

**SOUTHWEST REGION  
MEDIUM COW/CALF BUDGET 2015**

BREED HERD SIZE 170 COW to BULL 15 CALF CROP PERCENT1 84%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 25.5

VALUE OF PRODUCTION							
	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE	VALUE PER COW	NEW VALUE	
STEER CALVES	71	500	\$2.40	\$85,680	\$504.00		
HEIFER CALVES	46	475	\$2.32	\$50,582	\$297.54		
CULL COWS	26	900	\$0.86	\$19,737	\$116.10		
CULL BULLS	1	1200	\$0.96	\$1,152	\$6.78		
<b>TOTAL</b>	<b>144</b>			<b>\$157,151</b>	<b>\$924.42</b>		

VARIABLE COSTS							
1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE	
HAY	TON	18.00	\$175	\$3,150	\$18.53		
STATE	AUY	30.0%	\$38.04	\$1,940	\$11.41		
FEDERAL LEASE	AUY	60.0%	\$20.88	\$3,550	\$20.88		
PRIVATE(Owned)	AUY	10.0%	\$0.00	\$0	\$0.00		
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00		
SALT & MINERAL	TON	6	\$700	\$4,344	\$25.55		
PROTEIN SUPP	TON	17	\$300	\$5,100	\$30.00		
<b>TOTAL</b>				<b>\$18,083</b>	<b>\$106.37</b>		

2. OTHER VARIABLE COSTS							
				COST	VALUE PER COW	NEW VALUE	
VET AND MEDICINE				\$2,758	\$16.23		
LIVESTOCK HAULING				\$764	\$4.49		
HIRED LABOR				\$12,000	\$70.59		
OPERATING COSTS-EQUIP & MACH				\$3,000	\$17.65		
OPERATING COSTS-VEHICLE				\$7,000	\$41.18		
RANCH MAINTENANCE				\$7,000	\$41.18		
BEEF CHECKOFF				\$117	\$0.69		
PURCHASED LIVESTOCK				\$14,000	\$82.35		
<b>TOTAL</b>				<b>\$46,639</b>	<b>\$274.35</b>		

3. INTEREST ON VARIABLE COSTS							
SUM OF VARIABLE COSTS X MONTHS BORROWED							
X INTEREST RATE PER MONTH							
ANNUAL INTEREST RATE				6.00%			
NUMBER OF MONTHS BORROWED				6		VALUE PER COW	
				\$1,942	\$11.42		
				\$66,664	\$392.14		
<b>TOTAL</b>				<b>\$90,487</b>	<b>\$532.28</b>		

OWNERSHIP COSTS							
Annual Capital Recovery <sup>3</sup> (At Replacement Valve):				Represents 65% Asset Ownership <sup>5</sup>		VALUE PER COW	NEW VALUE
<b>CASH COSTS</b>							
Taxes & Insurance				\$9,244	\$54.37		
Overhead				\$2,000	\$11.76		
<b>Total</b>				<b>\$11,244</b>	<b>\$66.14</b>		
<b>NON CASH COSTS</b>							
Purchased Livestock				\$6,392	\$37.60		
Machinery & Equipment				\$9,244	\$54.37		
Housing & Improvements				\$16,731	\$98.42		
Interest on Retained Livestock <sup>6</sup>				\$15,256	\$89.74		
Management & Operation Labor ( 6% of gross returns)				\$9,429	\$55.46		
<b>Total</b>				<b>\$57,051</b>	<b>\$335.59</b>		
<b>TOTAL FIXED COSTS</b>				<b>\$68,295</b>	<b>\$401.73</b>		
<b>TOTAL CASH AND VARIABLE COSTS</b>				<b>\$77,908</b>	<b>\$458.28</b>		
<b>TOTAL COSTS</b>				<b>\$134,959</b>	<b>\$793.87</b>		
<b>RETURN ABOVE TOTAL CASH COSTS</b>				<b>\$79,243</b>	<b>\$466.14</b>		
<b>RETURN ABOVE TOTAL COSTS</b>				<b>\$22,192</b>	<b>\$130.54</b>		

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	\$95.76	\$111.91
REQUIRED AVERAGE CALF PRICES TOTAL COSTS(cwt)	\$95.76	\$193.86

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.