

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2017 Estimated Costs and Returns per Animal Unit**  
**Wool Sheep, 5 Head per AU - 500 Ewes**  
**Southwest Extension District - 10**

|  |             |                 |              |                |                 |                    |
|--|-------------|-----------------|--------------|----------------|-----------------|--------------------|
| Animal Units (AU)                                    | 100         |                 |              |                |                 |                    |
| Breeding Females                                     | 500         |                 |              |                |                 |                    |
|  |             | Quantity        |              |                |                 | Enterprise         |
| <b>REVENUE</b>                                       | <b>Head</b> | <b>Per Head</b> | <b>Units</b> | <b>\$/Unit</b> | <b>Total</b>    | <b>Total</b>       |
| Lambs  | 2.330       | 0.80            | CWT          | \$184.95       | \$344.75        | \$34,474.68        |
| Lambs  | 1.220       | 0.80            | CWT          | \$184.95       | \$180.51        | \$18,051.12        |
| Cull Ewes  | 1.100       | 1.10            | CWT          | \$74.76        | \$90.46         | \$9,045.96         |
| Wool   | 5.000       | 13.00           | Pound        | \$1.80         | \$117.00        | \$11,700.00        |
| <b>Total Revenue</b>                                 |             |                 |              |                | <b>\$732.72</b> | <b>\$73,271.76</b> |
|  |             |                 |              |                |                 | Enterprise         |
| <b>VARIABLE COSTS</b>                                |             | <b>Quantity</b> | <b>Units</b> | <b>\$/Unit</b> | <b>Total</b>    | <b>Total</b>       |
| <b>Production Costs</b>                              |             |                 |              |                |                 |                    |
| Miscellaneous  |             |                 |              |                |                 |                    |
| Predator Control                                     |             | 65              | Acre         | \$0.25         | \$16.25         | \$1,625.00         |
| Trucking - Sheep and Goats                           |             | 1               | AU           | \$20.00        | \$20.00         | \$2,000.00         |
| Custom Shearing                                      |             | 5               | Head         | \$3.00         | \$15.00         | \$1,500.00         |
| Parasite Monitoring                                  |             | 1.375           | Head         | \$2.00         | \$2.75          | \$275.00           |
| Marketing Expense                                    |             | 1.00            | AU           | \$18.60        | \$18.60         | \$1,860.20         |
| Feed   |             |                 |              |                |                 |                    |
| 20% Protein Cube                                     |             | 6.76            | CWT          | \$18.50        | \$125.06        | \$12,506.00        |
| 10-10 Loose Mineral                                  |             | 182.5           | Pound        | \$0.57         | \$104.03        | \$10,402.50        |
| Vet. Medicine  |             |                 |              |                |                 |                    |
| Clostridials S&G                                     |             | 5               | Dose         | \$0.56         | \$2.80          | \$280.00           |
| Deworm S&G-Ivomec                                    |             | 10              | Dose         | \$0.71         | \$7.10          | \$710.00           |
| Lice control - S&G                                   |             | 10              | CWT          | \$0.46         | \$4.60          | \$460.00           |
| Repairs  |             | 1               | AU           | \$35.21        | \$35.21         | \$3,520.88         |
| Labor  |             | 3.20            | Hours        | \$10.00        | \$32.00         | \$3,200.00         |
| Interest on Credit Line                              |             |                 |              | 6.50%          | \$17.57         | \$1,756.51         |
| <b>Total Variable Costs</b>                          |             |                 |              |                | <b>\$400.96</b> | <b>\$40,096.09</b> |
| Planned Returns Above Variable Costs:                |             |                 |              |                | \$331.76        | \$33,175.67        |
| Average Lamb Breakeven Price to Cover Variable Costs |             |                 |              | \$68.13        | CWT             |                    |
|  |             |                 |              |                |                 | Enterprise         |
| <b>FIXED COSTS</b>                                   |             | <b>Quantity</b> | <b>Units</b> | <b>\$/Unit</b> | <b>Total</b>    | <b>Total</b>       |
| Depreciation - Equipment                             |             | 1               | AU           | \$27.83        | \$27.83         | \$2,782.70         |
| Depreciation - Livestock                             |             | 1               | AU           | \$119.21       | \$119.21        | \$11,921.00        |
| Equipment Investment                                 |             | \$139.13        | dollars      | 6.50%          | \$9.04          | \$904.38           |
| Pasture Cost   |             | 1               | Acres        | \$245.00       | \$245.00        | \$24,500.00        |
| <b>Total Fixed Costs</b>                             |             |                 |              |                | <b>\$401.08</b> | <b>\$40,108.07</b> |
| <b>Total Costs</b>                                   |             |                 |              |                | <b>\$802.04</b> | <b>\$80,204.16</b> |
| Planned Returns to Management, Risk, and Profit:     |             |                 |              |                | (\$69.32)       | (\$6,932.40)       |
| Average Lamb Breakeven Price to Cover Total Costs    |             |                 |              | \$209.36       | 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 Breakeven Price to Cover Total Cost |
| 113%                                    | \$845.68                            | 466                    | 71  | \$172.31  |
| 103%                                    | \$789.20                            | 436                    | 79  | \$189.03  |
| 93%                                     | \$732.72                            | 405                    | 91  | \$209.36  |
| 83%                                     | \$676.24                            | 374                    | 105   | \$234.58  |
| 73%                                     | \$619.76                            | 344                    | 126   | \$266.72  |

|  |          |
|--|----------|
| Example Male Lamb Price                      | \$184.95 |
| Example Female Lamb Price                    | \$184.95 |
| Example Weighted Average Lamb Price (\$/cwt) | \$184.95 |

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**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.**