

RANGE SHEEP PRODUCTION

Sample Costs and Income 1983

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Sample costs and income are based on current prices and assume the production data shown below. The feed supply, except for supplements of harvested feeds, comes from rented natural range, barley stubble and grazed alfalfa.

PRODUCTION DATA

Ewes: 6% death loss, 20% replaced each year
Rams: 10% death loss, 25% replaced each year; 1 ram per 50 ewes
Lambs: 100% lamb crop marketed (mortality equals twinning rate)
Wool: 10 lbs. average from ewe band and replacements

	<u>Sample Costs</u>		<u>My</u>
	<u>Total</u>	<u>Per Ewe</u>	<u>Costs</u>
<u>INVESTMENT:</u>			
Land (5 ac.) and corrals	\$ 20,000	\$ 10.00	
Camp trailers (2) and equipment	10,000	5.00	
Fencing material (6 mi.) and panels	12,000	6.00	
Feed and water facilities	4,000	2.00	
Water truck	20,000	10.00	
Pickups (2)	22,000	11.00	
Stock trailers (2)	3,000	1.50	
Misc. tools and equipment	2,000	1.00	
Livestock			
Ewes: 2,000 @ \$50	100,000	50.00	
Rams: 40 @ \$250	10,000	5.00	
Dogs: 4 @ \$250	1,000	.50	
TOTAL INVESTMENT	\$204,000	\$102.00	
<u>CASH COSTS:</u>			
Feed			
Range rent: 4 mo. @ \$1.50/hd/mo	\$ 12,000	\$ 6.00	
Barley stubble: 4 1/2 mo. @ \$1.20	10,800	5.40	
Alfalfa pasture: 3 1/2 mo. @ \$2.40	16,800	8.40	
Alfalfa hay: 25 tons @ \$100	2,500	1.25	
Grain: 8 tons @ \$180	1,440	.72	
Salt: 5 tons @ \$100	500	.25	
Veterinary and medicine	2,000	1.00	
Shearing @ \$2.00/ewe; \$4.00/ram	4,160	2.08	
Tagging @ 60¢	1,200	.60	
Hired labor (including board and insurance)			
2 full-time herders @ \$1100/mo. total	26,400	13.20	
8 man-months seasonal labor @ \$1150	9,200	4.60	
Vehicle operation and maintenance:			
50,000 mi. @ 25¢	12,500	6.25	
Purchased replacements:			
400 yearling ewes @ \$60 delivered	24,000	12.00	
10 rams @ \$250	2,500	1.25	
Taxes on land and facilities	360	.18	
Miscellaneous: office, accounting, etc.	2,000	1.00	
Interest on operating capital: @ 14% for 6 months	8,985	4.49	
TOTAL CASH COSTS	\$137,345	\$68.67	

	Sample Costs		My Costs
	Total	Per Ewe	
DEPRECIATION:			
Vehicles and stock trailers	\$ 4,500	\$ 2.25	
Fencing, feed & water facilities, small equipment	3,600	1.80	
Camp trailers and equipment	500	.25	
Permanent corrals and buildings	500	.25	
TOTAL DEPRECIATION	\$ 9,100	\$ 4.55	

INTEREST ON INVESTMENT @ 12% of average value	\$ 16,872	\$ 8.44
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CASH INCOME:

1,800 slaughter lambs: av. 110 lbs. @ 65¢	\$128,700	\$ 64.35
200 feeder lambs: av. 75 lbs. @ 66¢	9,900	4.95
280 cull ewes @ \$18	5,040	2.52
6 cull rams @ \$30	180	.09
23,160 lbs. wool @ 60¢	13,896	6.95
wool incentive payment (estimate for 1982)	17,833	8.92
TOTAL CASH INCOME	\$175,549	\$ 87.77

SUMMARY:

Cash Income	\$175,549	\$ 87.77
Cash Costs	137,345	68.67
Depreciation	9,100	4.55
Interest on Investment	16,872	8.44
RESIDUAL FOR OPERATOR'S LABOR AND MANAGEMENT	\$ 12,232	\$ 6.12

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