

Range Livestock Costs and Returns for New Mexico 2000



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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 small in the Central Mountain and Southwest regions to extra-large in the Northeast, Northwest and Southeast regions (Appendix A). 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 forests and browse species.

Small Ranch

The small representative ranch had 40 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 84%. Gross returns per cow were approximately \$413 with total costs approaching \$785 per cow, resulting in a loss of \$372 per cow (Figure 1). An intensifying drought in this portion of New Mexico has caused a continued

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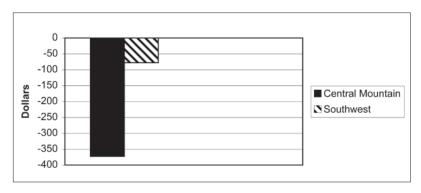


Figure 1. Economic returns for small New Mexico ranches, 2000

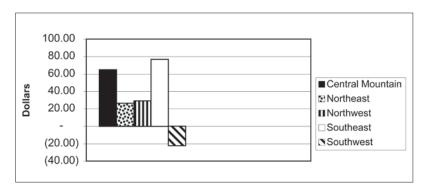


Figure 2. Economic returns for medium-sized New Mexico ranches, 2000

reduction in cattle numbers, impacting the economic profile of representative ranches.

Medium Ranch

The medium representative ranch had 160 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 85%. Gross returns per cow were approximately \$408 with total costs approaching \$345 per cow, resulting in a profit of \$65 per cow (Figure 2). Break-even calf prices were \$80 per hundred weight (cwt) with 2000 prices averaging \$96/cwt.

Large Ranch

The large representative ranch had 280 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 85%. Gross returns per cow were approximately \$406 with total costs approaching \$342 per cow, resulting in a profit of \$64 per cow (Figure 3). A continued drought caused

supplemental feeding costs to rise and forced a reduction in cow numbers. Calf prices received for 2000 increased 18% over those received during 1999.

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 varies from 12 to 20 inches throughout the region (Palmer Drought Index). Stuckey and Henderson (1969) estimate carrying capacities ranging from 15 to 24 animal units yearlong (AUY). Prevailing drought conditions for this portion of New Mexico resulted in continued downsizing of mother cow herds.

Medium Ranch

The medium representative ranch had 160 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 83%. Gross returns per cow were approximately \$476 with total costs approaching \$450 per cow, resulting in a profit of greater than \$26 per cow (Figure 2). Due to supplemental feeding costs, returns per cow fell greatly despite increased calf prices received.

Large Ranch

The large representative ranch had 280 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 84%. Gross returns per cow were approximately \$446 with total costs approaching \$400 per cow, resulting in a profit of \$47 per cow (Figure 3). Due to supplemental feeding costs, returns per cow fell greatly despite increased calf prices received.

Extra-Large Ranch

The extra-large representative ranch had 495 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 85%. Gross returns per cow were approximately \$425 with total costs approaching \$330 per

cow, resulting in a profit of \$95 per cow (Figure 4). Break-even calf prices were \$73 per hundred weight (cwt) with 2000 calf prices averaging \$103/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 variance is due to terrain, precipitation, and forage availability across the region.

Medium Ranch

The medium representative ranch had 160 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 83%. Gross returns per cow were approximately \$423 with total costs approaching \$395 per cow, resulting in a profit of greater than \$29 per cow (Figure 2). The increase in prices received in 2000 relative to in 1999 increased returns by approximately \$3 per cow unit.

Large Ranch

The large representative ranch had 280 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 83%. Gross returns per cow were approximately \$385 with total costs approaching \$320 per cow, resulting in a profit of \$67 per cow (Figure 3). Total costs per cow increased by about \$50 per cow unit while gross returns also increased by approximately \$60, resulting in an increased return in 2000 relative to in 1999.

Extra-Large Ranch

The extra-large representative ranch had 400 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 85%. Gross returns per cow were approximately \$380 with total costs approaching \$340 per cow, resulting in a profit of \$42 per cow (Figure 4). Break-even calf prices were \$80 per hundred weight (cwt) with 2000 prices averaging \$97/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, 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.

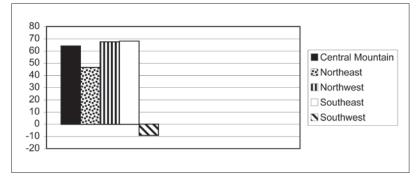


Figure 3. Economic returns for large New Mexico ranches, 2000

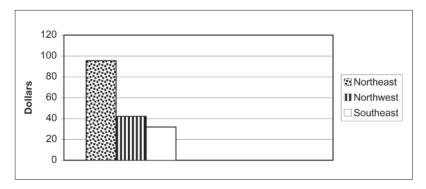


Figure 4. Economic returns for extra-large New Mexico ranches, 2000

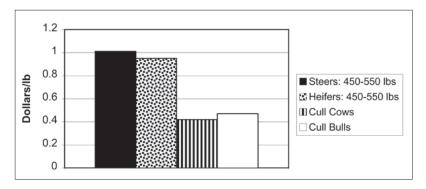


Figure 5. Beef Cattle Prices for New Mexico, 2000

Medium Ranch

The medium representative ranch had 160 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 83%. Gross returns per cow were approximately \$412 with total costs approaching \$340 per cow, resulting in a profit of greater than \$70 per cow (Figure 2). Total costs per cow increased by about \$50 per cow unit while gross returns increased by \$60, resulting in an increased return for 2000 relative to 1999.

Large Ranch

The large representative ranch had 320 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 83%. Gross returns per cow were approximately \$370 with total costs approaching \$302 per cow, resulting in a profit of \$68 per cow (Figure 3). Break-even calf prices were \$73 per hundred weight (cwt) with 2000 prices averaging \$96/cwt.

Extra-Large Ranch

The extra-large representative ranch had 440 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 81%. Gross returns per cow were approximately \$350 with total costs approaching \$320 per cow, resulting in a profit of \$32 per cow (Figure 4). Break-even calf prices were \$79 per hundred weight (cwt) with 2000 prices averaging \$96/cwt for calves.

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 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 36 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 82%. Gross returns per cow were approximately \$375 with total costs approaching \$455 per cow, resulting in a loss of \$77 per cow (Figure 1). Break-even calf prices were \$113 per hundred weight (cwt) with 2000 prices averaging \$95/cwt. The combination of increasing costs with stagnant cattle prices resulted in significant economic and financial losses.

Medium Ranch

The medium representative ranch had 160 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 82%. Gross returns per cow were approximately \$395 with total costs approaching \$420 per cow, resulting in a loss of \$22 per cow (Figure 2). Break-even calf prices were \$104 per

hundred weight (cwt) with 2000 prices averaging \$95/cwt. The combination of increasing costs with stagnant cattle prices resulted in significant economic and financial losses.

Large Ranch

The large representative ranch had 320 mature cows. A fifteen percent culling rate was applied. Calf crop percentage was 82%. Gross returns per cow were approximately \$350 with total costs approaching \$365 per cow, resulting in a loss of \$9 per cow (Figure 3). Increased supplemental feeding costs coupled with reductions in cow numbers resulted in reduced economic performance for 2000 relative to 1999.

SUMMARY

Range livestock production throughout New Mexico in 2000 resulted in mostly positive returns. Each region other than the Southwest reported a profit for medium, large and extra-large ranching operations. Precipitation levels were below normal for much of the state, forcing livestock producers to decide whether to increase supplemental feeding rates or reduce herd size. The majority of producers chose to reduce herd size by an additional 10% over the previous year's numbers. Supplemental feeding rates were also increased to offset reductions in aggregate forage production during the year. These factors created a difficult year for range livestock producers throughout New Mexico as costs of doing business increased, grass supplies were reduced and calf crop percentages remained stable relative to 1999. The primary bright spot for production during 2000 was an average of 17% increase in calf prices. Figure 5 provides aggregate beef cattle prices for New Mexico for 2000. These values are representative of all classes of beef cattle throughout the state.

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APPENDIX A

CENTRAL REGION SMALL COW/CALF BUDGET 2000

	CULL RATE	40 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	84
		VALUE OF PRO	DUCTION			VALUE PER CO
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	VALUE PER CO
TEER CALVES		17	515	\$1.01	\$8,739	\$218.46
EIFER CALVES		11	495	\$0.94	\$5,025	\$125.63
ULL COWS ULL BULLS		6	900 1200	\$0.41 \$0.46	\$2,214	\$55.35 \$13.80
OLL BOLLS		1	1200	\$0.40	<u>\$552</u>	\$13.00
	TOTAL	35			\$16,530	\$413.24
ARIABLE COSTS						VALUE PER CO
FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	11.00	\$135	\$1,485	\$37.13
	STATE	AUY	0.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	50.0%	\$16.20	\$648	\$16.20
	PRIVATE(Owned) PRIVATE(Leased Grazing)	AUY AUY	50.0% 0.0%	\$0.00 \$0.00	\$0 \$0	\$0.00 \$0.00
	SALT & MINERAL	TON	2.00	\$140	\$280	\$7.00
	PROTEIN SUPP	TON	7.00	\$330	\$2.310	\$57.75
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
	TOTAL				\$4,723	\$118.08
					V-1,1 2.0	V110100
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$380	\$9.50
	LIVESTOCK HAULING				\$104	\$2.60
	HIRED LABOR OPERATING COSTS-EQUIP 8	MACH			\$0	\$0.00 \$11.33
	OPERATING COSTS-EQUIP &				\$453 \$906	\$11.33
	RANCH MAINTENANCE	-			\$906	\$22.66
	BEEF CHECKOFF				\$28	\$0.69
	PURCHASED LIVESTOCK				\$1,300	\$32.50
	TOTAL				\$4,077	\$101.94
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	OWED			7.0% 6	VALUE PER CO
					\$308	\$7.70
					\$9,108 \$7,421	\$227.71
OTAL						\$185.53
					Ψ7,7421	\$185.53
	Annual Capital Recovery ⁴ (At	Replacement V	/alue):			
WNERSHIP COSTS	Annual Capital Recovery ⁴ (At	Replacement V	/alue):		Represents 65% Asset Ownership ⁵	VALUE PER CO
ASH COSTS Taxes & Insurance	Annual Capital Recovery ⁴ (At	Replacement V	'alue):		Represents 65% Asset Ownership ⁵ \$3,239	VALUE PER CO \$80.96
WNERSHIP COSTS	Annual Capital Recovery ⁴ (At	Replacement V	/alue):		Represents 65% Asset Ownership ⁵	VALUE PER CO
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead ION CASH COSTS	Annual Capital Recovery ⁴ (At	Replacement V	/alue):		Represents 65% Asset Ownership ⁵ \$3,239 \$2,100 \$5,339	\$80.96 \$52.50 \$133.46
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead ON CASH COSTS Purchased Livestock	Annual Capital Recovery ⁴ (At	Replacement V	/alue):		Represents 65% Asset Ownership ⁵ \$3,239 \$2,100 \$5,339 \$1,518	\$80.96 \$52.50 \$133.46
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead ON CASH COSTS Purchased Livestock Machinery & Equipment	Annual Capital Recovery ⁴ (At	Replacement V	falue):		Represents 65% Asset Ownership ⁵ \$3,239 \$2,100 \$5,339 \$1,518 \$3,239	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements		Replacement V	falue):		Represents 65% Asset Ownership ⁵ \$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest	ock ⁵	Replacement V	/alue):		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	ock ⁵	Replacement V	/alue):		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L	ock ⁵	Replacement V	falue):		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L	ock ⁶ .abor (6% of gross returns)	Replacement V	/alue):		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L OTAL FIXED COSTS OTAL CASH AND VARIABLE CO	ock ⁶ .abor (6% of gross returns)	Replacement V	/alue):		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975 \$22,313 \$14,447	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37 \$557.84
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L OTAL FIXED COSTS OTAL CASH AND VARIABLE CO	ock ⁵ abor (6% of gross returns)	Replacement V	/alue):		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975 \$22,313 \$14,447 \$31,422	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37 \$557.84 \$361.18
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L OTAL FIXED COSTS OTAL CASH AND VARIABLE CO	ock ⁵ abor (6% of gross returns)	Replacement V	/alue):		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975 \$22,313 \$14,447	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37 \$557.84
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L OTAL FIXED COSTS OTAL CASH AND VARIABLE CO OTAL COSTS RETURN ABOVE TOTAL CASH CO	ock ⁵ abor (6% of gross returns)				\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975 \$22,313 \$14,447 \$31,422	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37 \$557.84 \$361.18
Overhead ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest	ock ⁵ abor (6% of gross returns)	VARIABLE COSTS	TOTAL COSTS		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975 \$22,313 \$14,447 \$31,422	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37 \$557.84 \$361.18
ASH COSTS Taxes & Insurance Overhead ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L OTAL FIXED COSTS OTAL CASH AND VARIABLE CO OTAL COSTS RETURN ABOVE TOTAL CASH CO	ock ⁵ abor (6% of gross returns)	VARIABLE	TOTAL		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975 \$22,313 \$14,447 \$31,422	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37 \$557.84 \$361.18
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L OTAL FIXED COSTS OTAL CASH AND VARIABLE CO OTAL COSTS EETURN ABOVE TOTAL CASH CO BREAKEVEN CALCULATIONS REQUIRED AVG. CA	ock ⁵ abor (6% of gross returns) OSTS	VARIABLE COSTS	TOTAL COSTS		\$3,239 \$2,100 \$5,339 \$1,518 \$3,239 \$3,072 \$1,725 \$7,421 \$16,975 \$22,313 \$14,447 \$31,422	\$80.96 \$52.50 \$133.46 \$37.95 \$80.96 \$76.80 \$43.13 \$185.53 \$424.37 \$557.84 \$361.18 \$785.55

