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Sheep-
Cost of
production
O.S.

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UNIVERSITY OF MANCHESTER

Agricultural Economics Department

Costs of Fattening Sheep and Lambs on Grass

1947 - 48

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This report deals with the costs of breeding and fattening sheep on twenty farms in Lancashire and Cheshire for the year to November 1948.

The majority of the farms were situated in the dairying and mixed arable districts of the two counties and were primarily concerned with the production of milk, cattle and crops. Sheep were kept for the most part as "followers" of the dairy herds, utilising surplus grass, root and fodder crops, and providing a subsidiary source of income. One farm was an exception. Here sheep were grazed on sea marsh and contributed the largest share of the total farm income. The average size of farm was 169 acres and carried a herd of 50 adult cattle and 18 youngstock, with a flock of 60 Half-bred or Masham ewes.

All the farms were alike in relying on purchased ewes, or occasionally ewe lambs, to maintain the breeding flocks but they differed in the rates at which ewes were replaced. On eight farms, making the "flying flock" group in this report, fresh ewes were purchased each autumn and were fattened off in the following year together with their lambs and some purchased stores, while on the other farms, the "breeding flock" group, two or more crops of lambs were taken before disposing of the ewes.

The numbers of ewes put to the ram and the birth and death rates for the two groups are given in Table I.

TABLE I

	Breeding Flocks	Flying Flocks	Your Farm
Breeding Ewes No.	803	426	
Ewes died No.	43	15	
Ewes died %	5	4	
Ewes sold No.	108	322	
Ewes sold %	13	76	
Lambs reared per 100 ewes	136	157	

For a similar sample of farms in the previous year the number of lambs reared per 100 ewes was only 117 as compared with the 145 of the present sample. The increase was most marked in the flying flock group where the number has risen from 116 to 157.

Cost of Keep

Grass was the main food and the cost was obtained by apportioning between sheep and other stock the actual farm costs of all grass to which the sheep had access. A proportion of the total grass cost was included for fields grazed after a hay or silage crop had been taken. The root and fodder crops were valued at average costs of production and oats and other concentrates at market values. Manual labour was charged at 2/- per hour.

No overhead expenses were charged directly to sheep and no credit was given for improved fertility or other beneficial effect.

TABLE II
Cost of Keep

	Breeding Flocks				Flying Flocks				Your Farm			
	Total				Total				Total			
	£	s	d	%	£	s	d	%	£	s	d	%
Grazing	1280	8	1	56	566	11	4	57				
Hay	49	16	0	2	56	8	0	6				
Concentrates	124	0	0	5	41	2	6	4				
Roots	196	12	5	8	36	0	6	3				
Vet. & Medicines	60	2	11	3	40	4	6	4				
Sundries	-				25	10	0	2				
Labour	606	18	0	26	240	1	6	24				
Total	2317	17	5	100	1005	18	4	100				
No. of Sheep weeks	57,397				34,471							
Cost of Keep per Sheep week	10d.				7d.							
Cost of Grazing per Sheep week	5½d.				4d.							

The composition of the costs in the two groups is fairly similar. Grazing accounts for slightly more than half the cost of keep and labour for about one quarter. Hay, concentrates and roots, which together make up most of the remainder show slight differences. A higher proportion of roots was fed to the breeding flocks and there was a corresponding reduction in the quantity of hay used.

The cost of keep per sheep week is lower than in the previous year. This follows from much milder weather conditions in the winter 1947-48 and a consequent reduction in the amount of hand feeding required.

Costs and Returns: Breeding Flocks

This year the costs of the breeding ewes and their lambs have been taken together and the distinction made in previous reports between breeding costs and fattening costs has not been continued. Costs and returns are shown per ewe put to the ram and it is felt that this method of presenting the results, which is in keeping with farm practice, will be more readily understood. Moreover no arbitrary apportionment of food, labour and other costs is involved.

TABLE III
Costs and Returns

					Your Farm
Number of Ewes	803				
Number of Lambs reared	1095				
<u>Average Cost Per Ewe</u>	£	s	d		£ s d
Foods: Concentrates		3	0		
Hay & Roots		6	0		
Grazing	1	11	4		
Total Foods	2	0	4		
Labour		14	11		
Flock depreciation		15	1		
Sundries		2	8		
	3	13	0		
Less Wool		10	7		
Net Cost Per Ewe	3	2	5		
<u>Returns</u>					
Lambs Sold & Valued out per Ewe	7	2	4		
Profit per Ewe	3	19	11		
Average Cost per Lamb reared	2	5	9		
Average Price per Lamb reared	5	4	4		
Profit per Lamb reared	2	18	7		

Flying Flocks

In this group where, both home bred lambs and purchased store sheep were fattened, the changes in the composition of the flocks render it impossible to reduce the cost figures to a unit basis of so much per sheep. Total figures for the whole group are, therefore, given and only the profit is expressed per head of all sheep sold or valued out.

