



NSW DEPARTMENT OF PRIMARY INDUSTRIES

MERINO EWES (21 micron) - 75% to Merino Rams, 25% to Terminal Rams Farm Enterprise Budget Series - November 2008

Flock size: 1000 ewes
Ewe body weight: 55 kgs
DSE rating: 2.4 dse's / ewe

					Standard Budget (\$)	Your Budget (\$)
INCOME						
Wool	number	class	kg /hd	\$/kg		
Shear	1177	ewes	5.79	\$5.22	\$35,562.92	
	20	rams	7.50	\$5.22	\$783.00	
	320	ewe lambs	3.80	\$5.07	\$6,165.12	
	320	wether lambs	3.80	\$5.07	\$6,165.12	
Crutch	2000	mixed ages	0.25	\$2.97	\$1,485.82	
Sheep Sales	number	class	\$ /hd			
	177	CFA ewes	\$46.34	(22.6 kg cwt)	\$8,201.30	
	4	CFA rams	\$60.92		\$243.68	
	320	M. weth weaners	\$62.00	(20.0 kg cwt)	\$19,840.00	
	96	M. ewe hoggets	\$65.00	(18 months)	\$6,240.00	
	107	mixed sex lambs	\$78.50	(20.0 kg cwt)	\$8,399.50	
	107	mixed sex lambs	\$86.50	(22.0 kg cwt)	\$9,255.50	
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:					\$102,341.95	
VARIABLE COSTS						
Replacements	number	class	cost (\$)	reps		
	3	rams	\$900.00		\$2,700.00	
	1	rams	\$550.00		\$550.00	
Wool Harvesting & Selling Costs						
Shearing	1817	ewes/hoggets	\$5.74	1	\$10,431.79	
	20	rams	\$8.61	1	\$172.27	
Crutching	1980	ewes/hoggets	\$0.85	1	\$1,689.34	
	20	rams	\$1.71	1	\$34.13	
Wool tax			2.00%		\$1,003.24	
Commission, warehouse, testing charges			\$42.99/ bale		\$2,063.35	
Wool - cartage	48	bales	\$17.43		\$836.64	
- packs	48	packs	\$11.14		\$534.72	
Sheep Health	number	class				
Drenching following DrenchPlan						
Broadspectrum	1516	adults/hoggets	\$0.35	2	\$1,061.39	
	900	lambs	\$0.18	3	\$486.00	
Dipping	1837	adults/hoggets	\$0.56	1	\$1,028.53	
Jetting	1680	adults/hoggets	\$1.65	1	\$2,771.63	
	653	weaners	\$1.38	1	\$901.14	
Vaccination- 6 in 1	1184	adults/hoggets	\$0.22	1	\$260.40	
	900	lambs	\$0.22	1	\$198.00	
Mark	225	terminal lambs	\$1.35	1	\$303.75	
Mules + Mark	675	lambs	\$3.75	1	\$2,531.25	
Scanning	1177	ewes	\$0.90	1	\$1,058.99	
Livestock Selling Costs						
Livestock cartage	811	sale sheep	\$2.00		\$1,622.00	
Commission on sheep sales			5.00%		\$2,609.00	
Levies (Yard dues, MLA Transaction levy and RLPB rates)					\$1,806.86	
Fodder						
Supplementary feed - 3.5 kgs grain/hd/week @ \$180 /t						
	1168	ewes	\$0.63 /week	10 weeks	\$7,358.32	
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:					\$57,812.75	
					incl. fodder costs	excl. fodder costs
GROSS MARGIN (A-B)					\$44,529	\$67,494
GROSS MARGIN /EWE					\$44.53	\$67.49
GROSS MARGIN /DSE					\$18.55	\$28.12
GROSS MARGIN /HA					\$185.54	\$281.23

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.

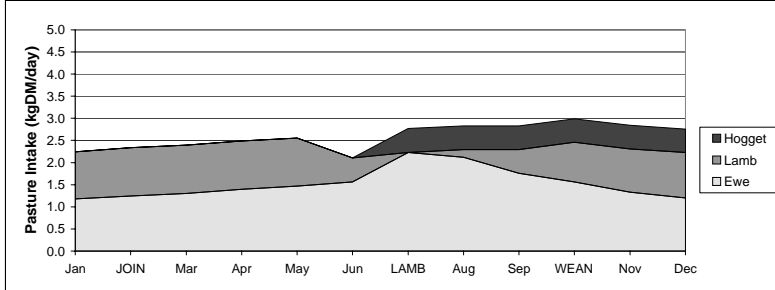
ASSUMPTIONS

1. Flock Parameters

Flock mortality	4%	Ram %	2%
Productive life	5 years	Marking %	90%
Ewe body weight	55	Weaning %	87%
DSE rating /ewe	2.40	Weaning age	3 months
Stocking rate/ha	10 dse's	Ewe % joined to terminal ram	25%

2. Feed Requirements per breeding ewe

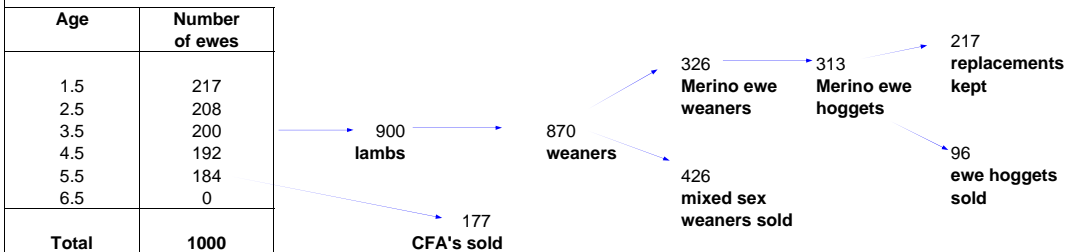
Intakes are estimates based on a pasture that would meet the requirements of all stock at all times. If pasture is above or below this amount, intakes will be more or less (respectively) and livestock performance will vary accordingly. Feed requirements are expressed as kilograms dry matter intake per 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%
					\$5.22		used in budget

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

Lamb Price %	Weaning %				
	70%	78%	87%	96%	104%
80%	\$20.79	\$22.54	\$24.29	\$25.99	\$27.74
90%	\$22.53	\$24.57	\$26.62	\$28.60	\$30.64
100%	\$24.40	\$26.75	\$29.10	\$31.39	\$33.74
110%	\$26.40	\$29.08	\$31.76	\$34.36	\$37.04
120%	\$28.53	\$31.55	\$34.57	\$37.52	\$40.54

Notes: both the lamb price and weaning percentage have been varied by +/- 10% and +/- 20%
 - lamb price is a percentage of prices used in budgets for M. with weaners and mixed sex lambs
 - marking percentage is held at 3% above the weaning percentage in all cases.