

Projections for Planning Purposes Only -- Not to be Used without Updating
2023 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 Lb)	3.150	0.65	CWT	\$290.00	\$593.78	\$59,377.50	
Slaughter Lamb - ewe (65lbs)	1.950	0.65	CWT	\$290.00	\$367.58	\$36,757.50	
Cull Ewes	1.200	1.25	CWT	\$86.80	\$130.20	\$13,020.00	
Cull Rams	0.060	1.55	CWT	\$91.80	\$8.54	\$853.74	
PRF Income	6.000	5.00	Acre	\$1.96	\$58.80	\$5,880.00	
Total Revenue					\$1,158.89	\$115,888.74	

VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise
					Total
Production Costs					
Miscellaneous					
Supplies	1.00	AU	\$15.00	\$15.00	\$1,500.00
Predator Control - Sheep	1.00	AU	\$5.25	\$5.25	\$525.00
Brush Control	1.00	AU	\$30.00	\$30.00	\$3,000.00
PRF Rainfall Ins	1.00	AU	\$33.30	\$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	\$17.90	\$48.33	\$4,833.00
Salt - Sheep	15	Pound	\$0.13	\$1.97	\$196.50
Mineral - Sheep	6	Pound	\$0.44	\$2.62	\$262.20
Dog food	0.05	Dog	\$362.26	\$18.11	\$1,811.30
Vet. Medicine					
Overeat/Tetnus	12.3	Dose	\$0.84	\$10.34	\$1,033.69
Soremouth	12.3	Dose	\$0.34	\$4.18	\$418.20
Guard/Working Dog Health	0.05	Head	\$250.00	\$12.50	\$1,250.00
Fuel	1.0	AU	\$43.89	\$43.89	\$4,389.00
Lube (As a % of fuel)	10.0%	Percent	\$43.89	\$4.39	\$438.90
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			8.00%	\$22.75	\$2,274.88
Total Variable Costs				\$375.93	\$37,593.40

Planned Returns Above Variable Costs: \$782.95 \$78,295.34
Average Lamb Breakeven Price to Cover Variable Costs \$53.81 CWT

FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise
					Total
Depreciation - Equipment	1	AU	\$57.50	\$57.50	\$5,750.18
Depreciation - Livestock	1	AU	\$43.47	\$43.47	\$4,346.67
Equipment Investment	\$1,546.32	dollars	8.00%	\$123.71	\$12,370.60
Pasture Cost	30	Acres	\$8.00	\$240.00	\$24,000.00
Total Fixed Costs				\$464.67	\$46,467.44
Total Costs				\$840.61	\$84,060.84
Planned Returns to Management, Risk, and Profit:				\$318.28	\$31,827.90
Average Lamb Breakeven Price to Cover Total Costs			\$193.99	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%	\$1,342.00	554	35	\$162.95
115%	\$1,250.44	522	39	\$177.12
105%	\$1,158.89	491	43	\$193.99
95%	\$1,067.33	459	49	\$214.41
85%	\$975.77	428	57	\$239.63

Example Male Lamb Price \$290.00
Example Female Lamb Price \$290.00
Example Weighted Average Lamb Price (\$/cwt) \$290.00

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.