TABLE IV
Costs and Returns

		Your Farm		
	No.	£	s	d
Opening Valuation Ewes & Rams	256	1229	10	8
Lambs	-			
Purchased: Ewes & Rams	181	1073	15	0
Other Sheep	509	2083	4	6
Births	761			
Total A	1707	4386	10	2
Sales: Ewes	326	1625	9	6
Lambs	1178	6726	14	0
Wool		268	2	6
Closing Valuation Ewes & Rams	97	542	12	1
Lambs	-			
Deaths	106			
Total B	1707	9162	18	1
Production (B-A)		4776	7	11
Costs: Keep (Table II)		1005	18	4
Carriage		62	13	2
Total Cost		1068	11	6
Profit (Production-Costs)		3707	16	5
Profit per Sheep Sold or Valued out	1601	2	6	3

The profits of £2.18.7 per lamb reared in the "breeding flock" group and of £2.6.3 per outgoing sheep in the "flying flock" group are greater than the corresponding figures for 1947 by 16/9d. and 19/- respectively. Higher prices which operated throughout the present year and only for part of 1947 are partly responsible for the increases but better weather conditions with less expensive hand feeding and heavier lamb crops also contributed.

APPENDIX

Variations in Costs and Returns

BREEDING FLOCKS

Farm Number	1	2	3	4	5	6	7	8	9	10	11	12
Acres: Crops & Grass		308	157	194	200	168	107½	116	204	126¼	100	100
Breeding Ewes No.	248	110	84	80	66	42	38	36	30	28	24	17
Sheep Weeks No.	15,229	9,431	6,061	5,596	4,941	3,014	2,395	2,390	2,299	2,434	1,274	1,461
Cost of Keep per Sheep Week	8¼d.	9¼d.	10½d.	11d.	14¼d.	8d.	11½d.	7½d.	13d.	4d.	10½d.	8d.
Cost per Lamb Reared	37/6	45/2	46/8	64/2	72/5	41/3	107/10	37/8	58/11	24/9	28/4	37/4
Cost of Grazing per Sheep Week	2d.	5d.	6¼d.	6½d.	12½d.	6¼d.	5½d.	5¼d.	11½d.	2d.	3d.	5d.
Margin per Lamb Reared	62/4	62/6	59/1	55/9	32/1	54/-	9/8	42/4	54/6	74/8	76/8	61/8
Number of Lambs Sold	218	120	129	110	103	8	42	35	51	42	48	25
Selling Price of Lambs	102/5	112/10	108/2	120/-	105/7	124/-	112/10	80/-	113/4	113/2	105/-	108/7

APPENDIX

Variations in Costs and Returns

FLYING FLOCKS

Farm Number	13	14	15	16	17	18	19	20
Acres: Crops & Grass	153 $\frac{1}{2}$	205	243	256	160	154	87 $\frac{1}{2}$	182 $\frac{1}{2}$
Sheep Weeks No.	3432	6105	8665	5085	3225	3412	1893	2654
Cost of Keep per Sheep Week	11 $\frac{1}{2}$ d.	4 $\frac{3}{4}$ d.	4d.	7d.	10 $\frac{1}{4}$ d.	6 $\frac{1}{2}$ d.	6 $\frac{3}{4}$ d.	12d.
Cost of Grazing per Sheep Week	5d.	3 $\frac{1}{4}$ d.	3d.	3d.	6 $\frac{1}{2}$ d.	4 $\frac{1}{2}$ d.	3 $\frac{1}{4}$ d.	5 $\frac{1}{2}$ d.
Cost per Sheep Sold or Valued Out	94/10d.	74/11d.	64/10d.	56/0d.	63/10d.	52/11d.	57/0d.	65/7d.
Margin per Head	15/2d.	36/3d.	68/7d.	67/8d.	52/10d.	36/10d.	47/0d.	64/7d.
Number of Sheep Sold	332	293	297	167	139	98	96	82
Selling Price of Fat Sheep per Head	110/0d.	110/2d.	117/9d.	119/6d.	110/11d.	84/5d.	99/3d.	123/8d.

