

Range Livestock Costs and Returns for New Mexico, 1998



Range Improvement Task Force Cooperative Extension Service / Agricultural Experiment Station College of Agriculture and Home Economics

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INTRODUCTION

Range livestock producers in New Mexico are influenced by many factors during a production year. These include financial and economic considerations vital to the success of the livestock operation. Access to this information gives producers, lending institutions, rangeland appraisers and other interested parties a better understanding of cash flow, debt structure and aggregate profitability of the entity. Cost and return estimates take into account external factors that directly impact the ranching operation, such as land use policy development, property taxes, and credit analysis for current and future financial decisions.

This study presents 15 individual cost and return estimates considering representative model cow-calf ranches of different sizes in five regions throughout New Mexico. The regions are county-specific (each county is wholly contained in one region) and are classified as: Central Mountain, Northeast, Northwest, Southeast, and Southwest. Within each region, individual budgets were developed for three ranches of differing size, ranging from extra-small in the Central Mountain region to extra-large in the Northeast, Northwest and Southeast regions. Throughout the analysis, number of mother cows is reported and a one-to-twenty bull ratio assumed.

RANCHING REGIONS

Ranching regions were established based on commonality in rangeland type, historical use, topography and climatic conditions. New Mexico State University has an extended history of developing range livestock cost and return estimates, and the regional-basis budget development undertaken in this study has historical precedent.

Central Mountain

This region comprises Taos, Rio Arriba, Sandoval, Santa Fe, San Miguel, Bernalillo, Torrance, Lincoln and Otero counties. Representative ranches modeled for the Central Mountain region were small, medium, and large in size.

Rangelands in the Central Mountain region range from high alpine meadows to lower valleys. Higher elevations may accumulate heavy snow pack throughout the winter months and may receive heavy rains in the summer months. Because of the varying topography of this region, annual precipitation levels within it vary from 8 to 30 inches (Palmer Drought Index). Both warm and cool season grasses are prevalent and are coupled with coniferous forest and browse species.

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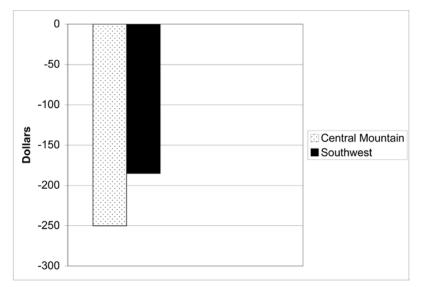


Figure 1. Economic returns for small New Mexico ranches, 1998

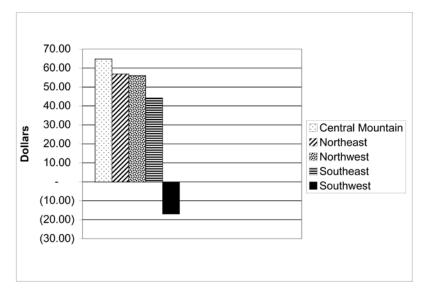


Figure 2. Economic returns for medium-sized New Mexico ranches, 1998

Small Ranch

The small representative ranch had 50 mature cows. A 15% culling rate was applied and an 84% calf crop percentage was assumed. Gross returns per cow were approximately \$320 with total costs approaching \$570 per cow, resulting in a loss of \$250 per cow (Figure 1).

Medium Ranch

The medium representative ranch had 200 mature cows. A 15% culling rate was applied and an 85% calf crop percentage was assumed. Gross returns per cow were approximately \$325 with total costs approaching \$260 per cow, resulting in a profit of \$65 per cow (Figure 2). Break-even calf prices were \$96 per hundred weight (cwt) with 1998 prices averaging \$76/cwt.

Large Ranch

The large representative ranch had 350 mature cows. A 15% culling rate was applied and an 85% calf crop percentage was assumed. Gross returns per cow were approximately \$325 with total costs approaching \$286 per cow, resulting in a profit of \$39 per cow (Figure 3). Break-even calf prices were \$96 per hundred weight (cwt) with 1998 prices averaging \$67/cwt.

Northeast Region

This region comprises Colfax, Curry, De Baca, Guadalupe, Harding, Quay, and Mora counties. Representative ranches modeled for the Northeast region were medium, large and extra-large in size.

Rangelands in the Northeast region are primarily prairie plains vegetated by perennial grasses. Precipitation in the region varies from 12 to 20 inches per year throughout the region (Palmer Drought Index). Stuckey and Henderson (1969) estimate carrying capacities ranging from 15 to 24 animal units yearlong (AUY).

Medium Ranch

The medium representative ranch had 200 mature cows. A 15% culling rate was applied and an 83% calf crop percentage was assumed. Gross returns per cow were approximately \$372 with total costs approaching \$315 per cow, resulting in a profit of greater than \$56 per cow (Figure 2). Break-even calf prices were \$71 per hundred weight (cwt) with 1998 prices averaging \$80/cwt for this region.

Large Ranch

The large representative ranch had 350 mature cows. A 15% culling rate was applied and an 84% calf crop percentage was assumed. Gross returns per cow were approximately \$350 with total costs approaching \$260 per cow, resulting in a profit of \$89 per cow (Figure 3). Break-even calf prices were \$58 per hundred weight (cwt) with 1998 prices averaging \$80/cwt.

Extra-Large Ranch

The extra-large representative ranch had 550 mature cows. A 15% culling rate was applied and an 85% calf crop percentage was assumed. Gross returns per cow were approximately \$337 with total costs approaching \$253 per cow, resulting in a profit of \$84 per cow (Figure 4). Break-even calf prices were \$59 per hundred weight (cwt) with 1998 prices averaging \$80/cwt.

Northwest Region

This region comprises Bernalillo, Catron, McKinley, Rio Arriba, Sandoval, and San Juan counties. Representative ranches modeled for the Northeast region were medium, large and extra-large in size. Drought conditions persisted throughout 2000, reducing cow numbers again from 1999 levels. Supplemental feeding rates increased for each of the representative ranches modeled in this region.

Both warm and cool season grasses are found in this region, as are piñon, juniper, oak brush, ponderosa pine and sagebrush. Precipitation ranges between 12 and 20 inches annually, with most precipitation falling in the summer months. Stocking rates reported by Stuckey and Henderson (1969) are between 5 and 14 AUY per section. This

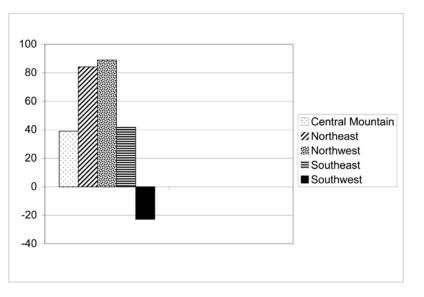


Figure 3. Economic returns for large New Mexico ranches, 1998

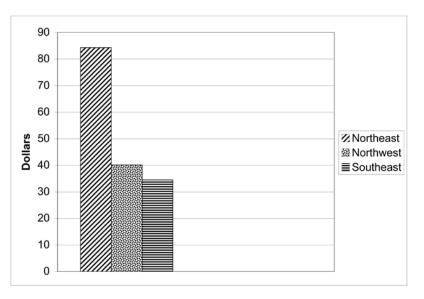


Figure 4. Economic returns for extra-large New Mexico ranches, 1998

variance is due to terrain, precipitation, and forage availability across the region.

Medium Ranch

The medium representative ranch had 200 mature cows. A 15% culling rate was applied and an 83% calf crop percentage was assumed. Gross returns per cow were approxi-

mately \$372 with total costs approaching \$315 per cow, resulting in a profit of greater than \$56 per cow (Figure 2). Break-even calf prices were \$71 per hundred weight (cwt) with 1998 prices averaging \$80/cwt for this region.

Large Ranch

The large representative ranch had 350 mature cows. A 15% culling rate was applied and an 84% calf crop percentage was assumed. Gross returns per cow were approximately \$350 with total costs approaching \$260 per cow, resulting in a profit of \$89 per cow (Figure 3). Break-even calf prices were \$58 per hundred weight (cwt) with 1998 prices averaging \$80/cwt.

Extra-Large Ranch

The extra-large representative ranch had 550 mature cows. A 15% culling rate was applied and an 85% calf crop percentage was assumed. Gross returns per cow were approximately \$295 with total costs approaching \$255 per cow, resulting in a profit of \$40 per cow (Figure 4). Break-even calf prices were \$255 per hundred weight (cwt) with 1998 prices averaging \$80/cwt.

Southeast Region

The cost and return estimates in this region were based on data gathered in Chaves, Eddy, Lea, Lincoln, Otero, and Roosevelt counties. Representative ranches modeled for the Southeast region were medium, large and extra-large in size. Drought conditions worsened throughout 2000, resulting in further reductions in cow numbers for the Southeast region of New Mexico. These continuing drought conditions resulted in greater supplemental feeding rates.

Terrain in this region ranges from prairies to rough areas. Elevations vary from 3,000 to over 6,000 feet, with precipitation between 12 and 20 inches annually. Primary grass species are grama, tobosa, and galleta. Prevalent shrubs and trees are piñon, juniper, and oak brush. Stuckey and Henderson (1969) estimate that due to the huge variability of soil type, forage, and precipitation levels stocking rates will range from 3 to 17 AUY per section.

Medium Ranch

The medium representative ranch had 200 mature cows. A 15% culling rate was applied and an 82% calf crop percentage was assumed. Gross returns per cow were approximately \$322 with total costs approaching \$278 per cow, resulting in a profit of greater than \$44 per cow (Figure 2). Break-even calf prices were \$68 per hundred weight (cwt) with 1998 prices averaging \$76/cwt for this region.

Large Ranch

The large representative ranch had 400 mature cows. A 15% culling rate was applied and an 84% calf crop percentage was assumed. Gross returns per cow were approximately \$290 with total costs approaching \$248 per cow, resulting in a profit of \$42 per cow (Figure 3). Break-even calf prices were \$61 per hundred weight (cwt) with 1998 prices averaging \$76/cwt.

Extra-Large Ranch

The extra-large representative ranch had 550 mature cows. A 15% culling rate was applied and an 84% calf crop percentage was assumed. Gross returns per cow were approximately \$290 with total costs approaching \$255 per cow, resulting in a profit of \$34 per cow (Figure 4). Break-even calf prices were \$61 per hundred weight (cwt) with 1998 prices averaging \$76/cwt.

Southwest Region

The cost and return estimates in this region were based on data gathered in Doña Ana,

Grant, Hidalgo, Luna, and Sierra counties. Representative ranches modeled for the Southwest region were small, medium and large in size.

Terrain in this region ranges from prairies to rough areas. Elevations vary from 4,000 to over 8,000 feet with precipitation between 9 and 16 inches annually. Black grama is the primary grass plant in this region, while creosote and mesquite make up the majority of brush. Stuckey and Henderson (1969) estimate that due to the huge variability in soil type, forage and precipitation levels in this region, stocking rates will range from 5 to 14 AUY per section.

Small Ranch

The small representative ranch had 40 mature cows. A 15% culling rate was applied and an 82% calf crop percentage was assumed. Gross returns per cow were approximately \$305 with total costs approaching \$490 per cow, resulting in a loss of \$185 per cow (Figure 1). Break-even calf prices were \$122 per hundred weight (cwt) with 1998 prices averaging \$74/cwt. The combination of increasing costs with stagnant cattle prices resulted in significant economic and financial losses.

Medium Ranch

The medium representative ranch had 200 mature cows. A 15% culling rate was applied and an 82% calf crop percentage was assumed. Gross returns per cow were approximately \$307 with total costs approaching \$325 per cow, resulting in a loss of \$17 per cow (Figure 2). Break-even calf prices were \$81 per hundred weight (cwt) with 1998 prices averaging \$74/cwt. The combination of increasing costs with stagnant cattle prices resulted in significant economic and financial losses.

Large Ranch

The large representative ranch had 400 mature cows. A 15% culling rate was applied and an 82% calf crop percentage was assumed. Gross returns per cow were approximately \$275 with total costs approaching \$299 per cow, resulting in a loss of \$22 per cow (Figure 3). Break-even calf prices were \$75 per hundred weight (cwt) with 1998 prices averaging \$74/cwt. The combination of increasing costs with stagnant cattle prices resulted in significant economic and financial losses.

SUMMARY

Livestock production throughout New Mexico in 1998 resulted in mostly positive returns. Our model indicated that medium, large, and extra-large ranching operations in each region other than the Southwest made a profit. Cattle prices were relatively flat during 1998 relative to 1997 (Figure 5 provides aggregate beef cattle prices for New Mexico for 1998—these values are representative of all classes of beef cattle throughout the state). Costs, however, increased. The largest increase was found in supplemental feeding rates for each region. Precipitation levels in 1998 were normal or above throughout the entire state (Palmer Drought Indices).

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APPENDIX A

CENTRAL REGION SMALL COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	50 15%	COW to BULL	20	CALF CROP PERCENT	8
		ALUE OF PROD	UCTION			VALUE PER CO
		QUANTITY	WEIGHT	PRICE2	VALUE	Theorem Carlos
STEER CALVES		21	515	\$0.80	\$8,446	\$168.92
HEIFER CALVES		13	495	\$0.72	\$4,633	\$92.66
CULL COWS		8	900	\$0.37	\$2,498	\$49.95
CULL BULLS		1	1200	\$0.41	\$492	\$9.84
	TOTAL	42			\$16,069	\$321.37
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	5.00	\$125	\$625	\$12.50
	STATE	AUY	0.0%	\$25.08	50	\$0.00
	FEDERAL LEASE	AUY	50.0%	\$16.20	\$810	\$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	2.00	\$120	\$240	
			the second se		10 10 10 10 10 10 10 10 10 10 10 10 10 1	\$4.80
	PROTEIN SUPP OTHER	TON	4.00	\$300 \$0	\$1,200	\$24.00
	OTHER		0.00		<u>\$0</u>	\$0.00
	TOTAL				\$2,875	\$57.50
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$400	\$8.00
	LIVESTOCK HAULING				\$84	\$1.68
	HIRED LABOR				50	\$0.00
	OPERATING COSTS-EQUIP & N	ACH			\$750	\$15.00
	OPERATING COSTS-VEHICLE	ACH				
	RANCH MAINTENANCE				\$1,000	\$20.00
					\$1,500	\$30.00
	BEEF CHECKOFF				\$34	\$0.67
	PURCHASED LIVESTOCK				<u>\$700</u>	<u>\$14.00</u>
	TOTAL				\$4,468	\$89.35
. INTEREST ON VARIABLE COSTS	S SUM OF VARIABLE COSTS X M					
	X INTEREST RATE PER MONTH					
	ANNUAL INTEREST RATE				7.5%	
	NUMBER OF MONTHS BORRON	AED			6	VALUE PER COV
					\$275	\$5.51
OTAL		- The state of the			\$7,618 \$8,451	\$152.36 \$169.02
OWNERSHIP COSTS					30,401	3105.02
	Annual Capital Recovery ⁴ (At R	eplacement Valve	e):		Represents 65% Asset Ownership 5	VALUE PER COM
ASH COSTS						
Taxes & Insurance Overhead					\$2,165	\$43.30
Overnead					\$2,100	\$42.00
ON CASH COSTS					\$4,265	\$85.30
Purchased Livestock					\$1,410	\$28.19
Machinery & Equipment					\$2,165	\$43.30
Housing & Improvements					\$2,939	\$58.78
Interest on Retained Livestoc	. . .				\$1,602	\$32.04
Management & Operation Lab					\$8,451	\$169.02
annogenera a operation Lat	eer (an or Broad Letterual				\$16,566	\$331.32
OTAL EIVED CORTO						
DTAL FIXED COSTS DTAL CASH AND VARIABLE COST	re				\$20,831	\$416.63
OTAL CASH AND VARIABLE COST	0				\$11,883	\$237.66
ETURN ABOVE TOTAL CASH COS	TS				\$28,449 \$4,186	\$568.99 \$83.71
ETOTAL CROIL CO					-94,100	\$03./T
REAKEVEN CALCULATIONS						
	E	VARIABLE COSTS	TOTAL COSTS			
	F PRICES CASH COST (cwt)	2010/02/10	10000			
	PRICES CASH COST (cwt)	\$36.79	\$57.39			

REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) \$36.79 \$137.40

 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 1998 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
 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.

