## **SOUTHWEST REGION MEDIUM COW/CALF BUDGET 2019**

	BREED HERD SIZE CULL RATE	180 15%	COW to BULL	15	CALF CROP PERCENT1 REPLACEMENT HEIFER'S KEPT	<b>85%</b> 27	
	,	VALUE OF PROD	UCTION			VALUE PER COW	
		QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE		NEW VALUE
TEER CALVES		77	500	\$1.65	\$63,113	\$350.63	
IEIFER CALVES		50	475	\$1.60	\$37,620	\$209.00	
CULL COWS		27	900	\$0.78	\$18,954	\$105.30	
CULL BULLS		<u>1</u>	1200	\$0.84	<u>\$1,008</u>	<u>\$5.60</u>	
	TOTAL	154			\$120,695	\$670.53	
ARIABLE COSTS	TOTAL				Ψ120,000	ψ010.00	
						VALUE PER COW	
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST		NEW VALUE
	HAY	TON	18.00	\$160	\$2,880	\$16.00	
	STATE	AUY	30.0%	\$33.48	\$1,808	\$10.04	
	FEDERAL LEASE	AUY	60.0%	\$17.52	\$3,154	\$17.52	
	PRIVATE(Owned)	AUY	10.0%	\$0.00	\$0	\$0.00	
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
	SALT & MINERAL	TON	7	\$710	\$4,665	\$25.92	
	PROTEIN SUPP	TON	14	\$355	\$4,793	\$26.63	
					<b>*</b> 4 = 000	***	
	TOTAL				\$17,299	\$96.10	
. OTHER VARIABLE CO	OSTS				COST		
	VET AND MEDICINE				\$2,387	\$13.26	
	LIVESTOCK HAULING				\$732	\$4.06	
	HIRED LABOR				\$7,500	\$41.67	
	<b>OPERATING COSTS-EQUIP &amp; MACH</b>	I			\$3,500	\$19.44	
	OPERATING COSTS-VEHICLE	-			\$4,500	\$25.00	
	RANCH MAINTENANCE				\$7,500	\$41.67	
	BEEF CHECKOFF				\$126	\$0.70	
	PURCHASED LIVESTOCK				\$8,000	\$44.44	
					φ0,000	<del>Ψ44.44</del>	
	TOTAL				\$34,245	\$190.25	
3. INTEREST ON VARIA		HS BORROWED					
3. INTEREST ON VARIA	ABLE COSTS SUM OF VARIABLE COSTS X MONT	HS BORROWED					
i. Interest on Varia	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	HS BORROWED			\$34,245 <b>6.50</b> %	\$190.25	
. INTEREST ON VARIA	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	HS BORROWED			\$34,245 6.50% 6	\$190.25	
. INTEREST ON VARIA	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	HS BORROWED			\$34,245 6.50% 6 \$1,675	\$190.25 VALUE PER COW \$9.31	
	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED				\$34,245 <b>6.50% 6</b> \$1,675  \$53,218  \$67,476	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87	
DWNERSHIP COSTS	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED				\$34,245 6.50% 6 \$1,675 \$53,218	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87	NEW VALUE
DWNERSHIP COSTS  ASH COSTS  axes & Insurance	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED				\$34,245 6.50% 6 \$1,675 \$53,218 \$67,476 Represents 65% Asset Ownership5 \$9,456	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53	NEW VALUE
OWNERSHIP COSTS  ASH COSTS  axes & Insurance  overhead	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11	NEW VALUE
DWNERSHIP COSTS  CASH COSTS Caxes & Insurance Overhead Total	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED				\$34,245 6.50% 6 \$1,675 \$53,218 \$67,476 Represents 65% Asset Ownership5 \$9,456	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53	NEW VALUE
OWNERSHIP COSTS  CASH COSTS  Faxes & Insurance Overhead  Total  ION CASH COSTS	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED				\$34,245 6.50% 6 \$1,675 \$53,218 \$67,476 Represents 65% Asset Ownership5 \$9,456 \$2,000 \$11,456	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64	NEW VALUE
OWNERSHIP COSTS CASH COSTS axes & Insurance Overhead Total ION CASH COSTS Ourchased Livestock	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla				\$34,245 6.50% 6 \$1,675 \$53,218 \$67,476 Represents 65% Asset Ownership5 \$9,456 \$2,000 \$11,456 \$4,904	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87   VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24	NEW VALUE
OWNERSHIP COSTS  CASH COSTS  CASES & Insurance  Overhead  Total  ION CASH COSTS  Curchased Livestock  flachinery & Equipment	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla				\$34,245 6.50% 6 \$1,675 \$53,218 \$67,476 Represents 65% Asset Ownership5 \$9,456 \$2,000 \$11,456 \$4,904 \$9,456	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  axes & Insurance  Overhead  Total  ON CASH COSTS  Ourchased Livestock  flachinery & Equipment  flousing & Improvemen	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla				\$34,245 6.50% 6 \$1,675 \$53,218 \$67,476 Represents 65% Asset Ownership5 \$9,456 \$2,000 \$11,456 \$4,904 \$9,456 \$20,418	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43	NEW VALUE
OWNERSHIP COSTS  ASH COSTS axes & Insurance Iverhead Total ION CASH COSTS 'urchased Livestock fachinery & Equipment lousing & Improvemen	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000 \$11,456  \$4,904 \$9,456 \$20,418 \$9,539	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99	NEW VALUE
