

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 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						Enterprise
Breeding Females	500						Total
REVENUE	Head	Quantity Per Head	Units	\$/Unit	Total	Total	
Lambs - Wether	2.250	0.75	CWT	\$172.71	\$291.45	\$29,144.81	
Lambs - Ewe	1.250	0.75	CWT	\$172.71	\$161.92	\$16,191.56	
Cull Ewes	1.000	1.35	CWT	\$67.12	\$90.61	\$9,061.20	
Cull Rams	0.050	2.00	CWT	\$73.50	\$7.35	\$735.00	
Wool, 20.6-22.0 Mic	5.000	4.00	Pound	\$5.70	\$114.00	\$11,400.00	
PRF Income	5.000	6.00	Acre	\$1.96	\$58.80	\$5,880.00	
Total Revenue					\$724.13	\$72,412.58	
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total	
Production Costs							
Miscellaneous							
Supplies		1	AU	\$15.00	\$15.00	\$1,500.00	
Predator Control - Sheep		5	Head	\$1.05	\$5.25	\$525.00	
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							
Corn - Sheep and Goat		110	Pound	\$0.07	\$7.85	\$785.40	
Range Cubes 20%		2.25	CWT	\$17.30	\$38.93	\$3,892.50	
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							
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		1.00	Hours	\$15.00	\$15.00	\$1,500.00	
Utilities		1.00	AU	\$24.00	\$24.00	\$2,400.00	
Interest on Credit Line				5.25%	\$21.67	\$2,167.30	
Total Variable Costs					\$392.47	\$39,246.86	
Planned Returns Above Variable Costs:					\$331.66	\$33,165.71	
Average Lamb Breakeven Price to Cover Variable Costs				\$46.36	CWT		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total	
Depreciation - Equipment		1	AU	\$57.50	\$57.50	\$5,750.18	
Depreciation - Livestock		1	AU	\$43.47	\$43.47	\$4,346.67	
Equipment Investment		\$1,546.32	dollars	6.00%	\$92.78	\$9,277.95	
Pasture Cost		30	Acres	\$8.00	\$240.00	\$24,000.00	
Total Fixed Costs					\$433.75	\$43,374.79	
Total Costs					\$826.22	\$82,621.66	
Planned Returns to Management, Risk, and Profit:					(\$102.09)	(\$10,209.08)	
Average Lamb Breakeven Price to Cover Total Costs				\$211.60	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%	\$824.87	466	71	\$173.13
100%	\$774.50	437	80	\$190.44
90%	\$724.13	408	92	\$211.60
80%	\$673.75	378	107	\$238.05
70%	\$623.38	349	129	\$272.06

Example Male Lamb Price	\$172.71
Example Female Lamb Price	\$172.71
Example Weighted Average Lamb Price (\$/cwt)	\$172.71

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.