

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2021 Estimated Costs and Returns per Animal Unit
Trans Pecos Hair Sheep, 5 Head per AU
Far West Extension District - 6

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|--|-------------|-----------------|--------------|----------------|------------------|---------------------|
| Animal Units (AU) | 100 | | | | | |
| Breeding Females | 500 | | | | | |
| | | Quantity | | | | Enterprise |
| REVENUE | Head | Per Head | Units | \$/Unit | Total | Total |
| Lambs | 2.330 | 0.80 | CWT | \$197.13 | \$367.45 | \$36,745.03 |
| Lambs | 1.230 | 0.80 | CWT | \$197.13 | \$193.98 | \$19,397.59 |
| Cull Ewes | 1.100 | 1.25 | CWT | \$86.80 | \$119.35 | \$11,935.00 |
| Cull Ram | 0.040 | 1.70 | CWT | \$91.80 | \$6.24 | \$624.24 |
| Total Revenue | | | | | \$687.02 | \$68,701.86 |
| | | | | | | Enterprise |
| VARIABLE COSTS | | Quantity | Units | \$/Unit | Total | Total |
| Production Costs | | | | | | |
| Miscellaneous | | | | | | |
| Predator Control | | 1.00 | AU | \$16.25 | \$16.25 | \$1,625.00 |
| Parasite Monitoring | | 1.00 | AU | \$2.75 | \$2.75 | \$275.00 |
| Marketing Expense | | 1.00 | AU | \$24.42 | \$24.42 | \$2,441.84 |
| Feed | | | | | | |
| Cottonseed - S&G | | 150 | Pound | \$0.17 | \$25.50 | \$2,550.00 |
| 10-10 Loose Mineral | | 10.92 | Pound | \$0.57 | \$6.22 | \$622.44 |
| Vet. Medicine | | | | | | |
| Clostridials S&G | | 5 | Dose | \$0.51 | \$2.55 | \$255.00 |
| Deworm S&G-Ivomec | | 15.06 | Dose | \$0.71 | \$10.69 | \$1,069.26 |
| Lice control - S&G | | 15.06 | Dose | \$0.06 | \$0.90 | \$90.36 |
| Fuel | | 1.0 | AU | \$23.88 | \$23.88 | \$2,388.00 |
| Lube (As a % of fuel) | | 10.0% | Percent | \$23.88 | \$2.39 | \$238.80 |
| Repairs | | 1 | AU | \$36.05 | \$36.05 | \$3,604.77 |
| Labor | | 3.20 | Hours | \$15.00 | \$48.00 | \$4,800.00 |
| Utilities | | 1.00 | AU | \$48.00 | \$48.00 | \$4,800.00 |
| Interest on Credit Line | | | | 4.75% | \$11.81 | \$1,181.35 |
| Total Variable Costs | | | | | \$259.42 | \$25,941.82 |
| Planned Returns Above Variable Costs: | | | | | \$427.60 | \$42,760.05 |
| Average Lamb Breakeven Price to Cover Variable Costs | | | | \$46.99 | CWT | |
| | | | | | | Enterprise |
| FIXED COSTS | | Quantity | Units | \$/Unit | Total | Total |
| Depreciation - Equipment | | 1 | AU | \$92.05 | \$92.05 | \$9,205.04 |
| Depreciation - Livestock | | 1 | AU | \$98.42 | \$98.42 | \$9,842.16 |
| Equipment Investment | | \$1,477.46 | dollars | 5.50% | \$81.26 | \$8,126.01 |
| Pasture Cost | | 1 | Acres | \$186.00 | \$186.00 | \$18,600.00 |
| Total Fixed Costs | | | | | \$457.73 | \$45,773.21 |
| Total Costs | | | | | \$717.15 | \$71,715.03 |
| Planned Returns to Management, Risk, and Profit: | | | | | (\$30.13) | (\$3,013.17) |
| Average Lamb Breakeven Price to Cover Total Costs | | | | \$207.71 | 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 |
|-------------------------|-------------------------------------|---------------------------------|---|---|
| 113% | \$807.63 | 490 | 66 | \$170.98 |
| 103% | \$747.32 | 460 | 74 | \$187.56 |
| 93% | \$687.02 | 429 | 84 | \$207.71 |
| 83% | \$626.72 | 399 | 98 | \$232.71 |
| 73% | \$566.41 | 368 | 117 | \$264.54 |

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|--|----------|
| Example Male Lamb Price | \$197.13 |
| Example Female Lamb Price | \$197.13 |
| Example Weighted Average Lamb Price (\$/cwt) | \$197.13 |

Developed by Bill Thompson, Assistant 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.