

**NORTHWEST 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			
350	AU Values ¹	\$2,400	5.5%	\$840,000	\$840,000			
Sub Totals				\$4,440,000				
Number	Buildings, Improvements	Price Per Unit						
13	Miles of pipeline	\$4,000	5.5%	\$52,000	\$5,200	25	100	\$3,755
5	Wells	\$20,000	5.5%	\$100,000	\$10,000	25	100	\$7,222
65	Miles of Fence	\$16,000	5.5%	\$1,040,000	\$104,000	25	100	\$75,106
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				\$1,222,000				\$88,094
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	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	Tractor	\$7,000	4.8%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$7,500	4.8%	\$15,000	\$3,000	7	100	\$2,198
1	Horse tack	\$5,000	4.8%	\$5,000	\$1,000	10	100	\$559
1	Misc. equipment	\$7,500	4.8%	\$7,500	\$1,500	10	100	\$839
Sub Total				\$72,500				\$6,892
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
10	Horses	\$6,500	4.8%	\$65,000	\$24,700	10	100	\$6,329
17	Bulls	\$7,000	4.8%	\$116,375	\$44,223	4	100	\$22,330
90	Cows	2,700	4.8%	\$243,000	\$92,340	8	100	\$27,462
146	Total AUys							
Sub Total				\$181,375				\$28,660
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		Interest on Investment	
332.5	Cows	\$2,700	4.8%	\$897,750	\$341,145			\$33,627
50	Replacement Heifers	\$3,000	4.8%	\$149,625	\$56,858			\$5,605
370	Total AUys							
Sub Total				\$1,047,375	\$398,003			\$39,232
Total				<u>\$6,963,250</u>				<u>\$134,218</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.