

**CENTRAL REGION
SMALL COW/CALF BUDGET 2015**

BREED HERD SIZE 40 COW to BULL 20 CALF CROP PERCENT¹ 83%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 6

VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	
						NEW VALUE
STEER CALVES	17	515	\$2.40	\$20,518	\$512.94	_____
HEIFER CALVES	11	495	\$2.32	\$12,173	\$304.33	_____
CULL COWS	6	900	\$0.86	\$4,644	\$116.10	_____
CULL BULLS	1	1200	\$0.96	\$1,152	\$28.80	_____
TOTAL	34			\$38,487	\$962.17	_____

VARIABLE COSTS							
		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	
							NEW VALUE
1. FEED COSTS							
	HAY	TON	5.00	\$175	\$875	\$21.88	_____
	STATE	AUY	0.0%	\$38.04	\$0	\$0.00	_____
	FEDERAL LEASE	AUY	50.0%	\$20.88	\$835	\$20.88	_____
	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	\$700	\$2,100	\$52.50	_____
	PROTEIN SUPP	TON	6.00	\$300	\$1,800	\$45.00	_____
	OTHER		0.00	\$0	\$0	\$0.00	_____
	TOTAL				\$5,610	\$140.26	_____
2. OTHER VARIABLE COSTS							
	VET AND MEDICINE				\$649	\$16.23	_____
	LIVESTOCK HAULING				\$182	\$4.54	_____
	HIRED LABOR				\$1,800	\$45.00	_____
	OPERATING COSTS-EQUIP & MACH				\$747	\$18.67	_____
	OPERATING COSTS-VEHICLE				\$2,500	\$62.50	_____
	RANCH MAINTENANCE				\$3,500	\$87.50	_____
	BEEF CHECKOFF				\$27	\$0.68	_____
	PURCHASED LIVESTOCK				\$12,000	\$300.00	_____
	TOTAL				\$21,405	\$535.12	_____
3. INTEREST ON VARIABLE COSTS							
	SUM OF VARIABLE COSTS X MONTHS BORROWED						
	X INTEREST RATE PER MONTH						
	ANNUAL INTEREST RATE				4.00%		
	NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
					\$540	\$13.51	_____
	TOTAL				\$27,555	\$688.88	_____
TOTAL					\$10,931	\$273.28	_____

OWNERSHIP COSTS							
		Annual Capital Recovery ⁴ (At Replacement Valve):			Represents 65% Asset Ownership ⁵	VALUE PER COW NEW VALUE	
CASH COSTS							
	Taxes & Insurance				\$4,189	\$104.73	_____
	Overhead				\$2,500	\$62.50	_____
					\$6,689	\$167.23	_____
NON CASH COSTS							
	Purchased Livestock				\$1,971	\$49.29	_____
	Machinery & Equipment				\$4,189	\$104.73	_____
	Housing & Improvements				\$3,205	\$80.12	_____
	Interest on Retained Livestock ⁶				\$2,243	\$56.09	_____
	Management & Operation Labor (6% of gross returns)				\$10,931	\$273.28	_____
					\$22,541	\$563.52	_____
TOTAL FIXED COSTS					\$29,230	\$730.75	_____
TOTAL CASH AND VARIABLE COSTS					\$34,245	\$856.11	_____
TOTAL COSTS					\$56,785	\$1,419.63	_____
RETURN ABOVE TOTAL CASH COSTS					\$4,242	\$106.05	_____

BREAKEVEN CALCULATIONS			
	VARIABLE COSTS	TOTAL COSTS	
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$164.35	\$204.25	
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$164.35	\$338.69	

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 2015 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.