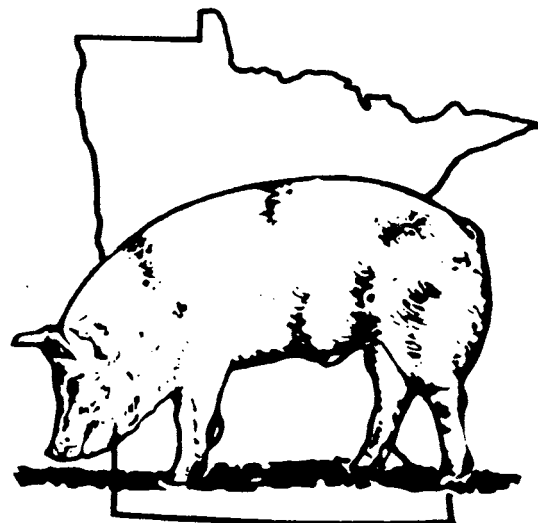


*Contracts*

# Hog Producers

## PLANNING GUIDE



### Should I Produce Hogs

Over time the hog enterprise has been the most profitable livestock enterprise on Minnesota farms. It has yielded higher returns per dollar invested as well as higher returns per hour of labor than other livestock enterprises.

Hog production fits well on most Minnesota farms.

- The feeder pig production enterprise fits on smaller farms where labor is plentiful relative to feedgrains.
- The other half of the hog production program--finishing feeder pigs--fits well on farms where feedgrains are plentiful but labor for farrowing is limited.
- The complete hog program fits well on most all intermediate size farms where feedgrains are available and the operator has an interest in hog production.

#### PLANNING INFORMATION

The tables on the next three pages show expected feed requirements, operating costs and building investment costs for the above three different types of hog programs. Costs and return budgets are shown for 1985 and for the longer term. Prices and profits will vary by years, but we suggest a long run planning price of \$48 to \$50 for market hogs with corn at \$2.60 to \$2.80 per bushel. Prices and profits likely peaked in the 1983/84 marketing year followed by another cyclical decline as hog production increases in 1985 and 1986.

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COMPLETE HOG PROGRAM - ONE LITTER TO MARKET (225 POUNDS)\*

Value Produced	For 1985			Long Term		
	Per Litter*		Per Cwt	Per Litter	Per Cwt	
7.3 pigs - 225# @ \$52/cwt	\$854		@ \$49	\$805		
.3 sows - 450# @ \$43/cwt	58		@ \$38	51		
Total (1,778 pounds)	\$912		\$51.29	\$856	\$48.14	
<u>Feed Requirements And Costs</u>						
Corn @ \$2.65/bu      105 bu	\$252	330 lbs	\$14.17	@ \$2.65	\$278	\$15.63
Suppl. @ \$13/cwt      1,267 lbs	165	70 lbs	9.28	@ \$15	190	10.69
Total Feed	\$417	400 lbs	\$23.45		\$468	\$26.32
<u>Operating Costs</u>						
Hired labor	\$ 10		\$ .56		\$ 10	\$ .56
Marketing and hauling	15		.84		15	.84
Breeding	4		.22		4	.22
Veterinary and medicine	17		.96		17	.96
Electricity and fuel	35		1.97		35	1.97
Tractor and equipment repair	23		1.29		23	1.29
Insurance and supplies	25		1.35		25	1.35
Interest on livestock	18		1.01		20	1.12
Interest on operating capital	18		1.01		20	1.12
Total Operating	\$165		\$ 9.28		\$169	\$ 9.50
Total Feed And Operating	\$582		\$32.73		\$637	\$35.83
Return For Labor And Facilities	\$330		\$18.56		\$219	\$12.32

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 1.35 →

\* Under typical management, each sow and gilt kept will produce about 1.7 litters per year. Well managed, early weaning systems can produce 2 litters per sow per year.

BUILDING COST ESTIMATES\*

Use	Type Of Building	Unit Size	Cost/Unit Capacity**
Farrow-Finish	All buildings, slotted floors	100-200 sows	\$1,900 per sow
Farrowing	Pasture A-frame huts	16 huts	\$250 per hut
	Remodel dairy barn	16 sows	\$600 per crate
	Partially slotted floor - crates	20 sows	\$1,500 per crate
Gestation	Portable on pasture	16 sows	\$200 per sow
	Open shelter & paved lot	16 sows	\$450 per sow
	Enclosed - total slot	32 sows	\$450 per sow
Nursery	Open shelter - drylot	200 weanlings	\$40 per pig
	Enclosed - total slot	200 weanlings	\$60 per pig
Finishing	Portable on pasture	100 market hogs	\$40 per hog
	Open shelter - drylot	200 market hogs	\$70 per hog
	Modified open front - partial slot	200 market hogs	\$125 per hog
	Enclosed - total slot	200 market hogs	\$150 per hog

\* Note - additional investments will be required for manure handling equipment & fencing.  
 \*\* Investment costs will likely be lower in northern Minnesota; higher in southeastern Minnesota. They will also vary by the amount of labor supplied by the farmer.

