

*Projections for Planning Purposes Only  
Not to be Used without Updating after October 15, 2003*

Sheep Production  
West Central Texas (7)  
**2004 Projected Costs and Returns per Head**

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PRODUCTION Description	Quantity	Unit	\$ / Unit	Return	
CULL EWES SHEEP	1.10Hd	130.000 lb.	0.3500	50.05	
LAMBS	4.40Hd	75.000 lb.	0.8500	280.50	
WOOL		44.000 lb.	0.4000	17.60	
				=====	
Total GROSS Income				348.15	
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OPERATING INPUT or CUSTOM OPERATION					
Description	Input Use	Unit	\$ / Unit	Cost	
DEATH LOSS SHEEP	0.040	\$	347.800	13.91	
MARKETING SHEEP	5.490	head	2.000	10.98	
MISC. EXPENSE SHEEP	5.490	head	1.000	5.49	
RAM EXPENSE	0.180	head	100.000	18.00	
SALT AND MINERALS SHEEP	54.900	lb.	0.300	16.47	
SHEARING SHEEP	5.500	head	2.000	11.00	
SUPPLEMENTAL FEES SHEEP	494.500	lb.	0.080	39.56	
VET. MEDICINE SHEEP	10.990	head	1.250	13.74	
Fuel				8.95	
Lube				0.89	
Repair				2.15	
				=====	
Total OPERATING INPUT and CUSTOM OPERATION Costs				141.14	
=====					
Residual returns to capital, ownership labor, land, management, and profit					207.01
=====					
CAPITAL INVESTMENT Description	Quantity Invested	Unit	Rate of Return	Cost	
Interest - IT Borrowed	401.313	Dol.	0.090	36.12	
Interest - OC Borrowed	77.158	Dol.	0.090	6.94	
Interest - OC Earned	-27.602	Dol.	0.045	-1.24	
				=====	
Total CAPITAL INVESTMENT Costs				41.82	
=====					
Residual returns to ownership, labor, land, management, and profit					165.19
=====					
OWNERSHIP COST Description (Depreciation, Taxes, and Insurance)					Cost
Machinery and Equipment				31.31	
Livestock				0.25	
				=====	
Total OWNERSHIP Costs				31.56	
=====					
Residual returns to labor, land, management, and profit					133.63
=====					
LABOR COST Description	Input Use	Unit	Average Rate	Cost	
Machinery and Equipment	3.459	Hr.	5.649	19.54	
Other	8.350	Hr.	5.600	46.76	
				=====	
Total LABOR Costs				66.30	
=====					
Residual returns to land, management, and profit					67.33
=====					
LAND COST Description	Input Use	Unit	Rate of Return	Cost	
PASTURE RENT					
Annual Lease	25.000	Acre	3.500	87.50	
				=====	
Total LAND Costs				87.50	
=====					
Residual returns to management and profit					-20.17
=====					
Residual returns to profit					-20.17
=====					
Total Projected Cost of Production				368.32	

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GROSS INCOME Description	Quantity	Unit	\$ / Unit	Total	
CULL EWES SHEEP	1.10Hd	130.000	lb.	0.3500	50.05
LAMBS	4.40Hd	75.000	lb.	0.8500	280.50
WOOL		44.000	lb.	0.4000	17.60
Total GROSS Income					348.15

VARIABLE COST Description	Total
BARN	0.04
DEATH LOSS SHEEP	13.91
FENCE 1 MILE	2.91
Interest - Earned	-1.24
Interest - OC Borrowed	6.94
LIVESTOCK LABOR	46.76
MARKETING SHEEP	10.98
MISC. EXPENSE SHEEP	5.49
PICKUP TRUCK 3/4 TON	28.25
RAM EXPENSE	18.00
SALT AND MINERALS SHEEP	16.47
SHEARING SHEEP	11.00
SHED	0.02
STOCK SPRAYER	0.04
STOCK TRAILER	0.04
SUPPLEMENTAL FEES SHEEP	39.56
VET. MEDICINE SHEEP	13.74
WATER	0.18
WORKING PENS	0.04
Total VARIABLE COST	213.14

Break-Even Price, Total Variable Cost \$ - 0.59 per lb. of CULL EWES

GROSS INCOME minus VARIABLE COST 135.01

FIXED COST Description	Unit	Total
Machinery and Equipment	Acre	67.08
Livestock		0.60
Land	Acre	87.50
Total FIXED Cost		155.18

Break-Even Price, Total Cost \$ 0.49 per lb. of CULL EWES

Total of ALL Cost 368.32

FIXED COST Description	Unit	Total
NET PROJECTED RETURNS		-20.17