



Range Livestock Costs and Returns for New Mexico 2001



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

Range Livestock Costs and Returns for New Mexico, 2001

Jerry M. Hawkes and James D. Libbin¹

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.

Drought conditions persisted throughout New Mexico during 2001, resulting in an increase in culling rates. Cull cows provide income for the year in which they are sold but reduce current and future calf sales due to the reduction in the breeding herd. Cash flow in a year in which cull sales increased will increase the bottom line for that year, as occurred in 2001 in New Mexico. These are not long-term projected gains but rather influxes to cash flow for the year.

This study considers 15 individual cost and return estimates for representative model cow–calf ranches distributed among five New Mexico regions. The five regions are county-specific (each county is wholly contained in one region). They are: Central Mountain, Northeast, Northwest, Southeast, and Southwest. Three individual budgets, for three ranches of differing size, were developed for each region. Sizes of the model ranches reflect common ranch sizes within each region and range from small in the Central Mountain and Southwest regions to extra-large in the Northeast, Northwest and Southeast regions. Throughout the analysis, number of mother cows is reported and a one-to-twenty bull ratio assumed.

RANCHING REGIONS

Ranching regions were established based on commonality in rangeland type, historical use, topography and climatic conditions. New Mexico State University has an extended history of developing range livestock cost and return estimates, and the regionalbasis 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 in 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.

¹Assistant Professor and Professor, respectively, Department of Agricultural Economics and Agricultural Business, New Mexico State University, Las Cruces, NM.

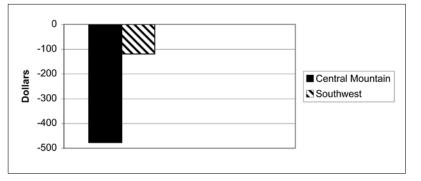


Figure 1. Economic returns for small New Mexico ranches, 2001

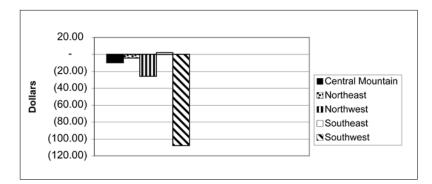


Figure 2. Economic returns for medium-sized New Mexico ranches, 2001

Small Ranch

The small representative ranch had 40 mature cows. A 25% culling rate was applied due to drought conditions. Calf crop percentages were 80%. Gross returns per cow were approximately \$404 with total costs approaching \$880 per cow, resulting in a loss of \$47+6 per cow (Figure 1). An intensifying drought in this portion of New Mexico has caused a continued reduction in cattle numbers, impacting the economic profile of this representative ranch

Medium Ranch

The medium representative ranch had 140 mature cows. A 25% culling rate was applied due to drought. Calf crop was 85%. Gross returns per cow were approximately \$408 with total costs approaching \$420 per cow, resulting in a loss of \$10 per cow (Figure 2). Break-even calf prices were \$99 per hundred weight (cwt).

Large Ranch

The large representative ranch had 245 mature cows. A 25% culling rate was applied and an 84% calf crop percentage was used in the representative ranch model. Gross returns per cow were approximately \$409 with total costs approaching \$420 per cow, resulting in a loss of \$12 per cow (Figure 3). A continued drought caused a rise in supplemental feeding costs and forced a reduction in cow numbers.

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 140 mature cows. A 25% culling rate was applied. Calf crop was 83%. Gross returns per cow were approximately \$501 with total costs approaching \$505 per cow, resulting in a loss of \$4 per cow (Figure 2). Returns per cow fell greatly despite an increase in calf prices, due to supplemental feeding costs and because more than normal culling rates resulting in fewer calves being marketed.

Large Ranch

The large representative ranch had 245 mature cows. A 25% culling rate was applied. Calf crop was 84%. Gross returns per cow were approximately \$510 with total costs approaching \$455 per cow, resulting in a profit of \$54 per cow (Figure 3). Returns per cow fell greatly despite an increase in calf prices, due to supplemental feeding costs and a reduction in the overall number of calves sold.

Extra-Large Ranch

The extra-large representative ranch had 385 mature cows. A 25% culling rate was applied. Calf crop was 84%. Gross returns per cow were approximately \$434 with total costs approaching \$400 per cow, resulting in a profit of \$34 per cow (Figure 4). Break-even calf prices were \$89 per hundred weight (cwt) with 2001 calf prices averaging \$104/cwt.

Northwest Region

This region comprises Bernalillo, Catron, McKinley, Rio Arriba, Sandoval, and San Juan counties. Three size classes of representative ranches were modeled for the Northeast region: a medium, a large, and an extralarge ranch. Drought conditions persisted throughout 2000, reducing cow numbers again over 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 140 mature cows. A 25% culling rate was applied. Calf crop was 82%. Gross returns per cow were approximately \$500 with total costs approaching \$525 per cow, resulting in a loss of greater than \$25 per cow (Figure 2). This economic return was \$50 less than what was realized in 2000. This difference was due to two primary factors: reduced number of calves sold and increased feeding costs.

Large Ranch

The large representative ranch had 245 mature cows. A 25% culling rate was applied. Calf crop was 82%. Gross returns per cow were approximately \$440 with total costs approximately \$410 per cow, resulting in a profit of \$27 per cow. A significant reduction in economic viability for this representative model was apparent when compared to the values established in 2000.

Extra-Large Ranch

The extra-large representative ranch had 350 mature cows. A culling rate was applied. Calf crop percentage was 85%. Gross returns per cow were approximately \$435 with total costs approaching \$425 per cow, resulting in a profit of \$10 per cow (Figure 4). Breakeven calf prices were \$100 per hundred weight (cwt) with 2001 prices averaging \$101/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 2001, resulting in further reductions in cow numbers for the southeast region of New Mexico. Continuing drought conditions resulted in more supplemental feeding.

Terrain in this region ranges from prairies to rough areas. Elevations vary from 3,000 to over 6,000 ft., 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

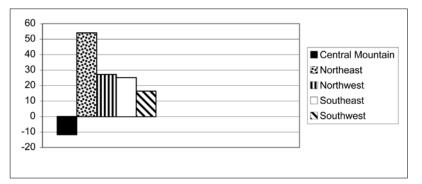


Figure 3. Economic returns for large New Mexico ranches, 2001

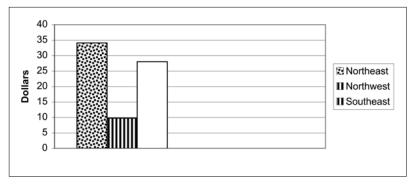


Figure 4. Economic returns for extra-large New Mexico ranches, 2001

stocking rates will range from 3 to 17 AUY per section.

Medium Ranch

The medium representative ranch had 140 mature cows. A 25% culling rate was applied. Calf crop was 82%. Gross returns per cow were approximately \$465 with total costs approaching \$463 per cow, resulting in a profit of about \$2 per cow (Figure 2). Total costs per cow increased by about \$90 per cow unit while gross returns increased by \$50, resulting in a reduced return for 2001 relative to 2000.

Large Ranch

The large representative ranch had 280 mature cows. A 25% culling rate was applied. Calf crop was 82%. Gross returns per cow were approximately \$460 with total costs approaching \$434 per cow (Figure 3), resulting in a profit of \$25 per cow. Increasing costs coupled with reduction in number of calves marketed resulted in a decrease of approximately \$35 of profit per cow relative to 2000.

Extra-Large Ranch

The extra-large representative ranch had 385 mature cows. A 25% culling rate was applied. Calf crop was 82%. Gross returns per cow were approximately \$460 with total costs approaching \$432 per cow, resulting in a profit of \$28 per cow (Figure 4).

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 from three size classes were modeled for the Southwest region: a small, a medium and a large ranch.

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 56 mature cows. A 25% culling rate was applied. Calf crop was 83%. Gross returns per cow were approximately \$462 with total costs approaching \$580 per cow, resulting in a loss of \$118 per cow (Figure 1). The combination of increasing costs and a reduction in the number of calves marketed resulted in significant economic and financial losses.

Medium Ranch

The medium representative ranch had 140 mature cows. A 25% culling rate was applied. Calf crop was 82%. Gross returns per cow were approximately \$450 with total costs approaching \$560 per cow, resulting in a loss of \$107 per cow (Figure 2). As in the small representative ranch increasing costs coupled with a reduction in the number of calves marketed resulted in significant economic and financial losses.

Large Ranch

The large representative ranch had 300 mature cows. A 25% culling rate was applied. Calf crop was 82%. Gross returns per cow were approximately \$440 with total costs approaching \$425 per cow, resulting in a profit of \$16 per cow (Figure 3).

SUMMARY

Livestock production throughout New Mexico in 2001 resulted in mostly negative returns for small and medium representative models. The large and extra-large ranch models showed mixed results relative to 2000. Each representative ranch, regardless of size class, showed reduced profitability relative to 2000. Precipitation levels were below normal for much of the state, forcing livestock producers to make a decision as to whether to increase supplemental feeding rates or to reduce the herd size. The majority of producers chose to reduce herd size by 10% from the previous year. Supplemental feeding rates were also increased to offset reductions in aggregate forage production during the year. These factors created a difficult year for livestock producers throughout New Mexico as costs of doing business increased, grass supplies were reduced, and calf crop percentages were slightly reduced in most instances relative to 2000. The primary bright spot for production during 2001 was an average increase in prices received for livestock throughout the year. Figure 5 provides aggregate beef cattle prices for New Mexico for 2001. These values are representative of all classes of beef cattle throughout the state.

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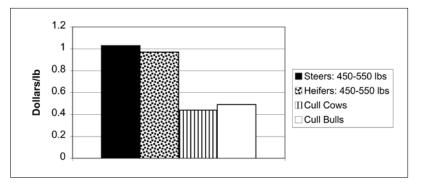


Figure 5. Beef Cattle Prices for New Mexico, 2001

APPENDIX A

CENTRAL MOUNTAIN REGION SMALL RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
100	Acres of private land	\$900	3.9%	\$90,000	\$90,000			
34	AU Values ¹	\$3,000	3.9%	\$101,250	\$101,250			
			Subtotal	\$191,250				
Number	Buildings, Improvements	Price Per Unit						
0.5	Miles of pipeline	\$2,000	3.9%	\$1,000	\$100	25	100	\$61
1	Wells	\$13,000	3.9%	\$13,000	\$1,300	25	100	\$792
10	Miles of Fence	\$2,500	3.9%	\$25,000	\$2,500	25	100	\$1,523
1	Corrals/Working Facilities	\$5,000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
			Subtotal	\$54,000				\$3,205
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$28,000	6.5%	\$28,000	\$5,600	7	50	\$2,224
0	3/4 ton pickup 4WD	\$30,000	6.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	6.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$4,500	6.5%	\$4,500	\$900	7	100	\$715
1	Horse tack	\$3,500	6.5%	\$3,500	\$700	10	100	\$435
1	Misc. equipment	\$1,500	6.5%	\$1,500	\$300	10	100	\$186
			Subtotal	\$37,500				\$3,560
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
3	Horses	\$1,500	6.5%	\$4,500	\$1,710	10	100	\$499
1	Bulls	\$2,000	6.5%	\$2,500	\$950	4	100	\$514
5	Total AUYs							
•			Subtotal	\$7,000				\$1,013
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
25	Cows	\$1,100	6.5%	\$27,500	\$10,450			\$1,410
4	Replacement Heifers	\$1,000	6.5%	\$3,750	\$1,425			\$192
28	Total AUYs							
			Subtotal	\$31,250	\$11,875			\$1,602
			Total	\$321,000				\$8,367

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.

CENTRAL REGION SMALL COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	33 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	80% 4.875	
	Ň	ALUE OF PRO	DUCTION			VALUE PER COW	
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COM	NEW VALU
TEER CALVES		13	515	\$1.01	\$6,762	\$208.06	HEI HALU
EIFER CALVES		8	495	\$0.96	\$3,861	\$118.80	
CULL COWS	1	5	900	\$0.44	\$1,931	\$59.40	
ULL BULLS	1	1	1200	\$0.49	\$588	\$18.09	
	OTAL	27			\$13,141	\$404.35	
ARIABLE COSTS							-
FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW	NEW VALU
	AY	TON	12.00	\$150	\$1,800	\$55.38	
	STATE	AUY	0.0%	\$25.08	\$0	\$0.00	
	EDERAL LEASE	AUY	50.0%	\$16.20	\$527	\$16.20	
	RIVATE(Owned)	AUY	50.0%	\$0.00	\$0	\$0.00	
	RIVATE(Leased Grazing)	AUY	0.0%	\$96.00	\$0	\$0.00	
	SALT & MINERAL	TON	2.00	\$245	\$490	\$15.08	
	PROTEIN SUPP	TON	7.00	\$300	\$2,100	\$64.62	
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00	
	TOTAL				\$4,917	\$151.28	
					0007		
OTHER VARIABLE COSTS					COST		
	ET AND MEDICINE				\$390	\$12.00	
	IVESTOCK HAULING				\$142	\$4.36	
	HIRED LABOR				\$0	\$0.00	
	OPERATING COSTS-EQUIP &				\$515	\$15.85	
	OPERATING COSTS-VEHICLE	5			\$1,030	\$31.69	
	RANCH MAINTENANCE		1000		\$1,030	\$31.69	
	BEEF CHECKOFF PURCHASED LIVESTOCK		and a second		\$21 \$1,400	\$0.65 \$43.08	
	TOTAL				\$4,528	\$139.32	
1	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE		ROWED		6.5%		
	NUMBER OF MONTHS BORR	OWED			6	VALUE PER COW	
					\$307	\$9.44	
0741		_			\$9,751	\$300.04	
OTAL WNERSHIP COSTS					\$3,390	\$104.31	
	Annual Capital Recovery ⁴ (At	Replacement V	'alue):		Represents 65% Asset Ownership ⁵	VALUE PER COW	NEW VAL
ASH COSTS Taxes & Insurance					\$3,560	\$109.55	
Overhead					\$2,100	\$64.62	
Overnead					\$5,660	\$174.17	
ON CASH COSTS							
Purchased Livestock					\$1,410	\$43.37	
Machinery & Equipment					\$3,560	\$109.55	
Housing & Improvements					\$3,205	\$98.62	
Interest on Retained Liveston	:k ⁶				\$1,602	\$49.29	
Management & Operation La					\$3,390	\$104.31	_
					\$13,167	\$405.14	-
OTAL FIXED COSTS					\$18,827	\$579.30	
OTAL CASH AND VARIABLE COS	TS				\$15,412	\$474.21	
UTAL CASH AND VARIABLE CUS					\$28,579	\$879.34	
					420,019	0019.04	
TOTAL COSTS	2012						
TOTAL COSTS	STS				(\$2,270)	(\$69.86)	
TOTAL CASH AND VARIABLE COS TOTAL COSTS RETURN ABOVE TOTAL CASH CO BREAKEVEN CALCULATIONS	STS				(\$2,270)	(\$69.86)	_

REQUIRED AVG. CALF PRICES CASH COST (cwt) \$74.27 \$117.38 REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt) \$74.27 \$217.66

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.

