

Projections for Planning Purposes Only -- Not to be Used without Updating

2014 Estimated Costs and Returns per Animal Unit

Hair Sheep, 5 Head per AU - 100 Animal Units

Southwest Extension District - 10

Animal Units (AU)	100					
Breeding Females	500					
		Quantity				Enterprise
REVENUE	Head	Per Head	Units	\$/Unit	Total	Total
Lambs	2.150	0.65	CWT	\$121.85	\$170.28	\$17,028.00
Lambs	1.060	0.65	CWT	\$121.85	\$83.95	\$8,395.20
Cull Ewes	1.100	1.10	CWT	\$54.55	\$66.00	\$6,600.00
Total Revenue					\$320.23	\$32,023.20
						Enterprise
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Total
Production Costs						
Miscellaneous						
Predator Control		65	Acre	\$0.25	\$16.25	\$1,625.00
Parasite Monitoring		1.375	Head	\$2.00	\$2.75	\$275.00
Marketing Expense		1.00	AU	\$27.38	\$27.38	\$2,738.13
Feed						
Cottonseed - S&G		75	Pound	\$0.14	\$10.50	\$1,050.00
10-10 Loose Mineral		2.1	Pound	\$0.36	\$0.76	\$75.60
Cottonseed - S&G		75	Pound	\$0.14	\$10.50	\$1,050.00
10-10 Loose Mineral		2.1	Pound	\$0.36	\$0.76	\$75.60
10-10 Loose Mineral		2.1	Pound	\$0.36	\$0.76	\$75.60
Working Dog Food		7.29	Pound	\$0.60	\$4.37	\$437.40
10-10 Loose Mineral		2.1	Pound	\$0.36	\$0.76	\$75.60
10-10 Loose Mineral		2.1	Pound	\$0.36	\$0.76	\$75.60
Working Dog Food		7.29	Pound	\$0.60	\$4.37	\$437.40
Vet. Medicine		1	AU	\$16.80	\$16.80	\$1,680.00
Repairs		1	AU	\$47.09	\$47.09	\$4,708.69
Labor		3.20	Hours	\$10.00	\$32.00	\$3,200.00
Interest on Credit Line				6.50%	\$12.17	\$1,217.50
Total Variable Costs					\$187.97	\$18,797.12
Planned Returns Above Variable Costs:					\$132.26	\$13,226.08
Average Kid or Lamb Breakeven Price to Cover Variable Costs				\$58.46	CWT	
						Enterprise
FIXED COSTS		Quantity	Units	\$/Unit	Total	Total
Depreciation - Equipment		1	AU	\$35.97	\$35.97	\$3,597.33
Depreciation - Livestock		1	AU	\$123.96	\$123.96	\$12,396.00
Equipment Investment		\$359.73	Dollars	6.50%	\$23.38	\$2,338.27
Native Pasture Rent		1.00	Acres	\$147.00	\$147.00	\$14,700.00
Total Costs					\$518.29	\$51,828.72
Planned Returns to Management, Risk, and Profit:					(\$198.06)	(\$19,805.52)
Average Kid or Lamb Breakeven Price to Cover Total Costs				\$216.77	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
106%	\$379.29	378	88	\$175.91
96%	\$349.76	354	100	\$194.21
86%	\$320.23	330	116	\$216.77
76%	\$290.70	305	137	\$245.25
66%	\$261.18	281	168	\$282.36

Example Offspring Price	\$121.85
Example Offspring Price	\$121.85
Example Weighted Average Offspring Price (\$/cwt)	\$121.85

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension.

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.