

**NORTHWEST REGION
LARGE COW/CALF BUDGET 2015**

BREED HERD SIZE 315 COW to BULL 20 CALF CROP PERCENT¹ 83%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 47

VALUE OF PRODUCTION							
	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	NEW VALUE	
STEER CALVES	131	510	\$2.40	\$160,007	\$507.96		
HEIFER CALVES	83	485	\$2.32	\$93,926	\$298.18		
CULL COWS	62	900	\$0.86	\$48,182	\$152.96		
CULL BULLS	1	1200	\$0.96	\$1,152	\$3.66		
FEE HUNTING	1			\$10,000	\$31.75		
TOTAL	277			\$313,267	\$994.50		

VARIABLE COSTS							
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE	
1. FEED COSTS							
HAY	TON	25.00	\$175.00	\$4,375	\$13.89		
STATE	AUY	45.0%	\$38.04	\$5,392	\$17.12		
FEDERAL LEASE	AUY	35.0%	\$20.88	\$6,577	\$20.88		
PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00		
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00		
SALT & MINERAL	TON	11	\$700.00	\$8,048	\$25.55		
PROTEIN SUPP	TON	44	\$300.00	\$13,230	\$42.00		
				\$37,623	\$119.44		
2. OTHER VARIABLE COSTS							
VET AND MEDICINE				\$5,111	\$16.23		
LIVESTOCK HAULING				\$1,473	\$4.68		
HIRED LABOR				\$25,000	\$79.37		
OPERATING COSTS-EQUIP & MACH				\$5,000	\$15.87		
OPERATING COSTS-VEHICLE				\$6,000	\$19.05		
RANCH MAINTENANCE				\$7,000	\$22.22		
BEEF CHECKOFF				\$214	\$0.68		
OTHER				\$36,000	\$114.29		
TOTAL				\$85,798	\$272.38		
3. INTEREST ON VARIABLE COSTS							
SUM OF VARIABLE COSTS X MONTHS BORROWED							
X INTEREST RATE PER MONTH				4.00%			
ANNUAL INTEREST RATE							
NUMBER OF MONTHS BORROWED				6			
				\$2,468	\$7.84		
TOTAL				\$125,889	\$399.65		
				\$187,378	\$594.85		

OWNERSHIP COSTS							
	Annual Capital Recovery ⁴ (At Replacement Value):			Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE	
CASH COSTS							
Taxes & Insurance				\$6,419	\$20.38		
Overhead				\$4,000	\$12.70		
Total				\$10,419	\$33.08		
NON CASH COSTS							
Purchased Livestock				\$12,818	\$40.69		
Machinery & Equipment				\$6,419	\$20.38		
Housing & Improvements				\$22,151	\$70.32		
Interest on Retained Livestock ⁶				\$28,268	\$89.74		
Management & Operation Labor (6% of gross returns)				\$11,243	\$35.69		
Total				\$80,899	\$256.82		
TOTAL FIXED COSTS				\$91,318	\$289.90		
TOTAL CASH AND VARIABLE COSTS				\$136,309	\$432.73		
TOTAL COSTS				\$217,207	\$689.55		
RETURN ABOVE TOTAL CASH COSTS				\$176,958	\$561.77		
RETURN ABOVE TOTAL COSTS				\$96,060	\$304.95		

BREAKEYEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$96.78	\$104.80
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$96.78	\$166.99

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 2015 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.