

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Animal Unit
Commercial Hair Sheep, Lamb Production, 6 Head per AU
West Central Extension District - 7

Animal Units (AU)	100					
Breeding Females	600					

REVENUE	Head	Quantity		Units	\$/Unit	Total	Enterprise
		Per Head					Total
Slaughter Lamb - ram (65 Lbs)	3.150	0.65	CWT		\$192.00	\$393.12	\$39,312.00
Slaughter Lamb - ewe (65lbs)	1.950	0.65	CWT		\$192.00	\$243.36	\$24,336.00
Cull Ewes	1.200	1.25	CWT		\$71.00	\$106.50	\$10,650.00
Cull Rams	0.060	1.55	CWT		\$81.00	\$7.53	\$753.30
PRF Income	6.000	5.00	Acre		\$1.96	\$58.80	\$5,880.00
Total Revenue						\$809.31	\$80,931.30

VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
					Total	
Production Costs						
Miscellaneous						
Supplies	1	AU	\$15.00	\$15.00	\$1,500.00	
Predator Control - Sheep	5	Head	\$2.10	\$10.50	\$1,050.00	
Brush Control	30	Acre	\$1.00	\$30.00	\$3,000.00	
PRF Rainfall Ins	30	Acre	\$1.11	\$33.30	\$3,330.00	
Marketing Expense	1.00	AU	\$28.56	\$28.56	\$2,855.76	
Feed						
Range Cubes 20%	2.7	CWT	\$16.10	\$43.47	\$4,347.00	
Corn - Sheep and Goat	132	Pound	\$0.07	\$9.42	\$942.48	
Salt - Sheep	15	Pound	\$0.11	\$1.65	\$165.00	
Mineral - Sheep	6	Pound	\$0.59	\$3.54	\$354.00	
Dog food	0.05	Dog	\$650.00	\$32.50	\$3,250.00	
Vet. Medicine						
Overeat/Tetnus	12.3	Dose	\$0.27	\$3.32	\$332.10	
Soremouth	12.3	Dose	\$0.32	\$3.94	\$393.60	
Guard/Working Dog Health	0.05	Head	\$250.00	\$12.50	\$1,250.00	
Fuel	1.0	AU	\$50.40	\$50.40	\$5,040.00	
Lube (As a % of fuel)	10.0%	Percent	\$50.40	\$5.04	\$504.00	
Repairs	1	AU	\$52.32	\$52.32	\$5,232.49	
Labor	0.30	Hours	\$15.00	\$4.50	\$450.00	
Utilities	1.00	AU	\$24.00	\$24.00	\$2,400.00	
Interest on Credit Line			5.25%	\$16.54	\$1,653.67	
Total Variable Costs				\$380.50	\$38,050.10	
Planned Returns Above Variable Costs:					\$428.81	\$42,881.20
Average Lamb Breakeven Price to Cover Variable Costs				\$62.64	CWT	

FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
					Total	
Depreciation - Equipment	1	AU	\$57.50	\$57.50	\$5,750.18	
Depreciation - Livestock	1	AU	\$43.75	\$43.75	\$4,375.00	
Equipment Investment	\$1,546.32	dollars	6.00%	\$92.78	\$9,277.95	
Pasture Cost	30	Acres	\$8.00	\$240.00	\$24,000.00	
Total Fixed Costs				\$434.03	\$43,403.13	
Total Costs				\$814.53	\$81,453.23	
Planned Returns to Management, Risk, and Profit:					(\$5.22)	(\$521.93)
Average Lamb Breakeven Price to Cover Total Costs				\$193.57	CWT	

Sensitivity Analysis for Example				
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
125%	\$930.55	554	53	\$162.60
115%	\$869.93	522	59	\$176.74
105%	\$809.31	491	66	\$193.57
95%	\$748.70	459	74	\$213.95
85%	\$688.08	428	86	\$239.12

Example Male Lamb Price	\$192.00
Example Female Lamb Price	\$192.00
Example Weighted Average Lamb Price (\$/cwt)	\$192.00

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

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.