CENTRAL MOUNTAIN REGION MEDIUM RANCH INVESTMENTS 2001

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	onare	\$116.25
189	AU Values ¹	\$3,000	3.9%	\$567,000	\$567,000			
			Subtotal	\$717,000				
Number	Buildings, Improvements	Price Per Unit						
2	Miles of pipeline	\$2,000	3.9%	\$4,000	\$400	25	100	\$244
1	Wells	\$13,000	3.9%	\$13,000	\$1,300	25	100	\$792
18	Miles of Fence	\$4,000	3.9%	\$72,000	\$7,200	25	100	\$4,385
1	Corrals/Working Facilities	\$5.000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
			Subtotal	\$104,000				\$6,366
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	3/4 ton pickup 4WD	\$30,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$6,500	7.5%	\$6,500	\$1,300	7	100	\$1,079
1	Horse tack	\$5,000	7.5%	\$5,000	\$1,000	10	100	\$658
1	Misc. equipment	\$2,500	7.5%	\$2,500	\$500	10	100	\$329
			Subtotal	\$44,000				\$4,673
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull	1.		
6	Horses	\$2,500	6.5%	\$15,000	\$5,700	10	100	\$1,664
7	Bulls	\$2,000	6.5%	\$14,000	\$5,320	4	100	\$2,880
30	Cows	\$1,100.00	6.5%	\$33,000	\$12,540	8	100	\$4,175
54	Total AUYs							
			Subtotal	\$29,000				\$4,544
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
140	Cows	\$1,100	6.5%	\$154,000	\$58,520			\$7,894
21	Replacement Heifers	\$1,000	6.5%	\$21,000	\$7,980			\$1,076
156	Total AUYs		Subtotal	\$175,000	\$66,500			\$8,970
			Total	\$1,069,000				\$20,009

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

CENTRAL REGION MEDIUM COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	140 15%	COW to BULL	20	CALF CROP PERCENT' REPLACEMENT HEIFERS KEPT	83
		VALUE OF PRO	DUCTION			
		OUTITY		551052		VALUE PER COV
STEER CALVES		QUANTITY 58	WEIGHT/LBS. 515	PRICE ² \$1.02	VALUE \$30,520	\$218.00
HEIFER CALVES		37	495	\$0.96	\$17,630	\$125.93
CULL COWS		21	900	\$0.44	\$8,316	\$59.40
CULL BULLS	1	1000 <u>1</u> 2003	1200	\$0.49	\$588	\$4.20
тс	DTAL	117			\$57,054	\$407.53
ARIABLE COSTS						
. FEED COSTS		UNITO	QUANTITY/DEDOENT	PRIOF	0007	VALUE PER COV
	AY	UNITS TON	QUANTITY/PERCENT 39.00	PRICE \$140	COST \$5,460	\$39.00
	TATE	AUY	30.0%	\$25.08	\$0	\$0.00
	EDERAL LEASE	AUY	40.0%	\$16.20	\$2,268	\$16.20
PF	RIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
PR	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
SA	ALT & MINERAL	TON	4.00	\$230	\$920	\$6.57
	ROTEIN SUPP	TON	12.00	\$350	\$4,200	\$30.00
	THER		0.00	\$0	<u>\$0</u>	\$0.00
тс	DTAL				\$12,848	\$91.77
2. OTHER VARIABLE COSTS					COST	
 Comparison of the property of the property of the property of the second se	ET AND MEDICINE				\$1,680	\$12.00
LIV	VESTOCK HAULING				\$615	\$4.40
н	IRED LABOR				\$0	\$0.00
(T)	PERATING COSTS-EQUIP &				\$1,030	\$7.36
	PERATING COSTS-VEHICLE	E			\$1,545	\$11.04
	ANCH MAINTENANCE				\$1,800	\$12.86
BE	EEF CHECKOFF		12.0	A COLLEGE I	\$95	\$0.68
DI						
	URCHASED LIVESTOCK				\$3,000	<u>\$21.43</u>
	ORCHASED LIVESTOCK				\$9,766	\$69.75
					1100 - 1 000	
TC 3. INTEREST ON VARIABLE COSTS SL	DTAL UM OF VARIABLE COSTS X		ROWED		1100 - 1 000	1
TC 3. INTEREST ON VARIABLE COSTS SL X I	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON		ROWED		\$9,766	
TC 3. INTEREST ON VARIABLE COSTS SL X AM	DTAL UM OF VARIABLE COSTS X	тн	ROWED		1100 - 1 000	
TC B. INTEREST ON VARIABLE COSTS SL X AM	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE	тн	ROWED		\$9,766 7.5% 6	\$69.75 VALUE PER CO
TC B. INTEREST ON VARIABLE COSTS SL X AM	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE	тн	ROWED		\$9,766 7.5%	\$69.75
TC 3. INTEREST ON VARIABLE COSTS SL X AN NU TC	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE	тн	ROWED		\$9,766 7.5% 6 \$848	\$69.75 VALUE PER COV \$6.06
TC INTEREST ON VARIABLE COSTS SL X AN NU DWNERSHIP COSTS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95
TC I. INTEREST ON VARIABLE COSTS SL X AN NU DWNERSHIP COSTS Ar	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95
TC 3. INTEREST ON VARIABLE COSTS SL X I AN NU TC DWNERSHIP COSTS Taxes & Insurance TC	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63
TC INTEREST ON VARIABLE COSTS SL X X AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00
TC . INTEREST ON VARIABLE COSTS SL X AM NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63
TC INTEREST ON VARIABLE COSTS SL X I AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63
TC INTEREST ON VARIABLE COSTS SU X AN NU DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$5,949 \$4,544	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45
TC I. INTEREST ON VARIABLE COSTS SL AN AN NU DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38
TC INTEREST ON VARIABLE COSTS SL X I AN NU DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47
TC INTEREST ON VARIABLE COSTS SL X A AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁵	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$8,970	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07
TC INTEREST ON VARIABLE COSTS SL X I AN NU DWNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$8,970 \$3,423	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45
TC INTEREST ON VARIABLE COSTS SL X AN NU DWNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$8,970	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07
TC INTEREST ON VARIABLE COSTS SL X AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL nnual Capital Recovery ⁴ (At	TH OWED			\$9,766 7.5% 5 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$8,970 \$3,423 \$27,976	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45 \$199.83
TC INTEREST ON VARIABLE COSTS SL X AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total FOTAL FIXED COSTS FOTAL CASH AND VARIABLE COSTS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL nnual Capital Recovery ⁴ (At	TH OWED			\$9,766 7.5% 5 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$5,949 \$4,544 \$4,673 \$6,366 \$8,970 \$3,423 \$27,976 \$34,925	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45 \$199.83 \$249.46
3. INTEREST ON VARIABLE COSTS SL X X AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL r (6% of gross returns)	TH OWED			\$9,766 7.5% 5 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$8,970 \$3,423 \$27,976 \$34,925 \$30,410	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45 \$199.83 \$249.46 \$217.22
3. INTEREST ON VARIABLE COSTS SL X X AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH ST TOTAL CASH COSTS RETURN ABOVE TOTAL CASH COSTS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL r (6% of gross returns)	TH OWED			\$9,766 7.5% 5 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$5,949 \$4,544 \$4,673 \$6,366 \$3,423 \$27,976 \$3,425 \$30,410 \$58,386	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45 \$199.83 \$249.46 \$217.22 \$417.04
TC 3. INTEREST ON VARIABLE COSTS SL X X AN NU DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL r (6% of gross returns)	TH OWED Replacement V	alue):		\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$9,970 \$3,423 \$27,976 \$34,925 \$30,410 \$58,386 \$26,644	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45 \$199.83 \$249.46 \$217.22 \$417.04 \$190.31
3. INTEREST ON VARIABLE COSTS SL X X AN NU DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH ST TOTAL CASH COSTS RETURN ABOVE TOTAL CASH COSTS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL r (6% of gross returns)	TH OWED			\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$9,970 \$3,423 \$27,976 \$34,925 \$30,410 \$58,386 \$26,644	\$69.75 VALUE PER COU \$6.06 \$167.58 \$239.95 VALUE PER COU \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45 \$199.83 \$249.46 \$217.22 \$417.04 \$190.31
3. INTEREST ON VARIABLE COSTS SL X X AM NU CONNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labor Total Interest on Retained Livestock ⁶ Management & Operation Labor Total Interest on Retained Livestock ⁶ Management & Operation Labor Total TOTAL FIXED COSTS TOTAL COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	DTAL UM OF VARIABLE COSTS X INTEREST RATE PER MON NNUAL INTEREST RATE UMBER OF MONTHS BORR DTAL DTAL r (6% of gross returns)	TH OWED Replacement V	alue):		\$9,766 7.5% 6 \$848 \$23,462 \$33,592 Represents 65% Asset Ownership ⁵ \$4,849 \$2,100 \$6,949 \$4,544 \$4,673 \$6,366 \$9,970 \$3,423 \$27,976 \$34,925 \$30,410 \$58,386 \$26,644	\$69.75 VALUE PER CO \$6.06 \$167.58 \$239.95 VALUE PER CO \$34.63 \$15.00 \$49.63 \$32.45 \$33.38 \$45.47 \$64.07 \$24.45 \$199.83 \$249.46 \$217.22 \$417.04 \$190.31

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.

CENTRAL MOUNTAIN REGION LARGE RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
10000	Acres of private land	\$200	3.9%	\$2,000,000	\$2,000,000			\$1,550.00
331	AU Values ¹	\$3,000	3.9%	\$992,250	\$992,250			
			Subtotal	\$2,992,250				
Number	Buildings, Improvements	Price Per Unit						
4	Miles of pipeline	\$2,000	3.9%	\$8,000	\$800	25	100	\$487
2	Wells	\$13,000	3.9%	\$26,000	\$2,600	25	100	\$1,583
40	Miles of Fence	\$4,000	3.9%	\$160,000	\$16,000	25	100	\$9,745
1	Corrals/Working Facilities	\$5,000	3.9%	\$5,000	\$500	30	100	\$277
1	Barns & Shop	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
			Subtotal	\$209,000				\$14,195
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
1	1 ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
2	Gooseneck trailer	\$6,500	7.5%	\$13,000	\$2,600	7	100	\$2,159
1	Horse tack	\$6,500	7.5%	\$6,500	\$1,300	10	100	\$855
1	Misc. equipment	\$3,500	7.5%	\$3,500	\$700	10	100	\$460
			Subtotal	\$90,000				\$11,001
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		Mar Santa	
10	Horses	\$2,500	6.5%	\$25,000	\$9,500	10	100	\$2,774
12	Bulls	\$2,000	6.5%	\$24,500	\$9,310	4	100	\$5,039
53	Cows	\$1,100.00	6.5%	\$58,300	\$22,154	8	100	\$7,377
94	Total AUYs							
	- Cull / C / C		Subtotal	\$49,500				\$7,813
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
245	Cows	\$1,100	6.5%	\$269,500	\$102,410	S		\$13,814
37	Replacement Heifers	\$1,000	6.5%	\$36,750	\$13,965			\$1,884
273	Total AUYs							
			Subtotal	\$306,250	\$116,375			\$15,698
			Tota	\$3,647,000				\$40,894

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to

production assets for New Mexico.

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

CENTRAL REGION LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	245 15%	COW to BULL	20	CALF CROP PERCEN1 ¹ REPLACEMENT HEIFERS KEPT	84
		VALUE OF PROD	DUCTION			VALUE PER CO
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	TALOL I LIL OU
STEER CALVES		103	515	\$1.01	\$53,523	\$218.46
HEIFER CALVES		66	495	\$0.96	\$31,434	\$128.30
CULL COWS		37	900	\$0.44	\$14,553	\$59.40
CULL BULLS		1	1200	\$0.49	\$588	\$2.40
Т	OTAL	207			\$100,099	\$408.57
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER CO
н	AY	TON	52.00	\$140	\$7,280	\$29.71
S	STATE	AUY	20.0%	\$25.08	\$0	\$0.00
	EDERAL LEASE	AUY	40.0%	\$16.20	\$3,969	\$16.20
	RIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00
	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	GALT & MINERAL	TON	6.00	\$230	\$1,380	\$5.63
	PROTEIN SUPP	TON	19.00 0.00	\$350 \$0	\$6,650 <u>\$0</u>	\$27.14 \$0.00
	OTAL				\$19,279	\$78.69
	UTAL				\$13,213	<i>\$</i> 70.09
OTHER VARIABLE COSTS					COST	
	ET AND MEDICINE				\$3,063	\$12.50
	IVESTOCK HAULING				\$1,086	\$4.43
	IRED LABOR				\$0	\$0.00
	PERATING COSTS-EQUIP &				\$1,600	\$6.53
	PERATING COSTS-VEHICLE				\$2,075	\$8.47
	RANCH MAINTENANCE		10000		\$2,700	\$11.02
	BEEF CHECKOFF				\$169	\$0.69
					The second s	\$14.29
P T 3. INTEREST ON VARIABLE COST	PURCHASED LIVESTOCK	MONTHS BORR	OWED		<u>\$3,500</u> \$14,192	<u>\$14.29</u> \$57.93
P T 3. INTEREST ON VARIABLE COST S X A	PURCHASED LIVESTOCK TOTAL S	тн	OWED	(\$3,500	\$57.93
P T 3. INTEREST ON VARIABLE COST S X A	PURCHASED LIVESTOCK TOTAL SUM OF VARIABLE COSTS X (INTEREST RATE PER MON WNUAL INTEREST RATE	тн	OWED		\$3,500 \$14,192 7.5% 6	\$57.93 VALUE PER CO
P T 8. INTEREST ON VARIABLE COST S X A	PURCHASED LIVESTOCK TOTAL SUM OF VARIABLE COSTS X (INTEREST RATE PER MON WNUAL INTEREST RATE	тн	OWED		\$3,500 \$14,192 7.5% 6 \$1,255	\$57.93 VALUE PER CO \$5.12
P T I. INTEREST ON VARIABLE COST S X A N	PURCHASED LIVESTOCK TOTAL SUM OF VARIABLE COSTS X (INTEREST RATE PER MON WNUAL INTEREST RATE	тн	OWED		\$3,500 \$14,192 7.5% 6	\$57.93 VALUE PER CO
P T S. INTEREST ON VARIABLE COST S X A N N DWNERSHIP COSTS	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORRI TOTAL	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83
P T 3. INTEREST ON VARIABLE COST S X A N N DWNERSHIP COSTS A	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT NUNUAL INTEREST RATE NUMBER OF MONTHS BORRI	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83
P T 3. INTEREST ON VARIABLE COST: S X A N N DWNERSHIP COSTS A	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORRI TOTAL	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83
P T S. INTEREST ON VARIABLE COST: S X A N DWNERSHIP COSTS A CASH COSTS	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORRI TOTAL	TH OWED			\$3.500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO
P T 3. INTEREST ON VARIABLE COST S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORRI TOTAL	TH OWED			\$3.500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20
P T B. INTEREST ON VARIABLE COST S X A N DWNERSHIP COSTS Taxes & Insurance Overhead Total	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORRI TOTAL	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$4.98 \$55.18
P T 3. INTEREST ON VARIABLE COST S X A N DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORRI TOTAL	TH OWED			\$3,500 \$14,192 7,5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89
P T C. INTEREST ON VARIABLE COST: S X A N DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORRI TOTAL	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90
P T NITEREST ON VARIABLE COST S X A A N DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INTURLAINTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH OWED			\$3.500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195	\$57.93 VALUE PER CC \$5.12 \$141.74 \$266.83 VALUE PER CC \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94
P T B. INTEREST ON VARIABLE COST S X A N N DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONY INNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94 \$64.07
P T NITEREST ON VARIABLE COST S X A N N N N N N N N N N N N N N N N N N	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONY INNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698 \$6,006	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51
P T S. INTEREST ON VARIABLE COST S X A N N N N N N N N N N N N N N N N N N	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONY INNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698 \$6,006 \$54,713	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51 \$223.32
P T S. INTEREST ON VARIABLE COST S X A A DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation La Total TOTAL FIXED COSTS	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED			\$3,500 \$14,192 7,5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698 \$50,06 \$54,713 \$66,232	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51 \$223.32 \$278.50
P T S. INTEREST ON VARIABLE COST S X A A DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation La Total TOTAL FIXED COSTS	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698 \$6,006 \$54,713	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51 \$223.32
P T S. INTEREST ON VARIABLE COST S X A DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' INNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED			\$3,500 \$14,192 7,5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698 \$50,06 \$54,713 \$66,232	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51 \$223.32 \$278.50
P T S. INTEREST ON VARIABLE COST S X A A DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' NNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698 \$50,06 \$54,713 \$66,232 \$48,246	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51 \$223.32 \$278.50 \$196.92
P T S. INTEREST ON VARIABLE COST S S X A N COMMERSHIP COSTS CASH COSTS CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL COSTS RETURN ABOVE TOTAL CASH CO:	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' NNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,001 \$14,195 \$15,698 \$60,006 \$54,713 \$66,232 \$48,246 \$102,959	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$46.20 \$48.98 \$55.18 \$31.89 \$44.90 \$57.94 \$44.90 \$57.94 \$44.07 \$24.51 \$223.32 \$278.50 \$196.92 \$420.24
P T 3. INTEREST ON VARIABLE COST S X A A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation La TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL COSTS RETURN ABOVE TOTAL CASH CO	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' NNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED Replacement Va	slue):		\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,011 \$14,195 \$15,698 \$60,006 \$54,713 \$68,232 \$48,246 \$102,959 \$51,853	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$55.94 \$64.07 \$24.51 \$223.32 \$278.50 \$196.92 \$420.24 \$211.64
P T S. INTEREST ON VARIABLE COST S S X A N COMMERSHIP COSTS CASH COSTS CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL COSTS RETURN ABOVE TOTAL CASH CO:	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' NNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED			\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,011 \$14,195 \$15,698 \$60,006 \$54,713 \$68,232 \$48,246 \$102,959 \$51,853	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$55.98 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51 \$223.32 \$278.50 \$196.92 \$420.24 \$211.64
A S. INTEREST ON VARIABLE COST S. A A A N OWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Liveston Management & Operation La Total TOTAL FIXED COSTS TOTAL COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	PURCHASED LIVESTOCK TOTAL S SUM OF VARIABLE COSTS X (INTEREST RATE PER MON' NNUAL INTEREST RATE IUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At ck ⁶ lobor (6% of gross returns)	TH OWED Replacement Va	alue):		\$3,500 \$14,192 7.5% 6 \$1,255 \$34,726 \$65,372 Represents 65% Asset Ownership ⁵ \$11,320 \$2,200 \$13,520 \$7,813 \$11,011 \$14,195 \$15,698 \$60,006 \$54,713 \$68,232 \$48,246 \$102,959 \$51,853	\$57.93 VALUE PER CO \$5.12 \$141.74 \$266.83 VALUE PER CO \$46.20 \$8.98 \$55.18 \$31.89 \$44.90 \$55.98 \$31.89 \$44.90 \$57.94 \$64.07 \$24.51 \$223.32 \$278.50 \$196.92 \$420.24 \$211.64

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 2001 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.

