

**CENTRAL REGION
SMALL COW/CALF BUDGET 2024**

BREED HERD SIZE 43 COW to BULL 20 CALF CROP PERCENT¹ 83%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 6

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	18	515	\$2.39	\$21,709	\$510.80	_____
HEIFER CALVES	11	495	\$2.16	\$12,042	\$283.34	_____
CULL COWS	6	900	\$1.20	\$6,885	\$162.00	_____
CULL BULLS	1	1200	\$1.33	\$1,596	\$37.55	_____
TOTAL	36			\$42,232	\$993.69	_____

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	5.00	\$203	\$1,015	\$23.88	_____
	STATE	AUY	0.0%	\$29.10	\$0	\$0.00	_____
	FEDERAL LEASE	AUY	50.0%	\$16.20	\$689	\$16.20	_____
	PRIVATE(Owned)	AUY	50.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	3.00	\$710	\$2,130	\$50.12	_____
	PROTEIN SUPP	TON	6.38	\$515	\$3,283	\$77.25	_____
	OTHER		0.00	\$0	\$0	\$0.00	_____
	TOTAL				\$7,117	\$167.45	_____

2. OTHER VARIABLE COSTS

		<u>COST</u>	<u>VALUE PER COW</u>	<u>NEW VALUE</u>
	VET AND MEDICINE	\$616	\$14.50	_____
	LIVESTOCK HAULING	\$172	\$4.05	_____
	HIRED LABOR	\$3,000	\$70.59	_____
	OPERATING COSTS-EQUIP & MACH	\$809	\$19.02	_____
	OPERATING COSTS-VEHICLE	\$1,545	\$36.35	_____
	RANCH MAINTENANCE	\$2,500	\$58.82	_____
	MARKETING COST ⁷	\$1,267	\$29.81	_____
	PURCHASED LIVESTOCK	\$4,000	\$94.12	_____
	TOTAL	\$13,909	\$327.27	_____

3. INTEREST ON VARIABLE COSTS

SUM OF VARIABLE COSTS X MONTHS BORROWED				
X INTEREST RATE PER MONTH				
ANNUAL INTEREST RATE		9.25%		
NUMBER OF MONTHS BORROWED		6	VALUE PER COW	
		\$972	\$22.88	_____

TOTAL

OWNERSHIP COSTS

		<u>VALUE PER COW</u>	<u>NEW VALUE</u>
Annual Capital Recovery ⁴ (At Replacement Valve):			
Represents 65% Asset Ownership ⁵			
CASH COSTS			
	Taxes & Insurance	\$3,935	\$92.59
	Overhead	\$2,500	\$58.82
		\$6,435	\$151.41
NON CASH COSTS			
	Purchased Livestock	\$1,236	\$29.08
	Machinery & Equipment	\$3,935	\$92.59
	Housing & Improvements	\$14,200	\$334.12
	Interest on Retained Livestock ⁶	\$1,406	\$33.09
	Management & Operation Labor (6% of gross returns)	\$20,234	\$476.09
		\$41,011	\$964.97
TOTAL FIXED COSTS		\$47,446	\$1,116.39
TOTAL CASH AND VARIABLE COSTS		\$28,433	\$669.02
TOTAL COSTS		\$69,445	\$1,633.99
RETURN ABOVE TOTAL CASH COSTS		\$13,799	\$324.68

BREAKEVEN CALCULATIONS

	<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$123.49	\$159.61
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$123.49	\$389.83

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 Belen Livestoc 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.

**CENTRAL MOUNTAIN REGION
SMALL 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
100	Acres of private land	\$800	5.8%	\$80,000	\$80,000			
34	AU Values ¹	\$3,000	5.8%	\$101,250	\$101,250			
Sub Totals				\$181,250				
Number	Buildings, Improvements	Price Per Unit						
0.5	Miles of pipeline	\$4,000	5.8%	\$2,000	\$200	25	100	\$149
1	Wells	\$20,000	5.8%	\$20,000	\$2,000	25	100	\$1,490
10	Miles of Fence	\$15,000	5.8%	\$150,000	\$15,000	25	100	\$11,174
1	Corrals/Working Facilities	\$5,000	5.8%	\$5,000	\$500	30	100	\$347
1	Barns & Shop	\$15,000	5.8%	\$15,000	\$1,500	30	100	\$1,041
Sub Totals				\$192,000				\$14,200
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$35,000	4.5%	\$35,000	\$7,000	7	50	\$2,533
0	3/4 ton pickup 4WD	\$35,000	4.5%	\$0	\$0	7	50	\$0
0	Tractor	\$7,000	4.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$5,500	4.5%	\$5,500	\$1,100	7	100	\$796
1	Horse tack	\$3,500	4.5%	\$3,500	\$700	10	100	\$385
1	Misc. equipment	\$2,000	4.5%	\$2,000	\$400	10	100	\$220
Sub Total				\$46,000				\$3,935
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
3	Horses	\$4,000	4.5%	\$12,000	\$4,560	10	100	\$1,145
1	Bulls	\$4,000	4.5%	\$5,000	\$1,900	4	100	\$950
5	Total AUys							\$2,095
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
25	Cows	\$1,393	4.5%	\$34,825	\$13,234			\$1,236
4	Replacement Heifers	\$1,282	4.5%	\$4,808	\$1,827			\$171
28	Total AUys							\$1,406
Sub Total				\$39,633	\$15,060			\$1,406
Total				<u>\$475,883</u>				<u>\$19,542</u>

1) The interest rate of 5.8% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return production assets for United States.

2) For intermediate assets an interest rate of 4.50% was used.

3) A rate of 4.50 percent reflects a typical return on a low -risk investment (20 YR Treasury Bond)