CENTRAL REGION MEDIUM COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	200 15%	COW to BULL	20	CALF CROP PERCENT ' REPLACEMENT HEIFER'S KEPT	8
	the same of the	ALUE OF PRO	DUCTION			
	<i>x</i>		WEIGHT	opier?		VALUE PER COV
		QUANTITY	WEIGHT	PRICE	VALUE	P175 10
STEER CALVES		85	515	\$0.80	\$35.020	\$175.10
HEIFER CALVES		55	495	\$0.72	\$19,602	\$98.01
CULL COWS		30	900	\$0.37	\$9,990	\$49.95
CULL BULLS		1	1200	\$0.41	\$492	\$2.46
TOT	AL	171			\$65,104	\$325.52
VARIABLE COSTS		-		000 002		
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	2007	VALUE PER COV
HAY	,	TON		\$140	COST	£10.00
			28.00		\$3,920	\$19.60
STA		AUY	30.0%	\$25.08	\$0	\$0.00
	ERAL LEASE	AUY	40.0%	\$16.20	\$3,240	\$16.20
PRIV	VATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
PRIV	VATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
SAL	T & MINERAL	TON	4.00	\$230	\$920	\$4.60
PRO	TEIN SUPP	TON	6.00	\$350	\$2,100	\$10.50
OTH			0.00	\$0	<u>\$0</u>	\$0.00
тот	AL				\$10,180	\$50.90
				957	010,100	\$55.55
OTHER VARIABLE COSTS					COST	
VET	AND MEDICINE				\$1,700	\$8.50
	STOCK HAULING				\$342	\$1.71
	ED LABOR				\$0	
17 m27 C 20	and the second se	ACU			The second se	\$0.00
	RATING COSTS-EQUIP & N	ACH			\$845	\$4.22
	RATING COSTS-VEHICLE				\$1,267	\$6.33
	ICH MAINTENANCE				\$1,476	\$7.38
BEEF	F CHECKOFF				\$140	\$0.70
PUR	CHASED LIVESTOCK					
					<u>\$1,500</u>	\$7.50
тотл	AL				\$1,500 \$7,270	<u>\$7.50</u> \$36.35
3. INTEREST ON VARIABLE COSTS		IONTHS BORRO	WED			the second second
8. INTEREST ON VARIABLE COSTS SUM X INT	OF VARIABLE COSTS X M TEREST RATE PER MONTH		WED		\$7,270	the second second
8. INTEREST ON VARIABLE COSTS Sum X Int Anni	OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE	1	WED		\$7,270 7.5%	\$36.35
. INTEREST ON VARIABLE COSTS Sum X INT ANNI	OF VARIABLE COSTS X M TEREST RATE PER MONTH	1	WED		\$7,270 7.5% 6	\$36.35 VALUE PER COW
. INTEREST ON VARIABLE COSTS Sum X INT ANNI	OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE	1	WED		\$7,270 7.5% 6 \$654	\$36.35 VALUE PER COW \$3.27
. INTEREST ON VARIABLE COSTS Sum X INT ANNI	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	1	WED		\$7,270 7.5% 6 \$654 \$18,104	\$36.35 VALUE PER COW \$3.27 \$90.52
. INTEREST ON VARIABLE COSTS SUM X III ANNI NUM TOTA	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	1	WED		\$7,270 7.5% 6 \$654	\$36.35 VALUE PER COW \$3.27
. INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WWNERSHIP COSTS Annu	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00
. INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM WNERSHIP COSTS Annu ASH COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104 \$47,000 Represents \$5% Asset Ownership ⁵	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW
. INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WWNERSHIP COSTS Annu	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13
INTEREST ON VARIABLE COSTS SUM X INT ANNIN NUM TOTA WINERSHIP COSTS Taxes & Insurance	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104 \$47,000 Represents \$5% Asset Ownership ⁵	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WNERSHIP COSTS Taxes & Insurance Overhead Total	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104 \$47,000 Represents 55% Asset Ownership ⁵ \$2,626 \$2,100	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WNERSHIP COSTS Annu ASH COSTS Taxes & Insurance Overhead Total	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104 \$47,000 Represents 55% Asset Ownership ⁵ \$2,626 \$2,100	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WINERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$28.89
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM WNERSHIP COSTS TOTA WNERSHIP COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$28.89 \$11.93
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WNERSHIP COSTS Annu ASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROU	4 WED			\$7,270 7.5% 6 \$654 \$18,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$28.89 \$11.93 \$22.19
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WNERSHIP COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁴	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7.5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$12,814	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$28.89 \$11.93 \$22.19 \$64.07
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WNERSHIP COSTS Annu ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁴ Management & Operation Labor (6	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7.5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$112,814 \$3,906	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$28.89 \$11.93 \$22.19 \$64.07 \$19.53
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (6 Total	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7.5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$12,814	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$28.89 \$11.93 \$22.19 \$64.07
INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM WNERSHIP COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor (6 Total OTAL FIXED COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7.5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322 \$34,048	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$22.19 \$64.07 \$19.53 \$146.61 \$170.24
A INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM WNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor (6 Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7.5% 5 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322	\$36.35 VALUE PER COV \$3.27 \$90.52 \$235.00 VALUE PER COV \$13.13 \$10.50 \$23.63 \$28.89 \$11.93 \$22.19 \$64.07 \$19.53 \$146.61
INTEREST ON VARIABLE COSTS SUM XINT XINT XINT ANNI NUM TOTA WNERSHIP COSTS Annu CASH COSTS Annu CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock * Management & Operation Labor (6 Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COSTS OTAL CASH AND VARIABLE COSTS OTAL COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7.5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322 \$34,048	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50 \$23.63 \$28.89 \$11.93 \$22.19 \$64.07 \$19.53 \$146.61 \$170.24
3. INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total KON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (6 Total OTAL FIXED COSTS OTAL COSTS OTAL COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7,5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322 \$34,048 \$22,830	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50 \$23.63 \$22.19 \$64.07 \$19.53 \$146.61 \$170.24 \$114.15
3. INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total INN CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (6 Total TOTAL FIXED COSTS TOTAL COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7,5% 6 5654 \$18,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,726 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322 \$34,048 \$22,830 \$52,152	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50 \$23.63 \$28.89 \$11.93 \$22.19 \$64.07 \$19.53 \$146.61 \$170.24 \$114.15 \$260.76
3. INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM CONTEXPERIENCE COSTS Taxes & Insurance Overhead Total CON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (6 Total COTAL FIXED COSTS OTAL CASH AND VARIABLE COSTS OTAL COSTS EETURN ABOVE TOTAL CASH COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED			\$7,270 7,5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,725 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322 \$34,048 \$22,830 \$52,152 \$42,274	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50 \$23.63 \$22.19 \$64.07 \$19.53 \$146.61 \$170.24 \$114.15 \$260.76 \$211.37
A INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WINERSHIP COSTS Annu CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (6 Total OTAL FIXED COSTS OTAL COSTS OTAL CASH AND VARIABLE COSTS OTAL COSTS ETURN ABOVE TOTAL CASH COSTS ETURN ABOVE TOTAL COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORROT AL ual Capital Recovery ⁴ (At R	4 WED	ve):		\$7,270 7,5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,725 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322 \$34,048 \$22,830 \$52,152 \$42,274	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50 \$23.63 \$22.19 \$64.07 \$19.53 \$146.61 \$170.24 \$114.15 \$260.76 \$211.37
A INTEREST ON VARIABLE COSTS SUM X INT ANNI NUM TOTA WINERSHIP COSTS Annu CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (6 Total OTAL FIXED COSTS OTAL COSTS OTAL CASH AND VARIABLE COSTS OTAL COSTS ETURN ABOVE TOTAL CASH COSTS ETURN ABOVE TOTAL COSTS	I OF VARIABLE COSTS X M TEREST RATE PER MONTH UAL INTEREST RATE IBER OF MONTHS BORRON AL ual Capital Recovery ⁴ (ALR	t WED Replacement Val	ve):		\$7,270 7,5% 6 5654 518,104 \$47,000 Represents 65% Asset Ownership ⁵ \$2,626 \$2,100 \$4,725 \$5,778 \$2,386 \$4,438 \$12,814 \$3,906 \$29,322 \$34,048 \$22,830 \$52,152 \$42,274	\$36.35 VALUE PER COW \$3.27 \$90.52 \$235.00 VALUE PER COW \$13.13 \$10.50 \$23.63 \$22.19 \$64.07 \$19.53 \$146.61 \$170.24 \$114.15 \$260.76 \$211.37

1) Call crop is defined as the actual number of calves sold divided, by the total number of cows (assuming all cows were exposed).

Prices represent 1998 price rojections from Cattle Fax, Donas reports for New Maxic Deduct Cattle Cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance

Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.
 Interest on average investment.

CENTRAL MOUNTAIN REGION MEDIUM RANCH INVESTMENTS 1998

Mumber	Land Values	Datas Das Hait	10 Yr Avg	Purchase	Salvage/Cull		Livestock	
Number	Land Values	Price Per Unit	Rate of Return		Value	Life	Share	Recovery
750	Acres of private land	\$175	3.9%	\$131,250	\$131,250			\$116.25
270	AU Values ¹	\$2,800	3.9%	\$756,000	\$756,000			
			Sub Totals	\$887,250				
Number	Buildings, Improvements	Price Per Unit						
2	Miles of pipeline	\$1,800	3.9%	\$3,600	\$360	25	100	\$219
1	Wells	\$11,000	3.9%	\$11,000	\$1,100	25	100	\$670
18	Miles of Fence	\$2,500	3.9%	\$45,000	\$4,500	25	100	\$2,741
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$72,100				\$4,438
lumber	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
0	3/4 ton pickup 4WD	\$15,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,000	7.5%	\$3,000	\$600	7	100	\$498
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$22,000				\$2,386
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
6	Horses	\$2,500	6.5%	\$15,000	\$5,700	10	100	\$1,664
10	Bulls	\$2,000	6.5%	\$20,000	\$7,600	4	100	\$4,114
30	Cows	\$1,100.00	6.5%	\$33,000	\$12,540	8	100	\$4,175
58	Total AUYs							*
			Sub Total	\$35,000				\$5,778
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
200	Cows	\$1,100	6.5%	\$220,000	\$83,600			\$11,277
30	Replacement Heifers	\$1,000	6.5%	\$30,000	\$11,400			\$1,538
223	Total AUYs							1.1
			Sub Total	\$250,000	\$95,000			\$12,814
			Total	\$1,266,350				\$19,638

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.

2) For intermediate assets an interest rate of 7.50% was used.

CENTRAL MOUNTAIN REGION LARGE RANCH INVESTMENTS 1998

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
10000	Acres of private land	\$175	3.9%	\$1,750,000		Cile	Onare	\$1,550.00
473	AU Values ¹	\$2,800	3.9%	\$1,323,000				
			Sub Totale	\$3,073,000				
Number	Buildings, Improvements	Price Per Unit	Cub round	40,010,000				
4	Miles of pipeline	\$1,800	3.9%	\$7,200	\$720	25	100	\$439
2	Wells	\$11,000	3.9%	\$22,000	\$2,200	25	100	\$1,340
40	Miles of Fence	\$2,500	3.9%	\$100,000	\$10,000	25	100	\$6,090
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$141,700				\$10,110
lumber	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3.000	7	50	\$1,245
1	1 ton pickup 4WD	\$16,000	7.5%	\$16,000	\$3,200	7	50	\$1,328
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
2	Gooseneck trailer	\$3,000	7.5%	\$6,000	\$1,200	7	100	\$996
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$46,000				\$6,476
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			**,*
10	Horses	\$2,500	6.5%	\$25,000	\$9,500	10	100	\$2,774
18	Bulls	\$2,000	6.5%	\$35,000	\$13,300	4	100	\$7,199
53	Cows	\$1,100.00	6.5%	\$58,300	\$22,154	8	100	\$7.377
101	Total AUYs							
			Sub Total	\$60,000				\$9,972
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
350	Cows	\$1,100	6.5%	\$385,000	\$146,300			\$19,734
53	Replacement Heifers	\$1,000	6.5%	\$52,500	\$19,950			\$2,691
389	Total AUYs							
			Sub Total	\$437,500	\$166,250			\$22,425
			Total	\$3,758,200				\$39,011

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.
 For intermediate assets an interest rate of 7.50% was used.
 A rate of 6.50 percent reflects a typical return on a low -risk investment (30 YR Treasury Bond)

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CENTRAL REGION LARGE COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	350 15%	COW to BULL	20	CALF CROP PERCENT	85
	v	ALUE OF PRODU	ICTION			VALUE PER CON
		QUANTITY	WEIGHT	PRICE2	VALUE	TALUE FER CON
STEER CALVES		149	515	\$0.80	\$61,285	\$175.10
HEIFER CALVES		96	495	\$0.72	\$34,304	\$98.01
CULL COWS		53	900	\$0.37	\$17,483	\$49.95
CULL BULLS		1	1200	\$0.41	5492	<u>\$1.41</u>
TOT	TAL	299			\$113,563	\$324.47
ARIABLE COSTS						
FFFD 00070		UNITE	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
I. FEED COSTS HAY	v	TON	30.00	\$140	\$4,200	\$12.00
STA		AUY	20.0%	\$25.08	\$0	\$0.00
	DERAL LEASE	AUY	40.0%	\$16.20	\$5.670	\$16.20
	VATE(Owned)	AUY	40.0%	\$0.00	SO	\$0.00
	VATE(Leased Grazing)	AUY	0.0%	\$0.00	50	\$0.00
	LT & MINERAL	TON	6.00	\$230	\$1,380	\$3.94
	OTEIN SUPP	TON	11.00	\$350	\$3,850	\$11.00
	HER	ION	0.00	\$0	\$0,850 \$0	\$0.00
тот	TAI				\$15,100	\$43.14
101					010,100	
OTHER VARIABLE COSTS					COST	
VET	AND MEDICINE				\$2,975	\$8.50
LIV	ESTOCK HAULING				\$597	\$1.71
HIR	ED LABOR				\$0	\$0.00
OPE	ERATING COSTS-EQUIP & M	MACH			\$1,312	\$3.75
OPF	ERATING COSTS-VEHICLE				\$1,702	\$4.86
RAN	NCH MAINTENANCE				\$2,214	\$6.33
BEF	EF CHECKOFF				\$245	\$0.70
	RCHASED LIVESTOCK				\$4.000	<u>\$11.43</u>
TOT	TAL				\$13.045	\$37.27
X IN	N OF VARIABLE COSTS X N ITEREST RATE PER MONTH NUAL INTEREST RATE		VED		7.5%	
NUM	MBER OF MONTHS BORRO	WED			6	VALUE PER COV
					\$1,055	\$3.02
					\$29,200	\$83.43
TOT	TAL				\$84,363	\$241.04
WNERSHIP COSTS	ual Capital Recovery ⁴ (At R	and a second Maker			Represents 65% Asset Ownership ⁵	VALUE DED COL
ASH COSTS	iual Capital Recovery (At R	replacement valve	a):		Represents 03% Asset Ownership	VALUE PER CU
Taxes & Insurance					\$6,910	\$19.74
Overhead Total					\$2,200	\$6.29 \$26.03
ION CASH COSTS						100000
Purchased Livestock					\$9,972	\$28.49
Machinery & Equipment					\$6,476	\$18.50
Housing & Improvements					\$10,110	\$28.89
Interest on Retained Livestock ⁵					\$22,425	\$64.07
Management & Operation Labor					\$6,814	\$19.47
Total	and states and and the states of the states				\$55,798	\$159.42
OTAL FIXED COSTS					\$64,908	\$185.45
OTAL CASH AND VARIABLE COSTS					\$38,310	\$109.46
					\$94,108	\$268.88
OTAL COSTS RETURN ABOVE TOTAL CASH COSTS					\$75,253	\$256.66
ETURN ABOVE TOTAL CASH COSTS					\$19,455	\$55.59
REAKEVEN CALCULATIONS					e 18,400	200.09
FOR THE CONTRACTOR	Г	VARIABLE	TOTAL			
	L	COSTS	COSTS			
REQUIRED AVG. CALF PR		\$19.44	\$25.50			
REQUIRED AVG. CALF PRI	CES TOTAL COSTS(cwt)	\$19.44	\$62.64			

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 1998 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.

