

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Breeding Female
Small Acreage Hair Sheep - 12 Ewe
West Central Extension District - 7

Breeding Females		12					Enterprise	
REVENUE	Head	Quantity Per Head	Units	\$/Unit	Total	Total	Total	
Lambs - Wether	0.667	0.75	CWT	\$190.00	\$95.00	\$1,140.00		
Lambs - Ewe	0.417	0.75	CWT	\$190.00	\$59.38	\$712.50		
Cull Ewes	0.167	1.25	CWT	\$86.00	\$17.92	\$215.00		
Cull Rams	0.083	2.00	CWT	\$90.00	\$15.00	\$180.00		
Total Revenue					\$187.29	\$2,247.50		
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Total	Enterprise Total	
Production Costs								
Miscellaneous								
Supplies		0.66666667	Head	\$3.00	\$2.00	\$24.00		
PRF Rainfall Ins		3.33333333	Acre	\$0.85	\$2.83	\$34.00		
Marketing Expense		1.00	Head	\$6.10	\$6.10	\$73.18		
Feed								
Salt - Sheep		9.88333333	Pound	\$0.11	\$1.09	\$13.05		
Mineral - Sheep		9.88333333	Pound	\$0.52	\$5.14	\$61.67		
Cotton Seed - Sheep and Goat		45	Pound	\$0.13	\$5.96	\$71.55		
Vet. Medicine								
Soremouth		1.25	Dose	\$0.14	\$0.18	\$2.10		
Fly and Lice		4.375	ML	\$0.04	\$0.18	\$2.10		
Fuel		1.0	Head	\$2.90	\$2.90	\$34.75		
Lube (As a % of fuel)		10.0%	Percent	\$2.90	\$0.29	\$3.48		
Repairs		1	Head	\$28.10	\$28.10	\$337.14		
Utilities		1.00	Head	\$6.00	\$6.00	\$72.00		
Interest on Credit Line				6.50%	\$3.73	\$44.75		
Total Variable Costs					\$64.48	\$773.76		
Planned Returns Above Variable Costs:					\$122.81	\$1,473.74		
Average Lamb Breakeven Price to Cover Variable Costs				\$38.85	CWT			
FIXED COSTS		Quantity	Units	\$/Unit	Total	Total	Enterprise Total	
Depreciation - Equipment		1	Head	\$119.73	\$119.73	\$1,436.73		
Depreciation - Livestock		1	Head	\$2.78	\$2.78	\$33.33		
Pasture Cost		3.33333333	Acres	\$8.00	\$26.67	\$320.00		
Total Fixed Costs					\$149.17	\$1,790.06		
Total Costs					\$213.65	\$2,563.82		
Planned Returns to Management, Risk, and Profit:					(\$26.36)	(\$316.32)		
Average Lamb Breakeven Price to Cover Total Costs				\$222.44	CWT			

Sensitivity Analysis for Example

Example Gross				
Example Weaning Percent	Sales per Breeding Female	Pounds Produced per AU	Example Breakeven Lamb Pay Weight to Cover Total Cost	Example Average Break Even Price to Cover Total Cost
145%	\$211.99	132	73	\$191.76
135%	\$199.64	125	79	\$205.97
125%	\$187.29	119	86	\$222.44
115%	\$174.94	112	95	\$241.79
105%	\$162.59	106	106	\$264.81

Example Male Lamb Price	\$190.00
Example Female Lamb Price	\$190.00
Example Weighted Average Lamb Price (\$/cwt)	\$190.00

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.