OWNERSHIP COSTS  CASH COSTS CASH COSTS COS	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000 \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  CASE & Insurance  Dverhead  Total  ION CASH COSTS  Furchased Livestock  flachinery & Equipment  flousing & Improvement  terest on Retained Liv  flanagement & Operation  Total	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000 \$11,456  \$4,904 \$9,456 \$20,418 \$9,539	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  CASE & Insurance  Dverhead  Total  ION CASH COSTS  Purchased Livestock  flachinery & Equipment  lousing & Improvemen  terest on Retained Liv  flanagement & Operatio  Total  OTAL FIXED COSTS	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla  t tsts /estock6 on Labor ( 6% of gross returns)				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000  \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242 \$51,558	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23  \$286.43	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  Faxes & Insurance  Dverhead  Total  NON CASH COSTS  Purchased Livestock  Machinery & Equipment Housing & Improvemen nterest on Retained Liv  Management & Operatio  Total  FOTAL FIXED COSTS	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla  t tsts /estock6 on Labor ( 6% of gross returns)				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000  \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242 \$51,558 \$63,013	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23  \$286.43  \$350.07	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  Faxes & Insurance  Dverhead  Total  NON CASH COSTS  Purchased Livestock  Machinery & Equipment  Housing & Improvemen  Interest on Retained Live  Management & Operation	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla  t tots vestock6 on Labor (6% of gross returns)				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000  \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242 \$51,558 \$63,013 \$64,674	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23  \$286.43  \$350.07  \$359.30	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  Faxes & Insurance  Overhead  Total  NON CASH COSTS  Purchased Livestock  Machinery & Equipment  fousing & Improvemen  nterest on Retained Liv  Management & Operatio  Total  FOTAL FIXED COSTS  FOTAL CASH AND VAR  FOTAL COSTS  RETURN ABOVE TOTAL  RETURN ABOVE TOTAL	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla  t t tts restock6 on Labor (6% of gross returns)  EIABLE COSTS L CASH COSTS L COSTS				\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000  \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242 \$51,558 \$63,013 \$64,674 \$116,232	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23  \$286.43  \$350.07  \$359.30  \$645.73	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  Faxes & Insurance  Dverhead  Total  ION CASH COSTS  Parchased Livestock  Machinery & Equipment  fousing & Improvemen  nterest on Retained Liv  Management & Operatio  Total  TOTAL FIXED COSTS  TOTAL CASH AND VAR  TOTAL COSTS  RETURN ABOVE TOTAL	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla  t t tts restock6 on Labor (6% of gross returns)  EIABLE COSTS L CASH COSTS L COSTS	cement Valve):	TOTAL		\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000 \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242 \$51,558 \$63,013 \$64,674 \$116,232 \$56,021	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23  \$286.43  \$350.07  \$359.30  \$645.73  \$311.23	NEW VALUE
DWNERSHIP COSTS  CASH COSTS CASE & Insurance Diverhead Total ION CASH COSTS Placehased Livestock Plachinery & Equipment Iousing & Improvemen Interest on Retained Liv Idanagement & Operatio Total COTAL FIXED COSTS COTAL CASH AND VAR COTAL COSTS RETURN ABOVE TOTAL RETURN ABOVE TOTAL	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla  t t tts restock6 on Labor (6% of gross returns)  EIABLE COSTS L CASH COSTS L COSTS		TOTAL COSTS		\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000 \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242 \$51,558 \$63,013 \$64,674 \$116,232 \$56,021	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23  \$286.43  \$350.07  \$359.30  \$645.73  \$311.23	NEW VALUE
DWNERSHIP COSTS  CASH COSTS  Faxes & Insurance Doverhead Total  ION CASH COSTS  Machinery & Equipment Iousing & Improvemen Interest on Retained Liv Management & Operatio Total  TOTAL FIXED COSTS  TOTAL CASH AND VAR IOTAL COSTS  RETURN ABOVE TOTAL  RETURN ABOVE TOTAL  REAKEVEN CALCULA	ABLE COSTS SUM OF VARIABLE COSTS X MONT X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED  TOTAL  Annual Capital Recovery3 (At Repla  t t tts restock6 on Labor (6% of gross returns)  EIABLE COSTS L CASH COSTS L COSTS	cement Valve):			\$34,245  6.50% 6  \$1,675  \$53,218  \$67,476  Represents 65% Asset Ownership5  \$9,456 \$2,000 \$11,456  \$4,904 \$9,456 \$20,418 \$9,539 \$7,242 \$51,558 \$63,013 \$64,674 \$116,232 \$56,021	\$190.25  VALUE PER COW  \$9.31  \$295.66  \$374.87  VALUE PER COW  \$52.53  \$11.11  \$63.64  \$27.24  \$52.53  \$113.43  \$52.99  \$40.23  \$286.43  \$350.07  \$359.30  \$645.73  \$311.23	NEW VALUE

