NORTHWEST REGION LARGE COW/CALF BUDGET 2016

	BREED HERD SIZE CULL RATE	315 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	83 %	
	,	VALUE OF PRO	DUCTION			VALUE PER COV	N
		QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE FER COV	NEW VALUE
STEER CALVES		131	510	\$2.12	\$141,340	\$448.70	
HEIFER CALVES		83	485	\$2.06	\$83,400	\$264.76	
CULL COWS		62	900	\$0.79	\$44,260	\$140.51	
CULL BULLS		1	1200	\$0.90	\$1,080	\$3.43	
FEE HUNTING		1			\$10,000	\$31.75	
	TOTAL	277			\$280,079	\$889.14	
VARIABLE COSTS						VALUE PER COV	N
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE FER COV	NEW VALUE
	HAY	TON	25.00	\$155.00	\$3,875	\$12.30	
	STATE	AUY	45.0%	\$38.04	\$5,392	\$17.12	
	FEDERAL LEASE	AUY	35.0%	\$20.88	\$6,577	\$20.88	
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00	
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
	SALT & MINERAL	TON	11	\$710.00	\$8,163	\$25.92	
	PROTEIN SUPP	TON	44	\$315.00	\$13,892	\$44.10	
					\$37,899	\$120.31	
2. OTHER VARIABLE COSTS					COST		
	VET AND MEDICINE				\$4,725	\$15.00	
	LIVESTOCK HAULING				\$1,249	\$3.96	
	HIRED LABOR				\$25,000	\$79.37	
	OPERATING COSTS-EQUIP &				\$5,000	\$15.87	
	OPERATING COSTS-VEHICLE				\$6,000	\$19.05	
	RANCH MAINTENANCE				\$7,000	\$22.22	
	BEEF CHECKOFF				\$214	\$0.68	
	OTHER				<u>\$18,000</u>	<u>\$57.14</u>	
	TOTAL				\$67,188	\$213.29	
3. INTEREST ON VARIABLE CO	SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI	ГН	ROWED		7.00% 6	VALUE PER COV	N
					*0.070	044.00	
	TOTAL				\$3,678	\$11.68	
	IUIAL				\$108,765 \$171,315	\$345.29 \$543.86	
OWNERSHIP COSTS							
CARLLCORTS	Annual Capital Recovery ⁴ (At	Replacement V	alve):		Represents 65% Asset Ownership ⁵	VALUE PER COV	W NEW VALUE
CASH COSTS Taxes & Insurance					\$6,419	\$20.38	
Overhead					\$4,000	\$12.70	
Total					\$10,419	\$33.08	
NON CASH COSTS							
Purchased Livestock					\$12,818	\$40.69	
Machinery & Equipment					\$6,419	\$20.38	
Housing & Improvements					\$22,151	\$70.32	
Interest on Retained Live					\$28,268	\$89.74	
•	n Labor (6% of gross returns)				\$10,279	\$32.63	
Total					\$79,935	\$253.76	
TOTAL FIXED COSTS					\$90,354	\$286.84	_
TOTAL CASH AND VARIABLE C	COSTS				\$119,184	\$378.36	
					\$199,119	\$632.12	
TOTAL COSTS					\$160,895	\$510.78	
	COSTS						
RETURN ABOVE TOTAL CASH RETURN ABOVE TOTAL COSTS					\$80,960	\$257.02	
RETURN ABOVE TOTAL CASH RETURN ABOVE TOTAL COSTS		VARIARIF	TOTAL I		\$80,960	\$257.02	
TOTAL COSTS RETURN ABOVE TOTAL CASH RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS		VARIABLE COSTS	TOTAL COSTS		\$80,960	\$257.02	
RETURN ABOVE TOTAL CASH RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS					\$80,960	\$257.02	

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 2016 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 LARGE RANCH INVESTMENTS

Sub Totals Sacing				10 Yr Avg	Purchase	Salvage/Cull		Livestock	
Sub Totals \$1,320,000 \$840,	Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
Number Buildings, Improvements Price Per Unit	6,000	Acres of private land	\$80	3.9%	\$480,000	\$480,000			
Number Buildings, Improvements Price Per Unit 13 Miles of pipeline \$2,000 3.9% \$26,000 \$2,600 25 100 \$1,583 5 Wells \$11,000 3.9% \$260,000 \$26,000 25 100 \$1,583 5 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 \$8330 \$100 \$8330 \$100 \$8330 \$100 \$8330 \$10	350	AU Values ¹	\$2,400	3.9%	\$840,000	\$840,000			
Number Buildings, Improvements Price Per Unit 13 Miles of pipeline \$2,000 3.9% \$26,000 \$2,600 25 100 \$1,583 5 Wells \$11,000 3.9% \$260,000 \$26,000 25 100 \$1,583 5 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 \$8330 \$100 \$8330 \$100 \$8330 \$100 \$8330 \$10				Sub Totals	\$1.320.000				
