

**SOUTHWEST REGION  
SMALL COW/CALF BUDGET 2012**

BREED HERD SIZE	72	COW to BULL	15	CALF CROP PERCENT <sup>1</sup>	85%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	10.8

<b>VALUE OF PRODUCTION</b>						
	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE<sup>2</sup></u>	<u>VALUE</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
<u>ANIMALS SOLD</u>						
STEER CALVES	31	500	\$1.32	\$20,196	\$280.50	_____
HEIFER CALVES	20	475	\$1.24	\$11,662	\$161.98	_____
CULL COWS	11	900	\$0.60	\$5,832	\$81.00	_____
CULL BULLS	<u>1</u>	1200	<u>\$0.68</u>	<u>\$816</u>	<u>\$11.33</u>	_____
<b>TOTAL</b>	<b>62</b>			<b>\$38,506</b>	<b>\$534.81</b>	

<b>VARIABLE COSTS</b>						
	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
<b>1. FEED COSTS</b>						
HAY	TON	7.00	\$245	\$1,715	\$23.82	_____
STATE	AUY	25.0%	\$38.04	\$685	\$9.51	_____
FEDERAL LEASE	AUY	65.0%	\$21.60	\$1,555	\$21.60	_____
PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	1.00	\$315	\$315	\$4.38	_____
PROTEIN SUPP	TON	1.00	\$540	\$540	\$7.50	_____
OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	_____
<b>TOTAL</b>				<b>\$4,810</b>	<b>\$66.80</b>	

<b>2. OTHER VARIABLE COSTS</b>				<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
VET AND MEDICINE				\$1,079	\$14.99	_____
LIVESTOCK HAULING				\$305	\$4.24	_____
HIRE LABOR				\$500	\$6.94	_____
OPERATING COSTS-EQUIP & MACH				\$1,599	\$22.21	_____
OPERATING COSTS-VEHICLE				\$1,845	\$25.63	_____
RANCH MAINTENANCE				\$1,661	\$23.06	_____
BEEF CHECKOFF				\$50	\$0.70	_____
OTHER				<u>\$2,000</u>	<u>\$27.78</u>	_____
<b>TOTAL</b>				<b>\$9,039</b>	<b>\$125.54</b>	

<b>3. INTEREST ON VARIABLE COSTS</b>					<u>VALUE PER COW</u>	
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.0%		
NUMBER OF MONTHS BORROWED				6		
				\$485	\$6.73	
<b>TOTAL</b>				<b>\$14,334</b>	<b>\$199.08</b>	
<b>TOTAL</b>				<b>\$24,172</b>	<b>\$335.73</b>	

**OWNERSHIP COSTS**

	Annual Capital Recovery <sup>4</sup> (At Replacement Valve):	Represents 65% Asset Ownership <sup>5</sup>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
<b>CASH COSTS</b>				
Taxes & Insurance			\$4,452	\$61.83
Overhead			\$1,000	\$13.89
<b>Total</b>			<b>\$5,452</b>	<b>\$75.72</b>
<b>NON CASH COSTS</b>				
Purchased Livestock			\$3,435	\$47.70
Machinery & Equipment			\$4,452	\$61.83
Housing & Improvements			\$9,544	\$132.56
Interest on Retained Livestock <sup>6</sup>			\$4,571	\$63.48
Management & Operation Labor ( 6% of gross returns)			<u>\$2,310</u>	<u>\$32.09</u>
<b>Total</b>			<b>\$24,311</b>	<b>\$337.66</b>

<b>TOTAL FIXED COSTS</b>	<b>\$29,763</b>	<b>\$413.38</b>
<b>TOTAL CASH AND VARIABLE COSTS</b>	<b>\$19,786</b>	<b>\$274.80</b>
<b>TOTAL COSTS</b>	<b>\$44,097</b>	<b>\$612.46</b>
<b>RETURN ABOVE TOTAL CASH COSTS</b>	<b>\$18,721</b>	<b>\$260.01</b>
<b>RETURN ABOVE TOTAL COSTS</b>	<b>(\$5,591)</b>	<b>(\$77.65)</b>

**BREAKEVEN CALCULATIONS**

	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	\$48.04	\$66.32
REQUIRED AVERAGE CALF PRICES TOTAL COSTS(cwt)	\$48.04	\$147.80

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.