

**NORTHEAST REGION  
EX-LARGE COW/CALF BUDGET 2019**

BREED HERD SIZE 523 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 87%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 78

**VALUE OF PRODUCTION**

	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	227	550	\$1.67	\$208,764	\$399.55	_____
HEIFER CALVES	149	515	\$1.65	\$126,538	\$242.18	_____
CULL COWS	98	1000	\$0.80	\$78,700	\$150.62	_____
CULL BULLS	1	1200	\$0.86	\$1,032	\$1.98	_____
FEE HUNTING	1			<u>\$12,000</u>	\$22.97	_____
<b>TOTAL</b>	<b>476</b>			<b>\$427,034</b>	<b>\$817.29</b>	_____

**VARIABLE COSTS**

	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
<b>1. FEED COSTS</b>						
HAY	TON	104.50	\$160	\$16,720	\$32.00	_____
STATE	AUY	30.0%	\$33.48	\$5,248	\$10.04	_____
FEDERAL LEASE	AUY	7.0%	\$17.52	\$9,154	\$17.52	_____
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	\$710	\$13,541	\$25.92	_____
PROTEIN SUPP	TON	98	\$355	\$34,779	\$66.56	_____
OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	_____
<b>TOTAL</b>				<b>\$79,442</b>	<b>\$152.04</b>	_____

**2. OTHER VARIABLE COSTS**

	COST	VALUE PER COW	NEW VALUE
VET AND MEDICINE	\$7,576	\$14.50	_____
LIVESTOCK HAULING	\$2,259	\$4.32	_____
HIRED LABOR	<u>\$32,000</u>	\$61.24	_____
OPERATING COSTS-EQUIP & MACH	\$5,500	\$10.53	_____
OPERATING COSTS-VEHICLE	\$14,000	\$26.79	_____
RANCH MAINTENANCE	\$15,000	\$28.71	_____
BEEF CHECKOFF	\$376	\$0.72	_____
LIVESTOCK PURCHASES	<u>\$30,000</u>	<u>\$57.42</u>	_____
<b>TOTAL</b>	<b>\$106,711</b>	<b>\$204.23</b>	_____

**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
		\$6,050	\$11.58
<b>TOTAL</b>		<u>\$192,203</u>	<u>\$367.85</u>
<b>TOTAL</b>		<b>\$234,831</b>	<b>\$449.44</b>

**OWNERSHIP COSTS**

	Annual Capital Recovery <sup>4</sup> (At Replacement Valve):	Represents 65% Asset Ownership <sup>5</sup>	VALUE PER COW	NEW VALUE
<b>CASH COSTS</b>				
Taxes & Insurance		\$15,411	\$29.49	_____
Overhead		<u>\$5,000</u>	\$9.57	_____
<b>Total</b>		<u>\$20,411</u>	<u>\$39.06</u>	_____
<b>NON CASH COSTS</b>				
Purchased Livestock		\$16,008	\$30.64	_____
Machinery & Equipment		\$15,411	\$29.49	_____
Housing & Improvements		\$64,799	\$124.02	_____
Interest on Retained Livestock <sup>6</sup>		\$27,688	\$52.99	_____
Management & Operation Labor ( 6% of gross returns)		<u>\$14,090</u>	<u>\$26.97</u>	_____
<b>Total</b>		<u>\$137,996</u>	<u>\$264.11</u>	_____
<b>TOTAL FIXED COSTS</b>		<b>\$158,407</b>	<b>\$303.17</b>	_____
<b>TOTAL CASH AND VARIABLE COSTS</b>		<b>\$212,614</b>	<b>\$406.92</b>	_____
<b>TOTAL COSTS</b>		<b>\$350,610</b>	<b>\$671.02</b>	_____
<b>RETURN ABOVE TOTAL CASH COSTS</b>		<b>\$214,420</b>	<b>\$410.37</b>	_____
<b>RETURN ABOVE TOTAL COSTS</b>		<b>\$76,424</b>	<b>\$146.27</b>	_____

**BREAK-EVEN CALCULATIONS**

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$79.40	\$87.83
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$79.40	\$144.84

**NORTHEAST REGION  
EXTRA-LARGE RANCH INVESTMENTS**

<b>Number</b>	<b>Land Values</b>	<b>Price Per Unit</b>	<b>10 Yr Avg Rate of Return</b>	<b>Purchase Price</b>	<b>Salvage/Cull Value</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
15,000	Acres of private land	\$500	3.9%	\$7,500,000	\$7,500,000			
500	AU Values <sup>1</sup>	\$2,500	3.9%	\$1,250,000	\$1,250,000			
<b>Sub Totals</b>				<b>\$8,750,000</b>				
<b>Number</b>	<b>Buildings, Improvements</b>	<b>Price Per Unit</b>	<b>10 Yr Avg Rate of Return</b>	<b>Purchase Price</b>	<b>Salvage/Cull Value</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
16	Miles of pipeline	\$4,000	3.9%	\$64,000	\$6,400	25	100	\$3,898
10	Wells	\$20,000	3.9%	\$200,000	\$20,000	25	100	\$12,181
95	Miles of Fence	\$8,000	3.9%	\$760,000	\$76,000	25	100	\$46,287
2	Corrals/Working Facilities	\$12,000	3.9%	\$24,000	\$2,400	30	100	\$1,328
1	Barns & Shop	\$20,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
<b>Sub Totals</b>				<b>\$1,068,000</b>				<b>\$64,799</b>
<b>Number</b>	<b>Machinery &amp; Vehicles</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
2	3/4 ton pickup 4WD	\$45,000	4.0%	\$90,000	\$18,000	7	50	\$6,358
1	1 ton pickup 4WD	\$45,000	4.0%	\$45,000	\$9,000	7	50	\$3,179
1	Tractor	\$7,000	4.0%	\$7,000	\$1,400	7	100	\$989
3	Gooseneck trailer	\$7,500	4.0%	\$22,500	\$4,500	7	100	\$3,179
1	Horse tack	\$6,000	4.0%	\$6,000	\$1,200	10	100	\$640
1	Misc. equipment	\$10,000	4.0%	\$10,000	\$2,000	10	100	\$1,066
<b>Sub Total</b>				<b>\$180,500</b>				<b>\$15,411</b>
<b>Head</b>	<b>Purchased Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
13	Horses	\$1,200	4.0%	\$15,600	\$5,928	10	100	\$1,430
26	Bulls	\$3,000	4.0%	\$78,375	\$29,783	4	100	\$14,578
90	Cows	\$1,500	4.0%	\$135,000	\$51,300	8	100	\$14,484
<b>161</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				<b>\$93,975</b>				<b>\$16,008</b>
<b>Head</b>	<b>Retained Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Salvage/Cull</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
522.5	Cows	\$1,500	4.0%	\$783,750	\$297,825			\$24,722
78	Replacement Heifers	\$1,200	4.0%	\$94,050	\$35,739			\$2,967
<b>581</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				<b>\$877,800</b>	<b>\$333,564</b>			<b>\$27,688</b>
<b>Total</b>				<b>\$10,970,275</b>				<b>\$107,898</b>

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.