13 Miles of pipeline	Number	Buildings, Improvements	Price Per Unit		ψ.,οΞο,οσο				
5 Wells \$11,000 3,9% \$55,000 \$25,500 25 100 \$3,350 65 Miles of Fence \$4,000 3.9% \$260,000 \$25,000 25 100 \$15,835 1 Corrals/Working Facilities \$10,000 3.9% \$10,000 30 100 \$853 1 Barns & Shop \$15,000 3.9% \$15,000 \$1,500 30 100 \$830 Sub Totals \$366,000 \$1,500 30 100 \$830 Number Machinery & Vehicles Price Per Unit Interest Rate³ Price Salvage/Cull 1 3/4 ton pickup 4WD \$45,000 4.0% \$42,000 \$8,400 7 50 \$2,967 0 Tractor \$7,000 4.0% \$0 \$0 7 50 \$2,967 1 Horse tack \$5,000 4.0% \$15,000 \$3,000 7 100 \$2,119 1 Horse tack \$5,000 <td< td=""><td>13</td><td></td><td>\$2,000</td><td>3.9%</td><td>\$26,000</td><td>\$2,600</td><td>25</td><td>100</td><td>\$1,583</td></td<>	13		\$2,000	3.9%	\$26,000	\$2,600	25	100	\$1,583
Corrals/Working Facilities \$10,000 3.9% \$10,000 \$1,000 30 100 \$553	5		\$11,000		\$55,000		25	100	
Barns & Shop	65	Miles of Fence	\$4,000	3.9%	\$260,000	\$26,000	25	100	\$15,835
Number Machinery & Vehicles Price Per Unit Interest Rate³ Price Salvage/Cull 1 3/4 ton pickup 4WD \$42,000 4.0% \$42,000 \$8,400 7 50 \$2,967 0 3/4 ton pickup 4WD \$45,000 4.0% \$0 \$0 7 50 \$0 0 Tractor \$7,000 4.0% \$0 \$0 7 100 \$0 2 Gooseneck trailer \$7,500 4.0% \$5,000 \$3,000 7 100 \$2,119 1 Horse tack \$5,000 4.0% \$5,000 \$1,000 10 100 \$533 1 Misc. equipment \$7,500 4.0% \$5,000 \$1,500 10 100 \$8800 10 Head Purchased Livestock Price Per Unit Interest Rate³ Price Salvage/Cull 10 Horses \$1,200 \$4.0% \$23,940 4 100 \$11,718 90 Cows 2,500	1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
Number Machinery & Vehicles Price Per Unit Interest Rate 3 Price Salvage/Cull	1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
1 3/4 ton pickup 4WD \$42,000 4.0% \$42,000 \$8,400 7 50 \$2,967 0 3/4 ton pickup 4WD \$45,000 4.0% \$0 \$0 7 50 \$0 0 Tractor \$7,000 4.0% \$0 \$0 7 100 \$0 2 Gooseneck trailer \$7,500 4.0% \$15,000 \$3,000 7 100 \$2,119 1 Horse tack \$5,000 4.0% \$5,000 \$1,000 10 100 \$533 1 Misc. equipment \$7,500 4.0% \$5,000 \$1,500 10 100 \$800 Sub Total \$69,500 \$1,500 10 100 \$800 Weight \$1,200 \$4,660 10 100 \$1,100 16 Bulls \$4,000 4.0% \$63,000 \$23,940 4 100 \$11,718 90 Cows 2,500 4.0% \$225,000 \$85,				Sub Totals	\$366,000				\$22,151
1 3/4 ton pickup 4WD \$42,000 4.0% \$42,000 \$8,400 7 50 \$2,967 0 3/4 ton pickup 4WD \$45,000 4.0% \$0 \$0 7 50 \$0 0 Tractor \$7,000 4.0% \$0 \$0 7 100 \$0 2 Gooseneck trailer \$7,500 4.0% \$15,000 \$3,000 7 100 \$2,119 1 Horse tack \$5,000 4.0% \$5,000 \$1,000 10 100 \$533 1 Misc. equipment \$7,500 4.0% \$5,000 \$1,500 10 100 \$533 1 Horses \$1,200 4.0% \$7,500 \$1,500 10 100 \$1,100 16 Bulls \$4,000 4.0% \$63,000 \$23,940 4 100 \$11,718 90 Cows 2,500 4.0% \$225,000 \$85,500 8 100 \$24,140 145	Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
0 3/4 ton pickup 4WD \$45,000 4.0% \$0 \$0 7 50 \$0 0 Tractor \$7,000 4.0% \$0 \$0 7 100 \$0 2 Gooseneck trailer \$7,500 4.0% \$15,000 \$3,000 7 100 \$2,119 1 Horse tack \$5,000 4.0% \$5,000 \$1,000 10 100 \$533 1 Misc. equipment \$7,500 4.0% \$7,500 \$1,500 10 100 \$800 Sub Total \$69,500 \$6,419 Head Purchased Livestock Price Per Unit Interest Rate ³ Price Salvage/Cull 10 Horses \$1,200 4.0% \$63,000 \$23,940 4 100 \$1,718 90 Cows 2,500 4.0% \$225,000 \$85,500 8 100 \$24,140 145 Total AUYs Sub Total \$75,000 \$29,250 \$24,840			\$42,000		\$42,000		7	50	\$2,967
