

**NORTHEAST REGION
EX-LARGE COW/CALF BUDGET 2017**

BREED HERD SIZE 523 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 78

| VALUE OF PRODUCTION | | | | | | VALUE PER COW | |
|---------------------|------------|--------|--------------------|------------------|-----------------|---------------|--|
| | QUANTITY | WEIGHT | PRICE ² | VALUE | | NEW VALUE | |
| STEER CALVES | 222 | 550 | \$1.52 | \$185,644 | \$355.30 | _____ | |
| HEIFER CALVES | 144 | 515 | \$1.47 | \$108,779 | \$208.19 | _____ | |
| CULL COWS | 98 | 1000 | \$0.52 | \$51,155 | \$97.90 | _____ | |
| CULL BULLS | 1 | 1200 | \$0.62 | \$744 | \$1.42 | _____ | |
| FEE HUNTING | 1 | | | <u>\$12,000</u> | \$22.97 | _____ | |
| TOTAL | 465 | | | \$358,322 | \$685.78 | _____ | |

| VARIABLE COSTS | | | | | | VALUE PER COW | |
|---|-------|------------------|---------|--|------------------|------------------|-----------------|
| | | | | | | COST | NEW VALUE |
| 1. FEED COSTS | | | | | | | |
| | UNITS | QUANTITY/PERCENT | PRICE | | COST | | |
| HAY | TON | 104.50 | \$160 | | \$16,720 | \$32.00 | _____ |
| STATE | AUY | 30.0% | \$43.32 | | \$6,790 | \$13.00 | _____ |
| FEDERAL LEASE | AUY | 7.0% | \$20.88 | | \$10,910 | \$20.88 | _____ |
| PRIVATE(Owned) | AUY | 55.0% | \$0.00 | | \$0 | \$0.00 | _____ |
| PRIVATE(Leased Grazing) | AUY | 0.0% | \$0.00 | | \$0 | \$0.00 | _____ |
| SALT & MINERAL | TON | 19 | \$690 | | \$13,159 | \$25.19 | _____ |
| PROTEIN SUPP | TON | 98 | \$340 | | \$33,309 | \$63.75 | _____ |
| OTHER | | 0.00 | \$0 | | <u>\$0</u> | <u>\$0.00</u> | _____ |
| TOTAL | | | | | \$80,889 | \$154.81 | _____ |
| 2. OTHER VARIABLE COSTS | | | | | | COST | |
| VET AND MEDICINE | | | | | \$9,176 | \$17.56 | _____ |
| LIVESTOCK HAULING | | | | | \$2,673 | \$5.12 | _____ |
| HIRED LABOR | | | | | \$32,000 | \$61.24 | _____ |
| OPERATING COSTS-EQUIP & MACH | | | | | \$3,605 | \$6.90 | _____ |
| OPERATING COSTS-VEHICLE | | | | | \$12,360 | \$23.66 | _____ |
| RANCH MAINTENANCE | | | | | \$15,000 | \$28.71 | _____ |
| BEEF CHECKOFF | | | | | \$366 | \$0.70 | _____ |
| LIVESTOCK PURCHASES | | | | | <u>\$21,000</u> | <u>\$40.19</u> | _____ |
| TOTAL | | | | | \$96,180 | \$184.08 | _____ |
| 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 |
| | | | | | | \$5,755 | \$11.01 |
| | | | | | | <u>\$182,823</u> | <u>\$349.90</u> |
| TOTAL | | | | | \$175,499 | \$335.88 | _____ |

| OWNERSHIP COSTS | | | | | | VALUE PER COW | |
|--|--|--|--|--|------------------|---|-----------|
| Annual Capital Recovery ⁴ (At Replacement Valve): | | | | | | Represents 65% Asset Ownership ⁵ | |
| | | | | | | CASH COST | NEW VALUE |
| CASH COSTS | | | | | | | |
| Taxes & Insurance | | | | | \$14,775 | \$28.28 | _____ |
| Overhead | | | | | \$5,000 | \$9.57 | _____ |
| Total | | | | | <u>\$19,775</u> | <u>\$37.85</u> | _____ |
| NON CASH COSTS | | | | | | | |
| Purchased Livestock | | | | | \$16,008 | \$30.64 | _____ |
| Machinery & Equipment | | | | | \$14,775 | \$28.28 | _____ |
| Housing & Improvements | | | | | \$34,724 | \$66.46 | _____ |
| Interest on Retained Livestock ⁶ | | | | | \$33,374 | \$63.87 | _____ |
| Management & Operation Labor (6% of gross returns) | | | | | <u>\$10,530</u> | <u>\$20.15</u> | _____ |
| Total | | | | | <u>\$109,411</u> | <u>\$209.40</u> | _____ |
| TOTAL FIXED COSTS | | | | | \$129,186 | \$247.25 | _____ |
| TOTAL CASH AND VARIABLE COSTS | | | | | \$202,599 | \$387.75 | _____ |
| TOTAL COSTS | | | | | \$312,010 | \$597.15 | _____ |
| RETURN ABOVE TOTAL CASH COSTS | | | | | \$155,723 | \$298.04 | _____ |
| RETURN ABOVE TOTAL COSTS | | | | | \$46,312 | \$88.64 | _____ |

| BREAKEVEN CALCULATIONS | | | |
|--|----------------|-------------|--|
| | VARIABLE COSTS | TOTAL COSTS | |
| REQUIRED AVG. CALF PRICES CASH COST (cwt) | \$77.30 | \$85.67 | |
| REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) | \$77.30 | \$131.93 | |