

**SOUTHEAST REGION  
EX-LARGE COW/CALF BUDGET 2018**

BREED HERD SIZE 495 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 85%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 74.25

VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	210	510	\$1.50	\$160,937	\$325.13	_____
HEIFER CALVES	136	485	\$1.45	\$95,730	\$193.39	_____
CULL COWS	74	900	\$0.50	\$33,413	\$67.50	_____
CULL BULLS	1	1200	\$0.62	\$744	\$1.50	_____
FEE HUNTING	1			<u>\$6,000</u>	<u>\$12.12</u>	_____
<b>TOTAL</b>	<b>422</b>			<b>\$290,823</b>	<b>\$587.52</b>	_____

VARIABLE COSTS						
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
<b>1. FEED COSTS</b>						
HAY	TON	33.00	\$160	\$5,280	\$10.67	_____
STATE	AUY	45.0%	\$38.04	\$8,473	\$17.12	_____
FEDERAL LEASE	AUY	25.0%	\$20.88	\$10,336	\$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	18	\$690	\$12,467	\$25.19	_____
PROTEIN SUPP	TON	50	\$340	\$16,830	\$34.00	_____
<b>TOTAL</b>				<b>\$53,386</b>	<b>\$107.85</b>	_____
<b>2. OTHER VARIABLE COSTS</b>						
VET AND MEDICINE				\$6,733	\$13.60	_____
LIVESTOCK HAULING				\$1,955	\$3.95	_____
HIRED LABOR				\$25,000	\$50.51	_____
OPERATING COSTS-EQUIP & MACH				\$7,210	\$14.57	_____
OPERATING COSTS-VEHICLE				\$7,725	\$15.61	_____
RANCH MAINTENANCE				\$5,150	\$10.40	_____
BEEF CHECKOFF				\$347	\$0.70	_____
LIVESTOCK PURCHASES				<u>\$15,000</u>	<u>\$30.30</u>	_____
<b>TOTAL</b>				<b>\$69,120</b>	<b>\$139.64</b>	_____
<b>3. INTEREST ON VARIABLE COSTS</b>						
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	
				\$3,981	\$8.04	_____
<b>TOTAL</b>				<b>\$126,487</b>	<b>\$255.53</b>	_____
<b>TOTAL</b>				<b>\$164,337</b>	<b>\$331.99</b>	_____

OWNERSHIP COSTS						
	Annual Capital Recovery <sup>4</sup> (At Replacement Value):	Represents 65% Asset Ownership <sup>5</sup>	VALUE PER COW	NEW VALUE		
<b>CASH COSTS</b>						
Taxes & Insurance			\$14,562	\$29.42	_____	
Overhead			\$5,000	\$10.10	_____	
<b>Total</b>			<b>\$19,562</b>	<b>\$39.52</b>	_____	
<b>NON CASH COSTS</b>						
Purchased Livestock			\$15,130	\$30.57	_____	
Machinery & Equipment			\$14,562	\$29.42	_____	
Housing & Improvements			\$35,754	\$72.23	_____	
Interest on Retained Livestock <sup>6</sup>			\$31,618	\$63.87	_____	
Management & Operation Labor ( 6% of gross returns)			\$17,449	\$35.25	_____	
<b>Total</b>			<b>\$114,514</b>	<b>\$231.34</b>	_____	
<b>TOTAL FIXED COSTS</b>			<b>\$134,076</b>	<b>\$270.86</b>	_____	
<b>TOTAL CASH AND VARIABLE COSTS</b>			<b>\$146,049</b>	<b>\$295.05</b>	_____	
<b>TOTAL COSTS</b>			<b>\$260,562</b>	<b>\$526.39</b>	_____	
<b>RETURN ABOVE TOTAL CASH COSTS</b>			<b>\$144,775</b>	<b>\$292.47</b>	_____	
<b>RETURN ABOVE TOTAL COSTS</b>			<b>\$30,261</b>	<b>\$61.13</b>	_____	

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$60.43	\$69.77
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$60.43	\$124.48

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.