SOUTHWEST REGION
SMALL COW/CALF BUDGET 2024

BREED HERD SIZE	76	COW to BULL	15	CALF CROP PERCENT[1]	85%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	11

VALUE OF PRODUCTION

ANIMALS SOLD	QUANTITY	WEIGHT	PRICE[2,3]	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	32	500	$4.30	$69,445	$913.75	
HEIFER CALVES	21	475	$3.80	$37,725	$496.38	
CULL COWS	11	950	$1.45	$15,704	$206.63	
CULL BULLS	1	1400	$1.80	$2,520	$33.16	
	66					
TOTAL				$125,393	$1,649.91	

VARIABLE COSTS

1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
HAY	TON	5.00	$184	$920	$12.11	
STATE	AUY	25.0%	$29.10	$553	$7.28	
FEDERAL LEASE	AUY	65.0%	$16.20	$1,231	$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	3	$710	$1,970	$25.92	
PROTEIN SUPP	TON	3	$515	$1,566	$20.60	
TOTAL				$6,239	$82.10	

2. OTHER VARIABLE COSTS	COST	VALUE PER COW	NEW VALUE
VET AND MEDICINE	$1,017	$13.38	
LIVESTOCK HAULING	$312	$4.10	
HIRED LABOR	$1,500	$19.74	
OPERATING COSTS-EQUIP & MACH	$1,500	$19.74	
OPERATING COSTS-VEHICLE	$2,500	$32.89	
RANCH MAINTENANCE	$2,000	$26.32	
MARKETING COST[7]	$3,762	$49.50	
LIVESTOCK PURCHASES	$6,000	$78.95	
TOTAL	$18,590	$244.61	

3. INTEREST ON VARIABLE COSTS		
SUM OF VARIABLE COSTS X MONTHS BORROWED		
X INTEREST RATE PER MONTH		
ANNUAL INTEREST RATE	8.8%	
NUMBER OF MONTHS BORROWED	6	VALUE PER COW
	$1,086	$14.29
	$25,916	$341.00
TOTAL	$99,477	$1,308.91

OWNERSHIP COSTS

Annual Capital Recovery[4] (At Replacement Valve):	Represents 65% Asset Ownership[5]	VALUE PER COW	NEW VALUE
CASH COSTS			
Taxes & Insurance	$5,161	$67.91	
Overhead	$1,000	$13.16	
Total	$6,161	$81.06	
NON CASH COSTS			
Purchased Livestock	$9,337	$122.86	
Machinery & Equipment	$5,161	$67.91	
Housing & Improvements	$35,231	$463.57	
Interest on Retained Livestock[6]	$8,967	$117.99	
Management & Operation Labor (6% of gross returns)	$7,524	$98.99	
Total	$66,220	$871.31	
TOTAL FIXED COSTS	$72,381	$952.38	
TOTAL CASH AND VARIABLE COSTS	$32,077	$422.06	
TOTAL COSTS	$98,296	$1,293.37	
RETURN ABOVE TOTAL CASH COSTS	$93,316	$1,227.85	
RETURN ABOVE TOTAL COSTS	$27,097	$356.54	

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	$82.29	$101.85
REQUIRED AVERAGE CALF PRICES TOTAL COSTS(cwt)	$82.29	$312.13

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, from Oct. to Dec..
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.

SOUTHWEST REGION
SMALL RANCH INVESTMENTS

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return[1]	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
1,500	Acres of private land	$600	5.5%	$900,000	$900,000			
76	AU Values[1]	$2,400	5.5%	$182,400	$182,400			
			Sub Totals	$1,082,400				
Number	**Buildings, Improvements**	**Price Per Unit**						
5	Miles of pipeline	$4,000	5.5%	$20,000	$2,000	25	100	$1,444
2	Wells	$20,000	5.5%	$40,000	$4,000	25	100	$2,889
25	Miles of Fence	$16,000	5.5%	$400,000	$40,000	25	100	$28,887
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	$490,000				$35,231
Number	**Machinery & Vehicles**	**Price Per Unit**	Interest Rate[2,3]	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	$45,000	4.8%	$45,000	$9,000	7	50	$3,296
0	3/4 ton pickup 4WD	$45,000	4.8%	$0	$0	7	50	$0
0	Dozer/Tractor	$7,000	4.8%	$0	$0	7	100	$0
1	Gooseneck trailer	$7,000	4.8%	$7,000	$1,400	7	100	$1,026
1	Horse tack	$4,000	4.8%	$4,000	$800	10	100	$447
1	Misc. equipment	$3,500	4.8%	$3,500	$700	10	100	$391
			Sub Total	$59,500				$5,161
Head	**Purchased Livestock**	**Price Per Unit**	Interest Rate[2,3]	Price	Salvage/Cull			
4	Horses	$6,500	4.8%	$26,000	$9,880	10	100	$2,532
5	Bulls	$7,000	4.8%	$35,467	$13,477	4	100	$6,805
9	**Total AUYs**							
			Sub Total	$61,467				$9,337
Head	**Retained Livestock**	**Price Per Unit**	Interest Rate2,3	Price	Salvage/Cull			Interest on Investment
76	Cows	$2,700	4.8%	$205,200	$77,976			$7,686
11	Replacement Heifers	$3,000	4.8%	$34,200	$12,996			$1,281
85	**Total AUYs**							
			Sub Total	$239,400	$90,972			$8,967
			Total	$1,932,767				$49,359

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.