

**NORTHWEST REGION
MEDIUM COW/CALF BUDGET 2018**

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	VALUE	VALUE PER COW	
						NEW VALUE
STEER CALVES	75	510	\$1.18	\$44,954	\$249.75	_____
HEIFER CALVES	48	485	\$1.23	\$28,455	\$158.09	_____
CULL COWS	27	900	\$0.62	\$15,066	\$83.70	_____
CULL BULLS	1	1200	\$0.74	\$888	\$4.93	_____
FEE HUNTING	1			<u>\$3,500</u>	\$19.44	_____
TOTAL	150			\$92,864	\$515.91	_____

VARIABLE COSTS

		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	
							NEW VALUE
1. FEED COSTS							
	HAY	TON	36.00	\$155.00	\$5,580	\$31.00	_____
	STATE	AUY	45.0%	\$67.20	\$5,443	\$30.24	_____
	FEDERAL LEASE	AUY	35.0%	\$16.20	\$2,916	\$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	5	\$710.00	\$3,550	\$19.72	_____
	PROTEIN SUPP	TON	20	\$355.00	\$7,100	\$39.44	_____
	TOTAL				\$24,589	\$136.61	_____
2. OTHER VARIABLE COSTS							
	VET AND MEDICINE				\$2,835	\$15.75	_____
	LIVESTOCK HAULING				\$714	\$3.97	_____
	HIRE 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	_____
	BEEF CHECKOFF				\$122	\$0.68	_____
	OTHER				<u>\$10,000</u>	<u>\$55.56</u>	_____
	TOTAL				\$31,172	\$173.18	_____
3. INTEREST ON VARIABLE COSTS							
	SUM OF VARIABLE COSTS X MONTHS BORROWED						
	X INTEREST RATE PER MONTH						
	ANNUAL INTEREST RATE				5.50%		
	NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
						HIGH	
					\$1,533	\$8.52	_____
	TOTAL				\$57,294	\$318.30	_____
					\$35,569	\$197.61	_____

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS					
	Taxes & Insurance			\$6,241	\$34.67
	Overhead			<u>\$2,163</u>	<u>\$12.02</u>
	Total			\$8,404	\$46.69
NON CASH COSTS					
	Purchased Livestock			\$5,902	\$32.79
	Machinery & Equipment			\$6,241	\$34.67
	Housing & Improvements			\$27,239	\$151.33
	Interest on Retained Livestock ⁶			\$9,539	\$52.99
	Management & Operation Labor (6% of gross returns)			<u>\$5,572</u>	<u>\$30.95</u>
	Total			\$54,492	\$302.73
TOTAL FIXED COSTS				\$62,896	\$349.42
TOTAL CASH AND VARIABLE COSTS				\$65,698	\$364.99
TOTAL COSTS				\$120,190	\$667.72
RETURN ABOVE TOTAL CASH COSTS				\$27,166	\$150.92
RETURN ABOVE TOTAL COSTS				(\$27,326)	(\$151.81)

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$77.08	\$88.39
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$77.08	\$161.71

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 2018 prices from Cattle Fax, Doanes reports for New Mexico feeder cattle cash 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.