Market prices include commissions, brain inspections, beef council, yardage, feed, and insurance
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.

NORTHEAST REGION MEDIUM COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	200 15%	COW to BULL	20	CALF CROP PERCENT REPLACEMENT HEIFER'S KEPT	
		VALUE OF PRO	DUCTION			VALUE PER CO
		QUANTITY	WEIGHT	PRICE2	VALUE	TALUE FER OU
STEER CALVES		83	550	\$0.85	\$38,803	\$194.01
HEIFER CALVES		53	515	\$0.77	\$21,017	\$105.09
CULL COWS		37	900	\$0.42	\$13,986	\$69.93
CULL BULLS		1	1200	\$0.45	\$552	<u>\$2.76</u>
	TOTAL	174			\$74,358	\$371.79
VARIABLE COSTS						
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	12.00	\$125	\$1,500	\$7.50
	BLM	AUY	0.0%	\$16.20	\$0	\$0.00
	STATE	AUY	17.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	30.0%	\$16.20	\$3,240	\$16.20
	PRIVATE(Owned)	AUY	53.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	3.00	\$118	\$354	\$1.77
	PROTEIN SUPP	TON	4.00	\$300	\$1,200	\$6.00
	OTHER		0.00	<u>\$0</u>	<u>\$0</u>	\$0.00
	TOTAL				\$6,294	\$31.47
2. OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$1,600	\$8.00
	LIVESTOCK HAULING				\$348	\$1.74
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & I	MACH			\$1,107	\$5.54
	OPERATING COSTS-VEHICLE				\$2,460	\$12.30
	RANCH MAINTENANCE				\$1,722	\$8.61
	BEEF CHECKOFF PURCHASED LIVESTOCK				\$136 <u>\$4,000</u>	\$0.68 \$20.00
	PORCHAGED ENECTOOR					320.00
	TOTAL				\$11,373	\$56.87
3. INTEREST ON VARIABLE CO	STS SUM OF VARIABLE COSTS X N	ONTHS BORRO	WED			
	X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	н				
	NUMBER OF MONTHS BORRO	WED			7.5%	VALUE DED CON
	NOMBER OF MONTHS BORRO	WED .				VALUE PER CON HIGH
					\$663	\$3.31
					\$18,330	\$91.65
	TOTAL				\$56,028	\$280.14
OWNERSHIP COSTS						
CASH COSTS	Annual Capital Recovery* (At F	Replacement Val	ve):		Represents 65% Asset Ownership TOTAL	VALUE PER COV
Taxes & Insurance					\$2,270	\$11.35
Overhead					\$2,100	\$10.50
Total					\$4,370	\$21.85
ION CASH COSTS						
Purchased Livestock					\$5.342	\$26.71
Machinery & Equipment					\$2,270	\$11.35
Housing & Improvements					\$13,420	\$67.10
Interest on Retained Live					\$14,786	\$73.93
	Labor (6% of gross returns)				\$4,461	\$22.31
Total					\$40,279	\$201.39
OTAL FIXED COSTS					\$44,648	\$223.24
OTAL CASH AND VARIABLE C	OSTS				\$22,699	\$113.50
OTAL COSTS					\$62,978	\$314.89
ETURN ABOVE TOTAL CASH	COSTS				\$51,659	\$258.29
ETURN ABOVE TOTAL COSTS					\$11,380	\$56.90
REAKEVEN CALCULATIONS	-					
		VARIABLE COSTS	TOTAL COSTS			
RECHIRED AVG. C	ALF PRICES CASH COST (cwt)	\$20.74	\$25.68			
	F PRICES TOTAL COSTS(cwt)	\$20.74	\$71.25			
ALGOINED AVO. CAL	a reacto forme coord(cwt)	\$20.74	911.2J			

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 2005 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

Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.
 Interest on average investment.

NORTHEAST REGION MEDIUM RANCH INVESTMENTS 1998

			10 Yr Avg	Purchase	Salvage/Cull	1.12.200.000	Livestock	
Number		Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
7000	Acres of private land	\$70	3.9%	\$490,000	\$490,000			
200	AU Values ¹	\$2,300	3.9%	\$460,000	\$460,000			
			Sub Totals	\$950,000				
Number	Buildings , Improvements	Price Per Unit		0.000000000		3-5-5-5 		
10	Miles of pipeline	\$1,800	3.9%	\$18,000	\$1,800	25	100	\$1,096
6	Wells	\$11,000	3.9%	\$66,000	\$6,600	25	100	\$4,020
50	Miles of Fence	\$2,500	3.9%	\$125,000	\$12,500	25	100	\$7,613
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$221,500				\$13,420
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
0	1 ton pickup 4WD	\$16,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,000	7.5%	\$3,000	\$600	7	100	\$498
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$22,000				\$2,270
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
6	Horses	\$1,500	7.5%	\$9,000	\$3,420	10	100	\$1,069
10	Bulls	\$2,000	7.5%	\$20,000	\$7,600	4	100	\$4.272
40	Cows	\$1,100.00	6.5%	\$44,000	\$16,720	8	100	\$5,567
70	Total AUYs							
1070	Sector San Core		Sub Total	\$29,000				\$5,342
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
200	Cows	\$1,100	7.5%	\$220,000	\$83,600		0.0.0	\$13,011
30	Replacement Heifers	\$1,000	7.5%	\$30,000	\$11,400			\$1,774
223	Total AUYs	and the second second						1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1
			Sub Total	\$250,000	\$95,000			\$14,786
			Total	\$1,472,500				\$30,476

 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.

2) For intermediate assets an interest rate of 7.50% was used.

3) A rate of 6.50 percent reflects a typical return on a low -risk investment (30 YR Treasury Bond)

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NORTHEAST REGION LARGE COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	350 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	83 52
	٧	ALUE OF PRO	DUCTION			VALUE PER COV
		QUANTITY	WEIGHT	PRICE2	VALUE	VALUE FER COM
STEER CALVES		145	550	\$0.85	\$67,904	\$194.01
HEIFER CALVES		93	515	\$0.77	\$36,780	\$105.09
CULL COWS		37	1000	\$0.42	\$15.540	\$44.40
CULL BULLS		1	1400	\$0.45	\$644	\$1.84
	TOTAL	276			\$120,868	\$345.34
VARIABLE COSTS				_		
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
	HAY	TON	20.00	\$125	\$2.500	\$7.14
	STATE	AUY	20.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	40.0%	\$16.20	\$5,670	\$16.20
	PRIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	4.00	\$118	\$472	\$1.35
	PROTEIN SUPP	TON	8.00	\$300	\$2,400	\$6.86
	OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>
	TOTAL				\$11,042	\$31.55
2. OTHER VARIABLE COSTS					COST	
2. OTHER VARIABLE COSTS	VET AND MEDICINE				\$2,800	\$8.00
	LIVESTOCK HAULING				\$552	\$1.58
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & N	AACH			\$1,804	\$5.15
	OPERATING COSTS-VEHICLE				\$2,378	\$6.79
	RANCH MAINTENANCE				\$2,009	\$5.74
	BEEF CHECKOFF				\$238	\$0.68
	PURCHASED LIVESTOCK				COLUMN T	
					\$3.000	<u>\$8.57</u>
3. INTEREST ON VARIABLE CO	TOTAL STS SUM OF VARIABLE COSTS X M	IONTHS BORR	OWED		\$3.000 \$12,781	<u>\$8.57</u> \$36.52
3. INTEREST ON VARIABLE CO	STS	ł	OWED		26	1000
	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	ł	OWED		\$12,781 7.5% 6	\$36.52 VALUE PER COW
NTEREST COSTS	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	ł	OWED		\$12,781 7.5% 6 \$893	\$36.52 VALUE PER COW \$2.55
NTEREST COSTS	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW	ł	OWED		\$12,781 7.5% 6	\$36.52 VALUE PER COW
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW	ł	OWED		\$12,781 7.5% 6 \$893 \$24,716	\$36.52 VALUE PER COW \$2.55 \$70.52
NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership	\$36.52 VALUE PER COM \$2.55 \$70.62 \$274.72
NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL	\$36.52 VALUE PER COW \$2.55 \$70.62 \$274.72 VALUE PER COW
NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096	\$36.52 VALUE PER COW \$2.55 \$70.62 \$274.72 VALUE PER COW \$11.70
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL	\$36.52 VALUE PER COW \$2.55 \$70.62 \$274.72 VALUE PER COW
NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100	\$36.52 VALUE PER COV \$2.55 \$70.62 \$274.72 VALUE PER COV \$11.70 \$6.00
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100	\$36.52 VALUE PER COV \$2.55 \$70.62 \$274.72 VALUE PER COV \$11.70 \$6.00
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$5,196	\$36.52 VALUE PER COV \$2.55 \$70.62 \$274.72 VALUE PER COV \$11.70 \$6.00 \$17.70
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS SWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS Annual Capital Recovery ⁴ (At R	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$6,196 \$8,697 \$4,096 \$18,025	\$36.52 VALUE PER COV \$2.55 \$70.52 \$274.72 VALUE PER COV \$11.70 \$6.00 \$17.70 \$24.85 \$11.70 \$51.50
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ro tock ⁴	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$6,196 \$8,697 \$4,096 \$18,025 \$18,025 \$12,781	\$36.52 VALUE PER COV \$2.55 \$70.52 \$274.72 VALUE PER COV \$11.70 \$6.00 \$17.70 \$24.85 \$11.70 \$51.50 \$64.07
NTEREST COSTS IOTAL VARIABLE COSTS XETURN ABOVE VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRON STS Annual Capital Recovery ⁴ (At R	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$5,196 \$8,697 \$4,096 \$18,025 \$18,025 \$22,425 \$7,252	\$36.52 VALUE PER COV \$2.55 \$70.52 \$274.72 VALUE PER COV \$11.70 \$6.00 \$11.70 \$24.85 \$11.70 \$24.85 \$11.70 \$51.50 \$64.07 \$20.72
NTEREST COSTS OTAL VARIABLE COSTS XETURN ABOVE VARIABLE COS WWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I OTAL NON CASH COSTS	STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ro tock ⁴	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$5,196 \$8,697 \$4,096 \$18,025 \$12,222 \$60,494	\$36.52 VALUE PER COV \$2.55 \$70.52 \$274.72 VALUE PER COV \$11.70 \$6.00 \$11.70 \$1.50 \$54.07 \$24.85 \$11.70 \$51.50 \$64.07 \$20.72 \$172.84
NTEREST COSTS (OTAL VARIABLE COSTS XETURN ABOVE VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I OTAL NON CASH COSTS OTAL FIXED COSTS	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ri Annual Capital Recovery ⁴ (At Ri book ⁴ Labor (6% of gross returns)	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$6,196 \$8,597 \$4,096 \$18,025 \$12,222 \$60,494 \$66,690	\$36.52 VALUE PER COV \$2.55 \$70.52 \$274.72 VALUE PER COV \$11.70 \$10.00 \$17.70 \$24.85 \$11.70 \$51.50 \$54.07 \$20.72 \$172.84 \$190.54
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation 1 TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ri Annual Capital Recovery ⁴ (At Ri book ⁴ Labor (6% of gross returns)	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$6,196 \$8,597 \$4,096 \$18,025 \$12,252 \$60,494 \$66,690 \$30,912	\$36.52 VALUE PER COV \$2.55 \$70.52 \$274.72 VALUE PER COV \$11.70 \$10.00 \$11.70 \$11.70 \$11.70 \$15.50 \$64.07 \$20.72 \$1172.84 \$190.54 \$88.32
NTEREST COSTS IOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation 1 OTAL NON CASH COSTS IOTAL FIXED COSTS IOTAL CASH AND VARIABLE CO IOTAL COSTS	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ri tock ⁴ Labor (6% of gross returns)	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$6,196 \$8,597 \$4,096 \$18,025 \$12,252 \$60,494 \$66,690 \$30,912 \$91,407	\$36.52 VALUE PER COV \$2.55 \$70.52 \$274.72 VALUE PER COV \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$1.50 \$64.07 \$20.72 \$117.84 \$190.54 \$88.32 \$261.16
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS TOTAL COSTS TOTAL CASH COSTS	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ri tock ⁴ Labor (6% of gross returns)	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$5,196 \$8,697 \$4,096 \$18,025 \$22,425 \$7,252 \$60,494 \$66,690 \$30,912 \$91,407 \$89,956	\$36.52 VALUE PER COV \$2.55 \$70.62 \$274.72 VALUE PER COV \$11.70 \$6.00 \$11.70 \$6.00 \$11.70 \$24.85 \$11.70 \$51.50 \$64.07 \$20.72 \$172.84 \$190.54 \$88.32 \$261.16 \$257.02
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation 1 TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C RETURN ABOVE TOTAL COSTS	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ri tock ⁴ Labor (6% of gross returns)	NED			\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$6,196 \$8,597 \$4,096 \$18,025 \$12,252 \$60,494 \$66,690 \$30,912 \$91,407	\$36.52 VALUE PER COW \$2.55 \$70.52 \$274.72 VALUE PER COW \$11.70 \$6.00 \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$11.70 \$1.50 \$4.85 \$11.70 \$1.50 \$64.07 \$20.72 \$172.84 \$190.54 \$88.32 \$261.16
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ri tock ⁴ Labor (6% of gross returns)	eplacement Va	Ive):		\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$5,196 \$8,697 \$4,096 \$18,025 \$22,425 \$7,252 \$60,494 \$66,690 \$30,912 \$91,407 \$89,956	\$36.52 VALUE PER COW \$2.55 \$70.62 \$274.72 VALUE PER COW \$11.70 \$10.00 \$11.70 \$11.70 \$24.85 \$11.70 \$11.70 \$24.85 \$11.70 \$24.85 \$11.70 \$17.70 \$17.70 \$17.70 \$17.70 \$17.70 \$1.50 \$64.07 \$20.72 \$172.84 \$190.54 \$88.32 \$261.16 \$257.02
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I OTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS RETURN ABOVE TOTAL COSTS RETURN ABOVE TOTAL COSTS RETURN ABOVE TOTAL COSTS	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROM STS Annual Capital Recovery ⁴ (At Ro tock ⁴ Labor (6% of gross returns) DSTS OSTS	eplacement Va	Ive): TOTAL COSTS		\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$5,196 \$8,697 \$4,096 \$18,025 \$22,425 \$7,252 \$60,494 \$66,690 \$30,912 \$91,407 \$89,956	\$36.52 VALUE PER COW \$2.55 \$70.62 \$274.72 VALUE PER COW \$11.70 \$10.00 \$11.70 \$11.70 \$24.85 \$11.70 \$11.70 \$24.85 \$11.70 \$24.85 \$11.70 \$17.70 \$17.70 \$17.70 \$17.70 \$17.70 \$1.50 \$64.07 \$20.72 \$172.84 \$190.54 \$88.32 \$261.16 \$257.02
NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I TOTAL COSTS TOTAL COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS RETURN ABOVE TOTAL COSTS RETURN ABOVE TOTAL COSTS REALED AVG. CAU	STS SUM OF VARIABLE COSTS X M XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW STS Annual Capital Recovery ⁴ (At Ri tock ⁴ Labor (6% of gross returns)	eplacement Va	Ive):		\$12,781 7.5% 6 \$893 \$24,716 \$96,152 Represents 65% Asset Ownership TOTAL \$4,096 \$2,100 \$5,196 \$8,697 \$4,096 \$18,025 \$22,425 \$7,252 \$60,494 \$66,690 \$30,912 \$91,407 \$89,956	\$36.52 VALUE PER COW \$2.55 \$70.62 \$274.72 VALUE PER COW \$11.70 \$10.00 \$11.70 \$11.70 \$24.85 \$11.70 \$11.70 \$24.85 \$11.70 \$24.85 \$11.70 \$17.70 \$17.70 \$17.70 \$17.70 \$17.70 \$1.50 \$64.07 \$20.72 \$172.84 \$190.54 \$88.32 \$261.16 \$257.02

1) Calif 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 2005 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.

