

**CENTRAL REGION  
MEDIUM COW/CALF BUDGET 2018**

BREED HERD SIZE 170 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 83%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 25.5

VALUE OF PRODUCTION						VALUE PER COW	
	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE		NEW VALUE	
STEER CALVES	71	515	\$1.50	\$54,500	\$320.59	_____	
HEIFER CALVES	45	495	\$1.45	\$32,335	\$190.20	_____	
CULL COWS	26	900	\$0.50	\$11,475	\$67.50	_____	
CULL BULLS	1	1200	\$0.62	\$744	\$4.38	_____	
<b>TOTAL</b>	<b>142</b>			<b>\$99,054</b>	<b>\$582.67</b>	_____	

VARIABLE COSTS						VALUE PER COW	
		UNITS	QUANTITY/PERCENT	PRICE	COST		NEW VALUE
<b>1. FEED COSTS</b>							
	HAY	TON	28.00	\$160	\$4,480	\$26.35	_____
	STATE	AUY	30.0%	\$34.20	\$0	\$0.00	_____
	FEDERAL LEASE	AUY	40.0%	\$20.88	\$3,550	\$20.88	_____
	PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	5.00	\$690	\$3,450	\$20.29	_____
	PROTEIN SUPP	TON	8.00	\$340	\$2,720	\$16.00	_____
	OTHER		0.00	\$0	\$0	\$0.00	_____
	<b>TOTAL</b>				<b>\$14,200</b>	<b>\$83.53</b>	_____

<b>2. OTHER VARIABLE COSTS</b>					<u>COST</u>		
	VET AND MEDICINE				\$2,666	\$15.68	_____
	LIVESTOCK HAULING				\$661	\$3.89	_____
	HIRED LABOR				\$0	\$0.00	_____
	OPERATING COSTS-EQUIP & MACH				\$1,315	\$7.74	_____
	OPERATING COSTS-VEHICLE				\$1,973	\$11.61	_____
	RANCH MAINTENANCE				\$2,299	\$13.52	_____
	BEEF CHECKOFF				\$116	\$0.68	_____
	PURCHASED LIVESTOCK				<u>\$9,000</u>	<u>\$52.94</u>	_____
	<b>TOTAL</b>				<b>\$18,030</b>	<b>\$106.06</b>	_____

<b>3. INTEREST ON VARIABLE COSTS</b>							
	SUM OF VARIABLE COSTS X MONTHS BORROWED						
	X INTEREST RATE PER MONTH						
	ANNUAL INTEREST RATE				6.50%		
	NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
					\$1,047	\$6.16	_____
					<u>\$33,277</u>	<u>\$195.75</u>	_____
	<b>TOTAL</b>				<b>\$65,777</b>	<b>\$386.92</b>	_____

OWNERSHIP COSTS		Annual Capital Recovery <sup>4</sup> (At Replacement Value):	Represents 65% Asset Ownership <sup>5</sup>	VALUE PER COW	NEW VALUE
<b>CASH COSTS</b>					
	Taxes & Insurance			\$5,009	\$29.47
	Overhead			\$2,100	\$12.35
	<b>Total</b>			<u>\$7,109</u>	<u>\$41.82</u>
<b>NON CASH COSTS</b>					
	Purchased Livestock			\$5,403	\$31.78
	Machinery & Equipment			\$4,801	\$28.24
	Housing & Improvements			\$7,573	\$44.55
	Interest on Retained Livestock <sup>4</sup>			\$7,239	\$42.58
	Management & Operation Labor ( 6% of gross returns)			\$5,943	\$34.96
	<b>Total</b>			<u>\$30,960</u>	<u>\$182.12</u>
<b>TOTAL FIXED COSTS</b>				<b>\$38,069</b>	<b>\$223.94</b>
<b>TOTAL CASH AND VARIABLE COSTS</b>				<b>\$40,386</b>	<b>\$237.57</b>
<b>TOTAL COSTS</b>				<b>\$71,346</b>	<b>\$419.68</b>
<b>RETURN ABOVE TOTAL CASH COSTS</b>				<b>\$58,667</b>	<b>\$345.10</b>
<b>RETURN ABOVE TOTAL COSTS</b>				<b>\$27,707</b>	<b>\$162.98</b>

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$46.70	\$56.68
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$46.70	\$100.13

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.