## SEQUENTIAL REGIONAL COW/CALF BUDGET 2013

### VALUE OF PRODUCTION

<table>
<thead>
<tr>
<th>BREED HERD SIZE</th>
<th>COW to BULL</th>
<th>CALF CROP PERCENT</th>
<th>REPLACEMENT HEIFER'S KEPT</th>
</tr>
</thead>
<tbody>
<tr>
<td>413</td>
<td>20</td>
<td>85%</td>
<td>61.875</td>
</tr>
</tbody>
</table>

| CULL RATE | 15% |

### VALUE PER COW

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>WEIGHT</th>
<th>PRICE</th>
<th>VALUE</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEER CALVES</td>
<td>175</td>
<td>510</td>
<td>$1.49</td>
<td>$233,220</td>
</tr>
<tr>
<td>HEIFER CALVES</td>
<td>113</td>
<td>485</td>
<td>$1.41</td>
<td>$77,574</td>
</tr>
<tr>
<td>CULL COWS</td>
<td>92</td>
<td>900</td>
<td>$0.76</td>
<td>$62,843</td>
</tr>
<tr>
<td>CULL BULLS</td>
<td>1</td>
<td>1200</td>
<td>$0.82</td>
<td>$984</td>
</tr>
<tr>
<td>FEE HUNTING</td>
<td>1</td>
<td></td>
<td></td>
<td>$6,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>382</td>
<td></td>
<td>$274,621</td>
<td>$665.75</td>
</tr>
</tbody>
</table>

### VALUE PER COW

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>WEIGHT</th>
<th>PRICE</th>
<th>VALUE</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEER CALVES</td>
<td>2</td>
<td>175</td>
<td>$1.49</td>
<td>$322.96</td>
</tr>
<tr>
<td>HEIFER CALVES</td>
<td>1</td>
<td>113</td>
<td>$1.41</td>
<td>$188.06</td>
</tr>
<tr>
<td>CULL COWS</td>
<td>1</td>
<td>92</td>
<td>$0.76</td>
<td>$152.35</td>
</tr>
<tr>
<td>CULL BULLS</td>
<td>1</td>
<td>1</td>
<td>$0.82</td>
<td>$2.39</td>
</tr>
<tr>
<td>FEE HUNTING</td>
<td>1</td>
<td></td>
<td></td>
<td>$14.55</td>
</tr>
<tr>
<td>TOTAL</td>
<td>382</td>
<td></td>
<td>$665.75</td>
<td></td>
</tr>
</tbody>
</table>

### VARIABLE COSTS

#### 1. FEED COSTS

<table>
<thead>
<tr>
<th>ITEMS</th>
<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>33.00</td>
<td>$125</td>
<td>$4,125</td>
<td>$10.00</td>
</tr>
<tr>
<td>STATE AUY</td>
<td>1</td>
<td>45.0%</td>
<td>$38.04</td>
<td>$7,061</td>
<td>$17.12</td>
</tr>
<tr>
<td>FEDERAL LEASE AUY</td>
<td>1</td>
<td>25.0%</td>
<td>$21.60</td>
<td>$8,910</td>
<td>$21.60</td>
</tr>
<tr>
<td>PRIVATE(Owne) AUY</td>
<td>1</td>
<td>30.0%</td>
<td>$0.00</td>
<td>$0</td>
<td>$0.00</td>
</tr>
<tr>
<td>PRIVATE(Leased Grazing) AUY</td>
<td>1</td>
<td>0.0%</td>
<td>$0.00</td>
<td>$0</td>
<td>$0.00</td>
</tr>
<tr>
<td>SALT &amp; MINERAL TON</td>
<td>15</td>
<td></td>
<td>$290</td>
<td>$4,366</td>
<td>$10.59</td>
</tr>
<tr>
<td>PROTEIN SUPP TON</td>
<td>41</td>
<td></td>
<td>$490</td>
<td>$20,213</td>
<td>$49.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>$44,675</td>
<td>$108.30</td>
</tr>
</tbody>
</table>

#### 2. OTHER VARIABLE COSTS

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>COST</th>
<th>VALUE PER COW</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>VET AND MEDICINE</td>
<td>$6,353</td>
<td>$15.40</td>
<td></td>
</tr>
<tr>
<td>LIVESTOCK HAULING</td>
<td>$1,923</td>
<td>$4.66</td>
<td></td>
</tr>
<tr>
<td>HIRED LABOR</td>
<td>$27,000</td>
<td>$65.45</td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS-EQUIP &amp; MACH</td>
<td>$4,822</td>
<td>$11.69</td>
<td></td>
</tr>
<tr>
<td>OPERATING COSTS-VEHICLE</td>
<td>$4,959</td>
<td>$12.02</td>
<td></td>
</tr>
<tr>
<td>RANCH MAINTENANCE</td>
<td>$4,408</td>
<td>$10.69</td>
<td></td>
</tr>
<tr>
<td>BEEF CHECKOFF</td>
<td>$289</td>
<td>$0.70</td>
<td></td>
</tr>
<tr>
<td>OTHER</td>
<td>$10,000</td>
<td>$24.24</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$59,754</td>
<td>$144.86</td>
<td></td>
</tr>
</tbody>
</table>

