

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Animal Unit
Trans Pecos Hair Sheep, 5 Head per AU - 500 Ewe
Far West Extension District - 6

| | | | | | | |
|---|-------------|-----------------|--------------|----------------|--------------|---------------|
| Animal Units (AU) | 100 | | | | | |
| Breeding Females | 500 | | | | | |
| | | Quantity | | | | Enterprise |
| REVENUE | Head | Per Head | Units | \$/Unit | Total | Total |
| Lambs | 2.330 | 0.80 | CWT | \$188.00 | \$350.43 | \$175,216.00 |
| Lambs | 1.230 | 0.80 | CWT | \$188.00 | \$184.99 | \$92,496.00 |
| Cull Ewes | 1.100 | 1.25 | CWT | \$69.50 | \$95.57 | \$47,784.00 |
| Total Revenue | | | | | \$630.99 | \$315,496.00 |
| | | Quantity | Units | \$/Unit | Total | Enterprise |
| VARIABLE COSTS | | | | | | Total |
| Production Costs | | | | | | |
| Miscellaneous | | | | | | |
| Predator Control | | 65 | AU | \$0.25 | \$16.25 | \$8,125.00 |
| Parasite Monitoring | | 1.375 | Head | \$2.00 | \$2.75 | \$1,375.00 |
| Marketing Expense | | 1.00 | AU | \$24.42 | \$24.42 | \$2,441.84 |
| Feed | | | | | | |
| Cottonseed - S&G | | 150 | Pound | \$0.14 | \$21.00 | \$10,500.00 |
| 10-10 Loose Mineral | | 10.5 | Pound | \$0.36 | \$3.78 | \$1,890.00 |
| Working Dog Food | | 14.6 | Pound | \$0.60 | \$8.76 | \$4,380.00 |
| 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 | Dose | \$0.46 | \$4.60 | \$2,300.00 |
| Repairs | | 1 | AU | \$143.78 | \$143.78 | \$71,890.62 |
| Labor | | 3.20 | Hours | \$10.00 | \$32.00 | \$16,000.00 |
| Interest on Credit Line | | | | 6.50% | \$18.65 | \$9,323.49 |
| Total Variable Costs | | | | | \$294.69 | \$137,575.95 |
| Planned Returns Above Variable Costs: | | | | | \$336.31 | \$177,920.05 |
| Average Offspring Breakeven Price to Cover Variable Costs | | | | \$69.92 | CWT | |
| | | Quantity | Units | \$/Unit | Total | Enterprise |
| FIXED COSTS | | | | | | Total |
| Depreciation - Equipment | | 1 | AU | \$196.28 | \$196.28 | \$98,142.14 |
| Depreciation - Livestock | | 1 | AU | \$123.96 | \$123.96 | \$61,980.00 |
| Equipment Investment | | \$546.25 | dollars | 6.50% | \$35.51 | \$17,753.13 |
| Pasture Cost | | 1 | Acres | \$147.00 | \$147.00 | \$73,500.00 |
| Total Fixed Costs | | | | | \$502.75 | \$251,375.26 |
| Total Costs | | | | | \$797.44 | \$388,951.21 |
| Planned Returns to Management, Risk, and Profit: | | | | | (\$166.45) | (\$73,455.21) |
| Average Offspring Breakeven Price to Cover Total Costs | | | | \$246.44 | CWT | |

Sensitivity Analysis for Example

| 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% | \$746.01 | 483 | 82 | \$202.86 |
| 103% | \$688.50 | 453 | 92 | \$222.54 |
| 93% | \$630.99 | 422 | 105 | \$246.44 |
| 83% | \$573.48 | 392 | 122 | \$276.10 |
| 73% | \$515.97 | 361 | 146 | \$313.87 |

| | |
|--|----------|
| Example First Offspring Price | \$188.00 |
| Example Second Offspring Price | \$188.00 |
| Example Weighted Average Offspring Price (\$/cv) | \$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.