

Sheep Production  
 West Central Texas (7)  
 2005 Projected Costs and Returns per Head

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PRODUCTION Description	Quantity	Unit	\$ / Unit	Return	
CULL EWES SHEEP	1.10Hd	130.000 lb.	0.3500	50.05	
LAMBS	4.40Hd	75.000 lb.	0.8500	280.50	
WOOL		44.000 lb.	0.4000	17.60	
				=====	
Total GROSS Income				348.15	
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OPERATING INPUT or CUSTOM OPERATION					
Description	Input Use	Unit	\$ / Unit	Cost	
DEATH LOSS SHEEP	0.040	\$	347.800	13.91	
MARKETING SHEEP	5.490	head	2.000	10.98	
MISC. EXPENSE SHEEP	5.490	head	1.000	5.49	
RAM EXPENSE	0.180	head	100.000	18.00	
SALT AND MINERALS SHEEP	54.900	lb.	0.300	16.47	
SHEARING SHEEP	5.500	head	2.000	11.00	
SUPPLEMENTAL FEES SHEEP	494.500	lb.	0.080	39.56	
VET. MEDICINE SHEEP	10.990	head	1.250	13.74	
Fuel				11.56	
Lube				1.16	
Repair				2.15	
				=====	
Total OPERATING INPUT and CUSTOM OPERATION Costs				144.02	
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Residual returns to capital, ownership labor, land, management, and profit				204.13	
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CAPITAL INVESTMENT Description	Quantity Invested	Unit	Rate of Return	Cost	
Interest - IT Borrowed	401.313	Dol.	0.090	36.12	
Interest - OC Borrowed	77.963	Dol.	0.090	7.02	
Interest - OC Earned	-26.827	Dol.	0.045	-1.21	
				=====	
Total CAPITAL INVESTMENT Costs				41.93	
=====					
Residual returns to ownership, labor, land, management, and profit				162.20	
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OWNERSHIP COST Description (Depreciation, Taxes, and Insurance)				Cost	
Machinery and Equipment				31.31	
Livestock				0.25	
				=====	
Total OWNERSHIP Costs				31.56	
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Residual returns to labor, land, management, and profit				130.64	
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LABOR COST Description	Input Use	Unit	Average Rate	Cost	
Machinery and Equipment	3.459	Hr.	5.649	19.54	
Other	8.350	Hr.	5.600	46.76	
				=====	
Total LABOR Costs				66.30	
=====					
Residual returns to land, management, and profit				64.35	
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LAND COST Description	Input Use	Unit	Rate of Return	Cost	
PASTURE RENT					
Annual Lease	25.000	Acre	3.500	87.50	
				=====	
Total LAND Costs				87.50	
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Residual returns to management and profit				-23.15	
=====					
Residual returns to profit				-23.15	
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Total Projected Cost of Production				371.30	

*Projections for Planning Purposes Only  
Not to be Used without Updating after October 15, 2004*

B-1241 (L7)

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GROSS INCOME Description	Quantity	Unit	\$ / Unit	Total
=====	=====	=====	=====	=====
CULL EWES        SHEEP	1.10Hd	130.000	lb.        0.3500	50.05
LAMBS	4.40Hd	75.000	lb.        0.8500	280.50
WOOL		44.000	lb.        0.4000	17.60
				=====
Total GROSS Income				348.15

VARIABLE COST Description	Total
=====	=====
BARN	0.04
DEATH LOSS        SHEEP	13.91
FENCE            1 MILE	2.91
Interest - Earned	-1.21
Interest - OC Borrowed	7.02
LIVESTOCK LABOR	46.76
MARKETING        SHEEP	10.98
MISC. EXPENSE    SHEEP	5.49
PICKUP TRUCK    3/4 TON	31.13
RAM EXPENSE	18.00
SALT AND MINERALSHEEP	16.47
SHEARING        SHEEP	11.00
SHED	0.02
STOCK SPRAYER	0.04
STOCK TRAILER	0.04
SUPPLEMENTAL FEESHEEP	39.56
VET. MEDICINE    SHEEP	13.74
WATER	0.18
WORKING PENS	0.04
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Total VARIABLE COST	216.12

Break-Even Price, Total Variable Cost \$ - 0.57 per lb. of CULL EWES

GROSS INCOME minus VARIABLE COST 132.03

FIXED COST Description	Unit	Total
=====	=====	=====
Machinery and Equipment	Acre	67.08
Livestock		0.60
Land	Acre	87.50
		=====
Total FIXED Cost		155.18

Break-Even Price, Total Cost \$ 0.51 per lb. of CULL EWES

Total of ALL Cost 371.30

FIXED COST Description	Unit	Total
=====	=====	=====
NET PROJECTED RETURNS		-23.15