SOUTHWEST REGION
LARGE COW/CALF BUDGET 2025

	BREED HERD SIZE	315	COW to BULL	15	CALF CROP PERCENT[1]	84%
	CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	47

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE[2,3]	VALUE	VALUE PER COW
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
	268				
TOTAL				$505,252	$1,603.98

VARIABLE COSTS

1. FEED COSTS

	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW
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
TOTAL				$37,203	$118.11

2. OTHER VARIABLE COSTS

	COST	VALUE PER COW
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[7]	$10,105	$32.08
LIVESTOCK PURCHASES	$18,000	$57.14
TOTAL	$74,027	$235.01

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
	$4,866	$15.45
TOTAL	$116,097	$368.56
	$389,155	$1,235.41

OWNERSHIP COSTS

Annual Capital Recovery[4] (At Replacement Valve):	Represents 65% Asset Ownership[5]	VALUE PER COW
CASH COSTS		
Taxes & Insurance	$15,320	$48.64
Overhead	$2,000	$6.35
Total	$17,320	$54.98
NON CASH COSTS		
Purchased Livestock	$33,270	$105.62
Machinery & Equipment	$15,320	$48.64
Housing & Improvements	$42,958	$136.38
Interest on Retained Livestock[6]	$37,167	$117.99
Management & Operation Labor (6% of gross returns)	$30,315	$96.24
Total	$159,030	$504.86
TOTAL FIXED COSTS	$176,351	$559.84
TOTAL CASH AND VARIABLE COSTS	$133,417	$423.55
TOTAL COSTS	$292,447	$928.40
RETURN ABOVE TOTAL CASH COSTS	$371,835	$1,180.43
RETURN ABOVE TOTAL COSTS	$212,805	$675.57

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVEREAGE CALF PRICES CASH COST (cwt)	$90.00	$103.43
REQUIRED AVEREAGE 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

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
6,000	Acres of private land	$600	5.5%	$3,600,000	$3,600,000			
315	AU Values[1]	$2,400	5.5%	$756,000	$756,000			
			Sub Totals	$4,356,000				
Number	**Buildings, Improvements**	**Price Per Unit**						
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
			Sub Totals	$597,000				$42,958
Number	**Machinery & Vehicles**	**Price Per Unit**	Interest Rate[2,3]	Price	Salvage/Cull			
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
			Sub Total	$175,500				$15,320
Head	**Purchased Livestock**	**Price Per Unit**	Interest Rate[2,3]	Price	Salvage/Cull			
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
29	**Total AUYs**							
			Sub Total	$199,000				$33,270
Head	**Retained Livestock**	**Price Per Unit**	Interest Rate[2,3]	Price	Salvage/Cull			Interest on Investment
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
350	**Total AUYs**							
			Sub Total	$992,250	$377,055			$37,167
			Total	$6,319,750				$95,445

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.