CENTRAL MOUNTAIN REGION SMALL 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
100	Acres of private land	\$900	3.9%	\$90,000	\$90,000			
34	AU Values ¹	\$3,000	3.9%	\$101,250	\$101,250			
			Sub Totals	\$191,250				
Number	Buildings, Improvements	Price Per Unit						
0.5	Miles of pipeline	\$2,000	3.9%	\$1,000	\$100	25	100	\$61
1	Wells	\$13,000	3.9%	\$13,000	\$1,300	25	100	\$792
10	Miles of Fence	\$2,500	3.9%	\$25,000	\$2,500	25	100	\$1,523
1	Corrals/Working Facilities	\$5,000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
			Sub Totals	\$54,000				\$3,205
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$40,000	6.0%	\$40,000	\$8,000	7	50	\$3,106
0	3/4 ton pickup 4WD	\$42,000	6.0%	\$0	\$0	7	50	\$0
0	Tractor	\$7,000	6.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$5,500	6.0%	\$5,500	\$1,100	7	100	\$854
1	Horse tack	\$3,500	6.0%	\$3,500	\$700	10	100	\$422
1	Misc. equipment	\$2,000	6.0%	\$2,000	\$400	10	100	\$241
			Sub Total	\$51,000				\$4,624
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
3	Horses	\$1,500	6.0%	\$4,500	\$1,710	10	100	\$482
1	Bulls	\$3,000	6.0%	\$3,750	\$1,425	4	100	\$756
5	Total AUYs							
			Sub Total	\$8,250				\$1,238
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
25	Cows	\$1,400	6.0%	\$35,000	\$13,300			\$1,656
4	Replacement Heifers	\$1,400	6.0%	\$5,250	\$1,995			\$248
28	Total AUYs							
			Sub Total	\$40,250	\$15,295			\$1,904
			Total	\$344,750	_			\$9,734

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.

