## NORTHEAST REGION EX-LARGE COW/CALF BUDGET 2013

|                                 | BREED HERD SIZE<br>CULL RATE                   | 440<br>15%         | COW to BULL      | 20                 | CALF CROP PERCENT <sup>1</sup><br>REPLACEMENT HEIFER'S KEPT | <b>85%</b><br>66     |           |
|---------------------------------|--|--------------------|------------------|--------------------|---|----------------------|-----------|
|                                 | v  | ALUE OF PRO        | DUCTION          |                    | VALUE PER COV   | v                    |           |
|                                 |  | QUANTITY           | WEIGHT           | PRICE <sup>2</sup> | VALUE   |                      | NEW VALU  |
| STEER CALVES                    |  | 187                | 550              | \$1.50             | \$154,275   | \$350.63             |           |
| EIFER CALVES                    |  | 121                | 515              | \$1.42             | \$88,487  | \$201.11             |           |
| CULL COWS                       |  | 86                 | 1000             | \$0.77             | \$66,220  | \$150.50             |           |
| CULL BULLS                      |  | 1                  | 1200             | \$0.87             | \$1,044   | \$2.37               |           |
| EE HUNTING                      |  | <u>1</u>           |                  |                    | <u>\$12,000</u>   | \$27.27              |           |
| ARIABLE COSTS                   | TOTAL  | 395                |                  |                    | \$322,026   | \$731.88             |           |
| ARIABLE COSTS                   |  |                    |                  |                    |   | VALUE PER COV        | V         |
| . FEED COSTS                    |  | UNITS              | QUANTITY/PERCENT | PRICE              | COST  |                      | NEW VALUE |
|                                 | HAY  | TON                | 88.00            | \$225              | \$19,800  | \$45.00              |           |
|                                 | STATE  | AUY                | 30.0%            | \$43.32            | \$5,718   | \$13.00              |           |
|                                 | FEDERAL LEASE                                  | AUY                | 7.0%             | \$16.56            | \$7,286   | \$16.56              |           |
|                                 | PRIVATE(Owned)                                 | AUY                | 55.0%            | \$0.00             | \$0   | \$0.00               |           |
|                                 | PRIVATE(Leased Grazing)                        | AUY                | 0.0%             | \$0.00             | \$0   | \$0.00               |           |
|                                 | SALT & MINERAL                                 | TON                | 16               | \$295              | \$4,738   | \$10.77              |           |
|                                 | PROTEIN SUPP                                   | TON                | 83               | \$495              | \$40,838  | \$92.81              |           |
|                                 | OTHER  |                    | 0.00             | \$0                | <u>\$0</u>  | <u>\$0.00</u>        |           |
|                                 | TOTAL  |                    |                  |                    | \$78,380  | \$178.14             |           |
| . OTHER VARIABLE COSTS          |  |                    |                  |                    | COST  |                      |           |
|                                 | VET AND MEDICINE                               |                    |                  |                    | \$6,776   | \$15.40              |           |
|                                 | LIVESTOCK HAULING                              |                    |                  |                    | \$1,991   | \$4.52               |           |
|                                 | HIRED LABOR                                    |                    |                  |                    | \$24,000  | \$54.55              |           |
|                                 | OPERATING COSTS-EQUIP &                        | масн               |                  |                    | \$6,199   | \$14.09              |           |
|                                 | OPERATING COSTS-VEHICLE                        |                    |                  |                    | \$5,510   | \$12.52              |           |
|                                 | RANCH MAINTENANCE                              |                    |                  |                    | \$4,616   | \$10.49              |           |
|                                 | BEEF CHECKOFF                                  |                    |                  |                    | \$308   | \$0.70               |           |
|                                 | LIVESTOCK PURCHASES                            |                    |                  |                    | \$12,000  | <u>\$27.27</u>       |           |
|                                 | TOTAL  |                    |                  |                    | \$61,400  | \$139.55             |           |
| 3. INTEREST ON VARIABLE C       | OSTS   |                    |                  |                    |   |                      |           |
|                                 | SUM OF VARIABLE COSTS X I                      |                    | ROWED            |                    |   |                      |           |