NORTHEAST REGION LARGE RANCH INVESTMENTS 1998

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
12000	Acres of private land	\$70	3.9%	\$840,000	\$840,000			
350	AU Values ¹	\$2,300	3.9%	\$805,000	\$805,000			
			Sub Totals	\$1,645,000				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$1,800	3.9%	\$21,600	\$2,160	25	100	\$1,316
8	Wells	\$11,000	3.9%	\$88,000	\$8,800	25	100	\$5,360
70	Miles of Fence	\$2,500	3.9%	\$175,000	\$17,500	25	100	\$10,658
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$297,100				\$18,025
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
1	1ton pickup 4WD	\$16,000	7.5%	\$16,000	\$3,200	7	50	\$1,328
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$3,000	7.5%	\$6,000	\$1,200	7	100	\$996
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$41,000				\$4,096
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		and the second	
9	Horses	\$1,500	6.5%	\$13,500	\$5,130	10	100	\$1,498
18	Bulls	\$2,000	6.5%	\$35,000	\$13,300	4	100	\$7,199
70	Cows	\$1,100.00	6.5%	\$77,000	\$29,260	8	100	\$9,743
121	Total AUYs							
			Sub Total	\$48,500				\$8,697
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
350	Cows	\$1,100	6.5%	\$385,000	\$146,300			\$19,734
53	Replacement Heifers	\$1,000	6.5%	\$52,500	\$19,950			\$2,691
389	Total AUYs		Sub Total	\$437,500	\$166,250			\$22,425
			Total	\$2,469,100			16	\$44,546

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.

2) For intermediate assets an interest rate of 6.50% was used.

NORTHEAST REGION EX-LARGE COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	550 15%	COW to BULL	20	CALF CROP PERCENT	8: 8:
	V	ALUE OF PRO	DUCTION			VALUE PER COV
		QUANTITY	WEIGHT	PRICE2	VALUE	VALUE PER COV
STEER CALVES		234	550	\$0.85	\$109,278	\$198.69
HEIFER CALVES		151	515	\$0.77	\$59,978	\$109.05
CULL COWS		37	1000	\$0.42	\$15,540	\$28.25
CULL BULLS		1	1200	\$0.46	\$552	\$1.00
	TOTAL	423	-		\$185,348	\$337.00
VARIABLE COSTS						
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	28.00	\$125	\$3,500	\$6.36
	STATE	AUY	30.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	7.0%	\$16.20	\$8,910	\$16.20
	PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	50	\$0.00
	SALT & MINERAL	TON	7.00	\$118	\$826	\$1.50
	PROTEIN SUPP	TON	15.00	\$300	\$4,500	\$8.18
	OTHER	104	0.00	\$0	\$4,500 \$0	\$0.00
	TOTAL				\$17,736	\$32.25
					•	_
2. OTHER VARIABLE COSTS					COST	
1	VET AND MEDICINE				\$4,400	\$8.00
1	LIVESTOCK HAULING				\$846	\$1.54
,	HIRED LABOR				\$0	\$0.00
(OPERATING COSTS-EQUIP & M	MACH			\$2,870	\$5.22
(OPERATING COSTS-VEHICLE				\$3,280	\$5.96
1	RANCH MAINTENANCE				\$2,747	\$4.99
1	BEEF CHECKOFF		220		\$385	\$0.70
L	LIVESTOCK PURCHASES				\$2,500	\$4.55
3. INTEREST ON VARIABLE COSTS	TOTAL	IONTUS BODD			\$17,028	\$30.96
3. INTEREST ON VARIABLE COSTS	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	1	OWED		7.5%	
3. INTEREST ON VARIABLE COSTS	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH	1	OWED			\$30.96 VALUE PER COM
3. INTEREST ON VARIABLE COSTS	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	1	OWED		7.5% 6 \$1,304	VALUE PER CON \$2.37
3. INTEREST ON VARIABLE COSTS S D D D D D D D D D D D D D D D D D	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	1	OWED		7.5% 6 \$1,304 \$36,068	VALUE PER COV \$2.37 \$65.58
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	1	OWED		7.5% 6 \$1,304	VALUE PER CO \$2.37
3. INTEREST ON VARIABLE COSTS S D D D WNERSHIP COSTS	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	4 WED			7.5% 6 \$1,304 \$36,068	VALUE PER CO \$2.37 \$65.58
3. INTEREST ON VARIABLE COSTS S D S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO
3. INTEREST ON VARIABLE COSTS S D D D WNERSHIP COSTS	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281	VALUE PER CO \$2.37 \$65.58 \$271.42
3. INTEREST ON VARIABLE COSTS S D D WNERSHIP COSTS Taxes & Insurance	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635	VALUE PER COI \$2.37 \$65.58 \$271.42 VALUE PER COI \$12.06
3. INTEREST ON VARIABLE COSTS S D D D WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57
3. INTEREST ON VARIABLE COSTS S D D WNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06
3. INTEREST ON VARIABLE COSTS S DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Equipment Housing & Emprovements	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38
A INTEREST ON VARIABLE COSTS	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93
3. INTEREST ON VARIABLE COSTS S. INTEREST ON VARIABLE COSTS S. INTEREST ON VARIABLE COSTS Taxes & Insurance Overhead Total INON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Labor	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$8,957	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$25.57 \$12.06 \$43.38 \$73.93 \$16.29
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912	VALUE PER CO \$2.37 \$85.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93 \$16.29 \$171.23 \$187.11
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912 \$44,803	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93 \$16.29 \$171.23 \$187.11 \$81.46
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93 \$16.29 \$171.23 \$187.11
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$6,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912 \$44,803	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93 \$16.29 \$171.23 \$187.11 \$81.46
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$5,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912 \$44,803 \$138,980	VALUE PER COV \$2.37 \$55.58 \$271.42 VALUE PER COV \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$4.38 \$7.33 \$16.29 \$171.23 \$187.11 \$81.46 \$252.69
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	4 WED			7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$5,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912 \$44,803 \$138,980 \$140,545	VALUE PER CO \$2.37 \$55.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$77.33 \$16.29 \$171.23 \$187.11 \$81.46 \$252.69 \$255.54
3. INTEREST ON VARIABLE COSTS S S S S S S S S S S S S S	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	4 WED eplacement Val	Nve):		7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$5,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912 \$44,803 \$138,980 \$140,545	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93 \$16.29 \$171.23 \$187.11 \$81.46 \$252.69 \$255.54
3. INTEREST ON VARIABLE COSTS S DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor Total Total COTAL FIXED COSTS TOTAL COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS SREAKEVEN CALCULATIONS	SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	eplacement Val	IVe):		7.5% 6 \$1,304 \$36,068 \$149,281 Represents 65% Asset Ownership ⁵ \$5,635 \$2,100 \$8,735 \$14,066 \$6,635 \$23,858 \$40,661 \$5,957 \$94,177 \$102,912 \$44,803 \$138,980 \$140,545	VALUE PER CO \$2.37 \$65.58 \$271.42 VALUE PER CO \$12.06 \$3.82 \$15.88 \$25.57 \$12.06 \$43.38 \$73.93 \$16.29 \$171.23 \$187.11 \$81.46 \$252.69 \$255.54

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 2005 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.

NORTHEAST REGION EXTRA-LARGE RANCH INVESTMENTS

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	Annual Capital
	Land Values	Price Per Unit	Rate of Return		Value	Life	Share	Recovery
90000	Acres of private land	\$85	3.9%	\$7,650,000	\$7,650,000			
500	AU Values ¹	\$2,500	3.9%	\$1,250,000	\$1,250,000			
			Sub Totals	\$8,900,000				
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 ³	Price	Salvage/Cull			
3	3/4 ton pickup 4WD	\$30,000	7.5%	\$90,000	\$18,000	7	50	\$7,472
1	1 ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
3	Gooseneck trailer	\$6,500	7.5%	\$19,500	\$3,900	7	100	\$3,238
1	Horse tack	\$6,000	7.5%	\$6,000	\$1,200	10	100	\$789
1	Misc. equipment	\$7,000	7.5%	\$7,000	\$1,400	10	100	\$921
			Sub Total	\$159,500				\$15,907
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
13	Horses	\$2,500	6.5%	\$32,500	\$12,350	10	100	\$3,606
0	Bulls	\$2,000	6.5%	\$0	\$0	4	100	\$0
0	Cows	\$1,100.00	6.5%	\$0	\$0	8	100	\$0
			Sub Total	\$32,500				\$3,606
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
1600	Stockers	\$1,100	6.5%	\$1,760,000	\$668,800			\$90,213
0	Replacement Heifers	\$1,000	6.5%	\$0	\$0			\$0
1600	Total AUYs		Sub Total	\$1,760,000	\$668,800			\$90,213
			Total	*****				\$140,843

 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.

2) For intermediate assets an interest rate of 7.50% was used.

NORTHWEST REGION MEDIUM COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	200 15%	COW to BULL	20	CALF CROP PERCENT	83
	,	VALUE OF PROD	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT	PRICE	VALUE	TALUE FER CON
STEER CALVES		83	510	\$0.80	\$33,864	\$169.32
HEIFER CALVES		53	485	\$0.72	\$18,508	\$92.54
CULL COWS		37	900	\$0.37	\$12,321	\$61.61
CULL BULLS		1 174	1200	\$0.42	\$504	\$2.52
TOTA	AL				\$65,197	\$325.98
VARIABLE COSTS		_		- 12		
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW
HAY		TON	40.00	\$125.00	\$5,000	\$25.00
STAT		AUY	45.0%	\$25.08	\$0	\$0.00
FEDE	ERAL LEASE	AUY	35.0%	\$16.20	\$3,240	\$16.20
PRIV	ATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00
	ATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
SALT	& MINERAL	TON	2.50	\$123.00	\$308	\$1.54
PROT	TEIN SUPP	TON	3.00	\$310.00	\$930	\$4.65
OTHE	ER		0.00	\$0.00	<u>\$0</u>	\$0.00
тота	4L				\$9,478	\$47.39
2. OTHER VARIABLE COSTS					COST	
10.0 A	AND MEDICINE				\$1,600	\$8.00
	STOCK HAULING				\$348	\$1.74
	DLABOR				\$340 \$0	\$0.00
	RATING COSTS-EQUIP & N	ACH			\$2,050	\$10.25
	RATING COSTS-VEHICLE	ACH			\$2,542	\$12.71
	CH MAINTENANCE				\$2,200	
	CHECKOFF				\$136	\$11.00
OTHE					\$2,200	\$0.68 \$11.00
TOTA	27				\$11,076	\$55.38
	OF VARIABLE COSTS X N		WED			
	EREST RATE PER MONTH	,				
ANNU	EREST RATE PER MONTH JAL INTEREST RATE BER OF MONTHS BORRO				7.5% 6	
ANNU	JAL INTEREST RATE				6	VALUE PER COW HIGH
ANNU NUME	JAL INTEREST RATE BER OF MONTHS BORRO				\$ \$771	HIGH \$3.85
ANNU	JAL INTEREST RATE BER OF MONTHS BORRO				5 \$771 \$21,324	HIGH
ANNU NUME TOTA	JAL INTEREST RATE BER OF MONTHS BORRO				\$ \$771	HIGH \$3.85 \$106.62
ANNU NUME TOTA DWNERSHIP COSTS Annu	JAL INTEREST RATE BER OF MONTHS BORRO	WED	ve):		5 \$771 \$21,324	HIGH \$3.85 \$106.62 \$219.36
ANNU NUME TOTA OWNERSHIP COSTS Annu	JAL INTEREST RATE BER OF MONTHS BORROI	WED	vej:		6 \$771 \$21,324 \$43,872	HIGH \$3.85 \$106.62 \$219.36
ANNU NUME TOTA OWNERSHIP COSTS Annu CASH COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED	re):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW
ANNU NUME TOTA DWNERSHIP COSTS CASH COSTS Taxes & Insurance	JAL INTEREST RATE BER OF MONTHS BORROI	WED	re):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50
ANNU NUME TOTA OWNERSHIP COSTS Annu CASH COSTS Taxes & Insurance Overhead Total	JAL INTEREST RATE BER OF MONTHS BORROI	WED	ve):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00
ANNU NUME TOTA DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	JAL INTEREST RATE BER OF MONTHS BORROI	WED	ve):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200 \$5,698	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49
ANNU NUME NUME COWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	JAL INTEREST RATE BER OF MONTHS BORROI	WED	ve):		6 \$771 \$21,324 \$43,872 Represents 55% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200 \$5,698 \$3,100	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50
ANNU NUME TOTA OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	JAL INTEREST RATE BER OF MONTHS BORROI	WED	ve):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200 \$5,698 \$3,100 \$5,698 \$3,100 \$5,698	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61
ANNU NUME TOTA DWNERSHIP COSTS Annu CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁴	JAL INTEREST RATE BER OF MONTHS BORROI	WED	re):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200 \$5,698 \$3,100 \$9,522 \$14,786	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93
ANNU NUME TOTA OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor (1	JAL INTEREST RATE BER OF MONTHS BORROI	WED	re):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200 \$5,698 \$3,100 \$5,588 \$3,100 \$9,522 \$14,785 \$3,912	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$28.49 \$15.50 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56
ANNU NUME TOTA OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor ((Total	JAL INTEREST RATE BER OF MONTHS BORROI	WED	rej:		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$28.49 \$15.50 \$28.49 \$15.50 \$27.61 \$73.93 \$19.56 \$185.09
ANNU NUME NUME OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (1 Total TOTAL FIXED COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED	re):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,698 \$3,100 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018 \$42,218	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56 \$185.09 \$211.09
ANNU NUMERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor (f Total TOTAL FIXED COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED	ve):		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,200 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$28.49 \$15.50 \$28.49 \$15.50 \$27.61 \$73.93 \$19.56 \$185.09
ANNU NUMERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor ((Total TOTAL FIXED COSTS TOTAL FIXED COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED	vej:		6 \$771 \$21,324 \$43,872 Represents 65% Asset Ownership ⁵ \$3,100 \$2,100 \$5,698 \$3,100 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018 \$42,218	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56 \$185.09 \$211.09
ANNU NUME NUME OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (f Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED	ve]:		6 \$771 \$21,324 \$43,872 Represents 55% Asset Ownership ⁵ \$3,100 \$2,100 \$2,100 \$5,698 \$3,100 \$5,500 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018 \$42,218 \$26,524	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56 \$185.09 \$211.09 \$132.62
ANNU NUME TOTA OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor (1	JAL INTEREST RATE BER OF MONTHS BORROI	WED	ve):		6 \$771 \$21,324 \$43,872 Represents 55% Asset Ownership ⁵ \$3,100 \$2,100 \$2,100 \$5,698 \$3,100 \$5,500 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018 \$42,218 \$26,524 \$63,542	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56 \$185.09 \$219.36 \$19.56 \$185.09 \$219.36
ANNU NUME NUME OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (f Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED			6 \$771 \$21,324 \$43,872 Represents 55% Asset Ownership ⁵ \$3,100 \$2,100 \$2,100 \$5,698 \$3,100 \$5,500 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018 \$42,218 \$26,524 \$63,542 \$38,673	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56 \$185.09 \$211.09 \$132.62 \$317.71 \$193.36
ANNU NUME NUME OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (1 Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED	re): TOTAL COSTS		6 \$771 \$21,324 \$43,872 Represents 55% Asset Ownership ⁵ \$3,100 \$2,100 \$2,100 \$5,698 \$3,100 \$5,500 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018 \$42,218 \$26,524 \$63,542 \$38,673	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56 \$185.09 \$211.09 \$132.62 \$317.71 \$193.36
ANNU NUME NUME OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor (f Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS	JAL INTEREST RATE BER OF MONTHS BORROI	WED teplacement Valv	TOTAL		6 \$771 \$21,324 \$43,872 Represents 55% Asset Ownership ⁵ \$3,100 \$2,100 \$2,100 \$5,698 \$3,100 \$5,500 \$5,698 \$3,100 \$9,522 \$14,785 \$3,912 \$37,018 \$42,218 \$26,524 \$63,542 \$38,673	HIGH \$3.85 \$106.62 \$219.36 VALUE PER COW \$15.50 \$10.50 \$26.00 \$28.49 \$15.50 \$47.61 \$73.93 \$19.56 \$185.09 \$211.09 \$132.62 \$317.71 \$193.36

Calif crop is defined as the actual number of calves solid divided, by the total number of cows (assuming all cows were exposed).
 Prices represent 2005 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
 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 1998

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	Annual Capital
	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
4000	Acres of private land	\$65	3.9%	\$260,000	\$260,000			
200	AU Values ¹	\$2,200	3.9%	\$440,000	\$440,000			
			Sub Totals	\$700,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$1,800	3.9%	\$18,000	\$1,800	25	100	\$1,096
3	Wells	\$9,000	3.9%	\$27,000	\$2,700	25	100	\$1,644
40	Miles of Fence	\$2,500	3.9%	\$100,000	\$10,000	25	100	\$6,090
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$157,500				\$9,522
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
0	3/4 ton pickup 4WD	\$16,000	7.5%	\$0	\$0	7	50	\$0
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
1	Gooseneck trailer	\$3,000	7.5%	\$3,000	\$600	7	100	\$498
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$27,000				\$3,100
Head	Purchased Livestock	Price Per Unit	Interest Rate ⁴	Price	Salvage/Cull			
8	Horses	\$1,500	7.5%	\$12,000	\$4,560	10	100	\$1,426
10	Bulls	\$2,000	7.5%	\$20,000	\$7,600	4	100	\$4,272
40	Cows	\$1,100.00	6.5%	\$44,000	\$16,720	8	100	\$5,567
73	Total AUYs			and a start of the				
			Sub Total	\$32,000				\$5,698
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
200	Cows	\$1,100	7.5%	\$220,000	\$83,600			\$13,011
30	Replacement Heifers	\$1,000	7.5%	\$30,000	\$11,400			\$1,774
223	Total AUYs		Sub Total	\$250,000	\$95,000			\$14,786
			Total	\$1,166,500				\$27,408

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.

