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

**BREED HERD SIZE**

<table>
<thead>
<tr>
<th>COW to BULL</th>
<th>CALF CROP PERCENT</th>
<th>REPLACEMENT HEIFER'S KEPT</th>
</tr>
</thead>
<tbody>
<tr>
<td>180</td>
<td>180</td>
<td>20</td>
</tr>
<tr>
<td>15%</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27</td>
</tr>
</tbody>
</table>

**CULL RATE**

<table>
<thead>
<tr>
<th>STEER CALVES</th>
<th>HEIFER CALVES</th>
<th>CULL COWS</th>
<th>CULL BULLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>15%</td>
<td>27%</td>
<td>1%</td>
</tr>
<tr>
<td>510</td>
<td>485</td>
<td>900</td>
<td>1200</td>
</tr>
</tbody>
</table>

**CALF CROP PERCENT**

- 85%

**VALUE OF PRODUCTION**

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>WEIGHT</th>
<th>PRICE</th>
<th>VALUE</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>510</td>
<td>$1.35</td>
<td>$292.61</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>485</td>
<td>$1.27</td>
<td>$169.39</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>900</td>
<td>$0.62</td>
<td>$83.70</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1200</td>
<td>$0.72</td>
<td>$4.80</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

- $90,090
- $550.50

### VARIABLE COSTS

#### 1. FEED COSTS

<table>
<thead>
<tr>
<th>UNITS</th>
<th>QUANTITY/PERCENT</th>
<th>PRICE</th>
<th>COST</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAY</td>
<td>TON</td>
<td>36.00</td>
<td>$235.00</td>
<td>$8,460</td>
</tr>
<tr>
<td>STATE</td>
<td>AUY</td>
<td>45.0%</td>
<td>$38.04</td>
<td>$3,081</td>
</tr>
<tr>
<td>FEDERAL LEASE</td>
<td>AUY</td>
<td>35.0%</td>
<td>$21.60</td>
<td>$3,888</td>
</tr>
<tr>
<td>PRIVATE(Owned)</td>
<td>AUY</td>
<td>20.0%</td>
<td>$0.62</td>
<td>$0.00</td>
</tr>
<tr>
<td>PRIVATE(Leased Grazing)</td>
<td>AUY</td>
<td>0.0%</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>SALT &amp; MINERAL</td>
<td>TON</td>
<td>2.50</td>
<td>$305.00</td>
<td>$763.00</td>
</tr>
<tr>
<td>PROTEIN SUPP</td>
<td>TON</td>
<td>3.00</td>
<td>$530.00</td>
<td>$1,590</td>
</tr>
<tr>
<td>OTHER</td>
<td>0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**TOTAL**

- $17,782
- $98.79

#### 2. OTHER VARIABLE COSTS

- VET AND MEDICINE: $2,698
- LIVESTOCK HAULING: $755
- HIRED LABOR: $2,000
- OPERATING COSTS-EQUIP & MACH: $3,075
- OPERATING COSTS-VEHICLE: $3,075
- RANCH MAINTENANCE: $2,706
- BEEF CHECKOFF: $126
- OTHER: $2,698

**TOTAL**

- $21,935
- $121.86

#### 3. INTEREST ON VARIABLE COSTS

- SUM OF VARIABLE COSTS X MONTHS BORROWED X INTEREST RATE PER MONTH
- ANNUAL INTEREST RATE: 7.00%
- NUMBER OF MONTHS BORROWED: 6

**TOTAL**

- $41,107
- $228.37

**TOTAL**

- $57,983
- $322.13

### OWNERSHIP COSTS

**Annual Capital Recovery** (At Replacement Valve):

- Represents 65% Asset Ownership

**CASH COSTS**

- Taxes & Insurance: $5,392
- Overhead: $2,163

**NON CASH COSTS**

- Purchased Livestock: $6,555
- Machinery & Equipment: $5,392
- Housing & Improvements: $14,355
- Housing & Improvements (5% of gross returns): $11,426
- Management & Operation Labor: $5,945

**TOTAL**

- $43,674
- $242.63

**TOTAL FIXED COSTS**

- $51,229
- $284.60

**TOTAL CASH AND VARIABLE COSTS**

- $48,682
- $270.34

**TOTAL COSTS**

- $92,336
- $512.98

**RETURN ABOVE TOTAL CASH COSTS**

- $50,428
- $280.16

**RETURN ABOVE TOTAL COSTS**

- $6,754
- $37.52

### BREAKEVEN CALCULATIONS

<table>
<thead>
<tr>
<th>REQUIRED AVG. CALF PRICES CASH COST (cwt)</th>
<th>REQUIRED AVG. CALF PRICES TOTAL COSTS (cwt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$54.00</td>
<td>$63.93</td>
</tr>
<tr>
<td>$54.00</td>
<td>$121.31</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) The 35% reduction in asset values which represent a mix of new and used machinery.
5) The 35% reduction in asset values which represent a mix of new and used machinery.