

# FARM MANAGEMENT GUIDE

## KSU Finishing Swine Budget

Current Prices

(as of Dec. 4th, 2017)

### Production Efficiency Information

Finisher Mortality (%)	5.34
Feed to Gain Conversion	2.69
Entry Weight (lbs)	51.50
Exit Weight (lbs)	272.80

Revenue	Price	Unit	Qty	Unit	Total per Year per Pig Sold	
Market Hogs	\$ 46.41	per cwt	x	273	lbs	x 0.95 = \$ 119.85
Less cost of Feeder Pigs	\$ 66.83	per hd				= \$ (66.83)
Manure Credit						\$ 5.00
Other revenue						\$ -
<b>Gross Income</b>						<b>\$ 58.02</b>
<b>Variable Costs</b>						
Grow-Finish Feed	\$ 0.08	per lb	x	595.3	lbs	= \$ 47.66
Feed Processing	\$ 17.00	per ton	x	0.30	ton	= \$ 5.06
Labor	\$ 15.00	per hour	x	0.2	hours	= \$ 3.00
Vet Medicine/Drugs						\$ 4.25
Marketing, Bedding, and Misc						\$ 0.60
Utilities, Gas, Fuel, Oil						\$ 2.74
Machinery, Facility/Equip. Repairs						\$ 1.84
Other variable costs						\$ -
<b>Total Variable Costs</b>						<b>\$ 65.15</b>
<b>Fixed Costs</b>						
Machinery, Facilities, General Overhead						\$ 19.01
Taxes and Insurance						\$ 1.81
Legal, Accounting, etc.						\$ 1.00
Other fixed costs						\$ -
<b>Total Fixed Costs</b>						<b>\$ 21.82</b>
<b>Total Costs</b>						<b>\$ 86.97</b>
Income Over Variable Costs						\$ (7.13)
<b>Income Over Total Costs</b>						<b>\$ (28.96)</b>

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## KSU Finishing Swine Budget

K-State's Agricultural Economics Department publishes *Farm Management Guides* to estimate the current profitability of different agricultural enterprises. This format for livestock enterprises allows the user to change certain key inputs to cater the budget to their production situation. Climate, genetics, local cash prices, and a variety of other factors makes budgeting to the entire state of Kansas difficult. While defaults in the spreadsheet are research-based estimates, users should enter their own performance, price and cost information using the cells in **blue**. Base input and output prices are currently updated quarterly. Users are encouraged to update prices to best reflect their specific situation.

Three different sets of price forecasts are available in the spreadsheet. By clicking the dropdown menu at the top of the budget, a user can select "Current Prices", "One Year Out Prices", or "Five Year Out Prices". All price assumptions can be viewed in the *Prices* tab.

Feed assumptions can be viewed in the *Feed* tab.

Base production/situation values are derived (except for sow replacement and mortality rates) from the most recent *U.S. Pork Industry Productivity Analysis* published by the National Pork Board and authored by Dr. Stalder, Iowa State University.

Most non-feed variable and fixed costs are derived from USDA ERS Cost of Production Estimates (provided in on \$/cwt gain units) last updated October 2, 2017.

### Production Efficiency Measures

**Finisher Mortality (%)**: Default value of 5.34%.

**Feed-to-Gain Conversion (lbs)**: Default value of 2.69.

**Entry Weight (lbs)**: Default feeder pig placement weight of 51.5.

**Exit Weight (lbs)**: Default market sales weight of 272.8.

### Revenue

**Market Hogs**: Price is \$/cwt live weight and based upon the USDA LM\_HG203 Report with a default weight which can be adjusted.

**Less cost of Feeder Pigs**: Price is \$/hd and can be adjusted. Current Price is based upon the USDA NW\_LS255 Report while One Year and Five Year Out Prices are derived from a regression ( $63.72 + 0.93 * \text{Market Hogs Price} - 9.63 * \text{Corn Prices}$ ) using expected Market Hog and Corn Prices.

**Manure Credit**: Default value is set at \$5.00/pig sold.

**Other Revenue**: Placeholder for other revenue to be entered.

### Variable Costs

**Grow-Finish Feed**: See *Feed* tab for ration assumptions.

Final feed volumes are calculated to reflect changes in feed conversion and market weight.

**Feed Processing**: Reflects \$17/ton feed hauling, grinding, etc.

**Labor**: Default of 0.2 hours/hog valued at \$15/hour.

**Vet Medicine/Drugs**: Reflects USDA ERS estimate of \$1.92/cwt produced.

**Marketing, Bedding, Misc.**: Reflects USDA ERS estimate of \$0.27/cwt produced.

**Utilities, Gas, Fuel, Oil**: Reflects USDA ERS estimate of \$1.24/cwt produced.

**Machinery, Facility/Equip. Repairs**: Reflects USDA ERS estimate of \$0.83/cwt produced.

**Other Variable Costs**: Placeholder for other variable costs to be entered.

### Fixed Costs

**Machinery, Facilities, and General Overhead**: Reflects USDA ERS estimate of \$8.59/cwt produced.

**Taxes and Insurance**: Reflects USDA ERS estimate of \$0.82/cwt produced.

**Legal, Accounting, etc.**: Reflects \$1.00 per pig sold, per year.

**Other Fixed Costs**: Placeholder for other fixed costs to be entered.

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### Budget Assumptions

#### Feed Ration

Ingredient	Qty	Unit
Corn, Yellow Dent	490.82	lbs
Soybean Meal, Dehull, Sol Extr	101.00	lbs
Calcium phosphate (monocalcium)	2.30	lbs
Limestone, ground	5.50	lbs
Sodium chloride	3.00	lbs
L-Lys-HCL	1.70	lbs
DL-Met	0.10	lbs
L-Thr	0.40	lbs
Ractopamine 9 g/lb	0.00	lbs
Vitamin premix with phytase	0.63	lbs
Trace mineral premix	0.63	lbs
Ronozyme PMX PLT (4625 FYT/g)	0.07	lbs

#### Finishing Prices

	Current	One Year Out	Five Years Out
Market Hogs (\$/cwt)	\$ 46.41	\$ 47.72	\$ 48.68
Feeder Pig (\$/hd)	\$ 66.83	\$ 72.21	\$ 76.48
Swine Feed processing (\$/ton) charge	\$ 17.00	\$ 17.00	\$ 17.00
Grow-Finish Feed (\$/lb)	\$ 0.08	\$ 0.08	\$ 0.08
Corn (\$/bu)	\$ 3.30	\$ 3.75	\$ 3.40
Soybean Meal (\$/ton)	\$ 314.00	\$ 318.20	\$ 339.00
DDGS (\$/ton)	\$ 152.50	\$ 173.30	\$ 157.12
Other Feed Ingredients	\$ 0.25	\$ 0.25	\$ 0.25

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