NORTHEAST REGION MEDIUM RANCH INVESTMENTS 2001

Number	Land Values	Price Per Unit	10 Yr Avg Rate of Return	Purchase Price	Salvage/Cull Value	Useful Life	Livestock Share	Annual Capital Recovery
7000	Acres of private land	\$85	3.9%	\$595,000	\$595,000			
200	AU Values ¹	\$2,500	3.9%	\$500,000	\$500,000			
			Subtotal	\$1,095,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
6	Wells	\$12,000	3.9%	\$72,000	\$7,200	25	100	\$4,385
50	Miles of Fence	\$4,000	3.9%	\$200,000	\$20,000	25	100	\$12,181
1	Corrals/Working Facilities	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
1	Barns & Shop	\$18,000	3.9%	\$18,000	\$1,800	30	100	\$996
			Subtotal	\$322,000				\$19,443
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	1 ton pickup 4WD	\$32,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$6,500	7.5%	\$6,500	\$1,300	7	100	\$1,079
1	Horse tack	\$3,500	7.5%	\$3,500	\$700	10	100	\$460
1	Misc. equipment	\$5,000	7.5%	\$5,000	\$1,000	10	100	\$658
			Subtotal	\$45,000				\$4,688
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
6	Horses	\$2,500	6.5%	\$15,000	\$5,700	10	100	\$1,664
7	Bulls	\$2,000	6.5%	\$14,000	\$5,320	4	100	\$2,880
40	Cows	\$1,100.00	6.5%	\$44,000	\$16,720	8	100	\$5,567
66	Total AUYs							
	Total Ad 15		Subtotal	\$29,000				\$4,544
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
140	Cows	\$1,100	6.5%	\$154,000	\$58,520			\$7,894
21	Replacement Heifers	\$1,000	6.5%	\$21,000	\$7,980			\$1,076
156	Total AUYs		Subtotal	\$175,000	\$66,500			\$8,970
			Total	\$1,666,000	_			\$33,101

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.

NORTHEAST REGION MEDIUM COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	140 15%	COW to BULL	20	CALF CROP PERCEN I ¹ REPLACEMENT HEIFERS KEPT	83
		VALUE OF PRO	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	TALUE FER COM
STEER CALVES		58	550	\$1.06	\$33,872	\$241.95
HEIFER CALVES		37	515	\$1.01	\$19,298	\$137.84
CULL COWS		37	900	\$0.49	\$16,317	\$116.55
CULL BULLS		1	1200	\$0.54	\$648	<u>\$4.63</u>
	TOTAL	133			\$70,135	\$500.96
ARIABLE COSTS						
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW
	HAY	TON	24.00	\$140	\$3,360	\$24.00
	BLM	AUY	0.0%	\$16.20	SO	\$0.00
	STATE	AUY	17.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	30.0%	\$16.20	\$2,268	\$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	\$230	\$690	\$4.93
	PROTEIN SUPP	TON	10.00	\$350	\$3,500	\$25.00
	OTHER		0.00	<u>\$0</u>	<u>\$0</u>	\$0.00
	TOTAL				\$9,818	\$70.13
					500 M M	
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$1,750	\$12.50
	LIVESTOCK HAULING				\$666	\$4.76
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP 8				\$1,350	\$9.64
	OPERATING COSTS-VEHICLI	E			\$3,000	\$21.43
	RANCH MAINTENANCE BEEF CHECKOFF		100		\$2,100	\$15.00
	REFE CHECKOFF				595	\$0.68
			510	Contraction of the local distance	and the second se	
	PURCHASED LIVESTOCK				\$2,500	\$17.86
					and the second se	
3. INTEREST ON VARIABLE COS	PURCHASED LIVESTOCK		30		\$2,500	<u>\$17.86</u>
3. INTEREST ON VARIABLE COS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X		OWED		\$2,500	<u>\$17.86</u>
3. INTEREST ON VARIABLE COS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON		OWED		\$2,500 \$11,461	<u>\$17.86</u>
3. INTEREST ON VARIABLE COS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	пн	OWED		<u>\$2,500</u> \$11,461 7.5%	<u>\$17.86</u> \$81.87
3. INTEREST ON VARIABLE COS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON	пн	OWED		\$2,500 \$11,461	\$17.86 \$81.87 VALUE PER COV
3. INTEREST ON VARIABLE COS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	пн	OWED		<u>\$2,500</u> \$11,461 7.5%	<u>\$17.86</u> \$81.87
3. INTEREST ON VARIABLE COS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	пн	OWED		\$2,500 \$11,461 7.5% 6 \$798 \$22,077	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69
	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	пн	OWED		\$2,500 \$11,461 7.5% 6 \$798	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70
	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27
DWNERSHIP COSTS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV
DWNERSHIP COSTS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV
DWNERSHIP COSTS CASH COSTS Taxes & Insurance	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV \$33.49
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV \$33.49 \$15.00
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV \$33.49
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV \$33.49 \$15.00 \$48.49
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688	\$17.86 \$81.87 VALUE PER COM HIGH \$5.70 \$157.69 \$343.27 VALUE PER COM VALUE PER COM \$33.49 \$15.00 \$48.49 \$32.45 \$33.49
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives!	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$64.07
DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$54.07 \$30.06
DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I Total	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$84.07 \$30.06 \$298.95
DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I Total	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At stock Labor (6% of gross returns)	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$4,688 \$19,443 \$4,288 \$41,853 \$48,641	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV \$33.49 \$15.00 \$48.49 \$138.88 \$64.07 \$30.06 \$298.95 \$347.44
DWNERSHIP 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	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At stock Labor (6% of gross returns)	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853 \$48,641 \$28,865	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV \$33.49 \$15.00 \$48.49 \$15.00 \$48.49 \$138.88 \$64.07 \$30.06 \$298.95 \$347.44 \$206.18
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	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853 \$48,641 \$28,865 \$70,718	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV \$33.49 \$15.00 \$48.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$54.07 \$30.06 \$298.95 \$347.44 \$206.18 \$505.13
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	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns) OSTS	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853 \$48,641 \$28,865 \$70,718 \$41,270	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$64.07 \$30.06 \$298.95 \$347.44 \$206.18 \$505.13 \$294.78
OWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesi Management & Operation I Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns) OSTS	ith Rowed			\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853 \$48,641 \$28,865 \$70,718	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV \$33.49 \$15.00 \$48.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$54.07 \$30.06 \$298.95 \$347.44 \$206.18 \$505.13
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation I	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns) OSTS	ITH COWED	Ilue):		\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853 \$48,641 \$28,865 \$70,718 \$41,270	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$64.07 \$30.06 \$298.95 \$347.44 \$206.18 \$505.13 \$294.78
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 CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C RETURN ABOVE TOTAL CASH C	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At annual Capital Recovery ⁴ (At book Labor (6% of gross returns) OSTS	ITH COWED Replacement Vi VARIABLE COSTS	Nue): TOTAL COSTS		\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853 \$48,641 \$28,865 \$70,718 \$41,270	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$64.07 \$30.06 \$298.95 \$347.44 \$206.18 \$505.13 \$294.78
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 CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C RETURN ABOVE TOTAL CASH C	PURCHASED LIVESTOCK TOTAL STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns) OSTS	ITH COWED Replacement Vi VARIABLE COSTS	Ilue):		\$2,500 \$11,461 7.5% 6 \$798 \$22,077 \$48,058 Represents 65% Asset Ownership TOTAL \$4,688 \$2,100 \$6,788 \$4,544 \$4,688 \$19,443 \$8,970 \$4,208 \$41,853 \$48,641 \$28,865 \$70,718 \$41,270	\$17.86 \$81.87 VALUE PER COV HIGH \$5.70 \$157.69 \$343.27 VALUE PER COV VALUE PER COV VALUE PER COV \$33.49 \$15.00 \$48.49 \$32.45 \$33.49 \$138.88 \$64.07 \$30.06 \$298.95 \$347.44 \$206.18 \$505.13 \$294.78

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.

NORTHEAST REGION LARGE RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	Annual Capital
	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
12000	Acres of private land	\$85	3.9%	\$1,020,000	\$1,020,000			
350	AU Values ¹	\$2,500	3.9%	\$875,000	\$875,000			
			Subtotal	\$1,895,000				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$2,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
8	Wells	\$12,000	3.9%	\$96,000	\$9,600	25	100	\$5,847
70	Miles of Fence	\$4,000	3.9%	\$280,000	\$28,000	25	100	\$17,053
1	Corrals/Working Facilities	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
1	Barns & Shop	\$18,000	3.9%	\$18,000	\$1,800	30	100	\$996
			Subtotal	\$430,000				\$26,021
lumber	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
1	1ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$6,500	7.5%	\$13,000	\$2,600	7	100	\$2,159
1	Horse tack	\$5,000	7.5%	\$5,000	\$1,000	10	100	\$658
1	Misc. equipment	\$6,000	7.5%	\$6,000	\$1,200	10	100	\$789
			Subtotal	\$86,000				\$8,753
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
9	Horses	\$2,500	6.5%	\$22,500	\$8,550	10	100	\$2,496
12	Bulls	\$2,000	6.5%	\$24,500	\$9,310	4	100	\$5,039
70	Cows	\$1,100.00	6.5%	\$77,000	\$29,260	8	100	\$9,743
114	Total AUYs					CO. M. CO. CO. CO. CO. CO. CO. CO. CO. CO. CO		
			Subtotal	\$47,000				\$7,535
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull	1.1.1.1.2		Interest on Investmen
245	Cows	\$1,100	6.5%	\$269,500	\$102,410		1. 1. 1.	\$13,814
37	Replacement Heifers	\$1,000	6.5%	\$36,750	\$13,965			\$1,884
273	Total AUYs		Subtotal	\$306,250	\$116,375			\$15,698
				\$2,764,250				\$50,471

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

NORTHEAST REGION LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	245 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	84 36.7
		VALUE OF PROD	OUCTION			
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	VALUE PER COV
STEER CALVES		103	550	\$1.06	\$59,991	\$244.86
HEIFER CALVES		66	515	\$1.01	\$34,408	\$140.44
CULL COWS		<u>60</u>	<u>1000</u>	<u>\$0.49</u>	\$29,400	\$120.00
CULL BULLS		1	<u>1400</u>	<u>\$0.54</u>	<u>\$756</u>	\$3.09
тс	TAL	230			\$124,555	\$508.39
ARIABLE COSTS						
FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
н/	AY .	TON	34.00	\$140	\$4,760	\$19.43
ST	ATE	AUY	20.0%	\$25.08	\$0	\$0.00
FE	DERAL LEASE	AUY	40.0%	\$16.20	\$3,969	\$16.20
PF	RIVATE(Owned)	AUY	40.0%	\$0.00	\$0	\$0.00
	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	ALT & MINERAL	TON	4.00	\$230	\$920	\$3.76
	ROTEIN SUPP	TON	18.00 0.00	\$350 \$0	\$6,300 <u>\$0</u>	\$25.71 <u>\$0.00</u>
			0.00			
IC.	DTAL				\$15,949	\$65.10
OTHER VARIABLE COSTS					COST	
	T AND MEDICINE				\$3,063	\$12.50
	VESTOCK HAULING				\$1,208	\$4.93
	RED LABOR				\$3,000	\$12.24
	PERATING COSTS-EQUIP 8 PERATING COSTS-VEHICLE				\$2,200	\$8.98
	ANCH MAINTENANCE	-			\$2,900 \$2,450	\$11.84 \$10.00
	EEF CHECKOFF				\$169	\$0.69
	JRCHASED LIVESTOCK				\$2,750	\$11.22
	DTAL				\$17,739	\$72.41
A	INTEREST RATE PER MON NNUAL INTEREST RATE JMBER OF MONTHS BORR				7.5% 6	VALUE PER COV
INTEREST COSTS					\$1,263	\$5.16
TOTAL VARIABLE COSTS					\$34,952	\$142.66
RETURN ABOVE VARIABLE COSTS	3				\$89,603	\$365.73
OWNERSHIP COSTS						
Ar CASH COSTS	nnual Capital Recovery ⁴ (At	Replacement Va	lue):		Represents 65% Asset Ownership TOTAL	VALUE PER CO
Taxes & Insurance					\$8,753	\$35.73
Overhead					\$2,100	\$8.57
Total					\$10,853	\$44.30
NON CASH COSTS						
Purchased Livestock					\$7,535	\$30.76
Machinery & Equipment					\$8,753	\$35.73
Housing & Improvements					\$26,021	\$106.21
Interest on Retained Liveston					\$15,698	\$64.07
Management & Operation La	bor (6% of gross returns)				\$7,473	\$30.50
OTAL NON CASH COSTS					\$65,480	\$267.26
OTAL FIXED COSTS					\$76,333	\$311.56
TOTAL CASH AND VARIABLE COS	18				\$45,804	\$186.96
TOTAL COSTS	TO				\$111,284	\$454.22
RETURN ABOVE TOTAL CASH COS	515				\$78,750 \$13,270	\$321.43
RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS					\$13,270	\$54.16
	그는 그는 것은 것이 안 없는 것이 없다.	VARIABLE	TOTAL			
		COSTS	COSTS			
	PRICES CASH COST (cwt) RICES TOTAL COSTS(cwt)	COSTS \$31.89				

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.

NORTHEAST REGION EXTRA-LARGE RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
15000	Acres of private land	\$85	3.9%	\$1,275,000	\$1,275,000			
500	AU Values ¹	\$2,500	3.9%	\$1,250,000	\$1,250,000			
			Subtotal	\$2,525,000				
Number	Buildings, Improvements	Price Per Unit						
16	Miles of pipeline	\$2,000	3.9%	\$32,000	\$3,200	25	100	\$1,949
10	Wells	\$12,000	3.9%	\$120,000	\$12,000	25	100	\$7,308
95	Miles of Fence	\$4,000	3.9%	\$380,000	\$38,000	25	100	\$23,143
2	Corrals/Working Facilities	\$12,000	3.9%	\$24,000	\$2,400	30	100	\$1,328
1	Barns & Shop	\$18,000	3.9%	\$18,000	\$1,800	30	100	\$996
			Subtotal	\$574,000				\$34,724
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	3/4 ton pickup 4WD	\$30,000	7.5%	\$60,000	\$12,000	7	50	\$4,981
1	1 ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
3	Gooseneck trailer	\$6,500	7.5%	\$19,500	\$3,900	7	100	\$3,238
1	Horse tack	\$6,000	7.5%	\$6,000	\$1,200	10	100	\$789
1	Misc. equipment	\$7,000	7.5%	\$7,000	\$1,400	10	100	\$921
			Subtotal	\$129,500				\$13,416
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		and the second	
13	Horses	\$2,500	6.5%	\$32,500	\$12,350	10	100	\$3,606
19	Bulls	\$2,000	6.5%	\$38,500	\$14,630	4	100	\$7,919
90	Cows	\$1,100.00	6.5%	\$99,000	\$37,620	8	100	\$12,526
153	Total AUYs					CONTRACTOR AND A		
			Subtotal	\$71,000				\$11,524
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
385	Cows	\$1,100	6.5%	\$423,500	\$160,930			\$21,707
58	Replacement Heifers	\$1,000	6.5%	\$57,750	\$21,945			\$2,960
428	Total AUYs							
			Subtotal	\$481,250	\$182,875			\$24,668
			Total	\$3,780,750				\$72,807

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.

