

**SOUTHEAST REGION
MEDIUM COW/CALF BUDGET 2024**

BREED HERD SIZE 180 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 27

VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE ^{2,3}	VALUE	VALUE PER COW	
						NEW VALUE
STEER CALVES	77	510	\$2.54	\$99,098	\$550.55	_____
HEIFER CALVES	50	485	\$2.32	\$55,697	\$309.43	_____
CULL COWS	27	900	\$1.21	\$29,403	\$163.35	_____
CULL BULLS	1	1200	\$1.40	\$1,680	\$9.33	_____
FEE HUNTING	1			\$1,500	\$8.33	_____
TOTAL	154			\$185,879	\$1,032.66	_____

VARIABLE COSTS						
				VALUE PER COW		
	UNITS	QUANTITY/PERCENT	PRICE	COST		NEW VALUE
1. FEED COSTS						
HAY	TON	14.00	\$203	\$2,842	\$15.79	_____
STATE	AUY	45.0%	\$29.10	\$2,357	\$13.10	_____
FEDERAL LEASE	AUY	25.0%	\$16.20	\$2,916	\$16.20	_____
PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	7	\$710	\$4,665	\$25.92	_____
PROTEIN SUPP	TON	23	\$420	\$9,450	\$52.50	_____
TOTAL				\$22,230	\$123.50	_____

2. OTHER VARIABLE COSTS						
				COST		
VET AND MEDICINE				\$2,387	\$13.26	_____
LIVESTOCK HAULING				\$7,315	\$40.64	_____
HIRED LABOR				\$7,000	\$38.89	_____
OPERATING COSTS-EQUIP & MACH				\$2,500	\$13.89	_____
OPERATING COSTS-VEHICLE				\$5,000	\$27.78	_____
RANCH MAINTENANCE				\$7,000	\$38.89	_____
MARKETING COST ⁷				\$4,609	\$25.61	_____
PURCHASED LIVESTOCK				\$8,000	\$44.44	_____
TOTAL				\$43,811	\$243.40	_____

3. INTEREST ON VARIABLE COSTS						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				9.30%		
NUMBER OF MONTHS BORROWED				6		VALUE PER COW
				\$3,071	\$17.06	_____
TOTAL				\$69,112	\$383.96	_____

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵ VALUE PER COW NEW VALUE	
CASH COSTS				
Taxes & Insurance			\$6,309	\$35.05
Overhead			\$3,500	\$19.44
Total			\$9,809	\$54.50
NON CASH COSTS				
Purchased Livestock			\$7,179	\$39.89
Machinery & Equipment			\$6,309	\$35.05
Housing & Improvements			\$34,113	\$189.51
Interest on Retained Livestock ⁶			\$10,897	\$60.54
Management & Operation Labor (6% of gross returns)			\$11,153	\$61.96
Total			\$69,651	\$386.95
TOTAL FIXED COSTS			\$79,460	\$441.45
TOTAL CASH AND VARIABLE COSTS			\$78,922	\$438.45
TOTAL COSTS			\$148,572	\$825.40
RETURN ABOVE TOTAL CASH COSTS			\$106,957	\$594.21
RETURN ABOVE TOTAL COSTS			\$37,306	\$207.26

BREAKEVEN CALCULATIONS			
	VARIABLE COSTS	TOTAL COSTS	
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$90.80	\$103.68	
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$90.80	\$195.19	

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 average prices of Clovis and Rosewell 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.

**SOUTHEAST REGION
MEDIUM RANCH INVESTMENTS**

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return¹	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
4,000	Acres of private land	\$600	5.8%	\$2,400,000	\$2,400,000			
200	AU Values ¹	\$2,450	5.8%	\$490,000	\$490,000			
Sub Totals				\$2,890,000				
Number	Buildings, Improvements	Price Per Unit						
5	Miles of pipeline	\$4,000	5.8%	\$20,000	\$2,000	25	100	\$1,490
4	Wells	\$20,000	5.8%	\$80,000	\$8,000	25	100	\$5,959
22	Miles of Fence	\$15,000	5.8%	\$330,000	\$33,000	25	100	\$24,582
1	Corrals/Working Facilities	\$10,000	5.8%	\$10,000	\$1,000	30	100	\$694
1	Barns & Shop	\$20,000	5.8%	\$20,000	\$2,000	30	100	\$1,388
Sub Totals				\$460,000				\$34,113
Number	Machinery & Vehicles	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$45,000	4.5%	\$45,000	\$9,000	7	50	\$3,257
0	1 ton pickup 4WD	\$45,000	4.5%	\$0	\$0	7	50	\$0
0	Tractor	\$12,000	4.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$15,000	4.5%	\$15,000	\$3,000	7	100	\$2,171
1	Horse tack	\$3,000	4.5%	\$3,000	\$600	10	100	\$330
1	Misc. equipment	\$5,000	4.5%	\$5,000	\$1,000	10	100	\$551
Sub Total				\$68,000				\$6,309
Head	Purchased Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull			
4	Horses	\$6,000	4.5%	\$24,000	\$9,120	10	100	\$2,291
9	Bulls	\$2,860	4.5%	\$25,740	\$9,781	4	100	\$4,889
13	Total AUYS							
Sub Total				\$49,740				\$7,179
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		Interest on Investment	
180	Cows	\$1,503	4.5%	\$270,540	\$102,805		\$9,600	
27	Replacement Heifers	\$1,353	4.5%	\$36,531	\$13,882		\$1,296	
200	Total AUYS							
Sub Total				\$307,071	\$116,687		\$10,897	
Total				<u>\$3,774,811</u>			<u>\$51,319</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 to 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)