Net Returns for Each Arizona Ranching Region (High Revenue and High Cost) Units \$/Cow

			Central	Western	Southeastern
	Strip	Plateau	Mountains	Desert	Desert
Revenues	\$312.74	\$331.80	\$265.14	\$276.15	\$274.26
Feed Cost	\$132.91	\$72.50	\$35.49	\$41.31	\$55.78
Total VC	\$309.49	\$209.05	\$144.05	\$159.65	\$124.80
Cash Ownership Cost	\$21.28	\$172.09	\$41.78	\$87.84	\$22.12
Total Ownership Cost	\$172.01	\$481.23	\$184.63	\$308.37	\$207.55
Returns Above Cash Cost	(\$18.03)	(\$49.34)	\$79.31	\$28.66	\$127.34
Returns Above Total Cost	(\$168.76)	(\$358.48)	(\$63.54)	(\$191.87)	(\$58.09)

Table 2.

Table 3.

Table 4.

Net Returns for Each Arizona Ranching Region (Low Revenue and Low Cost) Units \$/Cow

		Central		Western	Southeastern
	Strip	Plateau	Mountains	Desert	Desert
Revenues	\$223.62	\$236.86	\$190.29	\$197.41	\$196.85
Feed Cost	\$104.41	\$50.39	\$31.18	\$34.60	\$40.36
Total VC	\$234.18	\$151.58	\$113.75	\$124.57	\$77.79
Cash Ownership Cost	\$13.83	\$111.86	\$27.16	\$57.09	\$14.38
Total Ownership Cost	\$111.04	\$313.13	\$119.88	\$200.27	\$136.23
Returns Above Cash Cost	(\$24.39)	(\$26.58)	\$49.38	\$15.75	\$104.68
Returns Above Total Cost	(\$121.60)	(\$227.85)	(\$43.34)	(\$127.43)	(\$17.17)

Net Returns for Each Arizona Ranching Region (High Revenue and Low Cost) Units \$/Cow

			Central	Western	Southeastern
	Strip	Plateau	Mountains	Desert	Desert
Revenues	\$312.74	\$331.80	\$265.14	\$276.15	\$274.26
Feed Cost	\$104.41	\$50.39	\$31.18	\$34.60	\$40.36
Total VC	\$234.18	\$151.58	\$113.75	\$124.57	\$77.79
Cash Ownership Cost	\$13.83	\$111.86	\$27.16	\$57.09	\$14.38
Total Ownership Cost	\$111.04	\$313.13	\$119.88	\$200.27	\$136.23
Returns Above Cash Cost	\$64.73	\$68.36	\$124.23	\$94.49	\$182.09
Returns Above Total Cost	(\$32.48)	(\$132.91)	\$31.51	(\$48.69)	\$60.24

