

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Animal Unit**  
**Trans Pecos Hair Sheep, 5 Head per AU - 500 Ewes**  
**Far West Extension District - 6**

|  |       |          |         |          |          |             |
|--|-------|----------|---------|----------|----------|-------------|
| Animal Units (AU)                                    | 100   |          |         |          |          |             |
| Breeding Females                                     | 500   |          |         |          |          |             |
|  |       | Quantity |         |          |          | Enterprise  |
| <b>REVENUE</b>                                       | Head  | Per Head | Units   | \$/Unit  | Total    | Total       |
| Lambs  | 2.330 | 0.80     | CWT     | \$185.00 | \$344.84 | \$34,484.00 |
| Lambs  | 1.230 | 0.80     | CWT     | \$185.00 | \$182.04 | \$18,204.00 |
| Cull Ewes  | 1.100 | 1.25     | CWT     | \$72.00  | \$99.00  | \$9,900.00  |
| Total Revenue  |       |          |         |          | \$625.88 | \$62,588.00 |
|  |       |          |         |          |          | Enterprise  |
| <b>VARIABLE COSTS</b>                                |       | Quantity | Units   | \$/Unit  | Total    | Total       |
| <b>Production Costs</b>                              |       |          |         |          |          |             |
| Miscellaneous  |       |          |         |          |          |             |
| Predator Control                                     |       | 65       | Acre    | \$0.25   | \$16.25  | \$1,625.00  |
| Parasite Monitoring                                  |       | 1.375    | Head    | \$2.00   | \$2.75   | \$275.00    |
| Marketing Expense                                    |       | 1.00     | AU      | \$24.42  | \$24.42  | \$2,441.84  |
| Feed   |       |          |         |          |          |             |
| 10-10 Loose Mineral                                  |       | 10.5     | Pound   | \$0.57   | \$5.99   | \$598.50    |
| Cottonseed - S&G                                     |       | 150      | Pound   | \$0.13   | \$19.50  | \$1,950.00  |
| Vet. Medicine  |       |          |         |          |          |             |
| Clostridials S&G                                     |       | 5        | Dose    | \$0.56   | \$2.80   | \$280.00    |
| Deworm S&G-Ivomec                                    |       | 10       | Dose    | \$0.46   | \$4.60   | \$460.00    |
| Lice control - S&G                                   |       | 10       | Dose    | \$0.46   | \$4.60   | \$460.00    |
| Repairs  |       | 1        | AU      | \$39.16  | \$39.16  | \$3,915.60  |
| Labor  |       | 3.20     | Hours   | \$10.00  | \$32.00  | \$3,200.00  |
| Interest on Credit Line                              |       |          |         | 6.50%    | \$14.17  | \$1,417.21  |
| Total Variable Costs                                 |       |          |         |          | \$166.23 | \$16,623.15 |
| Planned Returns Above Variable Costs:                |       |          |         |          | \$459.65 | \$45,964.85 |
| Average Lamb Breakeven Price to Cover Variable Costs |       |          |         | \$23.61  | CWT      |             |
|  |       |          |         |          |          | Enterprise  |
| <b>FIXED COSTS</b>                                   |       | Quantity | Units   | \$/Unit  | Total    | Total       |
| Depreciation - Equipment                             |       | 1        | AU      | \$61.68  | \$61.68  | \$6,168.00  |
| Depreciation - Livestock                             |       | 1        | AU      | \$123.96 | \$123.96 | \$12,396.00 |
| Equipment Investment                                 |       | \$515.41 | dollars | 6.50%    | \$33.50  | \$3,350.17  |
| Pasture Cost   |       | 1        | Acres   | \$225.00 | \$225.00 | \$22,500.00 |
| Total Fixed Costs                                    |       |          |         |          | \$444.14 | \$44,414.17 |
| Total Costs  |       |          |         |          | \$610.37 | \$61,037.32 |
| Planned Returns to Management, Risk, and Profit:     |       |          |         |          | \$15.51  | \$1,550.68  |
| Average Lamb Breakeven Price to Cover Total Costs    |       |          |         | \$179.56 | CWT      |             |

| <b>Sensitivity Analysis for Example</b> |                                     |                        |   |  |
|---|-------------------------------------|------------------------|---|--|
| Example Weaning Percent                 | Example Gross Sales per Animal Unit | Pounds Produced per AU | Example Breakeven Lamb Pay Weight to Cover Total Cost | Example Average Break Even Price to Cover Total Cost |
| 113%                                    | \$739.07                            | 483                    | 61  | \$147.80   |
| 103%                                    | \$682.47                            | 453                    | 68  | \$162.14   |
| 93%                                     | \$625.88                            | 422                    | 78  | \$179.56   |
| 83%                                     | \$569.29                            | 392                    | 90  | \$201.16   |
| 73%                                     | \$512.69                            | 361                    | 108   | \$228.68   |

  

|  |          |
|--|----------|
| Example Male Lamb Price                      | \$185.00 |
| Example Female Lamb Price                    | \$185.00 |
| Example Weighted Average Lamb Price (\$/cwt) | \$185.00 |

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.**