CENTRAL MOUNTAIN REGION SMALL RANCH INVESTMENTS 2000

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
100	Acres of private land	\$1,000	3.9%	\$100,000	\$100,000			
34	AU Values ¹	\$3,000	3.9%	\$101,250	\$101,250			
			Subtotal	\$201,250				
Number	Buildings, Improvements	Price Per Unit		1				
0.5	Miles of pipeline	\$1,900	3.9%	\$950	\$95	25	100	\$58
1	Wells	\$9,500	3.9%	\$9,500	\$950	25	100	\$579
10	Miles of Fence	\$2,800	3.9%	\$28,000	\$2,800	25	100	\$1,705
1	Corrals/Working Facilities	\$4,800	3.9%	\$4,800	\$480	30	100	\$266
1	Barns & Shop	\$8,400	3.9%	\$8,400	\$840	30	100	\$465
			Subtotal	\$51,650				\$3,072
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
0	3/4 ton pickup 4WD	\$25,000	7.0%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,500	7.0%	\$3,500	\$700	7	100	\$569
1	Horse tack	\$3,000	7.0%	\$3,000	\$600	10	100	\$384
1	Misc. equipment	\$2,000	7.0%	\$2,000	\$400	10	100	\$256
			Subtotal	\$33,500				\$3,239
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		100	
3	Horses	\$1,800	7.0%	\$5,400	\$2,052	10	100	\$620
1	Bulls	\$2,000	7.0%	\$2,500	\$950	4	100	\$524
5	Total AUYs	Control of the Contro				The second second		
			Subtotal	\$7,900				\$1,144
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
25	Cows	\$1,100	7.0%	\$27,500	\$10,450			\$1,518
4	Replacement Heifers	\$1,000	7.0%	\$3,750	\$1,425			\$207
28	Total AUYs	***************************************	Subtotal	\$31,250	\$11,875			\$1,725
			Total	\$325,550				\$8,036

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% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

CENTRAL REGION MEDIUM COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	15%			REPLACEMENT HEIFERS KEPT	85
		VALUE OF PROD	DUCTION			VALUE PER CO
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER CO
TEER CALVES		68	515	\$1.01	\$35,370	\$221.06
IEIFER CALVES		44	495	\$0.94	\$20,473	\$127.96
CULL COWS		24	900	\$0.41	\$8,856	\$55.35
CULL BULLS	1	1	1200	\$0.46	<u>\$552</u>	\$3.45
	TOTAL	137			\$65,251	\$407.82
ARIABLE COSTS						VALUE PER CO
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	37.00	\$135	\$4,995	\$31.22
	STATE	AUY	30.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	40.0%	\$16.20	\$2,592	\$16.20
	PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing) SALT & MINERAL	AUY TON	0.0% 4.00	\$0.00 \$140	\$0 \$560	\$0.00 \$3.50
	PROTEIN SUPP	TON	11.00	\$330	\$3,630	\$22.69
	OTHER	TON	0.00	\$0	\$0	\$0.00
			GLACESTANIAN LICENTARY LICENSES STREET	MINISTER OF THE STREET		
	TOTAL				\$11,777	\$73.61
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$1,520	\$9.50
	LIVESTOCK HAULING				\$411	\$2.57
	HIRED LABOR	****			\$0	\$0.00
	OPERATING COSTS-EQUIP & OPERATING COSTS-VEHICLE				\$906 \$1,360	\$5.67 \$8.50
	RANCH MAINTENANCE	•			\$1,360 \$1,584	\$9.90
	BEEF CHECKOFF				\$112	\$0.70
	PURCHASED LIVESTOCK		0000	100 31 02 100 00 00 00 00 00 00 00 00 00 00 00 00	\$3,200	\$20.00
	TOTAL				***	****
INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE	тн	ROWED		\$9,093 7.0%	\$56.83
). INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON	тн	ROWED		7.0% 6	VALUE PER CO
3. INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE	тн	ROWED		7.0%	
. INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE	тн	ROWED		7.0% 6 \$730	VALUE PER CO \$4.57
	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600 \$43,651	\$4.57 \$135.00 \$272.82
OWNERSHIP COSTS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600	\$4.57 \$135.00 \$272.82
DWNERSHIP COSTS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵	VALUE PER CO \$4.57 \$135.00
DWNERSHIP COSTS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600 \$43,651	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO
OWNERSHIP COSTS CASH COSTS Taxes & Insurance	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552	VALUE PER CC \$4.57 \$135.00 \$272.82 VALUE PER CC \$22.20
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total HON CASH COSTS Purchased Livestock	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595	VALUE PER CC \$4.57 \$135.00 \$272.82 VALUE PER CC \$22.20 \$13.13 \$35.33 \$28.72
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355	VALUE PER CC \$4.57 \$135.00 \$272.82 VALUE PER CC \$22.20 \$13.13 \$35.33 \$28.72 \$20.97
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69
Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COTOTAL COSTS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁶ Labor (6% of gross returns)	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁶ Labor (6% of gross returns)	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁶ Labor (6% of gross returns)	TH OWED Replacement Va	alue):		7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884 \$37,998	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02 \$237.49
OWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁶ Labor (6% of gross returns)	OWED			7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884 \$37,998	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02 \$237.49
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS FOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁶ Labor (6% of gross returns)	TH OWED Replacement Vi	alue):		7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884 \$37,998	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02 \$237.49
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS FOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS REQUIRED AVG. 0	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁶ Labor (6% of gross returns) DSTS	VARIABLE COSTS	alue): TOTAL COSTS		7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884 \$37,998	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02 \$237.49
DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS REQUIRED AVG. CA 1) Calf crop is defined as the actual	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁵ Labor (6% of gross returns) DSTS CALF PRICES CASH COST (cwt) Inumber of calves sold divided by Inumber of calves sold divided by Inumber of calves sold divided by	VARIABLE COSTS \$31.45 \$31.45	TOTAL COSTS \$39.68 \$79.91 of cows (assuming all cows w		7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884 \$37,998	VALUE PER CO \$4.57 \$135.00 \$272.82 VALUE PER CO \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02 \$237.49
OWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS REQUIRED AVG. (A REQUIRED AVG. CA (1) Calf crop is defined as the actual 2) Prices represent 2000 price proj	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At tock ⁶ Labor (6% of gross returns) DSTS CALF PRICES CASH COST (cwt) Il number of calves sold divided by tections from Cattle Fax, Doane's re	VARIABLE COSTS \$31.45 \$31.45 the total number of New Me	TOTAL COSTS \$39.68 \$79.91 of cows (assuming all cows we exico feeder cattle cash prices.		7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884 \$37,998	VALUE PER CC \$4.57 \$135.00 \$272.82 VALUE PER CC \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02 \$237.49
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS REQUIRED AVG. CA REQUIRED AVG. CA REQUIRED AVG. CA (1) Calf crop is defined as the actual 2) Prices represent 2000 price proj 3) Market prices include commission	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery* (At tock* Labor (6% of gross returns) DSTS CALF PRICES CASH COST (cwt) Il number of calves sold divided by the ceitons from Cattle Fax, Doane's resurns, brand inspections, beef council	VARIABLE COSTS \$31.45 \$31.45 the total number ports for New Me, yardage, feed, i	TOTAL COSTS \$39.68 \$79.91 of cows (assuming all cows we exico feeder cattle cash prices. and insurance.		7.0% 6 \$730 \$21,600 \$43,651 Represents 65% Asset Ownership ⁵ \$3,552 \$2,100 \$5,652 \$4,595 \$3,355 \$4,726 \$11,040 \$3,915 \$27,631 \$33,283 \$27,253 \$54,884 \$37,998	VALUE PER CC \$4.57 \$135.00 \$272.82 VALUE PER CC \$22.20 \$13.13 \$35.33 \$28.72 \$20.97 \$29.54 \$69.00 \$24.47 \$172.69 \$208.02 \$170.33 \$343.02 \$237.49 \$64.80

CENTRAL MOUNTAIN REGION MEDIUM RANCH INVESTMENTS 2000

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
750	Acres of private land	\$200	3.9%	\$150,000	\$150,000	Life	Silare	\$116.25
216	AU Values ¹	\$3,000	3.9%	\$648,000	\$648,000			
			Subtotal	\$798,000				
Number	Buildings, Improvements	Price Per Unit						
2	Miles of pipeline	\$1,900	3.9%	\$3,800	\$380	25	100	\$231
1	Wells	\$9,500	3.9%	\$9,500	\$950	25	100	\$579
18	Miles of Fence	\$2,800	3.9%	\$50,400	\$5,040	25	100	\$3,070
1	Corrals/Working Facilities	\$4,800	3.9%	\$4,800	\$480	30	100	\$266
1	Barns & Shop	\$8,400	3.9%	\$8,400	\$840	30	100	\$465
			Subtotal	\$76,900				\$4,726
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
0	3/4 ton pickup 4WD	\$25,000	7.0%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,500	7.0%	\$3,500	\$700	7	100	\$569
1	Horse tack	\$3,000	7.0%	\$3,000	\$600	10	100	\$384
1	Misc. equipment	\$2,000	7.0%	\$2,000	\$400	10	100	\$256
			Subtotal	\$33,500				\$3,355
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
6	Horses	\$1,800	7.0%	\$10,800	\$4,104	10	100	\$1,241
8	Bulls	\$2,000	7.0%	\$16,000	\$6,080	4	100	\$3,354
30	Cows	\$1,100.00	7.0%	\$33,000	\$12,540	8	100	\$4,304
55	Total AUYs					ALL SCHOOL SERVICE		
			Subtotal	\$26,800				\$4,595
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
160	Cows	\$1,100	7.0%	\$176,000	\$66,880			\$9,715
24	Replacement Heifers	\$1,000	7.0%	\$24,000	\$9,120			\$1,325
178	Total AUYs		Subtotal	\$200,000	\$76,000			\$11,040
			Total	\$1,135,200				\$19,121

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

CENTRAL REGION LARGE COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	280 15%	COW to BULL	. 20	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	85 4
		VALUE OF PRO	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER CON
STEER CALVES		119	515	\$1.01	\$61,898	\$221.06
HEIFER CALVES		77	495	\$0.94	\$35,828	\$127.96
CULL COWS		42	900	\$0.41	\$15,498	\$55.35
CULL BULLS		1	1200	\$0.46	<u>\$552</u>	\$1.97
TO	OTAL	239			\$113,776	\$406.34
/ARIABLE COSTS						
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW
HA	Y	TON	50.00	\$135	\$6,750	\$24.11
ST	ATE	AUY	20.0%	\$25.08	\$0	\$0.00
FE	DERAL LEASE	AUY	40.0%	\$16.20	\$4,536	\$16.20
PR	RIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00
PR	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
SA	LT & MINERAL	TON	6.00	\$140	\$840	\$3.00
PR	ROTEIN SUPP	TON	18.00	\$330	\$5,940	\$21.21
01	THER		0.00	\$0	<u>\$0</u>	\$0.00
то	OTAL				\$18,066	\$64.52
OTHER WARIARI E COCTO					0007	
2. OTHER VARIABLE COSTS	T AND MEDICINE				COST	** **
	T AND MEDICINE				\$2,660	\$9.50
	VESTOCK HAULING				\$717	\$2.56
	RED LABOR	****			\$0	\$0.00
	PERATING COSTS-EQUIP &				\$1,408	\$5.03
	PERATING COSTS-VEHICLE				\$1,826	\$6.52
	ANCH MAINTENANCE				\$2,376	\$8.49
	EF CHECKOFF				\$196	\$0.70
PU	IRCHASED LIVESTOCK				\$3,800	\$13.57
TO	OTAL				\$12,983	\$46.37
X I	JM OF VARIABLE COSTS X INTEREST RATE PER MON' INUAL INTEREST RATE	ГН	ROWED		7.0%	
NU	JMBER OF MONTHS BORR	OWED			6	VALUE PER COV
					\$1,087	\$3.88
70	X-11				\$32,136	\$114.77
	DTAL				\$81,640	\$291.57
OWNERSHIP COSTS An	nnual Capital Recovery ⁴ (At	Replacement V	alue):		Represents 65% Asset Ownership ⁵	VALUE PER COV
CASH COSTS						
Taxes & Insurance					\$8,531	\$30.47
Overhead Total					\$2,200 \$10,731	\$7.86 \$38.33
NON CASH COSTS					,	7.50.00
Purchased Livestock					\$7,938	\$28.35
Machinery & Equipment					\$8,174	\$29.19
Housing & Improvements					\$10,721	\$38.29
Interest on Retained Livestock	K ⁶				\$19,320	\$69.00
Management & Operation Lab					\$6,827	\$24.38
Total	, , , , , , , , , , , , , , , , , , , ,				\$52,980	\$189.21
TOTAL FIXED COSTS					\$63,711	\$227.54
TOTAL CASH AND VARIABLE COST	'S				\$42,867	\$153.10
TOTAL COSTS					\$95,847	\$342.31
RETURN ABOVE TOTAL CASH COS	TS				\$70,909	\$253.25
RETURN ABOVE TOTAL COSTS					\$17,929	\$64.03
BREAKEVEN CALCULATIONS					411,020	¥37.00
		VARIABLE	TOTAL	1		
		COSTS	COSTS	1		
	PRICES CASH COST (cwt)	\$26.74	\$35.67			
REQUIRED AVG. CALF PR	RICES TOTAL COSTS(cwt)	\$26.74	\$79.75			

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 2000 price projections from Cattle Fax, Doane's 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.

