



NSW DEPARTMENT OF PRIMARY INDUSTRIES

MERINO EWES (21 micron) - Terminal Rams

Farm Enterprise Budget Series - November 2008

Flock size: 1000 ewes
 Ewe body weight: 55 kgs
 DSE rating: 2.3 dse's / ewe

					Standard Budget (\$)	Your Budget (\$)
INCOME						
Wool	number	class	kg /hd	\$/kg		
Shear	960	ewes	6.00	\$5.22	\$30,067.20	
	20	rams	3.50	\$2.37	\$165.90	
Crutch	1882	mixed ages	0.40	\$2.97	\$2,237.30	
Sheep Sales	number	class		\$/hd		
	177	CFA ewes		\$46.34 (22.6 kg cwt)	\$8,201.30	
	4	CFA rams		\$60.92	\$243.68	
	441	mixed sex lambs		\$78.50 (20.0 kg cwt)	\$34,618.50	
	441	mixed sex lambs		\$86.50 (22.0 kg cwt)	\$38,146.50	
Fodder	tonnes	type		value per tonne		
Hay	0 t	lucerne hay @		\$200 /t	\$0.00	
Fodder crop grain	0 t	oats @		\$150 /t	\$0.00	
A. Total Income:					\$113,680.37	
VARIABLE COSTS						
Replacements	number	class	cost (\$)	reps		
	4	rams	\$500.00		\$2,000.00	
	217	ewes	\$80.00		\$17,360.00	
Cartage	217	ewes	\$2.00		\$434.00	
Wool Harvesting & Selling Costs						
Shearing	960	ewes	\$5.74	1	\$5,512.62	
	20	rams	\$8.61	1	\$172.27	
Crutching	980	ewes	\$0.85	1	\$836.23	
	20	rams	\$1.71	1	\$34.13	
	882	weaners	\$0.85	1	\$752.61	
Wool tax			2.00%		\$649.41	
Commission, warehouse, testing charges			\$42.99/ bale		\$1,590.50	
Wool - cartage	37	bales	\$17.43		\$644.91	
- packs	37	packs	\$11.14		\$412.18	
Sheep Health	number	class				
Drenching following DrenchPlan						
Broadspectrum	980	adults	\$0.35	2	\$686.00	
	930	lambs	\$0.18	3	\$502.20	
Dipping	980	adults	\$0.56	1	\$548.80	
Jetting	980	adults	\$1.65	1	\$1,617.00	
Vaccination- 6 in 1	980	adults	\$0.22	1	\$215.60	
	930	lambs	\$0.22	1	\$204.60	
Mark	930	lambs	\$1.35	1	\$1,255.50	
Scanning	960	ewes	\$0.90	1	\$864.00	
Livestock Selling Costs						
Livestock cartage	1,063	sale sheep	\$2.00		\$2,126.00	
Commission on sheep sales			5.00%		\$4,060.50	
Levies (Yard dues, MLA Transaction levy and RLPB rates)					\$2,583.48	
Fodder						
Supplementary feed - 3.5 kgs grain/hd/week @ \$180 /t						
	960	ewes	\$0.63 /week	10 weeks	\$6,048.00	
Grazing crops	0 ha	@	\$360 /ha		\$0.00	
Supplementary fodder	0 t	@	\$350 /t		\$0.00	
Pasture maintenance	240 ha	@	\$58 /ha		\$13,800.00	
B. Total Variable Costs:					\$64,910.54	
					incl. fodder costs	excl. fodder costs
GROSS MARGIN (A-B)					\$48,770	\$71,201
GROSS MARGIN /EWE					\$48.77	\$71.20
GROSS MARGIN /DSE					\$21.20	\$30.96
GROSS MARGIN /HA					\$212.04	\$309.57

This budget should be used as a GUIDE ONLY and should be changed by the grower to take account of movements in commodity and input prices, changes in seasonal conditions and individual farm characteristics. Estimated prices are GST exclusive.

ASSUMPTIONS

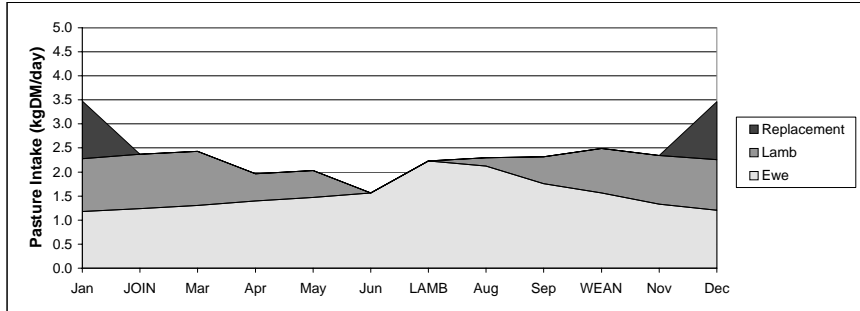
1. Flock Parameters

Flock mortality	4%	Ram %	2%
Productive life	5 years	Marking %	93%
Ewe body weight	55 kg	Weaning %	90%
DSE rating /ewe	2.3	Weaning age	3 months
Stocking rate/ha	10 dse's		

This enterprise is usually run on more productive country and the stocking rate reflects this.

2. Feed Requirements per breeding ewe

Intakes are estimates based on a pasture that would meet the requirements of all stock at all times. If pasture is above or below this amount, intakes will be more or less (respectively) and livestock performance will vary accordingly. Feed requirements are expressed as kilograms dry matter intake per ewe per day. The intake of all lambs and hoggets are divided by the number of ewes and allocated to the breeding ewes.



Note: Pasture cost calculated at 90kg of single super applied every year - \$550/ton and \$8/ha application cost.
The cost of the grazing crop includes contract harvesting.

3. Flock Structure

Sheep numbers are modified to reflect mortality throughout the year.

Age	Number of ewes
1.5	217
2.5	208
3.5	200
4.5	192
5.5	184
6.5	0
Total	1000

217 replacements bought	→	930 lambs	→	900 weaners	→	882 mixed sex lambs sold
						177 CFA's sold

4. Wool Prices

Merino Ewe	Micron	AWEX Type	Clean price	Yield	Greasy price	Specifications (all 35n/ktex)	Proportion of Clip
- Fleece GTM	22	MF5B.	\$8.66	65%	\$5.60	1%VMB, 90mm	75%
- Skirtings/bellies	21	MP5B.	\$6.86	54%	\$3.69	4.8%VMB, 80mm	20%
- Cardings	22	MZ2B.	\$4.74	51%	\$2.44	2.9%VMB.	5%
					\$5.06		used in budget

5. Sensitivity Table - Effect of weaning % and average lamb price on gross margin / DSE (incl. pasture costs)

Av. Lamb Price \$/Hd	Weaning %				
	72%	81%	90%	99%	108%
\$66.00	\$20.62	\$22.88	\$25.13	\$27.39	\$29.65
\$74.25	\$23.02	\$25.58	\$28.14	\$30.70	\$33.26
\$82.50	\$25.43	\$28.29	\$31.15	\$34.00	\$36.86
\$90.75	\$27.83	\$30.99	\$34.15	\$37.31	\$40.47
\$99.00	\$30.24	\$33.70	\$37.16	\$40.62	\$44.08

Notes: both the lamb price and weaning percentage have been varied by +/- 10% and +/- 20%, lamb price is average of the two grades - marking percentage is held at 3% above the weaning percentage in all cases.