<sup>1)</sup> 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 2019 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.

<sup>3)</sup> 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.

<sup>6)</sup> Interest on average investment.

## **SOUTHWEST REGION**

			10 Yr Avg	Purchase	Salvage/Cull	Useful		Annual Capital
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
3,500	Acres of private land	\$325	3.9%	\$1,137,500	\$1,137,500			
180	AU Values1	\$2,400	3.9%	\$432,000	\$432,000			
			Sub Totals	\$1,569,500				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$4,000	3.9%	\$48,000	\$4,800	25	100	\$2,923
4	Wells	\$20,000	3.9%	\$80,000	\$8,000	25	100	\$4,872
45	Miles of Fence	\$4,000	3.9%	\$180,000	\$18,000	25	100	\$10,963
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$20,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
			Sub Totals	\$338,000				\$20,418
Number	Machinery & Vehicles	Price Per Unit	Interest Rate3	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$45,000	4.0%	\$45,000	\$9,000	7	50	\$3,179
1	1 ton pickup 4WD	\$45,000	4.0%	\$45,000	\$9,000	7	50	\$3,179
0	Dozer/Tractor	\$5,000	4.0%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$7,000	4.0%	\$14,000	\$2,800	7	100	\$1,978
1	Horse tack	\$6,000	4.0%	\$6,000	\$1,200	10	100	\$640
1	Misc. equipment	\$4,500	4.0%	\$4,500	\$900	10	100	\$480
			Sub Total	\$114,500				\$9,456
Head	Purchased Livestock	Price Per Unit	Interest Rate3	Price	Salvage/Cull			
4	Horses	\$1,200	4.0%	\$4,800	\$1,824	10	100	\$440
8	Bulls	\$3,000	4.0%	\$24,000	\$9,120	4	100	\$4,464
30	Cows	\$1,500	4.0%	\$45,000	\$17,100	8	100	\$4,828
53	Total AUYs							
			Sub Total	\$28,800				\$4,904
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
180	Cows	\$1,500	4.0%	\$270,000	\$102,600	·		\$8,517
27	Replacement Heifers	\$1,200	4.0%	\$32,400	\$12,312			\$1,022
200	Total AUYs		Sub Total	\$302,400	\$114,912			\$9,539
			Total	\$2,353,200				\$39,412

<sup>1)</sup> 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.