

**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	\$85	3.9%	\$1,275,000	\$1,275,000			
500	AU Values ¹	\$2,500	3.9%	\$1,250,000	\$1,250,000			
Sub Totals				\$2,525,000				
Number	Buildings, Improvements	Price Per Unit						
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
Sub Totals				\$574,000				\$34,724
Number	Machinery & Vehicles	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$42,000	6.0%	\$84,000	\$16,800	7	50	\$6,523
1	1 ton pickup 4WD	\$45,000	6.0%	\$45,000	\$9,000	7	50	\$3,494
1	Tractor	\$7,000	6.0%	\$7,000	\$1,400	7	100	\$1,087
3	Gooseneck trailer	\$7,500	6.0%	\$22,500	\$4,500	7	100	\$3,494
1	Horse tack	\$6,000	6.0%	\$6,000	\$1,200	10	100	\$724
1	Misc. equipment	\$10,000	6.0%	\$10,000	\$2,000	10	100	\$1,207
Sub Total				\$174,500				\$16,530
Head	Purchased Livestock	Price Per Unit	Interest Rate³	Price	Salvage/Cull			
13	Horses	\$1,500	6.0%	\$19,500	\$7,410	10	100	\$2,087
22	Bulls	\$3,500	6.0%	\$77,000	\$29,260	4	100	\$15,533
90	Cows	\$1,500	6.0%	\$135,000	\$51,300	8	100	\$16,557
156	Total AUUs							
Sub Total				\$96,500				\$17,620
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		Interest on Investment	
440	Cows	\$1,500	6.0%	\$660,000	\$250,800			\$31,227
66	Replacement Heifers	\$1,500	6.0%	\$99,000	\$37,620			\$4,684
490	Total AUUs							
Sub Total				\$759,000	\$288,420			\$35,912
Total				<u>\$4,129,000</u>				<u>\$87,166</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.