2) For intermediate assets an interest rate of 6.50% was used.

3) A rate of 6.50 percent reflects a typical return on a low -risk investment (30 YR Treasury Bond)

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NORTHWEST REGION LARGE COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	350 15%	COW to BULL	20	CALF CROP PERCENT	83
		VALUE OF PROD	UCTION			
		QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER CO
STEER CALVES		145	510	\$0.80	\$59,262	\$169.32
HEIFER CALVES		93	485	\$0.72	\$32,388	\$92.54
CULL COWS		37	900	\$0.37	\$12,321	\$35.20
CULL BULLS		1	1200	\$0.42	\$504	<u>\$1.44</u>
	TOTAL	276			\$104,475	\$298.50
ARIABLE COSTS						
		UNITO	OUANTITYIDEDCENT	PRICE	COST	VALUE PER CO
I. FEED COSTS	HAY	UNITS TON	QUANTITY/PERCENT 23.00	PRICE \$125.00	COST \$2,875	\$8.21
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	35.0%	\$16.20	\$5,670	\$16.20
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	4.00	\$123.00	\$492	\$1.41
	PROTEIN SUPP	TON	4.00	\$310.00	\$1,240	\$3.54
	OTHER		0.00	\$0.00	SQ	\$0.00
					\$10,277	\$29.36
					ero,cri	420.00
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$2,800	\$8.00
	LIVESTOCK HAULING				\$552	\$1.58
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP &	MACH			\$2,460	\$7.03
	OPERATING COSTS-VEHICLE				\$3,280	\$9.37
	RANCH MAINTENANCE				\$2,173	\$6.21
	BEEF CHECKOFF				\$238	\$0.68
	OTHER				<u>\$3,000</u>	\$8.57
	TOTAL				\$14,503	\$41.44
INTEREST ON VARIABLE CO	SUM OF VARIABLE COSTS X I X INTEREST RATE PER MONT		WED			
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	WED			7.5% 6	VALUE PER COV
					\$929	\$2.66
	TOTAL				\$25,709	
						\$73.46
					\$78,766	\$73.46 \$225.05
WNERSHIP COSTS	1				\$78,766	\$225.05
	Annual Capital Recovery ⁴ (At I	Replacement Valv	e):		\$78,766	\$225.05
ASH COSTS Taxes & Insurance	Annual Capital Recovery ⁴ (At I	Replacement Valv	re):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768	\$225.05 VALUE PER COV \$7.91
ASH COSTS Taxes & Insurance Overhead	Annual Capital Recovery ⁴ (At I	Replacement Valv	e):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100	\$225.05 VALUE PER COV \$7.91 \$6.00
ASH COSTS Taxes & Insurance Overhead Total	Annual Capital Recovery ⁴ (At I	Replacement Valv	e):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768	\$225.05 VALUE PER COV \$7.91
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS	Annual Capital Recovery ⁴ (At I	Replacement Valv	ie);		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868	\$225.05 VALUE PER CON \$7.91 \$6.00 \$13.91
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock	Annual Capital Recovery ⁴ (At I	Replacement Valv	ie):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment		Replacement Valv	e):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768	\$225.05 VALUE PER CON \$7.91 \$6.00 \$13.91 \$26.45 \$7.91
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements		Replacement Valv	e):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754	\$225.05 VALUE PER CON \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live	stock *	Replacement Valv	ie);		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$25,875	\$225.05 VALUE PER CON \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation		Replacement Valv	ie):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$25,875 \$4,726	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$73.93 \$13.50
ASH COSTS Taxes & Insurance Overhead Total ON ČASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total	stock *	Replacement Valv	re):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$25,875 \$4,726 \$57,382	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$73.93 \$13.50 \$163.95
ASH COSTS Taxes & Insurance Overhead Total OK CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total	s stock ⁴ Labor (6% of gross returns)	Replacement Valv	re):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$225,875 \$4,725 \$4,725 \$57,382 \$62,249	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total OTAL FIXED COSTS OTAL CASH AND VARIABLE C	s stock ⁴ Labor (6% of gross returns)	Replacement Valv	re):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$22,875 \$4,726 \$57,382 \$62,249 \$30,577	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86 \$87.36
ASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total OTAL FIXED COSTS OTAL CASH AND VARIABLE C OTAL COSTS	s stock ⁶ Labor (6% of gross returns) OSTS	Replacement Valv	re):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$22,875 \$4,726 \$57,382 \$62,249 \$30,577 \$87,959	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86 \$87.36 \$87.36 \$251.31
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total OTAL FIXED COSTS OTAL CASH AND VARIABLE C OTAL COSTS IETURN ABOVE TOTAL CASH (s stock ⁴ Labor (6% of gross returns) OSTS COSTS	Replacement Valv	re):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$25,75 \$4,725 \$57,382 \$62,249 \$30,577 \$67,959 \$73,898	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86 \$87.36 \$251.31 \$211.14
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total OTAL FIXED COSTS OTAL CASH AND VARIABLE C OTAL COSTS IETURN ABOVE TOTAL CASH (IETURN ABOVE TOTAL COSTS	s stock ⁴ Labor (6% of gross returns) OSTS COSTS	Replacement Valv	re):		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$22,875 \$4,726 \$57,382 \$62,249 \$30,577 \$87,959	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86 \$87.36 \$87.36 \$251.31
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total OTAL FIXED COSTS OTAL CASH AND VARIABLE C OTAL COSTS IETURN ABOVE TOTAL CASH (IETURN ABOVE TOTAL COSTS	s stock ⁴ Labor (6% of gross returns) OSTS COSTS	VARIABLE	TOTAL		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$25,75 \$4,725 \$57,382 \$62,249 \$30,577 \$67,959 \$73,898	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86 \$87.36 \$251.31 \$211.14
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total OTAL FIXED COSTS OTAL CASH AND VARIABLE C OTAL COSTS IETURN ABOVE TOTAL CASH (IETURN ABOVE TOTAL COSTS	s stock ⁴ Labor (6% of gross returns) OSTS COSTS				\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$25,75 \$4,725 \$57,382 \$62,249 \$30,577 \$67,959 \$73,898	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86 \$87.36 \$251.31 \$211.14
Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Live Management & Operation Total OTAL FIXED COSTS OTAL CASH AND VARIABLE C OTAL COSTS RETURN ABOVE TOTAL CASH O RETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS	s stock ⁴ Labor (6% of gross returns) OSTS COSTS	VARIABLE	TOTAL		\$78,766 Represents 65% Asset Ownership ⁵ \$2,768 \$2,100 \$4,868 \$9,259 \$2,768 \$14,754 \$25,75 \$4,725 \$57,382 \$62,249 \$30,577 \$67,959 \$73,898	\$225.05 VALUE PER COV \$7.91 \$6.00 \$13.91 \$26.45 \$7.91 \$42.15 \$7.93 \$13.50 \$163.95 \$177.86 \$87.36 \$251.31 \$211.14

1) Calf crop is defined as the actual number of calves solid divided, by the total number of cows (assuming all cows were exposed).
2) Prices represent 2005 price projections from Catle Fax, Doanes reports for New Mexico feeder cattle cash prices.
3) Market prices include commissions, brand inspections, beel 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 1998

Number	Land Values	Delta Des Halt	10 Yr Avg	Purchase	Salvage/Cull		Livestock	
	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
6000	Acres of private land	\$65	3.9%	\$390,000	\$390,000			
350	AU Values ¹	\$2,200	3.9%	\$770,000	\$770,000			
			Sub Totals	\$1,160,000				
Number	Buildings, Improvements	Price Per Unit						
13	Miles of pipeline	\$1,800	3.9%	\$23,400	\$2,340	25	100	\$1,425
5	Wells	\$9,000	3.9%	\$45,000	\$4,500	25	100	\$2,741
65	Miles of Fence	\$2,500	3.9%	\$162,500	\$16,250	25	100	\$9,897
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$243,400				\$14,754
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
0	3/4 ton pickup 4WD	\$16,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$3,000	7.5%	\$6,000	\$1,200	7	100	\$996
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$25,000				\$2,768
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
10	Horses	\$1,500	7.5%	\$15,000	\$5,700	10	100	\$1,782
18	Bulls	\$2,000	7.5%	\$35,000	\$13,300	4	100	\$7,476
90	Cows	\$1,100.00	6.5%	\$99,000	\$37,620	8	100	\$12,526
147	Total AUYs							
			Sub Total	\$50,000				\$9,259
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
350	Cows	\$1,100	7.5%	\$385,000	\$146,300			\$22,770
53 389	Replacement Heifers Total AUYs	\$1,000	7.5%	\$52,500	\$19,950			\$3,105
			Sub Total	\$437,500	\$166,250			\$25,875
			Total	\$1,915,900				\$43,397

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.

2) For intermediate assets an interest rate of 7.50% was used.

NORTHWEST REGION EX-LARGE COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	500 15%	COW TO BULL	20	CALF CROP PERCENT	8
		VALUE OF PRO	DUCTION			VALUE PER CO
		QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER CU
STEER CALVES		213	510	\$0.80	\$86,700	\$173.40
HEIFER CALVES		138	485	\$0.72	\$48,015	\$96.03
CULL COWS		37	900	\$0.37	\$12,321	\$24.64
CULL BULLS		1	1200	\$0.42	\$504	\$1.01
	TOTAL	388			\$147,540	\$295.08
VARIABLE COSTS				-		
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	30.00	\$125	\$3,750	\$7.50
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE PRIVATE(Owned)	AUY	35.0%	\$16.20	\$8,100	\$16.20
	PRIVATE(Leased Grazing)	AUY	20.0%	\$0.00 \$0.00	\$0	\$0.00
	SALT & MINERAL	TON	6.00	\$123	\$0 \$738	\$0.00
	PROTEIN SUPP	TON	5.00	\$310	\$1,550	\$1.48 \$3.10
*	OTHER		0.00	\$0	\$0	\$0.00
	TOTAL					
	IUIAL				\$14,138	\$28.28
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$4,000	\$8.00
	LIVESTOCK HAULING				\$776	\$1.55
	HIRED LABOR OPERATING COSTS-EQUIP &	MACH			\$0	\$0.00
	OPERATING COSTS-EQUIP &	MACH			\$2,800	\$5.60
	RANCH MAINTENANCE				\$4,100	\$8.20
	BEEF CHECKOFF		175		\$2,706 \$350	\$5.41 \$0.70
	OTHER				\$3,800	\$7.60
	TOTAL				\$18,532	\$37.06
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	WED			7.5% 6	VALUE PER CO
					\$1,225	en 45
					\$33,895	\$2.45 \$67.79
	TOTAL				\$113,645	\$227.29
WNERSHIP COSTS						
ASH COSTS	Annual Capital Recovery ⁴ (At F	ceplacement val	ve):		Represents 65% Asset Ownership 5	VALUE PER CO
Taxes & Insurance Overhead					\$5,341	\$10.68
Total					\$2,100	\$4.20 \$14.88
ON CASH COSTS						
Purchased Livestock					\$12,998	\$26.00
Machinery & Equipment					\$5,341	\$10.68
Housing & Improvements					\$21,976	\$43.95
Interest on Retained Lives	tock Labor (6% of gross returns)				\$36,964	\$73.93
	Labor (6% of gross returns)				\$8,852	\$17.70
					\$86,132	\$172.26
Total	the second s				\$93,574 \$41,336	\$187.15 \$82.67
Total DTAL FIXED COSTS	OSTS					
Total DTAL FIXED COSTS DTAL CASH AND VARIABLE CO	DSTS	N.			\$127,469	\$254.94
Total DTAL FIXED COSTS DTAL CASH AND VARIABLE CO DTAL COSTS					\$127,469 \$106,204	\$254.94 \$212.41
Total DTAL FIXED COSTS DTAL CASH AND VARIABLE CO DTAL COSTS ETURN ABOVE TOTAL CASH C ETURN ABOVE TOTAL COSTS						
Total DTAL FIXED COSTS DTAL CASH AND VARIABLE CO DTAL COSTS ETURN ABOVE TOTAL CASH C ETURN ABOVE TOTAL COSTS		VARIABLE	TOTAL	_	\$106,204	\$212.41
Total DTAL FIXED COSTS DTAL CASH AND VARIABLE CO DTAL COSTS ETURN ABOVE TOTAL CASH C ETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS	osts	COSTS	TOTAL COSTS	-	\$106,204	\$212.41
Total OTAL FIXED COSTS OTAL CASH AND VARIABLE CO OTAL COSTS ETURN ABOVE TOTAL CASH C ETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS REQUIRED AVG. CAU	OSTS	COSTS \$16.03	COSTS \$19.55	÷	\$106,204	\$212.41
Total DTAL FIXED COSTS DTAL CASH AND VARIABLE CO DTAL CASH AND VARIABLE CO DTAL COSTS ETURN ABOVE TOTAL CASH C ETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS REQUIRED AVG. CALF REQUIRED AVG. CALF	LF PRICES CASH COST (cwt) PRICES TOTAL COSTS(cwt)	COSTS \$16.03 \$16.03	COSTS \$19.55 \$60.29		\$106,204	\$212.41
Total DTAL FIXED COSTS DTAL CASH AND VARIABLE CO DTAL CASH AND VARIABLE CO DTAL COSTS ETURN ABOVE TOTAL CASH C ETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS REQUIRED AVG. CAL REQUIRED AVG. CALF Calf crop is defined as the actual	OSTS	COSTS \$16.03 \$16.03 he total number of	COSTS \$19.55 \$60.29 f cows (assuming all cows were	exposed).	\$106,204	\$212.41

NORTHWEST MOUNTAIN REGION EXTRA-LARGE RANCH INVESTMENTS 1998

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
8000	Acres of private land	\$65	3.9%	\$520,000	\$520,000	Life	ondic	Recovery
500	AU Values ¹	\$2,200	3.9%	\$1,100,000	\$1,100,000			
			Sub Totals	\$1,620,000				
lumber	Buildings, Improvements	Price Per Unit						
18	Miles of pipeline	\$1,800	3.9%	\$32,400	\$3,240	25	100	\$1,973
7	Wells	\$9,000	3.9%	\$63,000	\$6,300	25	100	\$3,837
100	Miles of Fence	\$2,500	3.9%	\$250,000	\$25,000	25	100	\$15,226
2	Corrals/Working Facilities	\$4,500	3.9%	\$9,000	\$900	30	100	\$498
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$362,400				\$21,976
lumber	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			19/10/19
2	3/4 ton pickup 4WD	\$15,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
1	1 ton pickup 4WD	\$16,000	7.5%	\$16,000	\$3,200	7	50	\$1,328
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
3	Gooseneck trailer	\$3,000	7.5%	\$9,000	\$1,800	7	100	\$1,494
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$64,000				\$6.670
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
13	Horses	\$1,500	7.5%	\$19,500	\$7,410	10	100	\$2,317
25	Bulls	\$2,000	7.5%	\$50,000	\$19,000	4	100	\$10,681
100	Cows	\$1,100.00	6.5%	\$110,000	\$41,800	8	100	\$13,918
173	Total AUYs		10130750					410,010
			Sub Total	\$69,500				\$12,998
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
500	Cows	\$1,100	7.5%	\$550,000	\$209,000			\$32,529
75 556	Replacement Heifers Total AUYs	\$1,000	7.5%	\$75,000	\$28,500			\$4,436
			Sub Total	\$625,000	\$237,500			\$36,964
			Total	\$2,740,900				\$65,610

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.

