

**SOUTHEAST REGION
EX-LARGE COW/CALF BUDGET 2015**

		BREED HERD SIZE CULL RATE	468 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	85% 70.125
VALUE OF PRODUCTION							
		<u>QUANTITY</u>		<u>WEIGHT</u>	<u>PRICE²</u>	<u>VALUE</u>	<u>VALUE PER COW</u> <u>NEW VALUE</u>
STEER CALVES		199		510	\$2.40	\$243,194	\$520.20
HEIFER CALVES		129		485	\$2.32	\$144,659	\$309.43
CULL COWS		70		900	\$0.86	\$54,277	\$116.10
CULL BULLS		1		1200	\$0.96	\$1,152	\$2.46
FEE HUNTING		1				\$6,000	\$12.83
TOTAL		398				\$443,281	\$948.19
VARIABLE COSTS							
1. FEED COSTS		<u>UNITS</u>	<u>QUANTITY/PERCENT</u>		<u>PRICE</u>	<u>COST</u>	<u>VALUE PER COW</u> <u>NEW VALUE</u>
	HAY	TON	33.00		\$175	\$5,775	\$12.35
	STATE	AUY	45.0%		\$38.04	\$8,003	\$17.12
	FEDERAL LEASE	AUY	25.0%		\$20.88	\$9,761	\$20.88
	PRIVATE(Owned)	AUY	30.0%		\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%		\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	17		\$700	\$11,945	\$25.55
	PROTEIN SUPP	TON	47		\$300	\$14,025	\$30.00
	TOTAL					\$49,509	\$105.90
2. OTHER VARIABLE COSTS						<u>COST</u>	<u>VALUE PER COW</u> <u>NEW VALUE</u>
	VET AND MEDICINE					\$7,585	\$16.23
	LIVESTOCK HAULING					\$2,115	\$4.52
	HIRED LABOR					\$31,000	\$66.31
	OPERATING COSTS-EQUIP & MACH					\$7,000	\$14.97
	OPERATING COSTS-VEHICLE					\$9,000	\$19.25
	RANCH MAINTENANCE					\$10,000	\$21.39
	BEEF CHECKOFF					\$327	\$0.70
	LIVESTOCK PURCHASES					\$25,000	\$53.48
	TOTAL					\$92,028	\$196.85
3. INTEREST ON VARIABLE COSTS							<u>VALUE PER COW</u>
	SUM OF VARIABLE COSTS X MONTHS BORROWED						
	X INTEREST RATE PER MONTH						
	ANNUAL INTEREST RATE					6.00%	
	NUMBER OF MONTHS BORROWED					6	
						\$4,246	\$9.08
	TOTAL					\$145,783	\$311.83
	TOTAL					\$297,498	\$636.36
OWNERSHIP COSTS							
	Annual Capital Recovery ⁴ (At Replacement Value):					Represents 65% Asset Ownership ⁵	<u>VALUE PER COW</u> <u>NEW VALUE</u>
CASH COSTS							
	Taxes & Insurance					\$14,562	\$31.15
	Overhead					\$5,000	\$10.70
	Total					\$19,562	\$41.84
NON CASH COSTS							
	Purchased Livestock					\$18,711	\$40.02
	Machinery & Equipment					\$14,562	\$31.15
	Housing & Improvements					\$35,754	\$76.48
	Interest on Retained Livestock ⁶					\$41,953	\$89.74
	Management & Operation Labor (6% of gross returns)					\$26,597	\$56.89
	Total					\$137,577	\$294.28
TOTAL FIXED COSTS						\$157,139	\$336.13
TOTAL CASH AND VARIABLE COSTS						\$165,345	\$353.68
TOTAL COSTS						\$302,922	\$647.96
RETURN ABOVE TOTAL CASH COSTS						\$277,936	\$594.52
RETURN ABOVE TOTAL COSTS						\$140,359	\$300.23
BREAKEVEN CALCULATIONS							
		VARIABLE COSTS	TOTAL COSTS				
	REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$73.74	\$83.64				
	REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$73.74	\$153.23				

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.