

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

BREED HERD SIZE CULL RATE	450 15%	COW TO BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	86% 67.5
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VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	194	510	\$1.35	\$133,225	\$296.06	_____
HEIFER CALVES	126	485	\$1.27	\$77,610	\$172.47	_____
CULL COWS	67.5	900	\$0.62	\$37,665	\$83.70	_____
CULL BULLS	1	1200	\$0.72	\$864	\$1.92	_____
TOTAL	388			\$249,363	\$554.14	_____

VARIABLE COSTS

1. FEED COSTS						
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
HAY	TON	30.00	\$235	\$7,050	\$15.67	_____
STATE	AUY	45.0%	\$43.32	\$8,772	\$19.49	_____
FEDERAL LEASE	AUY	35.0%	\$21.60	\$3,402	\$7.56	_____
PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	6.00	\$305	\$1,830	\$4.07	_____
PROTEIN SUPP	TON	6.00	\$530	\$3,180	\$7.07	_____
OTHER		0.00	\$0	\$0	\$0.00	_____
TOTAL				\$24,234	\$53.85	_____

2. OTHER VARIABLE COSTS						
				COST	VALUE PER COW	NEW VALUE
VET AND MEDICINE				\$6,744	\$14.99	_____
LIVESTOCK HAULING				\$1,903	\$4.23	_____
HIRED LABOR				\$22,140	\$49.20	_____
OPERATING COSTS-EQUIP & MACH				\$4,613	\$10.25	_____
OPERATING COSTS-VEHICLE				\$4,305	\$9.57	_____
RANCH MAINTENANCE				\$4,059	\$9.02	_____
BEEF CHECKOFF				\$320	\$0.71	_____
OTHER				\$15,000	\$33.33	_____
TOTAL				\$59,084	\$131.30	_____

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	VALUE PER COW	
				\$2,916	\$6.48	_____
TOTAL				\$86,234	\$191.63	_____
TOTAL				\$163,130	\$362.51	_____

OWNERSHIP COSTS

Annual Capital Recovery ⁴ (At Replacement Value):						
				Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS						
Taxes & Insurance				\$13,179	\$29.29	_____
Overhead				\$3,500	\$7.78	_____
Total				\$16,679	\$37.06	_____
NON CASH COSTS						
Purchased Livestock				\$14,779	\$32.84	_____
Machinery & Equipment				\$13,179	\$29.29	_____
Housing & Improvements				\$33,180	\$73.73	_____
Interest on Retained Livestock ⁶				\$28,566	\$63.48	_____
Management & Operation Labor (6% of gross returns)				\$14,962	\$33.25	_____
Total				\$104,665	\$232.59	_____
TOTAL FIXED COSTS				\$121,344	\$269.65	_____
TOTAL CASH AND VARIABLE COSTS				\$102,913	\$228.70	_____
TOTAL COSTS				\$207,578	\$461.28	_____
RETURN ABOVE TOTAL CASH COSTS				\$146,451	\$325.45	_____
RETURN ABOVE TOTAL COSTS				\$41,785	\$92.86	_____

BREAKEVEN CALCULATIONS			
	VARIABLE COSTS	TOTAL COSTS	
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$44.79	\$53.45	
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$44.79	\$107.81	

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.