

**NORTHEAST REGION
EX-LARGE COW/CALF BUDGET 2025**

		BREED HERD SIZE CULL RATE	523 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	87% 78
VALUE OF PRODUCTION							
		<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE^{2,3}</u>	<u>VALUE</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
STEER CALVES		227	550	\$4.40	\$550,036	\$1,052.70	_____
HEIFER CALVES		149	515	\$4.00	\$306,760	\$587.10	_____
CULL COWS		98	1000	\$1.55	\$152,481	\$291.83	_____
CULL BULLS		1	1200	\$1.90	\$2,280	\$4.36	_____
FEE HUNTING		1			<u>\$12,000</u>	\$22.97	_____
	TOTAL	476			\$1,023,557	\$1,958.96	_____
VARIABLE COSTS							
		<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
1. FEED COSTS	HAY	TON	104.50	\$184	\$19,228	\$36.80	_____
	STATE	AUY	30.0%	\$29.10	\$4,561	\$8.73	_____
	FEDERAL LEASE	AUY	7.0%	\$16.20	\$8,465	\$16.20	_____
	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	\$515	\$50,454	\$96.56	_____
	OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	_____
	TOTAL				\$96,248	\$184.21	_____
2. OTHER VARIABLE COSTS					<u>COST</u>		
	VET AND MEDICINE				\$7,576	\$14.50	_____
	LIVESTOCK HAULING				\$2,259	\$4.32	_____
	HIRED LABOR				\$32,000	\$61.24	_____
	OPERATING COSTS-EQUIP & MACH				\$5,500	\$10.53	_____
	OPERATING COSTS-VEHICLE				\$14,000	\$26.79	_____
	RANCH MAINTENANCE				\$15,000	\$28.71	_____
	MARKETING COSTS ⁷				\$20,231	\$38.72	_____
	LIVESTOCK PURCHASES				<u>\$24,000</u>	<u>\$45.93</u>	_____ 4 BULLS (1% OF COSWS)
	TOTAL				\$120,566	\$230.75	_____
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>	
						\$9,486	\$18.15
						<u>\$226,300</u>	<u>\$433.11</u>
	TOTAL					\$797,256	\$1,525.85
OWNERSHIP COSTS							
	Annual Capital Recovery ⁴ (At Replacement Valve):					Represents 65% Asset Ownership ⁵	VALUE PER COW NEW VALUE
CASH COSTS	Taxes & Insurance				\$16,001	\$30.62	_____
	Overhead				\$5,000	\$9.57	_____
	Total				<u>\$21,001</u>	<u>\$40.19</u>	_____
NON CASH COSTS	Purchased Livestock				\$38,306	\$73.31	_____
	Machinery & Equipment				\$16,001	\$30.62	_____
	Housing & Improvements				\$131,785	\$252.22	_____
	Interest on Retained Livestock ⁶				\$61,650	\$117.99	_____
	Management & Operation Labor (6% of gross returns)				<u>\$47,835</u>	<u>\$91.55</u>	_____
	Total				<u>\$295,577</u>	<u>\$565.70</u>	_____
TOTAL FIXED COSTS					\$316,577	\$605.89	_____
TOTAL CASH AND VARIABLE COSTS					\$247,301	\$473.30	_____
TOTAL COSTS					\$542,878	\$1,039.00	_____
RETURN ABOVE TOTAL CASH COSTS					\$776,256	\$1,485.66	_____
RETURN ABOVE TOTAL COSTS					\$480,679	\$919.96	_____
BREAKEVEN CALCULATIONS							
		VARIABLE COSTS	TOTAL COSTS				
REQUIRED AVG. CALF PRICES CASH COST (cwt)		\$93.49	\$102.16				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)		\$93.49	\$224.27				

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 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.
7) Marketing cost includes commissions, brand inspections, beef council, yardage, feed and insurance at 2% on all animals sold.

**NORTHEAST REGION
EXTRA-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
15,000	Acres of private land	\$600	5.5%	\$9,000,000	\$9,000,000			
500	AU Values ¹	\$2,500	5.5%	\$1,250,000	\$1,250,000			
Sub Totals				\$10,250,000				
Number	Buildings, Improvements	Price Per Unit						
16	Miles of pipeline	\$4,000	5.5%	\$64,000	\$6,400	25	100	\$4,622
10	Wells	\$20,000	5.5%	\$200,000	\$20,000	25	100	\$14,443
95	Miles of Fence	\$16,000	5.5%	\$1,520,000	\$152,000	25	100	\$109,770
2	Corrals/Working Facilities	\$12,000	5.5%	\$24,000	\$2,400	30	100	\$1,609
1	Barns & Shop	\$20,000	5.5%	\$20,000	\$2,000	30	100	\$1,341
Sub Totals				\$1,828,000				\$131,785
Number	Machinery & Vehicles	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$45,000	4.8%	\$90,000	\$18,000	7	50	\$6,593
1	1 ton pickup 4WD	\$45,000	4.8%	\$45,000	\$9,000	7	50	\$3,296
1	Tractor	\$7,000	4.8%	\$7,000	\$1,400	7	100	\$1,026
3	Gooseneck trailer	\$7,500	4.8%	\$22,500	\$4,500	7	100	\$3,296
1	Horse tack	\$6,000	4.8%	\$6,000	\$1,200	10	100	\$671
1	Misc. equipment	\$10,000	4.8%	\$10,000	\$2,000	10	100	\$1,118
Sub Total				\$180,500				\$16,001
Head	Purchased Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull			
13	Horses	\$6,500	4.8%	\$84,500	\$32,110	10	100	\$8,228
26	Bulls	\$6,000	4.8%	\$156,750	\$59,565	4	100	\$30,078
Sub Total				\$241,250				\$38,306
Head	Retained Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull		Interest on Investment	
522.5	Cows	\$2,700	4.8%	\$1,410,750	\$536,085			\$52,843
78	Replacement Heifers	\$3,000	4.8%	\$235,125	\$89,348			\$8,807
581	Total AUys							
Sub Total				\$1,645,875	\$625,433			\$61,650
Total				<u>\$14,145,625</u>				<u>\$209,436</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.