

# EFFECT OF PERFORMANCE INDICATORS, FOOD EXPENSES AND INTEREST RATE ON LAMB PRODUCTION COST

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## Objective

Compare the influence of zootechnical performance and main cost items over the total production cost of lambs.

## Conclusion

- Increasing lamb carcass yield had a greater impact on reducing unitary cost than cutting feed expenses.
- Improving performance indicators demand good nutritional status for lambs and ewes and cutting off feed expenses may have deleterious effects on animal performance, therefore increasing cost.
- Elasticity analysis is a useful tool to calculate such trade-offs at the farm level.

## Material and Methods

- Representative production system
- Lamb production costs: Variable costs, fixed costs and income of factors.
- The Elasticity was calculated by the variation in total cost per year and per carcass caused by increases of 1% in each of the considered variables.

Table 1. The base scenario of this study.

Base Scenario	
Production cost	US\$ 4.81/per carcass
Feed expenses	US\$ 22,316.74/ per year
Annual Interest Rate	4.50%
Mean carcass yield	48.00%
Lamb survival rate	88.00%
Fertility rate	85.00%

## Results and Discussion

Graph 1. Effect of increase by 1% of the considered variables on the anual cost and cost per carcass.

