

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2008

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	47.30	46.93	0.34	55.42
Feeder Pigs	10.26	0.55	74.66	0.01
Cull Stock	0.56	1.43	4.44	0.00
Breeding Stock	2.85	0.12	0.07	0.00
Inventory Change	-0.14	-0.19	-0.35	-0.10
Other Income ^{4/}	5.32	4.83	3.83	5.67
Total, Gross Value of Production	66.15	53.67	82.99	61.00
Operating Costs:				
Feed--				
Grain	7.17	18.66	5.01	4.38
Protein Sources	2.74	7.60	1.96	1.60
Complete Mixes	20.91	9.72	80.56	19.23
Other Feed Items ^{5/}	0.17	0.46	0.37	0.12
Total, Feed Costs	30.99	36.44	87.90	25.33
Other--				
Feeder Pigs	13.45	0.09	0.00	13.95
Veterinary and Medicine	1.11	1.64	5.47	0.65
Bedding and Litter	0.03	0.03	0.35	0.01
Marketing	0.81	0.45	2.30	0.52
Custom Services	0.35	0.32	1.10	0.28
Fuel, Lube, and Electricity	1.86	2.83	7.28	1.23
Repairs	0.83	1.23	2.33	0.56
Interest on Operating Capital	0.45	0.39	0.96	0.38
Total, Operating Costs	49.88	43.42	107.69	42.91
Allocated Overhead:				
Hired Labor	1.96	3.84	10.68	0.56
Opportunity Cost of Unpaid Labor	3.24	5.67	12.02	2.21
Capital Recovery of Machinery and Equipment	8.27	11.75	28.12	4.95
Opportunity cost of Land (rental rate)	0.03	0.06	0.11	0.02
Taxes and Insurance	0.58	0.82	1.93	0.41
General Farm Overhead	1.34	1.48	7.08	0.84
Total, Allocated Overhead	15.42	23.62	59.94	8.99
Total Costs Listed	65.30	67.04	167.63	51.90
Value of Production Less Total Costs Listed	0.85	-13.37	-84.64	9.10
Value of Production Less Operating Costs	16.27	10.25	-24.70	18.09
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	51	100	54	38
Under Contract	49	0	46	62
Size of Operation (head sold/removed)				
Market Hogs	3,066	2,022	5	4,548
Feeder Pigs	2,577	88	3,791	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, 2008 ^{1/}

Cow-Calf Production	Dollars Per Bred Cow	Milk Production	Dollars Per Cwt
Gross Value of Production:		Gross Value of Production:	
Steer Calves	201.06	Milk	19.31
Heifer Calves	135.11	Cattle	1.61
Yearling Steers	45.90	Other Income ^{3/}	1.13
Yearling Heifers	14.18	Total, Gross Value of Production	22.05
Other Cattle	90.94		
Total, Gross Value of Production ^{2/}	492.39		
Operating Costs:		Operating Costs:	
Feeder Cattle	29.94	Feed--	
Feed--		Purchased Feeds	6.83
Concentrates and Other Feed	45.65	Homegrown Harvested Feed	5.41
Supplemental Feed	82.69	Glazed Feed	0.10
Harvested Forages	312.14	Total, Feed Costs	12.34
Cropland Pasture	18.14		
Private Pasture	97.79	Other	
Public Land	0.50	Veterinary and Medicine	1.12
Total Feed Costs	556.91	Bedding and Litter	0.32
Other--		Marketing	0.28
Veterinary and Medicine	46.99	Custom Services	0.49
Bedding and Litter	1.57	Fuel, Lube, and Electricity	0.91
Marketing	5.20	Repairs	0.76
Custom Operations	48.95	Other Operating Capital	0.00
Fuel, Lube, and Electricity	65.94	Interest on Operating Capital	0.15
Repairs	35.61	Total Operating Costs	16.37
Interest on Operating Inputs	4.72		
Total, Operating Costs	795.83		
Allocated Overhead:		Allocated Overhead:	
Hired Labor	0.74	Hired Labor	1.45
Opportunity cost of Unpaid Labor	238.31	Opportunity Cost of Unpaid Labor	3.15
Capital Recovery Cost (Machinery & Equipment)	377.54	Capital Recover of Machinery and Equipment ^{5/}	4.21
Opportunity Cost of Land	7.37	Opportunity Cost of Land (rental rate)	0.06
Taxes and Insurance	51.71	Taxes and Insurance	0.23
General Farm Overhead	99.01	General Farm Overhead	0.61
Total, Allocated Overhead	774.68	Total, Allocated Overhead	9.71
Total Cost Listed	1,570.51	Total Costs Listed	26.08
Value of Production Less Total Costs Listed	-1,078.12	Value of Production Less Total Costs Listed	-4.03
Value of Production Less Operating Costs	-303.44	Value of Production Less Operating Costs	5.68

^{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