

NON-DAIRY LIVESTOCK**Does Raising Sheep Pay?****Part 2: Ongoing Costs and Potential Income**

By Ulf Kintzel

Editor's note: In Part 1 of this article (see Winter 2009 Small Farm Quarterly) the author discussed the up-front costs of getting started with raising sheep on pasture. Part 2 explores ongoing costs and potential income.

ONGOING COSTS -- HAY

Buying hay is the single biggest expense I have. I buy all my hay; I make none of my own. I expect about 90 hay feeding days (early January through early April). I calculate 4 lbs. per sheep per day. A decent and clean first cutting hay is sufficient to maintain a sheep throughout the winter, if this sheep will lamb in the spring when lots of grass grows.

In order to have earlier lambs, one will need a better hay (second cutting) a few weeks prior to lambing and throughout the nursing period until the grass grows. The cost for a ton of good first cutting hay was in 2008 \$100 for me. I know that some of you paid more this year, but hay prices are already down as we speak. I don't think it would be a realistic calculation, if I were to consider historically high hay prices to paint a realistic picture. In other words, hay prices will come down in my opinion.

MINERALS

Sheep need minerals. Due to their sensitivity to copper, it should be mostly minerals with no copper added. I mix the minerals with loose salt, one third to a half salt, half to two thirds minerals. Instead of purchasing a mineral feeder I buy a pig feeder with high walls made of rubber to feed the minerals free choice, avoiding feeding them on rainy days. A rough estimate would be a bag of minerals at \$20 and a bag of salt at \$6 per every dozen of sheep per year.

MEDICATIONS AND VET

There are really just two kinds of medications that influence my bottom line. One is medication for de-worming. I use mainly Levasole (brand name Prohibit). I calculate that each ewe and each lamb will be de-wormed three times per year on average and that a ewe will raise approximately 1.8 lambs. That amounts to about \$1.50 per ewe with her lambs in cost for de-worming per year. However, the initial cost includes the drench gun which can cost up to \$115 including the back pack.

The second medication I keep using routinely is against Enterotoxaemia. I choose Bar-Vac CD (note: no CD/T, T as in Tetanus) since it is the cheapest and only 2 cc have to be given. The cost per ewe and her lambs is about 70 cents per year, if you choose to vaccinate twice per year.

It may be a good choice to have a bottle of penicillin around for severe illnesses such as that form of mastitis that would kill a sheep. That would amount to an additional \$10 per year. Also, in some years I have had trouble with Coccidiosis. The cost for meds to treat it (Di-Methox) are very low.

Other than vaccinating the herding and the guard dog I have no vet costs. You may need the vet on occasion if you are still on a steep learning curve.

PASTURE MAINTENANCE

I don't use commercial fertilizer to fertilize my pasture. However, I buy my hay and naturally, the waste can be seen and is indeed fertilizer. I feed most of my winter hay in my self-made round bale feeders outside in the pasture and target the spots that need fertilization.

I am a firm believer in bush hogging my pastures at least once per year in order to control weeds, cut seed stems and thus rejuvenate my pasture. I often go through my pasture a second time and target weeds again that I wish to eliminate such as Canadian and Bull Thistle. This costs me about \$4 to \$5 per acre in Diesel fuel and of course the purchase of a bush hog, approximately \$2,000.

I frost seed mainly legumes to improve my pasture. Legumes are great for nitrogen fixation. The cost for seed can be anywhere between \$6 (red clover) and \$16 (white clover) per acre. I try to frost seed 20 to 25 percent of my pasture acreage each year. I also frost seed newly rented fields that are either poor stands or that have been fields with crops such as corn. In the latter case I add grass seed to the clover seed which adds about \$8 per acre when I use locally harvested Timothy.

LAMBING AND BREEDING EQUIPMENT

There is certain equipment that is needed year after year either for lambing or breeding season such as rubber rings for castration and docking tails (\$1.55 per 100), a ring expander (\$7, which lasts several years), mandatory scrapie ear tags (\$.50 per sheep), crayons for the harness (\$3 each), syringes to vaccinate. A knife or a trimmer (\$26) to cut hoofs and a breeding harness (\$22) should all last several years as well.

SHEARING

Shearing sheep can be a substantial cost with little hope to generate a significant income. Your best hope nowadays is to break even. In my calculation I eliminate the cost of shearing since I have hair sheep that shed naturally.

