

## SHEEP BUDGET

	FLOCK SIZE	1000	EWE to RAM	100	LAMB CROP PERCENT <sup>1</sup>	93%
	CULL RATE	12%			REPLACEMENT EWES KEPT	120
VALUE OF PRODUCTION						
	QUANTITY	WEIGHT	PRICE <sup>2</sup>	VALUE	VALUE PER EWE	
WETHER LAMBS	465	85	\$1.19	\$47,035	\$47.03	
EWE LAMBS	345	80	\$1.14	\$31,464	\$31.46	
CULL BUCKS	20	140	\$0.52	\$1,456	\$1.46	
CULL EWES	120	120	\$0.59	\$8,496	\$8.50	
EWE WOOL	880	10	\$0.59	\$5,192	\$5.19	
BUCK WOOL	40	11	\$0.59	\$260	\$0.26	
<b>TOTAL</b>	<b>950</b>			<b>\$88,451</b>	<b>\$88.45</b>	
VARIABLE COSTS						
1. FEED COSTS						
	UNITS	QUANTITY/PERCENT	PRICE	COST	VALUE PER EWE	
HAY	TON	200.00	\$140	\$28,000	\$28.00	
STATE	AUY	30.0%	\$33.36	\$10,008	\$10.01	
FEDERAL LEASE	AUY	7.0%	\$18.12	\$18,120	\$18.12	
PRIVATE(Owned)	AUY	55.0%	\$0.00	\$0	\$0.00	
PRIVATE(Leased Grazing)	AUY	0.0%	\$0.00	\$0	\$0.00	
SALT & MINERAL	TON	7.00	\$250	\$1,750	\$1.75	
PROTEIN SUPP	TON	15.00	\$350	\$5,250	\$5.25	
OTHER		0.00	\$0	\$0	\$0.00	
<b>TOTAL</b>				<b>\$63,128</b>	<b>\$63.13</b>	
2. OTHER VARIABLE COSTS						
VET AND MEDICINE				\$4,500	\$4.50	
LIVESTOCK HAULING				\$2,138	\$2.14	
HIRED LABOR				\$0	\$0.00	
OPERATING COSTS-EQUIP & MACH				\$4,500	\$4.50	
OPERATING COSTS-VEHICLE				\$4,120	\$4.12	
RANCH MAINTENANCE				\$3,451	\$3.45	
BEEF CHECKOFF				\$810	\$0.81	
LIVESTOCK PURCHASES				\$5,000	\$5.00	
<b>TOTAL</b>				<b>\$24,518</b>	<b>\$24.52</b>	
3. INTEREST ON VARIABLE COSTS						
SUM OF VARIABLE COSTS X MONTHS BORROWED						
X INTEREST RATE PER MONTH						
ANNUAL INTEREST RATE				7.5%		
NUMBER OF MONTHS BORROWED				6		VALUE PER COW
				\$3,287	\$3.29	
<b>TOTAL</b>				<b>\$90,933</b>	<b>\$90.93</b>	
				<b>(\$2,482)</b>	<b>(\$2.48)</b>	
OWNERSHIP COSTS						
Annual Capital Recovery <sup>4</sup> (At Replacement Value):					Represents 65% Asset Ownership <sup>5</sup> VALUE PER COW	
CASH COSTS						
Taxes & Insurance				\$13,416	\$13.42	
Overhead				\$3,500	\$3.50	
<b>Total</b>				<b>\$16,916</b>	<b>\$16.92</b>	
NON CASH COSTS						
Purchased Livestock				\$7,719	\$7.72	
Machinery & Equipment				\$13,416	\$13.42	
Housing & Improvements				\$34,724	\$34.72	
Interest on Retained Livestock <sup>6</sup>				\$62,534	\$62.53	
Management & Operation Labor ( 6% of gross returns)				-\$149	(\$0.15)	
<b>Total</b>				<b>\$118,244</b>	<b>\$118.24</b>	
<b>TOTAL FIXED COSTS</b>				<b>\$135,160</b>	<b>\$135.16</b>	
<b>TOTAL CASH AND VARIABLE COSTS</b>				<b>\$107,849</b>	<b>\$107.85</b>	
<b>TOTAL COSTS</b>				<b>\$226,093</b>	<b>\$226.09</b>	
<b>RETURN ABOVE TOTAL CASH COSTS</b>				<b>(\$19,398)</b>	<b>(\$19.40)</b>	
<b>RETURN ABOVE TOTAL COSTS</b>				<b>(\$137,642)</b>	<b>(\$137.64)</b>	
BREAKEVEN CALCULATIONS						
	VARIABLE COSTS	TOTAL COSTS				
REQUIRED AVG. CALF PRICES CASH COST (cwt)	\$118.52	\$140.57				
REQUIRED AVG. CALF PRICES TOTAL COSTS(cwt)	\$118.52	\$294.68				

1) Calf crop is defined as the actual number of calves sold divided, by the total number of cows (assuming all cows were exposed).

2) Prices represent 2006 price projections from Cattle Fax, Doanes reports for New Mexico feeder cattle cash prices.

3) Market prices include commissions, brand inspections, beef council, yardage, feed, and insurance

4) Annual capital recovery is the method of calculating depreciation and interest recommended by the National Task Force on Commodity Costs and Returns Measurement Methods.

5) The 35% reduction in asset values which represent a mix of new and used machinery.

6) Interest on average investment.