# SOUTHEAST REGION
# EX-LARGE COW/CALF BUDGET 2018

| | | | | | |
|---|---|---|---|---|---|
| BREED HERD SIZE | 495 | COW to BULL | 20 | CALF CROP PERCENT[1] | 85% |
| CULL RATE | 15% | | | REPLACEMENT HEIFER'S KEPT | 74.25 |

## VALUE OF PRODUCTION

| | QUANTITY | WEIGHT | PRICE[2] | VALUE | VALUE PER COW | NEW VALUE |
|---|---|---|---|---|---|---|
| STEER CALVES | 210 | 510 | $1.50 | $160,937 | $325.13 | |
| HEIFER CALVES | 136 | 485 | $1.45 | $95,730 | $193.39 | |
| CULL COWS | 74 | 900 | $0.50 | $33,413 | $67.50 | |
| CULL BULLS | 1 | 1200 | $0.62 | $744 | $1.50 | |
| FEE HUNTING | 1 | | | $6,000 | $12.12 | |
| TOTAL | 422 | | | $290,823 | $587.52 | |

## VARIABLE COSTS

| 1. FEED COSTS | UNITS | QUANTITY/PERCENT | PRICE | COST | VALUE PER COW | NEW VALUE |
|---|---|---|---|---|---|---|
| HAY | TON | 33.00 | $160 | $5,280 | $10.67 | |
| STATE | AUY | 45.0% | $38.04 | $8,473 | $17.12 | |
| FEDERAL LEASE | AUY | 25.0% | $20.88 | $10,336 | $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 | 18 | $690 | $12,467 | $25.19 | |
| PROTEIN SUPP | TON | 50 | $340 | $16,830 | $34.00 | |
| TOTAL | | | | $53,386 | $107.85 | |

| 2. OTHER VARIABLE COSTS | COST | | |
|---|---|---|---|
| VET AND MEDICINE | $6,733 | $13.60 | |
| LIVESTOCK HAULING | $1,955 | $3.95 | |
| HIRED LABOR | $25,000 | $50.51 | |
| OPERATING COSTS-EQUIP & MACH | $7,210 | $14.57 | |
| OPERATING COSTS-VEHICLE | $7,725 | $15.61 | |
| RANCH MAINTENANCE | $5,150 | $10.40 | |
| BEEF CHECKOFF | $347 | $0.70 | |
| LIVESTOCK PURCHASES | $15,000 | $30.30 | |
| TOTAL | $69,120 | $139.64 | |

| 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 | |
| | $3,981 | $8.04 | |
| | $126,487 | $255.53 | |
| TOTAL | $164,337 | $331.99 | |

## OWNERSHIP COSTS

| Annual Capital Recovery[4] (At Replacement Valve): | Represents 65% Asset Ownership[5] | VALUE PER COW | NEW VALUE |
|---|---|---|---|
| CASH COSTS | | | |
| Taxes & Insurance | $14,562 | $29.42 | |
| Overhead | $5,000 | $10.10 | |
| Total | $19,562 | $39.52 | |
| NON CASH COSTS | | | |
| Purchased Livestock | $15,130 | $30.57 | |
| Machinery & Equipment | $14,562 | $29.42 | |
| Housing & Improvements | $35,754 | $72.23 | |
| Interest on Retained Livestock[6] | $31,618 | $63.87 | |
| Management & Operation Labor ( 6% of gross returns) | $17,449 | $35.25 | |
| Total | $114,514 | $231.34 | |
| TOTAL FIXED COSTS | $134,076 | $270.86 | |
| TOTAL CASH AND VARIABLE COSTS | $146,049 | $295.05 | |
| TOTAL COSTS | $260,562 | $526.39 | |
| RETURN ABOVE TOTAL CASH COSTS | $144,775 | $292.47 | |
| RETURN ABOVE TOTAL COSTS | $30,261 | $61.13 | |

## BREAKEVEN CALCULATIONS

| | VARIABLE COSTS | TOTAL COSTS |
|---|---|---|
| REQUIRED AVG. CALF PRICES CASH COST (cwt) | $60.43 | $69.77 |
| REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) | $60.43 | $124.48 |

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.