

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2002

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	32.90	32.11	1.61	39.69
Feeder Pigs	9.10	0.64	94.07	0.15
Cull Stock	0.84	1.46	2.13	0.01
Breeding Stock	0.36	0.13	0.18	0.01
Inventory Change	-0.07	0.03	-4.02	0.70
Other Income ^{4/}	1.48	1.40	1.23	1.62
Total, Gross Value of Production	44.61	35.77	95.20	42.18
Operating Costs:				
Feed--				
Grain	8.08	10.29	2.16	6.35
Protein Sources	6.40	8.89	0.89	4.03
Complete Mixes	7.96	4.73	25.69	9.29
Other Feed Items ^{5/}	0.22	0.37	0.23	0.08
Total, Feed Costs	22.66	24.28	28.97	19.75
Other--				
Feeder Pigs	11.37	0.06	0.56	24.93
Veterinary and Medicine	1.19	1.61	2.78	0.54
Bedding and Litter	0.04	0.04	0.06	0.02
Marketing	0.64	0.34	3.77	0.54
Custom Services	0.32	0.28	0.29	0.40
Fuel, Lube, and Electricity	1.27	1.36	3.31	0.79
Repairs	0.91	1.27	1.15	0.43
Other Operating Costs ^{6/}	0.03	0.03	0.04	0.03
Interest on Operating Capital	0.32	0.25	0.34	0.40
Total, Operating Costs	38.75	29.52	41.27	47.83
Allocated Overhead:				
Hired Labor	2.61	3.00	13.05	0.47
Opportunity Cost of Unpaid Labor	5.70	7.40	7.67	3.32
Capital Recovery of Machinery and Equipment	10.86	11.72	27.53	6.79
Opportunity cost of Land (rental rate)	0.05	0.06	0.07	0.02
Taxes and Insurance	0.49	0.53	0.94	0.37
General Farm Overhead	1.03	1.13	1.60	0.79
Total, Allocated Overhead	20.74	23.84	50.86	11.76
Total Costs Listed	59.49	53.36	92.13	59.59
Value of Production Less Total Costs Listed	-14.88	-17.59	3.07	-17.41
Value of Production Less Operating Costs	5.86	6.25	53.93	-5.65
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	71	99	22	48
Under Contract	29	1	78	52
Size of Operation (head sold/removed)				
Market Hogs	1,852	1,644	74	2,686
Feeder Pigs	1,045	53	9,744	14

^{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