

Projections for Planning Purposes Only -- Not to be Used without Updating
2013 Estimated Costs and Returns per Animal Unit
Commercial Hair Sheep, Lamb Production, 5 hd per AU - 500 Ewes
West Central Extension District - 7

Breeding Females		500					Enterprise
REVENUE	Head	Quantity	Units	\$/Unit	Total	Total	Enterprise
Lambs	5.000	0.75	CWT	\$145.00	\$543.75	\$271,875.00	
Cull Ewes	1.000	1.35	CWT	\$68.00	\$91.80	\$45,900.00	
Cull Rams	0.050	1.70	CWT	\$68.00	\$5.78	\$2,890.00	
Total Revenue					\$641.33	\$320,665.00	
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs							
Miscellaneous							
Supplies		1	AU	\$15.00	\$15.00	\$7,500.00	
Predator Control		1	AU	\$10.50	\$10.50	\$5,250.00	
Brush Control		30	Ac	\$1.00	\$30.00	\$15,000.00	
PRF Rainfall Ins		30	Ac	\$0.85	\$25.50	\$12,750.00	
Sales Commission - Ewe & Ram		1.05	Head	\$3.95	\$4.15	\$414.75	
Sales Commission - Lamb		5	Head	\$3.95	\$19.75	\$9,875.00	
Purchased Feed							
S&G Corn		135	lb	\$0.22	\$29.70	\$14,850.00	
S&G Cotton Seed		300	lb	\$0.23	\$69.00	\$34,500.00	
Salt		54	lb	\$0.11	\$5.94	\$2,970.00	
Mineral		54	lb	\$0.49	\$26.46	\$13,230.00	
Vet. Medicine		1	Head	\$5.29	\$5.29	\$2,645.55	
Fuel		1.0	Head	\$78.30	\$78.30	\$39,150.00	
Lube (As a % of fuel)		10.0%	Percent	\$7.83	\$7.83	\$3,915.00	
Repairs		1	Head	\$52.32	\$52.32	\$26,162.47	
Labor							
Day Labor		0.30	Hours	\$15.00	\$4.50	\$450.00	
Custom Hire-Shearing		5.00	hd	\$0.00	\$0.00	\$0.00	
Utilities		1.00	hd	\$24.00	\$24.00	\$600.00	
Interest on Credit Line				4.75%	\$9.09	\$4,546.07	
Total Variable Costs					\$417.34	\$193,808.84	
Planned Returns Above Variable Costs:					\$223.99	\$126,856.16	
Average Lamb Breakeven Price to Cover Variable Costs				\$85.27	CWT		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Total	Enterprise
Depreciation - Equipment		1	Head	\$71.90	\$71.90	\$35,950.89	
Depreciation - Livestock		1	Head	\$15.00	\$15.00	\$7,500.00	
Equipment Investment		\$2,258.88	dollars	0.00%	\$0.00	\$0.00	
Insurance		1	Head	\$5.56	\$5.56	\$2,780.00	
Native Pasture Rent		30	Acres	\$3.00	\$90.00	\$45,000.00	
Total Fixed Costs					\$182.46	\$91,230.89	
Total Costs					\$599.80	\$285,039.73	
Planned Returns to Management, Risk, and Profit:					\$41.53	\$35,625.27	
Average Lamb Breakeven Price to Cover Total Costs				\$133.92	CWT		

Sensitivity Analysis					
Weaning Percent	Gross	Lbs of Lamb	Breakeven Lamb Pay	Break Even Lamb Price to Cover	Total Cost
	Sales per Ewe	Produced per Ewe	Weight to Cover Total Cost		
140%	\$150.02	117	58		\$111.60
130%	\$139.14	110	63		\$121.75
120%	\$128.27	102	69		\$133.92
110%	\$117.39	95	77		\$148.81
100%	\$106.52	87	87		\$167.41

Developed by Bill Thompson, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension.

Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation.