NORTHWEST REGION MEDIUM COW/CALF BUDGET 2013

	BREED HERD SIZE CULL RATE	150 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	83 22	
	V.	ALUE OF PRO	DUCTION		VALUE PER CO	w	
STEER CALVES HEIFER CALVES		QUANTITY 62 40	<u>WEIGHT</u> 510 485	PRICE ² \$1.45 \$1.37	<u>VALUE</u> \$46,034 \$26,412	\$306.89 \$176.08	NEW VALUE
CULL COWS		43	900	\$0.72	\$27,540	\$183.60	
CULL BULLS		1	1200	\$0.82	\$984	\$6.56	
FEE HUNTING		<u>1</u> 146			<u>\$3,500</u>	\$23.33	
	TOTAL	140			\$104,470	\$696.47	
VARIABLE COSTS							
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO	W NEW VALUE
	HAY	TON	30.00	\$235.00	\$7,050	\$47.00	
	STATE	AUY	45.0%	\$38.04	\$2,568	\$17.12	-
	FEDERAL LEASE	AUY	35.0%	\$21.60	\$3,240	\$21.60	
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
	SALT & MINERAL	TON	5	\$300.00	\$1,643	\$10.95	
	PROTEIN SUPP	TON	21	\$505.00	\$10,605	\$70.70	
	TOTAL				\$25,105	\$167.37	
O OTHER VARIABLE COSTS					7200		
2. OTHER VARIABLE COSTS	VET AND MEDICINE				COST \$2,310	\$15.40	
	VET AND MEDICINE						
	LIVESTOCK HAULING				\$733 \$3,000	\$4.89	
	HIRED LABOR	IA CII			\$3,000 \$3,444	\$20.00	
	OPERATING COSTS-EQUIP & N OPERATING COSTS-VEHICLE	IACH			\$3,444 \$3,444	\$22.96 \$22.96	-
	RANCH MAINTENANCE				\$3,033	\$20.22	-
	BEEF CHECKOFF				\$3,033 \$102	\$0.68	-
	OTHER				\$5,00 <u>0</u>	\$33.33	
	TOTAL				\$21,066	\$140.44	
3. INTEREST ON VARIABLE CO	ISTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROV	l	ROWED		6.00% 6	VALUE PER CO	w
						HIGH	
					\$1,385	\$9.23	
	TOTAL				\$47,557	\$317.04	
	-				\$56,913	\$379.42	
OWNERSHIP COSTS							
CASH COSTS	Annual Capital Recovery (At Re	eplacement Va	alve):		Represents 65% Asset Ownership ⁵	VALUE PER CO	W NEW VALUE
Taxes & Insurance Overhead					\$6,660 \$2,163	\$44.40 \$14.42	
Total					\$8,823	\$58.82	
NON CASH COSTS						***	_
Purchased Livestock					\$5,823	\$38.82	
Machinery & Equipment					\$6,660	\$44.40	
Housing & Improvements					\$14,355	\$95.70	
Interest on Retained Live					\$10,610	\$70.73	
•	Labor (6% of gross returns)				\$6,268	\$41.79	
Total					\$43,717	\$291.45	_
TOTAL FIXED COSTS					\$52,540	\$350.27	
TOTAL CASH AND VARIABLE C	OSTS				\$56,380	\$375.86	
TOTAL COSTS					\$100,097	\$667.31	
RETURN ABOVE TOTAL CASH	COSTS				\$48,090	\$320.60	
RETURN ABOVE TOTAL COSTS	3				\$4,373	\$29.15	
BREAKEVEN CALCULATIONS	Г	VARIABLE	TOTAL				
	L	COSTS	COSTS				
	CALF PRICES CASH COST (cwt)	\$76.78	\$91.02				
REQUIRED AVG. CA	LF PRICES TOTAL COSTS(cwt)	\$76.78	\$161.61				

Calf crop is defined as the actual number of calves sold divided, by the total number of cows (assuming all cows were exposed).
 Prices represent 2013 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.
 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 MEDIUM 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
4,000	Acres of private land	\$80	3.9%	\$320,000	\$320,000			
200	AU Values ¹	\$2,400	3.9%	\$480,000	\$480,000			
			Sub Totals	\$800,000				
Number	Buildings, Improvements	Price Per Unit	Sub rotais	φουυ,υυυ				
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
3	Wells	\$11,000	3.9%	\$33,000	\$3,300	25	100	\$2,010
40	Miles of Fence	\$4,000	3.9%	\$160,000	\$16,000	25	100	\$9,745
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	\$238,000				\$14,355
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
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
1	Tractor	\$7,000	6.0%	\$7,000	\$1,400	7	100	\$1,087
1	Gooseneck trailer	\$7,500	6.0%	\$7,500	\$1,500	7	100	\$1,165
1	Horse tack	\$4,000	6.0%	\$4,000	\$800	10	100	\$483
1	Misc. equipment	\$5,500	6.0%	\$5,500	\$1,100	10	100	\$664
			Sub Total	\$66,000				\$6,660
Head	Purchased Livestock	Price Per Unit	Interest Rate ⁴	Price	Salvage/Cull			• •
8	Horses	\$1,500	6.0%	\$12,000	\$4,560	10	100	\$1,284
8	Bulls	\$3,000	6.0%	\$22,500	\$8,550	4	100	\$4,539
40	Cows	\$1,300	6.0%	\$52,000	\$19,760	8	100	\$6,377
69	Total AUYs							
			Sub Total	\$34,500				\$5,823
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
150	Cows	\$1,300	6.0%	\$195,000	\$74,100			\$9,226
23	Replacement Heifers	\$1,300	6.0%	\$29,250	\$11,115			\$1,384
167	Total AUYs							
			Sub Total	\$224,250	\$85,215			\$10,610
Total \$1,362,750								\$31,626

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.