<td>0.00</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**TOTAL**

- $10,086
- $63.04

**Value per Cow**

- $1,163
- $7.27

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#### 2. OTHER VARIABLE COSTS

- Vet and Medicine: $2,398
- Livestock Hauling: $684
- Hired Labor: $2,420
- Operating Costs-Equip & Mach: $1,634
- Operating Costs-Vehicle: $3,630
- Ranch Maintenance: $2,541
- Beef Checkoff: $112
- Purchased Livestock: $7,580

**TOTAL**

- $20,919
- $130.74

**Value per Cow**

- $32,168
- $201.05

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#### 3. INTEREST ON VARIABLE COSTS

**SUM OF VARIABLE COSTS X MONTHS BORROWED**

- 7.50%
- 6

**ANNUAL INTEREST RATE**

- $1,163
- $7.27

**VALUE PER COW**

- $32,168
- $201.05

**TOTAL**

- $65,476
- $409.22

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#### OWNERSHIP COSTS

**Annual Capital Recovery**

- Represents 65% Asset Ownership

**CASH COSTS**

<table>
<thead>
<tr>
<th>Item</th>
<th>TOTAL</th>
<th>VALUE PER COW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes &amp; Insurance</td>
<td>$4,580</td>
<td>$28.62</td>
</tr>
<tr>
<td>Overhead</td>
<td>$2,000</td>
<td>$12.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,580</td>
<td>$41.12</td>
</tr>
</tbody>
</table>

**NON CASH COSTS**

- Purchased Livestock: $4,733
- Machinery & Equipment: $4,580
- Housing & Improvements: $19,443
- Interest on Retained Livestock: $8,125
- Management & Operation Labor (6% of gross returns): $5,859

**Total**

- $42,740
- $267.12

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**TOTAL FIXED COSTS**

- $49,319
- $308.25

**TOTAL CASH AND VARIABLE COSTS**

- $38,747
- $242.17

**TOTAL COSTS**

- $81,487
- $509.29

**RETURN ABOVE TOTAL CASH COSTS**

- $58,896
- $368.10

**RETURN ABOVE TOTAL COSTS**

- $16,156
- $100.98

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#### BREAKEVEN CALCULATIONS

<table>
<thead>
<tr>
<th>VARIABLE COSTS</th>
<th>TOTAL COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REQUIRED AVG. CALF PRICES CASH COST (cwt)</td>
<td>$44.42</td>
</tr>
<tr>
<td>REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)</td>
<td>$44.42</td>
</tr>
</tbody>
</table>

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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.