

**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	\$4.30	\$342,068	\$1,028.78	_____
HEIFER CALVES		78	515	\$3.90	\$156,939	\$472.00	_____
CULL COWS		67	1000	\$1.45	\$96,425	\$290.00	_____
CULL BULLS		1	1400	\$1.80	\$2,520	\$7.58	_____
FEE HUNTING		1			\$7,500	\$22.56	_____
TOTAL		290			\$605,452	\$1,820.91	_____
VARIABLE COSTS							
		<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	
1. FEED COSTS		TON	16.00	\$184	\$2,944	\$8.85	_____
	HAY	TON	16.00	\$184	\$2,944	\$8.85	_____
	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				\$49,919	\$150.13	_____
2. OTHER VARIABLE COSTS					<u>COST</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				\$14,949	\$44.96	_____
	PURCHASED LIVESTOCK				\$18,000	\$54.14	_____
	TOTAL				\$88,299	\$265.56	_____
3. INTEREST ON VARIABLE COSTS							
	SUM OF VARIABLE COSTS X MONTHS BORROWED						
	X INTEREST RATE PER MONTH						
	ANNUAL INTEREST RATE				8.75%		
	NUMBER OF MONTHS BORROWED				6	<u>VALUE PER COW</u>	
INTEREST COSTS					\$6,047	\$18.19	_____
TOTAL VARIABLE COSTS					\$144,265	\$433.88	_____
RETURN ABOVE VARIABLE COSTS					\$461,187	\$1,387.03	_____
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>		
	Taxes & Insurance				\$10,188	\$30.64	_____
	Overhead				\$2,163	\$6.51	_____
	Total				\$12,351	\$37.15	_____
NON CASH COSTS							
	Purchased Livestock				\$24,837	\$74.70	_____
	Machinery & Equipment				\$10,188	\$30.64	_____
	Housing & Improvements				\$98,050	\$294.89	_____
	Interest on Retained Livestock ⁶				\$41,100	\$123.61	_____
	Management & Operation Labor (6% of gross returns)				\$36,327	\$109.25	_____
TOTAL NON CASH COSTS					\$210,502	\$633.09	_____
TOTAL FIXED COSTS					\$222,853	\$670.24	_____
TOTAL CASH AND VARIABLE COSTS					\$156,617	\$471.03	_____
TOTAL COSTS					\$367,118	\$1,104.12	_____
RETURN ABOVE TOTAL CASH COSTS					\$448,835	\$1,349.88	_____
RETURN ABOVE TOTAL COSTS					\$238,334	\$716.79	_____
BREAKEVEN CALCULATIONS							
		<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>				
REQUIRED AVG. CALF PRICES CASH COST (cwt)		\$93.65	\$101.67				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)		\$93.65	\$238.33				

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 2025 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	5.5%	\$7,200,000	\$7,200,000			
350	AU Values ¹	\$2,500	5.5%	\$875,000	\$875,000			
Sub Totals				\$8,075,000				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$4,000	5.5%	\$48,000	\$4,800	25	100	\$3,466
8	Wells	\$20,000	5.5%	\$160,000	\$16,000	25	100	\$11,555
70	Miles of Fence	\$16,000	5.5%	\$1,120,000	\$112,000	25	100	\$80,883
1	Corrals/Working Facilities	\$12,000	5.5%	\$12,000	\$1,200	30	100	\$804
1	Barns & Shop	\$20,000	5.5%	\$20,000	\$2,000	30	100	\$1,341
Sub Totals				\$1,360,000				\$98,050
Number	Machinery & Vehicles	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$45,000	4.8%	\$45,000	\$9,000	7	50	\$3,296
1	1ton pickup 4WD	\$45,000	4.8%	\$45,000	\$9,000	7	50	\$3,296
0	Tractor	\$7,000	4.8%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$7,500	4.8%	\$15,000	\$3,000	7	100	\$2,198
1	Horse tack	\$5,000	4.8%	\$5,000	\$1,000	10	100	\$559
1	Misc. equipment	\$7,500	4.8%	\$7,500	\$1,500	10	100	\$839
Sub Total				\$117,500				\$10,188
Head	Purchased Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull			
9	Horses	\$6,500	4.8%	\$58,500	\$22,230	10	100	\$5,696
17	Bulls	\$6,000	4.8%	\$99,750	\$37,905	4	100	\$19,140
Sub Total				\$158,250				\$24,837
Head	Retained Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull		Interest on Investment	
332.5	Cows	\$2,700	4.8%	\$897,750	\$341,145			\$33,627
67	Replacement Heifers	\$3,000	4.8%	\$199,500	\$75,810			\$7,473
382	Total AUYS							
Sub Total				\$1,097,250	\$416,955			\$41,100
Total				<u>\$10,808,000</u>				<u>\$149,338</u>

1) The interest rate of 5.45% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for the United States.

2) An interest rate of 4.75% was used based on long-term U.S. Treasury rate for intermediate assets.

3) A rate of 4.75 percent reflects a typical return on a low -risk investment.