



# NSW DEPARTMENT OF PRIMARY INDUSTRIES

## MERINO EWES (21 micron) - Merino Rams

Farm Enterprise Budget Series - November 2008

Flock size: 1000 ewes  
 Ewe body weight: 55 kgs  
 DSE rating: 2.1 dse's / ewe

					Standard Budget (\$)	Your Budget (\$)
<b>INCOME</b>						
<b>Wool</b>	<b>number</b>	<b>class</b>	<b>kg /hd</b>	<b>\$/kg</b>		
Shear	1177	ewes	6.00	\$5.22	\$36,852.76	
	20	rams	7.50	\$5.22	\$783.00	
	426	ewe lambs	3.80	\$5.07	\$8,207.32	
Crutch	1832	mixed ages	0.25	\$2.97	\$1,360.90	
<b>Sheep Sales</b>	<b>number</b>	<b>class</b>	<b>\$ /hd</b>			
	177	CFA ewes	\$46.34	(22.6 kg cwt)	\$8,201.30	
	4	CFA rams	\$60.92		\$243.68	
	435	weth weaners	\$32.00	(6 months)	\$13,920.00	
	201	ewe hoggets	\$65.00	(18 months)	\$13,065.00	
<b>Fodder</b>	<b>tonnes</b>	<b>type</b>	<b>value per tonne</b>			
Hay	0 t	lucerne hay @	\$200 /t		\$0.00	
Fodder crop grain	0 t	oats @	\$150 /t		\$0.00	
<b>A. Total Income:</b>					<b>\$82,633.96</b>	
<b>VARIABLE COSTS</b>						
<b>Replacements</b>	<b>number</b>	<b>class</b>	<b>cost (\$)</b>	<b>reps</b>		
	4	rams	\$900.00		\$3,600.00	
<b>Wool Harvesting &amp; Selling Costs</b>						
Shearing	1603	ewes/hoggets	\$5.74	1	\$9,202.94	
	20	rams	\$8.61	1	\$172.27	
Crutching	1812	ewes/hoggets	\$0.85	1	\$1,545.88	
	20	rams	\$1.71	1	\$34.13	
Wool tax			2.00%		\$944.08	
Commission, warehouse, testing charges			\$42.99/ bale		\$2,235.30	
Wool - cartage	52	bales	\$17.43		\$906.36	
- packs	52	packs	\$11.14		\$579.28	
<b>Sheep Health</b>	<b>number</b>	<b>class</b>				
<b>Drenching following DrenchPlan</b>						
Broadspectrum	1406	adults/hoggets	\$0.35	2	\$983.96	
	900	lambs	\$0.18	3	\$486.00	
Dipping	1623	adults/hoggets	\$0.56	1	\$908.69	
Jetting	1406	adults/hoggets	\$1.65	1	\$2,319.33	
	435	ewe weaners	\$1.38	1	\$600.30	
Vaccination- 6 in 1	1188	adults/hoggets	\$0.22	1	\$261.28	
	900	lambs	\$0.22	1	\$198.00	
Mules + Mark	900	lambs	\$3.75	1	\$3,375.00	
Scanning	1177	ewes	\$0.90	1	\$1,058.99	
<b>Livestock Selling Costs</b>						
Livestock cartage	817	sale sheep	\$2.00		\$1,634.00	
Commission on sheep sales			5.00%		\$1,771.50	
Levies (Yard dues, MLA Transaction levy and RLPB rates)					\$1,235.48	
<b>Fodder</b>						
Supplementary feed - 3.5 kgs grain/hd/week @ \$180 /t						
	1168	ewes	\$0.63 /week	6 weeks	\$4,414.99	
Grazing crops	0 ha	@	\$360 /ha		\$0.00	
Supplementary fodder	0 t	@	\$350 /t		\$0.00	
Pasture maintenance	210 ha	@	\$58 /ha		\$12,075.00	
<b>B. Total Variable Costs:</b>					<b>\$50,542.75</b>	
					incl. fodder costs	excl. fodder costs
<b>GROSS MARGIN (A-B)</b>					<b>\$32,091</b>	<b>\$49,817</b>
<b>GROSS MARGIN /EWE</b>					<b>\$32.09</b>	<b>\$49.82</b>
<b>GROSS MARGIN /DSE</b>					<b>\$15.28</b>	<b>\$23.72</b>
<b>GROSS MARGIN /HA</b>					<b>\$152.82</b>	<b>\$237.22</b>

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.

