

**NORTHEAST REGION  
EX-LARGE COW/CALF BUDGET 2016**

BREED HERD SIZE 495 COW to BULL 20 CALF CROP PERCENT<sup>1</sup> 85%  
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 74

VALUE OF PRODUCTION				VALUE PER COW		
	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE		NEW VALUE
STEER CALVES	210	550	\$2.15	\$248,768	\$502.56	_____
HEIFER CALVES	136	515	\$2.08	\$145,817	\$294.58	_____
CULL COWS	94	1000	\$0.81	\$76,343	\$154.23	_____
CULL BULLS	1	1200	\$0.92	\$1,104	\$2.23	_____
FEE HUNTING	1			\$12,000	\$24.24	_____
<b>TOTAL</b>	<b>442</b>			<b>\$484,032</b>	<b>\$977.84</b>	_____

VARIABLE COSTS				VALUE PER COW		
	UNITS	QUANTITY/PERCENT	PRICE	COST		NEW VALUE
<b>1. FEED COSTS</b>						
HAY	TON	99.00	\$155	\$15,345	\$31.00	_____
STATE	AUY	30.0%	\$43.32	\$6,433	\$13.00	_____
FEDERAL LEASE	AUY	7.0%	\$20.88	\$10,336	\$20.88	_____
PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0	\$0.00	_____
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
SALT & MINERAL	TON	18	\$710	\$12,828	\$25.92	_____
PROTEIN SUPP	TON	93	\$315	\$29,236	\$59.06	_____
OTHER		0.00	\$0	\$0	\$0.00	_____
<b>TOTAL</b>				<b>\$74,177</b>	<b>\$149.85</b>	_____

<b>2. OTHER VARIABLE COSTS</b>						
VET AND MEDICINE				\$8,236	\$16.64	_____
LIVESTOCK HAULING				\$2,405	\$4.86	_____
HIRED LABOR				\$32,000	\$64.65	_____
OPERATING COSTS-EQUIP & MACH				\$3,500	\$7.07	_____
OPERATING COSTS-VEHICLE				\$12,000	\$24.24	_____
RANCH MAINTENANCE				\$12,000	\$24.24	_____
BEEF CHECKOFF				\$347	\$0.70	_____
LIVESTOCK PURCHASES				\$30,000	\$60.61	_____
<b>TOTAL</b>				<b>\$100,487</b>	<b>\$203.00</b>	_____

<b>3. INTEREST ON VARIABLE COSTS</b>						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.00%		
NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
				\$6,113	\$12.35	_____
<b>TOTAL</b>				<b>\$180,778</b>	<b>\$365.21</b>	_____
<b>TOTAL</b>				<b>\$303,254</b>	<b>\$612.63</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			\$14,987	\$30.28	_____
Overhead			\$5,000	\$10.10	_____
<b>Total</b>			<b>\$19,987</b>	<b>\$40.38</b>	_____
<b>NON CASH COSTS</b>					
Purchased Livestock			\$19,844	\$40.09	_____
Machinery & Equipment			\$14,987	\$30.28	_____
Housing & Improvements			\$34,724	\$70.15	_____
Interest on Retained Livestock <sup>6</sup>			\$44,421	\$89.74	_____
Management & Operation Labor ( 6% of gross returns)			\$18,195	\$36.76	_____
<b>Total</b>			<b>\$132,171</b>	<b>\$267.01</b>	_____
<b>TOTAL FIXED COSTS</b>			<b>\$152,158</b>	<b>\$307.39</b>	_____
<b>TOTAL CASH AND VARIABLE COSTS</b>			<b>\$200,765</b>	<b>\$405.59</b>	_____
<b>TOTAL COSTS</b>			<b>\$332,937</b>	<b>\$672.60</b>	_____
<b>RETURN ABOVE TOTAL CASH COSTS</b>			<b>\$283,267</b>	<b>\$572.26</b>	_____
<b>RETURN ABOVE TOTAL COSTS</b>			<b>\$151,095</b>	<b>\$305.24</b>	_____

BREAKEVEN CALCULATIONS		
	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$80.69	\$89.61
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$80.69	\$148.60

**NORTHEAST REGION  
EXTRA-LARGE RANCH INVESTMENTS**

<b>Number</b>	<b>Land Values</b>	<b>Price Per Unit</b>	<b>10 Yr Avg Rate of Return</b>	<b>Purchase Price</b>	<b>Salvage/Cull Value</b>	<b>Useful Life</b>	<b>Livestock Share</b>	<b>Annual Capital Recovery</b>
15,000	Acres of private land	\$200	3.9%	\$3,000,000	\$3,000,000			
500	AU Values <sup>1</sup>	\$2,500	3.9%	\$1,250,000	\$1,250,000			
<b>Sub Totals</b>				\$4,250,000				
<b>Number</b>	<b>Buildings, Improvements</b>	<b>Price Per Unit</b>						
16	Miles of pipeline	\$2,000	3.9%	\$32,000	\$3,200	25	100	\$1,949
10	Wells	\$12,000	3.9%	\$120,000	\$12,000	25	100	\$7,308
95	Miles of Fence	\$4,000	3.9%	\$380,000	\$38,000	25	100	\$23,143
2	Corrals/Working Facilities	\$12,000	3.9%	\$24,000	\$2,400	30	100	\$1,328
1	Barns & Shop	\$18,000	3.9%	\$18,000	\$1,800	30	100	\$996
<b>Sub Totals</b>				\$574,000				\$34,724
<b>Number</b>	<b>Machinery &amp; Vehicles</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
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	\$7,000	4.0%	\$7,000	\$1,400	7	100	\$989
3	Gooseneck trailer	\$7,500	4.0%	\$22,500	\$4,500	7	100	\$3,179
1	Horse tack	\$6,000	4.0%	\$6,000	\$1,200	10	100	\$640
1	Misc. equipment	\$10,000	4.0%	\$10,000	\$2,000	10	100	\$1,066
<b>Sub Total</b>				\$174,500				\$14,987
<b>Head</b>	<b>Purchased Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate<sup>3</sup></b>	<b>Price</b>	<b>Salvage/Cull</b>			
13	Horses	\$1,200	4.0%	\$15,600	\$5,928	10	100	\$1,430
25	Bulls	\$4,000	4.0%	\$99,000	\$37,620	4	100	\$18,414
90	Cows	\$2,500	4.0%	\$225,000	\$85,500	8	100	\$24,140
<b>160</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				\$114,600				\$19,844
<b>Head</b>	<b>Retained Livestock</b>	<b>Price Per Unit</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Salvage/Cull</b>			<b>Interest on Investment</b>
495	Cows	\$2,500	4.0%	\$1,237,500	\$470,250			\$39,034
74	Replacement Heifers	\$2,300	4.0%	\$170,775	\$64,895			\$5,387
<b>551</b>	<b>Total AUYS</b>							
<b>Sub Total</b>				\$1,408,275	\$535,145			\$44,421
<b>Total</b>				<u>\$6,521,375</u>				<u>\$94,132</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.