

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

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	\$4.63	\$496,758	\$1,003.55	_____
HEIFER CALVES	136	485	\$4.17	\$275,306	\$556.17	_____
CULL COWS	74	900	\$1.58	\$105,584	\$213.30	_____
CULL BULLS	1	1200	\$1.93	\$2,316	\$4.68	_____
FEE HUNTING	1			<u>\$6,000</u>	<u>\$12.12</u>	_____
TOTAL	422			\$879,964	\$1,777.71	_____

VARIABLE COSTS

				COST	VALUE PER COW	NEW VALUE
				PRICE		
1. FEED COSTS						
	UNITS	QUANTITY/PERCENT				
HAY	TON	33.00	\$184	\$6,072	\$12.27	_____
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	\$515	\$19,119	\$38.63	_____
TOTAL				\$52,520	\$106.10	_____
2. OTHER VARIABLE COSTS						
				COST		
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				\$17,479	\$35.31	_____
LIVESTOCK PURCHASES				<u>\$28,000</u>	<u>\$56.57</u>	_____
TOTAL				\$107,020	\$216.20	_____
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	VALUE PER COW	
				\$6,980	\$14.10	_____
				<u>\$166,520</u>	<u>\$336.40</u>	_____
TOTAL				\$713,444	\$1,441.30	_____

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Valve):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS					
Taxes & Insurance				\$15,557	\$31.43
Overhead				\$5,000	\$10.10
Total				<u>\$20,557</u>	<u>\$41.53</u>
NON CASH COSTS					
Purchased Livestock				\$40,839	\$82.50
Machinery & Equipment				\$15,557	\$31.43
Housing & Improvements				\$145,672	\$294.29
Interest on Retained Livestock ⁶				\$65,103	\$131.52
Management & Operation Labor (6% of gross returns)				<u>\$52,798</u>	<u>\$106.66</u>
Total				<u>\$319,969</u>	<u>\$646.40</u>
TOTAL FIXED COSTS				\$340,526	\$687.93
TOTAL CASH AND VARIABLE COSTS				\$187,077	\$377.93
TOTAL COSTS				\$507,046	\$1,024.33
RETURN ABOVE TOTAL CASH COSTS				\$692,887	\$1,399.77
RETURN ABOVE TOTAL COSTS				\$372,918	\$753.37

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$79.55	\$89.37
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$79.55	\$242.23

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 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	5.5%	\$6,000,000	\$6,000,000			
550	AU Values ¹	\$2,450	5.5%	\$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	5.5%	\$60,000	\$6,000	25	100	\$4,333
8	Wells	\$20,000	5.5%	\$160,000	\$16,000	25	100	\$11,555
110	Miles of Fence	\$16,000	5.5%	\$1,760,000	\$176,000	25	100	\$127,103
2	Corrals/Working Facilities	\$10,000	5.5%	\$20,000	\$2,000	30	100	\$1,341
1	Barns & Shop	\$20,000	5.5%	\$20,000	\$2,000	30	100	\$1,341
Sub Totals				\$2,020,000				\$145,672
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	4.8%	\$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	\$7,000	4.8%	\$21,000	\$4,200	7	100	\$3,077
1	Horse tack	\$6,000	4.8%	\$6,000	\$1,200	10	100	\$671
1	Misc. equipment	\$8,000	4.8%	\$8,000	\$1,600	10	100	\$895
Sub Total				\$177,000				\$15,557
Head	Purchased Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull	Useful Life	Livestock Share	Annual Capital Recovery
12	Horses	\$6,500	4.8%	\$78,000	\$29,640	10	100	\$7,595
25	Bulls	\$7,000	4.8%	\$173,250	\$65,835	4	100	\$33,244
37	Total AUYS							
Sub Total				\$251,250				\$40,839
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull	Useful Life	Livestock Share	Annual Capital Recovery
495	Cows	\$3,050	4.8%	\$1,509,750	\$573,705			\$56,551
74	Replacement Heifers	\$3,075	4.8%	\$228,319	\$86,761			\$8,552
551	Total AUYS							
Sub Total				\$1,738,069	\$660,466			\$65,103
Total				<u>\$11,533,819</u>				<u>\$226,332</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.