0 Tractor \$7,000 4.0% \$0 \$0 7 100 \$0 2 Gooseneck trailer \$7,500 4.0% \$15,000 \$3,000 7 100 \$2,119 1 Horse tack \$5,000 4.0% \$5,000 \$1,000 10 100 \$533 1 Misc. equipment \$7,500 4.0% \$7,500 \$1,500 10 100 \$800 Sub Total \$69,500 \$6,419 Head Purchased Livestock Price Per Unit Interest Rate Price Salvage/Cull 10 Horses \$1,200 4.0% \$12,000 \$4,560 10 100 \$11,100 16 Bulls \$4,000 4.0% \$63,000 \$23,940 4 100 \$11,718 90 Cows 2,500 4.0% \$75,000 \$85,500 8 100 \$24,140 Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Inv	0			4.0%				50	
1 Horse tack 1 \$5,000 \$1,000 \$1,000 \$10 \$100 \$533 \$1,500 \$1,500 \$1,500 \$100 \$100 \$800 \$10	0	Tractor	\$7,000	4.0%			7	100	
Sub Total \$7,500 \$1,500 10 100 \$800 Sub Total \$69,500 \$6,419 Head Purchased Livestock Price Per Unit Interest Rate³ Price Salvage/Cull 10 Horses \$1,200 4.0% \$12,000 \$4,560 10 100 \$1,100 16 Bulls \$4,000 4.0% \$63,000 \$23,940 4 100 \$11,718 90 Cows 2,500 4.0% \$225,000 \$85,500 8 100 \$24,140 145 Total AUYs Sub Total \$75,000 \$12,818 Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 <t< td=""><td>2</td><td>Gooseneck trailer</td><td>\$7,500</td><td>4.0%</td><td>\$15,000</td><td>\$3,000</td><td>7</td><td>100</td><td>\$2,119</td></t<>	2	Gooseneck trailer	\$7,500	4.0%	\$15,000	\$3,000	7	100	\$2,119
Sub Total \$69,500 \$6,419	1	Horse tack	\$5,000	4.0%	\$5,000	\$1,000	10	100	\$533
Head Purchased Livestock Price Per Unit Interest Rate ³ Price Salvage/Cull 10 Horses \$1,200 4.0% \$12,000 \$4,560 10 100 \$1,100 16 Bulls \$4,000 4.0% \$63,000 \$23,940 4 100 \$11,718 90 Cows 2,500 4.0% \$225,000 \$85,500 8 100 \$24,140 145 Total AUYs Sub Total \$75,000 \$12,818 Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268	1	Misc. equipment	\$7,500	4.0%	\$7,500	\$1,500	10	100	\$800
Head Purchased Livestock Price Per Unit Interest Rate³ Price Salvage/Cull 10 Horses \$1,200 4.0% \$12,000 \$4,560 10 100 \$1,100 16 Bulls \$4,000 4.0% \$63,000 \$23,940 4 100 \$11,718 90 Cows 2,500 4.0% \$225,000 \$85,500 8 100 \$24,140 145 Total AUYs Sub Total \$75,000 \$12,818 Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268				Sub Total	\$69,500				\$6,419
10 Horses \$1,200 4.0% \$12,000 \$4,560 10 100 \$1,100 16 Bulls \$4,000 4.0% \$63,000 \$23,940 4 100 \$11,718 90 Cows 2,500 4.0% \$225,000 \$85,500 8 100 \$24,140 145 Total AUYs Sub Total \$75,000 \$12,818 Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268	Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
90 Cows 2,500 4.0% \$225,000 \$85,500 8 100 \$24,140 145 Total AUYs Sub Total \$75,000 \$12,818 Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268	10	Horses	\$1,200		\$12,000	\$4,560	10	100	\$1,100
Total AUYs Sub Total \$75,000 \$12,818 Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268	16	Bulls	\$4,000	4.0%	\$63,000	\$23,940	4	100	\$11,718
Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268	90	Cows	2,500	4.0%	\$225,000	\$85,500	8	100	\$24,140
Head Retained Livestock Price Per Unit Interest Rate Price Salvage/Cull Interest on Investme 315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268	145	Total AUYs							
315 Cows \$2,500 4.0% \$787,500 \$299,250 \$24,840 47 Replacement Heifers \$2,300 4.0% \$108,675 \$41,297 \$3,428 350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268				Sub Total	\$75,000				\$12,818
47 Replacement Heifers \$2,300	Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
350 Total AUYs Sub Total \$896,175 \$340,547 \$28,268	315	Cows	\$2,500	4.0%	\$787,500	\$299,250			\$24,840
Sub Total \$896,175 \$340,547 \$28,268	47	Replacement Heifers	\$2,300	4.0%	\$108,675	\$41,297			\$3,428
	350	Total AUYs							
Total \$2,726,675 \$56,838				Sub Total	\$896,175	\$340,547			\$28,268
		Total <u>\$2,726,675</u>							\$56,838

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.