FEEDER PIG PRODUCTION - ONE LITTER TO MARKET AT 40 POUNDS

<u>Value Produced</u>	<u>For 1985</u>		<u>Long Term</u>	
	<u>Per Litter*</u>	<u>Per Pig Sold</u>	<u>Per Litter</u>	<u>Per Pig Sold</u>
7.8 pigs @ \$42/head	\$328	\$42.05	\$343	\$44.00
.2 sow - 450# @ \$43/cwt	39	5.00	34	4.35
Total	\$367	\$47.05	\$377	\$48.35
<u>Feed Requirements And Costs</u>				
Corn @ \$2.65/bu	\$ 80	\$10.26	\$ 80	\$10.25
Suppl. @ \$14/cwt	84	10.77	102	13.08
Total Feed	\$164	\$21.03	\$182	\$23.33
<u>Operating Costs</u>				
Marketing and hauling	\$ 8	\$ 1.03	\$ 8	\$ 1.03
Breeding	3	.38	3	.38
Veterinary and medicine	14	1.79	14	1.79
Electricity and fuel	15	1.92	15	1.92
Tractor and equipment repair	10	1.28	10	1.28
Insurance and supplies	18	2.31	18	2.31
Interest on livestock	12	1.54	12	1.54
Interest on operating capital	6	.77	6	.77
Total Operating	\$ 86	\$11.02	\$ 86	\$11.02
Total Feed And Operating	\$250	\$32.05	\$268	\$34.36
Return For Labor And Facilities	\$117	\$15.00	\$109	\$14.00

\* Typical management will produce about 1.75 litters per sow per year. If early weaning is practiced, 2 to 2.2 litters per sow per year can be produced. Average sow in feeder pig enterprise farrows 5 litters prior to culling.

SPACE REQUIREMENT ESTIMATES\*

<u>Weight of Pig</u>	<u>Total Space Per Pig (sq. ft.)**</u>	
	<u>Slotted Floors (partial or total)</u>	<u>Solid Floors (no slats)</u>
25 to 40 pounds	3	4
41 to 100 pounds	4	6
101 to 150 pounds	6	8
151 to 230 pounds	8	11
Sows	15	20

\* Jensen, et al., found these space requirements conducive to maximum gains. Somewhat less space would be more economical.

\*\* Free floor space, excluding space for feeders and waterers.

FINISHING FEEDER PIGS - ONE PIG FROM 40 TO 235 POUNDS

UNIVERSITY OF MINNESOTA



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<u>Performance</u>	<u>Current</u>	<u>Long Term</u>	
		<u>Head</u>	<u>Cwt. Gain</u>
Total gain, pounds	See the	195.00	
Pounds feed per pound of gain	latest	3.77	
Average daily gain, pounds	PIGFIN	1.62	
	computer		
	printout		
	and/or		
<u>Value Produced</u>			
Sale value at \$49 per cwt.	tables at	115.15	
Purchase cost at \$45 per head	bottom of	45.00	
Death loss (4%)	page.	1.87	.96
Gross Margin		<u>\$68.27</u>	<u>\$35.01</u>
<u>Feed Requirements And Costs</u>			
Corn - 10.51 bu. @ \$2.65		\$27.85	\$14.28
Prosup 40% - 1.23 cwt. @ \$12.50		15.37	7.88
(min., vit., antib. included in prot. sup.)			
Total Feed Cost		<u>\$43.22</u>	<u>\$22.16</u>
<u>Operating Costs</u>			
Interest on animals (15%)		\$2.31	\$1.19
Selling and buying costs		4.22	2.16
Other operating costs		<u>6.00</u>	<u>3.08</u>
Total Operating Costs		\$12.53	\$6.43
Total Feed & Operating Costs		\$55.75	\$28.59
Return For Labor And Facilities		\$12.52	\$6.42

RETURN PER HEAD FOR LABOR AND FACILITIES AT DIFFERENT HOG PRICES (CORN AT \$2.65/BU.)

<u>Selling Price</u> <u>Per Cwt.</u>	<u>When Purchase Cost Per Head Is:</u>				
	<u>\$35.00</u>	<u>\$40.00</u>	<u>\$45.00</u>	<u>\$50.00</u>	<u>\$55.00</u>
\$40.00	2.30	-3.17	-8.63	-14.10	-19.56
43.00	9.35	3.88	-1.58	-7.05	-12.51
46.00	16.40	10.93	5.47	.00	-5.46
49.00	23.45	17.98	12.52	7.05	1.59
52.00	30.50	25.03	19.57	14.10	8.64
55.00	37.55	32.08	26.62	21.15	15.69
58.00	44.60	39.13	33.67	28.20	22.74

BREAKEVEN SELLING PRICES TO COVER FEED, OPERATING & \$12 RETURN FOR LABOR & FACILITIES

<u>Purchase Price</u> <u>Per Head</u>	<u>When Corn Price Per Bushel Is:</u>				
	<u>\$2.15</u>	<u>\$2.40</u>	<u>\$2.65</u>	<u>\$2.90</u>	<u>\$3.15</u>
\$30.00	\$39.57	\$40.69	\$41.80	\$42.92	\$44.04
35.00	41.89	43.01	44.13	45.25	46.37
40.00	44.22	45.34	46.45	47.57	48.69
45.00	46.54	47.66	48.78	49.90	51.02
50.00	48.87	49.99	51.11	52.22	53.34
55.00	51.20	52.31	53.43	54.55	55.67
60.00	53.52	54.64	55.76	56.88	57.99