CENTRAL REGION SMALL COW/CALF BUDGET 2013

	BREED HERD SIZE CULL RATE	35 15%	COW to BULL	20	CALF CROP PERCENT		
		ALUE OF PRO	DUCTION				-
		OUANTITY	WEIGHT	PRICE ²		VALUE PER COV	N NEW VALL
STEER CALVES		QUANTITY	<u>WEIGHT</u> 515		<u>VALUE</u> \$10,599	¢202.02	NEW VALU
		14		\$1.47		\$302.82	
HEIFER CALVES		9	495	\$1.39	\$6,020	\$172.01	
CULL COWS		9	900	\$0.70	\$5,828	\$166.50	
CULL BULLS		<u>1</u>	1200	\$0.85	<u>\$1,020</u>	<u>\$29.14</u>	
	TOTAL	33			\$23,467	\$670.48	
ARIABLE COSTS							
						VALUE PER COV	
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST		NEW VALU
	HAY	TON	5.00	\$225	\$1,125	\$32.14	
	STATE	AUY	0.0%	\$38.04	\$0	\$0.00	
	FEDERAL LEASE	AUY	50.0%	\$16.56	\$580	\$16.56	
	PRIVATE(Owned)	AUY	50.0%	\$0.00	\$0	\$0.00	
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
	SALT & MINERAL	TON	3.00	\$300	\$900	\$25.71	
	PROTEIN SUPP	TON	5.25	\$485	\$2,546	\$72.75	
	OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	
	TOTAL				\$5,151	\$147.17	
. OTHER VARIABLE COSTS					COST		
	VET AND MEDICINE				\$539	\$15.40	
	LIVESTOCK HAULING				\$166	\$4.75	
	HIRED LABOR				\$600	\$17.14	
	OPERATING COSTS-EQUIP &	MACH			\$709	\$20.26	
	OPERATING COSTS-VEHICLE				\$1,653	\$47.23	
	RANCH MAINTENANCE				\$1,792	\$51.20	
	BEEF CHECKOFF				\$23	\$0.65	
	PURCHASED LIVESTOCK				\$4,000	\$114.29	
	TOTAL				\$9,482	\$270.92	
. INTEREST ON VARIABLE CO	SUM OF VARIABLE COSTS X I X INTEREST RATE PER MON		ROWED				
	ANNUAL INTEREST RATE				6.00%		
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	WED			6	VALUE PER COV	V
		WED			6 \$439	\$12.54	
OTAL		WED			6		<u> </u>
		WED			6 \$439 \$15,072	\$12.54 \$430.63	
WNERSHIP COSTS			alve):		6 \$439 \$15,072	\$12.54 \$430.63 \$239.85	<u></u>
OWNERSHIP COSTS	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership ⁵	\$12.54 \$430.63 \$239.85 VALUE PER COW	<u></u>
OWNERSHIP COSTS CASH COSTS Taxes & Insurance	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership ⁵ \$4,624	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12	<u></u>
WNERSHIP COSTS	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership ⁵ \$4,624 \$2,500	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43	<u></u>
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership ⁵ \$4,624	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12	<u></u>
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead NON CASH COSTS	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership ⁵ \$4,624 \$2,500 \$7,124	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 = \$203.55	<u></u>
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead NON CASH COSTS Purchased Livestock	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31	<u></u>
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead NON CASH COSTS Purchased Livestock Machinery & Equipment	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15.072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12	<u></u>
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15.072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57	<u></u>
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives	NUMBER OF MONTHS BORRO Annual Capital Recovery ⁴ (At I		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership ⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$47.31 \$132.12 \$91.57 \$54.41	<u></u>
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives	NUMBER OF MONTHS BORRO		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership ⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904 \$8,395	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57 \$54.41 \$239.85	<u></u>
WNERSHIP COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation	NUMBER OF MONTHS BORRO Annual Capital Recovery ⁴ (At I		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904 \$8,395 \$1,904 \$8,395 \$19,784	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57 \$54.41 \$239.85 \$565.26	<u></u>
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation TOTAL FIXED COSTS	NUMBER OF MONTHS BORRO Annual Capital Recovery ⁴ (At I stock ⁶ Labor (6% of gross returns)		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904 \$8,395 \$19,784 \$26,908	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57 \$54.41 \$239.85 \$565.26 \$768.81	<u></u>
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation IOTAL FIXED COSTS IOTAL CASH AND VARIABLE C	NUMBER OF MONTHS BORRO Annual Capital Recovery ⁴ (At I stock ⁶ Labor (6% of gross returns)		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904 \$8,395 \$1,904 \$2,600 \$2,190 \$1,904 \$2,600 \$2,190 \$2,196	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57 \$54.41 \$239.85 \$565.26 \$768.81 \$634.18	<u></u>
Overhead NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives	NUMBER OF MONTHS BORRO Annual Capital Recovery ⁴ (At I stock ⁶ Labor (6% of gross returns)		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904 \$8,395 \$19,784 \$26,908	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57 \$54.41 \$239.85 \$565.26 \$768.81	<u></u>
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation OTAL FIXED COSTS OTAL CASH AND VARIABLE C	NUMBER OF MONTHS BORRO Annual Capital Recovery ⁴ (At I stock ⁶ Labor (6% of gross returns)		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904 \$8,395 \$1,904 \$2,600 \$2,190 \$1,904 \$2,600 \$2,190 \$2,196	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57 \$54.41 \$239.85 \$565.26 \$768.81 \$634.18	<u></u>
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation OTAL FIXED COSTS OTAL CASH AND VARIABLE CO OTAL COSTS	NUMBER OF MONTHS BORRO Annual Capital Recovery ⁴ (At I stock ⁶ Labor (6% of gross returns)		alve):		6 \$439 \$15,072 \$8,395 Represents 65% Asset Ownership⁵ \$4,624 \$2,500 \$7,124 \$1,656 \$4,624 \$3,205 \$1,904 \$8,395 \$1,904 \$2,000 \$2,196 \$4,624 \$2,500 \$1,904 \$2,000 \$2,196 \$4,1980	\$12.54 \$430.63 \$239.85 VALUE PER COW \$132.12 \$71.43 \$203.55 \$47.31 \$132.12 \$91.57 \$54.41 \$239.85 \$565.26 \$768.81 \$634.18 \$1,199.44	<u> </u>

	COSTS	COSTS	
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$106.59	\$156.97	
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$106.59	\$296.89	

Calf crop is defined as the actual number of calves sold divided, by the total number of cows (assuming all cows were exposed).
Prices represent 2013 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.
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.