

**NORTHWEST REGION
MEDIUM RANCH INVESTMENTS**

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
4,000	Acres of private land	\$80	3.9%	\$320,000	\$320,000			
200	AU Values ¹	\$2,400	3.9%	\$480,000	\$480,000			
Sub Totals				\$800,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
3	Wells	\$11,000	3.9%	\$33,000	\$3,300	25	100	\$2,010
40	Miles of Fence	\$4,000	3.9%	\$160,000	\$16,000	25	100	\$9,745
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
Sub Totals				\$238,000				\$14,355
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$42,000	6.0%	\$42,000	\$8,400	7	50	\$3,261
0	3/4 ton pickup 4WD	\$45,000	6.0%	\$0	\$0	7	50	\$0
1	Tractor	\$7,000	6.0%	\$7,000	\$1,400	7	100	\$1,087
1	Gooseneck trailer	\$7,500	6.0%	\$7,500	\$1,500	7	100	\$1,165
1	Horse tack	\$4,000	6.0%	\$4,000	\$800	10	100	\$483
1	Misc. equipment	\$5,500	6.0%	\$5,500	\$1,100	10	100	\$664
Sub Total				\$66,000				\$6,660
Head	Purchased Livestock	Price Per Unit	Interest Rate⁴	Price	Salvage/Cull			
8	Horses	\$1,500	6.0%	\$12,000	\$4,560	10	100	\$1,284
8	Bulls	\$3,000	6.0%	\$22,500	\$8,550	4	100	\$4,539
40	Cows	\$1,300	6.0%	\$52,000	\$19,760	8	100	\$6,377
69	Total AUUs							
Sub Total				\$34,500				\$5,823
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		Interest on Investment	
150	Cows	\$1,300	6.0%	\$195,000	\$74,100			\$9,226
23	Replacement Heifers	\$1,300	6.0%	\$29,250	\$11,115			\$1,384
167	Total AUUs							
Sub Total				\$224,250	\$85,215			\$10,610
Total				<u>\$1,362,750</u>				<u>\$31,626</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.