

**NORTHWEST REGION
MEDIUM COW/CALF BUDGET 2025**

BREED HERD SIZE	180	COW to BULL	20	CALF CROP PERCENT ¹	83%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	27

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE ^{2,3}	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	75	510	\$3.98	\$151,626	\$842.37	_____
HEIFER CALVES	48	485	\$3.72	\$86,060	\$478.11	_____
CULL COWS	27	900	\$1.40	\$34,020	\$189.00	_____
CULL BULLS	1	1200	\$1.70	\$2,040	\$11.33	_____
FEE HUNTING	1			\$3,500	\$19.44	_____
	150					
TOTAL				\$277,246	\$1,540.26	_____

VARIABLE COSTS

		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
1. FEED COSTS							
	HAY	TON	36.00	\$184.00	\$6,624	\$36.80	_____
	STATE	AUY	45.0%	\$33.48	\$2,712	\$15.07	_____
	FEDERAL LEASE	AUY	35.0%	\$17.52	\$3,154	\$17.52	_____
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	5	\$710.00	\$3,550	\$19.72	_____
	PROTEIN SUPP	TON	20	\$515.00	\$10,300	\$57.22	_____
	TOTAL				\$26,339	\$146.33	_____
2. OTHER VARIABLE COSTS							
	VET AND MEDICINE				\$2,835	\$15.75	_____
	LIVESTOCK HAULING				\$714	\$3.97	_____
	HIRED LABOR				\$5,000	\$27.78	_____
	OPERATING COSTS-EQUIP & MACH				\$4,500	\$25.00	_____
	OPERATING COSTS-VEHICLE				\$4,500	\$25.00	_____
	RANCH MAINTENANCE				\$3,500	\$19.44	_____
	MARKETING COST ⁷				\$6,931	\$38.51	_____
	PURCHASED LIVESTOCK				\$14,000	\$77.78	_____
	TOTAL				\$41,981	\$233.23	_____
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	
					\$2,989	HIGH	
						\$16.61	
	TOTAL				\$71,309	\$396.16	_____
					\$205,937	\$1,144.10	_____

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS					
	Taxes & Insurance			\$6,483	\$36.02
	Overhead			\$2,163	\$12.02
	Total			\$8,646	\$48.03
NON CASH COSTS					
	Purchased Livestock			\$17,152	\$95.29
	Machinery & Equipment			\$6,483	\$36.02
	Housing & Improvements			\$55,452	\$308.07
	Interest on Retained Livestock ⁶			\$21,238	\$117.99
	Management & Operation Labor (6% of gross returns)			\$16,635	\$92.42
	Total			\$116,960	\$649.78
TOTAL FIXED COSTS				\$125,606	\$697.81
TOTAL CASH AND VARIABLE COSTS				\$79,955	\$444.20
TOTAL COSTS				\$196,915	\$1,093.97
RETURN ABOVE TOTAL CASH COSTS				\$197,291	\$1,096.06
RETURN ABOVE TOTAL COSTS				\$80,331	\$446.28

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$95.94	\$107.57
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$95.94	\$264.93

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, Roswell, and Belen 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.

**NORTHWEST REGION
MEDIUM 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
4,000	Acres of private land	\$600	5.5%	\$2,400,000	\$2,400,000			
200	AU Values ¹	\$2,400	5.5%	\$480,000	\$480,000			
Sub Totals				\$2,880,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$4,000	5.5%	\$40,000	\$4,000	25	100	\$2,889
3	Wells	\$20,000	5.5%	\$60,000	\$6,000	25	100	\$4,333
40	Miles of Fence	\$16,000	5.5%	\$640,000	\$64,000	25	100	\$46,219
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				\$770,000				\$55,452
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
1	Tractor	\$7,000	4.8%	\$7,000	\$1,400	7	100	\$1,026
1	Gooseneck trailer	\$7,500	4.8%	\$7,500	\$1,500	7	100	\$1,099
1	Horse tack	\$4,000	4.8%	\$4,000	\$800	10	100	\$447
1	Misc. equipment	\$5,500	4.8%	\$5,500	\$1,100	10	100	\$615
Sub Total				\$69,000				\$6,483
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
9	Bulls	\$7,000	4.8%	\$63,000	\$23,940	4	100	\$12,089
40	Cows	\$2,700	4.8%	\$108,000	\$41,040	8	100	\$12,205
71	Total AUys							
Sub Total				\$115,000				\$17,152
Head	Retained Livestock	Price Per Unit	Interest Rate^{2,3}	Price	Salvage/Cull		Interest on Investment	
180	Cows	\$2,700	4.8%	\$486,000	\$184,680		\$18,204	
27	Replacement Heifers	\$3,000	4.8%	\$81,000	\$30,780		\$3,034	
200	Total AUys							
Sub Total				\$567,000	\$215,460		\$21,238	
Total				<u>\$4,401,000</u>			<u>\$83,173</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.