NORTHEAST REGION
LARGE COW/CALF BUDGET 2018

BREED HERD SIZE	333	COW to BULL	20	CALF CROP PERCENT[1]	85%
CULL RATE	20%			REPLACEMENT HEIFER'S KEPT	66.5

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE[2]	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	141	550	$1.52	$118,137	$355.30	
HEIFER CALVES	75	515	$1.47	$56,637	$170.34	
CULL COWS	67	1000	$0.52	$34,580	$104.00	
CULL BULLS	1	1400	$0.62	$868	$2.61	
FEE HUNTING	1			$7,500	$22.56	
TOTAL	284			$217,722	$654.80	

VARIABLE COSTS

1. FEED COSTS

	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
HAY	TON	16.00	$160	$2,560	$7.70	
STATE	AUY	20.0%	$38.04	$2,530	$7.61	
FEDERAL LEASE	AUY	40.0%	$20.88	$6,943	$20.88	
PRIVATE(Owned)	AUY	40.0%	$0.00	$0	$0.00	
PRIVATE(Leased Grazing)	AUY	0.0%	$0.00	$0	$0.00	
SALT & MINERAL	TON	12	$690	$8,374	$25.19	
PROTEIN SUPP	TON	60	$340	$20,490	$61.63	
TOTAL				$40,897	$123.00	

2. OTHER VARIABLE COSTS

	COST	VALUE PER COW
VET AND MEDICINE	$5,839	$17.56
LIVESTOCK HAULING	$1,630	$4.90
HIRED LABOR	$25,000	$75.19
OPERATING COSTS-EQUIP & MACH	$5,150	$15.49
OPERATING COSTS-VEHICLE	$8,446	$25.40
RANCH MAINTENANCE	$10,300	$30.98
BEEF CHECKOFF	$216	$0.65
PURCHASED LIVESTOCK	$12,000	$36.09
TOTAL	$68,582	$206.26

3. INTEREST ON VARIABLE COSTS

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
INTEREST COSTS	$3,558	$10.70
TOTAL VARIABLE COSTS	$113,036	$339.96
RETURN ABOVE VARIABLE COSTS	$104,686	$314.84

OWNERSHIP COSTS

Annual Capital Recovery[4] (At Replacement Valve):	Represents 65% Asset Ownership TOTAL	VALUE PER COW	NEW VALUE
CASH COSTS			
Taxes & Insurance	$9,386	$28.23	
Overhead	$2,163	$6.51	
Total	$11,549	$34.73	
NON CASH COSTS			
Purchased Livestock	$10,267	$30.88	
Machinery & Equipment	$9,386	$28.23	
Housing & Improvements	$26,021	$78.26	
Interest on Retained Livestock[6]	$22,025	$66.24	
Management & Operation Labor (6% of gross returns)	$13,063	$39.29	
TOTAL NON CASH COSTS	$80,762	$242.89	
TOTAL FIXED COSTS	$92,311	$277.63	
TOTAL CASH AND VARIABLE COSTS	$124,586	$374.69	
TOTAL COSTS	$205,348	$617.59	
RETURN ABOVE TOTAL CASH COSTS	$93,136	$280.11	
RETURN ABOVE TOTAL COSTS	$12,374	$37.22	

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	$75.11	$82.78
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	$75.11	$136.45

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 2018 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.