

**SOUTHEAST REGION
EX-LARGE COW/CALF BUDGET 2024**

BREED HERD SIZE 495 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 74

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE ^{2,3}	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	210	510	\$2.56	\$274,666	\$554.88	_____
HEIFER CALVES	136	485	\$2.34	\$154,488	\$312.10	_____
CULL COWS	74	900	\$1.23	\$82,195	\$166.05	_____
CULL BULLS	1	1200	\$1.42	\$1,704	\$3.44	_____
FEE HUNTING	1			<u>\$6,000</u>	<u>\$12.12</u>	_____
TOTAL	422			\$513,053	\$1,036.47	_____

VARIABLE COSTS

		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
1. FEED COSTS							
	HAY	TON	33.00	\$203	\$6,699	\$13.53	_____
	STATE	AUY	45.0%	\$29.10	\$6,482	\$13.10	_____
	FEDERAL LEASE	AUY	25.0%	\$16.20	\$8,019	\$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	18	\$710	\$12,828	\$25.92	_____
	PROTEIN SUPP	TON	37	\$420	\$15,593	\$31.50	_____
	TOTAL				\$49,620	\$100.24	_____
2. OTHER VARIABLE COSTS							
	VET AND MEDICINE				\$6,537	\$13.21	_____
	LIVESTOCK HAULING				\$2,003	\$4.05	_____
	HIRED LABOR				\$30,000	\$60.61	_____
	OPERATING COSTS-EQUIP & MACH				\$8,000	\$16.16	_____
	OPERATING COSTS-VEHICLE				\$9,000	\$18.18	_____
	RANCH MAINTENANCE				\$6,000	\$12.12	_____
	MARKETING COST ⁷				\$10,141	\$20.49	_____
	LIVESTOCK PURCHASES				<u>\$16,000</u>	<u>\$32.32</u>	_____
	TOTAL				\$87,681	\$177.13	_____
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	
					\$6,385	\$12.90	_____
					<u>\$143,686</u>	<u>\$290.28</u>	_____
	TOTAL				\$369,366	\$746.19	_____

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Valve):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS					
	Taxes & Insurance			\$19,564	\$39.52
	Overhead			\$5,000	\$10.10
	Total			<u>\$24,564</u>	<u>\$49.62</u>
NON CASH COSTS					
	Purchased Livestock			\$20,316	\$41.04
	Machinery & Equipment			\$19,564	\$39.52
	Housing & Improvements			\$142,073	\$287.02
	Interest on Retained Livestock ⁶			\$29,966	\$60.54
	Management & Operation Labor (6% of gross returns)			<u>\$30,783</u>	<u>\$62.19</u>
	Total			<u>\$242,702</u>	<u>\$490.31</u>
TOTAL FIXED COSTS				\$267,266	\$539.93
TOTAL CASH AND VARIABLE COSTS				\$168,251	\$339.90
TOTAL COSTS				\$410,953	\$830.21
RETURN ABOVE TOTAL CASH COSTS				\$344,802	\$696.57
RETURN ABOVE TOTAL COSTS				\$102,100	\$206.26

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$68.64	\$80.38
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$68.64	\$196.32

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.

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

**SOUTHEAST REGION
EXTRA-LARGE 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
10,000	Acres of private land	\$600	5.8%	\$6,000,000	\$6,000,000			
550	AU Values ¹	\$2,450	5.8%	\$1,347,500	\$1,347,500			
Sub Totals				\$7,347,500				
Number	Buildings, Improvements	Price Per Unit	10 Yr Avg Rate of Return¹	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
15	Miles of pipeline	\$4,000	5.8%	\$60,000	\$6,000	25	100	\$4,469
8	Wells	\$20,000	5.8%	\$160,000	\$16,000	25	100	\$11,918
110	Miles of Fence	\$15,000	5.8%	\$1,650,000	\$165,000	25	100	\$122,909
2	Corrals/Working Facilities	\$10,000	5.8%	\$20,000	\$2,000	30	100	\$1,388
1	Barns & Shop	\$20,000	5.8%	\$20,000	\$2,000	30	100	\$1,388
Sub Totals				\$1,910,000				\$142,073
Number	Machinery & Vehicles	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull	Useful Life	Livestock Share	Annual Capital Recovery
2	3/4 ton pickup 4WD	\$45,000	4.5%	\$90,000	\$18,000	7	50	\$6,514
1	1 ton pickup 4WD	\$45,000	4.5%	\$45,000	\$9,000	7	50	\$3,257
1	Tractor	\$12,000	4.5%	\$12,000	\$2,400	7	100	\$1,737
3	Gooseneck trailer	\$15,000	4.5%	\$45,000	\$9,000	7	100	\$6,514
1	Horse tack	\$6,000	4.5%	\$6,000	\$1,200	10	100	\$661
1	Misc. equipment	\$8,000	4.5%	\$8,000	\$1,600	10	100	\$881
Sub Total				\$206,000				\$19,564
Head	Purchased Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull	Useful Life	Livestock Share	Annual Capital Recovery
12	Horses	\$6,000	4.5%	\$72,000	\$27,360	10	100	\$6,873
25	Bulls	\$2,860	4.5%	\$70,785	\$26,898	4	100	\$13,444
37	Total AUYS							
Sub Total				\$142,785				\$20,316
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull	Useful Life	Livestock Share	Annual Capital Recovery
495	Cows	\$1,503	4.5%	\$743,985	\$282,714			\$26,401
74	Replacement Heifers	\$1,353	4.5%	\$100,460	\$38,175			\$3,565
551	Total AUYS							
Sub Total				\$844,445	\$320,889			\$29,966
Total				<u>\$10,450,730</u>				<u>\$191,603</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)