NORTHWEST REGION EX-LARGE COW/CALF BUDGET 2014

	BREED HERD SIZE CULL RATE	425 15%	COW TO BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	83 9 63.7	
	VA	LUE OF PROD	DUCTION			VALUE PER CO	w
		QUANTITY	WEIGHT	PRICE ²	VALUE		NEW VALUE
STEER CALVES		176	510	\$1.45	\$130,429	\$306.89	
HEIFER CALVES		113	485	\$1.37	\$74,834	\$176.08	
CULL COWS		64	900	\$0.72	\$41,310	\$97.20	
CULL BULLS FEE HUNTING		1 1	1200	\$0.82	\$984 \$12,500	\$2.32 \$29.41	
VARIABLE COSTS	TOTAL	354			\$260,057	\$611.90	
						VALUE PER CO	W
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST		NEW VALUE
	HAY	TON	30.00	\$235	\$7,050	\$16.59	
	STATE	AUY	45.0%	\$43.32	\$8,285	\$19.49	
	FEDERAL LEASE	AUY	35.0%	\$21.60	\$3,213	\$7.56	
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
	SALT & MINERAL	TON	16	\$325	\$5,042	\$11.86	
	PROTEIN SUPP	TON	60	\$525	\$31,238	\$73.50	
	TOTAL				\$54,827	\$129.00	
2. OTHER VARIABLE COSTS					COST		
2. OTHER VARIABLE COSTS						¢45.04	
	VET AND MEDICINE LIVESTOCK HAULING				\$6,720	\$15.81	
					\$1,831	\$4.31	
	HIRED LABOR				\$32,000	\$75.29	
	OPERATING COSTS-EQUIP				\$5,200	\$12.24	
	OPERATING COSTS-VEHICL	E			\$7,500	\$17.65	
	RANCH MAINTENANCE				\$8,000	\$18.82	
	BEEF CHECKOFF				\$289	\$0.68	
	OTHER				<u>\$22,000</u>	<u>\$51.76</u>	
	TOTAL				\$83,540	\$196.56	
3. INTEREST ON VARIABLE C	OSTS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	ITH	RROWED		6.00% 6	VALUE PER CO	w
					\$4,151	\$9.77	
					\$142,518	\$335.34	
	TOTAL				\$117,539	\$276.56	
OWNERSHIP COSTS	Annual Conital Decours 4 (A	Dealessant	Mahaa)		Democrate CEQ(Accest Queenship5		
CASH COSTS	Annual Capital Recovery ⁴ (A	t Replacement	valve):		Represents 65% Asset Ownership ⁵	VALUE PER CU	W NEW VALUE
Taxes & Insurance Overhead					\$16,349 \$3,500	\$38.47 \$8.24	
Total					\$19,849	\$46.70	
NON CASH COSTS							
Purchased Livestock					\$17,091	\$40.21	
Machinery & Equipment					\$16,349	\$38.47	
Housing & Improvement	S				\$33,180	\$78.07	
Interest on Retained Live	estock ⁶				\$30,062	\$70.73	
	n Labor (6% of gross returns)				\$15,603	\$36.71	
Total					\$112,285	\$264.20	
TOTAL FIXED COSTS					\$132,134	\$310.90	
TOTAL CASH AND VARIABLE	COSTS				\$152,154	\$382.04	
TOTAL COSTS					\$274,652	\$582.04 \$646.24	
RETURN ABOVE TOTAL CASH	COSTS				\$274,052 \$97,690	\$040.24 \$229.86	
RETURN ABOVE TOTAL CASH					\$97,690 (\$14,595)	\$229.86 (\$34.34)	
BREAKEVEN CALCULATIONS					(\$14,030)	(404.04)	
	Г	VARIABLE	TOTAL				
	L	COSTS	COSTS				
	F PRICES CASH COST (cwt)	\$81.21	\$92.52				
	PRICES TOTAL COSTS(cwt)	\$81.21	\$156 50				

REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) \$81.21 \$156.50

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 2014 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.

NORTHWEST MOUNTAIN REGION EXTRA-LARGE RANCH INVESTMENTS

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
8,000	Acres of private land	\$80	3.9%	\$640,000	\$640,000			
500	AU Values ¹	\$2,400	3.9%	\$1,200,000	\$1,200,000			
			Sub Totals	\$1,840,000				
Number	Buildings, Improvements	Price Per Unit						
18	Miles of pipeline	\$2,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
7	Wells	\$11,000	3.9%	\$77,000	\$7,700	25	100	\$4,690
100	Miles of Fence	\$4,000	3.9%	\$400,000	\$40,000	25	100	\$24,361
2	Corrals/Working Facilities	\$10,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Sub Totals	\$548,000				\$33,180
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$42,000	6.0%	\$84,000	\$16,800	7	50	\$6,523
1	1 ton pickup 4WD	\$45,000	6.0%	\$45,000	\$9,000	7	50	\$3,494
1	Tractor	\$7,000	6.0%	\$7,000	\$1,400	7	100	\$1,087
3	Gooseneck trailer	\$7,500	6.0%	\$22,500	\$4,500	7	100	\$3,494
1	Horse tack	\$6,500	6.0%	\$6,500	\$1,300	10	100	\$785
1	Misc. equipment	\$8,000	6.0%	\$8,000	\$1,600	10	100	\$966
			Sub Total	\$173,000				\$16,349
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
13	Horses	\$1,500	6.0%	\$19,500	\$7,410	10	100	\$2,087
21	Bulls	\$3,500	6.0%	\$74,375	\$28,263	4	100	\$15,003
100	Cows	\$1,300	6.0%	\$130,000	\$49,400	8	100	\$15,943
168	Total AUYs							
			Sub Total	\$93,875				\$17,091
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
425	Cows	\$1,300	6.0%	\$552,500	\$209,950			\$26,141
64	Replacement Heifers	\$1,300	6.0%	\$82,875	\$31,493			\$3,921
473	Total AUYs		0.1 T / I	* ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	AO 44 440			* 22,222
			Sub Total	\$635,375	\$241,443			\$30,062
			Total	\$3,290,250	-			\$79,591

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.