

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

Animal Units (AU)	100					
Breeding Females	500					
		Quantity				Enterprise
REVENUE	Head	Per Head	Units	\$/Unit	Total	Total
Lambs - Wether	2.250	0.75	CWT	\$183.95	\$310.42	\$155,207.81
Lambs - Ewe	1.250	0.75	CWT	\$183.95	\$172.45	\$86,226.56
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
Wool, 20.6-22.0 Mic	5.000	8.00	Pound	\$2.00	\$80.00	\$40,000.00
Total Revenue					\$665.70	\$332,850.63
		Quantity				Enterprise
VARIABLE COSTS			Units	\$/Unit	Total	Total
Production Costs						
Miscellaneous						
Supplies		5	Head	\$3.00	\$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
Tag Sheep		5	Head	\$1.90	\$9.50	\$4,750.00
Shear Sheep		5	Head	\$3.25	\$16.25	\$8,125.00
Marketing Expense		1.00	AU	\$20.81	\$20.81	\$2,081.45
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
Fendendazole drench		46	ml	\$0.10	\$4.60	\$2,300.00
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		0.60	Hours	\$15.00	\$9.00	\$4,500.00
Utilities		1.00	AU	\$24.00	\$24.00	\$12,000.00
Interest on Credit Line				4.00%	\$15.06	\$7,527.90
Total Variable Costs					\$384.49	\$183,918.57
Planned Returns Above Variable Costs:					\$281.21	\$148,932.06
Average Lamb Breakeven Price to Cover Variable Costs				\$76.82	CWT	
						Enterprise
FIXED COSTS		Quantity	Units	\$/Unit	Total	Total
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					\$721.70	\$352,523.51
Planned Returns to Management, Risk, and Profit:					(\$56.00)	(\$19,672.89)
Average Lamb Breakeven Price to Cover Total Costs				\$205.28	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
110%	\$773.01	4464	65	\$167.96
100%	\$719.35	4435	73	\$184.75
90%	\$665.70	4406	84	\$205.28
80%	\$612.05	4377	98	\$230.94
70%	\$558.40	4348	117	\$263.93

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.