# SHEEP COST OF PRODUCTION STUDY, NOVEMBER 1974

## HUMBOLDT COUNTY

by
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Humboldt County was the historical leader in sheep production in the north coast region because the open range areas of the county were found ideal for wool and fat lamb production. Lambs have the ability to fatten 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. Costs are shown for total ranch and for one ewe yearly, allowing you to multiply by the number of sheep in your flock to get approximate yearly totals.

*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 of present day sheep production is used as a guide for cost and management practices. All costs were provided by knowledgeable producers for each area. The cost per lb. of lamb sold figure was calculated from computing the number and weight of lambs available for sale each year divided by 1,000 ewes in the breeding flock. It is apparent that a high percent of heavy, fat lambs for sale will influence the break even point favorably.

Some of the costs shown are size oriented, not production oriented. That is --- they go on whether or not you get high or low sale income. For example: labor, maintenance, repairs, taxes, and others are related to the size of the ranch and ewe flock not the weaning weight or percent lamb survival. Production related costs are: purchased feed, range improvement, vet and medicine, cost of replacement rams and the like. Suggested areas for management attention are: increasing the number of lambs surviving by flushing for twinning and improving lambing practices, range improvement - carrying capacities, ewe records showing lambs produced, and wool weights on at least part of the total flock.

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HUMBOLDT COUNTY MATTOLE VALLEY AREA

The ranch is 5,000 acres of range land owned by the operator. Included are sufficient hay storage, equipment storage, feed barns, shearing sheds, corrals, and fences to handle a 1,000 ewe band plus replacements. Cost of the improvements are lower than current replacement costs. Livestock is valued at current market prices. Ewes weigh 130 lbs., rams 175 lbs., fat lambs 95 lbs., and feeder lambs 75 lbs. Lambs are sold 80% fat and 20% feeders. Lamb crop at weaning is 90% with 20% of the females held for replacement. There is a 5% mortality in the breeding herd. The ranch buys 40 tons of alfalfa hay for all livestock yearly. Labor includes owner-operator, unpaid family help and part-time help of $1,000 per year. Total investment for the owner-operator is $319,100.

| | TOTAL RANCH | PER EWE | YOUR COST |
|---|---|---|---|
| CASH COSTS | | | |
| Feed | | | |
| Alfalfa hay 40 ton @ $75 | $ 3,000.00 | $ 3.00 | $ |
| Salt 1½ ton at $40 | 60.00 | .06 | |
| Range -- cost included below | | | |
| General Expenses | | | |
| Range improvement - burning - seed - fertilizer | 500.00 | .50 | |
| Vet and medicine | 750.00 | .75 | |
| Dog expenses | 400.00 | .40 | |
| Shearing crew and supplies 1,914 head @ $1.26 | 2,411.64 | 2.41 | |
| Tag 1,165 head @ $.22 | 256.30 | .26 | |
| Replacement rams 12 @ $100 | 1,200.00 | 1.20 | |
| Horse expenses | 680.00 | .68 | |
| Gasoline, oil, and equipment repairs | 4,800.00 | 4.80 | |
| Maintenance of roads, fences, corrals, and barns | 3,000.00 | 3.00 | |
| Insurance | 700.00 | .70 | |
| Part-time labor | 1,000.00 | 1.00 | |
| Taxes 9% rate + livestock | 6,282.13 | 6.28 | |
| Misc. overhead and operating interest | 1,502.46 | 1. 50 | |
| Less credit for cull ewes and rams | -1,396.50 | -1.40 | |
| Less credit for 12,153 lbs. wool @ $.70 and $.58 | -8,177.26 | -8.18 | |
| TOTAL CASH COSTS | $ 16,969.77 | $ 16.97 | |
| NON CASH COSTS | | | |
| Depreciation | | | |
| Barn, sheds, corrals, and fences $32,500 (30 yrs.) | 1,083.33 | 1.08 | |
| Equipment $28.500 (5-10 yrs. with salvage) | 3,100.00 | 3.10 | |
| Dogs and horses $1,000 (5-10 yrs with salvage) | 40.00 | .04 | |
| TOTAL | $ 4,223.33 | $ 4.22 | |
| Interest on investment | | | |
| Land 5,000 acres @ $43.50/acre @ 8% | 17,400.00 | 17.40 | |
| Structures and fences $32,500 @ ½ cost @ 8% | 1,300.00 | 1.30 | |
| Ewes 1,000 @ $30 @ 8% | 2,400.00 | 2.40 | |
| Yearlings 190 @ $40 @ 8% | 608.00 | .61 | |
| Rams 50 @ $40 @ 8% | 160.00 | .16 | |
| Horses and dogs 5 | 64.00 | .06 | |
| Equipment: pickup, jeep, truck, bulldozer, scales and tools | 1,260.00 | 1.26 | |
| TOTAL | $ 23,192.00 | $ 23.19 | |
| TOTAL NON CASH COSTS | $ 27,415.23 | $ 27.42 | |
| TOTAL ALL COSTS | $ 44,385.10 | $ 44.39 | |
| CASH COST PER LB. OF LAMB SOLD PER EWE $16.97 ÷ 60 LBS. = | | $ .28 | |
| TOTAL ALL COST PER LB. OF LAMB SOLD PER EWE $44.39 ÷ 60 LBS. = | | $ .74 | |