

**NORTHEAST REGION  
LARGE COW/CALF BUDGET 2013**

		BREED HERD SIZE CULL RATE	280 20%	COW to BULL	20	CALF CROP PERCENT <sup>1</sup> REPLACEMENT HEIFER'S KEPT	87% 56
<b>VALUE OF PRODUCTION</b>							
		<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE<sup>2</sup></u>	<u>VALUE</u>	<u>VALUE PER COW</u>	
STEER CALVES		122	550	\$1.50	\$100,485	\$358.88	_____
HEIFER CALVES		66	515	\$1.42	\$48,120	\$171.86	_____
CULL COWS		68	1000	\$0.77	\$52,360	\$187.00	_____
CULL BULLS		1	1400	\$0.87	\$1,218	\$4.35	_____
FEE HUNTING		1			\$7,500	\$26.79	_____
<b>TOTAL</b>		<b>257</b>			<b>\$209,683</b>	<b>\$748.87</b>	_____
<b>VARIABLE COSTS</b>							
		<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	
1. FEED COSTS							<u>NEW VALUE</u>
	HAY	TON	16.00	\$225	\$3,600	\$12.86	_____
	STATE	AUY	20.0%	\$38.04	\$2,130	\$7.61	_____
	FEDERAL LEASE	AUY	40.0%	\$16.56	\$4,637	\$16.56	_____
	PRIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	10	\$295	\$3,015	\$10.77	_____
	PROTEIN SUPP	TON	58	\$495	\$28,586	\$102.09	_____
	<b>TOTAL</b>				<b>\$41,968</b>	<b>\$149.89</b>	_____
2. OTHER VARIABLE COSTS					<u>COST</u>		<u>NEW VALUE</u>
	VET AND MEDICINE				\$4,312	\$15.40	_____
	LIVESTOCK HAULING				\$1,293	\$4.62	_____
	HIRED LABOR				\$17,000	\$60.71	_____
	OPERATING COSTS-EQUIP & MACH				\$2,981	\$10.65	_____
	OPERATING COSTS-VEHICLE				\$3,995	\$14.27	_____
	RANCH MAINTENANCE				\$3,376	\$12.06	_____
	BEEF CHECKOFF				\$188	\$0.67	_____
	PURCHASED LIVESTOCK				\$12,000	\$42.86	_____
	<b>TOTAL</b>				<b>\$45,145</b>	<b>\$161.23</b>	_____
3. INTEREST ON VARIABLE COSTS							
	SUM OF VARIABLE COSTS X MONTHS BORROWED						
	X INTEREST RATE PER MONTH						
	ANNUAL INTEREST RATE				6.00%		
	NUMBER OF MONTHS BORROWED				6	<u>VALUE PER COW</u>	
INTEREST COSTS					\$2,613	\$9.33	_____
<b>TOTAL VARIABLE COSTS</b>					<b>\$89,727</b>	<b>\$320.45</b>	_____
<b>RETURN ABOVE VARIABLE COSTS</b>					<b>\$119,956</b>	<b>\$428.41</b>	_____
<b>OWNERSHIP COSTS</b>							
	Annual Capital Recovery <sup>4</sup> (At Replacement Value):				Represents 65% Asset Ownership		<u>VALUE PER COW</u>
CASH COSTS					<u>TOTAL</u>		<u>NEW VALUE</u>
	Taxes & Insurance				\$10,594	\$37.84	_____
	Overhead				\$2,163	\$7.73	_____
	<b>Total</b>				<b>\$12,757</b>	<b>\$45.56</b>	_____
NON CASH COSTS							
	Purchased Livestock				\$11,330	\$40.46	_____
	Machinery & Equipment				\$10,594	\$37.84	_____
	Housing & Improvements				\$26,021	\$92.93	_____
	Interest on Retained Livestock <sup>5</sup>				\$23,846	\$85.17	_____
	Management & Operation Labor ( 6% of gross returns)				\$12,581	\$44.93	_____
<b>TOTAL NON CASH COSTS</b>					<b>\$84,372</b>	<b>\$301.33</b>	_____
<b>TOTAL FIXED COSTS</b>					<b>\$97,129</b>	<b>\$346.89</b>	_____
<b>TOTAL CASH AND VARIABLE COSTS</b>					<b>\$102,484</b>	<b>\$366.01</b>	_____
<b>TOTAL COSTS</b>					<b>\$186,856</b>	<b>\$667.34</b>	_____
<b>RETURN ABOVE TOTAL CASH COSTS</b>					<b>\$107,199</b>	<b>\$382.85</b>	_____
<b>RETURN ABOVE TOTAL COSTS</b>					<b>\$22,827</b>	<b>\$81.52</b>	_____
<b>BREAKEVEN CALCULATIONS</b>							
		<b>VARIABLE COSTS</b>	<b>TOTAL COSTS</b>				
REQUIRED AVG. CALF PRICES CASH COST (cwt)		\$69.17	\$79.01				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)		\$69.17	\$144.05				

