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1997 ISU Swine Business Record Program

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1997 ISU Swine Business Record Program

Abstract

High-profit producers in the ISU Swine Business Record Program achieve the best combination of efficient production levels and lower than average production costs. Producers in the top 10% and top one-third profit groups had lower than average production costs/cwt in all feed and nonfeed categories in the 1997 state summary. These advantages are due to improved management, genetics, and effective implementation of new technologies. Average market price received was similar for all profit groups.

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1997 ISU Swine Business Record Program

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Summary and Implications

High-profit producers in the ISU Swine Business Record Program achieve the best combination of efficient production levels and lower than average production costs. Producers in the top 10% and top one-third profit groups had lower than average production costs/cwt in all feed and nonfeed categories in the 1997 state summary. These advantages are due to improved management, genetics, and effective implementation of new technologies. Average market price received was similar for all profit groups.

Introduction

The ISU Swine Business Record Program state summary provides benchmark values for pork production by separating producers into top 10%, top one-third, bottom one-third, and average profit groups. Data are used by producers to determine their competitive position and to set priorities for future production and financial decisions. Summaries are provided for farrow-to-finish, breed-to-wean, wean-to-feeder pig (nursery), breed-to-feeder pig, wean-to-finish, and feeder pig-to-finish phases of production. Analysis by phase of production allows producers to identify specific areas of their production system that offer the greatest opportunities for improvement. Extension field livestock specialists help producers to interpret the results and set goals for future years.

Materials and Methods

Forms for submission of data for the program are provided to producers at the beginning of the year. Extension field livestock specialists meet with producers in January or February to calculate results and summarize data from the previous year. A producer's individual data and benchmark values from the state summary are used by the field livestock specialist to identify strengths and weaknesses and to recommend areas that offer the greatest potential for improvement. Individual producer data is submitted to the state extension office for inclusion in the annual state summary.

Results and Discussion

Favorable market prices and lower production costs combined to make 1997 another profitable year for most Iowa pork producers. Data for 102 farrow-

to-finish operations are presented in Table 1. Producers are sorted by margin over all costs into top 10%, top one-third, bottom one-third, and average profit groups. Average market price for the year received by producers was \$52.91/cwt compared with \$54.66 in 1996. Average feed cost/cwt of pork produced was \$28.49 and average total cost/cwt was \$44.84 in 1997 compared with \$32.60 and \$48.94, respectively, in 1996. Average cost of all diets fed was \$7.99/cwt in 1997 compared with \$9.34 in 1996.

Producers in the top 10% profit group continue to record significantly lower production costs in nearly all areas. Feed cost/cwt of pork produced was \$27.13, slightly lower than the average for all producers. Total cost/cwt was \$39.08 for the top 10% profit group, which is \$5.76 lower than the total production cost for all 102 producers in the data set. This difference is because producers in the top 10% profit group had lower costs in all nonfeed categories (Table 1, lines 9–15), in addition to an advantage in feed cost/cwt.

An increase in average market hog weight also was evident in the 1997 data. Average weight for all market hogs sold in 1997 was 251 pounds compared with 248 pounds in 1996. Average market weight in 1992 (5 years ago) was 243 pounds.

Tables 2–6 list production data and cost of production for the individual phases of production, which include breed-to-wean, wean-to-feeder pig (nursery), breed-to-feeder pig, wean-to-finish, and feeder pig-to-finish. Itemized expenses by production phase and sale or transfer weights are required to participate in these summaries.

Table 1. 1997 ISU Swine Business Record Farrow-to-Finish State Summary (Total of 102 Farms).

