

# LIVESTOCK PRODUCTION COSTS

## HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2009

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	41.49	41.42	0.30	48.56
Feeder Pigs	11.04	0.60	79.75	0.02
Cull Stock	0.69	1.74	5.57	0.00
Breeding Stock	3.70	0.14	0.09	0.00
Inventory Change	-0.23	0.00	-0.17	-0.32
Other Income 4/	3.95	3.58	2.85	4.22
Total, Gross Value of Production	60.64	47.48	88.39	52.48
Operating Costs:				
Feed--				
Grain	5.55	14.46	3.91	3.40
Protein Sources	2.93	8.21	2.08	1.70
Complete Mixes	21.64	9.98	83.82	19.88
Other Feed Items 5/	0.17	0.48	0.39	0.12
Total, Feed Costs	30.29	33.13	90.20	25.10
Other--				
Feeder Pigs	14.38	0.09	0.00	14.89
Veterinary and Medicine	1.20	1.77	5.95	0.70
Bedding and Litter	0.03	0.03	0.38	0.01
Marketing	0.87	0.49	2.47	0.56
Custom Services	0.38	0.35	1.20	0.31
Fuel, Lube, and Electricity	1.23	1.87	4.84	0.81
Repairs	0.85	1.26	2.41	0.57
Interest on Operating Capital	0.07	0.06	0.16	0.06
Total, Operating Costs	49.30	39.05	107.61	43.01
Allocated Overhead:				
Hired Labor	1.97	3.90	10.91	0.55
Opportunity Cost of Unpaid Labor	3.24	5.60	12.18	2.23
Capital Recovery of Machinery and Equipment	8.54	12.10	29.08	5.10
Opportunity cost of Land (rental rate)	0.03	0.06	0.10	0.02
Taxes and Insurance	0.62	0.88	2.09	0.44
General Farm Overhead	1.36	1.50	7.25	0.85
Total, Allocated Overhead	15.76	24.04	61.61	9.19
Total Costs Listed	65.06	63.09	169.22	52.20
Value of Production Less Total Costs Listed	-4.42	-15.61	-80.83	0.28
Value of Production Less Operating Costs	11.34	8.43	-19.22	9.47
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	50	100	54	38
Under Contract	50	0	46	62
Size of Operation (head sold/removed)				
Market Hogs	3,156	2,100	5	4,667
Feeder Pigs	2,677	93	3,903	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 1/, 2009

Cow-Calf Production <u>2/</u>	Dollars Per Bred Cow	Milk Production <u>3/</u>	Dollars Per Cwt
Gross Value of Production:		Gross Value of Production:	
Calves	379.56	Milk Sold	12.89
Stockers and Yearlings	40.61	Cattle	1.43
Other Cattle	70.55	Other Income <u>6/</u>	0.84
Total, Gross Value of Production <u>4/</u>	490.72	Total, Gross Value of Production	15.16
Operating Costs:		Operating Costs:	
Feed--		Feed--	
Purchased Feed	100.27	Purchased Feeds	6.43
Homegrown harvested Fed	248.02	Homegrown Harvested Feed	4.51
Grazed Feed	97.10	Glazed Feed	0.09
Total Feed Costs	445.39	Total, Feed Costs	11.03
Other--		Other--	
Cattle for Backgrounding	50.22	Veterinary and Medicine	1.22
Veterinary and Medicine	32.05	Bedding and Litter	0.35
Bedding and Litter	0.35	Marketing	0.30
Marketing	10.46	Custom Services	0.53
Custom Services	10.16	Fuel, Lube, and Electricity	0.60
Fuel, Lube, and Electricity	31.04	Repairs	0.79
Repairs	50.32	Other Operating Costs <u>7/</u>	0.00
Interest on Operating Inputs	0.91	Interest on Operating Capital	0.02
Total, Operating Costs	630.90	Total Operating Costs	14.84
Allocated Overhead:		Allocated Overhead:	
Hired Labor	13.66	Hired Labor	1.45
Opportunity Cost of Unpaid Labor	381.34	Opportunity Cost of Unpaid Labor	3.18
Capital Recovery Cost (Machinery & Equipment) <u>5/</u>	251.41	Capital Recovery of Machinery and Equipment <u>8/</u>	4.34
Opportunity Cost of Land (rental rate)	0.21	Opportunity Cost of Land (rental rate)	0.05
Taxes and Insurance	26.73	Taxes and Insurance	0.25
General Farm Overhead	29.05	General Farm Overhead	0.62
Total, Allocated Overhead	702.40	Total, Allocated Overhead	9.89
Total Cost Listed	1,333.30	Total Costs Listed	24.73
Value of Production Less Total Costs Listed	-842.58	Value of Production Less Total Costs Listed	-9.57
Value of Production Less Operating Costs	-140.18	Value of Production Less Operating Costs	0.32

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/ Developed from survey base year, 2008. Includes operations with at least 20 beef cows.

3/ Developed from survey base year, 2005.

4/ Other cattle includes the value of cull cattle and breeding stock sales.

5/ Machinery and equipment, beef cattle housing and holding facilities, feed storage structures, and beef cattle breeding herd.

6/ 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 the fertilizer value of manure production.

7/ Costs for third party organic certification.

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

Source: Economic Research Service