SHEEP PRODUCTION COST STUDY, APRIL 1979
HUMBOLDT COUNTY

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Humboldt County was the historical leader in sheep production in the north coast because the open range areas were ideal for wool and fat lamb production. Many lambs are fattened on good forage alone.

This cost analysis gives sample costs of production when average management practices are followed. It is for use as a guide in analyzing production costs on an individual ranch. Yearly costs are shown for the total ranch and per ewe, so approximate costs can be determined for any ranch by simply multiplying by the number of ewes in the flock.

Family labor, including the operator, is not shown in the costs nor is an allowance shown for management. These costs show what must be paid yearly before the operator earns labor or management income.

A typical Humboldt County ranch in each area is used as a guide for cost and management practices. All costs were provided by knowledgeable producers. Income was projected for the sale of lambs; this allowed us to determine a net income figure for the ranch and per ewe on the ranch. If a rancher can increase the number of lambs and/or increase the selling weight of the lambs, then the profit for the ranch will be greater. Techniques that will increase profits include: buying high quality rams, flushing the ewes before breeding, culling low producing ewes, and practicing range improvement techniques.

Some of the costs shown are size oriented. That is, they go on whether you get high or low prices for lambs. For example, labor, maintenance, repairs, taxes, and others are related to the size of the ranch and ewe band, not the lambing percent or selling weight. Production related costs are hay, range improvements, veterinarian and medicine, replacement rams and other similar costs.

It must be remembered that this cost study is only a guideline. Each rancher may have to adjust some of the figures to conform to his particular ranch situation.

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HUMBOLDT COUNTY - GARBERVILLE AREA

The ranch is 7,000 acres of range land rented by the operator. Although most of the ranches are owned, it was difficult to place a value on the land. A rental rate was easier to obtain, so we used this rate in the cost study. The ranch has sufficient barns and corrals to handle 1,000 head of ewes plus replacements. Sheep are valued at the current market price (please remember these prices were taken in April, 1979). Costs of the improvements are lower than current replacement costs. Ewes weight 120 lbs., rams 150 lbs., and lambs are sold as mixed fat and feeders at 85 lbs. Lamb crop is 80% with 20% of the females held for replacement. Mortality is 5% in the breeding herd. The ranch buys 10 tons of range mix yearly for the sheep plus sheep and horse hay. Labor includes renter-operator, unpaid family help and part-time help of $4,000 per year. Total investment for the renter-operator is $149,300.

		TOTAL RANCH	PER EWE	YOUR COST
INVESTMENT				
Equipment		$ 60,000.00		
Ewes	1,000 @ $ 80	80,000.00		
Rams	50 @ $150	7,500.00		
Horses (2) and Dogs (4)		1,800.00		
TOTAL INVESTMENT		$149,300.00	$149.30	
INCOME				
Fat & Feeder Lambs	765@ 80 lbs.=61,200 lbs. @.70	$ 42,840.00		
Cull Rams	9@150 lbs.= 1,350 lbs. @.25	337.50		
Cull Ewes	175@120 lbs.=21,000 lbs. @.25	5,250.00		
Lamb Wool	820 ~~200~~@ 4# @1.10	3608 ~~880.00~~		
Ewe Wool	975@ 8# @1.10	8,580.00		
Ram Wool	50@12# @1.10	660.00		
Replacement Ewe Wool	195@7-1/2# @1.10	1,608.75		
TOTAL INCOME		$ ~~60,156.25~~ 62,884.25	$ 60.16	
EXPENSE				
Cash Costs:				
Feed: Hay	3 tons @ $ 85	$ 255.00	$ .25	
Range Mixes	10 tons @ $160	1,600.00	1.60	
Range	@ $50/AU	10,000.00	10.00	
Salt	1-1/2 tons @$50	75.00	.08	
General Expense:				
Vet and Med		$ 1,100.00	1.10	
Shearing crews and supplies	2,040 hd @$1.50	3,060.00	3.06	
Tag	1,165 hd @ .35	407.75	.41	
Replacement Rams	12 @$300	3,600.00	3.60	
Dog expenses		585.00	.58	
Horse expenses		300.00	.30	
Gasoline, oil & equipment repairs		7,000.00	7.00	
Maintenance of roads, fences, corrals, barns		5,200.00	5.20	
Insurance		900.00	.90	
Part-time labor		4,000.00	4.00	
Livestock taxes		1,916.25	1.92	
Misc. overhead & operating interest		2,200.00	2.20	
Total Cash Costs		$ 42,199.00	$ 42.20	
Non-Cash Costs:				
Depreciation - equipment		$ 6,000.00		
dogs & horses		360.00		
Interest @9% - equipment		2,700.00		
livestock		8,037.00		
Total Non-Cash Costs		$ 17,097.00	$ 17.10	
TOTAL ALL COSTS		$ 59,296.00	$ 59.30	
NET INCOME		$ ~~860.25~~ 3588.25	$ .86 3.59	