## CENTRAL MOUNTAIN REGION SMALL 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
100	Acres of private land	\$800	3.9%	\$80,000	\$80,000			
34	AU Values <sup>1</sup>	\$3,000	3.9%	\$101,250	\$101,250			
			_					
			Sub Totals	\$181,250				
Number	Buildings, Improvements	Price Per Unit						
0.5	Miles of pipeline	\$4,000	3.9%	\$2,000	\$200	25	100	\$122
1	Wells	\$20,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
10	Miles of Fence	\$8,000	3.9%	\$80,000	\$8,000	25	100	\$4,872
1	Corrals/Working Facilities	\$5,000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Sub Totals	\$122,000				\$7,318
Number	Machinery & Vehicles	Price Per Unit	Interest Rate <sup>3</sup>	Price	Salvage/Cull			. ,
1	3/4 ton pickup 4WD	\$35,000	4.0%	\$35,000	\$7,000	7	50	\$2,473
0	3/4 ton pickup 4WD	\$35,000	4.0%	\$0	\$0	7	50	\$0
0	Tractor	\$7,000	4.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$5,500	4.0%	\$5,500	\$1,100	7	100	\$777
1	Horse tack	\$3,500	4.0%	\$3,500	\$700	10	100	\$373
1	Misc. equipment	\$2,000	4.0%	\$2,000	\$400	10	100	\$213
			Sub Total	\$46,000				\$3,836
Head	Purchased Livestock	Price Per Unit	Interest Rate <sup>3</sup>	Price	Salvage/Cull			φο,σσσ
3	Horses	\$1,200	4.0%	\$3,600	\$1,368	10	100	\$330
1	Bulls	\$3,000	4.0%	\$3,750	\$1,425	4	100	\$698
5	Total AUYs	ψ3,000	4.070	ψ5,750	Ψ1,420	7	100	ψ090
э	Total AUTS		Sub Total	\$7,350				\$1,027
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
25	Cows	\$1,500	4.0%	\$37,500	\$14,250			\$1,183
4	Replacement Heifers	\$1,200	4.0%	\$4,500	\$1,710			\$142
28	Total AUYs	+ ,		* /*	* ,			•
			Sub Total	\$42,000	\$15,960			\$1,325
			Total	\$398,600	=			\$12,479

<sup>1)</sup> 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.

