

## Lesson 5: Management of Sheep for Profit      Name: \_\_\_\_\_

**Sheep Production Budget***Objective:* Evaluate a sheep production budget.

*Directions:* Tom has three ewes that he shows at fairs during the summer.  
 Below is a budget that Tom developed for his animals for 1 year.  
 Look over the data and then answer the questions that follow.

Yearly Expenditures	Supplies Needed/Purpose	Estimated Expenditures	Actual Expenditures
Grain	Need 65 lb per ewe at \$0.06 per pound	\$11.70	\$7.80
Hay	Need 5 lb per day for 130 days at \$0.035 per pound	\$68.25	\$76.13
Pasture	Use for 6 months at \$1.75 per animal per month	\$31.50	\$31.50
Miscellaneous	Minerals and salt	\$2.58	\$2.58
	Veterinary services	\$7.50	\$22.50
	Shearing	\$3.00	\$1.50
	Other supplies	\$10.00	\$9.28
<b>Total Expenses</b>		<b>\$ _____</b>	<b>\$ _____</b>

1. How was the total actual cost different from the total amount budgeted?

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2. Which expense had the greatest discrepancy? How much was it?

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3. Why might such a discrepancy occur in a budget?

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4. How should a producer deal with discrepancies in a budget?

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5. How should Tom change his budget next year?

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