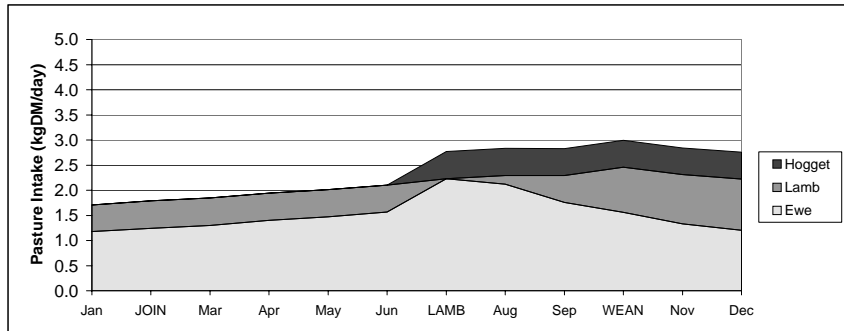
## ASSUMPTIONS

### 1. Flock Parameters

Flock mortality	4%	Ram %	2%
Productive life	5 years	Marking %	90%
Ewe body weight	55 kg	Weaning %	87%
DSE rating /ewe	2.10	Weaning age	3 months
Stocking rate/ha	10 dse's		

### 2. Feed Requirements per breeding ewe

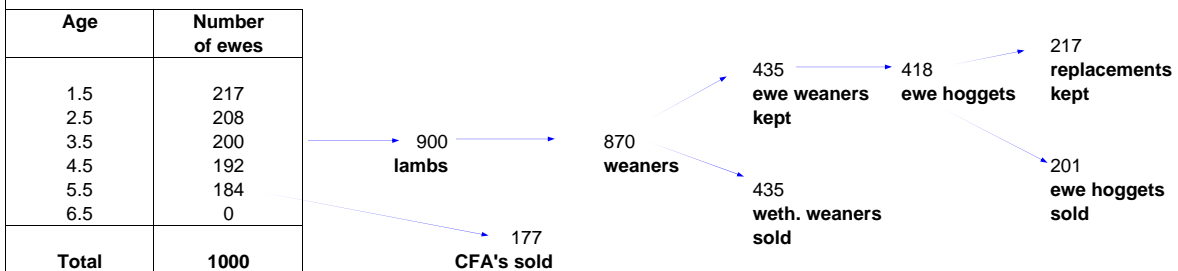
Intakes are estimates based on a pasture that would meet the requirements of all stock at all times. If pasture is above or below this amount, intakes will be more or less (respectively) and livestock performance will vary accordingly. Feed requirements are expressed as kilograms dry matter intake per 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.



### 4. Wool Prices

Merino Ewe	Micron	AWEX Type	Clean price	Yield	Greasy price	Specifications (all 35n/ktex)	Proportion of Clip
- Fleece GTM	21	MF5B.	\$8.90	65%	\$5.77	1%VMB, 90mm	75%
- Skirtings/bellies	20	MP5B.	\$7.10	55%	\$3.89	4.8%VMB, 80mm	20%
- Cardings	21	MZ2B.	\$4.67	52%	\$2.43	2.9%VMB.	5%
<b>\$5.22</b>						used in budget	

### 5. Sensitivity Table

Effect of ewe wool price and cut on gross margin per DSE - cuts and prices for rams, ewe hoggets and adult crutchings have not been varied (incl. fodder costs).

Wool Cut Kg/Hd	Ewe Greasy Wool Price \$/Kg greasy				
	\$4.18	\$4.70	\$5.22	\$5.74	\$6.26
4.80 kg	\$17.80	\$19.18	\$20.56	\$21.93	\$23.31
5.40 kg	\$19.04	\$20.59	\$22.14	\$23.69	\$25.23
6.00 kg	\$20.28	\$22.00	<b>\$23.72</b>	\$25.44	\$27.16
6.60 kg	\$21.52	\$23.41	\$25.31	\$27.20	\$29.09
7.20 kg	\$22.80	\$24.86	\$26.92	\$28.99	\$31.05

Note: both ewe wool cut and greasy wool price have been varied by +/- 10% and +/- 20%. Pasture costs have been included.