## **CENTRAL REGION SMALL COW/CALF BUDGET 2018**

	BREED HERD SIZE Cull rate	43 15%	COW to BULL	20	CALF CROP PERCENT <sup>1</sup> REPLACEMENT HEIFER'S KEPT	839	<b>%</b> 6
	V	ALUE OF PRO	VALUE PER COW				
		QUANTITY	WEIGHT	PRICE <sup>2</sup>	<u>VALUE</u>		NEW VALUE
STEER CALVES		18	515	\$1.23	\$11,172	\$262.88	
HEIFER CALVES		11	495	\$1.18	\$6,578	\$154.79	
CULL COWS		6	900	\$0.62	\$3,557	\$83.70	
CULL BULLS		<u>1</u>	1200	\$0.74	<u>\$888</u>	<u>\$20.89</u>	
	TOTAL	36			\$22,196	\$522.26	
VARIABLE COSTS						VALUE DED CO	NA/
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO	W NEW VALUE
	HAY	TON	5.00	\$145	\$725	\$17.06	
	STATE	AUY	0.0%	\$67.20	\$0	\$0.00	
	FEDERAL LEASE	AUY	50.0%	\$16.20	\$689	\$16.20	
	PRIVATE(Owned)	AUY	50.0%	\$0.00	\$0	\$0.00	
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
	SALT & MINERAL	TON	3.00	\$710	\$2,130	\$50.12	
	PROTEIN SUPP	TON	6.38	\$355	\$2,263	\$53.25	
	OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>	
	TOTAL				\$5,807	\$136.63	
2. OTHER VARIABLE COSTS					COST		
. OTHER VARIABLE COSTS	VET AND MEDICINE				\$616	\$14.50	
	LIVESTOCK HAULING				\$172	\$4.05	
	HIRED LABOR				\$3,000	\$70.59	
	OPERATING COSTS-EQUIP &	МАСН			\$809	\$19.02	-
	OPERATING COSTS-VEHICLE				\$1,545	\$36.35	-
	RANCH MAINTENANCE				\$2,500	\$58.82	
	BEEF CHECKOFF				\$29	\$0.68	
	PURCHASED LIVESTOCK				<u>\$5,000</u>	<u>\$117.65</u>	
	TOTAL				\$13,671	\$321.67	
	SUM OF VARIABLE COSTS X I X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	Н	NOWED		6.50% 6	VALUE PER CO	w
					\$633	\$14.89	
					\$20,111	\$473.19	
ГОТАL					\$2,085	\$49.07	
OWNERSHIP COSTS	Annual Capital Recovery <sup>4</sup> (At F	) a m la a a m a m t N	(alua).		Represents 65% Asset Ownership <sup>5</sup>	VALUE DED CO	M/ NIFIM/ \/A I I II
CASH COSTS	Annual Capital Recovery (At F	replacement v	aive):		Represents 65% Asset Ownership	VALUE PER CO	W NEW VALUE
Taxes & Insurance					\$3,836	\$90.26	
Overhead					\$2,500	\$58.82	-
					\$6,336	\$149.08	
NON CASH COSTS							
Purchased Livestock					\$1,183	\$27.83	
					\$3,836	\$90.26	
Machinery & Equipment						\$172.20	
Housing & Improvements					\$7,318		
Housing & Improvements Interest on Retained Livest					\$1,325	\$31.17	
Housing & Improvements Interest on Retained Livest	tock <sup>6</sup> Labor ( 6% of gross returns)				\$1,325 \$2,085	\$31.17 \$49.07	
Housing & Improvements Interest on Retained Livest Management & Operation I					\$1,325 \$2,085 \$15,748	\$31.17 \$49.07 \$370.54	
Housing & Improvements Interest on Retained Livest Management & Operation I	Labor ( 6% of gross returns)				\$1,325 \$2,085 \$15,748 \$22,084	\$31.17 \$49.07 \$370.54 \$519.62	
Housing & Improvements Interest on Retained Livest Management & Operation I  FOTAL FIXED COSTS  FOTAL CASH AND VARIABLE CO	Labor ( 6% of gross returns)				\$1,325 \$2,085 \$15,748 \$22,084 \$26,447	\$31.17 \$49.07 \$370.54 \$519.62 \$622.28	
Housing & Improvements Interest on Retained Livest Management & Operation I  TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS	Labor ( 6% of gross returns)				\$1,325 \$2,085 \$15,748 \$22,084 \$26,447 \$42,194	\$31.17 \$49.07 \$370.54 \$519.62 \$622.28 \$992.81	
Housing & Improvements Interest on Retained Livest Management & Operation I  TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS	Labor ( 6% of gross returns)				\$1,325 \$2,085 \$15,748 \$22,084 \$26,447	\$31.17 \$49.07 \$370.54 \$519.62 \$622.28	
Housing & Improvements Interest on Retained Livest	Labor ( 6% of gross returns)	VARIABLE	TOTAL		\$1,325 \$2,085 \$15,748 \$22,084 \$26,447 \$42,194	\$31.17 \$49.07 \$370.54 \$519.62 \$622.28 \$992.81	
Housing & Improvements Interest on Retained Livest Management & Operation I FOTAL FIXED COSTS FOTAL CASH AND VARIABLE CO FOTAL COSTS RETURN ABOVE TOTAL CASH C	Labor ( 6% of gross returns)	VARIABLE COSTS	TOTAL COSTS		\$1,325 \$2,085 \$15,748 \$22,084 \$26,447 \$42,194	\$31.17 \$49.07 \$370.54 \$519.62 \$622.28 \$992.81	
Housing & Improvements Interest on Retained Livest Management & Operation I  TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO  BREAKEVEN CALCULATIONS	Labor ( 6% of gross returns)				\$1,325 \$2,085 \$15,748 \$22,084 \$26,447 \$42,194	\$31.17 \$49.07 \$370.54 \$519.62 \$622.28 \$992.81	

- 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 2018 prices 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.