2) For intermediate assets an interest rate of 7.50% was used.

SOUTHEAST REGION MEDIUM COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	200 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	82
	1	ALUE OF PRO	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT	PRICE2	VALUE	TALUL I LA COM
STEER CALVES		82	510	\$0.80	\$33,456	\$167.28
HEIFER CALVES		52	485	\$0.72	\$18,158	\$90.79
CULL COWS		37	900	\$0.37	\$12,321	\$61.61
CULL BULLS		1	1200	\$0.42	\$504	\$2.52
T	OTAL	172			\$64,439	\$322.20
VARIABLE COSTS				_	and the second	VALUE DED CON
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW
	AY	TON	18.00	\$125	\$2,250	\$11.25
S	TATE	AUY	45.0%	\$25.08	\$0	\$0.00
FE	EDERAL LEASE	AUY	25.0%	\$16.20	\$3,240	\$16.20
PI	RIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	ALT & MINERAL	TON	4.00	\$125	\$500	\$2.50
	ROTEIN SUPP	TON	7.00 0.00	\$315 \$0	\$2,205 \$0	\$11.03 \$0.00
			0.00	30		
т	OTAL				\$8,195	\$40.98
OTHER VARIABLE COSTS					COST	
VE	ET AND MEDICINE				\$1,600	\$8.00
L	VESTOCK HAULING				\$344	\$1.72
	IRED LABOR				\$0	\$0.00
	PERATING COSTS-EQUIP & I				\$1,353	\$6.77
	PERATING COSTS-VEHICLE				\$2,829	\$14.15
	ANCH MAINTENANCE				\$1,640	\$8.20
	EEF CHECKOFF				\$134	\$0.67
D	IRCHASED I IVESTOCK				\$2.000	\$10.00
TC	URCHASED LIVESTOCK				<u>\$2,000</u> \$9,900	<u>\$10.00</u> \$49.50
TC 3. INTEREST ON VARIABLE COSTS SL X I	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI		OWED		\$9,900	
TC 8. INTEREST ON VARIABLE COSTS SLI X A)	DTAL UM OF VARIABLE COSTS X N	H	OWED		200200	
TC I. INTEREST ON VARIABLE COSTS SLI X A	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE	H	OWED		\$9,900 7.5%	\$49.50
TC . INTEREST ON VARIABLE COSTS SI X A A NU	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO	H	OWED		\$9,900 7.5% 6	\$49.50 VALUE PER COW
TC I. INTEREST ON VARIABLE COSTS SL X A) NU NU TC	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE	H	OWED		\$9,900 7.5% 6 \$679	\$49.50 VALUE PER COW \$3.39
TC I. INTEREST ON VARIABLE COSTS SL X AN NL NU SWNERSHIP COSTS	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9,900 7.5% 6 \$679 \$18,774 \$45,666	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33
TC I. INTEREST ON VARIABLE COSTS SI XI AN NU NU NU NU NU NU NU NU NU N	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW
TC I. INTEREST ON VARIABLE COSTS SI X X AM AM NU NU NU NU NU NU NU NU NU NU NU NU NU	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35
TC I. INTEREST ON VARIABLE COSTS SI X X X X X X X X X X X X X X X X X X	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9,900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50
TC INTEREST ON VARIABLE COSTS SL X X AN NU VWNERSHIP COSTS Taxes & Insurance Overhead Total	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35
INTEREST ON VARIABLE COSTS SL X AN NU WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9,900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85
TC INTEREST ON VARIABLE COSTS SL XI AP AP AP NU VWNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985	\$49.50 VALUE PER COV \$3.39 \$93.87 \$228.33 VALUE PER COV \$11.35 \$10.50 \$21.85 \$24.93
TC INTEREST ON VARIABLE COSTS SL X AN NU WNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270	\$49.50 VALUE PER COV \$3.39 \$93.87 \$228.33 VALUE PER COV \$11.35 \$10.50 \$21.85 \$24.93 \$11.35
TC INTEREST ON VARIABLE COSTS SU X X X X X X X X X X X X X X X X X X	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL	H WED			\$9,900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552	\$49.50 VALUE PER COV \$3.39 \$93.87 \$228.33 VALUE PER COV \$11.35 \$10.50 \$21.85 \$21.85 \$24.93 \$11.35 \$32.76
INTEREST ON VARIABLE COSTS SL X AN NU WNERSHIP COSTS XASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL	H WED			\$9,900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552 \$14,786	\$49.50 VALUE PER COV \$3.39 \$93.87 \$228.33 VALUE PER COV \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$32.76 \$73.93
TC INTEREST ON VARIABLE COSTS SU X X X X X X X X X X X X X X X X X X	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL	H WED			\$9,900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552	\$49.50 VALUE PER COV \$3.39 \$93.87 \$228.33 VALUE PER COV \$11.35 \$10.50 \$21.85 \$21.85 \$24.93 \$11.35 \$32.76
TC INTEREST ON VARIABLE COSTS SL X AM NU VWNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONTI NNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552 \$14,786 \$3,866	\$49.50 VALUE PER COV \$3.39 \$93.87 \$228.33 VALUE PER COV \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$73.93 \$19.33
TC INTEREST ON VARIABLE COSTS SL X AN NU NU NU NU NU NU NU NU NU N	UM OF VARIABLE COSTS X M INTEREST RATE PER MONT INUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL (6% of gross returns)	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,200 \$4,370 \$4,370 \$4,985 \$2,270 \$6,552 \$14,786 \$3,866 \$32,459	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85 \$10.50 \$21.85 \$11.35 \$12.85 \$24.93 \$11.35 \$32.76 \$7.93 \$11.33 \$119.33 \$119.29
TO INTEREST ON VARIABLE COSTS SL X AN NU NU NU NU NU NU NU NU NU N	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONT INNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL (6% of gross returns)	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$4,370 \$4,985 \$2,270 \$4,370 \$4,985 \$2,270 \$4,370 \$4,985 \$2,270 \$4,370 \$4,985 \$2,270 \$4,370 \$4,985 \$2,270 \$4,370 \$4,985 \$2,270 \$4,370 \$4,985 \$2,270 \$4,376 \$3,866 \$3	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.79 \$15.33 \$162.29 \$184.14
TC INTEREST ON VARIABLE COSTS SL X AN NU DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor Total Total OTAL FIXED COSTS OTAL COSTS OTAL COSTS OTAL COSTS	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONT INNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL (6% of gross returns)	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$4,985 \$2,270 \$6,552 \$14,786 \$3,866 \$32,459 \$36,829 \$23,143	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.79 \$32.79 \$31.93 \$11.35 \$32.76 \$73.93 \$15.93 \$15.29 \$184.14 \$115.72
TO 3. INTEREST ON VARIABLE COSTS SL X AN NU COWNERSHIP COSTS Taxes & Insurance Overhead Total Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor Total TOTAL FIXED COSTS TOTAL COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS RETURN ABOVE TOTAL CASH COSTS	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONT INNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL (6% of gross returns)	H WED			\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552 \$14,786 \$3,866 \$3,866 \$3,2459 \$36,829 \$23,143 \$55,602	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$73.93 \$19.33 \$162.29 \$184.14 \$115.72 \$278.01
TO 3. INTEREST ON VARIABLE COSTS SL X AN NU COWNERSHIP COSTS Taxes & Insurance Overhead Total Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labor Total TOTAL FIXED COSTS TOTAL COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS RETURN ABOVE TOTAL CASH COSTS	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONT INNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL (6% of gross returns)	H WED teplacement Va	Ive):		\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552 \$14,786 \$3,866 \$3,866 \$3,2459 \$3,866 \$32,459 \$36,829 \$23,143 \$55,602 \$41,236	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$73.93 \$19.33 \$162.29 \$184.14 \$115.72 \$278.01 \$206.48
TC 3. INTEREST ON VARIABLE COSTS SL XI AN NU TC OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Labor	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONT INNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL (6% of gross returns)	H WED teplacement Va	lve):		\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552 \$14,786 \$3,866 \$3,866 \$3,2459 \$3,866 \$32,459 \$36,829 \$23,143 \$55,602 \$41,236	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$15.29 \$184.14 \$115.72 \$278.01 \$206.48
TG 3. INTEREST ON VARIABLE COSTS SL X AN NU TG OWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total Interest on Retained Livestock ⁶ Management & Operation Labor Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS SREAKEVEN CALCULATIONS	DTAL UM OF VARIABLE COSTS X M INTEREST RATE PER MONT INNUAL INTEREST RATE UMBER OF MONTHS BORRO DTAL DTAL (6% of gross returns)	H WED teplacement Va	Ive):		\$9.900 7.5% 6 \$679 \$18,774 \$45,666 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,985 \$2,270 \$6,552 \$14,786 \$3,866 \$3,866 \$3,2459 \$3,866 \$32,459 \$36,829 \$23,143 \$55,602 \$41,236	\$49.50 VALUE PER COW \$3.39 \$93.87 \$228.33 VALUE PER COW \$11.35 \$10.50 \$21.85 \$24.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$11.35 \$32.76 \$73.93 \$15.29 \$184.14 \$115.72 \$278.01 \$206.48

1) Call 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 2005 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.

Procest represent 20x0 price projections in the auto Park, Doarles reports for New Mealob before caller each prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.
 Interest on average investment.

SOUTHEAST REGION MEDIUM RANCH INVESTMENTS 1998

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
4000	Acres of private land	\$55	3.9%	\$220,000	\$220,000			
200	AU Values ¹	\$2,150	3.9%	\$430,000	\$430,000			
			Sub Totals	\$650,000				
Number	Buildings, Improvements	Price Per Unit						
5	Miles of pipeline	\$1,700	3.9%	\$8,500	\$850	25	100	\$518
4	Wells	\$8,800	3.9%	\$35,200	\$3,520	25	100	\$2,144
22	Miles of Fence	\$2,400	3.9%	\$52,800	\$5,280	25	100	\$3,216
1	Corrals/Working Facilities	\$4,400	3.9%	\$4,400	\$440	30	100	\$243
1	Barns & Shop	\$7,800	3.9%	\$7,800	\$780	30	100	\$431
			Sub Totals	\$108,700				\$6,552
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
0	1 ton pickup 4WD	\$16,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,000	7.5%	\$3,000	\$600	7	100	\$498
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$22,000				\$2,270
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
4	Horses	\$1,500	7.5%	\$6,000	\$2,280	10	100	\$713
10	Bulls	\$2,000	7.5%	\$20,000	\$7,600	4	100	\$4,272
40	Cows	\$1,100.00	7.5%	\$44,000	\$16,720	8	100	\$5,911
68	Total AUYs	Constant and the second		0100001000000		17.72	10000	
			Sub Total	\$26,000				\$4,985
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
200	Cows	\$1,100	7.5%	\$220,000	\$83,600			\$13,011
30	Replacement Heifers	\$1,000	7.5%	\$30,000	\$11,400			\$1,774
223	Total AUYs				A. 19.142			
			Sub Total	\$250,000	\$95,000			\$14,786
			Total	\$1,056,700				\$23,607

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.

2) For intermediate assets an interest rate of 7.50% was used.

SOUTHEAST REGION LARGE COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	400 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	8
		VALUE OF PRO	DUCTION		7	VALUE PER CO
		QUANTITY	WEIGHT	PRICE2	VALUE	TALUL I LA U
STEER CALVES		164	510	\$0.80	\$66,912	\$167.28
HEIFER CALVES		104	485	\$0.72	\$36,317	\$90.79
CULL COWS		37	900	\$0.37	\$12,321	\$30.80
CULL BULLS		1	1200	\$0.42	\$504	\$1.26
	TOTAL	306			\$116,054	\$290.13
VARIABLE COSTS						
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	30.00	\$125	\$3,750	\$9.38
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	25.0%	\$15.20	\$6,480	\$16.20
	PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	8.00	\$125	\$1,000	\$2.50
	PROTEIN SUPP	TON	10.00	\$315	\$3,150	\$7.88
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
	TOTAL				\$14,380	\$35.95
	TUTAL				914,000	300.80
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$3,200	\$8.00
	LIVESTOCK HAULING				\$612	\$1.53
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP &				\$1,886	\$4.72
	OPERATING COSTS-VEHICLE	5			\$3,280	\$8.20
	RANCH MAINTENANCE				\$1,927	\$4.82
	BEEF CHECKOFF				\$268	\$0.67
	LIVESTOCK PURCHASES				\$2,000	\$5.00
	TOTAL				\$13,173	\$32.93
	ANNUAL INTEREST RATE				7.5%	
	NUMBER OF MONTHS BORRO	OWED			6	VALUE PER CO
	NUMBER OF MONTHS BORRO	DWED			\$1,033	\$2.58
		JWED	_		\$1,033 \$28,586	\$2.58 \$71.47
	NUMBER OF MONTHS BORRO	JWED		-	\$1,033	\$2.58
WNERSHIP COSTS			ive):		\$1,033 \$28,586 \$87,468	\$2.58 \$71.47 \$218.67
ASH COSTS	TOTAL		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵	\$2.58 \$71.47 \$218.67 VALUE PER CO
ASH COSTS Taxes & insurance	TOTAL		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁶ \$4,096	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24
ASH COSTS Taxes & Insurance Overhead	TOTAL		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25
ASH COSTS Taxes & Insurance Overhead Total	TOTAL		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁶ \$4,096	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS	TOTAL		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁶ \$4,096 \$2,100 \$6,196	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock	TOTAL		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment	TOTAL		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁶ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	TOTAL Annual Capital Recovery ⁴ (At I		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc	TOTAL Annual Capital Recovery ⁴ (At I		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$16,096 \$29,571	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$40.24 \$73.93
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat	TOTAL Annual Capital Recovery ⁴ (At I		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$16,096 \$29,571 \$6,963	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total	TOTAL Annual Capital Recovery ⁴ (At I		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$16,096 \$29,571 \$5,963 \$64,561	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$40.24 \$73.93 \$17.41 \$161.40
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoo Management & Operation Lat Total OTAL FIXED COSTS	TOTAL Annual Capital Recovery ⁴ (At I cx ⁴ bor (6% of gross returns)		lve):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoo Management & Operation Lat Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COST	TOTAL Annual Capital Recovery ⁴ (At I cx ⁴ bor (6% of gross returns)		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total DTAL FIXED COSTS DTAL CASH AND VARIABLE COST DTAL COSTS	TOTAL Annual Capital Recovery ⁴ (At I sk ⁴ bor (6% of gross returns)		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total DTAL FIXED COSTS DTAL CASH AND VARIABLE COST DTAL COSTS	TOTAL Annual Capital Recovery ⁴ (At I sk ⁴ bor (6% of gross returns)		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total DTAL FIXED COSTS DTAL CASH AND VARIABLE COST DTAL COSTS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL COSTS	TOTAL Annual Capital Recovery ⁴ (At I sk ⁴ bor (6% of gross returns)		ive):		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ v \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782 \$99,343	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96 \$248.36
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoo Management & Operation Lat Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COST OTAL COSTS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL COSTS	TOTAL Annual Capital Recovery ⁴ (At I sk ⁴ bor (6% of gross returns)	Replacement Va			\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782 \$99,343 \$81,272	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96 \$248.36 \$203.18
Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoo Management & Operation Lat	TOTAL Annual Capital Recovery ⁴ (At I sk ⁴ bor (6% of gross returns)		Ive): TOTAL COSTS		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782 \$99,343 \$81,272	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96 \$248.36 \$203.18
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COST OTAL CASH AND VARIABLE COST OTAL COSTS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS	TOTAL Annual Capital Recovery ⁴ (At I sk ⁴ bor (6% of gross returns) TS STS LF PRICES CASH COST (cwt)	Replacement Val VARIABLE COSTS \$17.52	TOTAL		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782 \$99,343 \$81,272	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96 \$248.36 \$203.18
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COST OTAL CASH AND VARIABLE COST OTAL COSTS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS REQUIRED AVG. CAL REQUIRED AVG. CAL	TOTAL Annual Capital Recovery ⁴ (At I sk ⁴ bor (6% of gross returns) TS STS LF PRICES CASH COST (cwt) PRICES TOTAL COSTS(cwt)	Replacement Val VARIABLE COSTS \$17.52 \$17.52 \$17.52	TOTAL COSTS \$21.32 \$60.88		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782 \$99,343 \$81,272	\$2.58 \$71.47 \$218.67 VALUE PER CC \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96 \$248.36 \$203.18
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoo Management & Operation Lat Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COST OTAL CASH AND VARIABLE COST OTAL CASH AND VARIABLE COST OTAL COSTS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL CASH COS REAKEVEN CALCULATIONS REQUIRED AVG. CALF Calf crop is defined as the actual nu Prices represent 2005 price projectic	TOTAL Annual Capital Recovery ⁴ (At I ck ⁴ bor (6% of gross returns) TS TS LF PRICES CASH COST (cwt) PRICES TOTAL COSTS(cwt) mber of calves sold divided, by th ons from Cattle Fax, Doanes repo	VARIABLE COSTS \$17.52 \$17.52 e total number of ts for New Mexic	TOTAL COSTS \$21.32 \$60.88 cows (assuming all cows were to feeder catile cash prices.	exposed).	\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782 \$99,343 \$81,272	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96 \$248.36 \$203.18
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total DTAL FIXED COSTS DTAL CASH AND VARIABLE COST DTAL CASH AND VARIABLE COST DTAL COSTS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL CASH COS ETURN ABOVE TOTAL COSTS REAKEVEN CALCULATIONS REQUIRED AVG. CALF Call cropis defined as the actual num Prices represent 2005 price projects	TOTAL Annual Capital Recovery ⁴ (At I Annual Capital Recovery ⁴ (At I String of the second	VARIABLE COSTS \$17.52 \$17.52 etotal number of rts for New Mexic ardage, feed, and	TOTAL COSTS \$21.32 \$60.88 cows (assuming all cows were to feeder cattle cash prices. d insurance		\$1,033 \$28,586 \$87,468 Represents 65% Asset Ownership ⁵ \$4,096 \$2,100 \$6,196 \$7,834 \$4,096 \$16,096 \$29,571 \$5,963 \$64,561 \$70,757 \$34,782 \$99,343 \$81,272	\$2.58 \$71.47 \$218.67 VALUE PER CO \$10.24 \$5.25 \$15.49 \$19.59 \$10.24 \$40.24 \$73.93 \$17.41 \$161.40 \$176.89 \$86.96 \$248.36 \$203.18