NORTHEAST REGION EX-LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	385 15%	COW to BULL	20	CALF CROP PERCENT ¹ REPLACEMENT HEIFERS KEPT	84 57.7
	VA	ALUE OF PRO	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COV
STEER CALVES		162	550	\$1.06	\$94,271	\$244.86
EIFER CALVES		104	515	\$1.01	\$54,070	\$140.44
CULL COWS		80	1000	\$0.49	\$39,200	\$101.82
CULL BULLS		1	1200	\$0.54	\$648	<u>\$1.68</u>
	TOTAL	347			\$188,189	\$488.80
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
	HAY	TON	51.00	\$140	\$7,140	\$18.55
	STATE	AUY	30.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	7.0%	\$16.20	\$6,237	\$16.20
	PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	7.00	\$230	\$1,610	\$4.18
	PROTEIN SUPP	TON	18.00	\$350	\$6,300	\$16.36
	OTHER		0.00	\$0	<u>\$0</u>	<u>\$0.00</u>
	TOTAL				\$21,287	\$55.29
					COST	
OTHER VARIABLE COSTS	VET AND MEDICINE				COST 64 912	\$12.50
	VET AND MEDICINE LIVESTOCK HAULING				\$4,813 \$1,820	\$12.50 \$4.73
	HIRED LABOR					\$4.73
	OPERATING COSTS-EQUIP & N	ACH			\$8,000 \$3,500	\$9.09
	OPERATING COSTS-EQUIP & M	ACH			\$4,000	\$10.39
	RANCH MAINTENANCE				\$3,350	\$8.70
	BEEF CHECKOFF		Lange of the second sec		\$266	\$0.69
	LIVESTOCK PURCHASES		10000		\$5,000	\$12.99
B. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS	IONTUS BODI	DOWED		the result of a contract of the second state of the factor of the second state of the	
3. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	4	ROWED		<u>\$5.000</u> \$30,748 7.5%	<u>\$12.99</u> \$79.87
INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH	4	ROWED		\$5.000 \$30,748	<u>\$12.99</u> \$79.87
. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	4	ROWED		\$5,000 \$30,748 7.5% 6 \$1,951	\$12.99 \$79.87 VALUE PER COV \$5.07
. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO	4	ROWED		\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986	\$12.99 \$79.87 VALUE PER COV \$5.07 \$140.22
. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	4	ROWED		\$5,000 \$30,748 7.5% 6 \$1,951	\$12.99 \$79.87 VALUE PER COV \$5.07
. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58
. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,966 \$134,202 Represents 65% Asset Ownership ⁵	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO
. INTEREST ON VARIABLE CO	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H WED			\$5,000 \$30,748 7,5% 6 \$1,951 \$53,986 \$134,202	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58
. INTEREST ON VARIABLE CO WWNERSHIP COSTS CASH COSTS Taxes & Insurance	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416	\$12.99 \$79.87 VALUE PER COU \$5.07 \$140.22 \$348.58 VALUE PER COU \$34.85
NITEREST ON VARIABLE CO WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45
. INTEREST ON VARIABLE CO WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H WED			\$5,000 \$30,748 7,5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30
. INTEREST ON VARIABLE CO WINERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45
. INTEREST ON VARIABLE CO WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93
. INTEREST ON VARIABLE CO WWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$34,724	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93 \$34.85
. INTEREST ON VARIABLE CO WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,996 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$90.19
NITEREST ON VARIABLE CO WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROU TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$24,668	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$34.85 \$30.19 \$64.07
NITEREST ON VARIABLE CO WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation Total	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$34,724 \$2,4,688 \$8,052	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$90.19 \$64.07 \$20.91
. INTEREST ON VARIABLE CO WINERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation Total	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO TOTAL TOTAL Annual Capital Recovery ⁴ (At R stock ⁶ Labor (6% of gross returns)	H WED			\$5,000 \$30,748 7,5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$34,724 \$24,668 \$8,052 \$92,384	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$90.19 \$64.07 \$20.91 \$239.96
NITEREST ON VARIABLE CO WINERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation Total	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO TOTAL TOTAL Annual Capital Recovery ⁴ (At R stock ⁶ Labor (6% of gross returns)	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$134,202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$34,724 \$13,416 \$34,724 \$13,416 \$34,724 \$13,416 \$34,724 \$13,416 \$34,724 \$13,416 \$34,724 \$13,416 \$34,724 \$13,416 \$34,724 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$11,524 \$13,416 \$13,416 \$13,416 \$13,416 \$13,966 \$13,416 \$13,900 \$15,500\$\$15,500	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$90.19 \$64.07 \$20.91 \$239.96 \$280.26
NITEREST ON VARIABLE CO WNERSHIP COSTS CASH COSTS Taxes & insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation Total Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE C TOTAL COSTS	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO TOTAL TOTAL Annual Capital Recovery ⁴ (At R stock ⁶ Labor (6% of gross returns)	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$13,4202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$34,724 \$24,668 \$8,052 \$92,384 \$107,900 \$69,502	\$12.99 \$79.87 VALUE PER CO \$5.07 \$140.22 \$348.58 VALUE PER CO \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$90.19 \$40.70 \$20.91 \$239.96 \$280.26 \$180.53
8. INTEREST ON VARIABLE CO DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE C TOTAL CASH AND VARIABLE C	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO TOTAL TOTAL Annual Capital Recovery ⁴ (At R stock ⁶ Labor (6% of gross returns)	H WED			\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$13,4202 Represents 65% Asset Ownership ⁵ \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$24,688 \$8,052 \$92,384 \$107,900 \$69,502 \$161,886	\$12.99 \$79.87 VALUE PER COU \$5.07 \$140.22 \$348.58 VALUE PER COU \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$40.30 \$29.93 \$34.85 \$9.019 \$64.07 \$20.91 \$239.96 \$280.26 \$180.53 \$420.48
8. INTEREST ON VARIABLE CO DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE C TOTAL COSTS RETURN ABOVE TOTAL CASH (LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO TOTAL TOTAL Annual Capital Recovery ⁴ (At R stock ⁶ Labor (6% of gross returns)	H WED	alue):		\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$2,100 \$15,516 \$11,524 \$3,416 \$2,100 \$15,516 \$11,524 \$3,416 \$34,724 \$24,668 \$8,052 \$92,384 \$107,900 \$69,502 \$161,886 \$118,686	\$12.99 \$79.87 VALUE PER COU \$5.07 \$140.22 \$348.58 VALUE PER COU \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$40.30 \$29.93 \$34.85 \$40.30 \$29.93 \$34.85 \$40.49 \$20.91 \$239.96 \$280.26 \$180.53 \$420.48 \$308.28
3. INTEREST ON VARIABLE CO DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO TOTAL TOTAL Annual Capital Recovery ⁴ (At R stock ⁶ Labor (6% of gross returns)	teplacement V	alue):		\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$2,100 \$15,516 \$11,524 \$3,416 \$2,100 \$15,516 \$11,524 \$3,416 \$34,724 \$24,668 \$8,052 \$92,384 \$107,900 \$69,502 \$161,886 \$118,686	\$12.99 \$79.87 VALUE PER COV \$5.07 \$140.22 \$348.58 VALUE PER COV \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$50.19 \$20.91 \$239.96 \$220.91 \$229.93 \$34.85 \$30.28
8. INTEREST ON VARIABLE COM DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Lives Management & Operation Total TOTAL FIXED COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH (RETURN ABOVE TOTAL CASH (RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	LIVESTOCK PURCHASES TOTAL STS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROO TOTAL TOTAL Annual Capital Recovery ⁴ (At R stock ⁶ Labor (6% of gross returns)	H WED	alue):		\$5,000 \$30,748 7.5% 6 \$1,951 \$53,986 \$13,416 \$2,100 \$15,516 \$11,524 \$13,416 \$2,100 \$15,516 \$11,524 \$3,416 \$2,100 \$15,516 \$11,524 \$3,416 \$34,724 \$24,668 \$8,052 \$92,384 \$107,900 \$69,502 \$161,886 \$118,686	\$12.99 \$79.87 VALUE PER COU \$5.07 \$140.22 \$348.58 VALUE PER COU \$34.85 \$5.45 \$40.30 \$29.93 \$34.85 \$40.30 \$29.93 \$34.85 \$40.30 \$29.93 \$34.85 \$40.49 \$20.91 \$239.96 \$280.26 \$180.53 \$420.48 \$308.28

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 2001 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.

NORTHWEST REGION MEDIUM RANCH INVESTMENTS 2001

		D.1	10 Yr Avg	Purchase	Salvage/Cull		Livestock	
	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
4000	Acres of private land	\$80	3.9%	\$320,000	\$320,000			
200	AU Values ¹	\$2,400	3.9%	\$480,000	\$480,000			
			Subtotal	\$800,000				
Number	Buildings, Improvements	Price Per Unit						
10	Miles of pipeline	\$2,000	3.9%	\$20,000	\$2,000	25	100	\$1,218
3	Wells	\$11,000	3.9%	\$33,000	\$3,300	25	100	\$2,010
40	Miles of Fence	\$4,000	3.9%	\$160,000	\$16,000	25	100	\$9,745
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Subtotal	\$238,000				\$14,355
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	3/4 ton pickup 4WD	\$32,000	7.5%	\$0	\$0	7	50	\$0
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
1	Gooseneck trailer	\$6,500	7.5%	\$6,500	\$1,300	7	100	\$1,079
1	Horse tack	\$4,000	7.5%	\$4,000	\$800	10	100	\$526
1	Misc. equipment	\$4,500	7.5%	\$4,500	\$900	10	100	\$592
			Subtotal	\$50,000				\$5,518
Head	Purchased Livestock	Price Per Unit	Interest Rate ⁴	Price	Salvage/Cull			
8	Horses	\$2,500	6.5%	\$20,000	\$7,600	10	100	\$2,219
7	Bulls	\$2,000	6.5%	\$14,000	\$5,320	4	100	\$2,880
40	Cows	\$1,100.00	6.5%	\$44,000	\$16,720	8	100	\$5,567
69	Total AUYs					For the contents		8
			Subtotal	\$34,000				\$5,098
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
140	Cows	\$1,100	6.5%	\$154,000	\$58,520			\$7,894
21	Replacement Heifers	\$1,000	6.5%	\$21,000	\$7,980			\$1,076
156	Total AUYs		Cubtotal	\$47E 000	¢66 500			\$9.070
			Subtotal	\$175,000	\$66,500			\$8,970
			Total	\$1,297,000	=			\$28,844

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.

NORTHWEST REGION MEDIUM COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	140 15%	COW to BULL	20	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	82 2
	١	ALUE OF PRO	DUCTION			
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	VALUE PER COW
STEER CALVES		57	510	\$1.01	\$29.567	\$211.19
HEIFER CALVES		36	485	\$0.96	\$16,948	\$121.06
CULL COWS		57	900	\$0.44	\$22,572	\$161.23
CULL BULLS		<u>1</u> 152	1200	\$0.49	<u>\$588</u>	<u>\$4.20</u>
TC	TAL	152			\$69,675	\$497.68
VARIABLE COSTS						
						VALUE PER COW
1. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	
HA		TON	35.00	\$140.00	\$4,900	\$35.00
	ATE DERAL LEASE	AUY AUY	45.0% 35.0%	\$25.08	\$0	\$0.00
	RIVATE(Owned)	AUY	20.0%	\$16.20	\$2,268	\$16.20
	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00 \$0.00	\$0 \$0	\$0.00 \$0.00
	LT & MINERAL	TON	2.50	\$230.00	\$0 \$575	\$0.00 \$4.11
	ROTEIN SUPP	TON	11.00	\$350.00	\$3,850	\$27.50
	HER	1014	0.00	\$0.00	\$3,000 \$0	\$0.00
тс	TAL				—	\$82.81
					\$11,593	\$62.61
2. OTHER VARIABLE COSTS					COST	
VE	T AND MEDICINE				\$1,750	\$12.50
LIV	ESTOCK HAULING				\$797	\$5.69
HI	RED LABOR				\$1,500	\$10.71
	PERATING COSTS-EQUIP &				\$2,500	\$17.86
	PERATING COSTS-VEHICLE				\$3,100	\$22.14
	NCH MAINTENANCE				\$2,200	\$15.71
	EF CHECKOFF				\$94	\$0.67
01	THER				<u>\$3,000</u>	<u>\$21.43</u>
TC	TAL				\$14,941	\$106.72
3. INTEREST ON VARIABLE COSTS						
	IM OF VARIABLE COSTS X	MONTHS BORE	ROWED			
	NTEREST RATE PER MONT					
	NUAL INTEREST RATE				7.5%	
	MBER OF MONTHS BORRO	OWED			6	VALUE PER COW
					•••••	HIGH
					\$995	\$7.11
TC	DTAL				\$27,529	\$196.63
					\$42,146	\$301.04
OWNERSHIP COSTS	4.4.1				5	
CASH COSTS	nual Capital Recovery⁴ (At I	Replacement V	alue):		Represents 65% Asset Ownership ⁵	VALUE PER COV
Taxes & Insurance					\$5,518	\$39.42
Overhead					\$2,100	\$15.00
Total					\$7,618	\$54.42
NON CASH COSTS						
Purchased Livestock					\$5,098	\$36.42
Machinery & Equipment					\$5,518	\$39.42
Housing & Improvements					\$14,355	\$102.54
Interest on Retained Livestock	6				\$8,970	\$64.07
Management & Operation Labo					\$4,180	\$29.86
Total					\$38,122	\$272.30
TOTAL FIXED COSTS					\$45,741	\$326.72
TOTAL CASH AND VARIABLE COST	S				\$35,147	\$251.05
TOTAL COSTS					\$73,269	\$523.35
RETURN ABOVE TOTAL CASH COST	rs				\$34,528	\$246.63
RETURN ABOVE TOTAL COSTS					(\$3,595)	(\$25.68)
BREAKEVEN CALCULATIONS	г	VARIABLE	TOTAL			
	1	COSTS	COSTS			
REQUIRED AVG. CALF	PRICES CASH COST (cwt)					
	PRICES CASH COST (cwt) RICES TOTAL COSTS(cwt)	\$48.20 \$48.20	\$61.54 \$128.29			

Calf crop is defined as the actual number of calves sold divided, by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 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.

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

NORTHWEST REGION LARGE RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	Annual Capital
Number		Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
6000	Acres of private land	\$80	3.9%	\$480,000	\$480,000			
350	AU Values ¹	\$2,400	3.9%	\$840,000	\$840,000			
			Subtotal	\$1,320,000				
Number	Buildings, Improvements	Price Per Unit	and the second				1.6	
13	Miles of pipeline	\$2,000	3.9%	\$26,000	\$2,600	25	100	\$1,583
5	Wells	\$11,000	3.9%	\$55,000	\$5,500	25	100	\$3,350
65	Miles of Fence	\$4,000	3.9%	\$260,000	\$26,000	25	100	\$15,835
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Subtotal	\$366,000				\$22,151
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull	1000		
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	3/4 ton pickup 4WD	\$32,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$6,500	7.5%	\$13,000	\$2,600	7	100	\$2,159
1	Horse tack	\$5,000	7.5%	\$5,000	\$1,000	10	100	\$658
1	Misc. equipment	\$6,000	7.5%	\$6,000	\$1,200	10	100	\$789
			Subtotal	\$54,000				\$6,096
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull	1	10.00	A Mall. At
10	Horses	\$2,500	6.5%	\$25,000	\$9,500	10	100	\$2,774
12	Bulls	\$2,000	6.5%	\$24,500	\$9,310	4	100	\$5,039
90	Cows	\$1,100.00	6.5%	\$99,000	\$37,620	8	100	\$12,526
140	Total AUYs					Contention Contention	- accurate on order of particular	
			Subtotal	\$49,500				\$7,813
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investmen
245	Cows	\$1,100	6.5%	\$269,500	\$102,410			\$13,814
37	Replacement Heifers	\$1,000	6.5%	\$36,750	\$13,965			\$1,884
273	Total AUYs	CHARLES INC. INC. INC. CONT. CONT.						
			Subtotal	\$306,250	\$116,375			\$15,698
			Total	\$2,095,750				\$43,945