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 2013 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.

**NORTHEAST REGION  
LARGE RANCH INVESTMENTS**

<b>Number</b>	<b>Land Values</b>	<b>Price Per Unit</b>	<b>10 Yr Avg Rate of Return</b>	<b>Purchase Price</b>	<b>Salvage/Cull Value</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
12000	Acres of private land	\$85	3.9%	\$1,020,000	\$1,020,000			
350	AU Values <sup>1</sup>	\$2,500	3.9%	\$875,000	\$875,000			
<b>Sub Totals</b>				\$1,895,000				
<b>Number</b>	<b>Buildings, Improvements</b>	<b>Price Per Unit</b>						
12	Miles of pipeline	\$2,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
8	Wells	\$12,000	3.9%	\$96,000	\$9,600	25	100	\$5,847
70	Miles of Fence	\$4,000	3.9%	\$280,000	\$28,000	25	100	\$17,053
1	Corrals/Working Facilities	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
1	Barns & Shop	\$18,000	3.9%	\$18,000	\$1,800	30	100	\$996
<b>Sub Totals</b>				\$430,000				\$26,021
<b>Number</b>	<b>Machinery &amp; Vehicles</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
1	3/4 ton pickup 4WD	\$42,000	6.0%	\$42,000	\$8,400	7	50	\$3,261
1	1ton pickup 4WD	\$45,000	6.0%	\$45,000	\$9,000	7	50	\$3,494
0	Tractor	\$7,000	6.0%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$7,500	6.0%	\$15,000	\$3,000	7	100	\$2,330
1	Horse tack	\$5,000	6.0%	\$5,000	\$1,000	10	100	\$603
1	Misc. equipment	\$7,500	6.0%	\$7,500	\$1,500	10	100	\$905
<b>Sub Total</b>				\$114,500				\$10,594
<b>Head</b>	<b>Purchased Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
9	Horses	\$1,500	6.0%	\$13,500	\$5,130	10	100	\$1,445
14	Bulls	\$3,500	6.0%	\$49,000	\$18,620	4	100	\$9,885
70	Cows	\$1,500	6.0%	\$105,000	\$39,900	8	100	\$12,877
<b>116</b>	<b>Total AUys</b>							
<b>Sub Total</b>				\$62,500				\$11,330
<b>Head</b>	<b>Retained Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Salvage/Cull</b>		<b>Interest on Investment</b>	
280	Cows	\$1,500	6.0%	\$420,000	\$159,600			\$19,872
56	Replacement Heifers	\$1,500	6.0%	\$84,000	\$31,920			\$3,974
<b>322</b>	<b>Total AUys</b>							
<b>Sub Total</b>				\$504,000	\$191,520			\$23,846
<b>Total</b>				<u>\$3,006,000</u>				<u>\$60,461</u>

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.