

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Head
Small Acreage Hair Sheep - 12 Ewes
West Central Extension District - 7

Breeding Females		12				
REVENUE	Head	Quantity Per Head	Units	\$/Unit	Total	Enterprise Total
Lambs - Wether	0.667	0.75	CWT	\$183.95	\$91.98	\$1,103.70
Lambs - Ewe	0.417	0.75	CWT	\$183.95	\$57.48	\$689.81
Cull Ewes	0.167	1.25	CWT	\$71.45	\$14.89	\$178.63
Cull Rams	0.083	2.00	CWT	\$75.00	\$12.50	\$150.00
Total Revenue					\$176.84	\$2,122.14
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Miscellaneous						
Supplies		0.67	Head	\$3.00	\$2.00	\$24.00
PRF Rainfall Ins		3.33	Acre	\$0.85	\$2.83	\$34.00
Marketing Expense		1.00	Head	\$6.10	\$6.10	\$73.18
Feed						
Cotton Seed - Sheep and Goat		45.00	Pound	\$0.14	\$6.19	\$74.25
Mineral - Sheep		9.88	Pound	\$0.52	\$5.14	\$61.67
Salt - Sheep		9.88	Pound	\$0.11	\$1.09	\$13.05
Vet. Medicine						
Soremouth		1.25	Dose	\$0.14	\$0.18	\$2.10
Fly and Lice		4.38	ML	\$0.04	\$0.18	\$2.10
Fuel		1.00	Head	\$4.72	\$4.72	\$56.63
Lube (As a % of fuel)		0.10	Percent	\$4.72	\$0.47	\$5.66
Repairs		1.00	Head	\$28.10	\$28.10	\$337.14
Utilities		1.00	Head	\$6.00	\$6.00	\$72.00
Interest on Credit Line				4.00%	\$2.27	\$27.24
Total Variable Costs					\$65.25	\$783.02
Planned Returns Above Variable Costs:					\$111.59	\$1,339.12
Average Lamb Breakeven Price to Cover Variable Costs				\$46.60	CWT	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Depreciation - Equipment		1.00	Head	\$119.73	\$119.73	\$1,436.73
Depreciation - Livestock		1.00	Head	\$2.78	\$2.78	\$33.33
Pasture Cost		3.33	Acres	\$6.00	\$20.00	\$240.00
Total Fixed Costs					\$142.51	\$1,710.06
Total Costs					\$207.76	\$2,493.08
Planned Returns to Management, Risk, and Profit:					(\$30.91)	(\$370.94)
Average Lamb Breakeven Price to Cover Total Costs				\$222.00	CWT	

Sensitivity Analysis for Example				
Example Weaning Percent	Example Gross Sales per AU	Example Pounds Produced per AU	Example Lamb Pay Weight to Cover Total Cost	Example Breakeven Price to Cover Total Cost
145%	\$200.76	132	75	\$191.38
135%	\$188.80	125	82	\$205.55
125%	\$176.84	119	89	\$222.00
115%	\$164.89	112	98	\$241.30
105%	\$152.93	106	109	\$264.28

Example Male Lamb Price	\$183.95
Example Female Lamb Price	\$183.95
Example Weighted Average Lamb Price (\$/cwt)	\$183.95

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

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.