

Sheep Production
West Central Texas (7)
2003 Projected Cost and Returns per Animal Unit

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
OPERATING INPUT or CUSTOM OPERATION					
Description	Input Use	Unit	\$ / Unit	Cost	
DEATH LOSS	0.040	\$	347.800	13.91	
MARKETING	5.490	head	2.000	10.98	
MISC. EXPENSE	5.490	head	1.000	5.49	
RAM EXPENSE	0.180	head	100.000	18.00	
SALT AND MINERALS	54.900	lb.	0.300	16.47	
SHEARING	5.500	head	2.000	11.00	
SUPPLEMENTAL FEES	494.500	lb.	0.080	39.56	
VET. MEDICINE	10.990	head	1.250	13.74	
Fuel				7.61	
Lube				0.76	
Repair				2.15	
Total OPERATING INPUT and CUSTOM OPERATION Costs					139.67
Residual returns to capital, ownership labor, land, management, and profit					208.48
CAPITAL INVESTMENT Description					
Quantity Invested	Unit	Rate of Return	Cost		
Interest - IT Borrowed	401.313	Dol.	0.090	36.12	
Interest - OC Borrowed	76.747	Dol.	0.090	6.91	
Interest - OC Earned	-28.000	Dol.	0.045	-1.26	
Total CAPITAL INVESTMENT Costs					41.77
Residual returns to ownership, labor, land, management, and profit					166.72
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					135.16
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					68.86
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					-18.64
Residual returns to profit					-18.64
Total Projected Cost of Production					366.79

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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	-1.26
Interest - OC Borrowed	6.91
LIVESTOCK LABOR	46.76
MARKETING SHEEP	10.98
MISC. EXPENSE SHEEP	5.49
PICKUP TRUCK 3/4 TON	26.78
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 211.61

Break-Even Price, Total Variable Cost \$ - 0.60 per lb. of CULL EWES

GROSS INCOME minus VARIABLE COST 136.54

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 \$ 0.48 per lb. of CULL EWES

Total of ALL Cost 366.79

FIXED COST Description	Unit	Total
NET PROJECTED RETURNS		-18.64