

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2006

Item	All Hogs	Farrow to Finish	Farrow to Feeder Pig ^{2/}	Feeder Pig to Finish
Dollars per Cwt Gain ^{3/}				
Gross Value of Production:				
Market Hogs	45.98	44.92	0.33	54.24
Feeder Pigs	14.33	0.75	102.32	0.02
Cull Stock	0.65	1.64	5.09	0.00
Breeding Stock	3.36	0.13	0.08	0.00
Inventory Change	0.45	0.58	0.20	0.41
Other Income ^{4/}	2.41	2.19	1.73	2.56
Total, Gross Value of Production	67.18	50.21	109.75	57.23
Operating Costs:				
Feed--				
Grain	3.40	8.87	2.58	2.08
Protein Sources	2.38	6.61	1.79	1.40
Complete Mixes	12.23	5.75	47.98	11.25
Other Feed Items ^{5/}	0.10	0.26	0.24	0.07
Total, Feed Costs	18.11	21.50	52.59	14.80
Other--				
Feeder Pigs	18.53	0.13	0.00	19.17
Veterinary and Medicine	1.04	1.52	5.13	0.60
Bedding and Litter	0.03	0.03	0.34	0.01
Marketing	0.75	0.42	2.11	0.48
Custom Services	0.32	0.30	0.99	0.26
Fuel, Lube, and Electricity	1.31	2.01	5.04	0.86
Repairs	0.75	1.13	2.11	0.51
Interest on Operating Capital	0.97	0.64	1.62	0.87
Total, Operating Costs	41.81	27.68	69.93	37.56
Allocated Overhead:				
Hired Labor	1.89	3.60	10.10	0.55
Opportunity Cost of Unpaid Labor	3.26	5.85	11.26	2.20
Capital Recovery of Machinery and Equipment	7.52	10.73	25.37	4.50
Opportunity cost of Land (rental rate)	0.03	0.06	0.09	0.02
Taxes and Insurance	0.54	0.77	1.82	0.39
General Farm Overhead	1.26	1.40	6.77	0.80
Total, Allocated Overhead	14.50	22.41	55.41	8.46
Total Costs Listed	56.31	50.09	125.34	46.02
Value of Production Less Total Costs Listed	10.87	0.12	-15.59	11.21
Value of Production Less Operating Costs	25.37	22.53	39.82	19.67
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	51	100	55	38
Under Contract	49	0	45	62
Size of Operation (head sold/removed)				
Market Hogs	2,956	1,909	4	4,443
Feeder Pigs	2,524	82	3,608	2

^{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.

Source: Economic Research Service

LIVESTOCK PRODUCTION COSTS

COW-CALF, AND MILK PRODUCTION, COSTS AND RETURNS, HEARTLAND REGION, 2006 ^{1/}

Cow-Calf Production	Dollars Per Bred Cow	Milk Production	Dollars Per Cwt
Gross Value of Production:		Gross Value of Production:	
Steer Calves	237.28	Milk	13.15
Heifer Calves	159.19	Cattle	1.43
Yearling Steers	46.79	Other Income ^{3/}	0.52
Yearling Heifers	14.40	Total, Gross Value of Production	15.10
Other Cattle	84.11		
Total, Gross Value of Production ^{2/}	546.67		
Operating Costs:		Operating Costs:	
Feeder Cattle	31.01	Feed--	
Feed--		Purchased Feeds	4.01
Concentrates and Other Feed	30.50	Homegrown Harvested Feed	3.50
Supplemental Feed	39.06	Glazed Feed	0.09
Harvested Forages	211.58	Total, Feed Costs	7.60
Cropland Pasture	15.68	Other	
Private Pasture	86.01	Veterinary and Medicine	1.06
Public Land	0.39	Bedding and Litter	0.31
Total Feed Costs	383.22	Marketing	0.26
Other--		Custom Services	0.46
Veterinary and Medicine	44.40	Fuel, Lube, and Electricity	0.64
Bedding and Litter	1.49	Repairs	0.70
Marketing	4.90	Other Operating Capital	0.00
Custom Operations	46.19	Interest on Operating Capital	0.26
Fuel, Lube, and Electricity	45.89	Total Operating Costs	11.29
Repairs	33.66		
Interest on Operating Inputs	12.54		
Total, Operating Costs	603.30		
Allocated Overhead:		Allocated Overhead:	
Hired Labor	0.67	Hired Labor	1.35
Opportunity cost of Unpaid Labor	231.59	Opportunity Cost of Unpaid Labor	3.32
Capital Recovery Cost (Machinery & Equipment)	337.39	Capital Recover of Machinery and Equipment ^{5/}	3.91
Opportunity Cost of Land	6.36	Opportunity Cost of Land (rental rate)	0.05
Taxes and Insurance	48.81	Taxes and Insurance	0.21
General Farm Overhead	93.21	General Farm Overhead	0.60
Total, Allocated Overhead	718.03	Total, Allocated Overhead	9.44
Total Cost Listed	1,321.33	Total Costs Listed	20.73
Value of Production Less Total Costs Listed	-774.66	Value of Production Less Total Costs Listed	-5.63
Value of Production Less Operating Costs	-56.63	Value of Production Less Operating Costs	3.81

^{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/} Includes marketing cost below to avoid double counting. Market prices used to update gross value of production are net of marketing costs.

^{3/} Income from renting or leasing dairy stock to other operations; renting space to other dairy operations; co-op patronage dividends associated with the dairy; assessment rebates, refunds, and other dairy-related resources; and manure production.

^{4/} Cotton seed meal, protein supplements, protein byproducts, vitamin or mineral supplements, nonprotein byproducts, alfalfa cubes or pellets, green chop, corn stalks, and antibiotics and other medicated additives.

^{5/} Machinery and equipment, and housing, manure handling, and feed storage structures, and dairy breeding herd.

Source: Economic Research Service