

# FARM MANAGEMENT GUIDE

## KSU Once-a-Year Lambing Budget

Current Prices

(as of Dec. 4th, 2017)

### Production Efficiency Information

Lamb Crop Percentage	180.0%
Ewe Replacement Percentage	15.0%

Revenue	Price	Unit	Lbs.	Unit	Total per Year per Ewe
Slaughter Lambs	\$ 151.32	per cwt	x 130	lbs.	x 1.65 = \$ 324.58
Cull Ewes	\$ 42.84	per cwt	x 150	lbs.	x 0.15 = \$ 9.64
Other Income					\$ -
<b>Gross Income</b>					<b>\$ 334.22</b>

### Variable Costs

Pasture	\$ 19.00	per acre	x 1.0	total acres	= \$ 19.00
Harvested Forage	\$ 60.51	per ton	x 1187.0	total lbs	= \$ 35.91
Grain/Protein Supplements	\$ 125.75	per ton	X 672.0	total lbs	= \$ 42.25
Mineral	\$ 0.50	per ton	X 19.0	total lbs	= \$ 0.00
Other Feed	\$ -	per unit	X 0.0	units	= \$ -
Labor	\$ 20.00	per hour	x 4.2	total hours	= \$ 84.00
Replacement Ewe	\$ -	per head	x 0.15	hd	\$ -
Ram Charge					\$ 2.43
Vet Medicine/Drugs					\$ 6.00
Other Livestock Breeding/Marketing					\$ 4.00
Shearing					\$ 5.00
Utilities,Gas, Fuel, Oil					\$ 6.50
Machinery, Facility/Equip. Repairs					\$ 6.00
Other Variable Costs					\$ -
Cash Interest Paid					\$ 8.50
<b>Total Variable Costs</b>					<b>\$ 219.60</b>

### Fixed Costs

Depreciation - Buildings/Equipment	\$ 15.00
Depreciation - Livestock	\$ 1.00
Taxes/Insurance - Farm & Livestock	\$ 5.00
Interest - Buildings/Equipment & Livestock	\$ 17.00
Other Fixed Costs	\$ -
<b>Total Fixed Costs</b>	<b>\$ 38.00</b>

### Total Costs

<b>Total Costs</b>	<b>\$ 257.60</b>
Income Over Variable Costs	\$ 114.63
<b>Income Over Total Costs</b>	<b>\$ 76.63</b>

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## KSU Once-a-Year Lambing Budget

K-State's Agricultural Economics Department annually publishes *Farm Management Guides* to estimate the current profitability of different agricultural enterprises. A new format for livestock enterprises this year allows the user to change certain key inputs to cater the budget to their production situation. Climate, genetics, local cash prices, and a variety of other factors makes budgeting to the entire state of Kansas difficult. While defaults in the spreadsheet are estimates for the state, users should enter their own prices and costs using the cells in [blue](#).

Two different sets of price forecasts are available in the spreadsheet. By clicking the dropdown menu at the top of the budget, a user can select "Current Prices" or "One Year Out Prices". All price assumptions can be viewed in the *Prices* tab. This budget assumes slaughter lambs will be sold in September of the budget year.

Feed assumptions can be viewed in the *Feed* tab. The default Once-a-Year Lambing budget assumes a spring lambing that develops their own replacements; therefore costs include 15% of the cost of raising a replacement ewe (default is a 15% replacement percentage) and 2.5% of the cost of maintaining a Ram (assuming 1 Ram per 40 ewes). If purchasing replacements or A.I. breeding, costs should be adjusted accordingly.

### Production Efficiency Measures

**Weaning Percentage:** Lambs weaned per ewe exposed. **Ewe Replacement Percentage:** Percent of lambs retained for replacements as well as cull ewes sold.

### Revenue

**Slaughter Lamb Sale:** Based on the Lamb Crop Percentage less the Ewe Replacement Percentage. If purchasing replacements rather than raising them, the ewe replacement percentage will not be subtracted off when a value is entered in cell B21. Lamb weights can be adjusted.

