

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION ¹, 2013

| 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 | 71.81 | 70.90 | 7.33 | 70.90 |
| Feeder Pigs | 8.53 | 0.12 | 158.24 | 0.12 |
| Nursery Pigs | 2.74 | 0.30 | 0.00 | 0.30 |
| Cull Stock | 0.75 | 2.14 | 7.37 | 2.14 |
| Breeding Stock | 0.78 | 0.37 | 0.60 | 0.37 |
| Inventory Change | 1.04 | 1.24 | -0.52 | 1.24 |
| Other Income ⁴ | 6.22 | 4.61 | 5.32 | 4.61 |
| Total, Gross Value of Production | 91.87 | 79.68 | 178.34 | 79.68 |
| Operating Costs: | | | | |
| Feed-- | | | | |
| Purchased Feed | 39.55 | 36.91 | 75.61 | 36.91 |
| Homegrown Harvested Feed | 5.48 | 11.89 | 3.66 | 11.89 |
| Total, Feed Costs | 45.03 | 48.80 | 79.27 | 48.80 |
| Other-- | | | | |
| Feeder Pigs | 14.66 | 0.00 | 1.90 | 0.00 |
| Nursery Pigs | 7.93 | 0.08 | 0.00 | 0.08 |
| Veterinary and Medicine | 0.93 | 1.26 | 2.36 | 1.26 |
| Bedding and Litter | 0.01 | 0.02 | 0.06 | 0.02 |
| Marketing | 0.17 | 0.22 | 0.12 | 0.22 |
| Custom Services | 0.15 | 0.25 | 0.09 | 0.25 |
| Fuel, Lube, and Electricity | 1.77 | 2.16 | 5.57 | 2.16 |
| Repairs | 0.70 | 0.95 | 1.72 | 0.95 |
| Interest on Operating Capital | 0.03 | 0.02 | 0.04 | 0.02 |
| Total, Operating Costs | 71.38 | 53.76 | 91.13 | 53.76 |
| Allocated Overhead: | | | | |
| Hired Labor | 1.58 | 3.44 | 10.08 | 3.44 |
| Opportunity Cost of Unpaid Labor | 2.38 | 3.15 | 13.66 | 3.15 |
| Capital Recovery of Machinery and Equipment ⁵ | 7.09 | 9.49 | 19.13 | 9.49 |
| Opportunity Cost of Land (rental rate) | 0.02 | 0.03 | 0.06 | 0.03 |
| Taxes and Insurance | 0.29 | 0.33 | 0.73 | 0.33 |
| General Farm Overhead | 0.92 | 0.95 | 4.14 | 0.95 |
| Total, Allocated Overhead | 12.28 | 17.39 | 47.80 | 17.39 |
| Total Costs Listed | 83.66 | 71.15 | 138.93 | 71.15 |
| Value of Production Less Total Costs Listed | 8.21 | 8.53 | 39.41 | 8.53 |
| Value of Production Less Operating Costs | 20.49 | 25.92 | 87.21 | 25.92 |
| Supporting Information: | | | | |
| Production Arrangement (percent of production) | | | | |
| Independent | 39 | 100 | 51 | 100 |
| Under Contract | 61 | 0 | 49 | 0 |
| Size of Operation (head sold/removed) | | | | |
| Market Hogs | 5,794 | 4,974 | 99 | 4,974 |
| Feeder Pigs | 1,597 | 19 | 4,316 | 19 |
| Nursery Pigs | 867 | 371 | 0 | 371 |

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. Developed from survey base year, 2009.

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 Machinery and equipment, housing, manure handling, feed storage structures, and the breeding herd.

LIVESTOCK PRODUCTION COSTS

COW-CALF, AND MILK PRODUCTION, COSTS AND RETURNS HEARTLAND REGION ¹, 2013

| Cow-Calf Production ² | Dollars Per Bred Cow | Milk Production ³ | Dollars Per Cwt |
|--|----------------------|--|-----------------|
| Gross Value of Production: | | Gross Value of Production: | |
| Calves | 645.07 | Milk Sold | 20.26 |
| Stockers and Yearlings | 57.83 | Cattle | 1.98 |
| Other Cattle ⁴ | 128.55 | Other Income ⁶ | 0.90 |
| Total, Gross Value of Production | 831.45 | Total, Gross Value of Production | 23.14 |
| Operating Costs: | | Operating Costs: | |
| Feed-- | | Feed-- | |
| Purchased Feed | 141.92 | Purchased Feed | 7.92 |
| Homegrown Harvested Feed | 405.12 | Homegrown Harvested Feed | 8.67 |
| Grazed Feed | 113.92 | Grazed Feed | 0.13 |
| Total, Feed Costs | 660.96 | Total, Feed Costs | 16.72 |
| Other-- | | Other-- | |
| Cattle for Backgrounding | 84.09 | Veterinary and Medicine | 0.88 |
| Veterinary and Medicine | 35.09 | Bedding and Litter | 0.37 |
| Bedding and Litter | 0.39 | Marketing | 0.19 |
| Marketing | 11.47 | Custom Services | 0.62 |
| Custom Services | 11.13 | Fuel, Lube, and Electricity | 1.04 |
| Fuel, Lube, and Electricity | 49.07 | Repairs | 0.79 |
| Repairs | 57.78 | Other Operating Costs ⁷ | 0.01 |
| Interest on Operating Capital | 0.41 | Interest on Operating Capital | 0.01 |
| Total, Operating Costs | 910.39 | Total, Operating Costs | 20.63 |
| Allocated Overhead: | | Allocated Overhead: | |
| Hired Labor | 15.80 | Hired Labor | 1.26 |
| Opportunity Cost of Unpaid Labor | 393.24 | Opportunity Cost of Unpaid Labor | 4.02 |
| Capital Recovery Cost (Machinery & Equipment) ⁵ | 288.28 | Capital Recovery of Machinery and Equipment ⁸ | 4.38 |
| Opportunity Cost of Land (rental rate) | 0.24 | Opportunity Cost of Land (rental rate) | 0.04 |
| Taxes and Insurance | 29.37 | Taxes and Insurance | 0.23 |
| General Farm Overhead | 31.98 | General Farm Overhead | 0.62 |
| Total, Allocated Overhead | 758.91 | Total, Allocated Overhead | 10.55 |
| Total Cost Listed | 1,669.30 | Total Costs Listed | 31.18 |
| Value of Production Less Total Costs Listed | -837.85 | Value of Production Less Total Costs Listed | -8.04 |
| Value of Production Less Operating Costs | -78.94 | Value of Production Less Operating Costs | 2.51 |

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, 2010.

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.