

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2022 Estimated Costs and Returns per Animal Unit**  
**Trans Pecos Wool Sheep, 5 Head per AU**  
**Far West Extension District - 6**

Animal Units (AU) 100  
Breeding Females 500

REVENUE	Head	Quantity		Units	\$/Unit	Total	Enterprise
		Per Head					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	
Wool - Clean	5.000	4.40	Pound	\$4.00	\$88.00	\$8,800.00	
<b>Total Revenue</b>					<b>\$775.02</b>	<b>\$77,501.86</b>	

VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise
					Total
<b>Production Costs</b>					
Miscellaneous					
Custom Shearing	1.00	AU	\$16.25	\$16.25	\$1,625.00
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			6.30%	\$12.34	\$1,234.50
<b>Total Variable Costs</b>				<b>\$276.20</b>	<b>\$27,619.96</b>

Planned Returns Above Variable Costs: \$498.82 Enterprise  
Average Lamb Breakeven Price to Cover Variable Costs \$21.98 CWT

FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise
					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	6.30%	\$93.08	\$9,307.97
Pasture Cost	1	Acres	\$186.00	\$186.00	\$18,600.00
<b>Total Fixed Costs</b>				<b>\$469.55</b>	<b>\$46,955.18</b>
<b>Total Costs</b>				<b>\$745.75</b>	<b>\$74,575.14</b>
Planned Returns to Management, Risk, and Profit:				\$29.27	\$2,926.72
<b>Average Lamb Breakeven Price to Cover Total Costs</b>			<b>\$186.85</b>	<b>CWT</b>	

**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%	\$895.63	490	59	\$153.81
103%	\$835.32	460	67	\$168.73
93%	\$775.02	429	76	\$186.85
83%	\$714.72	399	88	\$209.34
73%	\$654.41	368	106	\$237.98

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.**