

**CENTRAL MOUNTAIN REGION
SMALL 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
100	Acres of private land	\$900	3.9%	\$90,000	\$90,000			
34	AU Values ¹	\$3,000	3.9%	\$101,250	\$101,250			
Sub Totals				\$191,250				
Number	Buildings, Improvements	Price Per Unit						
0.5	Miles of pipeline	\$2,000	3.9%	\$1,000	\$100	25	100	\$61
1	Wells	\$13,000	3.9%	\$13,000	\$1,300	25	100	\$792
10	Miles of Fence	\$2,500	3.9%	\$25,000	\$2,500	25	100	\$1,523
1	Corrals/Working Facilities	\$5,000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
Sub Totals				\$54,000				\$3,205
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$40,000	6.0%	\$40,000	\$8,000	7	50	\$3,106
0	3/4 ton pickup 4WD	\$42,000	6.0%	\$0	\$0	7	50	\$0
0	Tractor	\$7,000	6.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$5,500	6.0%	\$5,500	\$1,100	7	100	\$854
1	Horse tack	\$3,500	6.0%	\$3,500	\$700	10	100	\$422
1	Misc. equipment	\$2,000	6.0%	\$2,000	\$400	10	100	\$241
Sub Total				\$51,000				\$4,624
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
3	Horses	\$1,500	6.0%	\$4,500	\$1,710	10	100	\$482
1	Bulls	\$3,000	6.0%	\$3,750	\$1,425	4	100	\$756
5	Total AUUs							
Sub Total				\$8,250				\$1,238
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
25	Cows	\$1,400	6.0%	\$35,000	\$13,300			\$1,656
4	Replacement Heifers	\$1,400	6.0%	\$5,250	\$1,995			\$248
28	Total AUUs							
Sub Total				\$40,250	\$15,295			\$1,904
Total				<u>\$344,750</u>				<u>\$9,734</u>

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