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

NORTHWEST REGION LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	245 15%	COW to BULL	20	CALF CROP PERCEN I ¹ REPLACEMENT HEIFERS KEPT	82
		VALUE OF PROD	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER CON
STEER CALVES		100	510	\$1.01	\$51,742	\$211.19
HEIFER CALVES		64	485	\$0.96	\$29,659	\$121.06
CULL COWS		65	900	\$0.44	\$25,740	\$105.06
CULL BULLS	1	1	1200	\$0.49	\$588	\$2.40
The second se	OTAL	230			\$107,729	\$439.71
ARIABLE COSTS	a na ana ana ana ana ana ana ana ana an		-		Contractions and the second second second second	VALUE PER COW
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	THEOLY EN COM
н	IAY	TON	42.00	\$140.00	\$5,880	\$24.00
	TATE	AUY	45.0%	\$25.08	\$0	\$0.00
	EDERAL LEASE	AUY	35.0%	\$16.20	\$3,969	\$16.20
	RIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00
	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	ALT & MINERAL	TON	4.00	\$230.00	\$920	\$3.76
	ROTEIN SUPP	TON	12.00	\$350.00 \$0.00	\$4,200 <u>\$0</u>	\$17.14 \$0.00
-					\$14,969	\$61.10
					917,000	001.10
OTHER VARIABLE COSTS					COST	
	ET AND MEDICINE				\$3,063	\$12.50
	IVESTOCK HAULING				\$1,208	\$4.93
	IRED LABOR				\$3,000	\$12.24
	PERATING COSTS-EQUIP &				\$3,000	\$12.24
	OPERATING COSTS-VEHICLE CANCH MAINTENANCE				\$4,000 \$2,650	\$16.33 \$10.82
	BEEF CHECKOFF		1000		\$164	\$0.67
	THER		1000			\$14.29
					\$3,500	017.20
	OTAL				\$3,500 \$20,585	\$84.02
TI 3. INTEREST ON VARIABLE COSTS		MONTHS BORR	OWED			C CONTRACTOR D
TI 3. INTEREST ON VARIABLE COSTS S X	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT		OWED		\$20,585	C C ALMAN A
TI 3. INTEREST ON VARIABLE COSTS S X A	S SUM OF VARIABLE COSTS X	гн	OWED			\$84.02
TI 3. INTEREST ON VARIABLE COSTS S X A	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE	гн	OWED		\$20,585 7.5% 6	\$84.02 VALUE PER COV
TI 3. INTEREST ON VARIABLE COSTS S X A N	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE	гн	OWED		\$20,585 7.5%	\$84.02
TI B. INTEREST ON VARIABLE COSTS S X A N T	S JUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORR(гн	OWED		\$20,585 7.5% 6 \$1,333	\$84.02 VALUE PER COV \$5.44
TI INTEREST ON VARIABLE COSTS S X A N TI DWNERSHIP COSTS	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15
TI B. INTEREST ON VARIABLE COSTS S X A N TI DWNERSHIP COSTS A	S JUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORR(rh owed			\$20,585 7.5% 6 \$1,333 \$36,887	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15
TI B. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88
TI B. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57
TI INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88
TI S. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,687 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45
TI B. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89
A INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N N N N N N	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88
TI B. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT NNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$2,2,151	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41
TI 3. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$2,151 \$15,698	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$30.41 \$64.07
TI INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,687 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,698 \$4,250	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41 \$\$4.07 \$17.35
TI INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	S SUM OF VARIABLE COSTS X (INTEREST RATE PER MONT INNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$2,2151 \$15,698 \$4,250 \$56,008	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41 \$64.07 \$17.35 \$228.60
TI 3. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP 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	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,698 \$4,250 \$56,008 \$64,204	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41 \$64.07 \$17.35 \$228.60 \$262.06
TI A. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP 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 COS	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,698 \$4,250 \$56,008 \$64,204 \$45,083	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41 \$4.07 \$17.35 \$228.60 \$262.06 \$184.01
TI 3. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP 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 TOTAL CASH AND VARIABLE COST	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL COTAL Annual Capital Recovery ⁴ (At bor (6% of gross returns) TS	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,698 \$4,250 \$56,008 \$64,204 \$45,083 \$101,091	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41 \$40.7 \$17.35 \$228.60 \$262.06 \$184.01 \$412.62
TI 3. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Lat Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST RETURN ABOVE TOTAL CASH COST	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL COTAL Annual Capital Recovery ⁴ (At bor (6% of gross returns) TS	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,688 \$4,250 \$56,008 \$4,250 \$56,008 \$64,204 \$45,083 \$101,091 \$62,645	\$84.02 VALUE PER COV \$5.44 \$150.56 \$289.15 VALUE PER COV \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41 \$64.07 \$17.35 \$228.60 \$262.06 \$184.01 \$412.62 \$255.69
TI 3. INTEREST ON VARIABLE COSTS S X A N OWNERSHIP COSTS 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 TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COST RETURN ABOVE TOTAL COSTS	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL COTAL Annual Capital Recovery ⁴ (At bor (6% of gross returns) TS	rh owed			\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,698 \$4,250 \$56,008 \$64,204 \$45,083 \$101,091	\$84.02 VALUE PER COW \$5.44 \$150.56 \$289.15 VALUE PER COW \$24.88 \$8.57 \$33.45 \$31.89 \$24.88 \$90.41 \$64.07 \$17.35 \$228.60 \$262.06 \$184.01 \$412.62
TI 3. INTEREST ON VARIABLE COSTS S X A N OWNERSHIP COSTS 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 TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COST RETURN ABOVE TOTAL COSTS	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL COTAL Annual Capital Recovery ⁴ (At bor (6% of gross returns) TS	TH DWED Replacement Va	Nue):		\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,688 \$4,250 \$56,008 \$4,250 \$56,008 \$64,204 \$45,083 \$101,091 \$62,645	\$84.02 VALUE PER COW \$5.44 \$150.56 \$289.15 VALUE PER COW \$24.88 \$3.57 \$33.45 \$31.89 \$24.88 \$90.41 \$64.07 \$17.35 \$228.60 \$262.06 \$184.01 \$412.62 \$255.69
Ti 3. INTEREST ON VARIABLE COSTS S X A N T OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lal	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL COTAL Annual Capital Recovery ⁴ (At bor (6% of gross returns) TS	TH DWED Replacement Va	lue):		\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,688 \$4,250 \$56,008 \$4,250 \$56,008 \$64,204 \$45,083 \$101,091 \$62,645	\$84.02 VALUE PER COW \$5.44 \$150.56 \$289.15 VALUE PER COW \$24.88 \$3.57 \$33.45 \$31.89 \$24.88 \$90.41 \$64.07 \$17.35 \$228.60 \$262.06 \$184.01 \$412.62 \$255.69
TI 3. INTEREST ON VARIABLE COSTS S X A N OWNERSHIP COSTS 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 TOTAL CASH AND VARIABLE COST TOTAL CASH AND VARIABLE COST RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	S SUM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO TOTAL COTAL Annual Capital Recovery ⁴ (At bor (6% of gross returns) TS	TH DWED Replacement Va	Nue):		\$20,585 7.5% 6 \$1,333 \$36,887 \$70,841 Represents 65% Asset Ownership ⁵ \$6,096 \$2,100 \$8,196 \$7,813 \$6,096 \$22,151 \$15,688 \$4,250 \$56,008 \$4,250 \$56,008 \$64,204 \$45,083 \$101,091 \$62,645	\$84.02 VALUE PER COW \$5.44 \$150.56 \$289.15 VALUE PER COW \$24.88 \$3.57 \$33.45 \$31.89 \$24.88 \$90.41 \$64.07 \$17.35 \$228.60 \$262.06 \$184.01 \$412.62 \$255.69

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.

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

NORTHWEST MOUNTAIN REGION EXTRA-LARGE RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	and the second provide the second sec
Number		Price Per Unit	Rate of Return		Value	Life	Share	Recovery
8000	Acres of private land	\$80	3.9%	\$640,000	\$640,000			
500	AU Values ¹	\$2,400	3.9%	\$1,200,000	\$1,200,000			
			Subtotal	\$1,840,000		1.41	Sec. 1	
Number	Buildings, Improvements	Price Per Unit		C	Sec. March 199			
18	Miles of pipeline	\$2,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
7	Wells	\$11,000	3.9%	\$77,000	\$7,700	25	100	\$4,690
100	Miles of Fence	\$4,000	3.9%	\$400,000	\$40,000	25	100	\$24,361
2	Corrals/Working Facilities	\$10,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Subtotal	\$548,000				\$33,180
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		100	
2	3/4 ton pickup 4WD	\$30,000	7.5%	\$60,000	\$12,000	7	50	\$4,981
1	1 ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
1	Tractor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
3	Gooseneck trailer	\$6,500	7.5%	\$19,500	\$3,900	7	100	\$3,238
1	Horse tack	\$6,500	7.5%	\$6,500	\$1,300	10	100	\$855
1	Misc. equipment	\$7,000	7.5%	\$7,000	\$1,400	10	100	\$921
÷			Subtotal	\$130,000				\$13,482
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		and the second	and the second second
13	Horses	\$2,500	6.5%	\$32,500	\$12,350	10	100	\$3,606
18	Bulls	\$2,000	6.5%	\$35,000	\$13,300	4	100	\$7,199
100	Cows	\$1,100.00	6.5%	\$110,000	\$41,800	8	100	\$13,918
163	Total AUYs					Construction	State of the local distances of the local sectors o	
			Subtotal	\$67,500				\$10,804
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		March 1	Interest on Investmen
350	Cows	\$1,100	6.5%	\$385,000	\$146,300		1000	\$19,734
53	Replacement Heifers	\$1,000	6.5%	\$52,500	\$19,950			\$2,691
389	Total AUYs		Subtotal	\$437,500	\$166,250			\$22,425
			Subtotal	\$ 4 51,500	\$100,200			
			Total	\$3,023,000	100000			\$69,086

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

NORTHWEST REGION EX-LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	350 15%	COW TO BULL	20	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	85 52
		VALUE OF PROI	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	
STEER CALVES		149	510	\$1.01	\$76,621	\$218.92
HEIFER CALVES		96	485	\$0.96	\$44,814	\$128.04
CULL COWS		75	900 1200	\$0.44 \$0.49	\$29,700	\$84.86
CULL BULLS	1	1	1200	\$0.49	\$588	<u>\$1.68</u>
the second state of the se	TOTAL	321			\$151,723	\$433.49
VARIABLE COSTS					and the second	
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COM
	HAY	TON	47.00	\$140	\$6,580	\$18.80
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	35.0%	\$16.20	\$5,670	\$16.20
	PRIVATE(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	6.00	\$230	\$1,380	\$3.94
	PROTEIN SUPP OTHER	TON	13.00 0.00	\$350 \$0	\$4,550 <u>\$0</u>	\$13.00 \$0.00
			The second s			Contraction Contraction
	TOTAL				\$18,180	\$51.94
2. OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$4,375	\$12.50
	LIVESTOCK HAULING				\$1,685	\$4.82
	HIRED LABOR				\$3,500	\$10.00
	OPERATING COSTS-EQUIP &	MACH			\$3,750	\$10.71
	OPERATING COSTS-VEHICLE				\$4,100	\$11.71
	RANCH MAINTENANCE				\$3,300	\$9.43
	BEEF CHECKOFF		100		\$245	\$0.70
	OTHER				\$3,000	\$8.57
					TOTAL	A.L.A.L.
3. INTEREST ON VARIABLE COS			20WED		\$23,955	\$68.44
3. INTEREST ON VARIABLE COS		тн	ROWED			
3. INTEREST ON VARIABLE COS	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$23,955 7.5% 6	\$68.44 VALUE PER COV
3. INTEREST ON VARIABLE COS	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$23,955 7.5% 6 \$1,580	\$68.44 VALUE PER COV \$4.51
3. INTEREST ON VARIABLE COS	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$23,955 7.5% 6	\$68.44 VALUE PER COV
3. INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI	тн	KOWED		\$23,955 7.5% 6 \$1,580 \$43,715	\$68.44 VALUE PER COV \$4.51 \$124.90
3. INTEREST ON VARIABLE COS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV
3. INTEREST ON VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52
3. INTEREST ON VARIABLE COS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON' ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52
3. INTEREST ON VARIABLE COS 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 BORR TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$33,180	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$34.80
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$13,482 \$2,100 \$13,482 \$2,33,180 \$22,425	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$34.80 \$64.07
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$3,180 \$12,425 \$9,103	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$94.80 \$44.07 \$26.01
3. INTEREST ON VARIABLE COS 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	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$3,180 \$22,425 \$9,103 \$88,994	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$30.87 \$38.52 \$34.80 \$44.07 \$26.01 \$264.27
3. INTEREST ON VARIABLE COS 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 TOTAL FIXED COSTS	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$3,180 \$12,425 \$9,103	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$94.80 \$44.07 \$26.01
3. INTEREST ON VARIABLE COS 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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO	STS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$33,180 \$22,425 \$9,103 \$88,994 \$104,576	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$34.80 \$64.07 \$26.01 \$26.01 \$254.27 \$298.79
3. INTEREST ON VARIABLE COS 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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS	ATS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$33,180 \$22,425 \$9,103 \$88,994 \$104,576 \$59,297	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$39.80 \$44.07 \$256.01 \$254.27 \$298.79 \$169.42
3. INTEREST ON VARIABLE COS 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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C	ATS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$33,180 \$22,425 \$9,103 \$88,994 \$104,576 \$59,297 \$148,291	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$34.80 \$64.07 \$260.1 \$264.27 \$298.79 \$169.42 \$423.69
3. INTEREST ON VARIABLE COS 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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C	ATS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	TH DWED Replacement V:	alue):		\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$3,180 \$22,425 \$9,103 \$88,994 \$104,576 \$59,297 \$148,291 \$92,426	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$34.80 \$44.07 \$26.01 \$254.27 \$298.79 \$169.42 \$423.69 \$264.07
3. INTEREST ON VARIABLE COS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livest Management & Operation L	ATS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	TH OWED			\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$3,180 \$22,425 \$9,103 \$88,994 \$104,576 \$59,297 \$148,291 \$92,426	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$94.80 \$44.77 \$28.01 \$254.27 \$298.79 \$169.42 \$423.69 \$264.07
3. INTEREST ON VARIABLE COS 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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C RETURN ABOVE TOTAL CASH C	ITS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At Lock ⁶ Labor (6% of gross returns) DSTS OSTS	TH OWED Replacement V: VARIABLE COSTS	alue): TOTAL COSTS		\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$3,180 \$22,425 \$9,103 \$88,994 \$104,576 \$59,297 \$148,291 \$92,426	\$68.44 VALUE PER COV \$4.51 \$124.90 \$308.59 VALUE PER COV \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$94.80 \$44.77 \$28.01 \$254.27 \$298.79 \$169.42 \$423.69 \$264.07
3. INTEREST ON VARIABLE COS 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 TOTAL FIXED COSTS TOTAL CASH AND VARIABLE CO TOTAL CASH AND VARIABLE CO TOTAL CASH AND VARIABLE CO TOTAL CASH AND VARIABLE CO TOTAL COSTS RETURN ABOVE TOTAL CASH C RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	ATS SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORRI TOTAL Annual Capital Recovery ⁴ (At abor (6% of gross returns)	TH OWED Replacement V:	alue):		\$23,955 7.5% 6 \$1,580 \$43,715 \$108,008 Represents 65% Asset Ownership ⁵ \$13,482 \$2,100 \$15,582 \$10,804 \$13,482 \$3,180 \$22,425 \$9,103 \$88,994 \$104,576 \$59,297 \$148,291 \$92,426	\$68.44 VALUE PER COU \$4.51 \$124.90 \$308.59 VALUE PER COU \$38.52 \$6.00 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.52 \$30.87 \$38.52 \$44.50 \$44.52 \$30.87 \$38.52 \$30.87 \$38.52 \$44.50 \$44.52 \$30.87 \$38.52 \$44.50 \$44.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$30.87 \$38.52 \$34.80 \$44.50 \$44.52 \$34.80 \$44.52 \$34.80 \$44.52 \$35.52 \$34.80 \$44.52 \$35.52 \$34.80 \$44.52 \$35.52 \$34.80 \$44.52 \$35.52 \$34.80 \$44.52 \$35.52 \$34.80 \$44.52 \$35.52 \$34.80 \$44.52 \$35.52 \$34.80 \$44.52 \$35.52 \$35.60 \$44.52 \$35.52 \$34.80 \$44.52 \$35.60 \$44.52 \$35.60 \$44.52 \$35.60 \$44.52 \$35.60 \$44.52 \$35.60 \$44.52 \$35.60 \$44.52 \$35.60 \$35.60 \$44.52 \$35.60

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

Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.

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

SOUTHEAST REGION MEDIUM RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	
	Land Values	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
4000	Acres of private land	\$65	3.9%	\$260,000	\$260,000			
200	AU Values ¹	\$2,450	3.9%	\$490,000	\$490,000			
			Subtotal	\$750,000				
Number	Buildings, Improvements	Price Per Unit						
5	Miles of pipeline	\$2,000	3.9%	\$10,000	\$1,000	25	100	\$609
4	Wells	\$11,000	3.9%	\$44,000	\$4,400	25	100	\$2,680
22	Miles of Fence	\$4,000	3.9%	\$88,000	\$8,800	25	100	\$5,360
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
			Subtotal	\$164,000				\$9,865
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull	1	- 10	
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	1 ton pickup 4WD	\$32,000	7.5%	\$0	\$0	7	50	\$0
0	Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$6,500	7.5%	\$6,500	\$1,300	7	100	\$1,079
1	Horse tack	\$3,000	7.5%	\$3,000	\$600	10	100	\$395
1	Misc. equipment	\$3,500	7.5%	\$3,500	\$700	10	100	\$460
			Subtotal	\$43,000				\$4,425
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		10.5.	
4	Horses	\$2,500	6.5%	\$10,000	\$3,800	10	100	\$1,109
7	Bulls	\$2,000	6.5%	\$14,000	\$5,320	4	100	\$2,880
40	Cows	\$1,100.00	6.5%	\$44,000	\$16,720	8	100	\$5,567
64	Total AUYs					ALCONTRACTORY OF		
			Subtotal	\$24,000				\$3,989
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull		A	Interest on Investment
140	Cows	\$1,100	6.5%	\$154,000	\$58,520	E	10.00	\$7,894
21	Replacement Heifers	\$1,000	6.5%	\$21,000	\$7,980			\$1,076
156	Total AUYs							
			Subtotal	\$175,000	\$66,500			\$8,970
			Total	\$1,156,000	1.525.74			\$23,260

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to

production assets for New Mexico.