Sorted by margin over all costs including inventory	Top 10%	Top 1/3	Bottom 1/3	Average
1 Return to Capital, Unpaid Labor and Management, \$	\$ 110,035	\$ 91,594	\$ 9,530	\$ 48,400
2 Net Profit and Return to Management this Period, \$	\$ 86,316	\$ 64,328	\$ (27,072)	\$ 17,469
3 Return per Hour for All Hours of Labor and Management, \$/h	\$ 42.62	\$ 29.40	\$ (0.34)	\$ 15.61
4 Percent Return on Capital, %	62.7%	41.4%	-5.0%	17.7%
5 Average Price per Cwt of Market Hogs, \$	\$ 52.96	\$ 53.12	\$ 52.74	\$ 52.91
6 Average Price per Cwt of Cull Breeding Stock Sold, \$	\$ 43.48	\$ 40.76	\$ 38.26	\$ 40.28
7 Average Price per Cwt of All Mkt. Animals Sold Excluding Newly Weaned Pigs, \$	\$ 55.89	\$ 53.87	\$ 52.65	\$ 52.99
8 Feed Cost per Cwt of Pork Produced, \$	\$ 27.13	\$ 27.11	\$ 30.38	\$ 28.49
9 Other Oper. Cost (except Hired Labor)/Cwt Pork Produced, \$	\$ 5.14	\$ 5.46	\$ 7.99	\$ 6.52
10 Utilities, Fuel Elec. & Telephone/Cwt, \$	\$ 1.65	\$ 1.59	\$ 2.09	\$ 1.70
11 Veterinary Services & Medicine per Cwt, \$	\$ 1.35	\$ 1.33	\$ 1.68	\$ 1.49
12 Depreciation, Taxes & Ins. Costs per Cwt of Pork Produced	\$ 1.57	\$ 2.19	\$ 3.88	\$ 2.78
13 Capital Charge on Fixed Capital/Cwt of Pork Produced	\$ 1.04	\$ 1.29	\$ 1.93	\$ 1.46
14 Capital Charge on Operating Capital/Cwt of Pork Produced	\$ 0.94	\$ 1.05	\$ 1.62	\$ 1.28
15 Value of Labor (All) per Cwt of Pork Produced, \$	\$ 3.88	\$ 3.88	\$ 5.94	\$ 4.87
16 Total Cost per Cwt of Pork Produced, \$	\$ 39.08	\$ 40.34	\$ 51.12	\$ 44.84
17 Margin Over All Costs per Cwt of Pork Sold, not including inventory, \$	\$ 20.74	\$ 15.27	\$ 1.60	\$ 8.76
18 Margin Over All Costs per Cwt of Pork Produced, including inventory, \$	\$ 15.98	\$ 10.59	\$ (6.27)	\$ 2.50
19 Margin Over All Costs per Head Sold, including inventory, \$	\$ 37.25	\$ 25.76	\$ (14.98)	\$ 6.30
20 Fixed Costs per Year per Female Maintained, \$	\$ 89	\$ 144	\$ 182	\$ 152
21 Fixed Costs per Year per Crate Maintained, \$	\$ 392	\$ 623	\$ 899	\$ 698
22 Fixed Costs per Pig Weaned, \$	\$ 4.76	\$ 7.71	\$ 12.65	\$ 9.44
23 Net Profit per Year per Female Maintained, \$	\$ 551	\$ 421	\$ (185)	\$ 121
24 Net Profit per Year per Crate Maintained, \$	\$ 2,239	\$ 1,797	\$ (816)	\$ 547
25 Net Profit per Pig Marketed, \$	\$ 38.35	\$ 26.54	\$ (15.70)	\$ 6.43
26 Total No. of Market Hogs Sold this Period	1824	2184	1747	1933
27 Average Wt of Market Hogs Sold, Lb	248	250	252	251
28 Pig Death Loss, Birth to Weaning (% of No. Farrowed Live)	9.65%	9.03%	13.26%	11.34%
29 Pig Death Loss, Weaning to Feeder (% of No. Weaned)	1.22%	2.03%	3.31%	2.57%
30 Pig Death Loss, Feeder to Market (% of No. of Feeders Started)	4.07%	4.69%	7.41%	5.94%
31 Breeding Stock Death Loss (% of No. Maintained)	3.94%	4.22%	6.34%	4.93%
32 Average Breeding Female Inventory, No. of Head	140	158	150	148
33 No. of Litters Weaned per Female per Year	1.88	1.92	1.71	1.83
34 No. of Pigs Weaned per Litter	9.16	9.08	8.41	8.72
35 No. of Pigs Weaned per Female per Year	17.34	17.47	14.40	16.04
36 No. of Litters Weaned per Crate per Year	7.53	8.71	8.55	8.57
37 No. of Pigs Weaned per Crate per Year	69.96	78.90	72.73	74.94
38 Total Pounds of Feed per Cwt of Pork Produced, Lb	341	342	375	358
39 Average Cost of Diets per Cwt, \$	\$ 8.00	\$ 7.94	\$ 8.14	\$ 7.99
40 Hours of Labor per Cwt of Pork Produced, Hours	0.55	0.52	0.62	0.56
41 Hours of Labor per Female Maintained per Year, Hours	20.08	21.67	19.65	20.44
42 Hours of Labor per Litter Weaned, Hours	10.72	11.20	11.59	11.21
43 Cost of Feed Additives & Drugs/Cwt of Pork Produced, \$	\$ 1.18	\$ 1.12	\$ 1.26	\$ 1.16

Table 2. ISU Swine Business Record Breed-to-Wean State Summary (Total of 60 Farms).