#### 3. INTEREST ON VARIABLE COSTS

| SUM OF VARIABLE COSTS | 6.00% | VALUE PER COW | NEW VALUE |
| X MONTHS BORROWED | | | |
| NUMBER OF MONTHS BORROWED | 6 | $3,133 | $7.59 |
| TOTAL | | $107,562 | $260.76 |
| VALUE PER COW | | $3,133 | $7.59 |
| NEW VALUE | | | |

### OWNERSHIP COSTS

#### CASH COSTS

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>COST</th>
<th>VALUE PER COW</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes &amp; Insurance</td>
<td>$16,056</td>
<td>$38.92</td>
<td></td>
</tr>
<tr>
<td>Overhead</td>
<td>$5,000</td>
<td>$12.12</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$21,056</td>
<td>$51.04</td>
<td></td>
</tr>
</tbody>
</table>

#### NON CASH COSTS

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>COST</th>
<th>VALUE PER COW</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Livestock</td>
<td>$14,409</td>
<td>$34.93</td>
<td></td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>$16,056</td>
<td>$38.92</td>
<td></td>
</tr>
<tr>
<td>Housing &amp; Improvements</td>
<td>$35,754</td>
<td>$86.68</td>
<td></td>
</tr>
<tr>
<td>Interest on Retained Livestock</td>
<td>$31,423</td>
<td>$76.18</td>
<td></td>
</tr>
<tr>
<td>Management &amp; Operation Labor ( 6% of gross returns)</td>
<td>$16,477</td>
<td>$39.94</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$114,118</td>
<td>$276.65</td>
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</tbody>
</table>

### TOTAL FIXED COSTS

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>COST</th>
<th>VALUE PER COW</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL FIXED COSTS</td>
<td>$135,174</td>
<td>$327.65</td>
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</tbody>
</table>

### RETURN ABOVE TOTAL CASH COSTS

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>COST</th>
<th>VALUE PER COW</th>
<th>NEW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CASH AND VARIABLE COSTS</td>
<td>$128,617</td>
<td>$311.80</td>
<td></td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$242,736</td>
<td>$588.45</td>
<td></td>
</tr>
<tr>
<td>RETURN ABOVE TOTAL CASH COSTS</td>
<td>$146,003</td>
<td>$353.95</td>
<td></td>
</tr>
<tr>
<td>RETURN ABOVE TOTAL COSTS</td>
<td>$31,885</td>
<td>$77.30</td>
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</table>

### BREAKEVEN CALCULATIONS

<table>
<thead>
<tr>
<th>REQUIRED AVG. CALF PRICES</th>
<th>REQUIRED AVG. CALF PRICES TOTAL COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH COST</td>
<td>TOTAL COSTS</td>
</tr>
<tr>
<td>$61.66</td>
<td>$73.73</td>
</tr>
<tr>
<td>$61.66</td>
<td>$139.15</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 2013 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.
## SOUTHEAST REGION
### EXTRA-LARGE RANCH INVESTMENTS

<table>
<thead>
<tr>
<th>Number</th>
<th>Land Values</th>
<th>Price Per Unit</th>
<th>10 Yr Avg Rate of Return</th>
<th>Purchase Price</th>
<th>Salvage/Cull Price</th>
<th>Useful Life Share</th>
<th>Annual Capital Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>Acres of private land</td>
<td>$65</td>
<td>3.9%</td>
<td>$650,000</td>
<td>$650,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>550</td>
<td>AU Values</td>
<td>$2,450</td>
<td>3.9%</td>
<td>$1,347,500</td>
<td>$1,347,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Sub Totals $1,997,500