CENTRAL MOUNTAIN REGION LARGE RANCH INVESTMENTS 2000

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull	Useful Life	Livestock	
10000	Acres of private land	\$200	3.9%	\$2,000,000	Value \$2,000,000	Life	Share	Recovery \$1,550.00
	AU Values ¹							\$1,550.00
378	AU values	\$3,000	3.9%	\$1,134,000	\$1,134,000			
			Subtotal	\$3,134,000				
Number	Buildings, Improvements	Price Per Unit						
4	Miles of pipeline	\$1,900	3.9%	\$7,600	\$760	25	100	\$463
2	Wells	\$9,500	3.9%	\$19,000	\$1,900	25	100	\$1,157
40	Miles of Fence	\$2,800	3.9%	\$112,000	\$11,200	25	100	\$6,821
1	Corrals/Working Facilities	\$4,800	3.9%	\$4,800	\$480	30	100	\$266
1	Barns & Shop	\$8,400	3.9%	\$8,400	\$840	30	100	\$465
			Subtotal	\$151,800				\$10,721
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
1	1 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
1	Tractor	\$5,000	7.0%	\$5,000	\$1,000	7	100	\$812
2	Gooseneck trailer	\$3,500	7.0%	\$7,000	\$1,400	7	100	\$1,137
1	Horse tack	\$3,000	7.0%	\$3,000	\$600	10	100	\$384
1	Misc. equipment	\$1,800	7.0%	\$1,800	\$360	10	100	\$230
			Subtotal	\$66,800				\$8,174
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			\$0,114
10	Horses	\$1,800	7.0%	\$18,000	\$6,840	10	100	\$2,068
14	Bulls	\$2,000	7.0%	\$28,000	\$10,640	4	100	\$5,870
53	Cows	\$1,100.00	7.0%	\$58,300	\$22,154	8	100	\$7,604
96	Total AUYs	*.,	1,0,0	400,000	QLL, 10 1	· ·	100	ψ1,00 +
30	Total Ao 15		Subtotal	\$46,000				\$7,938
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
280	Cows	\$1,100	7.0%	\$308,000	\$117,040			\$17,002
42	Replacement Heifers	\$1,000	7.0%	\$42,000	\$15,960			\$2,318
312	Total AUYs	- Allendaria de la companya de la co						
			Subtotal	\$350,000	\$133,000			\$19,320
			Total	\$3,748,600				\$38,216

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 7.00% was used.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

NORTHEAST REGION MEDIUM COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	160 15%	COW to BULL	20	CALF CROP PERCEN I 1 REPLACEMENT HEIFERS KEPT	839 2
		VALUE OF PROD	DUCTION			VALUE DED COM
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	VALUE PER COV
STEER CALVES		66	550	\$1.06	\$38,711	\$241.95
HEIFER CALVES		42	515	\$0.99	\$21,618	\$135.11
CULL COWS		37	900	\$0.46	\$15,318	\$95.74
CULL BULLS		1	1200	\$0.51	\$612	\$3.83
	TOTAL	147			\$76,259	\$476.62
VARIABLE COSTS						
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
	HAY	TON	20.00	\$135	\$2,700	\$16.88
	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	\$2,592	\$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	\$140	\$420	\$2.63
	PROTEIN SUPP	TON	8.00	\$330	\$2,640	\$16.50
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
	TOTAL				\$8,352	\$52.20
2. OTHER VARIABLE COSTS					7900	
. OTHER VARIABLE COSTS	VET AND MEDICINE				COST \$1,520	\$9.50
	LIVESTOCK HAULING				\$440	\$2.75
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP 8	MACH			\$1,188	\$7.43
	OPERATING COSTS-VEHICLE				\$2,640	\$16.50
	RANCH MAINTENANCE	-			\$1,848	\$11.55
	BEEF CHECKOFF		1907		\$1,040	\$0.68
	PURCHASED LIVESTOCK				\$2,000	\$12.50
	TOTAL				\$9,745	\$60.91
	TOTAL				\$9,745	\$00.91
3. INTEREST ON VARIABLE CO	OSTS SUM OF VARIABLE COSTS X	MONTHS BORR	OWED			
	X INTEREST RATE PER MON		ONED			
	ANNUAL INTEREST RATE				7.0%	
	NUMBER OF MONTHS BORR	OWED			6	VALUE PER COV
						HIGH
					\$633	\$3.96
	TOTAL				\$18,731 \$57,528	\$117.07 \$359.55
OWNERSHIP COSTS	TOTAL				407,020	\$555.00
	Annual Capital Recovery ⁴ (At	Replacement Va	alue):		Represents 65% Asset Ownership	VALUE PER CO
CASH COSTS					TOTAL	VALUE PER CO
Taxes & Insurance					\$8,330	\$52.06
Overhead					\$2,100	\$13.13
Total					\$10,430	\$65.19
NON CASH COSTS					04 505	600.70
Purchased Livestock					\$4,595	\$28.72
Machinery & Equipment					\$8,330	\$52.06
Housing & Improvement					\$14,312 \$11,040	\$89.45
Interest on Retained Live	n Labor (6% of gross returns)				\$11,040 \$4,576	\$69.00 \$28.60
	ii Labor (0% or gross returns)					
Total					\$42,852	\$267.83
TOTAL FIXED COSTS	COSTS				\$53,282	\$333.01
TOTAL COSTS	CO818				\$29,161	\$182.25
TOTAL COSTS	LCOSTS				\$72,013 \$47,008	\$450.08
RETURN ABOVE TOTAL COST					\$47,098 \$4,246	\$294.36 \$26.54
RETURN ABOVE TOTAL COST BREAKEVEN CALCULATIONS	CONTRACTOR DE LA CONTRA				34,240	⇒20.3 4
		VARIABLE	TOTAL			
		COSTS	COSTS			
	CALF PRICES CASH COST (cwt)	\$26.49	\$41.24			
REQUIRED AVG. CA	ALF PRICES TOTAL COSTS(cwt)	\$26.49	\$101.83			
	()					

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 2000 price projections from Cattle Fax, Doane's 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 MEDIUM RANCH INVESTMENTS 2000

		Belon Bootleit	10 Yr Avg	Purchase	Salvage/Cull		Livestock	Annual Capital
Number		Price Per Unit	Rate of Return	Price	Value \$630,000	Life	Share	Recovery
7000	Acres of private land	\$90	3.9%	\$630,000	,			
200	AU Values ¹	\$2,700	3.9%	\$540,000	\$540,000			
			Subtotal	\$1,170,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
6	Wells	\$10,500	3.9%	\$63,000	\$6,300	25	100	\$3,837
50	Miles of Fence	\$2,800	3.9%	\$140,000	\$14,000	25	100	\$8,526
1	Corrals/Working Facilities	\$4,800	3.9%	\$4,800	\$480	30	100	\$266
1	Barns & Shop	\$8,400	3.9%	\$8,400	\$840	30	100	\$465
			Subtotal	\$236,200				\$14,312
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
0	1 ton pickup 4WD	\$25,000	7.0%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$35,000	7.0%	\$35,000	\$7,000	7	100	\$5,685
1	Horse tack	\$3,000	7.0%	\$3,000	\$600	10	100	\$384
1	Misc. equipment	\$1,800	7.0%	\$1,800	\$360	10	100	\$230
			Subtotal	\$64,800				\$8,330
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
6	Horses	\$1,800	7.0%	\$10,800	\$4,104	10	100	\$1,241
8	Bulls	\$2,000	7.0%	\$16,000	\$6,080	4	100	\$3,354
40	Cows	\$1,100.00	7.0%	\$44,000	\$16,720	8	100	\$5,739
68	Total AUYs							
			Subtotal	\$26,800				\$4,595
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
160	Cows	\$1,100	7.0%	\$176,000	\$66,880			\$9,715
24	Replacement Heifers	\$1,000	7.0%	\$24,000	\$9,120			\$1,325
178	Total AUYs			****	ATIO 000			244.040
			Subtotal	\$200,000	\$76,000			\$11,040
			Total	\$1,697,800	_			\$33,682

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

NORTHEAST REGION LARGE COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	280 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	84
_	1	ALUE OF PRO	DUCTION			VALUE PER COV
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	TALUL I LIN GOT
STEER CALVES		118	550	\$1.06	\$68,561	\$244.86
HEIFER CALVES		76	515	\$0.99	\$38,545	\$137.66
CULL COWS		<u>37</u>	1000	\$0.46	\$17,020	\$60.79
CULL BULLS		1	<u>1400</u>	<u>\$0.51</u>	<u>\$714</u>	\$2.55
	TOTAL	231			\$124,839	\$445.86
ARIABLE COSTS						VALUE PER COV
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	TALOL I LIT OO
	HAY	TON	29.00	\$135	\$3,915	\$13.98
	STATE	AUY	20.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	40.0%	\$16.20	\$4,536	\$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	\$140	\$560	\$2.00
	PROTEIN SUPP	TON	14.00	\$330	\$4,620	\$16.50
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
1	TOTAL				\$13,631	\$48.68
2. OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$2,660	\$9.50
1	LIVESTOCK HAULING				\$694	\$2.48
	HIRED LABOR				\$15,000	\$53.57
	OPERATING COSTS-EQUIP &				\$1,936	\$6.91
	OPERATING COSTS-VEHICLE				\$2,552	\$9.11
	RANCH MAINTENANCE				\$2,156	\$7.70
	BEEF CHECKOFF PURCHASED LIVESTOCK				\$193 \$4,000	\$0.69 \$14.29
B. INTEREST ON VARIABLE COS			2011/57		\$29,191	\$104.25
3. INTEREST ON VARIABLE COS			ROWED		\$29,191 7.0%	\$104.25
3. INTEREST ON VARIABLE COS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON	ТН	ROWED		\$29,191	
3. INTEREST ON VARIABLE COS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE	ТН	ROWED		\$29,191 7.0%	\$104.25
3. INTEREST ON VARIABLE COS NTEREST COSTS TOTAL VARIABLE COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(ТН	ROWED		\$29,191 7.0% 6 \$1,499 \$44,321	\$104.25 VALUE PER COI \$5.35 \$158.29
NTEREST ON VARIABLE COS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(ТН	ROWED		\$29,191 7.0% 6 \$1,499	\$104.25 VALUE PER CO \$5.35
NITEREST ON VARIABLE COS NITEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57
NTEREST ON VARIABLE COS NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST OWNERSHIP COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TH DWED			\$29,191 7.0% 6 \$1,499 \$44,321	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57
NTEREST ON VARIABLE COS NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST OWNERSHIP COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57
NTEREST ON VARIABLE COS NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50
NTEREST ON VARIABLE COS NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST OWNERSHIP COSTS CASH COSTS Taxes & Insurance	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76
NTEREST ON VARIABLE COSTS OTAL VARIABLE COSTS RETURN ABOVE VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50
NTEREST ON VARIABLE COSTS OTAL VARIABLE COSTS RETURN ABOVE VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50
NTEREST ON VARIABLE COST NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76
NTEREST ON VARIABLE COST NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73
NTEREST ON VARIABLE COS NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST COWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$69.00
NTEREST ON VARIABLE COSTS NTEREST COSTS OTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,245 \$19,320 \$7,490	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$69.00 \$26.75
NTEREST ON VARIABLE COSTS NTEREST COSTS OTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$88.73 \$69.00 \$26.75 \$212.85
NTEREST ON VARIABLE COS NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$69.00 \$26.75 \$212.85 \$241.11
NTEREST ON VARIABLE COS NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$69.00 \$26.75 \$212.85
NTEREST ON VARIABLE COS NTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$99.00 \$26.75 \$212.85 \$241.11
NTEREST ON VARIABLE COS NTEREST COSTS FOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL FIXED COSTS	SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510 \$52,233 \$111,831	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$69.00 \$212.85 \$211.11 \$186.55 \$399.40
INTEREST ON VARIABLE COS INTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COSTO OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO	SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED			7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510 \$52,233	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$99.00 \$26.75 \$212.85 \$241.11 \$186.55
INTEREST ON VARIABLE COS INTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL FIXED COSTS	SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED Replacement V	alue):		7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510 \$52,233 \$111,831 \$72,607	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$99.00 \$26.75 \$212.85 \$241.11 \$186.55 \$399.40 \$259.31
INTEREST ON VARIABLE COS INTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COST OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH COR	SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED Replacement V	alue):		7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510 \$52,233 \$111,831 \$72,607	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$99.00 \$26.75 \$212.85 \$241.11 \$186.55 \$399.40 \$259.31
INTEREST ON VARIABLE COSS INTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COSS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CORETURN ABOVE TOTAL COSTS RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁶ abor (6% of gross returns) OSTS	VARIABLE COSTS	TOTAL COSTS		7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510 \$52,233 \$111,831 \$72,607	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$99.00 \$26.75 \$212.85 \$241.11 \$186.55 \$399.40 \$259.31
INTEREST ON VARIABLE COSS INTEREST COSTS TOTAL VARIABLE COSTS RETURN ABOVE VARIABLE COSS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L TOTAL NON CASH COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CORETURN ABOVE TOTAL COSTS RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	SUM OF VARIABLE COSTS X X INTEREST RATE PER MONTANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TS Annual Capital Recovery ⁴ (At ock ⁴ abor (6% of gross returns)	TH DWED Replacement V	alue):		7.0% 6 \$1,499 \$44,321 \$80,519 Represents 65% Asset Ownership TOTAL \$5,812 \$2,100 \$7,912 \$7,731 \$5,812 \$19,245 \$19,320 \$7,490 \$59,598 \$67,510 \$52,233 \$111,831 \$72,607	\$104.25 VALUE PER CO \$5.35 \$158.29 \$287.57 VALUE PER CO \$20.76 \$7.50 \$28.26 \$27.61 \$20.76 \$68.73 \$99.00 \$26.75 \$212.85 \$241.11 \$186.55 \$399.40 \$259.31

¹⁾ Calf corp is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
2) Prices represent 2000 price projections from Cattle Fax, Doane's 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 MEDIUM RANCH INVESTMENTS 2000

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
7000	Acres of private land	\$90	3.9%	\$630,000	\$630,000			
200	AU Values ¹	\$2,700	3.9%	\$540,000	\$540,000			
			Subtotal	\$1,170,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
6	Wells	\$10,500	3.9%	\$63,000	\$6,300	25	100	\$3,837
50	Miles of Fence	\$2,800	3.9%	\$140,000	\$14,000	25	100	\$8,526
1	Corrals/Working Facilities	\$4,800	3.9%	\$4,800	\$480	30	100	\$266
1	Barns & Shop	\$8,400	3.9%	\$8,400	\$840	30	100	\$465
			Subtotal	\$236,200				\$14,312
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
0	1 ton pickup 4WD	\$25,000	7.0%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$35,000	7.0%	\$35,000	\$7,000	7	100	\$5,685
1	Horse tack	\$3,000	7.0%	\$3,000	\$600	10	100	\$384
1	Misc. equipment	\$1,800	7.0%	\$1,800	\$360	10	100	\$230
			Subtotal	\$64,800				\$8,330
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
6	Horses	\$1,800	7.0%	\$10,800	\$4,104	10	100	\$1,241
8	Bulls	\$2,000	7.0%	\$16,000	\$6,080	4	100	\$3,354
40	Cows	\$1,100.00	7.0%	\$44,000	\$16,720	8	100	\$5,739
68	Total AUYs				,			40,.00
			Subtotal	\$26,800				\$4,595
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
160	Cows	\$1,100	7.0%	\$176,000	\$66,880			\$9,715
24	Replacement Heifers	\$1,000	7.0%	\$24,000	\$9,120			\$1,325
178	Total AUYs				*-,			T.,
			Subtotal	\$200,000	\$76,000			\$11,040
			Total	\$1,697,800				\$33,682

