

TEHAMA

COUNTY

SHEEP

PRODUCTION

University of California
Agricultural Extension Service
TEHAMA COUNTY

INCREASING INCOME

An increase of 5 pounds in weaning weight affects gross income this way.

1,000 lambs x 5# per head = 5,000# @ 24¢ = \$1,200.00 per 1,000 ewes.

An increase in lamb crop percentage, even at a straight feeder price and weight, affects gross return this way.

10% increase per 1,000 ewes = 100 lambs @ 80# = 8,000# @ 22¢ = \$1,760.00
per 1,000 ewes.

Price received for lambs is extremely important. A one cent variation per pound changes gross income \$1,000 per 1,000 ewes if 100% lamb crop is sold at a 100# average weight. Reputation means money.

Research and practical experience has shown that selecting ewes for size, udder development and open face results in more lambs at heavier weights. Ewes must be bred to top quality rams in sound condition and checked for fertility.

TEHAMA COUNTY SHEEP PRODUCTION

by Ken Ellis, Tehama County Livestock Farm Advisor*

Combined return from the production of sheep and wool is the third largest individual commodity segment of Tehama County's agriculture. Approximately 80,000 ewes produce lamb and wool valued at nearly two million dollars of agricultural income. This is exceeded in the county only by beef cattle (about 4.1 million) and prunes (about 2.8 million).

Over one million acres of rangeland plus availability of grain stubble and irrigated pastures makes Tehama County suitable for extensive sheep grazing.

The lambing season extends from early November until early February. In normal rainfall and temperature pattern years many lambs reach market weight and finish by May and early June.

The total sheep population in Tehama County has risen slightly in the past three years; a trend contrary to state and national figures. Average flock size has also increased.

Commercial flock sizes vary widely, from 500 to 7,000 ewes. Most commercial flocks will carry 1,000 to 3,000 ewes. In most cases the owner combines a sheep operation with other agricultural income such as beef cattle, dryland grain farming or hay production. In some instances sheep and cattle graze the same ranges.

Ewes are primarily crossbred whiteface (Corriedale, Rambouillet) and are bred to Suffolk or Hampshire rams to produce market lambs. Replacement ewes are usually purchased from the mountain states as lambs or yearlings. Some sheepmen have recently begun to raise their own replacements, however the majority are still purchased. Our cost figures illustrate why basic production emphasis is on lamb weights and lambing percent. The return from lambs amounts to 3/4 of gross income with 1/4 from wool.

The average lambing percent (sold at weaning time) in the area is 100 percent with extremes as low as 75 percent and as high as 140 percent.

Marketing is usually done by private treaty with prices varying yearly and from ranch to ranch depending on reputation and percent of fats and feeders.

A word about this cost analysis.

The figures that follow illustrate costs of producing. Production figures can vary widely because each ranch has its own costs and circumstances. We are also assuming a "no equity" situation with average production rates. A rent or lease charge is used for range, pasture or stubble. Separate cost sheets are available for owning and maintaining range and pasture. Some sheepmen will have lower costs in some categories and some higher. Return figures on the last page of this study illustrate that management is the most important single factor in determining profit and loss in the sheep business today.

*Acknowledgment and appreciation to Doyle Reed, Agricultural Extension Economist, and Tehama County sheepmen who cooperated in compiling cost and return data.

ESTIMATED INVESTMENT COSTS 1,000 EWE FLOCK

Ewes - 1,000 head x \$30 per head	\$30,000.00
Rams (1 per 50 ewes) - 20 rams x \$100 per head	2,000.00
Shelter and Equipment (incl. min. lambing shelters, feeders, panels, etc.)	8,000.00
Dogs (two)	200.00
Pickup	2,000.00
	<u>\$42,200.00</u>

OPERATING COSTS	<u>Per 1,000 Ewes</u>	<u>Per Ewe</u>
Winter Range	\$ 5,000.00	\$ 5.00
Summer Pasture or Mt. Meadows plus stubble*	4,000.00	4.00
Supplementing (2-1/2 months)	3,000.00	3.00
Labor - hired 4 months @ \$400 per month	1,600.00	1.60
Shearing, tagging, wool bags	1,100.00	1.10
Veterinary and Health Costs	1,000.00	1.00
Vehicle Costs (fuel, repairs, depreciation, etc.)	1,800.00	1.80
Transportation (trucking)	1,200.00	1.20
Cash overhead (legal fees, dues, tele., ins.)	600.00	.60
Replacement Ewes (200 ylgs. @ \$25)	5,000.00	5.00
Replacement Rams (5 head @ \$100)	500.00	.50
Dog Replacement (pro-rated)	25.00	.025
Depreciation of Equipment	300.00	.30
Taxes (1,000 ewes-\$350, 200 ylgs-\$70, 20 rams-\$18)	438.00	.44
	<u>\$25,563.00</u>	<u>\$25.56</u>

*Public land leases reduce summer grazing costs to \$.60 - \$.90 per head per season.

Annual Operating Costs	\$25,563.00	\$25.56
Interest on Operating Capital 7%	1,789.00	1.79
Interest on Investment 7%	2,954.00	2.95
	<u>\$30,306.00</u>	<u>\$30.31</u>

ESTIMATED RETURNS FOR 1,000 EWE FLOCK

100% lamb crop marketed, 5% ewe mortality, 15% culling rate, 10% ram mortality		<u>Per Ewe</u>
1,000 lambs wt. 100# @ 24¢	\$24,000.00	\$24.00
Cull ewes - 150 sold @ \$6.00 per head	900.00	.90
Cull rams - 3 sold @ \$7.00 per head	21.00	.02
Wool return \$7.00 per head (approx. 11 pounds @ 60¢ plus incentive)	7,000.00	7.00
	<u>\$31,921.00</u>	<u>\$31.92</u>

ESTIMATED NET RETURN FOR 1,000 EWE FLOCK		<u>Per Ewe</u>
Gross Return	\$31,921.00	\$31.92
Total Expenses	<u>30,306.00</u>	<u>30.31</u>
Net (labor and management return)	\$ 1,615.00	\$ 1.61

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