

**NORTHWEST MOUNTAIN REGION
EXTRA-LARGE 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
8,000	Acres of private land	\$80	3.9%	\$640,000	\$640,000			
500	AU Values ¹	\$2,400	3.9%	\$1,200,000	\$1,200,000			
Sub Totals				\$1,840,000				
Number	Buildings, Improvements	Price Per Unit						
18	Miles of pipeline	\$2,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
7	Wells	\$11,000	3.9%	\$77,000	\$7,700	25	100	\$4,690
100	Miles of Fence	\$4,000	3.9%	\$400,000	\$40,000	25	100	\$24,361
2	Corrals/Working Facilities	\$10,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
Sub Totals				\$548,000				\$33,180
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$30,000	7.5%	\$60,000	\$12,000	7	50	\$4,981
1	1 ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
3	Gooseneck trailer	\$6,500	7.5%	\$19,500	\$3,900	7	100	\$3,238
1	Horse tack	\$6,500	7.5%	\$6,500	\$1,300	10	100	\$855
1	Misc. equipment	\$7,000	7.5%	\$7,000	\$1,400	10	100	\$921
Sub Total				\$130,000				\$13,482
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
13	Horses	\$2,500	6.5%	\$32,500	\$12,350	10	100	\$3,606
20	Bulls	\$2,000	6.5%	\$40,000	\$15,200	4	100	\$8,227
100	Cows	\$800	6.5%	\$80,000	\$30,400	8	100	\$10,122
166	Total AUYS							\$11,833
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
400	Cows	\$800	6.5%	\$320,000	\$121,600			\$16,402
60	Replacement Heifers	\$800	6.5%	\$48,000	\$18,240			\$2,460
445	Total AUYS							\$18,863
Sub Total				\$368,000	\$139,840			\$18,863
Total				\$2,958,500				\$65,524

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.

2) For intermediate assets an interest rate of 7.50% was used.

3) A rate of 6.50 percent reflects a typical return on a low -risk investment (30 YR Treasury Bond)