

GROSS MARGIN BUDGET FOR FALLOW DEER

**N.B. THIS BUDGET IS A GUIDE ONLY AS VALUES
AND PRICES VARY ENORMOUSLY**

May 2010

A 'gross margin' is the gross income earned by an enterprise less the variable costs incurred in achieving it. It is not a measure of profitability as it does not usually include fixed or overhead costs. It is a planning tool used to help evaluate options and to enable comparisons between different enterprises. A range of comparative beef and sheep gross margin budgets can be found at www.dpi.nsw.gov.au/agriculture/farm-business

This budget is provided as a guide to members. However neither the DIAA or the author accept any responsibility for any errors, damage or losses whatsoever caused from using this budget. Intending deer farmers should seek professional advice as to the profitability of deer farming.

A downloadable version of this budget is available elsewhere on this site. It requires Microsoft Excel to open the spreadsheet and allows herd size and financial information to be changed.

Stock Assumptions

200 Breeding does
80 % Weaning Rate
3 % Mortality Rate
Bucks run at 3% of hind number
Bucks retained for 5 years
Does first mated at 16 months
Does mated annually
Does retained for 10 years
Does sold as breeders 10 %

Herd Structure

<u>Age (yrs)</u>	<u>No.</u>	<u>DSE</u>	<u>Total DSEs</u>	
1 yr	25	1.4	35	(Replacement hinds retained)
2 yr	24	2.2	53	
3 yr	24	2.2	52	
4 yr	23	2.2	50	
5 yr	22	2.2	49	
6 yr	22	2.2	47	
7 yr	21	2.2	46	
8 yr	20	2.2	45	
9 yr	20	2.2	43	(Culled for slaughter)
Total Does	200		420	Deaths = 6
Breeding bucks	6	3.1	19	
Total Head	206		438	

Capital Costs:

A. Land and Plant

Land			
Carrying capacity	8 DSE/Ha		
	54 ha @	\$3,000 /ha	\$162,000.00
Improvements - Fences			\$22,045.00
(Boundary fencing @ \$5.00 /metre for			
54 ha square paddock = \$14,697)			
- Yards			\$10,000.00
			<u>\$194,045.00</u>

B. Livestock

200 Breeding Does at	\$120.00	\$24,000.00
6 Breeding bucks at	\$250.00	\$1,500.00

\$25,500.00

Total Capital

\$219,545.00

Enterprise Fixed Costs

340 hrs labour @ \$20.00 /hr	\$6,800.00
Repairs and maintenance	\$2,000.00
Rates and Insurance	\$3,000.00
Depreciation (est)	\$1,000.00
Interest on stock value	
\$25,500.00 @ 8.00%	\$2,040.00

\$14,840.00

Total Fixed Costs

\$234,385.00

INCOME

5 Does @ \$120.00 /head live sale	\$600.00
47 Does @ 22 kg at \$4.40 /kg	\$4,549.60
19 Hinds + 77 bucks (venison)	
Mean Carcase Wt. 22 kg at \$4.40 /kg	\$9,292.00

A. Total Income

\$14,441.60

VARIABLE COSTS

Fodder Purchases at \$10.00 per doe	\$2,060.00
Drenching at \$0.50 per weaner	\$80.00
Vaccination at \$0.15 per head	\$30.90
Vet. Costs	\$100.00
Slaughter Levy @ \$0.080 /kg	\$250.72
Selling/Transport Costs @ \$12.00 /head	\$1,716.00
Pasture costs @ \$100.00 /Ha	\$5,400.00
Replacement Breeding bucks @ \$250.00 /head	\$300.00

B. Total Variable Costs

\$9,937.62

Gross Margin	\$4,503.98
Gross Margin/Doe	\$22.52
Gross Margin/DSE	\$10.28

The effect of changing prices or level of production on the Gross Margin per Hind is as follows:

	<u>Rise or Fall</u>	<u>Rise or Fall of Gross Margin/hind</u>
Venison Price	\$0.20 /kg	\$3.15
Doe Selling Price	\$20.00 /head	\$0.50
Venison Yield per Carcase		
@ \$4.40 /kg	5.00 kg	\$15.45
Replacement Bucks	\$100.00 /head	\$0.60
Weaning %	10 %	\$8.44

NOTES

* DSE - Dry Sheep Equivalent - feed required to maintain a 45 kg liveweight merino wether in body condition score 2. Accepted DSE ratings for red deer from 'The Deer Farming Handbook' are

Doe	2.2 DSE
Buck	3.1 DSE
Weaner Doe	1.4 DSE
Weaner Buck	1.9

* Fencing cost is materials only

* Total fencing cost is for a square paddock plus a 50% allowance for subdivisional fencing

* Capital costs and enterprise fixed costs are not taken into account in the gross margins and are a guide only