**Cull Ewes:** Ewe Replacement Percentages will determine the amount of cull sales to attribute to revenue per ewe. Cull weights can be adjusted.

### Variable Costs

**Pasture:** A 2016 state average estimate of a 10-year linear trend using NASS surveys for pasture rental rates.

**Harvested Forage:** In the *Feed* tab, a yearly ration of hay, silage, and alfalfa gets combined and the price weighted based on the proportions of each.

### Variable Costs (continued)

**Grain/Protein Supplements:** In the *Feed* tab, a yearly ration of grain sorghum and soybean meal gets combined and the price weighted based on the proportions of each.

**Salt & Mineral:** In the *Feed* tab, total pounds/year is entered.

**Other Feed:** The amount for other feed that is not represented in the *Feed* tab.

**Labor:** *Labor Hired + Unpaid Operator Labor* determines a dollar per hour estimate across livestock budgets.

**Replacement Ewes:** If purchasing replacements, change this to purchase cost and reduce expenses accordingly.

**Ram Charge:** Default assumes straight-line depreciation on a \$550 Ram with a \$65 salvage value and 5 year useful life. 2.5% is applied per ewe.

**Vet Medicine/Drugs:** The amount for veterinarian services, drugs, and supplies.

**Other Livestock Breeding/Marketing:** The amount that includes trucking, sale commissions, and other expenses.

**Shearing:** The amount for shearing each ewe.

**Utilities, Gas, Fuel, Oil:** The amount for the lamb enterprises's share.

**Machinery, Facility/Equip. Repairs:** The amount for the lamb enterprises's share.

**Cash Interest Paid:** The amount for the lamb enterprises's share.

**Other Variable Costs:** Rough sum of all other variable costs, includes fees/publications/travel, conservation, building rental, predator control, etc. to the lamb enterprise.

### Fixed Costs

**Depreciation - Building/Equipment:** The amount of depreciation for the lamb enterprises's share towards buildings and equipment.

**Depreciation - Livestock:** The amount of depreciation for the lamb enterprises's share towards purchased breeding livestock.

**Taxes/Insurance - Farm & Livestock:** The amount of taxes and insurance for the lamb enterprises's share towards the farm and livestock.

**Interest - Buildings/Equipment & Livestock:** The amount of interest for the lamb enterprises's share towards buildings, equipment and livestock.

**Opportunity Cost of Investment:** A measure to reflect the interest that could have been earned had the investment been made elsewhere. It does not represent cash interest paid.

# FARM MANAGEMENT GUIDE

## KSU Ewe Once-a-Year Lambing Budget

### Budget Assumptions

#### Per Ewe Feed Requirements (ewe, ram, retained/replaced ewes, lamb)

	<u>Qty</u>	<u>Unit</u>
Pasture	1.00	total acres per year
Silage	730.00	total lbs per year
Alfalfa	457.00	total lbs per year
Prairie Hay	0.00	total lbs per year
Total Harvested Forage	1,187.00	total lbs per year
Grain Sorghum	630.00	total lbs per year
Protein Supplement	42.00	total lbs per year
Total Grain/Protein Supplements	672.00	total lbs per year
Mineral	19.00	total lbs per year

#### Default Sheep Price:

	<u>Current</u>	<u>One Year Out</u>
Protein Supplement (\$/ton)	\$ 314.00	\$ 318.20
Grain Sorghum (\$/cwt)	\$ 5.66	\$ 6.43
Silage (\$/ton)	\$ 26.40	\$ 30.00
Prairie Hay (\$/ton)	\$ 70.00	\$ 79.55
Alfalfa (\$/ton)	\$ 115.00	\$ 130.68
Pasture Rental (\$/acre)	\$ 19.00	\$ 19.38
Sheep Mineral (\$/lb)	\$ 0.50	\$ 0.51
Sept. Slaughter Lamb Price (\$/cwt)	\$ 151.32	\$ 154.20
Current Cull Ewe Price (\$/cwt)	\$ 42.84	\$ 46.58

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