<table>
<thead>
<tr>
<th>Number</th>
<th>Buildings, Improvements</th>
<th>Price Per Unit</th>
<th>10 Yr Avg Rate of Return</th>
<th>Purchase Price</th>
<th>Salvage/Cull Price</th>
<th>Useful Life Share</th>
<th>Annual Capital Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Miles of pipeline</td>
<td>$2,000</td>
<td>3.9%</td>
<td>$30,000</td>
<td>$3,000</td>
<td>25</td>
<td>$1,827</td>
</tr>
<tr>
<td>8</td>
<td>Wells</td>
<td>$11,000</td>
<td>3.9%</td>
<td>$88,000</td>
<td>$8,800</td>
<td>25</td>
<td>$5,360</td>
</tr>
<tr>
<td>110</td>
<td>Miles of Fence</td>
<td>$4,000</td>
<td>3.9%</td>
<td>$440,000</td>
<td>$44,000</td>
<td>25</td>
<td>$26,798</td>
</tr>
<tr>
<td>2</td>
<td>Corrals/Working Facilities</td>
<td>$10,000</td>
<td>3.9%</td>
<td>$20,000</td>
<td>$2,000</td>
<td>30</td>
<td>$1,106</td>
</tr>
<tr>
<td>1</td>
<td>Barns &amp; Shop</td>
<td>$12,000</td>
<td>3.9%</td>
<td>$12,000</td>
<td>$1,200</td>
<td>30</td>
<td>$664</td>
</tr>
</tbody>
</table>

### Sub Totals $590,000 $35,754

<table>
<thead>
<tr>
<th>Number</th>
<th>Machinery &amp; Vehicles</th>
<th>Price Per Unit</th>
<th>10 Yr Avg Rate of Return</th>
<th>Purchase Price</th>
<th>Salvage/Cull Price</th>
<th>Useful Life Share</th>
<th>Annual Capital Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>3/4 ton pickup 4WD</td>
<td>$42,000</td>
<td>6.0%</td>
<td>$84,000</td>
<td>$16,800</td>
<td>7</td>
<td>$6,523</td>
</tr>
<tr>
<td>1</td>
<td>1 ton pickup 4WD</td>
<td>$45,000</td>
<td>6.0%</td>
<td>$45,000</td>
<td>$9,000</td>
<td>7</td>
<td>$3,494</td>
</tr>
<tr>
<td>1</td>
<td>Tractor</td>
<td>$7,000</td>
<td>6.0%</td>
<td>$7,000</td>
<td>$1,400</td>
<td>7</td>
<td>$1,087</td>
</tr>
<tr>
<td>3</td>
<td>Gooseneck trailer</td>
<td>$7,000</td>
<td>6.0%</td>
<td>$21,000</td>
<td>$4,200</td>
<td>7</td>
<td>$3,261</td>
</tr>
<tr>
<td>1</td>
<td>Horse tack</td>
<td>$6,000</td>
<td>6.0%</td>
<td>$6,000</td>
<td>$1,200</td>
<td>10</td>
<td>$724</td>
</tr>
<tr>
<td>1</td>
<td>Misc. equipment</td>
<td>$8,000</td>
<td>6.0%</td>
<td>$8,000</td>
<td>$1,600</td>
<td>10</td>
<td>$966</td>
</tr>
</tbody>
</table>

### Sub Total $171,000 $16,056

<table>
<thead>
<tr>
<th>Head</th>
<th>Purchased Livestock</th>
<th>Price Per Unit</th>
<th>Interest Rate</th>
<th>Purchase Price</th>
<th>Salvage/Cull Price</th>
<th>Useful Life Share</th>
<th>Annual Capital Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Horses</td>
<td>$1,500</td>
<td>6.0%</td>
<td>$18,000</td>
<td>$6,840</td>
<td>10</td>
<td>$1,927</td>
</tr>
<tr>
<td>21</td>
<td>Bulls</td>
<td>$3,000</td>
<td>6.0%</td>
<td>$61,875</td>
<td>$23,513</td>
<td>4</td>
<td>$12,482</td>
</tr>
<tr>
<td>110</td>
<td>Cows</td>
<td>$1,400</td>
<td>6.0%</td>
<td>$154,000</td>
<td>$58,520</td>
<td>8</td>
<td>$18,887</td>
</tr>
<tr>
<td>178</td>
<td>Total AUYS</td>
<td></td>
<td></td>
<td></td>
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</table>

### Sub Total $79,875 $14,409

<table>
<thead>
<tr>
<th>Head</th>
<th>Retained Livestock</th>
<th>Price Per Unit</th>
<th>Interest Rate</th>
<th>Purchase Price</th>
<th>Salvage/Cull Price</th>
<th>Useful Life Share</th>
<th>Annual Capital Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>412.5</td>
<td>Cows</td>
<td>$1,400</td>
<td>6.0%</td>
<td>$577,500</td>
<td>$219,450</td>
<td></td>
<td>$27,324</td>
</tr>
<tr>
<td>62</td>
<td>Replacement Heifers</td>
<td>$1,400</td>
<td>6.0%</td>
<td>$86,652</td>
<td>$32,918</td>
<td></td>
<td>$4,099</td>
</tr>
<tr>
<td>459</td>
<td>Total AUYS</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Sub Total $664,125 $31,423

### Total $3,502,500 $83,233

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.