



# NSW DEPARTMENT OF PRIMARY INDUSTRIES

## MERINO EWES (21 micron) - Maternal Meat 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 (\$)
<b>INCOME</b>						
<b>Wool</b>	number	class	kg /hd	\$/kg		
Shear	960	ewes	6.00	\$5.06	\$29,145.60	
	20	rams	4.50	\$2.37	\$213.30	
	441	ewe lambs	2.50	\$2.82	\$3,109.05	
Crutch	1882	mixed ages	0.40	\$2.97	\$2,237.30	
<b>Sheep Sales</b>	number	class	\$ /hd			
	177	CFA ewes	\$46.34	(22.6 kg cwt)	\$8,201.30	
	4	CFA rams	\$60.92		\$243.68	
	441	weth lambs	\$73.50	(20.0 kg cwt)	\$32,413.50	
	432	ewe hoggets	\$125.00	(18 months)	\$54,000.00	
<b>Fodder</b>	tonnes	type	value per tonne			
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>\$129,563.72</b>	
<b>VARIABLE COSTS</b>						
<b>Replacements</b>	number	class	cost (\$)	reps		
	4	rams	\$500.00		\$2,000.00	
	217	ewes (1.5 years)	\$80.00		\$17,360.00	
Cartage	217	ewes (1.5 years)	\$2.00		\$434.00	
<b>Wool Harvesting &amp; Selling Costs</b>						
Shearing	960	ewes	\$5.74	1	\$5,512.62	
	20	rams	\$8.61	1	\$172.27	
	441	ewe lambs	\$5.74	1	\$2,532.36	
Crutching	962	ewes	\$0.85	1	\$820.87	
	20	rams	\$1.71	1	\$34.13	
	900	weaners	\$0.85	1	\$767.97	
Wool tax			2.00%		\$694.10	
Commission, warehouse, testing charges			\$42.99/ bale		\$1,848.42	
Wool - cartage	43	bales	\$17.43		\$749.49	
- packs	43	packs	\$11.14		\$479.02	
<b>Sheep Health</b>	number	class				
Drenching following DrenchPlan						
Broadspectrum	1412	adults	\$0.35	2	\$988.40	
	882	lambs	\$0.18	3	\$476.28	
Dipping	980	adults	\$0.56	1	\$548.80	
	441	ewe lambs	\$0.56	1	\$246.96	
Jetting	980	adults	\$1.65	1	\$1,617.00	
	900	weaners	\$1.38	1	\$1,242.00	
Vaccination- 6 in 1	980	adults	\$0.22	1	\$215.60	
	930	lambs	\$0.22	1	\$204.60	
Mark no OJD vaccine	465	wether lambs	\$1.35	1	\$627.75	
Mark/OJD vaccine	465	ewe lambs	\$3.35	1	\$1,557.75	
Scanning	960	ewes	\$0.90	1	\$864.00	
<b>Livestock Selling Costs</b>						
Livestock cartage	1,054	sale sheep	\$2.00		\$2,108.00	
Commission on sheep sales			5.00%		\$4,742.92	
Levies (Yard dues, MLA Transaction levy and RLPB rates)					\$2,007.95	
<b>Fodder</b>						
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>B. Total Variable Costs:</b>					<b>\$70,701.28</b>	
					incl. fodder costs	excl. fodder costs
<b>GROSS MARGIN (A-B)</b>					<b>\$58,862</b>	<b>\$80,718</b>
<b>GROSS MARGIN /EWE</b>					<b>\$58.86</b>	<b>\$80.72</b>
<b>GROSS MARGIN /DSE</b>					<b>\$24.53</b>	<b>\$33.63</b>
<b>GROSS MARGIN /HA</b>					<b>\$245.26</b>	<b>\$336.33</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

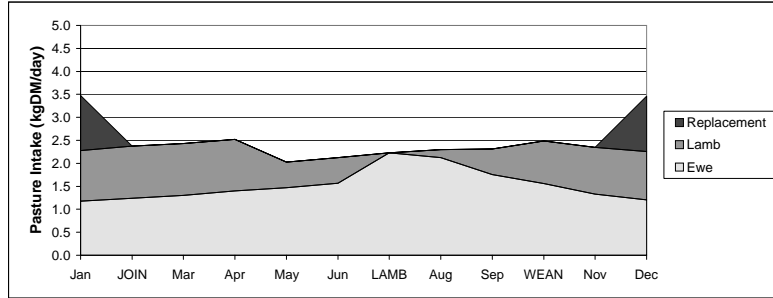
### 1. Flock Parameters

Flock mortality	4%	Ram %	2%
Productive life	5	Marking %	93%
Ewe body weight	55 kg	Weaning %	90%
DSE rating /ewe	2.4	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

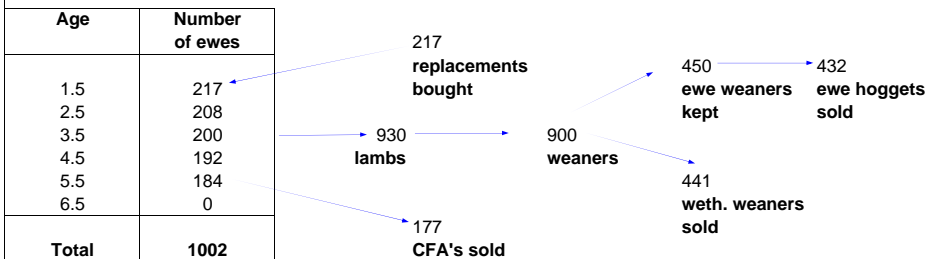
Intakes are estimates based on a pasture that would meet the requirements of all stock at all times. If pasture is above or below this amount, intakes will be more or less (respectively) and livestock performance will vary accordingly. Feed requirements are expressed as kilograms dry matter intake per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



### 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%
					<b>\$5.06</b>		used in budget

### 5. Sensitivity Table

Effect of weaning % and hogget price on gross margin / DSE (incl. fodder costs).

1st X Ewes \$/Hd	Weaning %				
	72%	81%	90%	99%	108%
\$100	\$23.70	\$26.43	\$29.16	\$31.90	\$34.63
\$113	\$25.41	\$28.36	\$31.30	\$34.25	\$37.19
\$125	\$27.12	\$30.28	<b>\$33.44</b>	\$36.60	\$39.75
\$138	\$28.84	\$32.21	\$35.58	\$38.95	\$42.32
\$150	\$30.55	\$34.13	\$37.71	\$41.30	\$44.88

Notes: both the 1st X ewe price and weaning percentage have been varied by +/- 10% and +/- 20%  
- marking percentage is held at 3% above the weaning percentage in all cases.