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

SOUTHEAST REGION MEDIUM COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	140 15%	COW to BULL	20	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	82
	,	ALUE OF PRO	DUCTION			VALUE PER COV
		QUANTITY	WEIGHT/LBS.	PRICE2	VALUE	
STEER CALVES		57	510	\$0.99	\$28,981	\$207.01
EIFER CALVES		36	485	\$0.94	\$16,595	\$118.53
CULL COWS		50	900	\$0.42	\$18,900	\$135.00
CULL BULLS		1	<u>1200</u>	<u>\$0.47</u>	\$564	\$4.03
the second se	OTAL	145		-	\$65,040	\$464.57
ARIABLE COSTS	And the second s	-				VALUE PER COV
FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE FER CON
	AY	TON	25.00	\$140	\$3,500	\$25.00
	TATE	AUY	45.0%	\$25.08	\$0	\$0.00
	EDERAL LEASE	AUY	25.0%	\$16.20	\$2,268	\$16.20
	RIVATE(Owned)	AUY	30.0%	\$0.00	\$0	\$0.00
	RIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	ALT & MINERAL	TON	3.00	\$230	\$690	\$4.93
	ROTEIN SUPP	TON	15.00 0.00	\$350 \$0	\$5,250 <u>\$0</u>	\$37.50 \$0.00
	OTAL					\$83.63
	UTAL				\$11,708	\$03.03
OTHER VARIABLE COSTS					COST	
V	ET AND MEDICINE				\$1,750	\$12.50
	IVESTOCK HAULING				\$760	\$5.43
н	IRED LABOR				\$1,500	\$10.71
0	PERATING COSTS-EQUIP &	MACH			\$1,650	\$11.79
0	PERATING COSTS-VEHICLE				\$3,450	\$24.64
R	ANCH MAINTENANCE				\$2,200	\$15.71
	EEF CHECKOFF			Sils asoli More	\$94	\$0.67
D	URCHASED LIVESTOCK				\$3.000	\$21.43
					45,000	921.45
	OTAL				\$14,404	\$102.89
TI 3. INTEREST ON VARIABLE COSTS	OTAL		204/50			
TI 3. INTEREST ON VARIABLE COSTS SI			ROWED			
TI 3. INTEREST ON VARIABLE COSTS SI X A	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE	TH	ROWED		\$14,404 7.5%	\$102.89
TI 9. INTEREST ON VARIABLE COSTS SI X A	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT	TH	ROWED		\$14,404	
TI I. INTEREST ON VARIABLE COSTS S X A	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE	TH	Rowed		\$14,404 7.5% 6 \$979	\$102.89 VALUE PER COI \$6.99
TI I. INTEREST ON VARIABLE COSTS S X A N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO	TH	Rowed		\$14,404 7.5% 6 \$979 \$27,091	\$102.89 VALUE PER COU \$6.99 \$193.51
TI . INTEREST ON VARIABLE COSTS S X A N N T	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE	TH	ROWED		\$14,404 7.5% 6 \$979	\$102.89 VALUE PER COI \$6.99
TI . INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06
TI I. INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS A CASH COSTS	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵	\$102.89 VALUE PER COI \$6.99 \$193.51 \$271.06 VALUE PER COI
INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61
INTEREST ON VARIABLE COSTS S X A N VWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00
TI INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61
TI INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61
TI INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49
INTEREST ON VARIABLE COSTS S X A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61
INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47
A INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$8,970	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$64.07
TI INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,989	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$64.07 \$27.87
TI INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INNUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,980 \$3,902 \$3,902 \$3,1152	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$64.07 \$27.87 \$222.51
THE INTEREST ON VARIABLE COSTS S X A A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labo Total FOTAL FIXED COSTS	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL s or (6% of gross returns)	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,986 \$3,902 \$3,902 \$3,902 \$3,976	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$64.07 \$27.87 \$222.51 \$269.12
A INTEREST ON VARIABLE COSTS S X A N N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labo Total FOTAL FIXED COSTS FOTAL CASH AND VARIABLE COSTS	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL s or (6% of gross returns)	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,989 \$4,425 \$3,986 \$3,902 \$3,902 \$3,1152 \$3,7676 \$3,3616	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$46.61 \$70.47 \$64.07 \$27.87 \$222.51 \$269.12 \$240.12
A. INTEREST ON VARIABLE COSTS S X A A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total VON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labo Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL s r (6% of gross returns)	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,980 \$3,902 \$3,91152 \$3,676 \$3,3616 \$64,768	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$64.07 \$27.87 \$222.51 \$269.12 \$269.12 \$240.12 \$462.63
A INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL s r (6% of gross returns)	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,986 \$3,902 \$3,1152 \$3,676 \$33,616 \$64,768 \$31,424	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$46.61 \$28.49 \$31.61 \$70.47 \$46.7 \$222.51 \$269.12 \$240.12 \$462.63 \$224.46
TI 3. INTEREST ON VARIABLE COSTS S X A N N N N N N N N N N N N N	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL s r (6% of gross returns)	rh DWED			\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,980 \$3,902 \$3,91152 \$3,676 \$3,3616 \$64,768	\$102.89 VALUE PER COU \$6.99 \$193.51 \$271.06 VALUE PER COU \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$46.61 \$28.49 \$31.61 \$70.47 \$64.07 \$27.87 \$222.51 \$269.12 \$240.12 \$462.63
A INTEREST ON VARIABLE COSTS S X A N N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock [®] Management & Operation Labo Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COST RETURN ABOVE TOTAL COSTS	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL s r (6% of gross returns)	TH DWED Replacement V	alue):		\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,986 \$3,902 \$3,1152 \$3,676 \$33,616 \$64,768 \$31,424	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$46.61 \$28.49 \$31.61 \$70.47 \$46.7 \$222.51 \$269.12 \$240.12 \$462.63 \$224.46
A INTEREST ON VARIABLE COSTS S X A N N OWNERSHIP COSTS CASH COSTS Taxes & insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labo Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS TOTAL CASH AND VARIABLE COSTS RETURN ABOVE TOTAL CASH COST RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL (6% of gross returns)	TH DWED Replacement V	alue): TOTAL COSTS		\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,986 \$3,902 \$3,1152 \$3,676 \$33,616 \$64,768 \$31,424	\$102.89 VALUE PER COU \$6.99 \$193.51 \$271.06 VALUE PER COU \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$46.61 \$28.49 \$31.61 \$70.47 \$46.07 \$222.51 \$269.12 \$240.12 \$462.63 \$224.46
A. INTEREST ON VARIABLE COSTS SX A A N DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock ⁶ Management & Operation Labo Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COSTS TOTAL COSTS RETURN ABOVE TOTAL CASH COST BREAKEVEN CALCULATIONS	OTAL UM OF VARIABLE COSTS X INTEREST RATE PER MONT INVUAL INTEREST RATE IUMBER OF MONTHS BORRO OTAL OTAL s r (6% of gross returns)	TH DWED Replacement V	alue):		\$14,404 7.5% 6 \$979 \$27,091 \$37,949 Represents 65% Asset Ownership ⁵ \$4,425 \$2,100 \$6,525 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$9,865 \$3,989 \$4,425 \$3,986 \$3,902 \$3,1152 \$3,676 \$33,616 \$64,768 \$31,424	\$102.89 VALUE PER CO \$6.99 \$193.51 \$271.06 VALUE PER CO \$31.61 \$15.00 \$46.61 \$28.49 \$31.61 \$70.47 \$46.61 \$70.47 \$64.07 \$27.87 \$222.51 \$269.12 \$240.12 \$462.63 \$224.46

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.

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

SOUTHEAST REGION LARGE RANCH INVESTMENTS 2001

	2 022.25		10 Yr Avg	Purchase	Salvage/Cull		Livestock	
Number	and the second state of th	Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
6000	Acres of private land	\$65	3.9%	\$390,000	\$390,000			
400	AU Values ¹	\$2,450	3.9%	\$980,000	\$980,000			
			Subtotal	\$1,370,000				
Number	Buildings, Improvements	Price Per Unit						
12	Miles of pipeline	\$2,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
6	Wells	\$11,000	3.9%	\$66,000	\$6,600	25	100	\$4,020
75	Miles of Fence	\$4,000	3.9%	\$300,000	\$30,000	25	100	\$18,271
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
			Subtotal	\$412,000				\$24,969
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
1	1 ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
0	Dozer/Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$6,500	7.5%	\$13,000	\$2,600	7	100	\$2,159
1	Horse tack	\$4,000	7.5%	\$4,000	\$800	10	100	\$526
1	Misc. equipment	\$4,500	7.5%	\$4,500	\$900	10	100	\$592
			Subtotal	\$83,500				\$8,424
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		×	
8	Horses	\$2,500	6.5%	\$20,000	\$7,600	10	100	\$2,219
14	Bulls	\$1,500	6.5%	\$21,000	\$7,980	4	100	\$4,319
80	Cows	\$1,100.00	6.5%	\$88,000	\$33,440	8	100	\$11,134
128	Total AUYs							
			Subtotal	\$41,000				\$6,538
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
280	Cows	\$1,100	6.5%	\$308,000	\$117,040		1.1	\$15,787
42	Replacement Heifers	\$1,000	6.5%	\$42,000	\$15,960			\$2,153
312	Total AUYs		Subtotal	\$350,000	\$133,000			\$17,940
			Total	\$2,256,500				\$51,333

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

SOUTHEAST REGION LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	280 15%	COW to BULL	20	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	82
		VALUE OF PROD	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	milder in oom
STEER CALVES		115	510	\$0.99	\$57,963	\$207.01
HEIFER CALVES		73	485	\$0.92	\$32,483	\$116.01
CULL COWS		100	900	\$0.42	\$37,800	\$135.00
CULL BULLS		1	1200	\$0.47	<u>\$564</u>	\$2.01
the second s	TOTAL	289			\$128,810	\$460.04
ARIABLE COSTS		and the second states		and the second		VALUE PER COW
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	
	HAY	TON	48.00	\$140	\$6,720	\$24.00
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	25.0%	\$16.20	\$4,536	\$16.20
	PRIVATE(Owned)	AUY	30.0%	\$0.00	so	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	6.00	\$230	\$1,380	\$4.93
	PROTEIN SUPP OTHER	TON	20.00	\$350 \$0	\$7,000 <u>\$0</u>	\$25.00 \$0.00
	TOTAL				\$19,636	\$70.13
	IUIAL				313,030	370.13
OTHER VARIABLE COSTS					COST	
	VET AND MEDICINE				\$3,500	\$12.50
	LIVESTOCK HAULING				\$1,515	\$5.41
	HIRED LABOR	12204275			\$6,000	\$21.43
	OPERATING COSTS-EQUIP &				\$2,300	\$8.21
	OPERATING COSTS-VEHICLE	7			\$4,000	\$14.29
	RANCH MAINTENANCE		100		\$2,350	\$8.39
	BEEF CHECKOFF LIVESTOCK PURCHASES		100	and the second second	\$188	\$0.67
					\$4,500	\$16.07
B. INTEREST ON VARIABLE COSTS	TOTAL S SUM OF VARIABLE COSTS X	MONTHS BORR	OWED		\$4,500 \$24,353	<u>\$16.07</u> \$86.97
3. INTEREST ON VARIABLE COSTS	S	гн	OWED			
3. INTEREST ON VARIABLE COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE	гн	OWED		\$24,353 7.5% 6	\$86.97 VALUE PER COW
3. INTEREST ON VARIABLE COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE	гн	OWED		\$24,353 7.5%	\$86.97
8. INTEREST ON VARIABLE COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE	гн	OWED		\$24,353 7.5% 6 \$1,650	\$86.97 VALUE PER COW \$5.89
WNERSHIP COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04
WNERSHIP COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW
WNERSHIP COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09
WNERSHIP COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50
WINERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORR(TOTAL	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424	\$86.97 VALUE PER COM \$5.89 \$162.99 \$297.04 VALUE PER COM \$30.09 \$7.50 \$37.59 \$23.35 \$30.09
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969	\$86.97 VALUE PER COM \$5.89 \$162.99 \$297.04 VALUE PER COM \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940 \$7,729	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat Total FOTAL FIXED COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At ck ⁶ bor (6% of gross returns)	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940 \$7,729 \$65,600	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60 \$234.29
WNERSHIP COSTS 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 FOTAL CASH AND VARIABLE COSTS	S SUM OF VARIABLE COSTS X X INTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At ck ⁶ bor (6% of gross returns)	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940 \$7,729 \$65,600 \$76,124	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60 \$234.29 \$271.87
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS 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 TOTAL COSTS	S SUM OF VARIABLE COSTS X XINTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At ck ⁶ bor (6% of gross returns)	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,29 \$65,600 \$7,729 \$65,600 \$7,6,124 \$56,162 \$121,762	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60 \$234.29 \$271.87 \$200.58 \$434.87
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS 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 TOTAL COSTS RETURN ABOVE TOTAL CASH COS	S SUM OF VARIABLE COSTS X XINTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At ck ⁶ bor (6% of gross returns)	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940 \$7,729 \$65,600 \$7,6,124 \$56,162	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60 \$234.29 \$271.87 \$200.58
A INTEREST ON VARIABLE COSTS DWNERSHIP COSTS 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 TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS RETURN ABOVE TOTAL COSTS	S SUM OF VARIABLE COSTS X XINTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At ck ⁶ bor (6% of gross returns)	TH DWED Replacement Va	slue):		\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940 \$7,729 \$65,600 \$7,729 \$65,6102 \$121,762 \$72,648	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60 \$234.29 \$271.87 \$200.58 \$434.87 \$259.46
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestoc Management & Operation Lat	S SUM OF VARIABLE COSTS X XINTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At ck ⁶ bor (6% of gross returns)	TH OWED			\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940 \$7,729 \$65,600 \$7,729 \$65,6102 \$121,762 \$72,648	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60 \$234.29 \$271.87 \$200.58 \$434.87 \$259.46
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS 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 TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COSTS BREAKEVEN CALCULATIONS	S SUM OF VARIABLE COSTS X XINTEREST RATE PER MONT ANNUAL INTEREST RATE NUMBER OF MONTHS BORRO TOTAL Annual Capital Recovery ⁴ (At ck ⁶ bor (6% of gross returns)	TH DWED Replacement Va	alue):		\$24,353 7.5% 6 \$1,650 \$45,638 \$83,172 Represents 65% Asset Ownership ⁵ \$8,424 \$2,100 \$10,524 \$6,538 \$8,424 \$24,969 \$17,940 \$7,729 \$65,600 \$7,729 \$65,6102 \$121,762 \$72,648	\$86.97 VALUE PER COW \$5.89 \$162.99 \$297.04 VALUE PER COW \$30.09 \$7.50 \$37.59 \$23.35 \$30.09 \$89.18 \$64.07 \$27.60 \$234.29 \$271.87 \$200.58 \$434.87 \$259.46

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 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.

SOUTHEAST REGION EXTRA-LARGE RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull	Useful	Livestock	Annual Capital
Number	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	\$2,450	3.9%	\$1,347,500	\$1,347,500			
			Subtotal	\$1,997,500				
Number	Buildings , Improvements	Price Per Unit						
15	Miles of pipeline	\$2,000	3.9%	\$30,000	\$3,000	25	100	\$1,827
8	Wells	\$11,000	3.9%	\$88,000	\$8,800	25	100	\$5,360
110	Miles of Fence	\$4,000	3.9%	\$440,000	\$44,000	25	100	\$26,798
2	Corrals/Working Facilities	\$10,000	3.9%	\$20,000	\$2,000	30	100	\$1,106
1	Barns & Shop	\$12,000	3.9%	\$12,000	\$1,200	30	100	\$664
			Subtotal	\$590,000				\$35,754
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		1	
2	3/4 ton pickup 4WD	\$30,000	6.5%	\$60,000	\$12,000	7	50	\$4,766
1	1 ton pickup 4WD	\$32,000	6.5%	\$32,000	\$6,400	7	50	\$2,542
1	Tractor	\$5,000	6.5%	\$5,000	\$1,000	7	100	\$794
3	Gooseneck trailer	\$6,500	6.5%	\$19,500	\$3,900	7	100	\$3,098
1	Horse tack	\$6,000	6.5%	\$6,000	\$1,200	10	100	\$746
1	Misc. equipment	\$6,000	6.5%	\$6,000	\$1,200	10	100	\$746
			Subtotal	\$128,500				\$12,691
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
12	Horses	\$2,500	6.5%	\$30,000	\$11,400	10	100	\$3,328
19	Bulls	\$2,000	6.5%	\$38,500	\$14,630	4	100	\$7,919
110	Cows	\$1,100.00	6.5%	\$121,000	\$45,980	8	100	\$15,310
177	Total AUYs					The state of the second second	Source of Source Sector	
			Subtotal	\$68,500				\$11,247
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
385	Cows	\$1,100	6.5%	\$423,500	\$160,930			\$21,707
58	Replacement Heifers	\$1,000	6.5%	\$57,750	\$21,945			\$2,960
428	Total AUYs		2					1000000
			Subtotal	\$481,250	\$182,875			\$24,668
			Total	\$3,265,750				\$73,113

