

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2023 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
<b>REVENUE</b>	<b>Head</b>	<b>Per Head</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>
Lambs - Wether	2,250	0.75	CWT	\$290.00	\$489.38	\$48,937.50
Lambs - Ewe	1,250	0.75	CWT	\$290.00	\$271.88	\$27,187.50
Cull Ewes	1,000	1.35	CWT	\$86.80	\$117.18	\$11,718.00
Cull Rams	0,050	2.00	CWT	\$91.80	\$9.18	\$918.00
Wool, 20.6-22.0 Mic	5,000	4.00	Pound	\$6.30	\$126.00	\$12,600.00
PRF Income	5,000	6.00	Acre	\$1.96	\$58.80	\$5,880.00
<b>Total Revenue</b>					<b>\$1,072.41</b>	<b>\$107,241.00</b>
						Enterprise
<b>VARIABLE COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>
<b>Production Costs</b>						
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
Tag Sheep		1.00	AU	\$9.50	\$9.50	\$950.00
Shear Sheep		1.00	AU	\$16.25	\$16.25	\$1,625.00
Marketing Expense		1.00	AU	\$20.83	\$20.83	\$2,082.50
Feed						
Corn - Sheep and Goat		110	Pound	\$0.07	\$7.85	\$785.40
Range Cubes 20%		2.25	CWT	\$17.90	\$40.28	\$4,027.50
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		4.5	Dose	\$0.84	\$3.78	\$378.18
Soremouth		4.5	Dose	\$0.34	\$1.53	\$153.00
Guard/Working Dog Health		0.05	Head	\$250.00	\$12.50	\$1,250.00
S&G Deworm 1st		118.1	ML	\$0.06	\$6.93	\$692.99
S&G Deworm 2nd		21.2	ML	\$0.07	\$1.48	\$147.97
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		1.00	Hours	\$15.00	\$15.00	\$1,500.00
Utilities		1.00	AU	\$24.00	\$24.00	\$2,400.00
Interest on Credit Line				8.00%	\$30.66	\$3,066.30
<b>Total Variable Costs</b>					<b>\$397.44</b>	<b>\$39,744.23</b>
Planned Returns Above Variable Costs:					\$674.97	\$67,496.77
Average Lamb Breakeven Price to Cover Variable Costs				\$32.87	CWT	
						Enterprise
<b>FIXED COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Total</b>
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
<b>Total Fixed Costs</b>					<b>\$464.67</b>	<b>\$46,467.44</b>
<b>Total Costs</b>					<b>\$862.12</b>	<b>\$86,211.68</b>
Planned Returns to Management, Risk, and Profit:					\$210.29	\$21,029.32
<b>Average Lamb Breakeven Price to Cover Total Costs</b>				<b>\$209.89</b>	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
110%	\$1,241.58	466	42	\$171.73
100%	\$1,156.99	437	47	\$188.90
90%	\$1,072.41	408	54	\$209.89
80%	\$987.83	378	63	\$236.12
70%	\$903.24	349	76	\$269.86

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.*