

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION CASH COSTS AND RETURNS, ECONOMIC COSTS NORTH REGION 1/, 1997

Item	All Hogs	Farrow to Finish	Farrow to Feeder Pig	Feeder Pig to Finish
	Dollars per Cwt Gain <u>2</u> /			
Gross Value of Production:				
Market Hogs	47.25	49.05	1.30	65.81
Feeder Pigs	6.78	0.57	94.41	0.07
Cull Stock	3.33	3.29	7.61	0.02
Breeding Stock	3.09	0.22	0.20	0.02
Inventory Change	1.85	2.00	1.21	2.24
Other Income <u>3</u> /	1.41	1.46	1.48	1.30
Total, Gross Value of Production	63.71	56.59	106.21	69.46
Cash Expenses:				
Feed--				
Grain	12.79	12.87	16.85	11.62
Protein Sources	12.91	13.54	14.71	8.50
Complete Mixes	5.72	4.24	12.85	7.87
Other Feed Items <u>4</u> /	0.80	0.73	1.03	0.55
Total Feed Costs	32.22	31.38	45.44	28.54
Other--				
Feeder Pigs	4.57	0.23	0.08	27.02
Veterinary and Medicine	1.38	1.16	4.90	0.84
Bedding and Litter	0.09	0.06	0.24	0.14
Marketing	0.50	0.41	2.17	0.40
Custom Services and Supplies	0.40	0.35	0.91	0.32
Fuel, Lube, and Electricity	1.79	1.67	5.22	0.85
Repairs	1.50	1.47	3.22	1.07
Hired Labor	3.04	2.66	7.15	1.22
Total, Variable Cash Expenses	45.49	39.39	69.33	60.40
General Farm Overhead	2.23	1.94	3.77	1.97
Taxes and Insurance	1.16	1.05	2.15	1.12
Interest	3.22	2.90	5.30	3.53
Total, Fixed Cash Expenses	6.61	5.89	11.22	6.62
Total, Cash Expenses	52.10	45.28	80.55	67.02
Gross Value of Production Less Cash Expenses	11.61	11.31	25.66	2.44

Economic (Full Ownership) Costs:

Variable Cash Expenses	45.49	39.39	69.33	60.40
General Farm Overhead	2.23	1.94	3.77	1.97
Taxes and Insurance	1.16	1.05	2.15	1.12
Capital Replacement	11.99	11.71	24.92	8.40
Operating Capital	1.18	1.02	1.80	1.56
Other Non-land Capital	4.41	4.35	8.63	3.17
Land	0.26	0.27	0.50	0.12
Unpaid Labor	6.04	5.72	12.92	5.67
Total, Economic (Full-Ownership) Costs	72.76	65.45	124.02	82.41
Residual Returns to Management and Risk	(9.05)	(8.86)	(17.81)	(12.95)

1/ North Region includes: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

2/ Cwt gain = (cwt sold - cwt purchased) + cwt inventory change.

3/ Receipts from manure sales.

4/ Milk replacer, milk, milk by-products, antibiotics, and other medicated additives.

Source: Economic Research Service