

Profitability analysis

This study is restricted to sheep raised in commercial flocks by villagers and Bedouins. Obviously, it is based on what owners actually do rather than on what they should do.

a. Changes in flock movement:

It is assumed here on the basis of the survey,

that the farmer starts his new year in early October with a flock of 120 ewes, of which 20 are young replacement ewes. The number of rams is five. Mortality is estimated at 3 percent (4 ewes). The rate of pregnancy is estimated at 80 percent, and 90 percent of pregnant ewes give birth to singles and 10 percent to twins (90 lambs). Twenty five percent of the lamb flock is kept for replacement purposes. Fifty percent of the rest is fattened for a period of five months and the rest is sold at the early age of 40-50 days.

b. Cost outlay

| | <u>Jordan Dinar per flock*</u> |
|---|------------------------------------|
| Fixed expenses | |
| Depreciation of equipment, JD 200 @ 10% | 20.0 |
| Interest on investment | 684.0 |
| Total fixed expenses | 704.0 |
| Variable expenses: | |
| Feed units, total required is 56200 feed units**, distributed as follows: | |
| Grazing 39300 (free except for wage of shepherd) - | |
| Mixed concentrates 11200 @ JD 0.0658 | 737.0 |
| Hay 3900 @ JD 0.046 | 179.4 |
| Straw 1800 @ JD 0.079 | 142.2 |
| Veterinary service (medicines and charges) @ JD 1.053 | 126.4 |
| Water, 2 m ³ per head @ JD 0.92 for 120 heads | 220.8 |

* Consisting of 120 ewes, 5 rams, and subsequent lamb crop.

** Equivalent to one kilogram of barley (12 percent protein).

| | |
|---|--------|
| Shepherd, 425 work-days @ JD 2.1 | 894.7 |
| Other expenses (transportation, municipal fees etc) @ JD 0.526 per head | 63.1 |
| Interest on variable expenses, JD 2363.8 @ 10% for 3 months | 58.4 |
| Total variable expenses | 2422.0 |
| Total Costs | 3126.0 |
| c. Returns: | |
| Milk @ litres per head 9600 litres @ 0.263* | 2524.8 |
| Meat | |
| Culled ewes 20 @ 45 kg @ JD 0.79 | 711.0 |
| Young lambs 30 @ 20 kg @ JD 1.184 | 711.4 |
| Fattened lambs 31 @ 35 kg @ JD 1.184 | 1284.7 |
| Wool, 2 kg/head @ JD 0.84.2 | 202.1 |
| Manure, 1m ³ /head @ JD 1.05 | 126.0 |
| Total returns | 5560.0 |
| Less total costs | 3126.0 |
| Net returns | 2434.0 |
| Net returns per ewe | 20.28 |

* Price of milk was derived on the basis of ruling prices of cheese and yoghurt.