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

SOUTHEAST REGION EX-LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	385 15%	COW to BULL	20	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	82 57.7
		VALUE OF PRO	DUCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER CON
STEER CALVES		158	510	\$0.99	\$79,698	\$207.01
HEIFER CALVES		100	485	\$0.92	\$44,665	\$116.01
CULL COWS		138	900	\$0.42	\$51,975	\$135.00
CULL BULLS		1	1200	\$0.47	\$564	<u>\$1.46</u>
	TOTAL	396	the second second		\$176,902	\$459.49
VARIABLE COSTS					and the second second second second	
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW
	HAY	TON	55.00	\$140	\$7,700	\$20.00
	STATE	AUY	45.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	25.0%	\$16.20	\$6,237	\$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	9.00	\$245	\$2,205	\$5.73
	PROTEIN SUPP	TON	33.00	\$300	\$9,900	\$25.71
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00
	TOTAL				\$26,042	\$67.64
					COST	
2. OTHER VARIABLE COSTS	VET AND MEDICINE				\$4,620	\$12.00
	LIVESTOCK HAULING				\$2,081	\$5.41
	HIRED LABOR				\$6,500	\$16.88
	OPERATING COSTS-EQUIP &	MACH			\$3,500	\$9.09
	OPERATING COSTS-VEHICLE				\$3,600	\$9.35
	RANCH MAINTENANCE				\$3,200	\$8.31
	BEEF CHECKOFF		1 ALL DAY		\$258	\$0.67
	OTHER					
	OTHER				<u>\$4,500</u>	<u>\$11.69</u>
3. INTEREST ON VARIABLE COSTS	TOTAL	MONTHS BORF	ROWED		\$4,500 \$28,259	<u>\$11.69</u> \$73.40
3. INTEREST ON VARIABLE COSTS	TOTAL	тн	ROWED		and the second sec	10 10 10 10 10 10 10 10 10 10 10 10 10 1
3. INTEREST ON VARIABLE COSTS	TOTAL S SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$28,259 7.5%	\$73.40
3. INTEREST ON VARIABLE COSTS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	тн	ROWED		\$28,259 7.5% 6 \$2,036 \$56,338	\$73.40 VALUE PER COV \$5.29 \$146.33
3. INTEREST ON VARIABLE COSTS	TOTAL S SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE	тн	ROWED		\$28,259 7.5% 6 \$2,036	\$73.40 VALUE PER COV \$5.29
3. INTEREST ON VARIABLE COSTS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564	\$73.40 VALUE PER COV \$5.29 \$146.33 \$313.15
3. INTEREST ON VARIABLE COSTS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338	\$73.40 VALUE PER COV \$5.29 \$146.33 \$313.15
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691	\$73.40 VALUE PER COV \$5.29 \$146.33 \$313.15 VALUE PER COV \$32.96
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100	\$73.40 VALUE PER COV \$5.29 \$146.33 \$313.15 VALUE PER COV \$32.96 \$5.45
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691	\$73.40 VALUE PER COV \$5.29 \$146.33 \$313.15 VALUE PER COV \$32.96
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791	\$73.40 VALUE PER COU \$5.29 \$146.33 \$313.15 VALUE PER COU \$32.96 \$5.45 \$38.42
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247	\$73.40 VALUE PER COU \$5.29 \$146.33 \$313.15 VALUE PER COU \$32.96 \$5.45 \$38.42 \$29.21
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691	\$73.40 VALUE PER COU \$5.29 \$146.33 \$313.15 VALUE PER COU \$32.96 \$5.45 \$38.42 \$29.21 \$32.96
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	TH Owed			\$28,259 7.5% 6 \$2,036 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$35,754	\$73.40 VALUE PER COU \$5.29 \$146.33 \$313.15 VALUE PER COU \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$92.87
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestocl	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$11,247 \$11,247 \$11,247 \$12,691 \$35,754 \$24,668	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$32.96 \$32.87 \$64.07
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Lab	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	TH Owed			\$28,259 7.5% 6 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$35,754 \$24,668 \$10,614	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$5.45 \$38.42
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Lab Total	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At	TH Owed			\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$24,669 \$12,691 \$2,468 \$10,614 \$94,974	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$2.87 \$64.07 \$27.57 \$246.69
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Lab Total	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁴ sor (6% of gross returns)	TH Owed			\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$35,754 \$24,668 \$10,614 \$94,974 \$109,766	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$92.87 \$64.07 \$27.57 \$246.69 \$285.11
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Lab Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁴ sor (6% of gross returns)	TH Owed			\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$35,754 \$24,668 \$10,614 \$94,974 \$109,766 \$71,129	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$92.87 \$64.07 \$27.57 \$246.69 \$285.11 \$184.75
3. INTEREST ON VARIABLE COSTS DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestocl Management & Operation Lab Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL COSTS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁶ sor (6% of gross returns)	TH Owed			\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$24,668 \$10,614 \$35,754 \$24,668 \$10,614 \$94,974 \$109,766 \$71,129 \$166,103	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$92.87 \$64.07 \$27.57 \$246.69 \$285.11 \$184.75 \$431.44
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Lab Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁶ sor (6% of gross returns)	TH Owed			\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$24,668 \$100,544 \$24,668 \$109,766 \$71,129 \$166,103 \$105,773	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$92.87 \$64.07 \$27.57 \$246.69 \$285.11 \$184.75 \$431.44 \$274.74
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestocl Management & Operation Lab Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COS RETURN ABOVE TOTAL COSTS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁶ sor (6% of gross returns)	TH Owed			\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$24,668 \$10,614 \$35,754 \$24,668 \$10,614 \$94,974 \$109,766 \$71,129 \$166,103	\$73.40 VALUE PER COU \$5.29 \$146.33 \$313.15 VALUE PER COU \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$38.42 \$29.21 \$32.96 \$92.87 \$64.07 \$27.57 \$246.69 \$285.11 \$184.75 \$431.44
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestocl Management & Operation Lab Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COS RETURN ABOVE TOTAL COSTS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁶ sor (6% of gross returns)	TH OWED Replacement V			\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$24,668 \$100,544 \$24,668 \$109,766 \$71,129 \$166,103 \$105,773	\$73.40 VALUE PER COU \$5.29 \$146.33 \$313.15 VALUE PER COU \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$32.45 \$38.42 \$29.21 \$32.96 \$32.87 \$64.07 \$27.57 \$246.69 \$285.11 \$184.75 \$431.44 \$274.74
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestock Management & Operation Lab	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁶ sor (6% of gross returns)	TH OWED Replacement V	alue):		\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$24,668 \$100,544 \$24,668 \$109,766 \$71,129 \$166,103 \$105,773	\$73.40 VALUE PER COV \$5.29 \$146.33 \$313.15 VALUE PER COV \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$32.45 \$38.42 \$29.21 \$32.96 \$32.87 \$64.07 \$27.57 \$246.69 \$285.11 \$184.75 \$431.44 \$274.74
3. INTEREST ON VARIABLE COSTS OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livestocl Management & Operation Lab Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COST TOTAL CASH AND VARIABLE COST TOTAL COSTS RETURN ABOVE TOTAL CASH COS RETURN ABOVE TOTAL COSTS BREAKEVEN CALCULATIONS	TOTAL SUM OF VARIABLE COSTS X X INTEREST RATE PER MON ANNUAL INTEREST RATE NUMBER OF MONTHS BORR TOTAL Annual Capital Recovery ⁴ (At k ⁶ sor (6% of gross returns)	TH OWED Replacement V	alue):		\$28,259 7.5% 5 \$2,036 \$56,338 \$120,564 Represents 65% Asset Ownership ⁵ \$12,691 \$2,100 \$14,791 \$11,247 \$12,691 \$24,668 \$100,544 \$24,668 \$109,766 \$71,129 \$166,103 \$105,773	\$73.40 VALUE PER CO \$5.29 \$146.33 \$313.15 VALUE PER CO \$32.96 \$5.45 \$38.42 \$29.21 \$32.96 \$92.87 \$64.07 \$27.57 \$246.69 \$285.11 \$184.75 \$431.44 \$274.74

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 2001 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.

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

SOUTHWEST REGION SMALL RANCH INVESTMENTS 2001

			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	\$75	3.9%	\$112,500	\$112,500			
56	AU Values	\$2,400	3.9%	\$134,400	\$134,400			
			Subtotal	\$246,900				
Number	Buildings, Improvements	Price Per Unit						
5	Miles of pipeline	\$2,000	3.9%	\$10,000	\$1,000	25	100	\$609
1	Wells	\$12,000	3.9%	\$12,000	\$1,200	25	100	\$731
15	Miles of Fence	\$4,000	3.9%	\$60,000	\$6,000	25	100	\$3,654
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Subtotal	\$107,000				\$6,377
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ²	Price	Salvage/Cull			
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
0	3/4 ton pickup 4WD	\$32,000	7.5%	\$0	\$0	7	50	\$0
0	Dozer/Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
1	Gooseneck trailer	\$6,500	7.5%	\$6,500	\$1,300	7	100	\$1,079
1	Horse tack	\$4,000	7.5%	\$4,000	\$800	10	100	\$526
1	Misc. equipment	\$3,500	7.5%	\$3,500	\$700	10	100	\$460
			Subtotal	\$44,000				\$4,556
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
2	Horses	\$2,500	6.5%	\$5,000	\$1,900	10	100	\$555
4	Bulls	\$2,000	6.5%	\$7,467	\$2,837	4	100	\$1,536
12	Cows	\$1,100.00	6.5%	\$13,200	\$5,016	8	100	\$1,670
22	Total AUYs					City Contraction		
			Subtotal	\$12,467				\$2,090
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
56	Cows	\$1,100	6.5%	\$61,600	\$23,408		and the second	\$3,157
8	Replacement Heifers	\$1,000	6.5%	\$8,400	\$3,192			\$431
62	Total AUYs		Subtotal	\$70,000	\$26,600			\$3,588
			Total	\$480,367				\$14,521

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

SOUTHWEST REGION SMALL COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	56 15%	COW to BULL	15	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	83 8
		VALUE OF PRO	DUCTION			VALUE PER COW
ANIMALS SOLD		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COW
STEER CALVES		23	500	\$0.98	\$11,388	\$203.35
HEIFER CALVES		15	475	\$0.93	\$6,556	\$117.06
CULL COWS		20	900	\$0.41	\$7,380	\$131.79
CULL BULLS		1 59	1200	\$0.46	\$552	\$9.86
TOTAL		29			\$25,875	\$462.06
ARIABLE COSTS	Conception of the local data and the		-	A DECK OF THE OWNER OF THE		
I. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COW
HAY		TON	17.00	\$140	\$2,380	\$42.50
STATE		AUY	25.0%	\$25.08	\$0	\$0.00
	AL LEASE	AUY	65.0%	\$16.20	\$907	\$16.20
	E(Owned)	AUY	20.0%	\$0.00	\$0	\$0.00
	E(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	MINERAL	TON	1.00	\$230	\$230	\$4.11
OTHER	IN SUPP	TON	4.00	\$350 \$0	\$1,400 <u>\$0</u>	\$25.00 \$0.00
TOTAL					\$4,917	\$87.81
OTHER VARIABLE COSTS					COST	
	ID MEDICINE				\$700	\$12.50
	OCK HAULING				\$310	\$5.54
HIRED					\$0	\$0.00
	TING COSTS-EQUIP & MA	ACH			\$550	\$9.82
	TING COSTS-VEHICLE				\$825	\$14.73
	HAINTENANCE			action to Harmon Par	\$50 \$38	\$0.89 \$0.68
OTHER					\$30	
UTHER					<u>\$0</u>	\$0.00
TOTAL					\$0 \$2,473	<u>\$0.00</u> \$44.17
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA			ÆD			
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA	'S F VARIABLE COSTS X MC REST RATE PER MONTH L INTEREST RATE		ÆD		\$2,473 7.5%	\$44.17
TOTAL 8. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE	TS F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE ER OF MONTHS BORROW		/ED		\$2,473 7.5% 6 \$277 \$7,668	\$44.17 VALUE PER COW \$4.95 \$136.92
TOTAL I. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL	TS F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE ER OF MONTHS BORROW		/ED		\$2,473 7.5% 6 \$277	\$44.17 VALUE PER COV \$4.95
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS	S F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE R OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$277 \$7,668 \$18,208	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14
TOTAL B. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS Annual CASH COSTS	TS F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE ER OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV
TOTAL B. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS Annual CASH COSTS Taxes & Insurance	S F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE R OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$2277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37
TOTAL B. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS Annual CASH COSTS	S F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE R OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV
TOTAL S. INTEREST ON VARIABLE COST SUM OF X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	S F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE R OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	S F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE R OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS	S F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE R OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.33 \$81.37
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock	S F VARIABLE COSTS X MO REST RATE PER MONTH L INTEREST RATE R OF MONTHS BORROW	ED			\$2,473 7.5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.33
TOTAL 3. INTEREST ON VARIABLE COST SUM OF X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto	S F VARIABLE COSTS X MO REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Capital Recovery ⁴ (At Rep	ED placement Value			\$2,473 7.5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07
TOTAL S. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La	S F VARIABLE COSTS X MO REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Capital Recovery ⁴ (At Rep	ED placement Value			\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$84.07 \$27.72
TOTAL S. INTEREST ON VARIABLE COST SUM OI X INTEF ANNUA NUMBE TOTAL DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total	S F VARIABLE COSTS X MO REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Capital Recovery ⁴ (At Rep	ED placement Value			\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553 \$18,164	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$84.07 \$27.72 \$324.37
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS Annual CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Capital Recovery ⁴ (At Rep Ack ⁶ abor (6% of gross returns)	ED placement Value			\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553 \$18,164 \$24,821	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23
TOTAL B. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS Annual CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Capital Recovery ⁴ (At Rep Ack ⁶ abor (6% of gross returns)	ED placement Value			\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553 \$18,164 \$24,821 \$14,324	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23 \$255.79
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS TOTAL COSTS	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Ack ⁶ abor (6% of gross returns)	ED placement Value			\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,577 \$3,588 \$1,553 \$18,164 \$24,821 \$14,324 \$32,489	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23 \$255.79 \$580.15
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interes on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS TOTAL COSTS RETURN ABOVE TOTAL CASH CO	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Ack ⁶ abor (6% of gross returns)	ED placement Value			\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553 \$18,164 \$24,821 \$14,324 \$32,489 \$11,551	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23 \$255.79 \$580.15 \$206.27
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS TOTAL COSTS RETURN ABOVE TOTAL CASH CO	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Ack ⁶ abor (6% of gross returns)	ED placement Value			\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,577 \$3,588 \$1,553 \$18,164 \$24,821 \$14,324 \$32,489	\$44.17 VALUE PER COV \$4.95 \$136.92 \$325.14 VALUE PER COV \$81.37 \$37.50 \$118.87 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23 \$255.79 \$580.15
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTEF ANNUA NUMBE TOTAL OWNERSHIP COSTS Annual CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS RETURN ABOVE TOTAL CASH CO	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep Ack ⁶ abor (6% of gross returns)	ED placement Value): TOTAL		\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553 \$18,164 \$24,821 \$14,324 \$32,489 \$11,551	\$44.17 VALUE PER COW \$4.95 \$136.92 \$325.14 VALUE PER COW \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23 \$255.79 \$590.15 \$206.27
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTER ANNUA NUMBE TOTAL OWNERSHIP COSTS Annual CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS TOTAL COSTS RETURN ABOVE TOTAL CASH CO RETURN ABOVE TOTAL C	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep abor (6% of gross returns) STS	ED placement Value): TOTAL COSTS		\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553 \$18,164 \$24,821 \$14,324 \$32,489 \$11,551	\$44.17 VALUE PER COW \$4.95 \$136.92 \$325.14 VALUE PER COW \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23 \$255.79 \$590.15 \$206.27
TOTAL 3. INTEREST ON VARIABLE COST SUM OI X INTEF ANNUA NUMBE TOTAL OWNERSHIP COSTS Annual CASH COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livestock Machinery & Equipment Housing & Improvements Interest on Retained Livesto Management & Operation La Total TOTAL FIXED COSTS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS TOTAL CASH AND VARIABLE COS RETURN ABOVE TOTAL CASH CO	S F VARIABLE COSTS X MC REST RATE PER MONTH LINTEREST RATE R OF MONTHS BORROW Capital Recovery ⁴ (At Rep abor (6% of gross returns) STS	ED placement Value): TOTAL		\$2,473 7,5% 6 \$277 \$7,668 \$18,208 Represents 65% Asset Ownership ⁵ \$4,556 \$2,100 \$6,656 \$2,090 \$4,556 \$6,377 \$3,588 \$1,553 \$18,164 \$24,821 \$14,324 \$32,489 \$11,551	\$44.17 VALUE PER COW \$4.95 \$136.92 \$325.14 VALUE PER COW \$81.37 \$37.50 \$118.87 \$37.33 \$81.37 \$113.88 \$64.07 \$27.72 \$324.37 \$443.23 \$255.79 \$590.15 \$206.27

Calf crop is defined as the actual number of calves sold divided by the total number of cows (assuming all cows were exposed).
 Prices represent 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.
 Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance.
 Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.
 The 35% reduction in asset values which represent a mix of new and used machinery.
 Interest on average investment.