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

NORTHEAST REGION EX-LARGE COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	495 15%	COW to BULL	20	CALF CROP PERCEN I 1 REPLACEMENT HEIFERS KEPT	85 74.:
	V	ALUE OF PRO	DUCTION			VALUE PER CO
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	VALUE PER CO
STEER CALVES		210	550	\$1.06	\$122,649	\$247.78
HEIFER CALVES	40	136	515	\$0.99	\$69,403	\$140.21
CULL COWS		37	1000	\$0.46	\$17,020	\$34.38
CULL BULLS	8	1	1200	\$0.51	<u>\$612</u>	<u>\$1.24</u>
THE RESIDENCE AND ADDRESS OF THE PERSON NAMED IN COLUMN 2 ADDRESS OF THE PERSON NAMED	OTAL	385			\$209,684	\$423.60
/ARIABLE COSTS						VALUE PER CO
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
H	IAY	TON	45.00	\$135	\$6,075	\$12.27
	STATE	AUY	30.0%	\$25.08	\$0	\$0.00
	EDERAL LEASE	AUY	7.0%	\$16.20	\$8,019	\$16.20
	PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0 \$0	\$0.00
	PRIVATE(Leased Grazing) SALT & MINERAL	AUY TON	0.0% 7.00	\$0.00 \$140	\$980	\$0.00 \$1.98
	PROTEIN SUPP	TON	17.00	\$330	\$5,610	\$11.33
	THER	1014	0.00	\$0	\$0 \$0	\$0.00
1	OTAL				\$20,684	\$41.79
. OTHER VARIABLE COSTS	ET AND MEDICINE				COST	en en
	/ET AND MEDICINE IVESTOCK HAULING				\$4,703 \$1,154	\$9.50 \$2.33
	HRED LABOR				\$15,000	\$30.30
	PERATING COSTS-EQUIP &	MACH			\$3,080	\$6.22
	PERATING COSTS-VEHICLE				\$3,520	\$7.11
	RANCH MAINTENANCE				\$2,948	\$5.96
E	BEEF CHECKOFF				\$347	\$0.70
ı	IVESTOCK PURCHASES				<u>\$7,000</u>	<u>\$14.14</u>
1	TOTAL				\$37,751	\$76.26
)	SUM OF VARIABLE COSTS X (Interest rate per mont Annual interest rate Number of months borro	Ή	OWED		7.0% 6	VALUE PER CO
					\$2.04E	
					\$2,045 \$60,480	\$4.13 \$122.18
1	TOTAL				\$149,204	\$301.42
OWNERSHIP COSTS						
	Annual Capital Recovery ⁴ (At	Replacement V	alue):		Represents 65% Asset Ownership ⁵	VALUE PER CO
CASH COSTS Taxes & Insurance					\$9,061	\$18.30
Overhead					\$2,100	\$4.24
Total				,	\$11,161	\$22.55
iotai						
ION CASH COSTS						
NON CASH COSTS Purchased Livestock					\$13,065	\$26.39
ON CASH COSTS Purchased Livestock Machinery & Equipment					\$9,061	\$18.30
ON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements					\$9,061 \$25,540	\$18.30 \$51.60
ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest					\$9,061 \$25,540 \$34,155	\$18.30 \$51.60 \$69.00
ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L					\$9,061 \$25,540 \$34,155 \$8,952	\$18.30 \$51.60 \$69.00 \$18.09
ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total					\$9,061 \$25,540 \$34,155 \$8,952 \$90,773	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38
ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total IOTAL FIXED COSTS	abor (6% of gross returns)				\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO	abor (6% of gross returns)				\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO	abor (6% of gross returns)				\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641 \$162,414	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73 \$328.11
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO	abor (6% of gross returns)				\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641 \$162,414 \$138,043	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73 \$328.11 \$278.88
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO	abor (6% of gross returns)				\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641 \$162,414	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73 \$328.11
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO	abor (6% of gross returns)	VARIABLE	TOTAL		\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641 \$162,414 \$138,043	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73 \$328.11 \$278.88
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO	abor (6% of gross returns)	VARIABLE COSTS	TOTAL COSTS		\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641 \$162,414 \$138,043	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73 \$328.11 \$278.88
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	abor (6% of gross returns) STS DSTS	COSTS	COSTS		\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641 \$162,414 \$138,043	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73 \$328.11 \$278.88
NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS REQUIRED AVG. CAL	abor (6% of gross returns)				\$9,061 \$25,540 \$34,155 \$8,952 \$90,773 \$101,934 \$71,641 \$162,414 \$138,043	\$18.30 \$51.60 \$69.00 \$18.09 \$183.38 \$205.93 \$144.73 \$328.11 \$278.88

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 2000 price projections from Cattle Fax, Doane's 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 2000

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	Annual Capital
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
15000	Acres of private land	\$90	3.9%	\$1,350,000	\$1,350,000			
500	AU Values ¹	\$2,700	3.9%	\$1,350,000	\$1,350,000			
			Subtotal	\$2,700,000				
Number	Buildings, Improvements	Price Per Unit					N-1255	
16	Miles of pipeline	\$2,000	3.9%	\$32,000	\$3,200	25	100	\$1,949
10	Wells	\$10,500	3.9%	\$105,000	\$10,500	25	100	\$6,395
95	Miles of Fence	\$2,800	3.9%	\$266,000	\$26,600	25	100	\$16,200
2	Corrals/Working Facilities	\$4,800	3.9%	\$9,600	\$960	30	100	\$531
1	Barns & Shop	\$8,400	3.9%	\$8,400	\$840	30	100	\$465
			Subtotal	\$421,000				\$25,540
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$25,000	7.0%	\$50,000	\$10,000	7	50	\$4,061
1	1 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
1	Tractor	\$4,000	7.0%	\$4,000	\$800	7	100	\$650
3	Gooseneck trailer	\$3,500	7.0%	\$10,500	\$2,100	7	100	\$1,706
1	Horse tack	\$3,000	7.0%	\$3,000	\$600	10	100	\$384
1	Misc. equipment	\$1,800	7.0%	\$1,800	\$360	10	100	\$230
			Subtotal	\$94,300				\$9,061
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
13	Horses	\$1,800	7.0%	\$23,400	\$8,892	10	100	\$2,688
25	Bulls	\$2,000	7.0%	\$49,500	\$18,810	4	100	\$10,377
90	Cows	\$1,100.00	7.0%	\$99,000	\$37,620	8	100	\$12,913
160	Total AUYs					500000000000000000000000000000000000000		
			Subtotal	\$72,900				\$13,065
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
495	Cows	\$1,100	7.0%	\$544,500	\$206,910			\$30,056
74	Replacement Heifers	\$1,000	7.0%	\$74,250	\$28,215			\$4,099
551	Total AUYs		Subtotal	\$618,750	\$235,125			\$24.155
			Subtotal	φ010,/30	\$230,125			\$34,155
	1		Total	\$3,906,950				\$68,756

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.

³⁾ A rate of 6.50%t reflects a typical return on a low risk investment (30 yr. Treasury Bond)

NORTHWEST REGION MEDIUM COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	160 15%	COW to BULL	20	CALF CROP PERCEN1 ¹ REPLACEMENT HEIFERS KEPT	83
		VALUE OF PRO	DUCTION			UE DED 001
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COV
STEER CALVES		66	510	\$1.01	\$34,203	\$213.77
HEIFER CALVES		42	485	\$0.94	\$19,330	\$120.81
CULL COWS		37	900	\$0.41	\$13,653	\$85.33
CULL BULLS		1	1200	\$0.46	\$552	\$3.45
	7074	147			007.700	****
ADIADI E COCTO	TOTAL				\$67,738	\$423.36
ARIABLE COSTS						VALUE PER CO
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
	HAY	TON	32.00	\$135.00	\$4,320	\$27.00
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	35.0%	\$16.20	\$2,592	\$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	2.50	\$133.00	\$333	\$2.08
	PROTEIN SUPP	TON	9.00	\$333.00	\$2,997	\$18.73
	OTHER		0.00	\$0.00	<u>\$0</u>	\$0.00
	TOTAL				\$10,242	\$64.01
					V-0/2-12	40
2. OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$1,520	\$9.50
	LIVESTOCK HAULING				\$440	\$2.75
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP 8	MACH			\$2,200	\$13.75
	OPERATING COSTS-VEHICL	E			\$2,728	\$17.05
	RANCH MAINTENANCE				\$2,200	\$13.75
	BEEF CHECKOFF				\$109	\$0.68
	OTHER				\$2,500	\$15.63
3. INTEREST ON VARIABLE COS		MONTHS BODE	20WED		\$11,697	\$73.11
3. INTEREST ON VARIABLE COS		TH	ROWED		7.0% 6	VALUE PER CO'
3. INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	TH	ROWED		7.0% 6 \$768	VALUE PER CO HIGH \$4.80
3. INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	TH	ROWED		7.0% 6 \$768 \$22,707	VALUE PER CO HIGH \$4.80 \$141.92
	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	TH	ROWED		7.0% 6 \$768	VALUE PER CO HIGH \$4.80
	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	OWED			7.0% 6 \$768 \$22,707 \$45,031	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45
DWNERSHIP COSTS	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	OWED			7.0% 6 \$768 \$22,707	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45
OWNERSHIP COSTS CASH COSTS Taxes & Insurance	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	OWED			7,0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13
CASH COSTS Taxes & Insurance Overhead Total	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7,0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30 \$24.77
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (A	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13 \$37.90 \$31.30
DWNERSHIP 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 INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Ai	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (A	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$25.40
DWNERSHIP 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 INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Ai	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00
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	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al tock ⁶ Labor (6% of gross returns)	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$255.40 \$214.46
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	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al	OWED			7,0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$25.40 \$214.46
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 TOTAL FIXED COSTS	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$11.30 \$24.77 \$63.99 \$69.00 \$252.36
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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COTOTAL CASH AND VARIABLE COTOTAL COSTS	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al tock ⁶ Labor (6% of gross returns)	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378 \$28,770	VALUE PER CC HIGH \$4.80 \$141.92 \$281.45 VALUE PER CC \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$25.40 \$214.46 \$252.36 \$179.81
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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al tock ⁶ Labor (6% of gross returns) OSTS	OWED			7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378 \$28,770 \$63,084	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$25.40 \$214.46 \$252.36 \$179.81 \$394.28
OWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al tock ⁶ Labor (6% of gross returns) OSTS	TH COWED	alue):		7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378 \$28,770 \$63,084 \$38,968	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$21.4.46 \$252.36 \$179.81 \$394.28 \$243.55
OWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al tock ⁶ Labor (6% of gross returns) OSTS	TH COWED	alue):		7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378 \$28,770 \$63,084 \$38,968	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$21.4.46 \$252.36 \$179.81 \$394.28 \$243.55
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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH O RETURN ABOVE TOTAL COSTS BRETURN ABOVE TOTAL COSTS	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al annual Capital Recovery	VARIABLE COSTS	TOTAL COSTS		7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378 \$28,770 \$63,084 \$38,968	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$21.4.46 \$252.36 \$179.81 \$394.28 \$243.55
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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS REQUIRED AVG. CA	STS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (Al tock ⁶ Labor (6% of gross returns) OSTS	VARIABLE COSTS \$34.37	alue):		7.0% 6 \$768 \$22,707 \$45,031 Represents 65% Asset Ownership ⁵ \$3,964 \$2,100 \$6,064 \$5,008 \$3,964 \$10,238 \$11,040 \$4,064 \$34,314 \$40,378 \$28,770 \$63,084 \$38,968	VALUE PER CO HIGH \$4.80 \$141.92 \$281.45 VALUE PER CO \$24.77 \$13.13 \$37.90 \$31.30 \$24.77 \$63.99 \$69.00 \$21.4.46 \$252.36 \$179.81 \$394.28 \$243.55

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 2000 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
3) Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.
4) Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
5) The 35% reduction in asset values which represent a mix of new and used machinery.

⁶⁾ Interest on average investment.

NORTHWEST REGION MEDIUM RANCH INVESTMENTS 2000

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	
4000	Acres of private land	S85	3.9%	\$340,000	\$340,000	Lile	Snare	Recovery
200	AU Values ¹	\$2.500	3.9%	\$500,000	\$500.000			
200	AU values	\$2,500	3.9%	\$500,000	\$500,000			
			Subtotal	\$840,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
3	Wells	\$9,400	3.9%	\$28,200	\$2,820	25	100	\$1,717
40	Miles of Fence	\$2,700	3.9%	\$108,000	\$10,800	25	100	\$6,578
1	Corrals/Working Facilities	\$4,800	3.9%	\$4,800	\$480	30	100	\$266
1	Barns & Shop	\$8,300	3.9%	\$8,300	\$830	30	100	\$459
			Subtotal	\$169,300				\$10,238
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
0	3/4 ton pickup 4WD	\$25,000	7.0%	\$0	\$0	7	50	\$0
1	Tractor	\$5,000	7.0%	\$5,000	\$1,000	7	100	\$812
1	Gooseneck trailer	\$3,200	7.0%	\$3,200	\$640	7	100	\$520
1	Horse tack	\$2,700	7.0%	\$2,700	\$540	10	100	\$345
1	Misc. equipment	\$2,000	7.0%	\$2,000	\$400	10	100	\$256
			Subtotal	\$37,900				\$3,964
Head	Purchased Livestock	Price Per Unit	Interest Rate ⁴	Price	Salvage/Cull			
8	Horses	\$1,800	7.0%	\$14,400	\$5,472	10	100	\$1,654
8	Bulls	\$2,000	7.0%	\$16,000	\$6,080	4	100	\$3,354
40	Cows	\$1,100.00	7.0%	\$44,000	\$16,720	8	100	\$5,739
70	Total AUYs					CAST HEROCONSTRUCTION		
			Subtotal	\$30,400				\$5,008
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
160	Cows	\$1,100	7.0%	\$176,000	\$66,880			\$9,715
24	Replacement Heifers	\$1,000	7.0%	\$24,000	\$9,120			\$1,325
178	Total AUYs		Cubtatal	6200.000	e76 000			644.040
			Subtotal	\$200,000	\$76,000			\$11,040
			Total	\$1,277,600				\$25,241

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% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

