2014 Idaho Livestock Costs and Returns Estimate

Agricultural Economics & Rural Sociology

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Economic costs are used in the University of Idaho costs and returns estimates. All resources are valued based on market price or opportunity cost. This budget presents both the average costs and returns per ewe and total costs and returns for a typical 100-head sheep farm flock pasture operation. Livestock prices are based on the 5-year average price for livestock in this region. The forage source is summer pasture; winter feeding is required. Lambs are weaned before ewes are moved out to summer pasture, fattened in drylot, and sold in June.

Livestock Investment

The livestock investment consists of 100 ewes and 3 rams. Ewes have a useful life of 7 years after they are placed into the breeding herd. The culling rate is 12% and the ewes have a 3% death loss. Ewe replacements are raised on the farm and have a 6% death loss rate and a 6% cull rate. The weaned lamb crop is 150% of ewes wintered. The lamb death loss rate in drylot is 1%.

Machinery and Equipment

Machinery and equipment investment is 30% use of a pickup, 5% use of a tractor and scraper, and 100% use of miscellaneous equipment and tools. Values on machinery and equipment are calculated at 50% of new replacement cost to reflect typically aged, but functional farm equipment.

Buildings and Improvements

Buildings and improvements include a lambing shed, lambing and holding pens, fencing, feed bunks, grain storage facilities, and watering tubs. The sheep enterprise uses about 15% of the farm water system.

Shed construction uses treated posts and 1- by 12-inch rough lumber with a treated canvas exterior. A total of 15 4’ by 4’ jugs are supplied with free-flowing water through notched aluminum pipe. Pen facilities include five 16- by 16-foot pens that will house 10 ewes with singles or 6 ewes with twins, two 16- by 30-foot medium group pens, and two 48- by 120-foot pens for large groups of ewes and lambs. Straw is placed in the sheds to provide dry bedding for lambs and ewes. Buildings and improvements are valued at 80% of new replacement cost.

Management Practices

Lambing begins in late January and continues through February. Lambs are weaned in March and moved into drylot where they are fattened and then marketed in June. The animals are fed an average 1.5 pounds of hay and 2 pounds of grain per day for 120 days. Lambs are creep fed before starting on hay and grain ration in March.

On April 15, ewes are placed on irrigated or improved pasture until late November. On approximately December 1, ewes are gathered and placed in drylot until mid-April when they will again be placed on pasture. From December 1 through lambing, ewes are given a feed ration consisting of hay and barley. Free choice mineral salt with selenium is also available. During winter feeding, ewes receive an average of 5 pounds of hay and 0.75 pound of barley per day. The price on all feed consumed is the purchase price plus transportation costs.

Marketing occurs in April and June. Cull animals are marketed primarily in April and lambs in June. The costs of marketing include transportation to market, 3% of gross value for sales commission and 5% for shrink.

Veterinary care is administered to maintain herd health. Generally, each ewe is given vibrio and multi-clostridial vaccinations before lambing season and is then wormed in August. Replacement ewes receive essentially the same treatment as the ewes plus an additional multi-clostridial vaccination in the fall. Lambs receive a vaccination for enterotoxemia at 4 and 6 weeks after birth. Treatment for coccidiosis for ewes, replacements, and lambs is administered through salt intake. In addition, selenium is included in the salt mixture the year round at about 30 parts-per-million (ppm).

Labor for this operation is provided by the operator and his family valued at $23.47 per hour and by part-time help valued at $10.62 per hour. These costs include all applicable state and federal taxes.

l Number f Head r Units	Price or Cost/Unit	Total Value	Value or Cost/Head	Your Value
150	1.56	30,420.00	304.20	
1	0.65	91.00	0.91	
12	0.31	595.20	5.95	
1	0.54	121.50	1.22	
100	0.50	450.00	4.50	
3	0.50	16.50	0.17	
		$31,694.20	$316.94	
503.00	0.14	210.42	2.10	
307.84	10.43	3210.74	32.11	
153.60	10.30	1582.03	15.82	
154.50	25.00	3862.50	38.62	
48.40	210.00	10,163.16	101.63	
100.00	4.00	400.00	4.00	
100.00	4.25	425.00	4.25	
3.00	8.50	25.50	0.26	
100.00	0.93	93.00	0.93	
100.00	1.46	146.00	1.46	
0.00	1.37	0.00	0.00	
494.28	1.00	494.28	4.94	
[illegible]		[illegible]	[illegible]	

