

**NORTHEAST REGION  
EX-LARGE STOCKER BUDGET 2012**

HERD SIZE 1400

DEATH LOSS PERCENT<sup>1</sup> 3%

VALUE OF PRODUCTION					VALUE PER HEAD	
STEER CALVES	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE	NEW VALUE	NEW VALUE
	1358	750	\$1.35	\$1,374,975	\$982.13	_____
<b>TOTAL</b>	<b>1358</b>			<b>\$1,374,975</b>	<b>\$982.13</b>	_____

VARIABLE COSTS							VALUE PER HEAD	
1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	NEW VALUE	NEW VALUE		
HAY	TON	0.00	\$125	\$0	\$0.00	_____		
STATE	AUY	0.0%	\$0.00	\$0	\$0.00	_____		
FEDERAL LEASE	AUY	0.0%	\$0.00	\$0	\$0.00	_____		
PRIVATE(Owned)	AUY	100.0%	\$19.00	\$106,400	\$76.00	_____		
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____		
SALT & MINERAL	TON	21.00	\$240	\$5,040	\$3.60	_____		
PROTEIN SUPP	TON	0.00	\$415	\$0	\$0.00	_____		
OTHER		0.00	\$0	\$0	\$0.00	_____		
<b>TOTAL</b>				<b>\$111,440</b>	<b>\$79.60</b>	_____		

2. OTHER VARIABLE COSTS							VALUE PER HEAD	
				COST	NEW VALUE	NEW VALUE		
VET AND MEDICINE				\$21,560	\$15.40	_____		
LIVESTOCK HAULING				\$0	\$0.00	_____		
HIRED LABOR				\$17,500	\$12.50	_____		
OPERATING COSTS-EQUIP & MACH				\$4,305	\$3.08	_____		
OPERATING COSTS-VEHICLE				\$4,920	\$3.51	_____		
RANCH MAINTENANCE				\$4,121	\$2.94	_____		
BEEF CHECKOFF				\$1,358	\$0.97	_____		
LIVESTOCK PURCHASES				<u>\$913,500</u>	<u>\$652.50</u>	_____		
<b>TOTAL</b>				<b>\$967,264</b>	<b>\$690.90</b>	_____		

3. INTEREST ON VARIABLE COSTS							VALUE PER HEAD	
SUM OF VARIABLE COSTS X MONTHS BORROWED								
X INTEREST RATE PER MONTH								
ANNUAL INTEREST RATE				7.0%				
NUMBER OF MONTHS BORROWED				6				
				\$37,755	\$26.97	_____		
<b>TOTAL</b>				<b>\$1,116,458</b>	<b>\$797.47</b>	_____		
RETURN				\$258,517	\$184.65	_____		

OWNERSHIP COSTS							VALUE PER HEAD		NEW VALUE
Annual Capital Recovery <sup>4</sup> (At Replacement Value):									
				Represents 65% Asset Ownership <sup>5</sup>					
CASH COSTS									
Taxes & Insurance				\$15,552	\$11.11	_____			
Overhead				\$4,000	\$2.86	_____			
<b>Total</b>				<b>\$19,552</b>	<b>\$13.97</b>	_____			
NON CASH COSTS									
Purchased Livestock				\$0	\$0.00	_____			
Machinery & Equipment				\$0	\$0.00	_____			
Housing & Improvements				\$0	\$0.00	_____			
Interest on Retained Livestock <sup>6</sup>				\$0	\$0.00	_____			
Management & Operation Labor ( 6% of gross returns)				\$82,499	\$58.93	_____			
<b>Total</b>				<b>\$82,499</b>	<b>\$58.93</b>	_____			
<b>TOTAL FIXED COSTS</b>				<b>\$102,050</b>	<b>\$72.89</b>	_____			
<b>TOTAL CASH AND VARIABLE COSTS</b>				<b>\$1,136,010</b>	<b>\$811.44</b>	_____			
<b>TOTAL COSTS</b>				<b>\$1,218,508</b>	<b>\$870.36</b>	_____			
<b>RETURN ABOVE TOTAL CASH COSTS</b>				<b>\$238,965</b>	<b>\$170.69</b>	_____			
<b>RETURN ABOVE TOTAL COSTS</b>				<b>\$156,467</b>	<b>\$111.76</b>	_____			

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$7,088.62	\$7,212.76
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$7,088.62	\$7,736.56

1) Death loss indicates those calves which were turned out but were not accounted for when removed from the pasture  
2) Prices represent 2011 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.