

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2003

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	36.29	35.62	1.78	43.59
Feeder Pigs	10.16	0.72	102.91	0.15
Cull Stock	0.99	1.74	2.53	0.01
Breeding Stock	0.44	0.15	0.17	0.01
Inventory Change	0.00	0.06	-4.57	1.04
Other Income ^{4/}	1.72	1.63	1.39	1.87
Total, Gross Value of Production	49.60	39.92	104.21	46.67
Operating Costs:				
Feed--				
Grain	7.65	9.77	1.96	6.10
Protein Sources	6.64	9.40	0.92	4.11
Complete Mixes	8.27	4.96	26.98	9.46
Other Feed Items ^{5/}	0.22	0.37	0.24	0.08
Total, Feed Costs	22.78	24.50	30.10	19.75
Other--				
Feeder Pigs	12.61	0.07	0.59	27.28
Veterinary and Medicine	1.21	1.66	2.77	0.55
Bedding and Litter	0.04	0.04	0.06	0.02
Marketing	0.66	0.35	3.83	0.57
Custom Services	0.33	0.28	0.29	0.41
Fuel, Lube, and Electricity	1.58	1.69	4.08	1.00
Repairs	0.91	1.28	1.15	0.42
Other Operating Costs ^{6/}	0.04	0.03	0.04	0.03
Interest on Operating Capital	0.21	0.16	0.23	0.26
Total, Operating Costs	40.37	30.06	43.14	50.29
Allocated Overhead:				
Hired Labor	2.80	3.18	14.06	0.49
Opportunity Cost of Unpaid Labor	5.72	7.44	7.59	3.35
Capital Recovery of Machinery and Equipment	10.99	11.82	28.04	6.88
Opportunity cost of Land (rental rate)	0.05	0.06	0.07	0.02
Taxes and Insurance	0.49	0.54	0.94	0.37
General Farm Overhead	1.05	1.16	1.61	0.80
Total, Allocated Overhead	21.10	24.20	52.31	11.91
Total Costs Listed	61.47	54.26	95.45	62.20
Value of Production Less Total Costs Listed	-11.87	-14.34	8.76	-15.53
Value of Production Less Operating Costs	9.23	9.86	61.07	-3.62
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	70	99	22	47
Under Contract	30	1	78	53
Size of Operation (head sold/removed)				
Market Hogs	1,924	1,712	76	2,770
Feeder Pigs	1,112	56	10,125	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, 2003 ^{1/}

Cow-Calf Production	Dollars Per Bred Cow	Milk Production	Dollars Per Cwt
Gross Value of Production:		Gross Value of Production:	
Steer Calves	187.53	Milk	12.93
Heifer Calves	126.15	Cattle	1.65
Yearling Steers	40.79	Other Income ^{3/}	0.97
Yearling Heifers	12.55	Total, Gross Value of Production	15.55
Other Cattle	75.11		
Total, Gross Value of Production ^{2/}	446.51		
Operating Costs:		Operating Costs:	
Feeder Cattle	26.60	Feed--	
Feed--		Feed Grains	2.35
Concentrates and Other Feed	26.86	Hay and Straw	2.54
Supplemental Feed	41.96	Complete Feed Mixes	0.96
Harvested Forages	189.51	Liquid Whey and Milk Replacer	0.11
Cropland Pasture	13.36	Silage	0.77
Private Pasture	76.01	Grazed Pasture and Cropland	0.13
Public Land	0.35	Other Feed Items ^{4/}	1.59
Total Feed Costs	348.05	Total Feed Costs	8.45
Other--		Veterinary and Medicine	0.78
Veterinary and Medicine	39.47	Bedding and Litter	0.23
Bedding and Litter	1.37	Marketing	0.22
Marketing	4.38	Custom Services	0.54
Custom Operations	41.12	Fuel, Lube, and Electricity	0.56
Fuel, Lube, and Electricity	16.16	Repairs	0.60
Repairs	29.96		
Interest on Operating Inputs	2.76	Interest on Operating Capital	0.06
Total, Operating Costs	509.87	Total Operating Costs	11.44
Allocated Overhead:		Allocated Overhead:	
Hired Labor	0.64	Hired Labor	0.85
Opportunity cost of Unpaid Labor	230.47	Opportunity Cost of Unpaid Labor	5.90
Capital Recovery Cost (Machinery & Equipment)	281.21	Capital Recover of Machinery and Equipment ^{5/}	4.71
Opportunity Cost of Land	5.72	Opportunity Cost of Land (rental rate)	0.09
Taxes and Insurance	44.94	Taxes and Insurance	0.20
General Farm Overhead	85.88	General Farm Overhead	0.61
Total, Allocated Overhead	648.86	Total, Allocated Overhead	12.36
Total Cost Listed	1,158.73	Total Costs Listed	23.80
Value of Production Less Total Costs Listed	-712.22	Value of Production Less Total Costs Listed	-8.25
Value of Production Less Operating Costs	-63.36	Value of Production Less Operating Costs	4.11

^{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