NORTHWEST REGION LARGE COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	280 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	83
	,	VALUE OF PRO	DUCTION			VALUE DED COV
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COV
STEER CALVES		116	510	\$1.01	\$59,855	\$213.77
HEIFER CALVES		74	485	\$0.94	\$33,828	\$120.81
CULL COWS		37	900	\$0.41	\$13,653	\$48.76
CULL BULLS		1	1200	\$0.46	<u>\$552</u>	<u>\$1.97</u>
	TOTAL	228			\$107,887	\$385.31
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
	HAY	TON	38.00	\$135.00	\$5,130	\$18.32
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	35.0%	\$16.20	\$4,536	\$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	\$133.00	\$532	\$1.90
	PROTEIN SUPP	TON	9.00	\$328.00	\$2,952	\$10.54
(OTHER		0.00	\$0.00	<u>\$0</u>	\$0.00
					\$13,150	\$46.96
. OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$2,660	\$9.50
	LIVESTOCK HAULING				\$685	\$2.45
	HIRED LABOR				\$5,000	\$17.86
	OPERATING COSTS-EQUIP &	MACH			\$2,640	\$9.43
	OPERATING COSTS-VEHICLE				\$3,520	\$12.57
	RANCH MAINTENANCE	-			\$2,332	\$8.33
	BEEF CHECKOFF				\$190	\$0.68
	OTHER					
					\$2,750	<u>\$9.82</u>
3. INTEREST ON VARIABLE COST		MONTHS BORE	ROWED		\$2,730 \$19,778	\$70.63
3. INTEREST ON VARIABLE COST		ТН	ROWED			
I. INTEREST ON VARIABLE COST	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE	ТН	ROWED		\$19,778 7.0% 6	\$70.63
I. INTEREST ON VARIABLE COST	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE	ТН	ROWED		\$19,778 7.0% 6 \$1,152	\$70.63 VALUE PER CO \$4.12
I. INTEREST ON VARIABLE COST	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	ТН	ROWED		\$19,778 7.0% 6	\$70.63
. INTEREST ON VARIABLE COST	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60
DWNERSHIP COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60
DWNERSHIP COSTS CASH COSTS Taxes & Insurance	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61
OWNERSHIP COSTS CASH COSTS Taxes & insurance Overhead Total ION CASH COSTS	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total HON CASH COSTS Purchased Livestock	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708	\$70.63 VALUE PER CC \$4.12 \$121.71 \$263.60 VALUE PER CC \$10.61 \$7.50 \$18.11 \$27.53
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970	\$70.63 VALUE PER CC \$4.12 \$121.71 \$263.60 VALUE PER CC \$10.61 \$7.50 \$18.11 \$27.53 \$10.61
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422	\$70.63 VALUE PER CC \$4.12 \$121.71 \$263.60 VALUE PER CC \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestor	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320	\$70.63 VALUE PER CC \$4.12 \$121.71 \$263.60 VALUE PER CC \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$69.00
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housings & Improvements Interest on Retained Livestoc Management & Operation Liveston	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428	\$70.63 VALUE PER CC \$4.12 \$121.71 \$263.60 VALUE PER CC \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$69.00 \$15.82
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Let Total	TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849	\$70.63 VALUE PER CC \$4.12 \$121.71 \$263.60 VALUE PER CC \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$69.00 \$15.82 \$178.03
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total IOTAL FIXED COSTS	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919	\$70.63 VALUE PER CC \$4.12 \$121.71 \$263.60 VALUE PER CC \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$69.00 \$15.82 \$178.03 \$196.14
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Let Total TOTAL FIXED COSTS	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919 \$39,150	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$69.00 \$15.82 \$178.03 \$196.14 \$139.82
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919 \$39,150 \$88,999	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$69.00 \$15.82 \$178.03 \$196.14 \$139.82 \$317.85
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation L: Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTOTAL CASH AND VARIABLE COSTS RETURN ABOVE TOTAL CASH CO	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919 \$39,150 \$88,999 \$68,737	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$99.00 \$15.82 \$178.03 \$196.14 \$139.82 \$317.85 \$245.49
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COR	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919 \$39,150 \$88,999	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$99.00 \$17.80 \$1
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COR	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED Replacement V	alue):		\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919 \$39,150 \$88,999 \$68,737	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$99.00 \$15.82 \$178.03 \$196.14 \$139.82 \$317.85 \$245.49
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation L: Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTOTAL CASH AND VARIABLE COSTS RETURN ABOVE TOTAL CASH CO	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED Replacement V	alue):		\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919 \$39,150 \$88,999 \$68,737	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$99.00 \$15.82 \$178.03 \$196.14 \$139.82 \$317.85 \$245.49
CONTEREST ON VARIABLE COST CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COR RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRE TOTAL Annual Capital Recovery ⁴ (At	TH OWED Replacement V	alue):		\$19,778 7.0% 6 \$1,152 \$34,080 \$73,807 Represents 65% Asset Ownership ⁵ \$2,970 \$2,100 \$5,070 \$7,708 \$2,970 \$15,422 \$19,320 \$4,428 \$49,849 \$54,919 \$39,150 \$88,999 \$68,737	\$70.63 VALUE PER CO \$4.12 \$121.71 \$263.60 VALUE PER CO \$10.61 \$7.50 \$18.11 \$27.53 \$10.61 \$55.08 \$99.00 \$15.82 \$178.03 \$196.14 \$139.82 \$317.85 \$245.49

¹⁾ Calf crop is defined as the actual number of calves sold divided by the total unmber of cow (assuming all cows were exposed).
2) Prices represent 2000 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
3) Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.
4) Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
5) The 35% reduction in asset values which represent a mix of new and used machinery.
6) Interest on average investment.

NORTHWEST REGION LARGE RANCH INVESTMENTS 2000

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital
6000	Acres of private land	\$85	3.9%	\$510,000	\$510,000	Lile	Silare	Recovery
350	AU Values ¹	\$2,500	3.9%	\$875,000	\$875,000			
			Subtotal	\$1,385,000				
Number	Buildings, Improvements	Price Per Unit		4.1000,000				
13	Miles of pipeline	\$2,000	3.9%	\$26,000	\$2,600	25	100	\$1,583
5	Wells	\$9,300	3.9%	\$46,500	\$4,650	25	100	\$2,832
65	Miles of Fence	\$2,600	3.9%	\$169,000	\$16,900	25	100	\$10,293
1	Corrals/Working Facilities	\$4,700	3.9%	\$4,700	\$470	30	100	\$260
1	Barns & Shop	\$8,200	3.9%	\$8,200	\$820	30	100	\$454
			Subtotal	\$254,400				\$15,422
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			E DE ALCONO
1	3/4 ton pickup 4WD	\$17,000	7.0%	\$17,000	\$3,400	7	50	\$1,381
0	3/4 ton pickup 4WD	\$17,000	7.0%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$3,200	7.0%	\$6,400	\$1,280	7	100	\$1,040
1	Horse tack	\$2,700	7.0%	\$2,700	\$540	10	100	\$345
1	Misc. equipment	\$1,600	7.0%	\$1,600	\$320	10	100	\$205
			Subtotal	\$27,700				\$2,970
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
10	Horses	\$1,600	7.0%	\$16,000	\$6,080	10	100	\$1,838
14	Bulls	\$2,000	7.0%	\$28,000	\$10,640	4	100	\$5,870
90	Cows	\$1,100.00	7.0%	\$99,000	\$37,620	8	100	\$12,913
143	Total AUYs		AMERICAN SOURCE			Edvindoronous	THE RESERVE OF THE PERSON NAMED IN	
			Subtotal	\$44,000				\$7,708
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull	715803		Interest on Investmen
280	Cows	\$1,100	7.0%	\$308,000	\$117,040	The said		\$17,002
42	Replacement Heifers	\$1,000	7.0%	\$42,000	\$15,960			\$2,318
312	Total AUYs		Cubtotal	6250.000	6422.000			£40.220
			Subtotal	\$350,000	\$133,000			\$19,320
			Total	\$2,061,100				\$37,712

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

NORTHWEST REGION EX-LARGE COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	400 15%	COW TO BULL	20	CALF CROP PERCEN I 1 REPLACEMENT HEIFERS KEPT	85°
		ALUE OF PROD	UCTION			VALUE PER COV
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COV
STEER CALVES		170	510	\$1.01	\$87,567	\$218.92
IEIFER CALVES		110	485	\$0.94	\$50,149	\$125.37
CULL COWS		37	900	\$0.41	\$13,653	\$34.13
CULL BULLS		1	1200	\$0.46	<u>\$552</u>	\$1.38
Т	TOTAL	318			\$151,921	\$379.80
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
	HAY	TON	42.00	\$135	\$5,670	\$14.18
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	EDERAL LEASE	AUY	35.0%	\$16.20	\$6,480	\$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	6.00	\$133	\$798	\$2.00
	PROTEIN SUPP	TON	10.00	\$328	\$3,280	\$8.20
	OTHER	10.1	0.00	\$0	<u>\$0</u>	\$0.00
Т	TOTAL				\$16,228	\$40.57
ATUEN VARIABLE AGATA					COST	
. OTHER VARIABLE COSTS	ET AND MEDICINE				COST	80.50
	VET AND MEDICINE				\$3,800	\$9.50
	LIVESTOCK HAULING				\$954	\$2.39
	HIRED LABOR				\$7,500	\$18.75
	OPERATING COSTS-EQUIP &				\$3,300	\$8.25
	OPERATING COSTS-VEHICLE				\$5,342	\$13.35
	RANCH MAINTENANCE		200000	CONTRACTOR DESCRIPTION OF THE PROPERTY OF THE	\$2,904	\$7.26
	BEEF CHECKOFF OTHER		100		\$280 \$1,500	\$0.70 \$3.75
	JIHER				31,300	93.73
1	TOTAL				\$25,580	\$63.95
3. INTEREST ON VARIABLE COST	TS					
	SUM OF VARIABLE COSTS X		OWED			
	X INTEREST RATE PER MON' ANNUAL INTEREST RATE	In			7.0%	
	NUMBER OF MONTHS BORR	OWED			6	VALUE PER CO
					\$1,463	\$3.66
					\$43,271	\$108.18
	TOTAL				\$108,650	\$271.63

	Annual Capital Recovery ⁴ (At	Replacement Val	lue):		Represents 65% Asset Ownership ⁵	VALUE PER CO
	Annual Capital Recovery ⁴ (At	Replacement Val	lue):		Represents 65% Asset Ownership ⁵ \$9,149	\$22.87
CASH COSTS Taxes & Insurance Overhead	Annual Capital Recovery ⁴ (At	Replacement Val	lue):		\$9,149 \$2,100	\$22.87 \$5.25
CASH COSTS Taxes & Insurance Overhead Total	Annual Capital Recovery ⁴ (At	Replacement Val	lue):		\$9,149	\$22.87
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS	Annual Capital Recovery ⁴ (At	Replacement Val	ue):		\$9,149 \$2,100 \$11,249	\$22.87 \$5.25 \$28.12
CASH COSTS Taxes & Insurance Overhead Total HON CASH COSTS Purchased Livestock	Annual Capital Recovery ⁴ (At	Replacement Val	lue):		\$9,149 \$2,100 \$11,249 \$11,074	\$22.87 \$5.25 \$28.12 \$27.68
CASH COSTS Taxes & Insurance Overhead Total HON CASH COSTS Purchased Livestock Machinery & Equipment	Annual Capital Recovery ⁴ (At	Replacement Val	lue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements		Replacement Val	ue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto	ock ⁶	Replacement Val	ue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Livestock	ock ⁶	Replacement Val	lue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79
ASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Li Total	ock ⁶	Replacement Val	lue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total	ock ^s abor (6% of gross returns)	Replacement Val	lue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS	ock ^s abor (6% of gross returns)	Replacement Val	ue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810 \$54,520	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTOTAL COSTS	ock ^s abor (6% of gross returns) STS	Replacement Val	ue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810 \$54,520 \$135,081	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53 \$136.30 \$337.70
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housiny & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH CO	ock ^s abor (6% of gross returns) STS	Replacement Val	lue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810 \$54,520 \$135,081 \$97,401	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53 \$136.30 \$337.70 \$243.50
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO: TOTAL COSTS RETURN ABOVE TOTAL CASH CO	ock ^s abor (6% of gross returns) STS	Replacement Val	lue):		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810 \$54,520 \$135,081	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53 \$136.30 \$337.70
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO: TOTAL COSTS RETURN ABOVE TOTAL CASH CO	ock ^s abor (6% of gross returns) STS				\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810 \$54,520 \$135,081 \$97,401	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53 \$136.30 \$337.70 \$243.50
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO: TOTAL COSTS RETURN ABOVE TOTAL CASH CO	ock ^s abor (6% of gross returns) STS	VARIABLE COSTS	TOTAL COSTS		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810 \$54,520 \$135,081 \$97,401	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53 \$136.30 \$337.70 \$243.50
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation Li Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO: TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	ock ^s abor (6% of gross returns) STS	VARIABLE	TOTAL		\$9,149 \$2,100 \$11,249 \$11,074 \$9,149 \$23,623 \$27,600 \$9,115 \$80,561 \$91,810 \$54,520 \$135,081 \$97,401	\$22.87 \$5.25 \$28.12 \$27.68 \$22.87 \$59.06 \$69.00 \$22.79 \$201.40 \$229.53 \$136.30 \$337.70 \$243.50

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

2) Prices represent 2000 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.

3) Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.

4) Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.

5) The 35% reduction in asset values which represent a mix of new and used machinery.

6) Interest on average investment.

NORTHWEST MOUNTAIN REGION EXTRA-LARGE RANCH INVESTMENTS 2000

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	\$85	3.9%	\$680,000	\$680,000	Life	Ollare	recovery
500	AU Values ¹	\$2,400	3.9%	\$1,200,000				
			Subtotal	\$1,880,000				
Number	Buildings, Improvements	Price Per Unit	1 1 1 1 1 1 1 1 1					
18	Miles of pipeline	\$2,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
7	Wells	\$9,400	3.9%	\$65,800	\$6,580	25	100	\$4,007
100	Miles of Fence	\$2,700	3.9%	\$270,000	\$27,000	25	100	\$16,444
2	Corrals/Working Facilities	\$4,700	3.9%	\$9,400	\$940	30	100	\$520
1	Barns & Shop	\$8,300	3.9%	\$8,300	\$830	30	100	\$459
			Subtotal	\$389,500				\$23,623
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$25,000	7.0%	\$50,000	\$10,000	7	50	\$4,061
1	1 ton pickup 4WD	\$25,000	7.0%	\$25,000	\$5,000	7	50	\$2,031
1	Tractor	\$5,000	7.0%	\$5,000	\$1,000	7	100	\$812
3	Gooseneck trailer	\$3,400	7.0%	\$10,200	\$2,040	7	100	\$1,657
1	Horse tack	\$2,800	7.0%	\$2,800	\$560	10	100	\$358
1	Misc. equipment	\$1,800	7.0%	\$1,800	\$360	10	100	\$230
			Subtotal	\$94,800				\$9,149
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
13	Horses	\$1,800	7.0%	\$23,400	\$8,892	10	100	\$2,688
20	Bulls	\$2,000	7.0%	\$40,000	\$15,200	4	100	\$8,386
100	Cows	\$1,100.00	7.0%	\$110,000	\$41,800	8	100	\$14,347
166	Total AUYs					FOR MANAGEMENT AND ADDRESS OF THE PARTY OF T		
			Subtotal	\$63,400				\$11,074
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull	15974		Interest on Investment
400	Cows	\$1,100	7.0%	\$440,000	\$167,200			\$24,288
60	Replacement Heifers	\$1,000	7.0%	\$60,000	\$22,800			\$3,312
445	Total AUYs	7		0500.000				
			Subtotal	\$500,000	\$190,000			\$27,600
			Total	\$2,927,700				\$60,372

