

**NORTHWEST REGION  
LARGE COW/CALF BUDGET 2012**

BREED HERD SIZE 315 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 85%  
 CULL RATE 15% REPLACEMENT HEIFER'S KEPT 47

**VALUE OF PRODUCTION**

	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE</u> <sup>2</sup>	<u>VALUE</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
STEER CALVES	134	510	\$1.35	\$92,173	\$292.61	
HEIFER CALVES	87	485	\$1.27	\$53,357	\$169.39	
CULL COWS	47.25	900	\$0.62	\$26,366	\$83.70	
CULL BULLS	1	1200	\$0.72	\$864	\$2.74	
<b>TOTAL</b>	<b>269</b>			<b>\$172,759</b>	<b>\$548.44</b>	

**VARIABLE COSTS**

	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
<b>1. FEED COSTS</b>						
HAY	TON	25.00	\$235.00	\$5,875	\$18.65	
STATE	AUY	45.0%	\$38.04	\$5,392	\$17.12	
FEDERAL LEASE	AUY	35.0%	\$21.60	\$6,804	\$21.60	
PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
SALT & MINERAL	TON	4.00	\$305.00	\$1,220	\$3.87	
PROTEIN SUPP	TON	4.00	\$530.00	\$2,120	\$6.73	
OTHER		0.00	\$0.00	\$0	\$0.00	
<b>TOTAL</b>				<b>\$21,411</b>	<b>\$67.97</b>	
<b>2. OTHER VARIABLE COSTS</b>						
VET AND MEDICINE				\$4,721	\$14.99	
LIVESTOCK HAULING				\$1,318	\$4.18	
HIRED LABOR				\$17,500	\$55.56	
OPERATING COSTS-EQUIP & MACH				\$3,690	\$11.71	
OPERATING COSTS-VEHICLE				\$4,920	\$15.62	
RANCH MAINTENANCE				\$3,260	\$10.35	
BEEF CHECKOFF				\$221	\$0.70	
OTHER				\$15,000	\$47.62	
<b>TOTAL</b>				<b>\$50,629</b>	<b>\$160.73</b>	
<b>3. INTEREST ON VARIABLE COSTS</b>						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.00%		
NUMBER OF MONTHS BORROWED				6		
<b>TOTAL</b>				<b>\$2,521</b>	<b>\$8.00</b>	
<b>TOTAL</b>				<b>\$74,562</b>	<b>\$236.70</b>	
				<b>\$98,197</b>	<b>\$311.74</b>	

**OWNERSHIP COSTS**

	<u>Annual Capital Recovery<sup>4</sup> (At Replacement Valve):</u>	<u>Represents 65% Asset Ownership<sup>5</sup></u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
<b>CASH COSTS</b>				
Taxes & Insurance			\$5,955	\$18.91
Overhead			\$4,000	\$12.70
<b>Total</b>			<b>\$9,955</b>	<b>\$31.60</b>
<b>NON CASH COSTS</b>				
Purchased Livestock			\$11,126	\$35.32
Machinery & Equipment			\$5,955	\$18.91
Housing & Improvements			\$22,151	\$70.32
Interest on Retained Livestock <sup>6</sup>			\$19,996	\$63.48
Management & Operation Labor ( 6% of gross returns)			\$5,892	\$18.70
<b>Total</b>			<b>\$65,121</b>	<b>\$206.73</b>
<b>TOTAL FIXED COSTS</b>			<b>\$75,076</b>	<b>\$238.34</b>
<b>TOTAL CASH AND VARIABLE COSTS</b>			<b>\$84,517</b>	<b>\$268.31</b>
<b>TOTAL COSTS</b>			<b>\$149,638</b>	<b>\$475.04</b>
<b>RETURN ABOVE TOTAL CASH COSTS</b>			<b>\$88,242</b>	<b>\$280.13</b>
<b>RETURN ABOVE TOTAL COSTS</b>			<b>\$23,121</b>	<b>\$73.40</b>

**BREAKEVEN CALCULATIONS**

	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$55.98	\$63.45
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$55.98	\$112.34

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.