

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

BREED HERD SIZE 190 COW to BULL 20 CALF CROP PERCENT¹ 83%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 29

VALUE OF PRODUCTION

	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE²</u>	<u>VALUE</u>	<u>VALUE PER COW</u>
STEER CALVES	79	550	\$1.52	\$65,919	\$346.94
HEIFER CALVES	50	515	\$1.47	\$38,117	\$200.62
CULL COWS	29	900	\$0.52	\$13,338	\$70.20
CULL BULLS	1	1200	\$0.64	\$768	\$4.04
FEE HUNTING	1			<u>\$6,000</u>	\$31.58
TOTAL	159			\$124,142	\$653.38

VARIABLE COSTS

		<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>
1. FEED COSTS						
	HAY	TON	12.00	\$160	\$1,920	\$10.11
	BLM	AUY	0.0%	\$1.74	\$0	\$0.00
	STATE	AUY	17.0%	\$34.20	\$1,105	\$5.81
	FEDERAL LEASE	AUY	30.0%	\$20.88	\$3,967	\$20.88
	PRIVATE(Owned)	AUY	53.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	7	\$690	\$4,785	\$25.19
	PROTEIN SUPP	TON	31	\$340	\$10,498	\$55.25
	OTHER					
	TOTAL				\$22,275	\$117.23
2. OTHER VARIABLE COSTS						
	VET AND MEDICINE				<u>\$3,337</u>	\$17.56
	LIVESTOCK HAULING				<u>\$906</u>	\$4.77
	HIRED LABOR				\$5,665	\$29.82
	OPERATING COSTS-EQUIP & MACH				\$3,090	\$16.26
	OPERATING COSTS-VEHICLE				\$4,635	\$24.39
	RANCH MAINTENANCE				\$4,120	\$21.68
	BEEF CHECKOFF				\$129	\$0.68
	PURCHASED LIVESTOCK				<u>\$9,000</u>	<u>\$47.37</u>
	TOTAL				\$30,883	\$162.54
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
					\$1,728	\$9.09
					<u>\$54,885</u>	<u>\$288.87</u>
	TOTAL				\$69,257	\$364.51

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Valve):	Represents 65% Asset Ownership	VALUE PER COW
CASH COSTS				
	Taxes & Insurance		TOTAL	VALUE PER COW
	Overhead		\$5,093	\$26.81
	Total		<u>\$2,000</u>	<u>\$10.53</u>
	TOTAL		\$7,093	\$37.33
NON CASH COSTS				
	Purchased Livestock		\$5,961	\$31.37
	Machinery & Equipment		\$5,093	\$26.81
	Housing & Improvements		\$19,443	\$102.33
	Interest on Retained Livestock		\$12,136	\$63.87
	Management & Operation Labor (6% of gross returns)		<u>\$7,449</u>	<u>\$39.20</u>
	TOTAL		\$50,082	\$263.59
	TOTAL FIXED COSTS		\$57,175	\$300.92
	TOTAL CASH AND VARIABLE COSTS		\$61,978	\$326.20
	TOTAL COSTS		\$112,060	\$589.79
	RETURN ABOVE TOTAL CASH COSTS		\$62,164	\$327.18
	RETURN ABOVE TOTAL COSTS		\$12,082	\$63.59

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$65.36	\$73.81
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$65.36	\$133.44

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.