SOUTHWEST REGION
SMALL COW/CALF BUDGET 2018

BREED HERD SIZE	72	COW to BULL	15	CALF CROP PERCENT[1]	85%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	10.8

VALUE OF PRODUCTION

ANIMALS SOLD	QUANTITY	WEIGHT	PRICE[2]	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	31	500	$1.50	$22,950	$318.75	
HEIFER CALVES	20	475	$1.45	$13,637	$189.41	
CULL COWS	11	900	$0.50	$4,860	$67.50	
CULL BULLS	1	1200	$0.62	$744	$10.33	
	62					
TOTAL				$42,191	$585.99	

VARIABLE COSTS

1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
HAY	TON	5.00	$160	$800	$11.11	
STATE	AUY	25.0%	$38.04	$685	$9.51	
FEDERAL LEASE	AUY	65.0%	$20.88	$1,503	$20.88	
PRIVATE(Owned)	AUY	20.0%	$0.00	$0	$0.00	
PRIVATE(Leased Grazing)	AUY	0.0%	$0.00	$0	$0.00	
SALT & MINERAL	TON	3	$690	$1,813	$25.19	
PROTEIN SUPP	TON	6	$340	$2,081	$28.90	
TOTAL				$6,882	$95.59	

2. OTHER VARIABLE COSTS	COST	VALUE PER COW	NEW VALUE
VET AND MEDICINE	$993	$13.79	
LIVESTOCK HAULING	$288	$4.01	
HIRED LABOR	$500	$6.94	
OPERATING COSTS-EQUIP & MACH	$1,250	$17.36	
OPERATING COSTS-VEHICLE	$1,500	$20.83	
RANCH MAINTENANCE	$1,250	$17.36	
BEEF CHECKOFF	$50	$0.70	
LIVESTOCK PURCHASES	$3,000	$41.67	
TOTAL	$8,832	$122.66	

3. INTEREST ON VARIABLE COSTS			
SUM OF VARIABLE COSTS X MONTHS BORROWED			
X INTEREST RATE PER MONTH			
ANNUAL INTEREST RATE	6.5%		
NUMBER OF MONTHS BORROWED	6	VALUE PER COW	
	$511	$7.09	
	$16,225	$225.34	
TOTAL	$25,967	$360.65	

OWNERSHIP COSTS

	Annual Capital Recovery[4] (At Replacement Valve):	Represents 65% Asset Ownership[5]	VALUE PER COW	NEW VALUE
CASH COSTS				
Taxes & Insurance		$4,756	$66.05	
Overhead		$1,000	$13.89	
Total		$5,756	$79.94	
NON CASH COSTS				
Purchased Livestock		$3,118	$43.31	
Machinery & Equipment		$4,756	$66.05	
Housing & Improvements		$9,544	$132.56	
Interest on Retained Livestock[6]		$4,599	$63.87	
Management & Operation Labor (6% of gross returns)		$2,531	$35.16	
Total		$24,549	$340.95	
TOTAL FIXED COSTS		$30,304	$420.89	
TOTAL CASH AND VARIABLE COSTS		$21,980	$305.28	
TOTAL COSTS		$46,529	$646.24	
RETURN ABOVE TOTAL CASH COSTS		$20,211	$280.71	
RETURN ABOVE TOTAL COSTS		($4,338)	($60.25)	

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	$54.38	$73.67
REQUIRED AVERAGE CALF PRICES TOTAL COSTS(cwt)	$54.38	$155.95

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.