Table 2: Monthly Summary of Returns and Expenses. **EBB-SF1-14**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Value
Production:													
Fat lambs												30420	30420
Cull Replacement Ewe										91			91
Cull ewes										595			595
Cull rams										122			122
Wool - ewe, Suffolk												450	450
Wool - ram, Suffolk												17	17
Total Receipts	0	0	0	0	0	0	0	0	0	808	0	30887	31694
Operating Inputs:													
Selenium salt	15	15	15	15	15	15	15	15	15	26	26	26	210
Feed barley						1	291	703	736	610	506	363	3211
Corn								36	387	387	387	387	1582
Pasture	515	515	515	515	515					258	515	515	3863
Alfalfa grass hay						1687	1638	1638	2295	1493	706	706	10163
Marketing												400	400
Shearing - ewe										425			425
Shearing - ram										26			26
Wool Assessment			93										93
Hauling												146	146
ASI checkoff (assuming 1.5 lambs per ewe)													0
Veterinary Medicine	249	81		17				74	74				494
Machinery (Fuel,Lube,Repair)	8	8	8	8	8	8	8	8	8	8	8	8	101
Vehicles (Fuel and Repair)	88	88	88	88	88	89	88	88	88	88	88	88	1061
Equipment (Repair)	5	5	5	5	5	5	5	5	5	5	5	5	62
Housing, Improvements (Repair)	95	95	95	95	95	96	95	95	95	95	95	95	1145
Taxes and Insurance							148						148
Hired Labor	319	319	637	637	319	319	637	637	637	319	319	319	5416
Total Costs	1295	1126	1457	1381	1046	2219	2927	3300	4341	3740	2656	3058	28547
Net Returns	-1295	-1126	-1457	-1381	-1046	-2219	-2927	-3300	-4341	-2932	-2656	27828	3147

Table 3: Monthly Feed Requirements.

Feed	Units	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Selenium salt	lb	105	105	105	105	105	105	105	105	105	186	186	186
Feed barley													
Lambs	cwt	0	0	0	0	0	0	5	46	46	46	46	32
Ewes	cwt	0	0	0	0	0	0	23	21	23	10	0	0
Ewe Replacements	cwt	0	0	0	0	0	0	0	1	2	2	3	3
Corn													
Lambs	cwt	0	0	0	0	0	0	0	3	38	38	38	38
Pasture													
Ewes	AUM	20	20	20	20	20	0	0	0	0	10	20	20
Rams	AUM	1	1	1	1	1	0	0	0	0	0	1	1
Alfalfa grass hay													
Lambs	ton	0	0	0	0	0	0	0	0	3	3	3	3
Ewes	ton	0	0	0	0	0	8	8	8	8	4	0	0
Rams	ton	0	0	0	0	0	0	0	0	0	0	0	0

Table 4: Investment Summary. **EBB-SF1-14**

	Purchase Price	Salvage/Cull Value	Livestock Share	Useful Life	Annual Taxes and Insurance	Annual Capital Recovery[1]
Build[redacted] and Equipment						
Lambing shed	$6200.00	$0.00	100	25	$18.60	$406.37
Water system	$7400.00	$0.00	15	20	$3.33	$83.31
Grain storage	$8300.00	$800.00	100	20	$27.30	$596.71
Electric fence	$4400.00	$0.00	100	20	$13.20	$330.24
Corral	$6200.00	$0.00	100	15	$18.60	$566.44
Miscellaneous	$2100.00	$0.00	100	10	$6.30	$261.82
Feeders	$1250.00	$100.00	100	10	$4.05	$147.60
Total	$35,850.00				$91.38	$2392.50
Purchased Livestock						
Rams	$1779.00	$360.00	100	4		$400.52
Total	$1779.00					$400.52
Retained Livestock						
Ewes	$16,200.00	$8600.00	100			$449.50[2]
Ewe replacements	$1836.00	$918.00	100			$49.92[2]
Total	$18,036.00					$499.42[2]
Machinery and Vehicles						
Tractor - 30hp	$14,000.00	$3000.00	10	20	$5.10	$95.24
Pickup 3/4 ton	$22,600.00	$5100.00	25	8	$51.94	$709.73
Total	$36,600.00				$57.04	$804.96

[1] Annual capital recovery is the ... T M m ... 3

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