

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2015 Estimated Costs and Returns per Animal Unit**  
**Commercial Hair Sheep, Lamb Production, 5 Head per AU - 500 Ewes**  
**West Central Extension District - 7**

Animal Units (AU)	100					
Breeding Females	500					
		Quantity				Enterprise
<b>REVENUE</b>	<b>Head</b>	<b>Per Head</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>
Lambs - Wether	3.000	0.75	CWT	\$183.95	\$413.89	\$206,943.75
Lambs - Ewe	2.000	0.75	CWT	\$183.95	\$275.93	\$137,962.50
Cull Ewes	1.000	1.35	CWT	\$71.45	\$96.46	\$48,228.75
Cull Rams	0.050	1.70	CWT	\$75.00	\$6.38	\$3,187.50
Total Revenue					\$792.65	\$396,322.50
						Enterprise
<b>VARIABLE COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>
<b>Production Costs</b>						
Miscellaneous						
Supplies		1	AU	\$15.00	\$15.00	\$7,500.00
Predator Control - Sheep		5	Head	\$2.10	\$10.50	\$5,250.00
Brush Control		30	Acre	\$1.00	\$30.00	\$15,000.00
PRF Rainfall Ins		30	Acre	\$0.85	\$25.50	\$12,750.00
Marketing Expense		1.00	AU	\$27.53	\$27.53	\$2,752.70
Feed						
Corn - Sheep and Goat		135	Pound	\$0.09	\$11.81	\$5,906.25
Cotton Seed - Sheep and Goat		300	Pound	\$0.14	\$41.25	\$20,625.00
Mineral - Sheep		54	Pound	\$0.52	\$28.08	\$14,040.00
Salt - Sheep		54	Pound	\$0.11	\$5.94	\$2,970.00
Vet. Medicine						
Overeat/Tetnus		5	Dose	\$0.27	\$1.35	\$675.00
Soremouth		5	Dose	\$0.14	\$0.70	\$350.00
Cylence-Fly and Lice control		23.4	ML	\$0.04	\$0.94	\$468.00
Fuel		1.0	AU	\$56.25	\$56.25	\$28,125.00
Lube (As a % of fuel)		10.0%	Percent	\$56.25	\$5.63	\$2,812.50
Repairs		1	AU	\$52.32	\$52.32	\$26,162.47
Labor		0.30	Hours	\$15.00	\$4.50	\$2,250.00
Utilities		1.00	AU	\$24.00	\$24.00	\$12,000.00
Interest on Credit Line				4.00%	\$14.46	\$7,227.90
Total Variable Costs					\$355.75	\$166,864.82
Planned Returns Above Variable Costs:					\$436.89	\$229,457.68
Average Lamb Breakeven Price to Cover Variable Costs				\$67.44	CWT	
						Enterprise
<b>FIXED COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>
Depreciation - Equipment		1	AU	\$57.50	\$57.50	\$28,750.89
Depreciation - Livestock		1	AU	\$15.00	\$15.00	\$7,500.00
Equipment Investment		\$2,258.88	dollars	3.75%	\$84.71	\$42,354.06
Pasture Cost		30	Acres	\$6.00	\$180.00	\$90,000.00
Total Fixed Costs					\$337.21	\$168,604.95
Total Costs					\$692.96	\$335,469.77
Planned Returns to Management, Risk, and Profit:					\$99.68	\$60,852.73
Average Lamb Breakeven Price to Cover Total Costs				\$157.37	CWT	

**Sensitivity Analysis for Example**

Example Weaning Percent	Example Gross Sales per AU	Example Pounds Produced per AU	Example Breakeven Lamb Pay Weight to Cover Total Cost	Example Average Break Even Price to Cover Total Cost
140%	\$907.61	581	53	\$134.89
130%	\$850.13	550	58	\$145.26
120%	\$792.65	519	64	\$157.37
110%	\$735.16	487	71	\$171.67
100%	\$677.68	456	80	\$188.84

Example Male Lamb Price	\$183.95
Example Female Lamb Price	\$183.95
Example Weighted Average Lamb Price (\$/cwt)	\$183.95

Developed by Bill Thompson, Associate 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.**