

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

BREED HERD SIZE 180 COW to BULL 20 CALF CROP PERCENT¹ 85%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 27

VALUE OF PRODUCTION				VALUE PER COW	
	QUANTITY	WEIGHT	PRICE ²	VALUE	NEW VALUE
STEER CALVES	77	510	\$1.50	\$58,523	\$325.13
HEIFER CALVES	50	485	\$1.45	\$34,811	\$193.39
CULL COWS	27	900	\$0.50	\$12,150	\$67.50
CULL BULLS	1	1200	\$0.62	\$744	\$4.13
FEE HUNTING	1			<u>\$3,500</u>	\$19.44
TOTAL	154			\$109,727	\$609.60

VARIABLE COSTS

				VALUE PER COW		
		UNITS	QUANTITY/PERCENT	PRICE	COST	NEW VALUE
1. FEED COSTS						
	HAY	TON	36.00	\$160.00	\$5,760	\$32.00
	STATE	AUY	45.0%	\$38.04	\$3,081	\$17.12
	FEDERAL LEASE	AUY	35.0%	\$20.88	\$3,758	\$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	7	\$690.00	\$4,533	\$25.19
	PROTEIN SUPP	TON	25	\$340.00	\$8,568	\$47.60
	TOTAL				\$25,701	\$142.78

2. OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$2,874	\$15.97
	LIVESTOCK HAULING				\$697	\$3.87
	HIRED LABOR				\$5,000	\$27.78
	OPERATING COSTS-EQUIP & MACH				\$4,120	\$22.89
	OPERATING COSTS-VEHICLE				\$5,150	\$28.61
	RANCH MAINTENANCE				\$4,500	\$25.00
	BEEF CHECKOFF				\$126	\$0.70
	OTHER				<u>\$9,000</u>	<u>\$50.00</u>
	TOTAL				\$31,467	\$174.82

3. INTEREST ON VARIABLE COSTS						
	SUM OF VARIABLE COSTS X MONTHS BORROWED					
	X INTEREST RATE PER MONTH					
	ANNUAL INTEREST RATE			6.50%		
	NUMBER OF MONTHS BORROWED			6		VALUE PER COW
						HIGH
					\$1,858	\$10.32
	TOTAL				\$59,026	\$327.92
					\$50,701	\$281.67

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Value):	Represents 65% Asset Ownership ⁵ VALUE PER COW NEW VALUE	
CASH COSTS				
	Taxes & Insurance		\$6,029	\$33.49
	Overhead		\$2,163	\$12.02
	Total		<u>\$8,192</u>	<u>\$45.51</u>
NON CASH COSTS				
	Purchased Livestock		\$5,902	\$32.79
	Machinery & Equipment		\$6,029	\$33.49
	Housing & Improvements		\$14,355	\$79.75
	Interest on Retained Livestock ⁶		\$11,497	\$63.87
	Management & Operation Labor (6% of gross returns)		<u>\$6,584</u>	<u>\$36.58</u>
	Total		<u>\$44,367</u>	<u>\$246.48</u>

TOTAL FIXED COSTS	\$52,559	\$291.99
TOTAL CASH AND VARIABLE COSTS	\$67,218	\$373.43
TOTAL COSTS	\$111,585	\$619.91
RETURN ABOVE TOTAL CASH COSTS	\$42,510	\$236.17
RETURN ABOVE TOTAL COSTS	(\$1,857)	(\$10.32)

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$77.55	\$88.31
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$77.55	\$146.60

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 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.