

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2020 Estimated Costs and Returns per Animal Unit
Trans Pecos Hair Sheep, 5 Head per AU
Far West Extension District - 6

Animal Units (AU)	100					
Breeding Females	500					
		Quantity				Enterprise
REVENUE	Head	Per Head	Units	\$/Unit	Total	Total
Lambs	2.330	0.80	CWT	\$172.71	\$321.93	\$32,193.14
Lambs	1.230	0.80	CWT	\$172.71	\$169.95	\$16,994.66
Cull Ewes	1.100	1.25	CWT	\$67.12	\$92.29	\$9,229.00
Cull Ram	0.040	1.70	CWT	\$75.00	\$5.10	\$510.00
Total Revenue					\$589.27	\$58,926.81
		Quantity	Units	\$/Unit	Total	Enterprise
VARIABLE COSTS						Total
Production Costs						
Miscellaneous						
Predator Control		65	Acre	\$0.25	\$16.25	\$1,625.00
Parasite Monitoring		1.375	Head	\$2.00	\$2.75	\$275.00
Marketing Expense		1.00	AU	\$24.42	\$24.42	\$2,441.84
Feed						
10-10 Loose Mineral		10.5	Pound	\$0.57	\$5.99	\$598.50
Cottonseed - S&G		150	Pound	\$0.13	\$19.50	\$1,950.00
Vet. Medicine						
Clostridials S&G		5	Dose	\$0.51	\$2.55	\$255.00
Deworm S&G-Ivomec		10	Dose	\$0.71	\$7.10	\$710.00
Lice control - S&G		10	Dose	\$0.06	\$0.60	\$60.00
Fuel		1.0	AU	\$23.88	\$23.88	\$2,388.00
Lube (As a % of fuel)		10.0%	Percent	\$23.88	\$2.39	\$238.80
Repairs		1	AU	\$13.69	\$13.69	\$1,369.34
Labor		3.20	Hours	\$15.00	\$48.00	\$4,800.00
Interest on Credit Line				6.25%	\$12.93	\$1,293.50
Total Variable Costs					\$180.05	\$18,004.97
Planned Returns Above Variable Costs:					\$409.22	\$40,921.83
Average Lamb Breakeven Price to Cover Variable Costs				\$29.02	CWT	
		Quantity	Units	\$/Unit	Total	Enterprise
FIXED COSTS						Total
Depreciation - Equipment		1	AU	\$58.34	\$58.34	\$5,833.99
Depreciation - Livestock		1	AU	\$98.42	\$98.42	\$9,842.16
Equipment Investment		\$1,207.55	dollars	6.00%	\$72.45	\$7,245.28
Pasture Cost		1	Acres	\$186.00	\$186.00	\$18,600.00
Total Fixed Costs					\$415.21	\$41,521.43
Total Costs					\$595.26	\$59,526.40
Planned Returns to Management, Risk, and Profit:					(\$6.00)	(\$599.59)
Average Lamb Breakeven Price to Cover Total Costs				\$174.82	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
113%	\$694.93	490	63	\$143.90
103%	\$642.10	460	71	\$157.86
93%	\$589.27	429	81	\$174.82
83%	\$536.43	399	94	\$195.85
73%	\$483.60	368	113	\$222.64

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

Developed by Bill Thompson, Assistant 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.