NORTHWEST REGION
EX-LARGE COW/CALF BUDGET 2018

BREED HERD SIZE	475	COW TO BULL	20	CALF CROP PERCENT[1]	83%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	71.25

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE[2]	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	197	525	$1.50	$155,236	$326.81	
HEIFER CALVES	126	500	$1.45	$91,259	$192.13	
CULL COWS	71	950	$0.50	$33,844	$71.25	
CULL BULLS	1	1200	$0.62	$744	$1.57	
FEE HUNTING	1			$12,500	$26.32	
TOTAL	395			$293,583	$618.07	

VARIABLE COSTS

1. FEED COSTS

	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
HAY	TON	20.00	$160	$3,200	$6.74	
STATE	AUY	45.0%	$43.32	$9,260	$19.49	
FEDERAL LEASE	AUY	35.0%	$20.88	$3,471	$7.31	
PRIVATE(Owned)	AUY	20.0%	$0.00	$0	$0.00	
PRIVATE(Leased Grazing	AUY	0.0%	$0.00	$0	$0.00	
SALT & MINERAL	TON	17	$690	$11,963	$25.19	
PROTEIN SUPP	TON	67	$340	$22,610	$47.60	
TOTAL				$50,504	$106.32	

2. OTHER VARIABLE COSTS

	COST	VALUE PER COW	NEW VALUE
VET AND MEDICINE	$7,584	$15.97	
LIVESTOCK HAULING	$1,832	$3.86	
HIRED LABOR	$25,000	$52.63	
OPERATING COSTS-EQUIP & MACH	$4,635	$9.76	
OPERATING COSTS-VEHICLE	$6,180	$13.01	
RANCH MAINTENANCE	$10,000	$21.05	
BEEF CHECKOFF	$323	$0.68	
OTHER	$15,000	$31.58	
TOTAL	$70,554	$148.54	

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
	$3,934	$8.28
	$124,992	$263.14
TOTAL	$168,591	$354.93

OWNERSHIP COSTS

Annual Capital Recovery[4] (At Replacement Valve):	Represents 65% Asset Ownership[5]	VALUE PER COW	NEW VALUE
CASH COSTS			
Taxes & Insurance	$14,615	$30.77	
Overhead	$3,500	$7.37	
Total	$18,115	$38.14	
NON CASH COSTS			
Purchased Livestock	$14,682	$30.91	
Machinery & Equipment	$14,615	$30.77	
Housing & Improvements	$33,180	$69.85	
Interest on Retained Livestock[6]	$30,340	$63.87	
Management & Operation Labor (6% of gross returns)	$17,615	$37.08	
Total	$110,432	$232.49	
TOTAL FIXED COSTS	$128,548	$270.63	
TOTAL CASH AND VARIABLE COSTS	$143,108	$301.28	
TOTAL COSTS	$253,540	$533.77	
RETURN ABOVE TOTAL CASH COSTS	$150,475	$316.79	
RETURN ABOVE TOTAL COSTS	$40,043	$84.30	

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	$61.86	$70.83
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	$61.86	$125.48

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.