

**SOUTHWEST REGION  
LARGE COW/CALF BUDGET 2025**

	BREED HERD SIZE	315	COW to BULL	15	CALF CROP PERCENT <sup>1</sup>	84%
	CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	47
<b>VALUE OF PRODUCTION</b>						
	<u>QUANTITY</u>	<u>WEIGHT</u>	<u>PRICE<sup>2,3</sup></u>	<u>VALUE</u>	<u>VALUE PER COW</u>	
STEER CALVES	132	500	\$4.22	\$279,153	\$886.20	
HEIFER CALVES	85	475	\$3.82	\$154,323	\$489.92	
CULL COWS	47	1000	\$1.37	\$64,733	\$205.50	
CULL BULLS	3	1300	\$1.72	\$7,043	\$22.36	
	<u>268</u>			<u>\$505,252</u>	<u>\$1,603.98</u>	
<b>TOTAL</b>						
<b>VARIABLE COSTS</b>						
<b>1. FEED COSTS</b>						
	<u>UNITS</u>	<u>QUANTITY/PERCENT</u>	<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u>	
HAY	TON	22.00	\$184	\$4,048	\$12.85	
STATE	AUY	40.0%	\$29.10	\$3,667	\$11.64	
FEDERAL LEASE	AUY	40.0%	\$16.20	\$5,103	\$16.20	
PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
SALT & MINERAL	TON	11	\$710	\$8,163	\$25.92	
PROTEIN SUPP	TON	32	\$515	\$16,223	\$51.50	
				<u>\$37,203</u>	<u>\$118.11</u>	
<b>TOTAL</b>						
<b>2. OTHER VARIABLE COSTS</b>						
				<u>COST</u>	<u>VALUE PER COW</u>	
VET AND MEDICINE				\$4,150	\$13.18	
LIVESTOCK HAULING				\$1,272	\$4.04	
HIRED LABOR				\$22,000	\$69.84	
OPERATING COSTS-EQUIP & MACH				\$5,500	\$17.46	
OPERATING COSTS-VEHICLE				\$6,000	\$19.05	
RANCH MAINTENANCE				\$7,000	\$22.22	
MARKETING COST <sup>7</sup>				\$10,105	\$32.08	
LIVESTOCK PURCHASES				\$18,000	\$57.14	
				<u>\$74,027</u>	<u>\$235.01</u>	
<b>TOTAL</b>						
<b>3. INTEREST ON VARIABLE COSTS</b>						
				<u>SUM OF VARIABLE COSTS X MONTHS BORROWED</u>	<u>VALUE PER COW</u>	
				<u>X INTEREST RATE PER MONTH</u>		
				<u>ANNUAL INTEREST RATE</u>	8.75%	
				<u>NUMBER OF MONTHS BORROWED</u>	6	
				<u>\$4,866</u>	<u>\$15.45</u>	
<b>TOTAL</b>						
				<u>\$116,097</u>	<u>\$368.56</u>	
				<u>\$389,155</u>	<u>\$1,235.41</u>	
<b>OWNERSHIP COSTS</b>						
				<u>Annual Capital Recovery<sup>4</sup> (At Replacement Value):</u>	<u>Represents 65% Asset Ownership<sup>5</sup></u>	<u>VALUE PER COW</u>
<b>CASH COSTS</b>						
Taxes & Insurance				\$15,320	\$48.64	
Overhead				\$2,000	\$6.35	
Total				<u>\$17,320</u>	<u>\$54.98</u>	
<b>NON CASH COSTS</b>						
Purchased Livestock				\$33,270	\$105.62	
Machinery & Equipment				\$15,320	\$48.64	
Housing & Improvements				\$42,958	\$136.38	
Interest on Retained Livestock <sup>6</sup>				\$37,167	\$117.99	
Management & Operation Labor ( 6% of gross returns)				\$30,315	\$96.24	
Total				<u>\$159,030</u>	<u>\$504.86</u>	
<b>TOTAL FIXED COSTS</b>				\$176,351	\$559.84	
<b>TOTAL CASH AND VARIABLE COSTS</b>				\$133,417	\$423.55	
<b>TOTAL COSTS</b>				\$292,447	\$928.40	
<b>RETURN ABOVE TOTAL CASH COSTS</b>				\$371,835	\$1,180.43	
<b>RETURN ABOVE TOTAL COSTS</b>				\$212,805	\$675.57	
<b>BREAKEVEN CALCULATIONS</b>						
		<u>VARIABLE COSTS</u>	<u>TOTAL COSTS</u>			
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)		\$90.00	\$103.43			
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)		\$90.00	\$226.72			

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 for New Mexico Clovis livestock auction 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, band inspections, beef council, yardage, feed and insurance at 2% on all animals sold.

**SOUTHWEST REGION  
LARGE RANCH INVESTMENTS**

<b>Number</b>	<b>Land Values</b>	<b>Price Per Unit</b>	<b>10 Yr Avg Rate of Return</b>	<b>Purchase Price</b>	<b>Salvage/Cull Value</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
6,000	Acres of private land	\$600	5.5%	\$3,600,000	\$3,600,000			
315	AU Values <sup>1</sup>	\$2,400	5.5%	\$756,000	\$756,000			
<b>Sub Totals</b>				\$4,356,000				
<b>Number</b>	<b>Buildings, Improvements</b>	<b>Price Per Unit</b>						
18	Miles of pipeline	\$4,000	5.5%	\$72,000	\$7,200	25	100	\$5,200
6	Wells	\$20,000	5.5%	\$120,000	\$12,000	25	100	\$8,666
100	Miles of Fence	\$3,750	5.5%	\$375,000	\$37,500	25	100	\$27,082
1	Corrals/Working Facilities	\$10,000	5.5%	\$10,000	\$1,000	30	100	\$670
1	Barns & Shop	\$20,000	5.5%	\$20,000	\$2,000	30	100	\$1,341
<b>Sub Totals</b>				\$597,000				\$42,958
<b>Number</b>	<b>Machinery &amp; Vehicles</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>2,3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
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	\$5,000	4.8%	\$5,000	\$1,000	7	100	\$733
3	Gooseneck trailer	\$7,000	4.8%	\$21,000	\$4,200	7	100	\$3,077
1	Horse tack	\$8,000	4.8%	\$8,000	\$1,600	10	100	\$895
1	Misc. equipment	\$6,500	4.8%	\$6,500	\$1,300	10	100	\$727
<b>Sub Total</b>				\$175,500				\$15,320
<b>Head</b>	<b>Purchased Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>2,3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
8	Horses	\$6,500	4.8%	\$52,000	\$19,760	10	100	\$5,063
21	Bulls	\$7,000	4.8%	\$147,000	\$55,860	4	100	\$28,207
<b>29</b>	<b>Total AUUs</b>							
<b>Sub Total</b>				\$199,000				\$33,270
<b>Head</b>	<b>Retained Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>2,3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>		<b>Interest on Investment</b>	
315	Cows	\$2,700	4.8%	\$850,500	\$323,190			\$31,857
47	Replacement Heifers	\$3,000	4.8%	\$141,750	\$53,865			\$5,310
<b>350</b>	<b>Total AUUs</b>							
<b>Sub Total</b>				\$992,250	\$377,055			\$37,167
<b>Total</b>				<u>\$6,319,750</u>				<u>\$95,445</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.