

**NORTHEAST REGION
EX-LARGE COW/CALF BUDGET 2018**

BREED HERD SIZE 523 COW to BULL 20 CALF CROP PERCENT¹ 87%
CULL RATE 15% REPLACEMENT HEIFER'S KEPT 78

VALUE OF PRODUCTION

	QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES	227	550	\$1.20	\$150,010	\$287.10	_____
HEIFER CALVES	149	515	\$1.25	\$95,862	\$183.47	_____
CULL COWS	98	1000	\$0.64	\$62,960	\$120.50	_____
CULL BULLS	1	1200	\$0.76	\$912	\$1.75	_____
FEE HUNTING	1			<u>\$12,000</u>	\$22.97	_____
TOTAL	476			\$321,744	\$615.78	_____

VARIABLE COSTS

		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALUE
1. FEED COSTS							
	HAY	TON	104.50	\$150	\$15,675	\$30.00	_____
	STATE	AUY	30.0%	\$67.20	\$10,534	\$20.16	_____
	FEDERAL LEASE	AUY	7.0%	\$16.20	\$8,465	\$16.20	_____
	PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0	\$0.00	_____
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	_____
	SALT & MINERAL	TON	19	\$710	\$13,541	\$25.92	_____
	PROTEIN SUPP	TON	98	\$355	\$34,779	\$66.56	_____
	OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	_____
	TOTAL				\$82,993	\$158.84	_____
2. OTHER VARIABLE COSTS					COST		
	VET AND MEDICINE				\$7,576	\$14.50	_____
	LIVESTOCK HAULING				\$2,259	\$4.32	_____
	HIRED LABOR				<u>\$32,000</u>	\$61.24	_____
	OPERATING COSTS-EQUIP & MACH				\$5,500	\$10.53	_____
	OPERATING COSTS-VEHICLE				\$14,000	\$26.79	_____
	RANCH MAINTENANCE				\$15,000	\$28.71	_____
	BEEF CHECKOFF				\$376	\$0.72	_____
	LIVESTOCK PURCHASES				<u>\$30,000</u>	<u>\$57.42</u>	_____
	TOTAL				\$106,711	\$204.23	_____
3. INTEREST ON VARIABLE COSTS							
	SUM OF VARIABLE COSTS X MONTHS BORROWED						
	X INTEREST RATE PER MONTH						
	ANNUAL INTEREST RATE				5.50%		
	NUMBER OF MONTHS BORROWED				6	VALUE PER COW	
					\$5,217	\$9.98	_____
	TOTAL				\$194,921	\$373.05	_____
	TOTAL				\$126,823	\$242.72	_____

OWNERSHIP COSTS

		Annual Capital Recovery ⁴ (At Replacement Valve):	Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VALUE
CASH COSTS					
	Taxes & Insurance			\$15,411	\$29.49
	Overhead			<u>\$5,000</u>	\$9.57
	Total			\$20,411	\$39.06
NON CASH COSTS					
	Purchased Livestock			\$16,008	\$30.64
	Machinery & Equipment			\$15,411	\$29.49
	Housing & Improvements			\$64,799	\$124.02
	Interest on Retained Livestock ⁶			\$27,688	\$52.99
	Management & Operation Labor (6% of gross returns)			<u>\$7,609</u>	\$14.56
	Total			\$131,515	\$251.70
TOTAL FIXED COSTS				\$151,926	\$290.77
TOTAL CASH AND VARIABLE COSTS				\$215,332	\$412.12
TOTAL COSTS				\$346,847	\$663.82
RETURN ABOVE TOTAL CASH COSTS				\$106,412	\$203.66
RETURN ABOVE TOTAL COSTS				(\$25,103)	(\$48.04)

BREAK-EVEN CALCULATIONS

	VARIABLE COSTS	TOTAL COSTS
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$80.53	\$88.96
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$80.53	\$143.29

**NORTHEAST REGION
EXTRA-LARGE RANCH INVESTMENTS**

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
15,000	Acres of private land	\$500	3.9%	\$7,500,000	\$7,500,000			
500	AU Values ¹	\$2,500	3.9%	\$1,250,000	\$1,250,000			
Sub Totals				\$8,750,000				
Number	Buildings, Improvements	Price Per Unit						
16	Miles of pipeline	\$4,000	3.9%	\$64,000	\$6,400	25	100	\$3,898
10	Wells	\$20,000	3.9%	\$200,000	\$20,000	25	100	\$12,181
95	Miles of Fence	\$8,000	3.9%	\$760,000	\$76,000	25	100	\$46,287
2	Corrals/Working Facilities	\$12,000	3.9%	\$24,000	\$2,400	30	100	\$1,328
1	Barns & Shop	\$20,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
Sub Totals				\$1,068,000				\$64,799
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$45,000	4.0%	\$90,000	\$18,000	7	50	\$6,358
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
Sub Total				\$180,500				\$15,411
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
13	Horses	\$1,200	4.0%	\$15,600	\$5,928	10	100	\$1,430
26	Bulls	\$3,000	4.0%	\$78,375	\$29,783	4	100	\$14,578
90	Cows	\$1,500	4.0%	\$135,000	\$51,300	8	100	\$14,484
161	Total AUYS							
Sub Total				\$93,975				\$16,008
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
522.5	Cows	\$1,500	4.0%	\$783,750	\$297,825			\$24,722
78	Replacement Heifers	\$1,200	4.0%	\$94,050	\$35,739			\$2,967
581	Total AUYS							
Sub Total				\$877,800	\$333,564			\$27,688
Total				\$10,970,275				\$107,898

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.