

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

	BREED HERD SIZE CULL RATE	333 20%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	87% 67
VALUE OF PRODUCTION						
	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE²</u>	<u>VALUE</u>	<u>VALUE PER COW</u>	
STEER CALVES	145	550	\$2.60	\$206,832	\$622.05	_____
HEIFER CALVES	78	515	\$2.39	\$96,176	\$289.25	_____
CULL COWS	67	1000	\$1.27	\$84,455	\$254.00	_____
CULL BULLS	1	1400	\$1.48	\$2,072	\$6.23	_____
FEE HUNTING	1			<u>\$7,500</u>	\$22.56	_____
TOTAL	290			\$397,034	\$1,194.09	_____
VARIABLE COSTS						
	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	
1. FEED COSTS						<u>NEW VALUE</u>
HAY	TON	16.00	\$206	\$3,296	\$9.91	_____
STATE	AUY	20.0%	\$29.10	\$1,935	\$5.82	_____
FEDERAL LEASE	AUY	40.0%	\$16.20	\$5,387	\$16.20	_____
PRIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	12	\$710	\$8,617	\$25.92	_____
PROTEIN SUPP	TON	60	\$515	\$31,037	\$93.34	_____
TOTAL				\$50,271	\$151.19	_____
2. OTHER VARIABLE COSTS				<u>COST</u>		<u>NEW VALUE</u>
VET AND MEDICINE				\$4,821	\$14.50	_____
LIVESTOCK HAULING				\$1,379	\$4.15	_____
HIRED LABOR				\$25,000	\$75.19	_____
OPERATING COSTS-EQUIP & MACH				\$5,150	\$15.49	_____
OPERATING COSTS-VEHICLE				\$9,000	\$27.07	_____
RANCH MAINTENANCE				\$10,000	\$30.08	_____
MARKETING COST ⁷				\$9,738	\$29.29	_____
PURCHASED LIVESTOCK				<u>\$12,000</u>	<u>\$36.09</u>	_____
TOTAL				\$77,088	\$231.84	_____
3. INTEREST ON VARIABLE COSTS						<u>VALUE PER COW</u>
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.15%		
NUMBER OF MONTHS BORROWED				6		
INTEREST COSTS				\$4,553	\$13.69	_____
TOTAL VARIABLE COSTS				\$131,913	\$396.73	_____
RETURN ABOVE VARIABLE COSTS				\$265,121	\$797.36	_____
OWNERSHIP COSTS						
	Annual Capital Recovery ⁴ (At Replacement Valve):			Represents 65% Asset Ownership		<u>VALUE PER COW</u> <u>NEW VALUE</u>
CASH COSTS				<u>TOTAL</u>		<u>NEW VALUE</u>
Taxes & Insurance				\$10,062	\$30.26	_____
Overhead				\$2,163	\$6.51	_____
Total				\$12,225	\$36.77	_____
NON CASH COSTS						<u>NEW VALUE</u>
Purchased Livestock				\$16,066	\$48.32	_____
Machinery & Equipment				\$10,062	\$30.26	_____
Housing & Improvements				\$95,929	\$288.51	_____
Interest on Retained Livestock ⁶				\$21,420	\$64.42	_____
Management & Operation Labor (6% of gross returns)				<u>\$23,822</u>	<u>\$71.65</u>	_____
TOTAL NON CASH COSTS				\$167,300	\$503.16	_____
TOTAL FIXED COSTS				\$179,524	\$539.92	_____
TOTAL CASH AND VARIABLE COSTS				\$144,138	\$433.50	_____
TOTAL COSTS				\$311,437	\$936.65	_____
RETURN ABOVE TOTAL CASH COSTS				\$252,897	\$760.59	_____
RETURN ABOVE TOTAL COSTS				\$85,597	\$257.43	_____
BREAKEVEN CALCULATIONS						
	VARIABLE COSTS	TOTAL COSTS				
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$85.64	\$93.57				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$85.64	\$202.18				

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 2024 Clovis Livestock Auction.

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.

⁷ Marketing cost includes commissions, band inspections, beef council, yardage, feed and insurance at 2.5% on all animals sold.

**NORTHEAST REGION
LARGE RANCH INVESTMENTS**

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
12000	Acres of private land	\$600	5.8%	\$7,200,000	\$7,200,000			
350	AU Values ¹	\$2,500	5.8%	\$875,000	\$875,000			
Sub Totals				\$8,075,000				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$4,000	5.8%	\$48,000	\$4,800	25	100	\$3,576
8	Wells	\$20,000	5.8%	\$160,000	\$16,000	25	100	\$11,918
70	Miles of Fence	\$15,000	5.8%	\$1,050,000	\$105,000	25	100	\$78,215
1	Corrals/Working Facilities	\$12,000	5.8%	\$12,000	\$1,200	30	100	\$833
1	Barns & Shop	\$20,000	5.8%	\$20,000	\$2,000	30	100	\$1,388
Sub Totals				\$1,290,000				\$95,929
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$45,000	4.5%	\$45,000	\$9,000	7	50	\$3,257
1	1ton pickup 4WD	\$45,000	4.5%	\$45,000	\$9,000	7	50	\$3,257
0	Tractor	\$7,000	4.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$7,500	4.5%	\$15,000	\$3,000	7	100	\$2,171
1	Horse tack	\$5,000	4.5%	\$5,000	\$1,000	10	100	\$551
1	Misc. equipment	\$7,500	4.5%	\$7,500	\$1,500	10	100	\$826
Sub Total				\$117,500				\$10,062
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
9	Horses	\$4,000	4.5%	\$36,000	\$13,680	10	100	\$3,436
17	Bulls	\$4,000	4.5%	\$66,500	\$25,270	4	100	\$12,630
Sub Total				\$102,500				\$16,066
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		Interest on Investment	
332.5	Cows	\$1,559	4.5%	\$518,368	\$196,980		\$18,395	
67	Replacement Heifers	\$1,282	4.5%	\$85,253	\$32,396		\$3,025	
382	Total AUUs							
Sub Total				\$603,621	\$229,376		\$21,420	
Total				<u>\$10,188,621</u>			<u>\$127,411</u>	

1) The interest rate of 5.75% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for United States.