

**CENTRAL REGION
LARGE COW/CALF BUDGET 2017**

BREED HERD SIZE 333 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 50

VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	
						NEW VALUE
STEER CALVES	141	515	\$1.35	\$98,248	\$295.48	_____
HEIFER CALVES	91	495	\$1.30	\$58,840	\$176.96	_____
CULL COWS	50	900	\$0.65	\$29,177	\$87.75	_____
CULL BULLS	1	1200	\$0.80	\$960	\$2.89	_____
TOTAL	284			\$187,224	\$563.08	_____

VARIABLE COSTS

1. FEED COSTS						
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	
						NEW VALUE
HAY	TON	66.50	\$160	\$10,640	\$32.00	_____
STATE	AUY	20.0%	\$43.32	\$0	\$0.00	_____
FEDERAL LEASE	AUY	40.0%	\$20.16	\$6,703	\$20.16	_____
PRIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	6.00	\$680	\$4,080	\$12.27	_____
PROTEIN SUPP	TON	11.00	\$340	\$3,740	\$11.25	_____
OTHER		0.00	\$0	\$0	\$0.00	_____
TOTAL				\$25,163	\$75.68	_____

2. OTHER VARIABLE COSTS						
				COST	VALUE PER COW	
						NEW VALUE
VET AND MEDICINE				\$5,258	\$15.81	_____
LIVESTOCK HAULING				\$1,276	\$3.84	_____
HIRED LABOR				\$12,000	\$36.09	_____
OPERATING COSTS-EQUIP & MACH				\$1,984	\$5.97	_____
OPERATING COSTS-VEHICLE				\$2,573	\$7.74	_____
RANCH MAINTENANCE				\$3,348	\$10.07	_____
BEEF CHECKOFF				\$233	\$0.70	_____
PURCHASED LIVESTOCK				\$9,000	\$27.07	_____
TOTAL				\$35,672	\$107.28	_____

3. INTEREST ON VARIABLE COSTS						
				6.50%	VALUE PER COW	
				6		
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				6.50%		
NUMBER OF MONTHS BORROWED				6		
				\$1,977	\$5.95	_____
TOTAL				\$62,812	\$188.91	_____
TOTAL				\$124,412	\$374.17	_____

OWNERSHIP COSTS

Annual Capital Recovery ⁴ (At Replacement Value):		Represents 65% Asset Ownership ⁵		VALUE PER COW	NEW VALUE
CASH COSTS					
Taxes & Insurance		\$9,954		\$29.94	_____
Overhead		\$4,500		\$13.53	_____
Total		\$14,454		\$43.47	_____
NON CASH COSTS					
Purchased Livestock		\$11,568		\$34.79	_____
Machinery & Equipment		\$9,539		\$28.69	_____
Housing & Improvements		\$14,195		\$42.69	_____
Interest on Retained Livestock ⁴		\$22,025		\$66.24	_____
Management & Operation Labor (6% of gross returns)		\$11,233		\$33.78	_____
Total		\$68,561		\$206.20	_____

TOTAL FIXED COSTS	\$83,015	\$249.67	_____
TOTAL CASH AND VARIABLE COSTS	\$77,266	\$232.38	_____
TOTAL COSTS	\$145,827	\$438.58	_____
RETURN ABOVE TOTAL CASH COSTS	\$109,958	\$330.70	_____
RETURN ABOVE TOTAL COSTS	\$41,398	\$124.50	_____

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$44.01	\$54.14
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$44.01	\$102.17

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 2017 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.