SOUTHWEST REGION MEDIUM RANCH INVESTMENTS 2001

			10 Yr Avg	Purchase	Salvage/Cull		Livestock	
Number		Price Per Unit	Rate of Return	Price	Value	Life	Share	Recovery
3500	Acres of private land	\$75	3.9%	\$262,500	\$262,500			
140	AU Values ¹	\$2,400	3.9%	\$336,000	\$336,000			
			Subtotal	\$598,500				
Number	Buildings, Improvements	Price Per Unit				1.1.1.2		
12	Miles of pipeline	\$2,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
4	Wells	\$12,000	3.9%	\$48,000	\$4,800	25	100	\$2,923
45	Miles of Fence	\$4,000	3.9%	\$180,000	\$18,000	25	100	\$10,963
1	Corrals/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
1	Barns & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
			Subtotal	\$277,000				\$16,731
Number	Machinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull		1.2.2.2.3	
1	3/4 ton pickup 4WD	\$30,000	7.5%	\$30,000	\$6,000	7	50	\$2,491
1	1 ton pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
0	Dozer/Tractor	\$5,000	7.5%	\$0	\$0	7	100	\$0
2	Gooseneck trailer	\$6,500	7.5%	\$13,000	\$2,600	7	100	\$2,159
1	Horse tack	\$6,000	7.5%	\$6,000	\$1,200	10	100	\$789
1	Misc. equipment	\$4,500	7.5%	\$4,500	\$900	10	100	\$592
			Subtotal	\$85,500				\$8,687
Head	Purchased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
8	Horses	\$2,500	6.5%	\$20,000	\$7,600	10	100	\$2,219
9	Bulls	\$2,000	6.5%	\$18,667	\$7,093	4	100	\$3,839
30	Cows	\$1,100.00	6.5%	\$33,000	\$12,540	8	100	\$4,175
59	Total AUYs					Construction Construme		
			Subtotal	\$38,667				\$6,058
Head	Retained Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
140	Cows	\$1,100	6.5%	\$154,000	\$58,520			\$7,894
21	Replacement Heifers	\$1,000	6.5%	\$21,000	\$7,980			\$1,076
156	Total AUYs		Subtotal	\$175,000	\$66,500			\$8,970
			Total	\$1,174,667				\$34,388

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

SOUTHWEST REGION MEDIUM COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	140 15%	COW to BULL	15	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	82
	v	ALUE OF PROD	UCTION			VALUE PER COW
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	
STEER CALVES		57	500	\$0.98	\$28,126	\$200.90
HEIFER CALVES		36	475	\$0.93	\$16,080	\$114.86
CULL COWS		50	900	\$0.41	\$18,450	\$131.79
CULL BULLS		<u>1</u> 145	1200	\$0.46	<u>\$552</u>	<u>\$3.94</u>
	TOTAL	140			\$63,208	\$451.48
ARIABLE COSTS						
. FEED COSTS		UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER COV
	HAY	TON	30.00	\$140	\$4,200	\$30.00
	STATE	AUY	30.0%	\$25.08	\$0	\$0.00
	FEDERAL LEASE	AUY	60.0%	\$16.20	\$2,268	\$16.20
	PRIVATE(Owned)	AUY	10.0%	\$0.00	\$0	\$0.00
	PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00
	SALT & MINERAL	TON	2.00	\$230	\$460	\$3.29
	PROTEIN SUPP	TON	8.00 0.00	\$350 \$0	\$2,800	\$20.00
	OTHER		0.00	3 0	<u>\$0</u>	<u>\$0.00</u>
	TOTAL				\$9,728	\$69.49
2. OTHER VARIABLE					COST	
	VET AND MEDICINE				\$1,750	\$12.50
	LIVESTOCK HAULING				\$760	\$5.43
	HIRED LABOR				\$0	\$0.00
	OPERATING COSTS-EQUIP & MACH				\$2,350	\$16.79
	OPERATING COSTS-VEHICLE				\$3,000	\$21.43
	RANCH MAINTENANCE		00000		\$2,200	\$15.71
	BEEF CHECKOFF PURCHASED LIVESTOCK				\$94 \$2,500	\$0.67 <u>\$17.86</u>
	TOTAL				\$12,654	\$90.39
3. INTEREST ON VAR	SUM OF VARIABLE COSTS X MONTI X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROWED	HS BORROWED)		7.5% 6	VALUE PER COV
					\$839	\$6.00
					\$23,221	\$165.87
	TOTAL				\$39,986	\$285.62
OWNERSHIP COSTS						
CASH COSTS	Annual Capital Recovery3 (At Replace	cement Value):			Represents 65% Asset Ownership ⁵	VALUE PER CO
Taxes & Insura	nce				\$8,687 \$2,100	\$62.05
Overhead Total					\$10,787	\$15.00 \$77.05
NON CASH COSTS						
Purchased Live	estock				\$6,058	\$43.27
Machinery & Ec	quipment				\$8,687	\$62.05
Housing & Imp	rovements				\$16,731	\$119.50
	ained Livestock ⁶				\$8,970	\$64.07
-	Operation Labor (6% of gross returns)				\$3,792	\$27.09
Total					\$44,238	\$315.99
OTAL FIXED COSTS					\$55,025	\$393.04
TOTAL CASH AND VA	ARIABLE COSTS				\$34,008	\$242.92
TOTAL COSTS					\$78,247	\$558.90
RETURN ABOVE TOT	AL CASH COSTS				\$29,199	\$208.57
DETUDN ADOVE TOT					(\$15,039)	(\$107.42)
	AL COSTS					
BREAKEVEN CALCU		VARIABLE	TOTAL			
BREAKEVEN CALCU		COSTS	COSTS			
BREAKEVEN CALCU REQUIRED AVER/						

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 2001 price projections from Cattle Fax, Doane's reports for New Mexico feeder cattle cash prices.

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

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

SOUTHWEST REGION LARGE RANCH INVESTMENTS 2001

300 AU Value Number Buildin 18 Miles of 2 Wells 85 Miles of 1 Corrals 1 Barns & Number Machir 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Wells Buils 34 Cows 80 Total A	s of private land Values ¹ dings, Improvements s of pipeline s	Price Per Unit \$75 \$2,400 Price Per Unit	Rate of Return 3.9% 3.9% Subtotal	Price \$450,000 \$720,000	Value \$450,000 \$720,000	Life	Share	Recovery
300 AU Value Number Buildin 18 Miles of 2 Wells 85 Miles of 1 Corrals 1 Barns & Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	dings, Improvements s of pipeline s	\$2,400 Price Per Unit	3.9%	\$720,000				
Number Buildin 18 Miles of 2 Wells 85 Miles of 1 Corrals 1 Barns & Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	dings, Improvements s of pipeline s	Price Per Unit			\$720,000			
18 Miles of 2 Wells 85 Miles of 1 Corrals 1 Barns & Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	s of pipeline		Subtotal					
18 Miles of 2 Wells 85 Miles of 1 Corrals 1 Barns & Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	s of pipeline			\$1,170,000				
2 Wells 85 Miles of 1 Corrals 1 Barns 8 Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	S							
85 Miles of 1 Corrais 1 Barns 8 Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. er Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A		\$2,000	3.9%	\$36,000	\$3,600	25	100	\$2,193
1 Corrals 1 Barns & Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. er Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	of Eanoa	\$12,000	3.9%	\$24,000	\$2,400	25	100	\$1,462
1 Barns & Number Machin 2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse ti 1 Misc. er Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	orrence	\$4,000	3.9%	\$340,000	\$34,000	25	100	\$20,707
NumberMachir23/4 ton11 ton pi1Tractor2Gooser1Horse t1Misc. erHeadPurcha10Horses20Bulls34Cows80Total A	als/Working Facilities	\$10,000	3.9%	\$10,000	\$1,000	30	100	\$553
2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	s & Shop	\$15,000	3.9%	\$15,000	\$1,500	30	100	\$830
2 3/4 ton 1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A		이 같은 것이 없는 것이 없다.	Subtotal	\$425,000				\$25,744
1 1 ton pi 1 Tractor 2 Gooser 1 Horse t 1 Misc. er Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	hinery & Vehicles	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
1 Tractor 2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	on pickup 4WD	\$30,000	7.5%	\$60,000	\$12,000	7	50	\$4,981
2 Gooser 1 Horse t 1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	pickup 4WD	\$32,000	7.5%	\$32,000	\$6,400	7	50	\$2,657
1 Horse t 1 Misc. ee Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	tor	\$5,000	7.5%	\$5,000	\$1,000	7	100	\$830
1 Misc. e Head Purcha 10 Horses 20 Bulls 34 Cows 80 Total A	seneck trailer	\$4,500	7.5%	\$9,000	\$1,800	7	100	\$1,494
HeadPurcha10Horses20Bulls34Cows80Total A	e tack	\$8,000	7.5%	\$8,000	\$1,600	10	100	\$1,052
10Horses20Bulls34Cows80Total A	. equipment	\$6,500	7.5%	\$6,500	\$1,300	10	100	\$855
10Horses20Bulls34Cows80Total A			Subtotal	\$120,500				\$11,870
20 Bulls 34 Cows 80 Total A	hased Livestock	Price Per Unit	Interest Rate ³	Price	Salvage/Cull			
34 Cows 80 Total A	es	\$2,500	6.5%	\$25,000	\$9,500	10	100	\$2,774
80 Total A		\$2,000	6.5%	\$40,000	\$15,200	4	100	\$8,227
	S	\$1,100.00	6.5%	\$37,400	\$14,212	8	100	\$4,732
Head Retain	I AUYs					400000000000000		
Head Retain			Subtotal	\$65,000				\$11,001
	ined Livestock	Price Per Unit	Interest Rate	Price	Salvage/Cull			Interest on Investment
300 Cows		\$1,100	6.5%	\$330,000	\$125,400			\$16,915
45 Replac	acement Heifers	\$1,000	6.5%	\$45,000	\$17,100			\$2,307
334 Total A	I AUYs		Subtotal	\$375,000	\$142,500			\$19,221
				\$2,155,500				\$56,836

1) The interest rate of 3.9% used to calculate the capital recovery cost is the USDA-ERS's ten year average long-run rate of return to production assets for New Mexico.

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

SOUTHWEST REGION LARGE COW/CALF BUDGET 2001

	BREED HERD SIZE CULL RATE	300 15%	COW to BULL	15	CALF CROP PERCENI ¹ REPLACEMENT HEIFERS KEPT	82% 45	
		VALUE OF PR	ODUCTION			VALUE PER COW	
		QUANTITY	WEIGHT/LBS.	PRICE ²	VALUE	VALUE PER COW	NEW VALUE
STEER CALVES		123	500	\$0.98	\$60,270	\$200.90	
EIFER CALVES		78	475	\$0.93	\$34,457	\$114.86	
CULL COWS		100	900	\$0.41	\$36,900	\$123.00	
CULL BULLS		1	1200	\$0.46	\$552	<u>\$1.84</u>	
	TOTAL	302			\$132,179	\$440.60	
ARIABLE COSTS							
					0007	VALUE PER COW	
. FEED COSTS	LIAN	UNITS	QUANTITY/PERCENT	PRICE	COST	604.07	NEW VALU
	HAY STATE	TON AUY	52.00 40.0%	\$140 \$25.08	\$7,280 \$0	\$24.27 \$0.00	
	FEDERAL LEASE	AUY	40.0%	\$16.20	\$4,860	\$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	\$230	\$1,380	\$4.60	
	PROTEIN SUPP	TON	14.00	\$350	\$4,900	\$16.33	
	OTHER		0.00	\$0	<u>\$0</u>	\$0.00	
	TOTAL				\$18,420	\$61.40	
	070				COPT		
OTHER VARIABLE CO	VET AND MEDICINE				COST \$3,750	\$12.50	
	LIVESTOCK HAULING				\$1,586	\$5.29	
	HIRED LABOR				\$1,500	\$5.00	
	OPERATING COSTS-EQUIP & M	ACH			\$1,200	\$4.00	
	OPERATING COSTS-VEHICLE	Ach			\$3,500	\$11.67	
	RANCH MAINTENANCE				\$1,500	\$5.00	
	BEEF CHECKOFF		100		\$201	\$0.67	
	LIVESTOCK PURCHASES		100309	PEOPERATOR CONTRACTOR	and the second		-
					\$4,500	<u>\$15.00</u>	
3. INTEREST ON VARIA	TOTAL BLE COSTS				<u>\$4,500</u> \$17,737	<u>\$15.00</u> \$59.12	
3. INTEREST ON VARIAI	TOTAL	1	OWED		\$17,737 7.5% 6	\$59.12 VALUE PER COW	
. INTEREST ON VARIAI	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	1	OWED		\$17,737 7.5%	\$59.12	
. INTEREST ON VARIAI	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE	1	OWED		\$17,737 7.5% 6 \$1,356 \$37,512	\$59.12 VALUE PER COW \$4.52 \$125.04	
	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW	1	OWED		\$17,737 7.5% 6 \$1,356	\$59.12 VALUE PER COW \$4.52	
	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55	
WINERSHIP COSTS	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW	
WNERSHIP COSTS CASH COSTS Taxes & Insurance	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57	
WINERSHIP COSTS	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW	
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00	
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00	
OWNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R book	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100 \$13,970	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57	
WNERSHIP COSTS ASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livesto	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R b b b cck pment	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100 \$13,970 \$11,001	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$36.67	
WNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livesto Machinery & Equij	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R work sock soment ements	NED			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$13,970 \$11,001 \$11,870	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$39.57 \$39.57 \$39.57	
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestr Machinery & Equij Housing & Improv Interest on Retain	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R work sock soment ements	I WED eplacement Va			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100 \$13,970 \$11,001 \$11,870 \$25,744	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$39.57 \$39.57 \$39.57 \$39.57 \$39.57 \$39.57 \$39.57 \$39.57	
WNERSHIP COSTS CASH COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livestr Machinery & Equij Housing & Improv Interest on Retain	TOTAL SLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At Recovery ⁴ (At Recovery ⁴) Annual Capital Recovery ⁴ (At Recovery ⁴)	I WED eplacement Va			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$11,870 \$2,100 \$11,970 \$11,001 \$11,870 \$25,744 \$19,221	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$39.57 \$39.57 \$39.57 \$39.57 \$38.81 \$64.07	
WNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livesto Machinery & Equi Housing & Improv Interest on Retain Management & Op Total	TOTAL SLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At Recovery ⁴ (At Recovery ⁴) Annual Capital Recovery ⁴ (At Recovery ⁴)	I WED eplacement Va			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100 \$13,970 \$11,001 \$11,870 \$25,744 \$19,221 \$7,931	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$36.67 \$39.57 \$85.81 \$64.07 \$26.44	
OWNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livesto Machinery & Equij Housing & Improv Interest on Retainu Management & Op Total	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R book coment ements ed Livestock ⁶ livestock ⁶ livestock ⁶	I WED eplacement Va			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100 \$13,970 \$13,970 \$11,001 \$11,870 \$25,744 \$19,221 \$7,931 \$75,767 \$89,737	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$39.57 \$39.57 \$39.57 \$39.57 \$46.57 \$39.57 \$46.57 \$39.57 \$46.57 \$39.57 \$39.57 \$46.57 \$39.57 \$26.44 \$252.56 \$299.12	
OWNERSHIP COSTS Taxes & Insurance Overhead Total ION CASH COSTS Purchased Livesto Machinery & Equi Housing & Improv Interest on Retain Management & Op Total TOTAL FIXED COSTS	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R book coment ements ed Livestock ⁶ livestock ⁶ livestock ⁶	I WED eplacement Va			\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ³ \$11,870 \$2,100 \$13,970 \$13,970 \$11,001 \$11,870 \$25,744 \$19,221 \$7,931 \$75,767 \$89,737 \$51,482	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$39.57 \$39.57 \$39.57 \$39.57 \$46.57 \$39.57 \$39.57 \$46.57 \$39.57 \$39.57 \$39.57 \$46.57 \$39.57 \$26.44 \$252.56 \$299.12 \$171.61	
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DWNERSHIP COSTS Taxes & Insurance Overhead Total NON CASH COSTS Purchased Livesto Machinery & Equij Housing & Improv Interest on Retain Management & Op Total TOTAL FIXED COSTS TOTAL CASH AND VARI TOTAL COSTS RETURN ABOVE TOTAL	TOTAL BLE COSTS SUM OF VARIABLE COSTS X M X INTEREST RATE PER MONTH ANNUAL INTEREST RATE NUMBER OF MONTHS BORROW TOTAL Annual Capital Recovery ⁴ (At R annual Capital Recovery ⁴ (At R be cover annual Capital Recovery ⁴ (At R Annual Capital Recovery ⁴ (At R be cover Annual Capital Recovery ⁴ (At R Annual Capital Recovery ⁴ (At R be cover Annual Capital Recovery ⁴ (At R Annual Capital Recovery ⁴ (At R be cover Annual Capital Recovery ⁴ (At R Annual Capital Recovery ⁴ (At R be cover Annual Capital Recovery ⁴ (At R Annual Capital Recovery ⁴ (At R be cover Annual Capital Recovery ⁴ (At R Annual Capital Recover	eplacement Va	alue):		\$17,737 7.5% 6 \$1,356 \$37,512 \$94,666 Represents 65% Asset Ownership ⁵ \$11,870 \$2,100 \$13,970 \$13,970 \$13,970 \$11,001 \$11,870 \$25,744 \$19,221 \$7,931 \$75,767 \$89,737 \$51,482 \$127,249 \$80,696	\$59.12 VALUE PER COW \$4.52 \$125.04 \$315.55 VALUE PER COW \$39.57 \$7.00 \$46.57 \$39.51 \$45.81 \$46.07 \$26.44 \$252.56 \$299.12 \$171.61 \$424.16 \$268.99	
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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) Carl crop is defined as the actual number of carves soid whole by the total number of cows (assuming an cows were exposed).
 (2) Prices represent 2001 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.

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