SOUTHEAST REGION LARGE RANCH INVESTMENTS 1998

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock	Annual Capital Recovery
6000	Acres of private land	\$55	3.9%	\$330,000			0.10.0	(doord)
400	AU Values ¹	\$2,150	3.9%	\$860,000	\$860,000			
			Sub Totals	\$1,190,000)			
Number	Buildings , Improvements	Price Per Unit						100 million (100 million)
12	Miles of pipeline	\$1,700	3.9%	\$20,400	\$2,040	25	100	\$1,242
6	Wells	\$8,800	3.9%	\$52,800	\$5,280	25	100	\$3,216
75	Miles of Fence	\$2,400	3.9%	\$180,000	\$18,000	25	100	\$10,963
1	Corrals/Working Facilities	\$4,400	3.9%	\$4,400	\$440	30	100	\$243
1	Barns & Shop	\$7,800	3.9%	\$7,800	\$780	30	100	\$431
			Sub Totals	\$265,400				\$16,096
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
1	1 ton pickup 4WD	\$16,000	7.5%	\$16,000	\$3,200	7	50	\$1,328
0	Dozer/Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$3,000	7.5%	\$6,000	\$1,200	7	100	\$996
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$41,000				\$4,096
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
8	Horses	\$1,500	7.5%	\$12,000	\$4,560	10	100	\$1,426
20	Bulls	\$1,500	7.5%	\$30,000	\$11,400	4	100	\$6,408
80	Cows	\$1,100.00	7.5%	\$88,000	\$33,440	8	100	\$11,823
135	Total AUYs			0.00546753	1999/21/02/201	5	11.2020	*/.//***
	CONTRACTOR OF THE OWNER	No	Sub Total	\$42,000				\$7,834
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
400	Cows	\$1,100	7.5%	\$440,000	\$167,200			\$26,023
	Replacement Heifers Total AUYs	\$1,000	7.5%	\$60,000	\$22,800			\$3,549
			Sub Total	\$500,000	\$190,000			\$29,571
			Total	\$2,038,400				\$49,763

 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.

For intermediate assets an interest rate of 7.50% was used.

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SOUTHEAST REGION EX-LARGE COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	550 15%	COW to BULL	20	CALF CROP PERCENT	84 82
	,	ALUE OF PRODUC	CTION			VALUE PER COV
		QUANTITY	WEIGHT	PRICE2	VALUE	VALUE PER COV
STEER CALVES		231	510	\$0.80	\$94,248	\$171.36
HEIFER CALVES		149	485	\$0.72	\$51,856	\$94.28
CULL COWS		37	900	\$0.37	\$12,321	\$22.40
CULL BULLS		1	1200	\$0.42	\$504	\$0.92
	TOTAL	418			\$158,929	\$288.96
VARIABLE COSTS	and the second second			_		
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CON
	HAY	TON	36.00	\$125	\$4,500	\$8.18
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	25.0%	\$16.20	\$8,910	\$16.20
	PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	8.00	\$125	\$1,000	\$1.82
	PROTEIN SUPP	TON	12.00	\$315	\$3,780	\$6.87
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
	TOTAL				\$18,190	\$33.07
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$4,400	\$8.00
	LIVESTOCK HAULING				\$835	\$1.52
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & M	ACH			\$2,870	\$5.22
	OPERATING COSTS-VEHICLE				\$2,952	\$5.37
	RANCH MAINTENANCE				\$2,624	\$4.77
	BEEF CHECKOFF				\$380	\$0.69
	OTHER				\$4,000	\$7.27
	TOTAL				\$18,061	\$32.84
. INTEREST ON VARIABLE COSTS	5					
	SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH	ONTHS BORROWE	D			
	ANNUAL INTEREST RATE					
	NUMBER OF MONTHS BORROW	ÆD			7.5% 6	VALUE PER COW
					\$1,359	\$2.47
					\$37,610	\$68.38
	TOTAL				\$121,319	\$220.58
WNERSHIP COSTS			_			_
ASH COSTS	Annual Capital Recovery ⁴ (At Re	eplacement Valve):			Represents 65% Asset Ownership 5	VALUE PER COW
Taxes & Insurance					\$6,670	\$12.13
Overhead					\$2,100	\$3.82
Total					\$8,770	\$15.94
ON CASH COSTS Purchased Livestock					*** ***	
Machinery & Equipment					\$13,888	\$25.25
Housing & Improvements					\$6,670	\$12.13
Interest on Retained Livestoc					\$22,837	\$41.52
Management & Operation Lat					\$40,661	\$73.93
Total	our (one or gross returns)				\$9,536 \$93,591	\$17.34 \$170.17
OTAL FIXED COSTS					\$102,361	\$186.11
OTAL CASH AND VARIABLE COST	S				\$46,380	\$84.33
DTAL COSTS					\$139,971	\$254.49
ETURN ABOVE TOTAL CASH COS	TS				\$112,550	\$204.64
ETURN ABOVE TOTAL COSTS					\$18,959	\$34.47
REAKEVEN CALCULATIONS		VARIABLE	TOTAL			
		COSTS	COSTS			
REQUIRED AVG. CA	LF PRICES CASH COST (cwt)	\$16.36	\$20.18			
	E PRICES TOTAL COSTS(cwt)	\$16.36	\$60.00			

REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) \$16.36 \$60.90

1) Call corp is defined as the actual number of calves solid divided, by the total number of cows (assuming all cows were exposed).
2) Prices represent 1998 price compositions from Catle Fax, Deanes reports for New Mexico feeder cattle cash prices.
3) Market prices include commissions, brand inspections, beef council, varidage, 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 new variant investment

6) Interest on average investment.

SOUTHEAST REGION EXTRA-LARGE RANCH INVESTMENTS 1998

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
10000	Acres of private land	sto	3.9%	\$550,000	\$550,000	LIIE	Slidle	Recovery
550	AU Values ¹		3.9%					
550	AU Values	\$2,150	3.970	\$1,182,500	\$1,182,500			
			Sub Totals	\$1,732,500				
Number	Buildings, Improvements	Price Per Unit						
15	Miles of pipeline	\$1,700	3.9%	\$25,500	\$2,550	25	100	\$1,553
8	Wells	\$8,800	3.9%	\$70,400	\$7,040	25	100	\$4,288
110	Miles of Fence	\$2,400	3.9%	\$264,000	\$26,400	25	100	\$16,079
2	Corrals/Working Facilities	\$4,400	3.9%	\$8,800	\$880	30	100	\$487
1	Barns & Shop	\$7,800	3.9%	\$7,800	\$780	30	100	\$431
			Sub Totals	\$376,500				\$22,837
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		_	
2	3/4 ton pickup 4WD	\$15,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
1	1 ton pickup 4WD	\$16,000	7.5%	\$16,000	\$3,200	7	50	\$1,328
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
3	Gooseneck trailer	\$3,000	7.5%	\$9,000	\$1,800	7	100	\$1,494
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$64,000				\$6,670
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
12	Horses	\$1,500	7.5%	\$18,000	\$6,840	10	100	\$2,139
28	Bulls	\$2,000	7.5%	\$55,000	\$20,900	4	100	\$11,749
110	Cows	\$1,100.00	7.5%	\$121,000	\$45,980	8	100	\$16,256
187	Total AUYs			CHAIR CADES	- Andreastan			
			Sub Total	\$73,000				\$13,888
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
550	Cows	\$1,100	7.5%	\$605,000	\$229,900			\$35,781
83	Replacement Heifers	\$1,000	7.5%	\$82,500	\$31,350			\$4,879
612	Total AUYs			S. 21	181.9			A STREET
			Sub Total	\$687,500	\$261,250			\$40,661
			Total	\$2,933,500				\$70,168

 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.

2) For intermediate assets an interest rate of 7.50% was used.

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SOUTHWEST REGION SMALL COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	40 15%	COW to BULL	15	CALF CROP PERCENT ¹ REPLACEMENT HEIFER'S KEPT	82
	N.	ALUE OF PRO	DUCTION			
ANIMALS SOLD		QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COV
STEER CALVES		16	500	\$0.78	\$6,396	\$159.90
HEIFER CALVES		10	475	\$0.70	\$3,458	\$86.45
CULL COWS		37	900	\$0.35	\$11,655	\$291.38
CULL BULLS		1	1200	\$0.40	\$480	\$12.00
	TOTAL	65			\$21,989	\$549.73
VARIABLE COSTS						
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CON
	HAY	TON	8.00	\$125	\$1,000	\$25.00
	STATE	AUY	25.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	65.0%	\$16.20	\$648	\$16.20
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	1.00	\$120	\$120	\$3.00
	PROTEIN SUPP	TON	2.00	\$320	\$640	\$16.00
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
3	TOTAL				\$2,408	\$60.20
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$320	\$8.00
	LIVESTOCK HAULING				\$130	\$3.24
2	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & I	MACH			· \$1,066	\$26.65
	OPERATING COSTS-VEHICLE				\$1,500	\$37.50
	RANCH MAINTENANCE				\$1,107	\$27.68
3	BEEF CHECKOFF				\$27	\$0.67
	OTHER					
. INTEREST ON VARIABLE COST	TOTAL TS				\$2,000 \$6,149	<u>\$50.00</u> \$153.74
I. INTEREST ON VARIABLE COST	TOTAL TS Sum of Variable Costs X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	H	OWED		\$2,000	<u>\$50.00</u>
I. INTEREST ON VARIABLE COST	TOTAL TS Sum of Variable Costs X N X Interest Rate Per Month	H	OWED		\$2,000 \$6,149	<u>\$50.00</u> \$153.74
L INTEREST ON VARIABLE COST	TOTAL TS Sum of Variable Costs X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	H	OWED		\$2,000 \$6,149 7.5% 6 \$321	\$50.00 \$153.74 VALUE PER COV \$8.02
. INTEREST ON VARIABLE COS	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H	OWED		\$2,000 \$6,149 7.5% 6 \$321 \$8,878	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96
. INTEREST ON VARIABLE COS	TOTAL TS Sum of Variable Costs X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	H	OWED		\$2,000 \$6,149 7.5% 6 \$321	\$50.00 \$153.74 VALUE PER COV \$8.02
. INTEREST ON VARIABLE COS	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77
L INTEREST ON VARIABLE COST	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV
. INTEREST ON VARIABLE COST WNERSHIP COSTS ASH COSTS Taxes & Insurance	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74
. INTEREST ON VARIABLE COST S WINERSHIP COSTS ASH COSTS Taxes & Insurance Overhead	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50
. INTEREST ON VARIABLE COST WINERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74
INTEREST ON VARIABLE COST WINERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	H WED			\$2,000 \$5,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24
INTEREST ON VARIABLE COST WINERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852	\$50.00 \$153.74 VALUE PER COU \$8.02 \$221.96 \$327.77 VALUE PER COU \$327.77 VALUE PER COU \$556.74 \$552.50 \$109.24 \$46.31
INTEREST ON VARIABLE COST WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74
INTEREST ON VARIABLE COST WINERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock	TOTAL. TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$5,021	\$50.00 \$153.74 VALUE PER COI \$8.02 \$221.96 \$327.77 VALUE PER COI \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$55.74 \$150.51
ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	TOTAL. TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74
INTEREST ON VARIABLE COST WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Equipment Housing & Improvements Interest on Retained Livesto	TOTAL. TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$5,021 \$2,957	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$150.51 \$73.93
INTEREST ON VARIABLE COS MUNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation La Total	TOTAL. TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$2,000 \$5,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$56.74 \$55.51 \$109.24
INTEREST ON VARIABLE COST WINERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation La Total OTAL FIXED COSTS	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R bock ⁴ abor (6% of gross returns)	H WED			\$2,000 \$5,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319 \$14,419	\$50.00 \$153.74 VALUE PER COU \$8.02 \$221.96 \$327.77 VALUE PER COU \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$55.74 \$55.74 \$109.24 \$46.31 \$55.74 \$10.51 \$73.93 \$32.98 \$360.47
I. INTEREST ON VARIABLE COST WINERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation La Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COS	TOTAL TS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R bock ⁴ abor (6% of gross returns)	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319 \$14,419 \$18,788	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$55.50 \$109.24 \$46.31 \$56.74 \$150.51 \$73.93 \$22.98 \$360.47 \$469.71 \$331.20
A. INTEREST ON VARIABLE COST WINERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation La Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COS OTAL CASH AND VARIABLE COS OTAL COSTS	TOTAL TS SUM OF VARIABLE COSTS X N XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R bock ⁴ abor (6% of gross returns) STS	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319 \$14,419 \$18,788 \$13,248	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$150.51 \$73.93 \$22.98 \$360.47 \$469.71
3. INTEREST ON VARIABLE COST SUMMERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COS OTAL CASTS IETURN ABOVE TOTAL CASH CO	TOTAL TS SUM OF VARIABLE COSTS X N XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R bock ⁴ abor (6% of gross returns) STS	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319 \$14,419 \$18,788 \$13,248 \$27,667	\$50.00 \$153.74 VALUE PER COW \$8.02 \$221.96 \$327.77 VALUE PER COW \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$150.51 \$73.93 \$22.98 \$360.47 \$469.71 \$331.20 \$691.67
3. INTEREST ON VARIABLE COST DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation La Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COS OTAL CASH AND VARIABLE COS OTAL CASTS IETURN ABOVE TOTAL CASH CO IETURN ABOVE TOTAL COSTS	TOTAL TS SUM OF VARIABLE COSTS X N XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R bock ⁴ abor (6% of gross returns) STS	H WED eplacement Val	ve):		\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319 \$14,419 \$13,248 \$27,667 \$8,741	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$150.51 \$73.93 \$32.98 \$360.47 \$469.71 \$331.20 \$691.67 \$218.53
A. INTEREST ON VARIABLE COST WINERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation La Total OTAL FIXED COSTS OTAL CASH AND VARIABLE COS OTAL CASH AND VARIABLE COS OTAL CASH AND VARIABLE COS OTAL CASH COSTS ETURN ABOVE TOTAL CASH CO ETURN ABOVE TOTAL COSTS	TOTAL TS SUM OF VARIABLE COSTS X N XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL TOTAL Annual Capital Recovery ⁴ (At R bock ⁴ abor (6% of gross returns) STS	H WED			\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319 \$14,419 \$13,248 \$27,667 \$8,741	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$150.51 \$73.93 \$32.98 \$360.47 \$469.71 \$331.20 \$691.67 \$218.53
3. INTEREST ON VARIABLE COST 3. INTEREST ON VARIABLE COST 3. INTEREST ON VARIABLE COST 3. INTEREST ON VARIABLE COST 5. INT	TOTAL. TS SUM OF VARIABLE COSTS X N XINTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At R abor (5% of gross returns) STS STS	H WED eplacement Val	Ve): TOTAL		\$2,000 \$6,149 7.5% 6 \$321 \$8,878 \$13,111 Represents 65% Asset Ownership ⁵ \$2,270 \$2,100 \$4,370 \$1,852 \$2,270 \$6,021 \$2,957 \$1,319 \$14,419 \$13,248 \$27,667 \$8,741	\$50.00 \$153.74 VALUE PER COV \$8.02 \$221.96 \$327.77 VALUE PER COV \$56.74 \$52.50 \$109.24 \$46.31 \$56.74 \$150.51 \$73.93 \$32.98 \$360.47 \$469.71 \$331.20 \$691.67 \$218.53

