

HOG PRODUCTION: Production Costs and Returns, Heartland Region, 2009 1/

Item	All Hog Producers	Farrow to Finish	Farrow to Feeder 2/	Feeder Pig To Finish	Farrow to Weanling 2/	Weanling to Feeder 2/
	<u>Dollars per Cwt Gain 3/</u>					
Gross value of production						
Market hogs	41.49	41.42	0.30	48.56	0.00	0.11
Feeder pigs 4/	11.04	0.60	79.75	0.02	174.15	112.97
Cull stock	0.69	1.74	5.57	0.00	11.99	0.00
Breeding stock	3.70	0.14	0.09	0.00	0.96	0.00
Inventory change	-0.37	-0.09	-0.33	-0.48	-0.81	-0.13
Other income 5/	3.78	3.42	2.72	4.03	6.62	2.62
Total gross value of production	60.33	47.23	88.10	52.13	192.91	115.57
Operating costs						
Feed						
Grain	5.55	14.46	3.91	3.40	5.75	0.03
Protein sources	2.95	8.31	2.25	1.71	5.40	0.04
Complete mixes	17.55	8.08	68.79	16.14	60.77	29.52
Other feed items 6/	0.14	0.39	0.33	0.09	0.06	0.18
Total feed costs	26.19	31.24	75.28	21.34	71.98	29.77
Other						
Feeder pigs 4/	14.38	0.09	0.00	14.89	0.08	65.75
Veterinary and medicine	1.20	1.77	5.95	0.70	4.95	2.00
Bedding and litter	0.03	0.03	0.38	0.01	0.09	0.00
Marketing	0.87	0.49	2.47	0.56	7.76	4.10
Custom services	0.38	0.35	1.20	0.31	1.20	0.25
Fuel, lube, and electricity	1.23	1.87	4.84	0.81	9.79	1.73
Repairs	0.85	1.26	2.41	0.57	6.57	1.04
Interest on operating capital	0.07	0.05	0.13	0.06	0.15	0.15
Total operating costs	45.20	37.15	92.66	39.25	102.57	104.79
Allocated overhead						
Hired labor	1.97	3.90	10.91	0.55	27.37	1.53
Opportunity cost of unpaid labor	3.24	5.60	12.18	2.23	12.83	3.49
Capital recovery of machinery and equipment 7/	8.52	12.08	29.02	5.09	56.07	14.49
Opportunity cost of land (rental rate)	0.03	0.06	0.09	0.02	0.16	0.03
Taxes and insurance	0.62	0.88	2.09	0.44	3.27	0.83
General farm overhead	1.36	1.50	7.25	0.85	15.36	1.81
Total, allocated overhead	15.74	24.02	61.54	9.18	115.06	22.18
Total, costs listed	60.94	61.17	154.20	48.43	217.63	126.97
Value of production less total costs listed	-0.61	-13.94	-66.10	3.70	-24.72	-11.40
Value of production less operating costs	15.13	10.08	-4.56	12.88	90.34	10.78
Supporting information						
Production arrangement (percent of production)						
Independent	50	100	54	38	36	1
Under contract	50	0	46	62	64	99
Size of operation (head sold/removed)						
Market hogs	3,156	2,100	5	4,667	0	9
Feeder pigs 4/	2,677	93	3,903	2	35,598	23,862

1/ The Heartland Region includes portions of South Dakota, Nebraska, Iowa, Missouri, Illinois, Indiana, Ohio, and Minnesota's Ag. Statistics Districts 4, 7, 8, and 9. Minnesota is also part of the Northern Crescent and Northern Great Plains Regions. Information is available about the Northern Crescent and Northern Great Plains Regions on the ERS website. Developed from survey base year, 2009.

2/ Data are for the United States (Heartland Region data are not available).

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

4/ Farrow to Weanling category includes weanling pigs.

5/ Value of manure production.

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

7/ Machinery and equipment, and housing, manure handling, and feed storage structures, and breeding herd.

Source: Economic Research Service, United States Department of Agriculture, Washington, D.C.

Internet Web Site (www.ers.usda.gov/data/)

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Item	All Hog Producers	Farrow to Finish	Farrow to Feeder 2/	Feeder Pig To Finish	Farrow to Weanling 2/	Weanling to Feeder 2/
	Dollars per Cwt Gain 3/					
Gross value of production						
Market hogs	53.38	52.98	0.39	62.70	0.00	0.14
Feeder pigs 4/	17.34	0.95	124.29	0.02	271.52	176.21
Cull stock	0.93	2.34	7.54	0.00	16.09	0.00
Breeding stock	5.00	0.18	0.12	0.00	1.30	0.00
Inventory change	-0.01	0.16	-0.37	-0.12	-0.48	-0.21
Other income 5/	3.36	3.03	2.41	3.59	5.89	2.33
Total gross value of production	80.00	59.64	134.38	66.19	294.32	178.47
Operating costs						
Feed						
Grain	5.59	14.69	3.87	3.42	5.94	0.03
Protein sources	2.99	8.47	2.03	1.74	5.31	0.04
Complete mixes	21.01	9.67	81.49	19.26	67.36	34.67
Other feed items 6/	0.16	0.46	0.38	0.11	0.06	0.21
Total feed costs	29.75	33.29	87.77	24.53	78.67	34.95
Other						
Feeder pigs 4/	22.45	0.15	0.00	23.17	0.12	102.53
Veterinary and medicine	1.22	1.80	6.02	0.71	5.00	2.02
Bedding and litter	0.03	0.03	0.38	0.01	0.09	0.00
Marketing	0.89	0.49	2.49	0.57	7.85	4.15
Custom services	0.38	0.35	1.22	0.31	1.21	0.25
Fuel, lube, and electricity	1.52	2.31	6.00	1.01	12.13	2.15
Repairs	0.86	1.28	2.44	0.58	6.71	1.06
Interest on operating capital	0.06	0.04	0.11	0.05	0.11	0.15
Total operating costs	57.16	39.74	106.43	50.94	111.89	147.26
Allocated overhead						
Hired labor	2.05	4.08	10.89	0.57	27.94	1.52
Opportunity cost of unpaid labor	3.13	5.27	11.70	2.19	12.66	3.47
Capital recovery of machinery and equipment 7/	8.64	12.16	29.30	5.16	57.14	14.81
Opportunity cost of land (rental rate)	0.03	0.06	0.09	0.02	0.17	0.03
Taxes and insurance	0.62	0.88	2.08	0.44	3.31	0.84
General farm overhead	1.37	1.51	7.33	0.85	15.65	1.84
Total, allocated overhead	15.84	23.96	61.39	9.23	116.87	22.51
Total, costs listed	73.00	63.70	167.82	60.17	228.76	169.77
Value of production less total costs listed	7.00	-4.06	-33.44	6.02	65.56	8.70
Value of production less operating costs	22.84	19.90	27.95	15.25	182.43	31.21
Supporting information						
Production arrangement (percent of production)						
Independent	50	100	53	38	36	0
Under contract	50	0	47	62	64	100
Size of operation (head sold/removed)						
Market hogs	3,345	2,292	6	4,889	0	9
Feeder pigs 4/	2,863	103	4,347	3	36,543	24,495

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