

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

Breeding Females		500				
REVENUE	Head	Quantity	Units	\$/Unit	Total	Enterprise Total
Lambs	3.000	0.75	CWT	\$145.00	\$326.25	\$163,125.00
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
Wool, 20.6-22.0 Mic	5.000	8.00	Lbs	\$4.60	\$184.00	\$92,000.00
<b>Total Revenue</b>					<b>\$607.83</b>	<b>\$303,915.00</b>
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>						
<b>Miscellaneous</b>						
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		3	Head	\$3.95	\$11.85	\$5,925.00
<b>Purchased Feed</b>						
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	\$8.77	\$8.77	\$4,387.20
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
<b>Labor</b>						
Day Labor		0.60	Hours	\$15.00	\$9.00	\$900.00
Custom Hire-Shearing		5.00	hd	\$4.50	\$22.50	\$0.00
Utilities		1.00	hd	\$24.00	\$24.00	\$600.00
Interest on Credit Line				4.75%	\$9.29	\$4,644.30
<b>Total Variable Costs</b>					<b>\$440.12</b>	<b>\$192,148.72</b>
<b>Planned Returns Above Variable Costs:</b>					\$167.71	\$111,766.28
Average Lamb Breakeven Price to Cover Variable Costs					\$70.46	CWT
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
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
<b>Total Fixed Costs</b>					<b>\$182.46</b>	<b>\$91,230.89</b>
<b>Total Costs</b>					<b>\$622.58</b>	<b>\$283,379.61</b>
<b>Planned Returns to Management, Risk, and Profit:</b>					<b>(\$14.75)</b>	<b>\$20,535.39</b>
Average Lamb Breakeven Price to Cover Total Costs					\$151.55	CWT

**Sensitivity Analysis**

Weaning Percent	Gross Sales per Ewe	Lbs of Lamb Produced per Ewe	Breakeven Lamb Pay Weight to Cover Total Cost	Break Even Lamb Price to Cover Total Cost
110%	\$154.19	95	52	\$101.04
95%	\$137.88	83	63	\$121.24
80%	\$121.57	72	78	\$151.55
65%	\$105.25	61	105	\$202.07
50%	\$88.94	50	157	\$303.11

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.**

our values in Columns E, G, J, L, N