

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION COSTS AND RETURNS HEARTLAND REGION ¹, 2016

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	52.92	52.26	5.40	57.20
Feeder Pigs	6.81	.09	126.35	.14
Nursery Pigs	2.18	.24	0.00	.01
Cull Stock	.49	1.38	4.77	.00
Breeding Stock	.50	.24	.39	.00
Inventory Change	1.20	1.35	.18	1.31
Other Income ⁴	4.72	3.50	4.03	5.13
Total, Gross Value of Production	68.82	59.06	141.12	63.79
Operating Costs:				
Feed--				
Purchased Feed	37.66	34.87	72.22	34.33
Homegrown Harvested Feed	3.06	6.74	2.01	2.20
Total, Feed Costs	40.72	41.61	74.23	36.53
Other--				
Feeder Pigs	11.70	.00	1.52	15.74
Nursery Pigs	6.33	.06	.00	5.10
Veterinary and Medicine	1.78	2.42	4.54	1.40
Bedding and Litter	.01	.04	.12	.01
Marketing	.33	.43	.22	.30
Custom Services	.29	.48	.17	.22
Fuel, Lube, and Electricity	1.02	1.24	3.20	.80
Repairs	.73	.99	1.80	.55
Interest on Operating Capital	.14	.11	.20	.14
Total, Operating Costs	63.05	47.38	86.00	60.79
Allocated Overhead:				
Hired Labor	1.67	3.62	10.92	.72
Opportunity Cost of Unpaid Labor	2.49	3.31	14.72	1.81
Capital Recovery of Machinery and Equipment ⁵	7.42	9.94	20.04	6.00
Opportunity Cost of Land (rental rate)	.02	.03	.06	.01
Taxes and Insurance	.56	.64	1.40	.44
General Farm Overhead	.93	.97	4.21	.70
Total, Allocated Overhead	13.09	18.51	51.35	9.68
Total Costs Listed	76.14	65.89	137.35	70.47
Value of Production Less Total Costs Listed	- 7.32	-6.83	3.77	-6.68
Value of Production Less Operating Costs	5.77	11.68	55.12	3.00
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

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.

Source: Economic Research Service

LIVESTOCK PRODUCTION COSTS

COW-CALF, AND MILK PRODUCTION, COSTS AND RETURNS HEARTLAND REGION ¹, 2016

Cow-Calf Production ²		Dollars Per Bred Cow	Milk Production ³		Dollars Per Cwt
Gross Value of Production:			Gross Value of Production:		
Calves		570.29	Milk Sold		16.35
Stockers and Yearlings		55.54	Cattle		1.78
Other Cattle ⁴		116.06	Other Income ⁶		.69
Total, Gross Value of Production		741.83	Total, Gross Value of Production		18.82
Operating Costs:			Operating Costs:		
Feed--			Feed--		
Purchased Feed		134.60	Purchased Feed		7.63
Homegrown Harvested Feed		265.52	Homegrown Harvested Feed		5.09
Grazed Feed		125.47	Grazed Feed		.14
Total, Feed Costs		525.59	Total, Feed Costs		12.86
Other--			Other--		
Cattle for Backgrounding		74.33	Veterinary and Medicine		.96
Veterinary and Medicine		38.34	Bedding and Litter		.40
Bedding and Litter		.42	Marketing		.21
Marketing		12.53	Custom Services		.68
Custom Services		12.16	Fuel, Lube, and Electricity		.60
Fuel, Lube, and Electricity		28.20	Repairs		.83
Repairs		60.25	Other Operating Costs ⁷		.01
Interest on Operating Capital		1.73	Interest on Operating Capital		.04
Total, Operating Costs		753.55	Total, Operating Costs		16.59
Allocated Overhead:			Allocated Overhead:		
Hired Labor		16.31	Hired Labor		1.34
Opportunity Cost of Unpaid Labor		424.23	Opportunity Cost of Unpaid Labor		4.16
Capital Recovery Cost (Machinery & Equipment) ⁵		300.61	Capital Recovery of Machinery and Equipment ⁸		4.59
Opportunity Cost of Land (rental rate)		.27	Opportunity Cost of Land (rental rate)		.04
Taxes and Insurance		32.09	Taxes and Insurance		.25
General Farm Overhead		32.72	General Farm Overhead		.63
Total, Allocated Overhead		806.23	Total, Allocated Overhead		11.01
Total Cost Listed		1559.78	Total Costs Listed		27.60
Value of Production Less Total Costs Listed		-817.95	Value of Production Less Total Costs Listed		-8.78
Value of Production Less Operating Costs		-11.72	Value of Production Less Operating Costs		2.23

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.

Source: Economic Research Service