

**SOUTHWEST REGION
SMALL COW/CALF BUDGET 2015**

BREED HERD SIZE	64	COW to BULL	15	CALF CROP PERCENT ¹	85%
CULL RATE	15%			REPLACEMENT HEIFER'S KEPT	9.6

VALUE OF PRODUCTION

ANIMALS SOLD	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	27	500	\$2.40	\$32,640	\$510.00	_____
HEIFER CALVES	18	475	\$2.32	\$19,395	\$303.05	_____
CULL COWS	10	900	\$0.86	\$7,430	\$116.10	_____
CULL BULLS	1	1200	\$0.96	\$1,152	\$18.00	_____
TOTAL	55			\$60,618	\$947.15	_____

VARIABLE COSTS

1. FEED COSTS	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
HAY	TON	7.00	\$175	\$1,225	\$19.14	_____
STATE	AUY	25.0%	\$38.04	\$609	\$9.51	_____
FEDERAL LEASE	AUY	65.0%	\$20.88	\$1,336	\$20.88	_____
PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	2	\$700	\$1,635	\$25.55	_____
PROTEIN SUPP	TON	6	\$300	\$1,920	\$30.00	_____
TOTAL				\$6,725	\$105.08	_____
2. OTHER VARIABLE COSTS				COST		
VET AND MEDICINE				\$1,038	\$16.23	_____
LIVESTOCK HAULING				\$294	\$4.60	_____
HIRED LABOR				\$2,000	\$31.25	_____
OPERATING COSTS-EQUIP & MACH				\$1,500	\$23.44	_____
OPERATING COSTS-VEHICLE				\$3,500	\$54.69	_____
RANCH MAINTENANCE				\$3,000	\$46.88	_____
BEEF CHECKOFF				\$45	\$0.70	_____
OTHER				\$8,000	\$125.00	_____
TOTAL				\$19,377	\$302.77	_____
3. INTEREST ON VARIABLE COSTS						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				6.0%		
NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
				\$783	\$12.24	_____
TOTAL				\$26,886	\$420.09	_____
TOTAL				\$33,732	\$527.06	_____

OWNERSHIP COSTS

CASH COSTS	Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
Taxes & Insurance		\$4,756	\$74.31	_____
Overhead		\$1,000	\$15.63	_____
Total		\$5,756	\$89.93	_____
NON CASH COSTS				
Purchased Livestock		\$3,614	\$56.47	_____
Machinery & Equipment		\$4,756	\$74.31	_____
Housing & Improvements		\$9,544	\$149.12	_____
Interest on Retained Livestock ⁶		\$5,743	\$89.74	_____
Management & Operation Labor (6% of gross returns)		\$3,637	\$56.83	_____
Total		\$27,295	\$426.48	_____
TOTAL FIXED COSTS		\$33,050	\$516.41	_____
TOTAL CASH AND VARIABLE COSTS		\$32,641	\$510.02	_____
TOTAL COSTS		\$69,936	\$936.50	_____
RETURN ABOVE TOTAL CASH COSTS		\$27,976	\$437.13	_____
RETURN ABOVE TOTAL COSTS		\$682	\$10.65	_____

BREAKEVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVERAGE CALF PRICES CASH COST (cwt)	\$101.38	\$123.08
REQUIRED AVERAGE CALF PRICES TOTAL COSTS(cwt)	\$101.38	\$226.00

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 2015 price projections 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.