

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION CASH COSTS AND RETURNS HEARTLAND REGION 1/, 1999

| Item | All Hogs | Farrow to Finish | Farrow to Feeder Pig <u>2/</u> | Feeder Pig to Finish |
|---|----------|------------------|--------------------------------|----------------------|
| Dollars per Cwt Gain <u>3/</u> | | | | |
| Gross Value of Production: | | | | |
| Market Hogs | 29.61 | 28.90 | 1.33 | 35.90 |
| Feeder Pigs | 7.82 | 0.60 | 82.77 | 0.16 |
| Cull Stock | 0.85 | 1.45 | 2.17 | 0.01 |
| Breeding Stock | 0.33 | 0.14 | 0.19 | 0.01 |
| Inventory Change | -0.89 | -1.06 | -4.04 | 0.21 |
| Other Income <u>4/</u> | 1.47 | 1.41 | 1.21 | 1.60 |
| Total, Gross Value of Production | 39.19 | 31.44 | 83.63 | 37.89 |
| Operating Costs: | | | | |
| Feed-- | | | | |
| Grain | 6.46 | 8.27 | 2.02 | 4.93 |
| Protein Sources | 5.62 | 7.81 | 1.04 | 3.35 |
| Complete Mixes | 7.54 | 4.37 | 23.58 | 9.24 |
| Other Feed Items <u>5/</u> | 0.20 | 0.33 | 0.20 | 0.07 |
| Total, Feed Costs | 19.82 | 20.78 | 26.84 | 17.59 |
| Other-- | | | | |
| Feeder Pigs | 9.59 | 0.06 | 0.44 | 21.88 |
| Veterinary and Medicine | 1.14 | 1.56 | 2.34 | 0.50 |
| Bedding and Litter | 0.04 | 0.05 | 0.06 | 0.02 |
| Marketing | 0.62 | 0.34 | 3.50 | 0.54 |
| Custom Services | 0.29 | 0.26 | 0.25 | 0.34 |
| Fuel, Lube, and Electricity | 1.21 | 1.27 | 3.06 | 0.79 |
| Repairs | 0.86 | 1.16 | 1.06 | 0.42 |
| Other Operating Costs <u>6/</u> | 0.03 | 0.03 | 0.03 | 0.03 |
| Interest on Operating Capital | 0.79 | 0.60 | 0.88 | 0.99 |
| Total, Operating Costs | 34.39 | 26.11 | 38.46 | 43.10 |
| Allocated Overhead: | | | | |
| Hired Labor | 2.30 | 2.51 | 11.59 | 0.42 |
| Opportunity Cost of Unpaid Labor | 5.97 | 7.70 | 7.88 | 3.49 |
| Capital Recovery of Machinery and Equipment | 10.45 | 11.25 | 24.97 | 6.66 |
| Opportunity cost of Land (rental rate) | 0.05 | 0.06 | 0.08 | 0.03 |
| Taxes and Insurance | 0.48 | 0.51 | 0.91 | 0.38 |
| General Farm Overhead | 0.98 | 1.06 | 1.46 | 0.78 |
| Total, Allocated Overhead | 20.23 | 23.09 | 46.89 | 11.76 |
| Total Costs Listed | 54.62 | 49.20 | 85.35 | 54.86 |
| Value of Production Less Total Costs Listed | -15.43 | -17.76 | -1.72 | -16.97 |
| Value of Production Less Operating Costs | 4.80 | 5.33 | 45.17 | -5.21 |
| Supporting Information: | | | | |
| Production Arrangement (percent of farms) | | | | |
| Independent | 71 | 99 | 23 | 47 |
| Under Contract | 29 | 1 | 77 | 53 |
| Size of Operation (head sold/removed) | | | | |
| Market Hogs | 1,522 | 1,366 | 58 | 2,190 |
| Feeder Pigs | 845 | 46 | 8,129 | 13 |

- 1/ Heartland Region includes: Illinois, Indiana, Iowa, Western Kentucky, Southern and Western Minnesota, North and Central Missouri, Northeastern Nebraska, Western Ohio, and Southeastern North Dakota.
- 2/ Data published is for the United States, data for Heartland Region not available.
- 3/ Cwt. gain = (cwt. sold - cwt. purchased) + cwt. inventory change.
- 4/ Value of manure production.
- 5/ Milk replacer, milk, milk by-products, antibiotics, and other medicated additives.
- 6/ Costs for odor control and fees, permits, licenses, and other regulatory costs.

Source: Economic Research Service