

# LIVESTOCK PRODUCTION COSTS

## HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION <sup>1</sup>, 2018

Item	All Hogs	Farrow to Finish	Farrow to Feeder Pig <sup>2</sup>	Feeder Pig to Finish
<b>Dollars per Cwt Gain <sup>3</sup></b>				
<b>Gross Value of Production:</b>				
Market Hogs	50.92	49.68	0.04	55.76
Feeder Pigs	8.83	0.07	129.09	0.12
Nursery Pigs	0.67	0.03	0.00	0.00
Cull Stock	0.41	1.29	3.91	0.03
Breeding Stock	0.89	0.07	0.20	0.00
Inventory Change	1.51	0.25	0.98	1.91
Other Income <sup>4</sup>	3.77	3.38	4.40	3.81
Total, Gross Value of Production	67.00	54.77	138.62	61.63
<b>Operating Costs:</b>				
<b>Feed--</b>				
Purchased Feed	29.26	27.09	42.49	29.01
Homegrown Harvested Feed	1.90	6.06	0.77	1.30
Total, Feed Costs	31.16	33.15	43.26	30.31
<b>Other--</b>				
Feeder Pigs	14.22	0.65	0.03	17.85
Nursery Pigs	5.66	0.23	0.04	4.68
Veterinary and Medicine	2.80	3.43	9.53	2.22
Bedding and Litter	0.02	0.05	0.07	0.01
Marketing	0.09	0.23	0.12	0.06
Custom Services	0.37	0.85	1.34	0.26
Fuel, Lube, and Electricity	1.97	2.31	3.55	1.90
Repairs	1.08	1.62	2.15	0.94
Interest on Operating Capital	0.60	0.44	0.62	0.61
Total, Operating Costs	57.97	42.96	60.71	58.84
<b>Allocated Overhead:</b>				
Hired Labor	1.73	5.02	10.58	0.69
Opportunity Cost of Unpaid Labor	2.32	5.36	6.95	1.79
Capital Recovery of Machinery and Equipment <sup>5</sup>	10.24	14.14	32.09	8.31
Opportunity Cost of Land (rental rate)	0.04	0.08	0.10	0.03
Taxes and Insurance	1.02	0.71	1.69	1.04
General Farm Overhead	1.57	1.25	2.66	1.62
Total, Allocated Overhead	16.92	26.56	54.07	13.48
Total Costs Listed	74.89	69.52	114.78	72.32
Value of Production Less Total Costs Listed	-7.89	-14.75	23.84	-10.69
Value of Production Less Operating Costs	9.03	11.81	77.91	2.79
<b>Supporting Information:</b>				
<b>Production Arrangement (percent of production)</b>				
Independent	35	100	62	22
Under Contract	65	0	38	78
<b>Size of Operation (head sold/removed)</b>				
Market Hogs	5,703	3,110	2	7,394
Feeder Pigs	2,074	14	12,669	24
Nursery Pigs	296	13	0	0

<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, 2015.

<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.

# LIVESTOCK PRODUCTION COSTS

## COW-CALF, AND MILK PRODUCTION, COSTS AND RETURNS HEARTLAND REGION <sup>1</sup>, 2018

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	605.87	Milk Sold	16.48
Stockers and Yearlings	53.70	Cattle	1.36
Other Cattle <sup>4</sup>	97.78	Other Income <sup>6</sup>	0.44
Total, Gross Value of Production	757.35	Total, Gross Value of Production	18.28
Operating Costs:		Operating Costs:	
Feed--		Feed--	
Purchased Feed	125.15	Purchased Feed	5.58
Homegrown Harvested Feed	285.25	Homegrown Harvested Feed	3.82
Grazed Feed	125.02	Grazed Feed	0.06
Total, Feed Costs	535.42	Total, Feed Costs	9.46
Other--		Other--	
Cattle for Backgrounding	78.98	Veterinary and Medicine	0.87
Veterinary and Medicine	38.14	Bedding and Litter	0.23
Bedding and Litter	0.42	Marketing	0.13
Marketing	12.46	Custom Services	0.72
Custom Services	12.10	Fuel, Lube, and Electricity	0.81
Fuel, Lube, and Electricity	33.67	Repairs	0.81
Repairs	63.37	Other Operating Costs <sup>7</sup>	0.01
Interest on Operating Capital	8.05	Interest on Operating Capital	0.14
Total, Operating Costs	782.61	Total, Operating Costs	13.18
Allocated Overhead:		Allocated Overhead:	
Hired Labor	17.06	Hired Labor	1.99
Opportunity Cost of Unpaid Labor	455.02	Opportunity Cost of Unpaid Labor	2.41
Capital Recovery Cost (Machinery & Equipment) <sup>5</sup>	316.15	Capital Recovery of Machinery and Equipment <sup>8</sup>	4.46
Opportunity Cost of Land (rental rate)	0.27	Opportunity Cost of Land (rental rate)	0.04
Taxes and Insurance	31.92	Taxes and Insurance	0.21
General Farm Overhead	34.39	General Farm Overhead	0.62
Total, Allocated Overhead	854.81	Total, Allocated Overhead	9.73
Total Cost Listed	1,637.42	Total Costs Listed	22.91
Value of Production Less Total Costs Listed	-880.07	Value of Production Less Total Costs Listed	-4.63
Value of Production Less Operating Costs	-25.26	Value of Production Less Operating Costs	5.10

<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, 2016.

<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.

Source: Economic Research Service