SOUTHWEST REGION
MEDIUM COW/CALF BUDGET 2018

BREED HERD SIZE	180	COW to BULL	15	CALF CROP PERCENT1	84%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	27

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE[2]	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	76	500	$1.50	$56,700	$315.00	
HEIFER CALVES	49	475	$1.45	$33,473	$185.96	
CULL COWS	27	900	$0.50	$12,150	$67.50	
CULL BULLS	1	1200	$0.62	$744	$4.13	
	152					
TOTAL				$103,067	$572.60	

VARIABLE COSTS

1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
HAY	TON	18.00	$160	$2,880	$16.00	
STATE	AUY	30.0%	$38.04	$2,054	$11.41	
FEDERAL LEASE	AUY	60.0%	$20.88	$3,758	$20.88	
PRIVATE(Owned)	AUY	10.0%	$0.00	$0	$0.00	
PRIVATE(Leased Grazing)	AUY	0.0%	$0.00	$0	$0.00	
SALT & MINERAL	TON	7	$690	$4,533	$25.19	
PROTEIN SUPP	TON	18	$340	$6,120	$34.00	
TOTAL				$19,346	$107.48	

2. OTHER VARIABLE COSTS	COST		
VET AND MEDICINE	$2,430	$13.50	
LIVESTOCK HAULING	$706	$3.92	
HIRED LABOR	$5,000	$27.78	
OPERATING COSTS-EQUIP & MACH	$2,575	$14.31	
OPERATING COSTS-VEHICLE	$3,605	$20.03	
RANCH MAINTENANCE	$4,120	$22.89	
BEEF CHECKOFF	$124	$0.69	
PURCHASED LIVESTOCK	$6,000	$33.33	
TOTAL	$24,560	$136.44	

3. INTEREST ON VARIABLE COSTS		VALUE PER COW	
SUM OF VARIABLE COSTS X MONTHS BORROWED			
X INTEREST RATE PER MONTH			
ANNUAL INTEREST RATE	6.50%		
NUMBER OF MONTHS BORROWED	6		
	$1,427	$7.93	
	$45,332	$251.85	
TOTAL	$57,735	$320.75	

OWNERSHIP COSTS

Annual Capital Recovery3 (At Replacement Valve):	Represents 65% Asset Ownership5	VALUE PER COW	NEW VALUE
CASH COSTS			
Taxes & Insurance	$9,244	$51.35	
Overhead	$2,000	$11.11	
Total	$11,244	$62.46	
NON CASH COSTS			
Purchased Livestock	$4,904	$27.24	
Machinery & Equipment	$9,244	$51.35	
Housing & Improvements	$16,731	$92.95	
Interest on Retained Livestock6	$11,497	$63.87	
Management & Operation Labor (6% of gross returns)	$6,184	$34.36	
Total	$48,560	$269.78	
TOTAL FIXED COSTS	$59,803	$332.24	
TOTAL CASH AND VARIABLE COSTS	$56,576	$314.31	
TOTAL COSTS	$105,136	$584.09	
RETURN ABOVE TOTAL CASH COSTS	$46,491	$258.28	
RETURN ABOVE TOTAL COSTS	-$2,068	-$11.49	

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	$61.50	$76.75
REQUIRED AVERAGE CALF PRICES TOTAL COSTS(cwt)	$61.50	$142.63

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.