|                                 | X INTEREST RATE PER MONT                       | н                  |                  |                    |   |                      |           |
|                                 | ANNUAL INTEREST RATE<br>NUMBER OF MONTHS BORRO | WED                |                  |                    | 6.00%<br>6  | VALUE PER COV        | v         |
|                                 |  |                    |                  |                    | \$4,193   | \$9.53               |           |
|                                 |  |                    |                  |                    | \$143,973   | \$327.21             |           |
|                                 | TOTAL  |                    |                  |                    | \$178,053   | \$404.67             |           |
| DWNERSHIP COSTS                 | Annual Capital Recovery <sup>4</sup> (At F     | Penlacement V      | alvo).           |                    | Represents 65% Asset Ownership <sup>5</sup>                 |                      |           |
| CASH COSTS                      |  |                    | artoj.           |                    |   |                      |           |
| Taxes & Insurance               |  |                    |                  |                    | \$16,530  | \$37.57              |           |
| Overhead                        |  |                    |                  |                    | \$5,000   | \$11.36              |           |
|                                 |  |                    |                  |                    | \$21,530  | \$48.93              |           |
| NON CASH COSTS                  |  |                    |                  |                    | e17 000   | ¢40.05               |           |
| Purchased Livestock             |  |                    |                  |                    | \$17,620  | \$40.05              |           |
| Machinery & Equipment           |  |                    |                  |                    | \$16,530<br>\$24,724  | \$37.57              |           |
| Housing & Improvement           |  |                    |                  |                    | \$34,724  | \$78.92              | ·         |
| Interest on Retained Live       |  |                    |                  |                    | \$35,912  | \$81.62              |           |
| Management & Operation<br>Total | n Labor ( 6% of gross returns)                 |                    |                  |                    | \$10,683<br>\$115,469                                       | \$24.28<br>\$262.43  |           |
|                                 |  |                    |                  |                    |   |                      | -         |
| OTAL FIXED COSTS                | COSTS  |                    |                  |                    | \$136,999<br>\$165,503                                      | \$311.36<br>\$376.14 |           |
| TOTAL COSTS                     |  |                    |                  |                    | \$280,972   | \$638.57             |           |
| RETURN ABOVE TOTAL CASH         | I COSTS  |                    |                  |                    | \$156,523   | \$355.73             |           |
| RETURN ABOVE TOTAL COST         | S  |                    |                  |                    | \$41,054  | \$93.30              |           |
| BREAKEVEN CALCULATIONS          |  |                    |                  |                    |   |                      |           |
|                                 |  | VARIABLE<br>COSTS  | TOTAL<br>COSTS   |                    |   |                      |           |
|                                 |  |                    |                  |                    |   |                      |           |
|                                 | CALF PRICES CASH COST (cwt)                    | \$72.29<br>\$72.20 | \$83.10          |                    |   |                      |           |

REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) \$72.29 \$141.08

## NORTHEAST REGION EXTRA-LARGE 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               |
| 15,000                   | Acres of private land      | \$85           | 3.9%                       | \$1,275,000 | \$1,275,000  |        |           |                        |
| 500                      | AU Values <sup>1</sup>     | \$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 Rate <sup>3</sup> | 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 Rate <sup>3</sup> | 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 AUYs                 |                |                            |             |              |        |           |                        |
|                          |                            |                | 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 AUYs                 |                | Sub Total                  | \$759,000   | \$288,420    |        |           | \$35,912               |
|                          |                            |                | Sub 10tal                  | ψ109,000    | φ200,420     |        |           | \$JJ,912               |
| Total <u>\$4,129,000</u> |                            |                |                            |             |              |        |           | \$87,166               |

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.