

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Animal Unit
Trans Pecos Wool 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
Wool	5.000	8.80	Pound	\$3.85	\$169.40	\$84,700.00
Total Revenue					\$800.39	\$400,196.00
		Quantity	Units	\$/Unit	Total	Enterprise Total
VARIABLE COSTS						
Production Costs						
Miscellaneous						
Custom Shearing		5	AU	\$3.00	\$15.00	\$7,500.00
Predator Control		65	Acre	\$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%	\$19.30	\$9,649.38
Total Variable Costs					\$310.34	\$145,401.84
Planned Returns Above Variable Costs:					\$490.05	\$254,794.16
Average Offspring Breakeven Price to Cover Variable Costs				\$15.93 CWT		
		Quantity	Units	\$/Unit	Total	Enterprise Total
FIXED COSTS						
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					\$813.09	\$396,777.10
Planned Returns to Management, Risk, and Profit:					(\$12.70)	\$3,418.90
Average Offspring Breakeven Price to Cover Total Costs				\$192.46 CWT		

Sensitivity Analysis for Example

Example Weaning Percent	Example Gross Sales per AU	Example Pounds Produced per AU	Example Breakeven Offspring Pay Weight to Cover Total Cost	Example Average Break Even Price to Cover Total Cost
113%	\$915.41	483	64	\$158.42
103%	\$857.90	453	72	\$173.79
93%	\$800.39	422	82	\$192.46
83%	\$742.88	392	95	\$215.62
73%	\$685.37	361	114	\$245.11

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.