

COST OF PRODUCTION - HOGS

HOGS – FEEDER PIG TO FINISH PRODUCTION COSTS AND RETURNS: 2008-2009 1/

Item	United States		Heartland 2/		Illinois	
	2008	2009	2008	2009	2008	2009
Dollars per cwt gain 3/						
Gross value of production:						
Market hogs	56.26	49.11	55.42	48.56	53.27	48.46
Feeder pigs	0.01	0.01	0.01	0.02	0.01	0.01
Cull stock	0.00	0.00	0.00	0.00	0.00	0.00
Breeding stock	0.00	0.00	0.00	0.00	0.00	0.00
Inventory change	0.39	-0.01	0.30	-0.48	3.64	2.71
Other income 4/	5.04	3.53	5.75	4.03	4.54	3.18
Total, gross value of production	61.70	52.64	61.48	52.13	61.46	54.36
Operating costs:						
Feed:						
Grain	3.28	2.58	4.31	3.40	9.46	7.68
Protein sources	1.68	1.54	1.93	1.71	4.95	4.35
Complete mixes	23.78	20.60	19.23	16.14	16.51	13.79
Other feed items 5/	0.09	0.07	0.12	0.09	0.18	0.15
Total feed cost	28.83	24.79	25.59	21.34	31.10	25.97
Other:						
Feeder pigs	15.23	16.27	13.95	14.89	12.09	12.86
Veterinary and medicine	0.57	0.61	0.64	0.70	0.63	0.68
Bedding and litter	0.01	0.01	0.01	0.01	0.04	0.04
Marketing	0.55	0.60	0.52	0.56	0.44	0.48
Custom services	0.29	0.31	0.28	0.31	0.36	0.40
Fuel, lube, and electricity	1.18	0.78	1.23	0.81	2.69	1.78
Repairs	0.54	0.55	0.56	0.57	0.85	0.86
Interest on operating capital	0.43	0.06	0.39	0.06	0.43	0.06
Total, operating costs	47.63	43.98	43.17	39.25	48.63	43.13
Allocated overhead:						
Hired labor	0.60	0.61	0.56	0.55	1.43	1.41
Opportunity cost of unpaid labor	2.04	2.05	2.21	2.23	2.72	2.70
Capital recovery of machinery and equipment 6/	4.98	5.09	4.99	5.09	6.97	7.10
Opportunity cost of land (rental rate)	0.02	0.02	0.02	0.02	0.02	0.02
Taxes and insurance	0.38	0.41	0.41	0.44	0.58	0.62
General farm overhead	0.91	0.92	0.84	0.85	1.30	1.30
Total, allocated overhead	8.93	9.10	9.03	9.18	13.02	13.14
Total costs listed	56.56	53.08	52.20	48.43	61.65	56.27
Value of production less total costs listed	5.14	-0.44	9.28	3.70	-0.19	-1.91
Value of production less operating costs	14.07	8.66	18.31	12.88	12.83	11.23

1/ Developed from survey base year 2004. 2/ Heartland includes primarily Illinois, Indiana, Iowa, Missouri, and Ohio. 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/ Machinery and equipment, housing, manure handling, feed storage structures, and breeding herd.
Source: Economic Research Service, USDA.