	Average
1 Average Price per Weaner Pig Sold, \$	\$ 33.60
2 Average Price per Cwt of Cull Breeding Stock Sold, \$	\$ 40.11
3 Feed Cost per Cwt of Pork Produced, \$	\$ 58.57
4 Other Oper. Cost (except Hired Labor)/Cwt Pork Produced, \$	\$ 32.50
5 Utilities, Fuel Elec. & Telephone/Cwt, \$	\$ 8.43
6 Veterinary Services & Medicine per Cwt, \$	\$ 7.67
7 Depreciation, Taxes & Ins. Costs per Cwt of Pork Produced	\$ 10.94
8 Capital Charge on Fixed Capital/Cwt of Pork Produced	\$ 6.39
9 Capital Charge on Operating Capital/Cwt of Pork Produced	\$ 2.81
10 Value of Labor (All) per Cwt of Pork Produced, \$	\$ 23.71
11 Total Cost per Cwt of Pork Produced, \$	\$ 132.62
12 Fixed Costs per Year per Female Maintained, \$	\$ 52.27
13 Fixed Costs per Year per Crate Maintained, \$	\$ 257.35
14 Fixed Costs per Pig Weaned, \$	\$ 3.18
15 Total No. of Newly Weaned Pigs Sold this Period (Average of 8 Farms)	5,086
16 Average Wt of Newly Weaned Pigs Sold this Period	11.04
17 Pig Death Loss, Birth to Weaning (% of No. Farrowed Live)	10.45%
18 Breeding Stock Death Loss (% of No. Maintained)	4.92%
19 Average Breeding Female Inventory, No. of Head	177
20 No. of Litters Weaned per Female per Year	1.85
21 No. of Pigs Weaned per Litter	8.83
22 No. of Pigs Weaned per Female per Year	16.42
23 No. of Litters Weaned per Crate per Year	9.32
24 No. of Pigs Weaned per Crate per Year	82.58
25 Total Pounds of Feed per Cwt of Pork Produced, Lb	741
26 Average Cost of Diets per Cwt, \$	\$ 8.29
27 Hours of Labor per Cwt of Pork Produced, Hours	2.83
28 Hours of Labor per Female Maintained per Year, Hours	8.98
29 Hours of Labor per Litter Weaned, Hours	4.85
30 Cost of Feed Additives & Drugs/Cwt of Pork Produced, \$	\$ 3.25

Table 3. ISU Swine Business Record Wean-to-Feeder Pig State Summary (Total of 53 Farms).

	Average
1 Average Price per Cwt of Feeder Pigs Sold, \$	\$ 104.47
2 Feed Cost per Cwt of Pork Produced, \$	\$ 28.97
3 Other Oper. Cost (except Hired Labor)/Cwt Pork Produced, \$	\$ 11.70
4 Utilities, Fuel Elec. & Telephone/Cwt, \$	\$ 4.33
5 Veterinary Services & Medicine per Cwt, \$	\$ 3.10
6 Depreciation, Taxes & Ins. Costs per Cwt of Pork Produced	\$ 4.22
7 Capital Charge on Fixed Capital/Cwt of Pork Produced	\$ 2.22
8 Capital Charge on Operating Capital/Cwt of Pork Produced	\$ 2.16
9 Value of Labor (All) per Cwt of Pork Produced, \$	\$ 5.18
10 Total Cost per Cwt of Pork Produced, \$	\$ 53.68
11 Total No. of Feeder Pigs Sold this Period (Average of 17 Farms)	866
12 Average Wt of Feeder Pigs Sold, Lb	50
13 Pig Death Loss, Weaning to Feeder (% of No. Weaned)	3.20%
14 Total Pounds of Feed per Cwt of Pork Produced, Lb	178
15 Average Cost of Diets per Cwt, \$	\$ 16.82
16 Hours of Labor per Cwt of Pork Produced, Hours	0.64
17 Cost of Feed Additives & Drugs/Cwt of Pork Produced, \$	\$ 2.32

