

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Animal Unit
Commercial Hair Sheep, Lamb Production, 5 Head per AU - 100 Animal Units
West Central Extension District - 7

Animal Units (AU)	100					
Breeding Females	500					
REVENUE	Head	Quantity Per Head	Units	\$/Unit	Total	Enterprise Total
Lambs	3.000	0.75	CWT	\$118.00	\$265.50	\$26,550.00
Lambs	2.000	0.75	CWT	\$118.00	\$177.00	\$17,700.00
Cull Ewes	1.000	1.35	CWT	\$52.00	\$70.20	\$7,020.00
Cull Rams	0.050	1.70	CWT	\$52.00	\$4.42	\$442.00
Total Revenue					\$517.12	\$51,712.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Miscellaneous						
Supplies		1	AU	\$15.00	\$15.00	\$1,500.00
Predator Control - Sheep		5	Head	\$2.10	\$10.50	\$1,050.00
Brush Control		30	Acre	\$1.00	\$30.00	\$3,000.00
PRF Rainfall Ins		30	Acre	\$0.85	\$25.50	\$2,550.00
Marketing Expense		1.00	AU	\$27.53	\$27.53	\$2,752.70
Feed						
Corn - Sheep and Goat		135	Pound	\$0.12	\$16.20	\$1,620.00
Cotton Seed - Sheep and Goat		300	Pound	\$0.15	\$45.00	\$4,500.00
Salt - Sheep		54	Pound	\$0.11	\$5.99	\$599.40
Mineral - Sheep		54	Pound	\$0.52	\$27.97	\$2,797.20
Vet. Medicine		1	AU	\$2.98	\$2.98	\$297.52
Fuel		1.0	AU	\$67.80	\$67.80	\$6,780.00
Lube (As a % of fuel)		10.0%	Percent	\$67.80	\$6.78	\$678.00
Repairs		1	AU	\$52.32	\$52.32	\$5,232.49
Labor		0.30	Hours	\$15.00	\$4.50	\$450.00
Utilities		1.00	AU	\$24.00	\$24.00	\$2,400.00
Interest on Credit Line				4.00%	\$13.06	\$1,305.89
Total Variable Costs					\$375.13	\$37,513.20
Planned Returns Above Variable Costs:					\$141.99	\$14,198.80
Average Steer-Heifer Breakeven Price to Cover Variable Costs				\$80.14	CWT	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Depreciation - Equipment		1	AU	\$57.50	\$57.50	\$5,750.18
Depreciation - Livestock		1	AU	\$15.00	\$15.00	\$1,500.00
Equipment Investment		\$2,258.88	Dollars	3.75%	\$84.71	\$8,470.81
Native Pasture Rent		30.00	Acres	\$4.00	\$120.00	\$12,000.00
Total Fixed Costs					\$277.21	\$27,720.99
Total Costs					\$652.34	\$65,234.19
Planned Returns to Management, Risk, and Profit:					(\$135.22)	(\$13,522.19)
Average Steer-Heifer Breakeven Price to Cover Total Costs				\$154.06	CWT	

Sensitivity Analysis for Example

Example Weaning Percent	Example Gross Sales per AU	Pounds Produced per AU	Example Breakeven Offspring Pay Weight to Cover Total Cost	Example Average Break Even Price to Cover Total Cost
140%	\$590.87	581	82	\$132.05
130%	\$554.00	550	89	\$142.21
120%	\$517.12	519	98	\$154.06
110%	\$480.25	487	109	\$168.06
100%	\$443.37	456	122	\$184.87

Example Offspring Price	\$118.00
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Example Weighted Average Offspring Price (\$/cwt)	\$118.00

Developed by Bill Thompson, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension Service.

Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation. Brand names are mentioned only as examples and imply no endorsement.