MARKETING COSTS

After the costly initial purchase of a farm sign and magnets for the truck (\$700 total) I use only some basic marketing tools such as a website. The cost is minimal to run it, as my wife does all the updates. I only pay \$67 per year to the website host. I also have a free listing on localharvest.com and a very inexpensive one (\$5) on eatwild.com.

HOW MUCH INCOME?

The profitability of raising sheep depends on one hand on keeping costs low and on the other hand on the productivity of the ewes. Productivity means mostly how many lambs a ewe can raise per year. I average on my adult ewes (adult meaning 2 years and older) between 1.9 and 2 lambs per year.



Female lambs of this high quality can be sold with a relatively high profit margin.

I expose female replacement ewe lambs the same year they were born. They are about 7 to 8 months of age when they are bred although a small percentage doesn't breed the first year. I average 0.9 lambs per ewe lamb. Yearlings average 1.5 lambs per ewe. Losses are minimal mainly due to the fact that most ewe lamb outside in the pasture during warm spring weather.

The length of the productive life of a ewe is also of importance. On one hand, older ewes (age 4 to 6) more often have triplets. On the other hand, the longer a ewe produces the fewer ewe lambs need to be kept to replace ewes that will be culled. The average productive life of a ewe should be no less than 6 years. Keep in mind that this average number includes those yearlings that have to be culled due to mastitis during first lactation. I have indeed ewes that are still productive at 10 years of age.

Due to the fact that I sell pasture raised lambs, I can claim an above average price for my lambs. The average sales price for my lambs in 2008 was \$131 after transportation costs and processing costs (where applicable) were deducted. The average weight was about 80 to 90 lbs. live weight. I would like to list some target prices for lambs depending on how they were sold:

WHOLE CUSTOM BUTCHERED LAMBS

These lambs were harvested at about 80 to 90 lbs. live weight. Each of them went to a different customer. These lambs require the most work before and after slaughter. I net about \$150 per custom butchered lamb, after transportation and processing costs are deducted. Both costs can be considerable. Most folks sell their lambs to a dealer who picks up from the farm, or they sell at the local auction/sales barn. If you are selling direct to



Panels like this made from rough cut Hemlock are sturdy enough to make a pen or a chute. Photos by Ulf Kintzel

customers, you pay both transportation and processing costs, but often your net profit per animal will still be higher.

DISTRIBUTORS

I have a few different distributors who re-sell my lambs to restaurants, stores, vacation resorts and the like. These distributors buy usually about 20 to 25 lambs at a time. I am fortunate to have found some of my buyers through Stephen Winkler, Certified Natural New York, LLC in Rodman, NY. The targeted hanging weight is 40 to 45 lbs (80-90 pounds live weight.) I net about \$125 on average for these lambs.

BREEDING STOCK

I sell ewe lambs as well as ram lambs. Ewe lambs for breeding purpose sell anywhere between \$150 and \$175, ram lambs sell for about \$150 to \$200, depending on the percentage of White Dorper blood and on how many animals a buyer purchases.

These lambs have the highest profit margin. However, they are also of the best quality of all lambs sold.

CULLED EWES

Each year roughly 15 percent of ewes will be culled in an established flock due to age, health problems, lack of performance etc. I am able to sell most of my ewes for about \$1 per lb. hanging weight which amounts to about \$80 net per ewe on average. The same applies to culled ewes sold for dog food. Young ewes (one to three years of age) can be processed and sold as sausage, hot dogs, ground meat, stew meat and the like. These ewes net about \$100 a piece.

BREEDING EWES

In the past two years I have had a strong market for breeding ewes that are between one and two years old as well as older ewes. Older breeding stock sells for \$100 per ewe. Younger ewes are sold for about \$125 per ewe. The advantage of a proven ewe versus a female lamb is that the learning curve for a first time buyer is not nearly as steep. The down side is fewer productive years.

SUMMARY

I have tried in these two parts of this article about the economics of raising sheep to give detailed information about my production costs, the productivity of my sheep and the income that I get from my flock. Yet, I have abstained from making a business calculation that is very commonly printed in various publications. The reason is simple: Every farm, every business, every operation is unique. I found it far more important to give a comprehensive picture as well as realistic figures.

Now you, dear reader, can tally your costs and your income and see for yourself if your sheep operation can be profitable.

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