NORTHWEST REGION LARGE COW/CALF BUDGET 2013

	BREED HERD SIZE CULL RATE	280 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	85	% 12
	V	ALUE OF PRO	DUCTION			VALUE PER CO	w
STEER CALVES HEIFER CALVES		QUANTITY 119 77	<u>WEIGHT</u> 510 485	PRICE ² \$1.45 \$1.37	VALUE \$88,001 \$51,163	\$314.29 \$182.72	NEW VALUE
CULL COWS CULL BULLS FEE HUNTING		57 1 1	900 1200	\$0.72 \$0.82	\$36,936 \$984 \$10,000	\$131.91 \$3.51 \$35.71	
	TOTAL	254			\$187,083	\$668.15	
VARIABLE COSTS						VALUE PER CO	14/
1. FEED COSTS	HAY STATE	<u>units</u> Ton Auy	QUANTITY/PERCENT 25.00 45.0%	PRICE \$235.00 \$38.04	<u>COST</u> \$5,875 \$4,793	\$20.98 \$17.12	NEW VALUE
	FEDERAL LEASE PRIVATE(Owned) PRIVATE(Leased Grazing)	AUY AUY AUY	35.0% 20.0% 0.0%	\$21.60 \$0.00 \$0.00	\$6,048 \$0 \$0	\$21.60 \$0.00 \$0.00	
	SALT & MINERAL PROTEIN SUPP	TON TON	10 39	\$300.00 \$505.00	\$3,066 \$19,796	\$10.95 \$70.70	
					\$39,578	\$141.35	
2. OTHER VARIABLE COSTS	VET AND MEDICINE LIVESTOCK HAULING				<u>COST</u> \$4,312 \$1,280	\$15.40 \$4.57	
	HIRED LABOR OPERATING COSTS-EQUIP & N OPERATING COSTS-VEHICLE	ИАСН			\$20,000 \$4,133 \$5,510	\$71.43 \$14.76 \$19.68	
	RANCH MAINTENANCE BEEF CHECKOFF OTHER				\$3,651 \$196 <u>\$12,000</u>	\$13.04 \$0.70 <u>\$42.86</u>	
3. INTEREST ON VARIABLE CO	STS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH		ROWED				
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO				6.00% 6	VALUE PER CO	w
					\$2,720	\$9.71	
	TOTAL				\$93,380 \$93,703	\$333.50 \$334.65	
OWNERSHIP COSTS	Annual Capital Recovery ⁴ (At R	enlacement V	alva):		Represents 65% Asset Ownership ⁵	VALUE DED CO	W NEW VALUE
CASH COSTS Taxes & Insurance	Amuai dapitai Necovery (At N	epiacement vi	uive).		\$7,100	\$25.36	W NEW VALUE
Overhead					\$4,000	\$14.29	
Total NON CASH COSTS Purchased Livestock					\$11,100 \$10,078	\$39.64 \$35.99	
Machinery & Equipment Housing & Improvements Interest on Retained Live					\$7,100 \$22,151 \$19,806	\$25.36 \$79.11 \$70.73	
Total	Labor (6% of gross returns)				\$5,622 \$64,757	\$20.08 \$231.27	
TOTAL FIXED COSTS TOTAL CASH AND VARIABLE C	OSTS				\$75,857 \$104,480	\$270.92 \$373.14	_
TOTAL COSTS					\$169,237	\$604.42	
RETURN ABOVE TOTAL CASH					\$82,603	\$295.01	
RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	S				\$17,846	\$63.74	
DIVENIET EN ONE OULA HONS	Γ	VARIABLE COSTS	TOTAL COSTS				
	ALF PRICES CASH COST (cwt) F PRICES TOTAL COSTS(cwt)	\$78.87 \$78.87	\$88.24 \$142.93				

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 2013 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.

NORTHWEST REGION 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
6,000	Acres of private land	\$80	3.9%	\$480,000	\$480,000			
350	AU Values ¹	\$2,400	3.9%	\$840,000	\$840,000			
			Sub Totals	\$1 320 000				
Number	Buildings, Improvements	Price Per Unit	Oub Totals	Ψ1,020,000				
13	Miles of pipeline	\$2,000	3.9%	\$26,000	\$2,600	25	100	\$1,583
5	Wells	\$11,000	3.9%	\$55,000	\$5,500	25	100	\$3,350
65	Miles of Fence	\$4,000	3.9%	\$260,000	\$26,000	25	100	\$15,835
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Sub Totals	\$366,000				\$22,151
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			 1.4.
1	3/4 ton pickup 4WD	\$42,000	6.0%	\$42,000	\$8,400	7	50	\$3,261
0	3/4 ton pickup 4WD	\$45,000	6.0%	\$0	\$0	7	50	\$0
0	Tractor	\$7,000	6.0%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$7,500	6.0%	\$15,000	\$3,000	7	100	\$2,330
1	Horse tack	\$5,000	6.0%	\$5,000	\$1,000	10	100	\$603
1	Misc. equipment	\$7,500	6.0%	\$7,500	\$1,500	10	100	\$905
			Sub Total	\$69,500				\$7,100
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
10	Horses	\$1,500	6.0%	\$15,000	\$5,700	10	100	\$1,606
14	Bulls	\$3,000	6.0%	\$42,000	\$15,960	4	100	\$8,473
90	Cows	1,300	6.0%	\$117,000	\$44,460	8	100	\$14,349
143	Total AUYs							
			Sub Total	\$57,000				\$10,078
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
280	Cows	\$1,300	6.0%	\$364,000	\$138,320			\$17,222
42	Replacement Heifers	\$1,300	6.0%	\$54,600	\$20,748			\$2,583
312	Total AUYs							
			Sub Total	\$418,600	\$159,068			\$19,806
Total \$2,231,100							\$49,057	

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.