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 1998 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.

Prices represent tysic price projections from Cathe Fax, Uoanes reports for New Mexico teeper catte cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.
 Interest on average investment.

SOUTHWEST REGION SMALL RANCH INVESTMENTS 1998

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number		Price Per Unit	Rate of Return ¹	Price	Value	Life	Share	Recovery
1500	Acres of private land	\$50	3.9%	\$75,000	\$75,000			
40	AU Values	\$2,000	3.9%	\$80,000	\$80,000			
			Sub Totals	\$155,000				
Number	Buildings, Improvements	Price Per Unit						
5	Miles of pipeline	\$1,800	3.9%	\$9,000	\$900	25	100	\$548
2	Wells	\$8,000	3.9%	\$16,000	\$1,600	25	100	\$974
25	Miles of Fence	\$2,500	3.9%	\$62,500	\$6,250	25	100	\$3,806
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
	· · · · · · · · · · · · · · · · · · ·		Sub Totals	\$100,000				\$6,021
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ²	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
0	3/4 ton pickup 4WD	\$16,000	7.5%	\$0	\$0	7	50	\$0
0	Dozer/Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,000	7.5%	\$3,000	\$600	7	100	\$498
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$22,000				\$2,270
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
4	Horses	\$1,500	7.5%	\$6,000	\$2,280	10	100	\$713
3	Bulls	\$2,000	7.5%	\$5,333	\$2,027	4	100	\$1,139
12	Cows	\$1,100.00	7.5%	\$13,200	\$5,016	8	100	\$1,773
23	Total AUYs							
			Sub Total	\$11,333				\$1,852
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
40	Cows	\$1,100	7.5%	\$44,000	\$16,720			\$2,602
6 45	Replacement Heifers Total AUYs	\$1,000	7.5%	\$6,000	\$2,280			\$355
			Sub Total	\$50,000	\$19,000			\$2,957
			Total	\$338,333				\$11,247

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.

2) For intermediate assets an interest rate of 7.50% was used.

SOUTHWEST REGION MEDIUM COW/CALF BUDGET 1998

	BREED HERD SIZE CULL RATE	200 15%	COW to BULL	15	CALF CROP PERCENT REPLACEMENT HEIFER'S KEPT	82
		VALUE OF PRO	DUCTION			Second second
		QUANTITY	WEIGHT	PRICE ²	VALUE	VALUE PER COV
STEER CALVES		82	500	\$0.78	VALUE \$31,980	\$159.90
HEIFER CALVES		52	475	\$0.70	\$17,290	\$159.90
CULL COWS		37	900	\$0.35	\$11,655	\$58.28
CULL BULLS		1	1200	\$0.40	\$480	\$2.40
	2 <u>20</u> 200	172				
VARIABLE COSTS	TOTAL				\$61,405	\$307.03
						VALUE PER COW
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	
	HAY	TON	16.00	\$125	\$2,000	\$10.00
	STATE	AUY	30.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	60.0%	\$16.20	\$3,240	\$16.20
	PRIVATE(Owned)	AUY	10.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing) SALT & MINERAL	AUY	0.0%	\$0.00	\$0	\$0.00
	PROTEIN SUPP	TON	2.00	\$120	\$240	\$1.20
	OTHER	ION	4.00 0.00	\$320 \$0	\$1,280 <u>\$0</u>	\$6.40 \$0.00
	TOTAL					27.000 V 200.000
	10 ML				\$6,760	\$33.80
2. OTHER VARIABLE					COST	
	VET AND MEDICINE				\$1,600	\$8.00
	LIVESTOCK HAULING			0	\$344	\$1.72
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & MACH				\$1,927	\$9.64
	OPERATING COSTS-VEHICLE				\$2,624	\$13.12
	RANCH MAINTENANCE				\$1,804	\$9.02
	BEEF CHECKOFF				\$134	\$0.67
	PURCHASED LIVESTOCK				\$2.000	\$10.00
	TOTAL				\$10,433	\$52.17
3. INTEREST ON VAR						
	SUM OF VARIABLE COSTS X MONTH	SBORROWED				
	X INTEREST RATE PER MONTH				in add	
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED				7.5% 6	
						VALUE PER COW
					\$645	\$3.22
	TOTAL				\$17,838 \$43,567	\$89.19 \$217.84
OWNERSHIP COSTS		in the second				
CASH COSTS	Annual Capital Recovery3 (At Replace	ment Valve):			Represents 65% Asset Ownership 5	VALUE PER COW
Taxes & Insura	ince				\$4,096	\$20.48
Overhead					\$2,100	\$10.50
Total					\$6,196	\$30.98
ION CASH COSTS						
Purchased Live					\$7,122	\$35.61
Machinery & Ec					\$4,096	\$20.48
Housing & Impr					\$11,051	\$55.26
	ained Livestock ⁶				\$14,786	\$73.93
	Operation Labor (6% of gross returns)				\$3,684	\$18.42
Total					\$40,739	\$203.70
OTAL FIXED COSTS	Contractory of the owner owne				\$46,935	\$234.68
OTAL CASH AND VA	RIABLE COSTS				\$24,034	\$120.17
OTAL COSTS					\$64,773	\$323.87
ETURN ABOVE TOTA	AL CASH COSTS				\$37,371	\$186.86
ETURN ABOVE TOTA					(\$3,368)	\$186.86
REAKEVEN CALCUL					140,000	(\$10.04)
		VARIABLE COSTS	TOTAL COSTS			
REQUIRED AVEDA	AGE CALF PRICES CASH COST (cwt)	No. Contraction	and the second sec			
		\$22.31	\$30.06			
REQUIRED AVERAG	E CALF PRICES TOTAL COSTS(cwt)	\$22.31	\$81.02			

1) Call 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 1998 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.

SOUTHWEST REGION MEDIUM RANCH INVESTMENTS 1998

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	a second s
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
3500	Acres of private land	\$55	3.9%	\$192,500	\$192,500			
200	AU Values ¹	\$2,000	3.9%	\$400,000	\$400,000			
			Sub Totals	\$592,500				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$1,800	3.9%	\$21,600	\$2,160	25	100	\$1,316
4	Wells	\$9,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
45	Miles of Fence	\$2,500	3.9%	\$112,500	\$11,250	25	100	\$6,852
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
			Sub Totals	\$182,600				\$11,051
lumber	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$15,000	7.5%	\$15,000	\$3,000	7	50	\$1,245
1	1 ton pickup 4WD	\$16,000	7.5%	\$16,000	\$3,200	7	50	\$1,328
0	Dozer/Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$3,000	7.5%	\$6,000	\$1,200	7	100	\$996
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$41,000				\$4,096
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
8	Horses	\$1,500	7.5%	\$12,000	\$4,560	10	100	\$1,426
13	Bulls	\$2,000	7.5%	\$26,667	\$10,133	4	100	\$5,696
30	Cows	\$1,100.00	7.5%	\$33,000	\$12,540	8	100	\$4,434
64	Total AUYs							
			Sub Total	\$38,667				\$7,122
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
200	Cows	\$1,100	7.5%	\$220,000	\$83,600			\$13,011
30	Replacement Heifers	\$1,000	7.5%	\$30,000	\$11,400			\$1,774
223	Total AUYs		Put Tetal	P050 000	eoe 000			F1 4 700
			Sub Total	\$250,000	\$95,000			\$14,786
			Total	\$1,104,767				\$29,933

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.

2) For intermediate assets an interest rate of 7.50% was used.

SOUTHWEST REGION LARGE COW/CALF BUDGET 1998

1	BREED HERD SIZE CULL RATE	400 15%	COW to BULL	15	CALF CROP PERCENT	
		VALUE OF PROD	UCTION			VALUE PER CO
		QUANTITY	WEIGHT	PRICE2	VALUE	TALVETER OU
STEER CALVES		164	500	\$0.78	\$63,960	\$159.90
HEIFER CALVES		104	475	\$0.70	\$34,580	\$86.45
CULL COWS		37	900	\$0.35	\$11,655	\$29.14
CULL BULLS		1	1200	\$0.40	\$480	\$1.20
	TOTAL	306			\$110.675	\$276.69
VARIABLE COSTS					******	
1. FEED COSTS		UNITS	QUANTITY/PERCENT	-		VALUE PER CO
LI LED COSIS	HAY	TON	25.00	PRICE \$125	COST	
	STATE	AUY	40.0%	\$25.08	\$3,125 \$0	\$7.81
	FEDERAL LEASE	AUY	40.0%	\$16.20		\$0.00
	PRIVATE(Owned)	AUY	20.0%		\$6,480	\$16.20
	PRIVATE(Leased Grazing)	AUT		\$0.00	\$0	\$0.00
	SALT & MINERAL		0.0%	\$0.00	\$0	\$0.00
		TON	5.00	\$120	\$600	\$1.50
	PROTEIN SUPP OTHER	TON	10.00	\$320 \$0	\$3,200	\$8.00
			0.00	40	<u>\$0</u>	\$0.00
	TOTAL				\$13,405	\$33.51
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$3,200	\$8.00
	LIVESTOCK HAULING				\$612	\$1.53
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & I	MACH			\$2,952	\$7.38
	OPERATING COSTS-VEHICLE				\$3,700	\$9.25
	RANCH MAINTENANCE				\$2,255	\$5.64
	BEEF CHECKOFF				\$268	\$0.67
	LIVESTOCK PURCHASES				\$3.000	\$7.50
	TOTAL				\$15,987	\$39.97
					910,001	\$33.97
. INTEREST ON VARIABLE COSTS	SUM OF VARIABLE COSTS X N	IONTHE BODDO	NED			
	X INTEREST RATE PER MONTH					
	ANNUAL INTEREST RATE					
	NUMBER OF MONTHS BORRO	WED			7.5%	VALUE PER COW
					\$1.102	
	TOTAL				\$1,102 \$30,494	\$2.76 \$76.24
					\$80,181	\$200.45
WNERSHIP COSTS						
ASH COSTS	Annual Capital Recovery ⁴ (At R	eplacement Valv	e):		Represents 65% Asset Ownership*	VALUE PER COW
Taxes & Insurance					\$6,670	\$16.67
Overhead					\$2,100	\$5.25
Total					\$8,770	\$21.92
ON CASH COSTS						
Purchased Livestock					\$13,175	\$32.94
Machinery & Equipment					\$6,670	\$16.67
Housing & Improvements					\$24,468	\$61,17
Interest on Retained Livestock					\$29,571	\$73.93
Management & Operation Labor (6% of gross returns)					\$6,641	\$16.60
Total					\$80,525	\$201.31
DTAL FIXED COSTS						
DTAL CASH AND VARIABLE COSTS					\$89,294 \$39,264	\$223.24
DTAL COSTS						\$98.16
ETURN ABOVE TOTAL CASH COSTS					\$119,789 \$71,411	\$299.47
ETURN ABOVE TOTAL COSTS					(\$9,114)	\$178.53 (\$22.78)
REAKEVEN CALCULATIONS					(40,114)	(422.10)
		VARIABLE COSTS	TOTAL COSTS			
REQUIRED AVEREAGE CALF PRICES CASH COST (cwt)						
		\$19.07	\$24.56			
REQUIRED AVEREAGE CALF PRICES CASH COST (cwt)		\$19.07	\$74.91			

1) Call crop is defined as the actual number of calves old divided, by the total number of cows (assuming all cows were exposed).
2) Prices represent 1998 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.

SOUTHWEST REGION LARGE RANCH INVESTMENTS 1998

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number		Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
6000	Acres of private land	\$50	3.9%	\$300,000	\$300,000			
158	AU Values ¹	\$2,000	3.9%	\$316,000	\$316,000			
			Sub Totals	\$616,000				
Number	Buildings, Improvements	Price Per Unit						
18	Miles of pipeline	\$1,800	3.9%	\$32,400	\$3,240	25	100	\$1,973
12	Wells	\$9,000	3.9%	\$108,000	\$10,800	25	100	\$6,578
100	Miles of Fence	\$2,500	3.9%	\$250,000	\$25,000	25	100	\$15,226
1	Corrals/Working Facilities	\$4,500	3.9%	\$4,500	\$450	30	100	\$249
1	Barns & Shop	\$8,000	3.9%	\$8,000	\$800	30	100	\$443
		1	Sub Totals	\$402,900				\$24,468
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$15,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
1	1 ton pickup 4WD	\$16,000	7.5%	\$16,000	\$3,200	7	50	\$1,328
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
3	Gooseneck trailer	\$3,000	7.5%	\$9,000	\$1,800	7	100	\$1,494
1	Horse tack	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
1	Misc. equipment	\$1,500	7.5%	\$1,500	\$300	10	100	\$197
			Sub Total	\$64,000				\$6,670
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
10	Horses	\$1,500	7.5%	\$15,000	\$5,700	10	100	\$1,782
11	Bulls	\$2,000	7.5%	\$21,067	\$8,005	4	100	\$4,500
34	Cows	\$1,100.00	7.5%	\$37,400	\$14,212	8	100	\$5,025
68	Total AUYs			and a state of the second second	and and states			
			Sub Total	\$36,067				\$6,282
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
158	Cows	\$1,100	7.5%	\$173,800	\$66,044			\$10,279
24	Replacement Heifers	\$1,000	7.5%	\$23,700	\$9,006			\$1,402
176	Total AUYs		Sub Total	\$197,500	\$75,050			\$11,681
			Total	\$1,316,467				\$42,819

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.

2) For intermediate assets an interest rate of 7.50% was used.

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