



NSW DEPARTMENT OF PRIMARY INDUSTRIES

MERINO WETHERS (19 micron)

Farm Enterprise Budget Series - November 2008

Flock size: 1000 wethers
 Wether body weight: 50 kgs
 DSE rating: 1.0 dse's / wether

INCOME

					Standard Budget \$	Your Budget \$
Wool	number	class	kg /hd	\$/kg		
Shear	980	wethers	5.90	\$7.00	\$40,474.00	
Crutch	990	wethers	0.20	\$2.97	\$588.45	
Sheep Sales	number	class	\$/hd			
	188	CFA wethers	\$40.10	(21.0 kg cwt)	\$7,538.80	
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:					\$48,601.25	

VARIABLE COSTS

Replacements	number	class	cost (\$)	reps		
	208	wethers	\$50.00		\$10,400.00	
Cartage	208	wethers	\$2.00		\$416.00	
Wool Harvesting & Selling Costs						
Shearing	980	wethers	\$5.74	1	\$5,627.47	
Crutching	990	wethers	\$0.85	1	\$844.77	
Wool tax			2.00%		\$821.25	
Commission, warehouse, testing charges			\$42.99/ bale		\$1,418.55	
Wool - cartage	33	bales	\$17.43		\$575.19	
- packs	33	packs	\$11.14		\$367.62	
Sheep Health						
Drenching following WormKill						
Broadspectrum	990	wethers	\$0.32	3	\$950.40	
Narrowspectrum	990	wethers	\$0.38	1	\$376.20	
Dipping	980	wethers	\$0.56	1	\$548.80	
Jetting	990	wethers	\$1.65	1	\$1,633.50	
Vaccination- 6 in 1	1000	wethers	\$0.22	1	\$220.00	
Livestock Selling Costs						
Livestock cartage	188	CFA wethers	\$2.00		\$376.00	
Commission on sheep sales			5.00%		\$376.94	
Levies (Yard dues, MLA Transaction levy and RLPB rate:					\$348.52	
Fodder						
Supplementary feed - no allowance made						
Grazing crops	0 ha	@	\$360 /ha		\$0.00	
Supplementary fodder	0 t	@	\$350 /t		\$0.00	
Pasture maintenance	100 ha	@	\$58 /ha		\$5,750.00	
B. Total Variable Costs:					\$31,051.21	

	incl. fodder costs	excl. fodder costs
GROSS MARGIN (A-B)	\$17,550	\$23,300
GROSS MARGIN /WETHER	\$17.55	\$23.30
GROSS MARGIN /DSE	\$17.55	\$23.30
GROSS MARGIN /HA	\$175.50	\$233.00

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

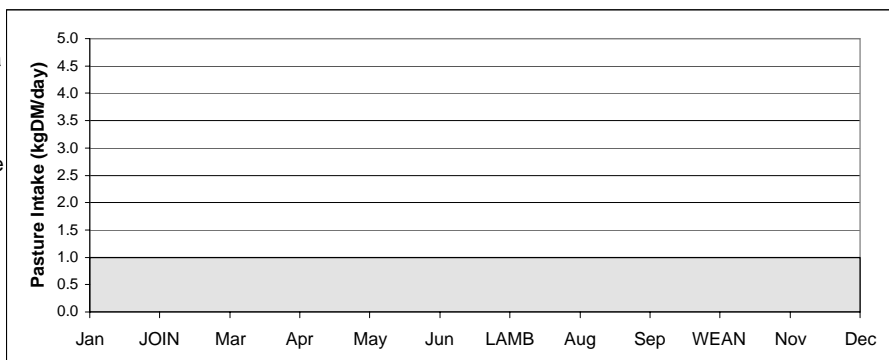
1. Flock Parameters

Cull age	6.5 years	Adult mortality	2%
Replacement age	1.5 years	Body weight	50 kg
Productive life	5 years	DSE rating	1.00
Stocking rate/ha	10 dse's		

Wool cuts are based on historical NSW wether trial data provided by Advanced Breeding Services.

2. Feed Requirements

Intakes are estimates based on a pasture that would meet maintenance requirements 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 wether per day.



Note: Pasture cost calculated at 90kg of single super applied every year - \$550/ton and \$8/ha application cost.

3. Flock Structure

Sheep numbers are modified to reflect mortality throughout the year.

Age	No. of wethers
1.5	208
2.5	204
3.5	200
4.5	196
5.5	192
6.5	0
Total	1000

208 replacements bought (pointing to age 1.5)

188 CFA's sold (pointing to age 6.5)

4. Wool Prices

Merino Wether	Micron	AWEX Type	Clean price	Yield	Greasy price	Specifications (all 35n/ktex)	Proportion of Clip
- Fleece GTM	19	MF4B.	\$11.40	66%	\$7.56	1%VMB, 90mm	75%
- Skirtings/bellies	18	MP5B.	\$10.38	58%	\$5.99	4.8%VMB, 80mm	20%
- Cardings	19	MZ2B.	\$5.25	52%	\$2.74	2.9%VMB.	5%
					\$7.00		used in budget

5. Sensitivity Table

Effect of wool price and cut on gross margin per DSE (incl. fodder costs)

Wool Cut Kg/Hd	Wether Greasy Wool Price \$/Kg greasy				
	\$5.60	\$6.30	\$7.00	\$7.70	\$8.40
4.72 kg	\$9.80	\$12.97	\$16.14	\$19.32	\$22.49
5.31 kg	\$12.76	\$16.33	\$19.90	\$23.47	\$27.04
5.90 kg	\$15.72	\$19.68	\$23.65	\$27.62	\$31.58
6.49 kg	\$18.67	\$23.04	\$27.40	\$31.76	\$36.13
7.08 kg	\$21.56	\$26.32	\$31.08	\$35.84	\$40.60

Note: both wool cut and greasy wool prices have been varied by +/- 10% and +/- 20%.

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