

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 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					
		Quantity				Enterprise
REVENUE	Head	Per Head	Units	\$/Unit	Total	Total
Slaughter Lamb - ram (65 Lbs)	3.150	0.65	CWT	\$172.71	\$353.62	\$35,362.37
Slaughter Lamb - ewe (65lbs)	1.950	0.65	CWT	\$172.71	\$218.91	\$21,890.99
Cull Ewes	1.200	1.25	CWT	\$67.12	\$100.68	\$10,068.00
Cull Rams	0.060	1.55	CWT	\$73.50	\$6.84	\$683.55
PRF Income	6.000	5.00	Acre	\$1.96	\$58.80	\$5,880.00
Total Revenue					\$738.85	\$73,884.92
		Quantity	Units	\$/Unit	Total	Enterprise
VARIABLE COSTS						Total
Production Costs						
Miscellaneous						
Supplies		1	AU	\$15.00	\$15.00	\$1,500.00
Predator Control - Sheep		5	Head	\$1.05	\$5.25	\$525.00
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						
Corn - Sheep and Goat		132	Pound	\$0.07	\$9.42	\$942.48
Range Cubes 20%		2.7	CWT	\$17.30	\$46.71	\$4,671.00
Salt - Sheep		15	Pound	\$0.11	\$1.71	\$171.00
Mineral - Sheep		6	Pound	\$0.40	\$2.38	\$238.20
Dog food		0.05	Dog	\$344.93	\$17.25	\$1,724.63
Vet. Medicine						
Overeat/Tetnus		12.3	Dose	\$0.80	\$9.84	\$983.75
Soremouth		12.3	Dose	\$0.33	\$4.05	\$405.29
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		0.60	Hours	\$15.00	\$9.00	\$900.00
Utilities		1.00	AU	\$24.00	\$24.00	\$2,400.00
Interest on Credit Line				5.25%	\$16.47	\$1,646.59
Total Variable Costs					\$373.20	\$37,320.19
Planned Returns Above Variable Costs:					\$365.65	\$36,564.73
Average Lamb Breakeven Price to Cover Variable Costs				\$62.41	CWT	
		Quantity	Units	\$/Unit	Total	Enterprise
FIXED COSTS						Total
Depreciation - Equipment		1	AU	\$57.50	\$57.50	\$5,750.18
Depreciation - Livestock		1	AU	\$43.47	\$43.47	\$4,346.67
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					\$433.75	\$43,374.79
Total Costs					\$806.95	\$80,694.98
Planned Returns to Management, Risk, and Profit:					(\$68.10)	(\$6,810.07)
Average Lamb Breakeven Price to Cover Total Costs				\$193.25	CWT	

Sensitivity Analysis for Example

Example Weaning Percent	Example Gross Sales per Animal Unit	Pounds Produced per Animal Unit	Example Breakeven Lamb Pay Weight to Cover Total Cost	Example Average Breakeven Price to Cover Total Cost
125%	\$847.90	554	59	\$162.33
115%	\$793.38	522	65	\$176.45
105%	\$738.85	491	73	\$193.25
95%	\$684.32	459	82	\$213.60
85%	\$629.80	428	95	\$238.72

Example Male Lamb Price	\$172.71
Example Female Lamb Price	\$172.71
Example Weighted Average Lamb Price (\$/cwt)	\$172.71

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.