

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Animal Unit
Commercial Sheep, Wool/Lamb Production, 5 Head per AU
West Central Extension District - 7

Animal Units (AU)	100					
Breeding Females	500					
		Quantity				Enterprise
REVENUE	Head	Per Head	Units	\$/Unit	Total	Total
Lambs - Wether	2.250	0.75	CWT	\$190.00	\$320.63	\$32,062.50
Lambs - Ewe	1.250	0.75	CWT	\$190.00	\$178.13	\$17,812.50
Cull Ewes	1.000	1.35	CWT	\$71.00	\$95.85	\$9,585.00
Cull Rams	0.050	2.00	CWT	\$81.00	\$8.10	\$810.00
Wool, 20.6-22.0 Mic	5.000	8.00	Pound	\$5.30	\$212.00	\$21,200.00
PRF Income	5.000	6.00	Acre	\$1.96	\$58.80	\$5,880.00
Total Revenue					\$873.50	\$87,350.00
						Enterprise
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	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
Tag Sheep		5	AU	\$1.90	\$9.50	\$950.00
Shear Sheep		5	Head	\$3.25	\$16.25	\$1,625.00
Marketing Expense		1.00	AU	\$20.83	\$20.83	\$2,082.50
Feed						
Range Cubes 20%		2.25	CWT	\$16.10	\$36.23	\$3,622.50
Corn - Sheep and Goat		110	Pound	\$0.07	\$7.85	\$785.40
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		4.5	Dose	\$0.27	\$1.22	\$121.50
Soremouth		4.5	Dose	\$0.32	\$1.44	\$144.00
Guard/Working Dog Health		0.05	Head	\$250.00	\$12.50	\$1,250.00
S&G Deworm 1st		25.725	ml	\$0.12	\$3.21	\$321.43
S&G Deworm 2nd		2.86	Grams	\$0.44	\$1.27	\$126.50
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		0.60	Hours	\$15.00	\$9.00	\$900.00
Utilities		1.00	AU	\$24.00	\$24.00	\$2,400.00
Interest on Credit Line				5.25%	\$22.20	\$2,220.35
Total Variable Costs					\$399.75	\$39,974.68
Planned Returns Above Variable Costs:					\$473.75	\$47,375.32
Average Lamb Breakeven Price to Cover Variable Costs				\$9.52	CWT	
						Enterprise
FIXED COSTS		Quantity	Units	\$/Unit	Total	Total
Depreciation - Equipment		1	AU	\$58.03	\$58.03	\$5,802.68
Depreciation - Livestock		1	AU	\$43.75	\$43.75	\$4,375.00
Equipment Investment		\$1,558.57	dollars	6.00%	\$93.51	\$9,351.45
Pasture Cost		30	Acres	\$8.00	\$240.00	\$24,000.00
Total Fixed Costs					\$435.29	\$43,529.13
Total Costs					\$835.04	\$83,503.81
Planned Returns to Management, Risk, and Profit:					\$38.46	\$3,846.19
Average Lamb Breakeven Price to Cover Total Costs				\$175.35	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	
110%	\$984.33	466	54	\$143.47	
100%	\$928.92	437	61	\$157.81	
90%	\$873.50	408	69	\$175.35	
80%	\$818.08	378	81	\$197.27	
70%	\$762.67	349	97	\$225.45	
	Example Male Lamb Price			\$190.00	
	Example Female Lamb Price			\$190.00	
	Example Weighted Average Lamb Price (\$/cwt)			\$190.00	

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.