

# FARM MANAGEMENT GUIDE

## KSU Nursery Swine Budget

Current Prices

(as of Dec. 4th, 2017)

### Production Efficiency Information

Nursery Mortality (%)	4.58
Feed to Gain Conversion	1.53
Entry Weight (lbs)	13.90
Exit Weight (lbs)	51.50

Revenue	Price	Unit		Qty	Unit			Total per Year per Pig Sold
Feeder Pigs	\$ 66.83	per hd	x	51.50	lbs	x 0.95	=	\$ 63.77
Less cost of Weaned Pigs	\$ 55.51	per hd	x	1	hd		=	\$ (55.51)
Manure Credit								\$ 0.50
Other revenue								\$ -
<b>Gross Income</b>								<b>\$ 8.76</b>
<b>Variable Costs</b>								
Nursery Feed	\$ 0.15	per lb	x	57.5	lbs		=	\$ 8.54
Feed Processing	\$ 17.00	per ton	x	0.03	ton		=	\$ 0.49
Labor	\$ 15.00	per hour	x	0.2	hours		=	\$ 3.00
Vet Medicine/Drugs								\$ 1.79
Marketing, Bedding, and Misc								\$ 0.18
Utilities, Gas, Fuel, Oil								\$ 0.66
Machinery, Facility/Equip. Repairs								\$ 0.48
Other variable costs								\$ -
<b>Total Variable Costs</b>								<b>\$ 15.14</b>
<b>Fixed Costs</b>								
Machinery, Facilities, General Overhead								\$ 5.61
Taxes and Insurance								\$ 0.34
Legal, Accounting, etc.								\$ 0.50
Other fixed costs								\$ -
<b>Total Fixed Costs</b>								<b>\$ 6.45</b>
<b>Total Costs</b>								<b>\$ 21.59</b>
Income Over Variable Costs								\$ (6.38)
<b>Income Over Total Costs</b>								<b>\$ (12.83)</b>

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## KSU Nursery 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

**Nursery Mortality (%)**: Default value of 4.58%.

**Feed-to-Gain Conversion (lbs)**: Default value of 1.513

**Entry Weight (lbs)**: Default weaned pig placement weight of 13.9.

**Exit Weight (lbs)**: Default feeder pig sales weight of 51.5.

### Revenue

**Feeder Pigs**: Price is \$/hd and can be adjusted. Current Price is based upon the USDA NW\_LS255 Report 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.

**Less cost of Weaned 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 ( $71.04+0.11*\text{Market Hogs Price}-5.50*\text{Corn Price}$ ) using expected Market Hog and Corn Prices.

**Manure Credit**: Default value is set at \$0.50/pig sold.

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

### Variable Costs

**Nursery Feed**: See *Feed* tab for ration assumptions. Final feed volumes are calculated to reflect changes in feed conversion and entry/exit weights.

**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 \$4.76/cwt produced.

**Marketing, Bedding, Misc.**: Reflects USDA ERS estimate of \$0.49/cwt produced.

**Utilities, Gas, Fuel, Oil**: Reflects USDA ERS estimate of \$1.75/cwt produced.

**Machinery, Facility/Equip. Repairs**: Reflects USDA ERS estimate of \$1.27/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 \$14.93/cwt produced.

**Taxes and Insurance**: Reflects USDA ERS estimate of 0.90/cwt produced.

**Legal, Accounting, etc.**: Reflects \$0.50 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	28.49	lbs
Soybean Meal, Dehull, Sol Extr	14.96	lbs
Calcium phosphate (monocalcium)	0.32	lbs
Limestone, ground	0.47	lbs
Sodium chloride	0.20	lbs
L-Lys-HCL	0.17	lbs
DL-Met	0.03	lbs
L-Thr	0.04	lbs
Vitamin premix with phytase	0.10	lbs
Trace mineral premix	0.06	lbs
Corn DDGS, 7.5% Oil	5.25	lbs
Denegard	0.09	lbs
CTC 50	0.21	lbs
Complete nursery pellet	3.00	lbs

#### Nursery Prices

	Current	One Year Out	Five Years Out
Feeder Pig (\$/hd)	\$ 66.83	\$ 72.21	\$ 76.48
Weaned Pig (\$/hd)	\$ 55.51	\$ 55.70	\$ 57.73
Swine Feed processing (\$/ton) charge	\$ 17.00	\$ 17.00	\$ 17.00
Nursery Feed (\$/lb)	\$ 0.15	\$ 0.15	\$ 0.15
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	\$ 0.39	\$ 0.39	\$ 0.40

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