

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2015 Estimated Costs and Returns per Animal Unit**  
**Hair Sheep, 5 Head per AU - 500 Ewe**  
**Southwest Extension District - 10**

Animal Units (AU)	100					
Breeding Females	500					
<b>REVENUE</b>	<b>Head</b>	<b>Quantity Per Head</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
Lambs	2.330	0.80	CWT	\$188.00	\$350.43	\$175,216.00
Lambs	1.220	0.80	CWT	\$188.00	\$183.49	\$91,744.00
Cull Ewes	1.100	1.10	CWT	\$78.98	\$95.57	\$47,784.00
<b>Total Revenue</b>					<b>\$629.49</b>	<b>\$314,744.00</b>
<b>VARIABLE COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
<b>Production Costs</b>						
Miscellaneous						
Predator Control		65	Acre	\$0.25	\$16.25	\$8,125.00
Parasite Monitoring		1.375	Head	\$2.00	\$2.75	\$1,375.00
Trucking - Sheep and Goats		1	AU	\$20.00	\$20.00	\$10,000.00
Marketing Expense		1.00	AU	\$18.60	\$18.60	\$1,860.20
Feed						
10-10 Loose Mineral		182.5	Pound	\$0.36	\$65.70	\$32,850.00
20% Protein Cube		6.76	CWT	\$19.00	\$128.44	\$64,220.00
Vet. Medicine						
Clostridials S&G		5	Dose	\$2.26	\$11.30	\$5,650.00
Deworm S&G-Ivomec		10	Dose	\$0.74	\$7.40	\$3,700.00
Lice control - S&G		10	CWT	\$0.46	\$4.60	\$2,300.00
Repairs		1	AU	\$35.21	\$35.21	\$17,604.42
Labor		3.20	Hours	\$10.00	\$32.00	\$16,000.00
Interest on Credit Line				6.50%	\$21.58	\$10,791.75
<b>Total Variable Costs</b>					<b>\$363.83</b>	<b>\$174,476.37</b>
Planned Returns Above Variable Costs:					\$265.65	\$140,267.63
Average Offspring Breakeven Price to Cover Variable Costs				\$94.46	CWT	
<b>FIXED COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
Depreciation - Equipment		1	AU	\$27.83	\$27.83	\$13,913.48
Depreciation - Livestock		1	AU	\$120.41	\$120.41	\$60,205.00
Equipment Investment		\$278.27	dollars	6.50%	\$18.09	\$9,043.76
Pasture Cost		1	Acres	\$225.00	\$225.00	\$112,500.00
<b>Total Fixed Costs</b>					<b>\$391.32</b>	<b>\$195,662.24</b>
<b>Total Costs</b>					<b>\$755.16</b>	<b>\$370,138.61</b>
Planned Returns to Management, Risk, and Profit:					<b>(\$125.67)</b>	<b>(\$55,394.61)</b>
Average Offspring Breakeven Price to Cover Total Costs				\$232.25	CWT	

<b>Sensitivity Analysis for Example</b>				
Example Weaning Percent	Example Gross Sales per AU	Pounds Produced per AU	Example Breakeven Offspring Pay Weight to Cover Total Cost	Example Average Break Even Price to Cover Total Cost
113%	\$744.31	466	77	\$191.14
103%	\$686.90	436	87	\$209.70
93%	\$629.49	405	99	\$232.25
83%	\$572.08	374	115	\$260.23
73%	\$514.67	344	138	\$295.88

  

Example First Offspring Price	\$188.00
Example Second Offspring Price	\$188.00
Example Weighted Average Offspring Price (\$/cwt)	\$188.00

Developed by Rob Hogan, Associate 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. Brand names are mentioned only as examples and imply no endorsement.**