

# LIVESTOCK PRODUCTION COSTS

## HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION <sup>1</sup>, 2012

Item	All Hogs	Farrow to Finish	Farrow to Feeder Pig <sup>2</sup>	Feeder Pig to Finish
Dollars per Cwt Gain <sup>3</sup>				
Gross Value of Production:				
Market Hogs	68.93	68.06	7.04	74.50
Feeder Pigs	6.82	0.09	126.45	0.14
Nursery Pigs	2.19	0.24	0.00	0.01
Cull Stock	0.61	1.74	6.01	0.00
Breeding Stock	0.64	0.31	0.49	0.00
Inventory Change	1.01	0.45	0.27	1.38
Other Income <sup>4</sup>	6.74	5.00	5.76	7.32
Total, Gross Value of Production	86.94	75.89	146.02	83.35
Operating Costs:				
Feed--				
Purchased Feed	37.84	35.35	71.65	34.38
Homegrown Harvested Feed	5.85	12.78	3.88	4.23
Total, Feed Costs	43.69	48.13	75.53	38.61
Other--				
Feeder Pigs	11.71	0.00	1.52	15.75
Nursery Pigs	6.34	0.06	0.00	5.10
Veterinary and Medicine	1.57	2.13	3.99	1.23
Bedding and Litter	0.01	0.04	0.11	0.01
Marketing	0.29	0.38	0.20	0.26
Custom Services	0.25	0.42	0.15	0.20
Fuel, Lube, and Electricity	1.76	2.15	5.54	1.38
Repairs	0.68	0.92	1.67	0.51
Interest on Operating Capital	0.04	0.04	0.06	0.04
Total, Operating Costs	66.34	54.27	88.77	63.09
Allocated Overhead:				
Hired Labor	1.50	3.24	9.60	0.65
Opportunity Cost of Unpaid Labor	2.33	3.10	13.43	1.70
Capital Recovery of Machinery and Equipment <sup>5</sup>	6.89	9.23	18.61	5.57
Opportunity cost of Land (rental rate)	0.02	0.03	0.06	0.01
Taxes and Insurance	0.49	0.57	1.23	0.39
General Farm Overhead	0.90	0.94	4.06	0.67
Total, Allocated Overhead	12.13	17.11	46.99	8.99
Total Costs Listed	78.47	71.38	135.76	72.08
Value of Production Less Total Costs Listed	8.47	4.51	10.26	11.27
Value of Production Less Operating Costs	20.60	21.62	57.25	20.26
Supporting Information:				
Production Arrangement (percent of production)				
Independent	39	100	51	25
Under Contract	61	0	49	75
Size of Operation (head sold/removed)				
Market Hogs	5,794	4,974	99	7,464
Feeder Pigs	1,597	19	4,316	40
Nursery Pigs	867	371	0	4

<sup>1</sup> Heartland Region includes: Illinois, Indiana, Iowa, Western Kentucky, Southern and Western Minnesota, North and Central Missouri, Northeastern Nebraska, Western Ohio, and Southeastern North Dakota. Developed from survey base year, 2009.

<sup>2</sup> Data published is for the United States, data for Heartland Region not available.

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

<sup>4</sup> Value of manure production.

<sup>5</sup> Machinery and equipment, housing, manure handling, feed storage structures, and the breeding herd.

Source: Economic Research Service

# LIVESTOCK PRODUCTION COSTS

## COW-CALF, AND MILK PRODUCTION, COSTS AND RETURNS HEARTLAND REGION <sup>1</sup>, 2012

Cow-Calf Production <sup>2</sup>	Dollars Per Bred Cow	Milk Production <sup>3</sup>	Dollars Per Cwt
Gross Value of Production:		Gross Value of Production:	
Calves	598.74	Milk Sold	19.14
Stockers and Yearlings	57.83	Cattle	1.94
Other Cattle <sup>4</sup>	126.05	Other Income <sup>6</sup>	0.98
Total, Gross Value of Production	782.62	Total, Gross Value of Production	22.06
Operating Costs:		Operating Costs:	
Feed--		Feed--	
Purchased Feed	125.10	Purchased Feeds	7.67
Homegrown Harvested Feed	413.69	Homegrown Harvested Feed	8.76
Grazed Feed	107.20	Glazed Feed	0.12
Total, Feed Costs	645.99	Total, Feed Costs	16.55
Other--		Other--	
Cattle for Backgrounding	78.05	Veterinary and Medicine	0.84
Veterinary and Medicine	33.70	Bedding and Litter	0.35
Bedding and Litter	0.37	Marketing	0.18
Marketing	11.01	Custom Services	0.60
Custom Services	10.69	Fuel, Lube, and Electricity	1.03
Fuel, Lube, and Electricity	49.00	Repairs	0.77
Repairs	56.24	Other Operating Costs <sup>7</sup>	0.01
Interest on Operating Capital	0.58	Interest on Operating Capital	0.01
Total, Operating Costs	885.63	Total, Operating Costs	20.34
Allocated Overhead:		Allocated Overhead:	
Hired Labor	14.44	Hired Labor	1.22
Opportunity Cost of Unpaid Labor	383.14	Opportunity Cost of Unpaid Labor	3.93
Capital Recovery Cost (Machinery & Equipment) <sup>5</sup>	280.57	Capital Recovery of Machinery and Equipment <sup>8</sup>	4.26
Opportunity Cost of Land (rental rate)	0.23	Opportunity Cost of Land (rental rate)	0.04
Taxes and Insurance	28.21	Taxes and Insurance	0.22
General Farm Overhead	31.75	General Farm Overhead	0.61
Total, Allocated Overhead	738.34	Total, Allocated Overhead	10.28
Total Cost Listed	1,623.97	Total Costs Listed	30.62
Value of Production Less Total Costs Listed	-841.35	Value of Production Less Total Costs Listed	-8.56
Value of Production Less Operating Costs	-103.01	Value of Production Less Operating Costs	1.72

<sup>1</sup> Heartland Region includes: Illinois, Indiana, Iowa, Western Kentucky, Southern and Western Minnesota, North and Central Missouri, Northeastern Nebraska, Western Ohio, and Southeastern North Dakota.

<sup>2</sup> Developed from survey base year, 2008. Includes operations with at least 20 beef cows.

<sup>3</sup> Developed from survey base year, 2010.

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

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

<sup>6</sup> 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.

<sup>7</sup> Costs for third party organic certification.

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