

# LIVESTOCK PRODUCTION COSTS

## HOG PRODUCTION CASH COSTS AND RETURNS HEARTLAND REGION 1/, 2000

Item	All	Farrow to	Farrow to	Feeder Pig
Dollars per Cwt Gain <u>3/</u>				
Gross Value of Production:				
Market Hogs	41.58	40.34	1.97	50.56
Feeder Pigs	11.39	0.85	122.29	0.23
Cull Stock	1.28	2.18	3.26	0.02
Breeding Stock	0.51	0.20	0.32	0.02
Inventory Change	-0.13	0.10	-5.71	0.86
Other Income <u>4/</u>	1.46	1.41	1.21	1.59
Total, Gross Value of Production	56.09	45.08	123.34	53.28
Operating Costs:				
Feed--				
Grain	6.42	8.11	1.83	5.05
Protein Sources	6.21	8.60	0.95	3.84
Complete Mixes	7.45	4.41	24.09	8.96
Other Feed Items <u>5/</u>	0.21	0.35	0.22	0.08
Total, Feed Costs	20.29	21.47	27.09	17.93
Other--				
Feeder Pigs	14.40	0.08	0.71	32.35
Veterinary and Medicine	1.21	1.63	2.74	0.53
Bedding and Litter	0.04	0.05	0.05	0.02
Marketing	0.62	0.34	3.69	0.53
Custom Services	0.31	0.27	0.28	0.37
Fuel, Lube, and Electricity	1.54	1.64	3.96	0.98
Repairs	0.86	1.17	1.09	0.42
Other Operating Costs <u>6/</u>	0.03	0.03	0.04	0.03
Interest on Operating Capital	1.13	0.77	1.14	1.53
Total, Operating Costs	40.43	27.45	40.79	54.69
Allocated Overhead:				
Hired Labor	2.27	2.59	11.30	0.42
Opportunity Cost of Unpaid Labor	5.94	7.73	7.80	3.43
Capital Recovery of Machinery and Equipment	10.73	11.63	26.32	6.75
Opportunity cost of Land (rental rate)	0.05	0.06	0.07	0.02
Taxes and Insurance	0.50	0.53	0.95	0.39
General Farm Overhead	1.00	1.10	1.54	0.79
Total, Allocated Overhead	20.49	23.64	47.98	11.80
Total Costs Listed	60.92	51.09	88.77	66.49
Value of Production Less Total Costs Listed	-4.83	-6.01	34.57	-13.21
Value of Production Less Operating Costs	15.66	17.63	82.55	-1.41
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	71	99	23	48
Under Contract	29	1	77	52
Size of Operation (head sold/removed)				
Market Hogs	1,607	1,424	65	2,351
Feeder Pigs	875	47	8,535	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