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

SOUTHEAST REGION MEDIUM COW/CALF BUDGET 2000

rengan da son mengangan kengangan prantagan da kalangan pengan pangan da sebagai kengan bangan berangan berang	BREED HERD SIZE CULL RATE	160 15%	COW to BULL	20	CALF CROP PERCEN I 1 REPLACEMENT HEIFERS KEPT	8
		VALUE OF PRO	DUCTION			VALUE PER CO
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	VALUE PER CO
STEER CALVES		66	510	\$0.99	\$33,525	\$209.53
HEIFER CALVES		42	485	\$0.92	\$18,919	\$118.24
CULL COWS		37	900	\$0.39	\$12,987	\$81.17
CULL BULLS		1	<u>1200</u>	<u>\$0.44</u>	<u>\$528</u>	\$3.30
/ARIABLE COSTS	TOTAL	147			\$65,959	\$412.25
ARIABLE COSTS						VALUE PER CO
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	
	HAY	TON	20.00	\$135	\$2,700	\$16.88
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	25.0%	\$16.20	\$2,592	\$16.20
	PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing) SALT & MINERAL	AUY TON	0.0% 2.50	\$0.00 \$135	\$0	\$0.00
	PROTEIN SUPP	TON	12.00	\$325	\$338 \$3,900	\$2.11 \$24.38
	OTHER	TON	0.00	\$0	\$3,900 <u>\$0</u>	\$24.36 \$0.00
	TOTAL				\$9,530	\$59.56
OTUED VARIABLE 00070						
. OTHER VARIABLE COSTS	VET AND MEDICINE				COST	80.00
	VET AND MEDICINE				\$1,440	\$9.00
	LIVESTOCK HAULING HIRED LABOR				\$367 \$0	\$2.29
	OPERATING COSTS-EQUIP 8	R MACH			\$1,403	\$0.00 \$8.77
	OPERATING COSTS-VEHICLE				\$2,933	\$18.33
	RANCH MAINTENANCE	_			\$1,700	\$10.63
	BEEF CHECKOFF				\$109	\$0.68

	PURCHASED LIVESTOCK				\$3,000	<u>\$18.75</u>
3. INTEREST ON VARIABLE COS	TOTAL	/ MONTUS DODS	DOMED		\$3,000 \$10,951	\$18.75 \$68.44
3. INTEREST ON VARIABLE COS	TOTAL	тн	ROWED			
3. INTEREST ON VARIABLE COS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$10,951 7.0% 6	\$68.44 VALUE PER CO
i. Interest on Variable Cos	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$10,951 7.0% 6 \$717	\$68.44 VALUE PER CO \$4.48
I. INTEREST ON VARIABLE COS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$10,951 7.0% 6	\$68.44 VALUE PER CO
	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	тн	ROWED		\$10,951 7.0% 6 \$717 \$21,197	\$68.44 VALUE PER CC \$4.48 \$132.48
DWNERSHIP COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	OWED			\$10,951 7.0% 6 \$717 \$21,197	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76
DWNERSHIP COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76
DWNERSHIP COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76
OWNERSHIP COSTS CASH COSTS Taxes & Insurance	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76 VALUE PER CC \$15.24
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76 VALUE PER CC \$15.24 \$13.13
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76 VALUE PER CC \$15.24 \$13.13
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538	\$68.44 VALUE PER CO \$4.48 \$132.48 \$279.76 VALUE PER CO \$15.24 \$13.13 \$28.36
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76 VALUE PER CC \$15.24 \$13.13 \$28.36 \$25.56
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total RON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livests	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁶ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438	\$68.44 VALUE PER CO \$4.48 \$132.48 \$279.76 VALUE PER CO \$15.24 \$13.13 \$28.36 \$25.56 \$15.24
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁶ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958	\$4.48 \$132.48 \$132.48 \$279.76 VALUE PER CC \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total HON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁶ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282	\$4.48 \$132.48 \$179.76 \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Liveste Management & Operation L Total	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820	\$4.48 \$132.48 \$279.76 \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$99.00 \$24.73 \$176.76 \$205.12
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestor Management & Operation L Total COTAL FIXED COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820 \$25,735	\$4.48 \$132.48 \$279.76 \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76 \$205.12 \$160.84
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Liveste Management & Operation L Total TOTAL FIXED COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820 \$25,735 \$54,017	\$4.48 \$132.48 \$279.76 \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76 \$205.12 \$160.84 \$337.61
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Liveste Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820 \$25,735 \$54,017 \$40,224	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76 VALUE PER CC \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76 \$205.12 \$160.84 \$337.61 \$251.40
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Liveste Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	OWED			\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820 \$25,735 \$54,017	\$4.48 \$132.48 \$279.76 \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76 \$205.12 \$160.84 \$337.61
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Liveste Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	TH COWED Replacement Vi	alue):		\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820 \$25,735 \$54,017 \$40,224	\$4.48 \$132.48 \$279.76 \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76 \$205.12 \$160.84 \$337.61 \$251.40
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁶ (At	TH COWED Replacement Vi VARIABLE COSTS	alue): TOTAL COSTS		\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820 \$25,735 \$54,017 \$40,224	\$68.44 VALUE PER CC \$4.48 \$132.48 \$279.76 VALUE PER CC \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76 \$205.12 \$160.84 \$337.61 \$251.40
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS SREAKEVEN CALCULATIONS	TOTAL TS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	TH COWED Replacement Vi VARIABLE COSTS	alue):		\$10,951 7.0% 6 \$717 \$21,197 \$44,762 Represents 65% Asset Ownership ⁵ \$2,438 \$2,100 \$4,538 \$4,089 \$2,438 \$6,757 \$11,040 \$3,958 \$28,282 \$32,820 \$25,735 \$54,017 \$40,224	\$4.48 \$132.48 \$279.76 \$15.24 \$13.13 \$28.36 \$25.56 \$15.24 \$42.23 \$69.00 \$24.73 \$176.76 \$205.12 \$160.84 \$337.61 \$251.40

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 2000 price projections from Cattle Fax, Doane's 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.

SOUTHEAST REGION MEDIUM RANCH INVESTMENTS 2000

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
4000	Acres of private land	\$65	3.9%	\$260,000	\$260,000	LIIO	Onaro	11000101
200	AU Values ¹	\$2,250	3.9%	\$450,000	\$450,000			
			Subtotal	\$710,000				
Number	Buildings, Improvements	Price Per Unit						
5	Miles of pipeline	\$1,800	3.9%	\$9,000	\$900	25	100	\$548
4	Wells	\$8,900	3.9%	\$35,600	\$3,560	25	100	\$2,168
22	Miles of Fence	\$2,500	3.9%	\$55,000	\$5,500	25	100	\$3,350
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
			Subtotal	\$112,100				\$6,757
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$17,000	7.0%	\$17,000	\$3,400	7	50	\$1,381
0	1 ton pickup 4WD	\$18,000	7.0%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,200	7.0%	\$3,200	\$640	7	100	\$520
1	Horse tack	\$2,600	7.0%	\$2,600	\$520	10	100	\$333
1	Misc. equipment	\$1,600	7.0%	\$1,600	\$320	10	100	\$205
			Subtotal	\$24,400				\$2,438
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
4	Horses	\$1,600	7.0%	\$6,400	\$2,432	10	100	\$735
8	Bulls	\$2,000	7.0%	\$16,000	\$6,080	4	100	\$3,354
40	Cows	\$1,100.00	7.0%	\$44,000	\$16,720	8	100	\$5,739
65	Total AUYs	* 1, 11111						
•	Total No. 10		Subtotal	\$22,400				\$4,089
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
160	Cows	\$1,100	7.0%	\$176,000	\$66,880			\$9,715
24	Replacement Heifers	\$1,000	7.0%	\$24,000	\$9,120			\$1,325
178	Total AUYs	Samuel San Action Control of the Con	Subtotal	\$200,000	\$76,000			\$11,040

			Total	\$1,068,900)			\$20,235

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

SOUTHEAST REGION LARGE COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	320 15%	COW to BULL	20	CALF CROP PERCEN I 1 REPLACEMENT HEIFERS KEPT	
	,	VALUE OF PRO	DUCTION			VALUE PER COV
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER CON
STEER CALVES		133	510	\$0.99	\$67,051	\$209.53
IEIFER CALVES		85	485	\$0.92	\$37,838	\$118.24
CULL COWS		37	900	\$0.39	\$12,987	\$40.58
CULL BULLS		1	1200	\$0.44	<u>\$528</u>	<u>\$1.65</u>
	OTAL	256			\$118,403	\$370.01
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
	IAY	TON	40.00	\$135	\$5,400	\$16.88
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
F	EDERAL LEASE	AUY	25.0%	\$16.20	\$5,184	\$16.20
F	PRIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	5.00	\$135	\$675	\$2.11
	PROTEIN SUPP	TON	18.00	\$325	\$5,850	\$18.28
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
1	TOTAL				\$17,109	\$53.47
OTHER VARIABLE COSTS					COST	
\	/ET AND MEDICINE				\$2,880	\$9.00
l	IVESTOCK HAULING				\$639	\$2.00
H	HIRED LABOR				\$1,500	\$4.69
(PERATING COSTS-EQUIP &	MACH			\$1,955	\$6.11
(PERATING COSTS-VEHICLE				\$3,400	\$10.63
	RANCH MAINTENANCE				\$1,998	\$6.24
	BEEF CHECKOFF				\$218	\$0.68
	IVESTOCK PURCHASES				\$2,500	\$7.81
,	TOTAL				\$15,089	\$47.15
	OTAL				\$13,009	947.13
3. INTEREST ON VARIABLE COSTS	SUM OF VARIABLE COSTS X	MONTHS BORE	ROWED			
)	(INTEREST RATE PER MONT					
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	OWED			7.0% 6	VALUE PER COV
					\$1,127	\$3.52
					\$33,325	\$104.14
1	TOTAL				\$85,078	\$265.87
OWNERSHIP COSTS						
	Annual Capital Recovery ⁴ (At	Replacement V	alue):		Represents 65% Asset Ownership ⁵	VALUE PER COV
CASH COSTS Taxes & Insurance					\$4,420	\$13.81
Overhead					\$2,100	\$6.56
Total					\$6,520	\$20.37
ION CASH COSTS Purchased Livestock					\$6,502	\$20.32
Machinery & Equipment					\$4,420	\$13.81
Housing & Improvements					\$16,679	\$52.12
	,6				*****	
Interest on Retained Livestock	(CO) of many materials				\$22,080	\$69.00
Management & Operation Laborated Total	or (0% or gross returns)				\$7,104 \$56,784	\$22.20 \$177.45
OTAL FIXED COSTS					\$63,304	\$197.82
OTAL CASH AND VARIABLE COST	S				\$39,845	\$124.51
OTAL COSTS					\$96,629	\$301.96
RETURN ABOVE TOTAL CASH COS	TS				\$78,559	\$245.50
RETURN ABOVE TOTAL COSTS					\$21,775	\$68.05
BREAKEVEN CALCULATIONS						
	1	VARIABLE COSTS	TOTAL COSTS			
DECLUDED AND CALL	E DDICES CASH COST (ct)					
REQUIRED AVG. CAL	F PRICES CASH COST (cwt)	\$25.22	\$30.15			

REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) \$25.22

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

2) Prices represent 2000 price projections from Cattle Fax, Doane's 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.

SOUTHEAST REGION LARGE RANCH INVESTMENTS 2000

Number	Land Values	Drice Dev Heit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull	Useful Life	Livestock Share	Annual Capital
6000	Acres of private land	Price Per Unit \$65	3.9%	\$390,000	Value \$390,000	Life	Snare	Recovery
400	AU Values ¹	\$2,250	3.9%	\$900,000	\$900,000			
			Subtotal	\$1,290,000				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$1,800	3.9%	\$21,600	\$2,160	25	100	\$1,316
6	Wells	\$8,900	3.9%	\$53,400	\$5,340	25	100	\$3,252
75	Miles of Fence	\$2,500	3.9%	\$187,500	\$18,750	25	100	\$11,419
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
			Subtotal	\$275,000				\$16,679
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$17,000	7.0%	\$17,000	\$3,400	7	50	\$1,381
1	1 ton pickup 4WD	\$18,000	7.0%	\$18,000	\$3,600	7	50	\$1,462
0	Dozer/Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$3,200	7.0%	\$6,400	\$1,280	7	100	\$1,040
1	Horse tack	\$2,600	7.0%	\$2,600	\$520	10	100	\$333
1	Misc. equipment	\$1,600	7.0%	\$1,600	\$320	10	100	\$205
			Subtotal	\$45,600				\$4,420
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
8	Horses	\$1,600	7.0%	\$12,800	\$4,864	10	100	\$1,470
16	Bulls	\$1,500	7.0%	\$24,000	\$9,120	4	100	\$5,031
80	Cows	\$1,100.00	7.0%	\$88,000	\$33,440	8	100	\$11,478
130	Total AUYs	, , , , , , , , , , , , , , , , , , , ,		,	, ,	POR PROPERTY.		
			Subtotal	\$36,800				\$6,502
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
320	Cows	\$1,100	7.0%	\$352,000	\$133,760			\$19,430
48	Replacement Heifers	\$1,000	7.0%	\$48,000	\$18,240			\$2,650
356	Total AUYs							
			Subtotal	\$400,000	\$152,000			\$22,080
			Total	\$2,047,400				\$43,178

