

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2004

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	48.09	47.35	2.31	57.72
Feeder Pigs	12.60	0.90	126.41	0.18
Cull Stock	1.37	2.42	3.55	0.01
Breeding Stock	0.63	0.22	0.25	0.01
Inventory Change	-0.17	0.05	-6.65	1.11
Other Income ^{4/}	1.86	1.76	1.54	2.04
Total, Gross Value of Production	64.38	52.70	127.41	61.07
Operating Costs:				
Feed--				
Grain	8.04	10.21	1.91	6.57
Protein Sources	9.63	13.55	1.09	6.17
Complete Mixes	9.78	5.95	30.80	10.94
Other Feed Items ^{5/}	0.25	0.43	0.25	0.09
Total, Feed Costs	27.70	30.14	34.05	23.77
Other--				
Feeder Pigs	15.43	0.08	0.71	33.30
Veterinary and Medicine	1.22	1.67	2.74	0.56
Bedding and Litter	0.03	0.04	0.06	0.02
Marketing	0.67	0.34	3.81	0.58
Custom Services	0.34	0.29	0.29	0.42
Fuel, Lube, and Electricity	1.77	1.90	4.58	1.12
Repairs	0.97	1.38	1.22	0.45
Other Operating Costs ^{6/}	0.04	0.03	0.04	0.03
Interest on Operating Capital	0.38	0.28	0.37	0.47
Total, Operating Costs	48.55	36.15	47.87	60.72
Allocated Overhead:				
Hired Labor	2.82	3.28	13.77	0.48
Opportunity Cost of Unpaid Labor	5.54	7.09	7.33	3.33
Capital Recovery of Machinery and Equipment	11.89	12.66	30.67	7.46
Opportunity cost of Land (rental rate)	0.05	0.06	0.08	0.02
Taxes and Insurance	0.49	0.54	0.94	0.36
General Farm Overhead	1.05	1.17	1.63	0.79
Total, Allocated Overhead	21.84	24.80	54.42	12.44
Total Costs Listed	70.39	60.95	102.29	73.16
Value of Production Less Total Costs Listed	-6.01	-8.25	25.12	-12.09
Value of Production Less Operating Costs	15.83	16.55	79.54	0.35
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	69	99	22	47
Under Contract	31	1	78	53
Size of Operation (head sold/removed)				
Market Hogs	2,085	1,896	80	2,931
Feeder Pigs	1,226	61	10,738	13

^{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

LIVESTOCK PRODUCTION COSTS

COW-CALF, AND MILK PRODUCTION, COSTS AND RETURNS, HEARTLAND REGION, 2004 ^{1/}

Cow-Calf Production	Dollars Per Bred Cow	Milk Production	Dollars Per Cwt
Gross Value of Production:		Gross Value of Production:	
Steer Calves	221.71	Milk	16.71
Heifer Calves	148.89	Cattle	1.87
Yearling Steers	44.97	Other Income ^{3/}	1.06
Yearling Heifers	13.89	Total, Gross Value of Production	19.64
Other Cattle	87.79		
Total, Gross Value of Production ^{2/}	521.64		
Operating Costs:		Operating Costs:	
Feeder Cattle	30.20	Feed--	
Feed--		Feed Grains	1.77
Concentrates and Other Feed	33.12	Hay and Straw	2.40
Supplemental Feed	32.80	Complete Feed Mixes	1.19
Harvested Forages	184.41	Liquid Whey and Milk Replacer	0.15
Cropland Pasture	14.33	Silage	0.81
Private Pasture	82.31	Grazed Pasture and Cropland	0.14
Public Land	0.37	Other Feed Items ^{4/}	1.79
Total Feed Costs	347.34	Total Feed Costs	8.25
Other--		Veterinary and Medicine	0.79
Veterinary and Medicine	40.15	Bedding and Litter	0.23
Bedding and Litter	1.40	Marketing	0.22
Marketing	4.39	Custom Services	0.55
Custom Operations	41.62	Fuel, Lube, and Electricity	0.62
Fuel, Lube, and Electricity	29.23	Repairs	0.64
Repairs	30.29	Interest on Operating Capital	0.09
Interest on Operating Inputs	4.12	Total Operating Costs	11.39
Total, Operating Costs	528.74		
Allocated Overhead:		Allocated Overhead:	
Hired Labor	0.64	Hired Labor	0.90
Opportunity cost of Unpaid Labor	233.01	Opportunity Cost of Unpaid Labor	5.92
Capital Recovery Cost (Machinery & Equipment)	299.89	Capital Recover of Machinery and Equipment ^{5/}	4.96
Opportunity Cost of Land	6.01	Opportunity Cost of Land (rental rate)	0.10
Taxes and Insurance	45.84	Taxes and Insurance	0.20
General Farm Overhead	88.36	General Farm Overhead	0.61
Total, Allocated Overhead	673.75	Total, Allocated Overhead	12.69
Total Cost Listed	1,202.49	Total Costs Listed	24.08
Value of Production Less Total Costs Listed	-680.85	Value of Production Less Total Costs Listed	-4.44
Value of Production Less Operating Costs	-7.10	Value of Production Less Operating Costs	8.25

^{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