**Table 4. ISU Swine Business Record Breed-to-Feeder Pig State Summary
(Total of 51 Farms).****Average**

	Average
1 Average Price per Cwt of Feeder Pigs Sold, \$	\$ 105.63
2 Average Price per Cwt of Cull Breeding Stock Sold, \$	\$ 39.02
3 Feed Cost per Cwt of Pork Produced, \$	\$ 40.32
4 Other Oper. Cost (except Hired Labor)/Cwt Pork Produced, \$	\$ 19.13
5 Utilities, Fuel Elec. & Telephone/Cwt, \$	\$ 5.68
6 Veterinary Services & Medicine per Cwt, \$	\$ 4.75
7 Depreciation, Taxes & Ins. Costs per Cwt of Pork Produced	\$ 6.29
8 Capital Charge on Fixed Capital/Cwt of Pork Produced	\$ 3.32
9 Capital Charge on Operating Capital/Cwt of Pork Produced	\$ 1.82
10 Value of Labor(All) per Cwt of Pork Produced, \$	\$ 11.93
11 Total Cost per Cwt of Pork Produced, \$	\$ 81.46
12 Fixed Costs per Year per Female Maintained, \$	\$ 81.14
13 Fixed Costs per Year per Crate Maintained, \$	\$ 383.40
14 Fixed Costs per Pig Weaned, \$	\$ 5.01
15 Total No. of Feeder Pigs Sold this Period (Average of 16 Farms)	820
16 Average Wt of Feeder Pigs Sold, Lb	49
17 Pig Death Loss, Birth to Weaning (% of No. Farrowed Live)	10.78%
18 Pig Death Loss, Weaning to Feeder (% of No. Weaned)	3.11%
19 Breeding Stock Death Loss (% of No. Maintained)	5.12%
20 Average Breeding Female Inventory, No. of Head	140
21 No. of Litters Weaned per Female per Year	1.85
22 No. of Pigs Weaned per Litter	8.82
23 No. of Pigs Weaned per Female per Year	16.39
24 No. of Litters Weaned per Crate per Year	8.94
25 No. of Pigs Weaned per Crate per Year	79.02
26 Total Pounds of Feed per Cwt of Pork Produced, Lb	397
27 Average Cost of Diets per Cwt, \$	\$ 10.32
28 Hours of Labor per Cwt of Pork Produced, Hours	1.46
29 Hours of Labor per Female Maintained per Year, Hours	12.27
30 Hours of Labor per Litter Weaned, Hours	6.62
31 Cost of Feed Additives & Drugs/Cwt of Pork Produced, \$	\$ 2.86

Table 5. ISU Swine Business Record Wean-to-Finish Pig State Summary (Total of 51 Farms).

	Average
1 Average Price per Cwt of Market Hogs, \$	\$ 53.17
2 Feed Cost per Cwt of Pork Produced, \$	\$ 25.85
3 Other Oper. Cost (except Hired Labor)/Cwt Pork Produced, \$	\$ 4.46
4 Utilities, Fuel Elec. & Telephone/Cwt, \$	\$ 1.14
5 Veterinary Services & Medicine per Cwt, \$	\$ 0.89
6 Depreciation, Taxes & Ins. Costs per Cwt of Pork Produced	\$ 1.81
7 Capital Charge on Fixed Capital/Cwt of Pork Produced	\$ 0.99
8 Capital Charge on Operating Capital/Cwt of Pork Produced	\$ 1.39
9 Value of Labor (All) per Cwt of Pork Produced, \$	\$ 2.39
10 Total Cost per Cwt of Pork Produced, \$	\$ 36.68
11 Total No. of Market Hogs Sold this Period	1,881
12 Average Wt of Market Hogs Sold, Lb	251
13 Pig Death Loss, Weaning to Feeder (% of No. Weaned)	3.00%
14 Pig Death Loss, Feeder to Market (% of No. of Feeders Started)	3.66%
15 Total Pounds of Feed per Cwt of Pork Produced, Lb	316
16 Average Cost of Diets per Cwt, \$	\$ 8.19
17 Hours of Labor per Cwt of Pork Produced, Hours	0.27
18 Cost of Feed Additives & Drugs/Cwt of Pork Produced, \$	\$ 1.68

**Table 6. ISU Swine Business Record Feeder Pig-to-Finish State Summary
(Total of 62 Farms).****Average**

1 Average Price per Cwt of Market Hogs, \$	\$ 53.17
2 Feed Cost per Cwt of Pork Produced, \$	\$ 25.17
3 Other Oper. Cost (except Hired Labor)/Cwt Pork Produced, \$	\$ 2.92
4 Utilities, Fuel Elec. & Telephone/Cwt, \$	\$ 0.59
5 Veterinary Services & Medicine per Cwt, \$	\$ 0.49
6 Depreciation, Taxes & Ins. Costs per Cwt of Pork Produced	\$ 1.33
7 Capital Charge on Fixed Capital/Cwt of Pork Produced	\$ 0.73
8 Capital Charge on Operating Capital/Cwt of Pork Produced	\$ 1.29
9 Value of Labor (All) per Cwt of Pork Produced, \$	\$ 1.83
10 Total Cost per Cwt of Pork Produced, \$	\$ 33.15
11 Total No. of Market Hogs Sold this Period	1,710
12 Average Wt of Market Hogs Sold, Lb	253
13 Pig Death Loss, Feeder to Market (% of No. of Feeders Started)	3.69%
14 Total Pounds of Feed per Cwt of Pork Produced, Lb	339
15 Average Cost of Diets per Cwt, \$	\$ 7.42
16 Hours of Labor per Cwt of Pork Produced, Hours	0.21
17 Cost of Feed Additives & Drugs/Cwt of Pork Produced, \$	\$ 1.67