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

SOUTHEAST REGION **EX-LARGE COW/CALF BUDGET 2000**

	BREED HERD SIZE CULL RATE	440 15%	COW to BULL	20	CALF CROP PERCEN I 1 REPLACEMENT HEIFERS KEPT	81
	\	ALUE OF PRO	DUCTION			VALUE PER COV
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	VALUE PER CO
STEER CALVES		178	510	\$0.99	\$89,973	\$204.48
HEIFER CALVES		112	485	\$0.92	\$50,064	\$113.78
CULL COWS		37	900	\$0.39	\$12,987	\$29.52
CULL BULLS		1	1200	\$0.44	\$528	\$1.20
	TOTAL	328			\$153,552	\$348.98
VARIABLE COSTS						
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
1. FEED COSTS	HAY	TON	50.00	\$135	\$6,750	\$15.34
	STATE	AUY	45.0%	\$25.08	\$0,750	\$0.00
	FEDERAL LEASE	AUY	25.0%	\$16.20	\$7,128	\$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	\$135	\$1,080	\$2.45
	PROTEIN SUPP	TON	28.00	\$325	\$9,100	\$20.68
	OTHER	1014	0.00	\$0	\$ <u>0</u>	\$0.00
	TOTAL				\$24,058	\$54.68
2. OTHER VARIABLE COSTS	\#T HED.O				COST	***
	VET AND MEDICINE				\$3,960	\$9.00
	LIVESTOCK HAULING				\$821	\$1.87
	HIRED LABOR				\$5,000	\$11.36
	OPERATING COSTS-EQUIP &				\$2,975	\$6.76
	OPERATING COSTS-VEHICLE				\$3,060	\$6.95
	RANCH MAINTENANCE				\$2,720	\$6.18
	BEEF CHECKOFF OTHER				\$290 \$4,000	\$0.66 \$9.09
	TOTAL				\$22,826	\$51.88
	TOTAL				\$22,020	\$31.00
3. INTEREST ON VARIABLE COSTS		HOUTUO DODO	OUED			
	SUM OF VARIABLE COSTS X		OWED			
	X INTEREST RATE PER MONT	н			7.00	
	ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	WED			7.0%	VALUE PER CO
	nombert of morring borate				\$1,641	
					\$1,041	\$3.73
					\$48,525	\$110.28
	TOTAL				\$48,525 \$105,026	Anna Carlos de C
OWNERSHIP COSTS					\$105,026	\$110.28 \$238.70
	TOTAL Annual Capital Recovery ⁴ (At	Replacement Va	alue):			\$110.28
		Replacement Va	alue):		\$105,026	\$110.28 \$238.70
Overhead		Replacement Va	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77
CASH COSTS Taxes & Insurance Overhead Total		Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132	\$110.28 \$238.70 VALUE PER CO \$16.21
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS		Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock		Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment		Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	Annual Capital Recovery ⁴ (At	Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21 \$53.79
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc	Annual Capital Recovery ⁴ (At l	Replacement Vi	slue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$16.21 \$53.79 \$69.00
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Late	Annual Capital Recovery ⁴ (At l	Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360 \$9,213	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21 \$53.79 \$69.00 \$20.94
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total	Annual Capital Recovery ⁴ (At l	Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$16.21 \$53.79 \$69.00
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total	Annual Capital Recovery ⁴ (At l	Replacement Va	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360 \$9,213	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21 \$53.79 \$89.00 \$20.94
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total	Annual Capital Recovery ⁴ (At land the covery state of the covery	Replacement Vi	slue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360 \$9,213 \$81,805	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21 \$53.79 \$69.00 \$20.94 \$185.92
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total	Annual Capital Recovery ⁴ (At land the covery state of the covery	Replacement Vi	slue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360 \$9,213 \$81,805 \$91,037	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21 \$53.79 \$69.00 \$20.94 \$185.92 \$206.90
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST	Annual Capital Recovery ⁴ (At land the covery state of the covery	Replacement Vi	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360 \$9,213 \$81,805 \$91,037 \$57,758	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21 \$53.79 \$69.00 \$20.94 \$185.92 \$206.90 \$131.27
CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST	Annual Capital Recovery ⁴ (At land the covery state of the covery	Replacement V	alue):		\$105,026 Represents 65% Asset Ownership ⁵ \$7,132 \$2,100 \$9,232 \$11,430 \$7,132 \$23,670 \$30,360 \$9,213 \$81,805 \$91,037 \$57,758 \$139,563	\$110.28 \$238.70 VALUE PER CO \$16.21 \$4.77 \$20.98 \$25.98 \$16.21 \$53.79 \$69.00 \$20.94 \$185.92 \$206.90 \$131.27 \$317.19

DALCOLATIONS			
	VARIABLE	TOTAL	
	COSTS	COSTS	
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$27.37	\$32.57	
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$27.37	\$78.71	

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 2000 price projections from Cattle Fax, Doane's 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.

SOUTHEAST REGION EXTRA-LARGE RANCH INVESTMENTS 2000

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	Annual Capital
	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
10000	Acres of private land	\$65	3.9%	\$650,000	\$650,000			
550	AU Values ¹	\$2,250	3.9%	\$1,237,500	\$1,237,500			
			Subtotal	\$1,887,500				
Number	Buildings, Improvements	Price Per Unit						
15	Miles of pipeline	\$1,800	3.9%	\$27,000	\$2,700	25	100	\$1,644
8	Wells	\$8,900	3.9%	\$71,200	\$7,120	25	100	\$4,336
110	Miles of Fence	\$2,500	3.9%	\$275,000	\$27,500	25	100	\$16,748
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
			Subtotal	\$390,200				\$23,670
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$17,000	7.0%	\$34,000	\$6,800	7	50	\$2,762
1	1 ton pickup 4WD	\$18,000	7.0%	\$18,000	\$3,600	7	50	\$1,462
1	Tractor	\$5,000	7.0%	\$5,000	\$1,000	7	100	\$812
3	Gooseneck trailer	\$3,200	7.0%	\$9,600	\$1,920	7	100	\$1,559
1	Horse tack	\$2,600	7.0%	\$2,600	\$520	10	100	\$333
1	Misc. equipment	\$1,600	7.0%	\$1,600	\$320	10	100	\$205
			Subtotal	\$70,800				\$7,132
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
12	Horses	\$1,600	7.0%	\$19,200	\$7,296	10	100	\$2,206
22	Bulls	\$2,000	7.0%	\$44,000	\$16,720	4	100	\$9,224
110	Cows	\$1,100.00	7.0%	\$121,000	\$45,980	8	100	\$15,782
180	Total AUYs							
	7044171010		Subtotal	\$63,200				\$11,430
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
440	Cows	\$1,100	7.0%	\$484,000	\$183,920			\$26,717
66	Replacement Heifers	\$1,000	7.0%	\$66,000	\$25,080			\$3,643
490	Total AUYs	processing and the second second						
			Subtotal	\$550,000	\$209,000			\$30,360
			Total	\$2,961,700				\$61,162

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

SOUTHWEST REGION SMALL COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE		COW to BULL	15	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	8:
	,	VALUE OF PRO	DUCTION			VALUE PER COV
NIMALS SOLD		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COV
STEER CALVES		26	500	\$0.98	\$12,858	\$200.90
IEIFER CALVES		17	475	\$0.91	\$7,193	\$112.39
CULL COWS		10	900	\$0.38	\$3,420	\$53.44
CULL BULLS		<u>1</u> 54	1200	\$0.43	<u>\$516</u>	\$8.06
	TOTAL				\$23,986	\$374.79
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
. FEED COS15	HAY	TON	16.00	\$135	\$2,160	\$33.75
	STATE	AUY	25.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	65.0%	\$16.20	\$1,037	\$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	\$125	\$125	\$1.95
	PROTEIN SUPP	TON	3.00	\$325	\$975	\$15.23
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
	TOTAL				\$4,297	\$67.14
. OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$576	\$9.00
	LIVESTOCK HAULING				\$135	\$2.10
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP				\$550	\$8.59
	OPERATING COSTS-VEHICL	.E			\$795	\$12.42
	RANCH MAINTENANCE				\$300	\$4.69
	BEEF CHECKOFF				\$43	\$0.67
						62 12
INTEDEST ON VADIABLE C	OTHER TOTAL				\$200 \$2,599	\$3.13 \$40.60
3. INTEREST ON VARIABLE C	OTHER TOTAL		ROWED		<u>\$200</u>	
). INTEREST ON VARIABLE C	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON	NTH	ROWED		\$200 \$2,599	
). INTEREST ON VARIABLE C	OTHER TOTAL OSTS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE	NTH	ROWED		\$200 \$2,599 7.0%	\$40.60
. INTEREST ON VARIABLE C	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	NTH	ROWED		\$200 \$2,599 7.0% 6 \$241 \$7,137	\$40.60 VALUE PER COI \$3.77 \$111.51
INTEREST ON VARIABLE C	OTHER TOTAL OSTS SUM OF VARIABLE COSTS) X INTEREST RATE PER MON ANNUAL INTEREST RATE	NTH	ROWED		\$200 \$2,599 7.0% 6 \$241	\$40.60 VALUE PER CO \$3.77
	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850	\$40.60 VALUE PER CO' \$3.77 \$111.51 \$263.27
OWNERSHIP COSTS	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137	\$40.60 VALUE PER COI \$3.77 \$111.51
OWNERSHIP COSTS CASH COSTS Taxes & Insurance	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551	\$40.60 VALUE PER COI \$3.77 \$111.51 \$263.27 VALUE PER COI \$38.29 \$32.81 \$71.10
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29
CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$2.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00
OWNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Live Management & Operatio	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,322 \$4,416 \$1,439	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv Management & Operatio	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housiny & Improvement Interest on Retained Live Management & Operatio Total TOTAL FIXED COSTS	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv. Management & Operatio Total TOTAL FIXED COSTS	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813 \$11,687	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83 \$182.61
COWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv. Management & Operatio Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE TOTAL COSTS	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813 \$11,687 \$28,950	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83 \$182.61 \$452.34
COWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv. Management & Operatio Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE TOTAL COSTS	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813 \$11,687 \$28,950 \$12,299	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83 \$182.61 \$452.34 \$192.17
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv. Management & Operatio Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE TOTAL COSTS RETURN ABOVE TOTAL CASH RETURN ABOVE TOTAL COST	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A is ts estock ⁶ on Labor (6% of gross returns) COSTS H COSTS	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813 \$11,687 \$28,950	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83 \$182.61 \$452.34
DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv. Management & Operatio Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE TOTAL COSTS RETURN ABOVE TOTAL CASH	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A is ts estock ⁶ on Labor (6% of gross returns) COSTS H COSTS	NTH ROWED At Replacement Vo	alue):		\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813 \$11,687 \$28,950 \$12,299	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83 \$182.61 \$452.34 \$192.17
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv. Management & Operatio Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE TOTAL COSTS RETURN ABOVE TOTAL CASH RETURN ABOVE TOTAL COST	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A is ts estock ⁶ on Labor (6% of gross returns) COSTS H COSTS	NTH ROWED			\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813 \$11,687 \$28,950 \$12,299	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83 \$182.61 \$452.34 \$192.17
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvement Interest on Retained Liv Management & Operatio Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE TOTAL COSTS RETURN ABOVE TOTAL CASH RETURN ABOVE TOTAL COST BREAKEVEN CALCULATIONS	OTHER TOTAL OSTS SUM OF VARIABLE COSTS: X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORF TOTAL Annual Capital Recovery ⁴ (A is ts estock ⁶ on Labor (6% of gross returns) COSTS H COSTS	VARIABLE COSTS	alue):		\$200 \$2,599 7.0% 6 \$241 \$7,137 \$16,850 Represents 65% Asset Ownership ⁵ \$2,451 \$2,100 \$4,551 \$2,524 \$2,451 \$6,432 \$4,416 \$1,439 \$17,262 \$21,813 \$11,687 \$28,950 \$12,299	\$40.60 VALUE PER CO \$3.77 \$111.51 \$263.27 VALUE PER CO \$38.29 \$32.81 \$71.10 \$39.44 \$38.29 \$100.51 \$69.00 \$22.49 \$269.72 \$340.83 \$182.61 \$452.34 \$192.17

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

¹⁾ Call drop is defined as the actual number of calves sold undeal by the total number of colves (assuming an own were exposed).
2) Prices represent 2000 price projections from Cattle Fax, Doane's 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 SMALL RANCH INVESTMENTS 2000

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number	Land Values	Price Per Unit	Rate of Return ¹	Price	Value	Life	Share	Recovery
1500	Acres of private land	\$60	3.9%	\$90,000	\$90,000			,
64	AU Values	\$2,100	3.9%	\$134,400	\$134,400			
			Subtotal	\$224,400				
Number	Buildings, Improvements	Price Per Unit						
5	Miles of pipeline	\$2,000	3.9%	\$10,000	\$1,000	25	100	\$609
2	Wells	\$8,200	3.9%	\$16,400	\$1,640	25	100	\$999
25	Miles of Fence	\$2,700	3.9%	\$67,500	\$6,750	25	100	\$4,111
1	Corrals/Working Facilities	\$4,700	3.9%	\$4,700	\$470	30	100	\$260
1	Barns & Shop	\$8,200	3.9%	\$8,200	\$820	30	100	\$454
			Subtotal	\$106,800				\$6,432
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ²	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$17,000	7.0%	\$17,000	\$3,400	7	50	\$1,381
0	3/4 ton pickup 4WD	\$18,000	7.0%	\$0	\$0	7	50	\$0
0	Dozer/Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$3,200	7.0%	\$3,200	\$640	7	100	\$520
1	Horse tack	\$2,700	7.0%	\$2,700	\$540	10	100	\$345
1	Misc. equipment	\$1,600	7.0%	\$1,600	\$320	10	100	\$205
			Subtotal	\$24,500				\$2,451
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
4	Horses	\$1,600	7.0%	\$6,400	\$2,432	10	100	\$735
4	Bulls	\$2,000	7.0%	\$8,533	\$3,243	4	100	\$1,789
12	Cows	\$1,100.00	7.0%	\$13,200	\$5,016	8	100	\$1,722
25	Total AUYs				. ,			
			Subtotal	\$14,933				\$2,524
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
64	Cows	\$1,100	7.0%	\$70,400	\$26,752			\$3,886
10	Replacement Heifers	\$1,000	7.0%	\$9,600	\$3,648			\$530
71	Total AUYs	The second that the second desired and the second desired.						
			Subtotal	\$80,000	\$30,400			\$4,416
			Total	\$450,633				\$13,299

