

IS THE SHEEP PRODUCTION SYSTEM AT THE SPOONER AGRICULTURAL RESEARCH STATION ECONOMICALLY VIABLE?

Yves M. Berger
Spooner Agricultural Research Station
University of Wisconsin-Madison

General Management

The Spooner Agricultural Research Station keeps 300 ewes of which 150 of them are machine-milked from the middle of March to the end of August. Lambing occurs from January through the end of April with roughly 40% of the ewes which lamb in January lambing again in September.

Lambs from milking ewes are weaned at 30 days of age, and lambs from non-milking ewes are weaned at 60 days of age. Lambs have access to creep feed at an early age and are placed in a feed lot situation right after weaning. Lambs are fed a high concentrate diet with no forage. They are sold at an average of 120 lbs. between May and September.

Ewes are milked twice a day in a double twelve milking parlor with a high-line pipeline. Milk is frozen on a daily basis and delivered periodically to a cheese plant. As long as the ewes are milking, they are kept in complete confinement receiving alfalfa hay and concentrate. As soon as a ewe is no longer producing (either lambs are weaned or milking is stopped), she is either sent to pasture or placed on a maintenance level of feeding in dry lot.

Feed

This budget assumes that all feed used by the sheep operation was purchased at the following prices:

Rent of pasture	\$50/acre
Hay	\$100/ton
Creep feed	\$217/ton
Finish ration	\$143/ton
Dairy ration	\$171/ton
Silage	\$20/ton
Corn	\$3/bsh

Amounts of feed used in the budget are actual amounts used between September 1, 1996 and August 30, 1997. Other operating costs such as milk replacer, shearing, salt and mineral, marketing, and trucking also are actual costs.

Income

All figures given in the budget for income are actual incomes received between September 1, 1996 and August 30, 1997.

Results

The overall profit of \$6.00 looks discouraging, however, this is after consideration of all production costs including depreciation, interest on operating money and capital investment, and all labor. Management of this flock required 2330 hours of labor during the year or 45 hours per week. If this labor was provided by family members, they were rewarded with a return of \$24,307 (\$81 per ewe) for their efforts.

The favorable returns to labor and management in this budget are due in part to the high lamb production of this flock and the high prices received for lambs in 1996-97. On the other hand, the milk receipts can be expected to improve in future years due to increased milk production from older ewes (all ewes milked in 1996-97 were 1 or 2 years old), milking a higher portion of the available ewes, and increasing the percentage of East Friesian breeding in the milked ewes. These figures suggest that a well-managed flock of 300 dairy ewes can return over \$25,000 per year to family labor.

Budget

Receipts

552 lambs		\$ 55,285.00	
81 ewes (cull and breeding)		6,128.00	
2,640 lbs. wool		1,073.00	
54,432 lbs. milk		<u>33,148.00</u>	
		\$ 95,634.00	\$319/ewe

Operating Costs

Ewe pastures	20 acres @ \$50	\$ 1,000.00	
Hay	126 t @ \$100	12,600.00	
Lamb creep	27 t @ \$217	5,859.00	
Lamb finish	69 t @ \$143	9,867.00	
Dairy ration	27 t @ \$171	4,617.00	
Silage	200 t @ \$20	4,000.00	
Corn	300 bsh @ \$3	900.00	
Salt/mineral		1,620.00	
Milk replacer	900 lb @ \$1.12	1,008.00	
Vet/Med	\$3/ewe	900.00	
Marketing/trucking		2,825.00	
Shearing	\$3/ewe	900.00	
Fuel/utilities	\$8/ewe	2,400.00	
Bedding/supplies	\$10/ewe	3,000.00	
Repairs/insurance/taxes	\$11.62/ewe	3,486.00	
Interest on operating costs (6.5% of gross)		<u>3,705.00</u>	
		\$ 58,687.00	\$196/ewe

Labor Cost

2080 hours @ \$10		\$ 20,800.00	
250 hours @ \$7		<u>1,750.00</u>	
		\$ 22,550.00	\$75/ewe

Capital Cost - interest and depreciation

Equipment milking	\$35,000 @ 14%	\$ 4,900.00	
Other equipment	\$9,000 @ 12%	1,080.00	
Building	\$30,000 @ 9%	2,700.00	
Livestock	\$49,500 @ 8%	<u>3,960.00</u>	
		\$ 12,640.00	\$42/ewe

Return over operating costs: \$36,947 or \$123/ewe
 Return to labor and management: \$24,307 or \$81/ewe

Profit of enterprise: \$1,757 or \$6/ewe