

**SOUTHWEST REGION
LARGE RANCH INVESTMENTS**

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
6,000	Acres of private land	\$75	3.9%	\$450,000	\$450,000			
315	AU Values ¹	\$2,400	3.9%	\$756,000	\$756,000			
Sub Totals				\$1,206,000				
Number	Buildings, Improvements	Price Per Unit						
18	Miles of pipeline	\$2,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
6	Wells	\$12,000	3.9%	\$72,000	\$7,200	25	100	\$4,385
100	Miles of Fence	\$2,000	3.9%	\$200,000	\$20,000	25	100	\$12,181
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
Sub Totals				\$333,000				\$20,141
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$42,000	4.0%	\$84,000	\$16,800	7	50	\$5,934
1	1 ton pickup 4WD	\$45,000	4.0%	\$45,000	\$9,000	7	50	\$3,179
1	Tractor	\$5,000	4.0%	\$5,000	\$1,000	7	100	\$706
3	Gooseneck trailer	\$7,000	4.0%	\$21,000	\$4,200	7	100	\$2,967
1	Horse tack	\$8,000	4.0%	\$8,000	\$1,600	10	100	\$853
1	Misc. equipment	\$6,500	4.0%	\$6,500	\$1,300	10	100	\$693
Sub Total				\$169,500				\$14,333
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
8	Horses	\$1,500	4.0%	\$12,000	\$4,560	10	100	\$1,100
21	Bulls	\$3,000	4.0%	\$63,000	\$23,940	4	100	\$11,718
34	Cows	\$1,800	4.0%	\$61,200	\$23,256	8	100	\$6,566
79	Total AUYS							
Sub Total				\$75,000				\$12,818
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
315	Cows	\$1,800	4.0%	\$567,000	\$215,460			\$17,885
47	Replacement Heifers	\$1,500	4.0%	\$70,875	\$26,933			\$2,236
350	Total AUYS							
Sub Total				\$637,875	\$242,393			\$20,120
Total				<u>\$2,421,375</u>				<u>\$54,594</u>

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.