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

SOUTHWEST REGION MEDIUM COW/CALF BUDGET 2000

	BREED HERD SIZI CULL RATI	E 15%	COW to BULL	15	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	82
		VALUE OF PRO	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	TALOL I LITOON
STEER CALVES		66	500	\$0.98	\$32,144	\$200.90
HEIFER CALVES		42	475	\$0.91	\$17,982	\$112.39
CULL COWS		37	900	\$0.38	\$12,654	\$79.09
CULL BULLS		1	1200	\$0.43	<u>\$516</u>	\$3.23
	TOTAL	145			\$63,296	\$395.60
ARIABLE COSTS						
						VALUE PER COV
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	
	HAY	TON	28.00	\$130	\$3,640	\$22.75
	STATE	AUY	30.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	60.0%	\$16.20	\$2,592	\$16.20
	PRIVATE(Owned) PRIVATE(Leased Grazing)	AUY AUY	10.0%	\$0.00 \$0.00	\$0 \$0	\$0.00 \$0.00
	SALT & MINERAL	TON	2.00	\$125	\$250	\$1.56
	PROTEIN SUPP	TON	7.00	\$325	\$2,275	\$14.22
	OTHER	TON	0.00	\$0	\$0 \$0	\$0.00
			Police English and Control of Con			
	TOTAL				\$8,757	\$54.73
OTHER VARIABLE	E COSTS				COST	
	VET AND MEDICINE				\$1,440	\$9.00
	LIVESTOCK HAULING				\$363	\$2.27
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & MA	ACH			\$1,998	\$12.48
	OPERATING COSTS-VEHICLE				\$2,720	\$17.00
	RANCH MAINTENANCE				\$1,870	\$11.69
	BEEF CHECKOFF				\$107	\$0.67
	PURCHASED LIVESTOCK				\$2,000	\$12.50
	TOTAL				\$10,498	\$65.61
3. INTEREST ON VA	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE		D		7.0%	
3. INTEREST ON VA	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH		D		7.0% 6	VALUE PER CON
. INTEREST ON VA	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE		D		7.0% 6 \$674	VALUE PER COV
. INTEREST ON VA	ARIABLE COSTS SUM OF VARIABLE COSTS X MC X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW		D		7.0% 6 \$674 \$19,929	VALUE PER COV \$4.21 \$124.55
	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW		D		7.0% 6 \$674	VALUE PER COI \$4.21
	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW	ED			7.0% 6 \$674 \$19,929	VALUE PER CO \$4.21 \$124.55 \$271.04
DWNERSHIP COSTS	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO
OWNERSHIP COSTS CASH COSTS Taxes & Insur	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432	VALUE PER CO' \$4.21 \$124.55 \$271.04 VALUE PER CO' \$27.70
OWNERSHIP COSTS CASH COSTS Taxes & Insur Overhead	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13
ASH COSTS Taxes & Insur Overhead Total	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70
OWNERSHIP COSTS CASH COSTS Taxes & Insur Overhead Total ION CASH COSTS	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83
OWNERSHIP COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Liv	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14
OWNERSHIP COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Liv Machinery & I	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70
ASH COSTS Taxes & Insur Overhead Total ON CASH COSTS Purchased Liv Machinery & If	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment provements	ED			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23
ASH COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Li Machinery & I Housing & Im Interest on Re	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment provements etained Livestock ⁵	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00
OWNERSHIP COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Li Machinery & I Housing & I Interest on Re	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment provements	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74
OWNERSHIP COSTS Taxes & Insur Overhead Tool CASH COSTS Purchased Lin Machinery & if Housing & Im Interest on Re Management Total	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment provements etained Livestock ⁵ & Operation Labor (5% of gross retur	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74 \$251.81
ASH COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Liv Machinery & Ir Housing & Ir Interest on Re Management Total	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment iprovements etained Livestock & Operation Labor (6% of gross retur	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289 \$46,822	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74 \$251.81 \$292.64
COWNERSHIP COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Lin Machinery & In Interest on Re Management Total TOTAL FIXED COST	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment iprovements etained Livestock & Operation Labor (6% of gross retur	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289 \$46,822 \$26,461	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$99.00 \$23.74 \$251.81 \$292.64 \$165.38
COWNERSHIP COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Liv Machinery & In Interest on Re Management Total TOTAL FIXED COST TOTAL CASH AND VIOTAL COSTS	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment iprovements stained Livestock & Operation Labor (6% of gross retur	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289 \$46,822 \$26,461 \$66,750	VALUE PER CO \$4.21 \$124.55 \$271.04 VALUE PER CO \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74 \$251.81 \$292.64 \$165.38 \$417.19
COWNERSHIP COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Lin Machinery & In Interest on Re Management Total TOTAL FIXED COST TOTAL CASH AND VIOTAL COSTS RETURN ABOVE TO	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment iprovements etained Livestock & Operation Labor (6% of gross retur) TS VARIABLE COSTS DTAL CASH COSTS	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289 \$46,822 \$26,461 \$66,750 \$36,835	VALUE PER CO' \$4.21 \$124.55 \$271.04 VALUE PER CO' \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74 \$251.81 \$292.64 \$165.38 \$417.19 \$230.22
CASH COSTS Taxes & Insur Overhead Total NON CASH COSTS Purchased Liv Machinery & Ir Interest on Re Management Total TOTAL FIXED COST	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment iprovements etained Livestock & Operation Labor (6% of gross reture) TS VARIABLE COSTS DTAL CASH COSTS DTAL CASH COSTS	ED placement Value):			7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289 \$46,822 \$26,461 \$66,750	VALUE PER COV \$4.21 \$124.55 \$271.04 VALUE PER COV \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74 \$251.81 \$292.64 \$165.38 \$417.19
CASH COSTS Taxes & Insur Overhead Total NON CASH COSTS Purchased Lin Machinery & is Housiny & Im Interest on Re Management Total TOTAL FIXED COST TOTAL CASH AND VI TOTAL COSTS RETURN ABOVE TO	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment iprovements etained Livestock & Operation Labor (6% of gross reture) TS VARIABLE COSTS DTAL CASH COSTS DTAL CASH COSTS	placement Value):	TOTAL		7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289 \$46,822 \$26,461 \$66,750 \$36,835	VALUE PER COV \$4.21 \$124.55 \$271.04 VALUE PER COV \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74 \$251.81 \$292.64 \$165.38 \$417.19 \$230.22
OWNERSHIP COSTS Taxes & Insur Overhead Total ION CASH COSTS Purchased Liv Machinery & In Housing & In Interest on Re Management Total TOTAL CASH AND V TOTAL CASH AND V TOTAL COSTS RETURN ABOVE TO RETURN ABOVE TO RETURN ABOVE TO	ARIABLE COSTS SUM OF VARIABLE COSTS X MO X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL S Annual Capital Recovery3 (At Re rance vestock Equipment provements etained Livestock ⁵ & Operation Labor (6% of gross retur TS VARIABLE COSTS DTAL CASH COSTS DTAL COSTS ULATIONS	placement Value): National Section 1	TOTAL COSTS		7.0% 6 \$674 \$19,929 \$43,367 Represents 65% Asset Ownership ⁵ \$4,432 \$2,100 \$6,532 \$5,943 \$4,432 \$15,076 \$11,040 \$3,798 \$40,289 \$46,822 \$26,461 \$66,750 \$36,835	VALUE PER CO' \$4.21 \$124.55 \$271.04 VALUE PER CO' \$27.70 \$13.13 \$40.83 \$37.14 \$27.70 \$94.23 \$69.00 \$23.74 \$251.81 \$292.64 \$165.38 \$417.19 \$230.22
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¹⁾ Calf crop is defined as the actual number of calves sold divided by the total number of code (assuming all cows were exposed).

2) Prices represent 2000 price projections from Cattle Fax, Doane's 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 2000

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
3500	Acres of private land	\$65	3.9%	\$227,500	\$227,500	Lile	Silare	Recovery
160	AU Values ¹	\$2,100	3.9%	\$336,000	\$336,000			
			Subtotal	\$563,500				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$2,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
4	Wells	\$9,200	3.9%	\$36,800	\$3,680	25	100	\$2,241
40	Miles of Fence	\$2,700	3.9%	\$108,000	\$10,800	25	100	\$6,578
1	Corrals/Working Facilities	\$4,700	3.9%	\$4,700	\$470	30	100	\$260
1	Barns & Shop	\$82,000	3.9%	\$82,000	\$8,200	30	100	\$4,536
			Subtotal	\$255,500				\$15,076
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$17,000	7.0%	\$17,000	\$3,400	7	50	\$1,381
1	1 ton pickup 4WD	\$18,000	7.0%	\$18,000	\$3,600	7	50	\$1,462
0	Dozer/Tractor	\$5,000	7.0%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$3,200	7.0%	\$6,400	\$1,280	7	100	\$1,040
1	Horse tack	\$2,700	7.0%	\$2,700	\$540	10	100	\$345
1	Misc. equipment	\$1,600	7.0%	\$1,600	\$320	10	100	\$205
			Subtotal	\$45,700				\$4,432
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
8	Horses	\$1,600	7.0%	\$12,800	\$4,864	10	100	\$1,470
11	Bulls	\$2,000	7.0%	\$21,333	\$8,107	4	100	\$4,472
30	Cows	\$1,100.00	7.0%	\$33,000	\$12,540	8	100	\$4,304
61	Total AUYs							
			Subtotal	\$34,133				\$5,943
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
160	Cows	\$1,100	7.0%	\$176,000	\$66,880			\$9,715
24	Replacement Heifers	\$1,000	7.0%	\$24,000	\$9,120			\$1,325
178	Total AUYs		Subtotal	\$200,000	\$76,000			\$11,040
			Total	\$1,098,833	3			\$30,549

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond) $\,$

SOUTHWEST REGION LARGE COW/CALF BUDGET 2000

	BREED HERD SIZE CULL RATE	320 15%	COW to BULL	15	CALF CROP PERCEN I 1 REPLACEMENT HEIFERS KEPT	82
		VALUE OF PROD	DUCTION			V41 UE DED 0014
STEER CALVES HEIFER CALVES CULL COWS CULL BULLS		QUANTITY 131 83 37 1	WEIGHT/LBS. 500 475 900 1200	PRICE2 \$0.98 \$0.91 \$0.38 \$0.43	YALUE \$64,288 \$35,963 \$12,654 \$516	\$200.90 \$112.39 \$39.54 \$1.61
JOEE BOLLS	TOTAL	252	1200	40.40		
/ARIABLE COSTS	TOTAL				\$113,421	\$354.44
						VALUE PER COV
. FEED COSTS	HAY STATE FEDERAL LEASE PRIVATE(Owned) PRIVATE(Leased Grazing) SALT & MINERAL PROTEIN SUPP OTHER	UNITS TON AUY AUY AUY TON TON	QUANTITY/PERCENT 46.00 40.0% 20.0% 0.0% 5.00 13.00 0.00	PRICE \$135 \$25.08 \$16.20 \$0.00 \$0.00 \$125 \$325 \$0	COST \$6,210 \$0 \$5,184 \$0 \$0 \$625 \$4,225 \$0	\$19.41 \$0.00 \$16.20 \$0.00 \$0.00 \$1.95 \$13.20 \$0.00
	TOTAL				\$16,244	\$50.76
2. OTHER VARIABLE COS	VET AND MEDICINE LIVESTOCK HAULING HIRED LABOR OPERATING COSTS-EQUIP & I OPERATING COSTS-VEHICLE RANCH MAINTENANCE BEEF CHECKOFF LIVESTOCK PURCHASES	MACH			COST \$2,880 \$631 \$0 \$3,060 \$4,600 \$2,338 \$214 \$3,000	\$9.00 \$1.97 \$0.00 \$9.56 \$14.38 \$7.30 \$0.67 \$9.38
	TOTAL				\$16,723	\$52.26
3. INTEREST ON VARIAB	LE COSTS SUM OF VARIABLE COSTS X N X INTEREST RATE PER MONTI ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	н	WED		7.0% 6	VALUE PER COV
					\$1,154	\$3.61
	TOTAL				\$34,121	\$106.63
					\$79,300	\$247.81
OWNERSHIP COSTS	4				D	
CASH COSTS	Annual Capital Recovery ⁴ (At F	replacement vali	ue):		Represents 65% Asset Ownership ⁵	VALUE PER CO
Taxes & Insurance Overhead					\$7,132 \$2,100	\$22.29 \$6.56
Total					\$9,232	\$28.85
	ment ments	s)			\$10,783 \$7,132 \$26,074 \$22,080 \$6,805	\$33.70 \$22.29 \$81.48 \$69.00 \$21.27
Total					\$72,874	\$227.73
TOTAL FIXED COSTS TOTAL CASH AND VARIA	BLE COSTS				\$82,106 \$43,353	\$256.58 \$135.48
TOTAL COSTS					\$116,227	\$363.21
RETURN ABOVE TOTAL	CASH COSTS				\$70,068	\$218.96
RETURN ABOVE TOTAL					(\$2,806)	(\$8.77)
BREAKEVEN CALCULAT	IONS	VARIABLE COSTS	TOTAL COSTS			
	CALF PRICES CASH COST (cwt) CALF PRICES CASH COST (cwt)	\$26.67 \$26.67	\$33.89 \$90.86			
		Q2.0.01	¥00100			

¹⁾ Calf crop is defined as the actual number of calves sold divided by the total number of calves represent 2000 price projections from Cattle Fax, Doane's 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 2000

			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	\$60	3.9%	\$360,000	\$360,000			
320	AU Values ¹	\$2,100	3.9%	\$672,000	\$672,000			
			Subtotal	\$1,032,000				
Number	Buildings, Improvements	Price Per Unit						
18	Miles of pipeline	\$2,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
12	Wells	\$9,200	3.9%	\$110,400	\$11,040	25	100	\$6,724
100	Miles of Fence	\$2,700	3.9%	\$270,000	\$27,000	25	100	\$16,444
1	Corrals/Working Facilities	\$4,700	3.9%	\$4,700	\$470	30	100	\$260
1	Barns & Shop	\$8,200	3.9%	\$8,200	\$820	30	100	\$454
			Subtotal	\$429,300				\$26,074
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$17,000	7.0%	\$34,000	\$6,800	7	50	\$2,762
1	1 ton pickup 4WD	\$18,000	7.0%	\$18,000	\$3,600	7	50	\$1,462
1	Tractor	\$5,000	7.0%	\$5,000	\$1,000	7	100	\$812
3	Gooseneck trailer	\$3,200	7.0%	\$9,600	\$1,920	7	100	\$1,559
1	Horse tack	\$2,600	7.0%	\$2,600	\$520	10	100	\$333
1	Misc. equipment	\$1,600	7.0%	\$1,600	\$320	10	100	\$205
			Subtotal	\$70,800				\$7,132
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
10	Horses	\$1,600	7.0%	\$16,000	\$6,080	10	100	\$1,838
21	Bulls	\$2,000	7.0%	\$42,667	\$16,213	4	100	\$8,945
34	Cows	\$1,100.00	7.0%	\$37,400	\$14,212	8	100	\$4,878
82	Total AUYs							
			Subtotal	\$58,667				\$10,783
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
320	Cows	\$1,100	7.0%	\$352,000	\$133,760			\$19,430
48	Replacement Heifers	\$1,000	7.0%	\$48,000	\$18,240			\$2,650
356	Total AUYs		0.14.4.5	0.400.000				200.000
			Subtotal	\$400,000	\$152,000			\$22,080
			Total	\$1,990,767	_			\$55,286

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.

³⁾ A rate of 6.50% reflects a typical return on a low risk investment (30 yr. Treasury Bond)

