

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2019 Estimated Costs and Returns per Animal Unit**  
**Commercial Sheep, Wool/Lamb Production, 5 Head per AU**  
**West Central Extension District - 7**

Animal Units (AU)	100					
Breeding Females	500					
<b>REVENUE</b>	<b>Head</b>	<b>Quantity Per Head</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
Lambs - Wether	2.250	0.75	CWT	\$173.00	\$291.94	\$29,193.75
Lambs - Ewe	1.250	0.75	CWT	\$173.00	\$162.19	\$16,218.75
Cull Ewes	1.000	1.35	CWT	\$61.32	\$82.78	\$8,278.20
Cull Rams	0.050	2.00	CWT	\$71.00	\$7.10	\$710.00
Wool, 20.6-22.0 Mic	5.000	8.00	Pound	\$6.56	\$262.40	\$26,240.00
PRF Income	5.000	6.00	Acre	\$1.96	\$58.80	\$5,880.00
<b>Total Revenue</b>					<b>\$865.21</b>	<b>\$86,520.70</b>
<b>VARIABLE COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
<b>Production Costs</b>						
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	\$1.11	\$33.30	\$3,330.00
Tag Sheep		5	AU	\$1.90	\$9.50	\$950.00
Shear Sheep		5	Head	\$3.25	\$16.25	\$1,625.00
Marketing Expense		1.00	AU	\$20.83	\$20.83	\$2,082.50
Feed						
Range Cubes 20%		2.25	CWT	\$17.30	\$38.93	\$3,892.50
Corn - Sheep and Goat		110	Pound	\$0.07	\$7.85	\$785.40
Salt - Sheep		15	Pound	\$0.11	\$1.71	\$171.00
Mineral - Sheep		6	Pound	\$0.40	\$2.38	\$238.20
Dog food		0.05	Dog	\$344.93	\$17.25	\$1,724.63
Vet. Medicine						
Overeat/Tetnus		4.5	Dose	\$0.80	\$3.60	\$359.91
Soremouth		4.5	Dose	\$0.33	\$1.48	\$148.28
Guard/Working Dog Health		0.05	Head	\$250.00	\$12.50	\$1,250.00
S&G Deworm 1st		118.1	MI	\$0.06	\$6.77	\$676.71
S&G Deworm 2nd		21.2	MI	\$0.07	\$1.44	\$143.95
Fuel		1.0	AU	\$50.40	\$50.40	\$5,040.00
Lube (As a % of fuel)		10.0%	Percent	\$50.40	\$5.04	\$504.00
Repairs		1	AU	\$52.32	\$52.32	\$5,232.49
Labor		0.60	Hours	\$15.00	\$9.00	\$900.00
Utilities		1.00	AU	\$24.00	\$24.00	\$2,400.00
Interest on Credit Line				5.25%	\$21.72	\$2,172.37
<b>Total Variable Costs</b>					<b>\$391.77</b>	<b>\$39,176.93</b>
Planned Returns Above Variable Costs:					\$473.44	\$47,343.77
Average Lamb Breakeven Price to Cover Variable Costs				(\$7.36) CWT		
<b>FIXED COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
Depreciation - Equipment		1	AU	\$57.50	\$57.50	\$5,750.18
Depreciation - Livestock		1	AU	\$57.58	\$57.58	\$5,758.33
Equipment Investment		\$1,546.32	dollars	6.00%	\$92.78	\$9,277.95
Pasture Cost		30	Acres	\$8.00	\$240.00	\$24,000.00
<b>Total Fixed Costs</b>					<b>\$447.86</b>	<b>\$44,786.46</b>
<b>Total Costs</b>					<b>\$839.63</b>	<b>\$83,963.39</b>
Planned Returns to Management, Risk, and Profit:					\$25.57	\$2,557.31
Average Lamb Breakeven Price to Cover Total Costs				\$163.26 CWT		

**Sensitivity Analysis for Example**

Example Weaning Percent	Example Gross Sales per Animal Unit	Pounds Produced per Animal Unit	Example Breakeven Lamb Pay Weight to Cover Total Cost	Example Average Breakeven Price to Cover Total Cost
110%	\$966.12	466	55	\$133.57
100%	\$915.67	437	62	\$146.93
90%	\$865.21	408	71	\$163.26
80%	\$814.75	378	83	\$183.67
70%	\$764.29	349	99	\$209.90

Example Male Lamb Price	\$173.00
Example Female Lamb Price	\$173.00
Example Weighted Average Lamb Price (\$/cwt)	\$173.00

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

**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.**